

**City of Seal Beach  
California**

**OPERATING PROGRAM OF SERVICES BUDGET  
FOR FISCAL YEAR 2006-07**

**CITY COUNCIL**

John Larson, Mayor  
Ray Ybaben, Mayor Pro Tem  
Charles Antos, Council Member  
Mike Levitt, Council Member  
Gordon Shanks, Council Member

**EXECUTIVE OFFICERS**

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## Budget Transmittal Letter

May 17, 2006

Honorable Mayor and City Council:

In accordance with the City Charter Section 1002, the proposed budget was transmitted to City Council at least 35 days prior to the beginning of the fiscal year. The proposed budget for FY 2006/07 being submitted to City Council will be subject to Council budget workshops and a public hearing prior to adoption.

The budget format is composed of three separate documents:

- **FY 2006/07 Budget** – is the traditional budget document that City Council will review and adopt as required by the City Charter.
- **Capital Improvement Program** – provides a five-year plan for capital improvements. This five-year program outlines how the City will address its long-term capital needs. In addition, the five-year Capital Improvement Program also contains the identified needed, but unfunded, projects that the City must eventually address.
- **Budget in Brief** – summarizes the proposed FY 2006/07 Budget and provides an overview of the budget to the members of the Seal Beach community. For detailed budget information, it is best to use the proposed FY 2006/07 Budget.

Combined, these three documents are the FY 2006/07 budget package that is being submitted to City Council for consideration and approval.

The proposed budget takes an optimistic approach to the City's short-term fiscal health. This is due to the hard work over the last few years to reduce expenditures, restrain spending of one-time revenues, and ensure that expenditures do not exceed revenues. This formula has resulted in the City being able to fund reserves at acceptable levels and provides for a stable fund balance. This year the City Council approved a one-year budget approach in order to change the budget cycle. In many ways, this is a transitional budget that allows the City to return to the two-year budget beginning in FY 2007/08. Although this will create some additional work by staff, it will allow new Council Members more time to study the budget prior to undergoing a budget process. The proposed budget reflects a carefully balanced budget that provides essential City services at acceptable levels. On a cautionary note, the City still needs to examine its long-term fiscal health.

### City Council Goals

The City Council established four goals that provided the staff with a blueprint to guide the City over the next several years. With the assistance of a facilitator, the City Council developed the following four goals:

- Deliver responsive, user-friendly customer service
- Improve the quality of life for all residents
- Create sustainable revenues for essential City services

- Adopt a proactive, constructive approach to land use issues

Over the last two years, staff has worked toward completing many of the projects and programs to meet the goals established by City Council. Some of the projects and programs completed in FY 2005/06 include:

- Sale of the Rodi Property
- Completion of the Seal Beach Blvd. Medians
- New landscaping at 1<sup>st</sup> Street and Pacific Coast Highway
- Rehabilitation of Seal Beach Groin
- Completion of the bi-annual sand replenishment of the beach
- Completion of a 2-year, \$3 million residential paving program
- Construction of additional storm drain improvements in Old Town and Bridgeport areas of Seal Beach

The proposed FY 2006/07 budget continues to place resources where necessary to complete the goals set forth by City Council. For example, Ocean Blvd. pavement rehabilitation project, additional funding for trees and a citywide telephone and information systems upgrade are included in the proposed FY 2006/07 budget. In developing the operating and capital improvement budget, staff used the City Council goals to make funding decisions for the proposed FY 2006/07 budget. In order to augment City resources, staff is constantly looking for grants that may fund some of the projects and programs of the City. However, grants should not be used as a constant source of revenue to the City since they are often for specific purposes and are one-time revenues.

## **Budget Notes**

The proposed FY 2006/07 budget is based on the following assumptions:

- Reserves are fully funded in the adopted budget to ensure the long-term health of the City, provide for emergencies, and serve as a source of matching funds for potential grants.
- The adopted budget assumes staffing level of 30 police officers, including a Police Chief and a Lieutenant.

Based on previous City Council action, the proposed budget includes funding for the Ocean Avenue pavement rehabilitation project. This \$1.5 million project is in addition to the annual FY 2006/07 funding for street improvements. Repaving Ocean Avenue will utilize Redevelopment Agency funds that were obtained through the sale of the Rodi property. The Ocean Avenue project will be a significant undertaking for the City. Over the upcoming Fiscal Year, \$600,000 will be spent on storm drain improvements and an additional \$1.6 million on street improvements. This is one time funding that will not impact the operational budget of the City.

Within the proposed budget, revenues are conservatively forecasted while operating expenditures are programmed to increase by 12.25% over in fiscal year 2006/07, excluding transfers out to other funds. If transfers out are included, overall expenditures reflect a decrease of approximately



1.7% from 2005/06. The increase in core operating expenditures is due primarily to increases in Police salaries and PERS obligations.

## **Budget Highlights**

**Fiscal Stability Continues for FY 2006/2007** – The FY 2006/07 General Fund budget reflects an operating surplus of approximately \$2 million. The FY 2006/07 proposed budget continues to be influenced by the retirement costs in the public safety area. In the proposed budget, the public safety retirement costs in FY 2006/07 are approximately \$2.2 million. Implementation of the enhanced retirement system (3%@50) for the police department in FY 2003/04 has resulted in recurring expenditures that the City is obligated to fund.

It should be noted that the proposed budget fully funds the General Fund reserves at the levels set forth in the budget policies established by City Council. Staff believes that these reserves are necessary to preserve the City's fiscal stability. The reserves are needed in case of a natural disaster, additional State cuts not presently anticipated, and for cash flow purposes. In addition, building activity is slowing and will reduce building and planning related fees. Due to the timing of project completion, staff has not adjusted revenue increases to account for the Heron Pointe and Pacific Gateway developments.

Through good fiscal management, the City has been able to produce budgets that generate greater revenues than expenditures since 1999. It is now time to invest these resources in the City's infrastructure. Simply put, the City has made the necessary adjustments to withstand a number of dramatic events. In order to continue the fiscal stability the City has enjoyed over the last four years, it will require a balanced approach of increasing revenues and controlling expenditures.

**Street Improvements** – The FY 2006/07 proposed budget reflects an approval to transfer \$1.5 million of Redevelopment Agency funds to the Capital Improvement Fund in order to fund the Ocean Avenue rehabilitation. Transferring \$1.5 million would be new money in addition to the funding already allocated for street and transportation improvements. Additionally, approximately \$1.2 million is budgeted from other agency revenues.

As previously mentioned, staff is comfortable with this transfer since it matches one-time revenues (e.g. sale of Rodi property) with a one-time expenditure. This transfer of Redevelopment Agency funds does not impact City reserves or the City's General Fund.

**Capital Improvement Program** – Included as part of the proposed budget is the Capital Improvement Program (CIP) for the next five years. This program outlines what projects are planned for construction in the City. Improvements to the water, sewer, buildings, streets, and other facilities are discussed in the CIP. In FY 2006/07, the City is projected to spend approximately \$17 million in capital improvements. Staff has identified over \$40 million in projects throughout the City that are in need of repair and are unfunded. To refine costs to repair the City pier, staff has worked with consultants to prepare an assessment of the pier decking; that report concluded replacing the pier deck could range from \$1 million to \$1.5 million. City Council will need to determine what level of funding should be dedicated to improving pier decking. Major projects that are moving forward include: the Ocean Avenue street rehabilitation, improvements to Station 35, and the West End Storm Drain pump station.

The following projects are some of the significant undertakings for the Capital Improvement Program for FY 2006/2007:

- Ocean Avenue Rehabilitation

- Seal Beach Blvd. north of St. Cloud Pavement Rehabilitation and Fiber Optic Traffic Signal System
- Pier Deck Rehabilitation
- Gum Grove Park and Bluebell Park Improvements
- Phase 2 Storm Drain Improvements
- West End Pump Station Improvements
- City Hall and Community Center Rehabilitation
- Sewer Pump Station No. 35 Rehabilitation
- Sewer System Repair and Capacity Improvements
- Water Station and Reservoir Improvements at Beverly Manor and Navy
- Water System Improvements to Leisure World
- New Water Well in College Park East

**Water Fund** – In 2003, the City Council approved a water rate increase plan that adjusted rates through 2009. Based on a water rate study and master plan, the rates were adjusted to provide the needed operational and capital funding to maintain a safe, reliable drinking water system. Without this rate adjustment, the City would have had a looming financial problem in the City's Water Fund due in large part because water rates had not been adjusted since 1997. The Water Fund in FY 2006/07 will generate net income of approximately \$1.6 million. Due to the rate adjustments enacted by City Council, the Water Fund is now beginning to provide the funding necessary to operate the Water Fund correctly and without a loss. In addition, capital improvements are being made to the water system. In FY 2005/06, the Navy Water Reservoir was rehabilitated extending the useful life of that facility by 20+ years. The improvements to the Navy Reservoir also included improved controls and pumps. In FY 2006/07, the City will begin the College Park East well design and drilling. Improvements will also be made to the Leisure World water system and the Beverly Manor Reservoir and pumping system.

**Sewer Fund** – The Sewer Fund's financial situation improved in 2005 due to a rate adjustment approved in October. The rate adjustments for both operations and capital will make the Sewer Fund self sufficient in addition to providing funds for making necessary infrastructure improvements. This will enable compliance with the City's fiscal policies requiring user rates to cover all direct and indirect costs of the enterprise. The Sewer Fund in FY 2006/07 will generate net income of approximately \$400,000. In FY 2006/07 improvements will be made to Station 35 that will prolong its useful life. Station 35 is a critical sewer pumping facility for the Hill and Old Town areas of Seal Beach. The improvements to Station 35 include controls, pumps, and piping replacement. Other Sewer Fund capital improvements include sewer line replacement throughout the City and a citywide pipe-relining project. These sewer projects will correct numerous problems throughout the City and reduce the possibility of sewer spills in the City. Seal Beach is currently under a waste discharge requirement permit issued by the Regional Water Quality Control Board that mandates cities keep their sewer system in proper condition to avoid spills. Cities that fail to invest in the sewer infrastructure risk fines and penalties from the Regional Water Quality Control Board.

**Redevelopment Agency** – In FY 2006/07, improvements to the West End Pump Station will continue. This fiscal year the Agency will provide the necessary funds to repave Ocean Avenue from Electric Avenue to First Street. The funding for Ocean Avenue will come from the proceeds received as part of the sale of the Rodi Property. Rehabilitating Ocean Avenue with new curbs, gutters, and paving will not only benefit the 229 parcels, along the street but also the visitors and residents that use Ocean Avenue on a regular basis. Demolition of the Zoeter school property is also scheduled for FY 2006/07 at a budgeted cost of \$800,000. Tax increment collected for both fiscal years are more than sufficient to cover debt service payments, the 20% housing set aside requirements, and operating expenses for the Riverfront Project.

## **Financial Overview**

In FY 2006/07, total General Fund revenues are projected to be \$23.9 million. This is a \$475,000 (approx.) increase from FY 2005/06. The increase in revenues is primarily due to the 9.3% increase in property taxes.

The City's top three General Fund revenues sources continue to be property tax, utility user tax, and sales tax.

	<u>FY 2006/07</u>
Property Tax	\$6,699,000
Utility Users Tax	\$4,600,000
Sales Tax	\$3,600,000

In FY 2006/07, these three General Fund revenues represent \$14.9 million of the \$23.9 million in total General Fund revenues. The top three General Fund revenues are projected to remain unchanged in FY 2006/07. Over the next year, revenues are expected to remain fairly stable assuming no significant changes occur in the top three General Fund revenues.

General Fund expenditures in FY 2006/07 are budgeted at approximately \$22.6 million. Excluding transfers out to other funds, this represents an increase of approximately \$2.2 million over FY 2005/06 results. This increase is predominately due to the increase in salaries (e.g., Safety employees) and PERS obligations.

Water Fund revenue in FY 2006/07 is projected at approximately \$5.2 million. This represents an increase of \$144,000 (approx.), or 2.8%, over FY 2005/06 results. Overall, the revenues in the Water Fund are higher due to the water rate adjustment approved in August 2003. Expenditures in the Water Fund are projected at approximately \$3.5 million in FY 2006/07. Expenditures in the Water Fund increased by 3.8% in FY 2006/07.

The Sewer Fund is projected to have revenues of approximately \$1.5 million in FY 2006/07. This represents an increase of 7.3 over the prior year due to the increase in water rates. Expenditures in the Sewer Fund are expected to increase by 9.8%. The Sewer Fund is projected to have a positive net income of \$398,000 (approx.).

Tidelands Beach Fund revenues are estimated at approximately \$1.96 million in FY 2006/07. The General Fund subsidy to the Tidelands Beach Fund is projected at \$1.51million with expenditures in the Tidelands Fund estimated at \$1.96 million (this amount includes \$250,000 for pier renovation and \$600,000 for the Groin Renovation Project) during FY 2006/07.

## **Development and Economic Assumptions**

In the FY 2006/07 proposed budget, staff has developed conservative yet realistic revenue estimates in large part due to the uncertainty of development within Seal Beach. Uncertainty exists with the following developments: Pacific Gateway Project, Rossmoor Shopping Center, the Regency Shopping Center, completion of Heron Pointe, and the Panattoni/Hampton Inn development. Staff cannot project when these developments will be on-line and in a position to reflect full revenue potential. As a result, staff is not comfortable projecting revenues from these developments. Once revenue figures are available from these developments, staff recommends

that the current revenue projections be adjusted. As City Council is aware, the Heron Pointe project (which was delayed for 18 months and is just now nearing completion) is the main reason why staff takes such a conservative approach to revenue projections.

A consistent question has been raised concerning what can be done to improve Seal Beach's long-term fiscal health. Seal Beach has improved its fiscal health due to increased sales tax generators, which resulted from the Bixby and a portion of the Rossmoor developments. However, those revenues are starting to flatten and it is doubtful that a significant increase in sales taxes will result from these mature shopping centers. There is no doubt that without these two additional sales tax generators Seal Beach would be in a less favorable fiscal situation. Unfortunately, although the Bixby and Rossmoor shopping centers provide additional revenues needed for the City, rising PERS rates have offset the anticipated benefits.

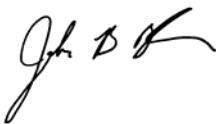
Over the long term, Seal Beach still needs to make decisions that will improve its long-term fiscal health. Fiscal health for Seal Beach can be achieved by reducing expenditures, increasing revenues or a combination of expenditure reduction and revenue increases. This very simple formula will bring long-term fiscal health to the City but will require difficult policy decisions to be made. Unfortunately, the revenue option is very limited due to a lack of land within the City available for development and the community's reluctance to make changes that may impact the character of the community.

In California, the economic outlook is likely to remain stable in FY 2006/07. According to the Orange County Assessor in June 2001 the median home price was just over \$300,000. In just four years, the median home price has more than doubled to \$621,000. Within Seal Beach the 2005 median home price is \$769,000. However, due to the large number of pre Proposition 13 homes, the City is not recognizing the added property taxes. The Consumer Price Index (CPI) for California is projected to range from 5.0 to 5.2% in fiscal year 2006/07. A larger source of concern is the cost of raw materials that has increased dramatically and negatively impacts the City's capital improvement projects. For example, concrete prices have risen 28% during the time period 2003-2005. Diesel fuel costs have increased by 90% between 2004-2005. Staff has significantly raised fleet fuel cost in anticipation of gasoline exceeding \$3.00 a gallon. According to the Chapman Economic Forecast 2006, the national Gross Domestic Product (GDP) is expected to grow at 3.4% rate. In Orange County the economic forecast is for continued growth but at modest rates. The forecast by Chapman University calls for a small decrease in housing prices, but no sudden drop in the housing market. With the national and state economies growing slowly, the proposed budget has conservatively projected revenues and expenditures.

### **Acknowledgement**

The Executive Management Team of the City deserves special recognition for their efforts in developing revenue and expenditure projections that meet the needs of the community. The City extends a special "thank you" to the Staff in the Administrative Services Department for their effort in completing the budget while simultaneously managing a growing number of significant projects. Their long hours and necessary teamwork required to bring this budget to completion is greatly appreciated.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "John B. Bahorski", is written over a thin red horizontal line.

John B. Bahorski  
City Manager

# Budget and Fiscal Policies

## Introduction

City Council developed a goal to create sustainable revenues for essential City services. One of the objectives to accomplish this goal is to create a fiscal policy for the City. The following policy has been developed to fulfill the objective established by City Council. Formulating these policies began with a review of the City Charter and Municipal Code. Sections 1000 through 1013 of the Seal Beach City Charter and Article X through XVIII of the Seal Beach Municipal Code govern the fiscal administration of the City. These budget and fiscal policies are intended to augment the City Charter and Municipal Code and to bring greater clarity to the City's budget and fiscal processes. Should there be a conflict on fiscal or budget matters, the controlling document is the City Charter followed by the Municipal Code, and then the Budget/Fiscal policies.

The Budget and Fiscal Policies document is a flexible working document that provides the organization structure, but has the ability to be modified to meet the changing requirements placed on municipal governments. Fiscal and budget policies will occasionally need to be modified to meet changes in Federal and State law, Governmental Accounting Standards Board (GASB) and other regulatory bodies. Establishing Budget and Fiscal policies provide a means to create a flexible working document and still achieve the structure needed in the area of budget and finance.

To assist the user, the Budget/Fiscal policies have been organized into the following sections:

- Financial Plan Purpose and Organization
- General Revenue Management
- User Fee Cost Recovery Goals
- Enterprise Fund Fees and Rates
- Investments
- Appropriation Limitations
- Fund Balance Designations and Reserves
- Capital Improvement Management
- Capital Financing and Debt Management
- Human Resource Management
- Productivity
- Contracting for Services
- Amendments

# Budget and Fiscal Policies

## FINANCIAL PLAN PURPOSE AND ORGANIZATION

- A. Through its financial plan, the City will:
  - 1. Identify community needs for essential services.
  - 2. Organize the programs required to provide these essential services.
  - 3. Establish program policies and goals, which define the nature and level of program services required.
  - 4. Identify activities performed in delivering program services.
  - 5. Propose objectives for improving the delivery of program services.
  - 6. Identify and appropriate the resources required for performing program activities and accomplishing program objectives.
- B. The City uses a two-year financial plan, emphasizing long-range planning and effective program management. The benefits for a two-year budget are:
  - 1. Reinforces the importance of long-range planning in managing the City's fiscal affairs.
  - 2. Concentrates on developing and budgeting for the accomplishment of significant objectives.
  - 3. Establishes realistic timeframes for achieving objectives.
  - 4. Creates a pro-active budget that provides for stable operations and assures the City's long-term fiscal health.
  - 5. Promotes more orderly spending patterns.
  - 6. Reduces the amount of time and resources allocated to preparing annual budgets.
- C. Before the beginning of the second year of the two-year cycle, the Council will review progress during the first year and approve appropriations for the second fiscal year.
- D. Operating program appropriations not spent during the first fiscal year for specific purposes must be reappropriated.
- E. The status of major program objectives will be formally reported to the Council on an ongoing, periodic basis.
- F. The City will maintain a balanced budget over the two-year period of the Financial Plan. This means that:
  - 1. Operating revenues must fully cover operating expenditures, including debt service.
  - 2. It is a goal of the City Council for the beginning fund balance in the General Fund to be established at 20% of operating expenditures. Efforts should be made to increase the undesignated fund balance to meet the 20% of operating expenditures.

Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning fund balance can only be used to fund capital improvement plan projects, or other "one-time", non-recurring expenditures.

## GENERAL REVENUE MANAGEMENT

- A. The City will seek to maintain a diversified and stable revenue, base to protect it from short-term fluctuations in any one-revenue source.

# Budget and Fiscal Policies

- B. The City will match all current expenditures with current revenues, avoid procedures that balance current budgets by postponing needed expenditures or rolling over short-term debt.
- C. In order to achieve important public policy goals, the City has established various special revenue, capital project, and debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures, and fund equity.

Any transfers between funds for operating purposes are clearly set forth in the Financial Plan, and can only be made by the City Manager in accordance with the adopted budget. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons, are not intended to result in a transfer of financial resources by the end of the fiscal year. In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay the loan in the near term.

## USER FEE COST RECOVERY GOALS

- A. Ongoing Review

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery.

- B. User Fee Cost Recovery Levels

In setting user fees and cost recovery levels, the following factors will be considered:

- 1. Community-Wide vs. Special Benefit

The level of user fee costs recovery should consider the *community-wide* versus *special service* nature of the program or activity. The use of general purpose (tax) revenues is appropriate for community-wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or groups.

- 2. Service Recipient vs. Service Driver

After considering community-wide versus special benefit of the service, the concept of *service recipient* versus *service driver* should also be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts; the community is the primary beneficiary. However, the applicant is the *driver* of development review costs, and as such, cost recovery from the applicant is appropriate.

- 3. Effect of Pricing on the Demand for Services

The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is genuinely a market that is not overly stimulated by artificially low prices. Conversely, high levels of cost recovery will negatively impact the

# Budget and Fiscal Policies

delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy if the services are specifically targeted to low income groups.

## 4. Feasibility of Collection and Recovery

Although it may be determined that a high level of cost recovery may be appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Accordingly, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

## C. Factors Which Favor Low Cost Recovery Levels

Very low cost recovery levels are appropriate under the following circumstances:

1. There is *no* intended relationship between the amount paid and the benefit received. Almost all “social service” programs fall into this category as it is *expected* that one group will subsidize another.
2. Collecting fees is not cost-effective or will significantly impact the efficient delivery of the service.
3. There is *no* intent to limit the use of (entitlement to) the service. Again, most “social service” programs fit into this category as well as many public safety (police and fire) emergency response services. Historically, access to neighborhood and community parks would also fit into this category.
4. The service is non-recurring, generally delivered on a “peak demand” or emergency basis, cannot reasonably be planned for on an individual basis, and is not readily available from a private sector source. Many public safety services also fall into this category.
5. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small-scale licenses and permits might fall into this category.

## D. Factors Which Favor High Cost Recovery Levels

The use of service charges as a major source of funding service levels is especially appropriate under the following circumstances:

1. The service is similar to services provided through the private sector.
2. Other private or public sector alternatives could or do exist for the delivery of the service.
3. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.



# Budget and Fiscal Policies

4. The use of the service is specifically discouraged. Policy responses to disturbances or false alarms might fall into this category.
5. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

## E. General Concepts Regarding the Use of Service Charges

The following general concepts will be used in developing and implementing service charges:

1. Revenues should not exceed the reasonable cost of providing the service.
2. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide support costs such as accounting, personnel, data processing, vehicle maintenance and insurance.
3. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
4. Rate structures should be sensitive to the “market” for similar services as well as to smaller, infrequent users of the service.
5. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

## F. Low Cost-Recovery Services

Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities within the broad scope of services provided that should have user charges associated with them. However, the primary source of funding for the operation as a whole should be general-purpose revenues, not user fees.

1. Delivering public safety emergency response services such as police patrol services and fire suppression.
2. Maintaining and developing public facilities that are provided on a uniform, community-wide basis such as streets, parks, and general-purpose buildings.
3. Providing social service programs and economic development activities.

## G. Recreation Programs

The following cost recovery policies apply to the City’s recreation programs:

1. Cost recovery for activities directed to adults should be relatively high.
2. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher.

# Budget and Fiscal Policies

Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities, and the cost of determining need may be greater than the cost of providing a uniform service fee structure to all participants. Further, there is a community-wide benefit in encouraging high-levels of participation in youth and senior recreation activities regardless of financial status.

3. Cost recovery goals for specific recreation activities are set as follows:

## ***High-Range Cost Recovery Activities (67% to 80%)***

a.	Classes (Adult & Youth)	80%
b.	Day care services	75%
c.	Adult athletics (volleyball, basketball, softball, lap swim)	67%
d.	Facility rentals	67%

## ***Mid-Range Cost Recovery Activities (30% to 50%)***

e.	Special events	50%
f.	Minor league baseball	30%
g.	Youth basketball	30%
h.	Swim lessons	30%
i.	Outdoor facility rentals	30%

## ***Low-Range Cost Recovery Activities (0 to 25%)***

j.	Public swim	25%
k.	Special swim classes	15%
l.	Teen services	0%
m.	Senior services	0%

4. There should be a differential in rates between residents and non-residents.
5. Charges will be assessed for use of rooms, pools, gymnasiums, ball fields, special-use areas, and recreation equipment for activities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above.
6. A vendor charge of at least 10 percent of gross income of the commercial rental rate (the greater of the two methods) will be assessed from individuals or organizations using City facilities for moneymaking activities.
7. Waiving fees only when the City Manager determines in writing that an undue hardship exists.

## H. Development Review Programs

1. Services provided under this category include:
  - a. Planning (planned development permits, tentative tract and parcel maps, rezoning, general plan amendments, variances, use permits).
  - b. Building and safety (building permits, structural plan checks, inspections).

# Budget and Fiscal Policies

- c. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments).
    - d. Fire plan check.
  - 2. Cost recovery for these services should generally be very high. In most instances, the City's cost recovery goal should be 100%. Exceptions to this standard include planning services, as this review process is clearly intended to serve the broader community as well as the applicant. In this case, the general level of cost recovery is set at 25%, except for appeals.
  - 3. However, in charging high cost recovery levels, the City needs to clearly establish and articulate standards for its performance in reviewing developer applications to ensure that there is "value for cost".
- I. Comparability With Other Communities
- 1. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
    - a. They reflect the "market" for these fees and can assist in assessing the reasonableness of Seal Beach's fees.
    - b. If prudently analyzed, they can serve as a benchmark for how cost-effectively Seal Beach provides its services.
  - 2. However, fee surveys should never be the sole or primary criteria in setting City fees as there are many factors that affect how and why other communities have set their fees at their levels. For example:
    - a. What level of cost recovery is their fee intended to achieve compared with our cost recovery objectives?
    - b. What costs have been considered in computing the fees?
    - c. When was the last time that their fees were comprehensively evaluated?
    - d. What level of service do they provide compared with our service or performance standards?
    - e. Is their rate structure significantly different than ours and what is it intended to achieve?

These can be very difficult questions to address in fairly evaluating fees among different communities. As such, the comparability of our fees to other communities should be one factor among many that is considered in setting City fees.

## ENTERPRISE FUND FEES AND RATES

- A. The City will set fees and rates at levels which fully cover the total direct and indirect costs-including operations, capital outlay, and debt service-of the following enterprise programs: water, sewer and parking.
- B. The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

# Budget and Fiscal Policies

## INVESTMENTS

- A. Investments and cash management will be the responsibility of the City Treasurer or designee.
- B. The City's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered in priority order in determining individual investment placements:
  - 1. Safety
  - 2. Liquidity
  - 3. Yield

The City will maintain a current investment policy that complies with State law and is normally reviewed by City Council.

- C. There is an appropriate role for tax and revenue anticipation rates (TRANS) in meeting legitimate short-term cash needs within the fiscal year. However, many agencies issue TRANS as a routine business practice, not solely for cash flow purposes, but to capitalize on the favorable difference between the interest cost of issuing TRANS as a tax-preferred security and the interest yields on them if re-invested at full market rates.

As part of its cash flow management and investment strategy, the City will only issue TRANS or other forms of short-term debt if necessary to meet demonstrated cash flow needs; TRANS or any other form of short-term debt financing will not be issued for investment purposes.

- D. The City will strive to keep all idle cash balances fully invested through daily projections of cash flow requirements. To avoid forced liquidations and losses of investment earnings, cash flow and future requirements will be the primary consideration when selecting maturities.
- E. As the market and the City's investment portfolio change, care will be taken to maintain a healthy balance of investment types and maturities.
- F. The City will invest only in those instruments authorized by the California Government Code Section 53601. The City will not invest in stock, will not speculate, and will not deal in futures or options. The investment market is highly volatile and continually offers new and creative opportunities for enhancing interest earnings. Accordingly, the City will thoroughly investigate any new investment vehicles prior to committing City funds to them.
- G. In order to maximize yields from its overall portfolio, the City will consolidate cash balances from all funds for investment purposes, and will allocate investment earnings to each fund in accordance with generally accepted accounting principles.
- H. Ownership of the City's investment securities will be protected through third-party custodial safekeeping.
- I. The City Treasurer will develop and maintain a comprehensive, well-documented investment reporting system, which will comply with Government Code Section 53607. This system will provide the Council and Department Heads with appropriate investment performance information.

# Budget and Fiscal Policies

- J. The City Treasurer will develop and maintain an Investment Management Plan, which addresses the City's administration of its portfolio, including investment strategies, practices, and procedures.

## APPROPRIATIONS LIMITATION

- A. The Council will annually adopt a resolution establishing the City's appropriations limit calculated in accordance with Article XIII B of the Constitution of the State of California, Section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit.
- B. The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 10 days before Council consideration of a resolution to adopt an appropriations limit. The Council will generally consider this resolution in connection with final approval of the budget.
- C. The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds in calculating its appropriations subject to limitation.
- D. The City will annually review user fees and charges and report to the Council the amount of program subsidy, if any, that is being provided by the General or Enterprise Funds.
- E. The City will actively support legislation or initiatives sponsored or approved by League of California Cities which would modify Article XIII B of the Constitution in a manner allowing the City to retain projected tax revenues resulting from growth in the local economy for use as determined by the Council.
- F. The City shall seek a vote of the public to amend its appropriation limit at such time that tax proceeds are in excess of allowable limits.

## FUND BALANCE DESIGNATIONS AND RESERVES

- A. The City will maintain a designation of the General Fund's fund balance of 20% to 25% of operating expenditures to maintain the City's credit worthiness and cash flow requirements.
- B. The General Fund's undesignated fund balance will be maintained of at least 20% to 25% of operating expenditures to provide for:
  - 1. Economic uncertainties, local disasters, and other financial hardships or downturns in the local or national economy.
  - 2. Contingencies for unseen operating or capital needs.
  - 3. Cash flow requirements.
- C. \$1,750,000 of the General Fund's fund balance will be designated for changes in economic conditions.
- D. For General Fund assets, the City will work to establish an Equipment Replacement Fund to provide for the timely replacement of vehicles and capital equipment with an individual replacement cost of \$15,000 or more. The annual contribution to this fund will generally be based on the annual use allowance, which is determined based on the estimated life of the vehicle, or equipment and its original purchase cost. Interest earnings and sales of

# Budget and Fiscal Policies

surplus equipment as well as any related damage and insurance recoveries will be credited to the Equipment Replacement Fund.

- E. The Council may designate specific fund balance levels for future development of capital projects, which it has determined to be in the best long-term interests of the City.
- F. In addition to the designations noted above, fund balance levels will be sufficient to meet: funding requirements for projects approved in prior years which are carried forward into the new year, debt service reserve requirements, reserves for encumbrances, and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

## CAPITAL IMPROVEMENT MANAGEMENT

- A. Construction projects and equipment purchases (excluding vehicles) which cost \$10,000 or extend the life of the project or equipment five years will be included in the Capital Improvement Plan (CIP); minor capital outlays of less than \$10,000 will be included with the operating program budgets. Projects with total costs exceeding \$100,000 will be included as part of the City's fixed asset and/or infrastructure for accounting reporting purposes.
- B. The purpose of the CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groups used for the operating programs. The CIP will reflect a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment or infrastructure, and capital facility projects that significantly expand or add to the City's existing fixed assets.
- C. Every CIP project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.
- D. A CIP Review Committee, headed by the City Manager or designee, will review project proposals, determine project phasing, recommend project managers, review and evaluate the draft CIP budget document, and report CIP project progress on an ongoing basis.
- E. The CIP will emphasize project planning with projects progressing through at least two and up to six of the following phases:
  - 1. **Designate.** Appropriates funds based on projects designated for funding by the Council through adoption of the Financial Plan.
  - 2. **Design.** Final design, plan and specification preparation, and construction cost estimation.
  - 3. **Construction.** Construction contracts.
  - 4. **Construction Management.** Contract project management & inspection, soils & material tests, other support services during construction.
  - 5. **Equipment Acquisitions.** Vehicles, heavy machinery, computers, office furnishings, other equipment items acquired and installed independently from construction contracts.

# Budget and Fiscal Policies

6. **Debt Service.** Installment payments of principal and interest for completed projects funded through debt financing. Expenditures for this project phase are included in the Debt Service section of the Financial Plan.

Generally, it will become more difficult for a project to move from one phase to the next. As such, more projects will be studied than will be designed, and more projects will be designed than will be constructed or purchased during the term of the CIP.

- F. The City's annual CIP appropriation for study, design, acquisition, and/or construction is based on the projects designated by the Council through adoption of the Budget. Adoption of the Financial Plan CIP appropriation does not automatically authorize funding for specific project phases. This authorization generally occurs only after the preceding project phase has been completed and approved by the Council and costs for the succeeding phases have been fully developed. Accordingly, project appropriations are generally made when contracts are awarded. If project costs at the time of bid award are less than the budgeted amount, the balance will be unappropriated and returned to fund balance or allocated to another project. If project costs at the time of bid award are greater than budget amounts, five basic options are available to the Council:

1. Eliminate the project.
2. Defer the project for consideration to the next Financial Plan period.
3. Re-scope or change the phasing of the project to meet the existing budget.
4. Transfer funding from another specified, lower priority project.
5. Appropriate additional resources as necessary from fund balance.

- G. Project phases will be listed as objectives in the program narratives of the programs that manage the projects.

## CAPITAL FINANCING AND DEBT MANAGEMENT

### Capital Financing

- A. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:
  1. When the project's useful life will exceed the term of the financing.
  2. When project revenues or specific resources will be sufficient to service the long-term debt.
- B. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax, or bond anticipation notes is excluded from this limitation (See Investment Policy).
- C. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes, or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
- D. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements:

# Budget and Fiscal Policies

## Factors which favor pay-as-you-go financing

1. Current revenues and adequate fund balances are available or project phasing can be accomplished.
2. Existing debt levels adversely affect the City's credit rating.
3. Market conditions are unstable or present difficulties in marketing.

## Factors which favor long-term financing

1. Revenues available for debt service are deemed to be sufficient and reliable so that long-term finances can be marketed with investment grade credit ratings.
2. The project securing the financing is of the type, which will support an investment grade credit rating.
3. Market conditions present favorable interest rates and demand for City financing.
4. State or federal requirements mandate a project, and resources are insufficient or unavailable.
5. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
6. The life of the project or asset to be financed is 10 years or longer.

## Debt Management

- E. The City will not obligate the General Fund to secure long-term financing except when marketability can be significantly enhanced.
- F. An internal feasibility analysis will be prepared for each long-term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
- G. The City will generally conduct financing on a competitive basis. However, negotiated financing may be used due to market volatility or the use of an unusual or complex financing or security structure.
- H. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability, and cost-effectiveness.
- I. The City will monitor all forms of debt annually coincident with the City's Financial Plan preparation and review process and report concerns and remedies, if needed, to the Council.
- J. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
- K. The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

## HUMAN RESOURCE MANAGEMENT

- A. The budget will fully appropriate the resources needed for authorized regular staffing and will limit programs to the regular staffing authorized.



# Budget and Fiscal Policies

- B. Staffing and contract service cost ceilings will limit total expenditures for regular employees, temporary employees, and independent contractors hired to provide operating and maintenance services.
- C. Regular employees will be the core work force and the preferred means of staffing on-going, year-round program activities that should be performed by full-time City employees rather than independent contractors. Each regular employee will:
  - 1. Fill an authorized regular position.
  - 2. Be assigned to an appropriate bargaining unit.
  - 3. Receive salary and benefits consistent with labor agreements or other compensation plans.
- D. To manage the growth of the regular work force and overall staffing costs, the City will follow these procedures:
  - 1. The Council will authorize all regular positions.
  - 2. The Personnel Department will coordinate and approve the hiring of all regular and temporary employees.
  - 3. All requests for additional regular positions will include evaluations of:
    - a. The necessity, term, and expected results of the proposed activity.
    - b. Staffing and materials costs including salary, benefits, equipment, uniforms, clerical support, and facilities.
    - c. The ability of private industry to provide the proposed service.
    - d. Additional revenues or cost savings that may be realized.
  - 4. Periodically, and prior to any request for additional regular positions, programs will be evaluated to determine if they can be accomplished with fewer regular employees.
- E. The hiring of temporary employees will not be used as an incremental method for expanding the City's regular work force.
  - 1. Temporary employees include all employees other than regular employees, elected officials, and volunteers. Temporary employees will generally augment regular City staffing as extra-help employees, seasonal employees, contract employees, interns, and work-study assistants. The City Manager and Department Heads will encourage the use of temporary rather than regular employees to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less than full-time, year-round staffing is required. Under this guideline, temporary employee hours will generally not exceed 50% of a regular, full-time position (1,000 hours annually). There may be limited circumstances where the use of temporary employees on an ongoing basis in excess of this target may be appropriate due to unique programming or staffing requirements. However, any such exceptions must be approved by the City Manager based on the review and recommendation of the Personnel Director.
  - 2. Contract employees are defined as temporary employees with written contracts approved by the City Manager who may receive approved benefits depending on hourly requirements for augmented levels of staffing for a specific period of time. The services of contract employees will be discontinued upon completion of the assigned project, program or activity. Accordingly, contract employees will not be used for services that are to be delivered on an ongoing basis.

# Budget and Fiscal Policies

H. Independent contractors will not be considered City employees. Independent contractors may be used in two situations.

1. Short-term, peak workload assignments to be accomplished through the use of personnel contracted through an outside temporary employment agency (OEA). In this situation, it is anticipated that the work of OEA employees will be closely monitored by City staff and minimal training will be required. However, they will always be considered the employees of the OEA and not the City. All placements through an OEA will be coordinated through the Personnel Department and subject to the approval of the Personnel Director.
2. Construction of Public Works projects and delivery of operating, maintenance or specialized professional services not routinely performed by City Employees. Such services will be provided without close supervision by City staff, and the required methods, skills and equipment will generally be determined and provided by the contractor. Contract awards will be guided by the City's purchasing policies and procedures.

## PRODUCTIVITY

City will constantly monitor and review our methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible. This review process encompasses a wide range of Productivity issues, including:

- A. Analyzing systems and procedures to identify and remove unnecessary review requirements.
- B. Evaluating the ability of new technologies and related capital investments to improve productivity.
- C. Investing in the organization's most valuable asset – our human capital – by developing the skills and abilities of all City employees, with special emphasis on first-line supervisors.
- D. Developing and implementing appropriate methods of recognizing and rewarding exceptional employee performance.
- E. Evaluating the ability of the private sector to perform the same level of service at a lower cost.
- F. Periodic formal reviews of operations on a systematic, ongoing basis.
- G. Maintaining a decentralized approach in managing the City's support service functions. Although some level of centralization is necessary for review and control purposes, decentralization supports productivity by:
  1. Encouraging accountability by delegating responsibility to the lowest possible level.
  2. Stimulating creativity, innovation and individual initiative.
  3. Reducing the administrative costs of operation by eliminating unnecessary review procedures.

# Budget and Fiscal Policies

4. Improving the organization's ability to respond to changing needs, and identify and implement cost-saving programs.
5. Assigning responsibility for effective operations and citizen responsiveness to the department.

## CONTRACTING FOR SERVICES

### A. General Policy Guidelines

1. Contracting with the private sector for the delivery of services provides the City with a significant opportunity for cost containment and productivity enhancements. As such, the City is committed to using private sector resources in delivering municipal services as a key element in our continuing efforts to provide cost-effective programs.
2. Private sector contracting approaches under this policy include construction projects, professional services, outside employment agencies, and ongoing operating and maintenance services.
3. In evaluating the costs of private sector contracts compared with in-house performance of the service, indirect and contract administration costs of the City will be identified and considered.
4. Whenever private sector providers are available and can meet established service levels, they will be seriously considered as viable service delivery alternatives using the evaluation criteria outlined below.
5. For programs and activities currently provided by City employees, conversions to contract services will generally be made through attrition, reassignment, or absorption by the contractor.

### B. Evaluation Criteria

Within the general policy guidelines stated above, the cost-effectiveness of contract services in meeting established service levels will be determined on a case-by-case basis using the following criteria.

1. Is a sufficient private sector market available to competitively deliver this service and assure a reasonable range of alternative service providers?
2. Can the contract be effectively and efficiently administered?
3. What are the consequences if the contractor fails to perform, and can the contract reasonably be written to compensate the City for any such damages?
4. Can a private sector contractor better respond to expansions, contractions, or special requirements of the service?
5. Can the work scope be sufficiently defined to ensure that competing proposals can be fairly and fully evaluated, as well as the contractor's performance after bid award?

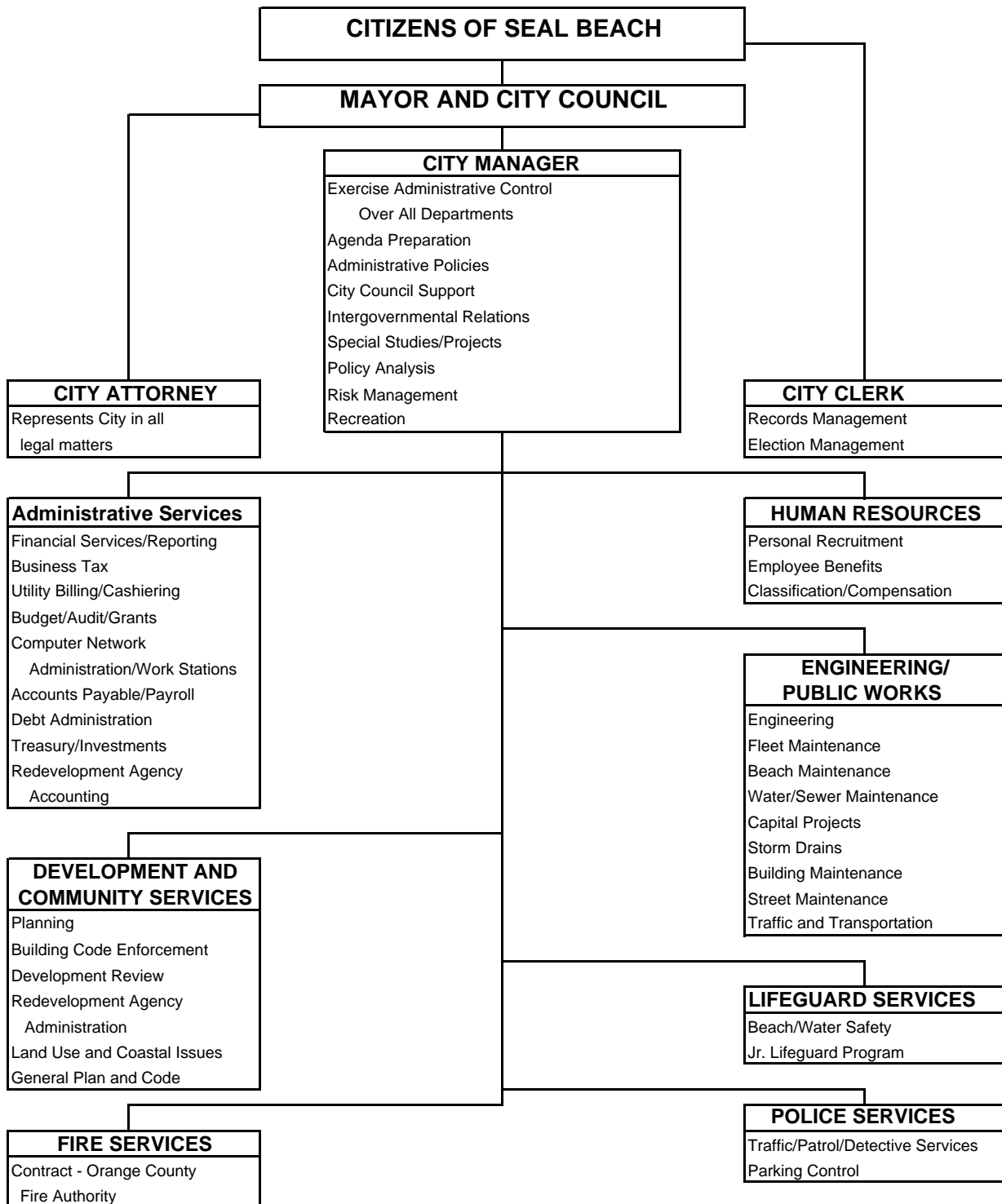
# Budget and Fiscal Policies

6. Does the use of contract services provide us with an opportunity to redefine service levels?
7. Will the contract limit our ability to deliver emergency or other high priority services?
8. Overall, can the City successfully delegate the performance of the service but still retain accountability and responsibility for its delivery?

## AMENDMENTS

On occasion the City Council or staff may find it necessary to modify the Budget/Fiscal policies to meet current requirements of Federal or State law. Amendments to the policies will be considered and approved by City Council. The City Manager will be responsible for maintaining the policies and ensure they are current with applicable Federal and State laws as well as professional accounting standards.

# City of Seal Beach Organizational Chart

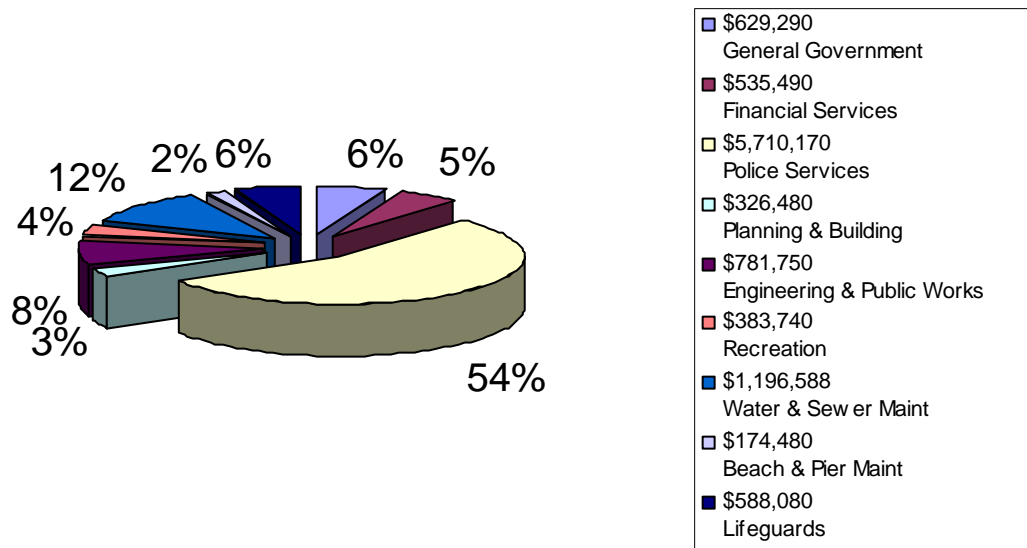


# City of Seal Beach Staffing

## STAFFING OVERVIEW

A significant percentage of the General Fund budget, Tidelands Beach Fund budget and the Water and Sewer Enterprise Funds budgets are expended on salaries and benefits to employees who in turn provide services to the Seal Beach community. Salaries and benefits represent 38% of the operating budgets within the General Fund for fiscal year 2006/07. The Tidelands Beach Fund's lifeguards and beach maintenance salaries and benefits represent 58% of the 2006/07 fiscal year budget. The Water and Sewer Enterprise Funds salaries and budgets represent 28% of the operating budgets for fiscal year 2006/07. The following graph illustrates the proportion of departmental salaries in relation to All Funds:

### 2006/07 SALARIES BY DEPARTMENT



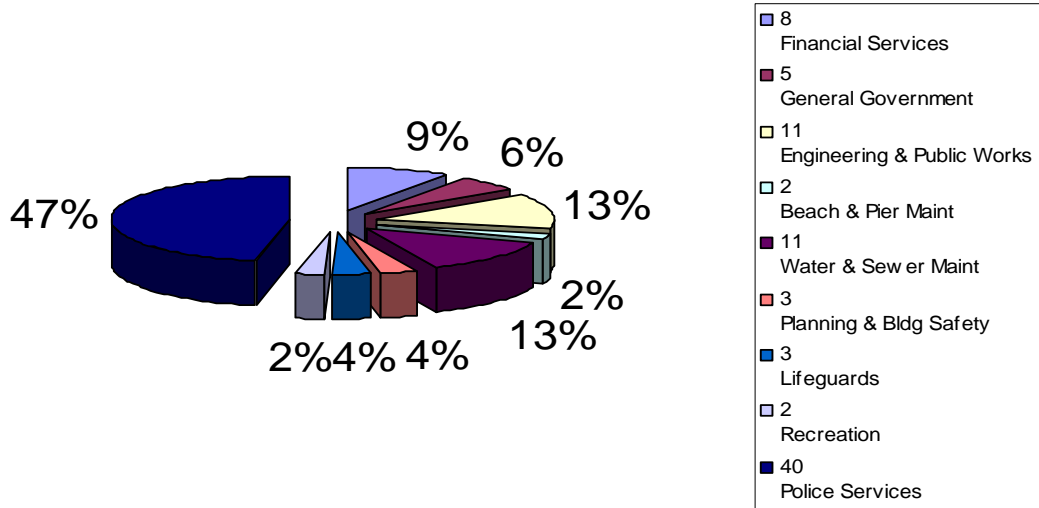
Note: Salaries and benefits include Part-Time staff costs

### STAFFING COMPARISON BY DEPARTMENT IN FULL-TIME EMPLOYEES

<u>Departments</u>	<u>2005-2006 Adopted</u>	<u>2006-2007 Approved</u>
Finance Services	8	8
General Government	5	5
Engineering & Public Works	11	11
Beach & Pier Maintenance	2	2
Water & Sewer Maintenance	11	11
Planning & Building Safety	3	3
Lifeguards	3	3
Recreation	2	2
Police Services	40	40
Total Full-Time employees	85	85

# City of Seal Beach Staffing

## 2006/07 FULL-TIME EMPLOYEES BY DEPARTMENT



In the 2005/2006-budget year, the positions of Account Clerk, Accountant and Budget Analyst were approved for the Administrative Services Department. These positions play a key role in continuing the City's sound fiscal management, and formulating innovative ideas to increase efficiency and better utilization of resources. Sworn Police personnel continue to be below the approved threshold of 30 due to industrial injuries and retirements. The Police Department, at the direction of the Chief of Police, has increased recruiting and outreach efforts by reaching out to academy graduates for the local police academies. The approved position of non-sworn Support Services Manager was not filled in 2005/2006. This position is anticipated to be filled with the best-qualified applicant in 2006/2007.

The City's employee bargaining units are City Employees Associates; Police Officers Association; Police Management Association; and the Orange County Employees Association. The Executive/Mid-Management are non-represented; Each bargaining unit has a Maintenance of Effort that provides direction for issues such as vacation, sick leave, overtime, administrative leave, holidays, dues and benefit deductions, city rights, compensation plan, special pay provisions, fringe benefits, retirement, hours of work, jury duty, probationary periods, layoff procedures, and salary detail.

All full-time employees receive health, dental and life insurance benefits. The City has a cap on what it contributes for the insurance based on the employee's bargaining unit. Disability insurance benefits are given based on an employee's salary.

The City belongs to the Public Employee Retirement System (PERS). The three retirement plans are police/safety, lifeguard/safety, and miscellaneous. PERS determines retirement rates on an annual basis. The rates are based on the investment earnings of each plan and future needs of the plan by PERS actuarial computations. The City pays both the employee portion and employer portion of the PERS retirement contributions.

Part-time employees work schedule is 20 hours per week. No benefits are given to part-time employees except the Part-time Retirement System. The Part-time Retirement System replaces FICA and the City only contributes 1.3% of the employee's salary.

# Description of Funds

The City's financial structure is organized like other governments with the use of funds. Funds represent the control structure that ensures that public moneys are spent only for those purposes authorized and within the amounts authorized. Funds are established to account for the different types of activities and legal restrictions that are associated with a particular government function. The use of funds and the budgeting, accounting, and auditing that are associated with this fund structure are governed by the City Charter and or Municipal Code, the State of California statutes and Generally Accepted Accounting Principles, as determined by the Governmental Accounting Standards Board.

The City uses the following funds to control its financial activities are appropriated: General Fund, Special Revenue Funds, Enterprise Funds, Redevelopment Agency Funds and Capital Projects Funds.

**General Fund:** The General Fund is used to account for most of the day-to-day operations of the City, which are financed from property taxes, utility users tax, sales tax and other general revenues. Activities financed by the General Fund include police services, fire services, general administration, engineering and planning.

**Special Revenue Funds:** Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources which, by law, are designated to finance particular functions or activities of government and therefore cannot be diverted to other uses. The City has the following special revenue funds:

**Street Lighting Assessment District:** The Seal Beach Street Lighting Assessment District was formed under the Street Lighting Act of 1919 to finance the maintenance of streetlights and to finance the electricity used by the streetlights by special assessments.

**Asset Forfeiture Fund:** The Asset Forfeiture Fund accounts for revenues derived from monies and property seized in drug-related incidents.

**Supplemental Law Enforcement Grant:** The Supplemental Law Enforcement Grant are funds received from the State under the State Citizens Option for Public Safety Program. Certain procedures are required to be implemented prior to the use of the funds, and the funds cannot be used to supplant existing funding for law enforcement.

**Police Grants:** Various grants include the *Urban Area Security Initiative* for Homeland Security appropriations, the *Emergency Response to Terrorism Incidents for First Responders* (ERTI) grant for emergency response training, the *Command Officers' Response to Terrorism* (CORT) grant reimburses funds advanced by the City for emergency response to terrorism training, the *Office of Traffic Safety* (OTS) DUI grant reimburses funds advanced by the City for DUI enforcement, and the *Bullet Proof Vest Protection* (BVP) grant which provides matching funds for the purchase of bullet-resistant vests.

**Park Improvement Fund:** The Park Improvement Fund was established to account for the Quimby Act Fees received by developers. The fees collected are only to be used to improve parks and recreation facilities.

**Air Quality Improvement Program Fund:** The Air Quality Improvement Program Fund accounts for supplemental vehicle license fee revenue distributed to Cities by the South Coast Air Quality Management District pursuant to Assembly Bill 2766. Expenditures are limited to programs that will reduce air pollution by reducing, directly or indirectly, mobile source emission pollutants.

**Tidelands Beach Fund:** The Tidelands Beach fund is required by the State of California and is used to account for all revenues derived from beach and pier operations in the City. Expenditures are limited to lifeguard, pier, and beach operations.

**State Gas Tax Fund:** The Gas Tax Fund accounts for State collected, locally shared gas tax monies. Expenditures are limited to repair, construction, maintenance and right-of-way acquisitions relating to streets and highways.

**Measure M Fund:** The Measure "M" Fund accounts for "Local Turnback" funds established as part of the one-half sales tax increase approved November 6, 1990, by voter passage of the Revised Traffic Improvement and Growth



# Description of Funds

Management Ordinance, popularly known as Measure “M”. “Local Turnback” revenues can only be expended on street and highway improvements.

Roberti-Z’Berg-Harris Urban Open Space Fund: The Roberti-Z’Berg-Harris Open Space Fund’s revenues can only be used to improve open space areas such as parks.

Local Law Enforcement Block Grant Fund: The Local Law Enforcement Block Grant Fund received funding under the Federal Local Law Enforcement Block Grants Program for the purposes of reducing crime and improving public safety and cannot be used to supplant existing funding for law enforcement.

The CLEEP Grant Fund: The CLEEP Grant Fund accounts for funds received from the State under the California Law Enforcement Equipment Program. The funds received are to be expended on high technology law enforcement equipment.

Traffic Relief Fund: The State established the Traffic Relief Program for local agencies FY 2000/01 due to a surplus of available state funds. Traffic Relief Program funds are allocated based on an agency’s population and can only be used towards traffic relief programs.

Community Development Block Grant (CDBG): The CDBG program provides communities with resources for a wide variety of unique community development needs. The City has received a \$200,000 grant from federal CDBG funds for Leisure World Housing Rehabilitation on interiors. The intent is to modify bathrooms in the senior community to provide better and safer accessibility for elderly residents.

Community Facilities District No. 2002-02: The Community Facilities District No. 2002-02 was formed under the Mello-Roos Community Facilities Act of 1982 to provide financing for the City’s Maintenance of landscaping facilities installed within the public right-of-way as part of the Bixby Old Ranch Town Center and country Club developments.

**Redevelopment Agency Funds:** The City of Seal Beach Redevelopment Agency operates as a separate legal entity from the City of Seal Beach and the budget and annual work program are established by the City Council acting as the Agency Board of Directors. The Agency maintains four separate funds.

Riverfront Project Area: The Riverfront Project Area Fund accounts for staff, operating costs and capital projects within the Riverfront Project Area.

Tax Increment Fund: The Tax Increment Fund accounts for the collection of property tax revenues and rental income from property within the Redevelopment Project Area. The fund also accounts for the payment of lease payments to the Los Alamitos Unified School District for the purchase of the Zoeter School property. The 20% Low and Moderate Housing set-aside is transferred from this fund into the Riverfront Project Area Low and Moderate Housing Set-Aside Fund. Revenues accounted for in this fund are also transferred into the Debt Service fund for payment of long-term debt. Currently revenues in excess of all transfers and expenditures are transferred into the Riverfront Project Area Low and Moderate Housing Set-Aside Fund to pay for a penalty of \$668,000 for not expending Low and Moderate Housing Set-Aside Funds in a timely manner. The penalty represents 50% of the total dollar amount that had not been spent in a timely manner on Low and Moderate Income Housing programs.

Debt Service Fund: The Debt Service Fund accounts for the payments of long-term debt.

Low and Moderate Income Housing Funds: The Riverfront and Surfside Low and Moderate Income Housing Funds account for preserving and expanding the City’s affordable housing stock.

**Enterprise Funds:** Enterprise funds are used to account for a government’s business-type activities (activities that receive a significant portion of their funding through user fees). The City’s enterprise funds are Water and Sewer.

# Description of Funds

*Water Enterprise Funds:* The Water Enterprise Funds account for water operations that are financed and operated in a manner similar to private business enterprises where the intent of the government is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges. The water usage rates are tiered and charged by the cubic feet consumed. The fees collected cover the water operations maintenance and operation expenses.

The Water Capital Enterprise Fund was established to pay for the costs of replacing aging water related infrastructure and equipment as needed, and the construction of new or enhanced water services necessitated by new development and existing infrastructural deficiencies. Fees collected are based on meter size and used for capital improvements and meter replacements.

*Sewer Enterprise Funds:* The Sewer Enterprise Funds account for sewer operations and maintenance and the upkeep and replacement of the sewer infrastructure and equipment in a manner similar to private business enterprises where the cost of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges.

Primarily sewer fees used to finance the Sewer Operations Funds are charged to customers based on water usage. The fees collected cover sewer maintenance and operation expenses.

The Sewer Capital Enterprise Fund was established July 1, 2000 to pay for the costs of replacing and maintaining the City's aging sewer infrastructure and equipment. Fees collected are based on meter size and are used for long-term debt payments and capital improvements.

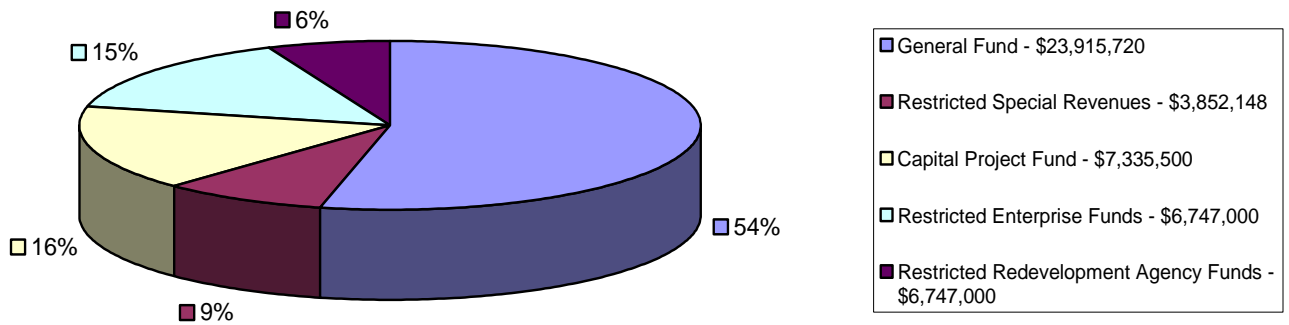
## **Fiduciary Funds**

Fiduciary Funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. The City has a trust fund that is not appropriated. This trust fund receives funds from entities and or individuals. Those funds are treated as deposits and expended at the direction of the entity and or individual who made the deposit.

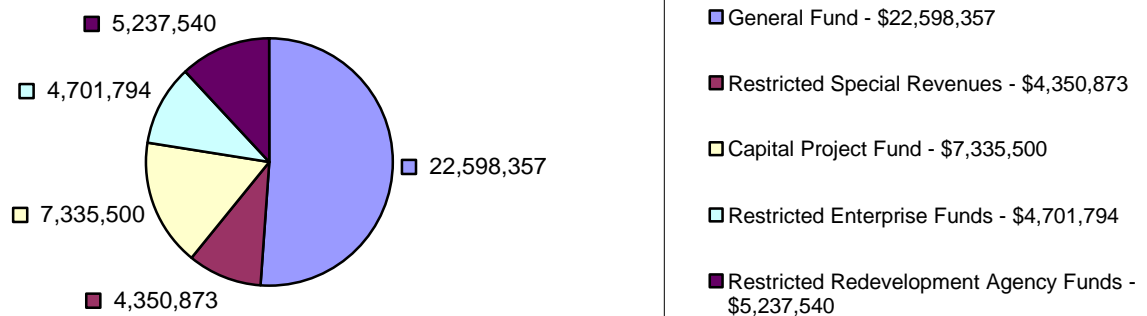
# Summary of Revenues and Expenditures All Funds

**FY 2006/07**

**Projected Summary of Revenues and Transfers In  
FY 2006-2007 - \$44,697,888**



**Projected Summary of Expenditures and Transfers Out  
FY 2006-2007 - \$44,224,064**



# Summary of Revenues and Transfers In All Funds

	2004-2005 Actual Revenue	2005-2006 Estimated Year End Revenues	2006-2007 Estimated Revenues
General Fund	24,407,081	23,440,348	23,915,720
Special Revenue Funds			
Street Lighting	144,846	124,610	149,300
Asset Forfeiture - State	5,939	100	200
Asset Forfeiture - Federal	1,963	4,300	1,000
Supplemental Law Enforcement	103,772	105,500	107,500
Park Improvement	53,857	5,000	27,000
Air Quality Improvement	31,012	28,000	28,400
Tidelands Beach	1,040,906	1,446,678	1,957,296
Gas Tax	488,633	472,810	474,000
Measure M	301,024	284,194	342,825
Roberti-Z'Berg-Harris Urban Open Space	154	300	287,200
Community Development Block Grant		2,000	200,000
Police Grants	2,887	4,628	34,577
Cleop Grant	1,690	1,200	1,600
Traffic Relief	(661)	107,070	106,700
Communities Facilities District No. 2002-02	127,697	89,270	134,550
Total Special Revenues Funds	2,303,719	2,675,660	3,852,148
Capital Project Fund	4,737,945	8,273,118	7,335,500
Enterprise Funds			
Water Operations	3,510,307	3,723,429	3,898,500
Water Capital	942,720	1,330,300	1,299,500
Sewer Operations	620,851	674,293	748,000
Sewer Capital	565,450	697,273	801,000
Total Enterprise Funds	5,639,328	6,425,295	6,747,000
Redevelopment Agency Funds			
Riverfront Low/Mod Housing	94,397	321,300	336,000
Surfside Low/Mod Housing	3,858	300	500
Riverfront Project	258,395	2,470,885	127,020
Debt Service	726,196	773,268	782,000
Tax Increment	1,552,335	5,324,456	1,602,000
Total Redevelopment Agency Funds	2,635,181	8,890,209	2,847,520
<b>Total Revenues All Funds</b>	<b>39,723,254</b>	<b>49,704,630</b>	<b>44,697,888</b>

# Analysis of Major Revenues

As the spreadsheet on the opposite page reflects, the total estimated revenues and transfers in from other funds for all City Funds for FY 2006/07 is \$44,697,888. General Fund revenues totaling \$23,915,720 are not restricted and therefore can be used to fund the operating expenditures of the City such as fire services, police services, public works, recreation and general government administration. The Special Revenue Funds, Capital Project Fund, Enterprise Funds and Redevelopment Agency Funds revenues are restricted and cannot be used for general operating expenditures.

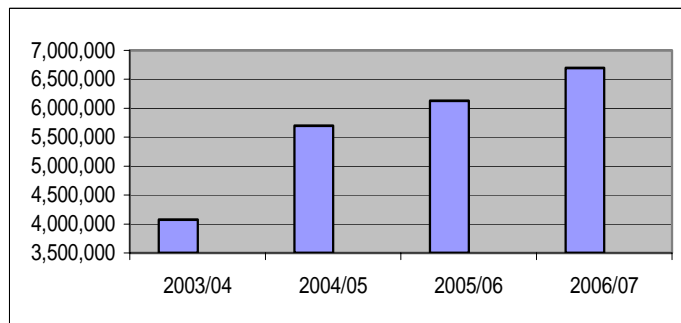
## Analysis of Major General Fund Revenues

### Property Taxes

Property Taxes account for \$6,699,000 or 28% of FY 2006/07 General Fund revenues. The California voters adopted Proposition 13 in 1978 that changed the definition of taxable value for all real property in the state. Proposition 13 defines the taxable value of real property as factored base year value or market value on lien date (January 1<sup>st</sup>), whichever is lower. The base year value of property acquired before March 1, 1975 is the 1975 assessed value and the base year value of property acquired on or after March 1, 1975 is usually the market value when the property was transferred and or purchased. The factored base year value of properties that have not changed ownership since the prior January 1 is calculated by adding the value of any new construction and the Consumer Price Index (CPI) increase but no more than 2% per year.

Included in Property Taxes, other than secured, are unsecured property taxes, supplemental assessments, Homeowners Exemption, property tax in-lieu of VLF and property tax related penalties and interest.

	<u>Amount</u>	<u>% change</u>
2003/04	4,074,918	
2004/05	5,698,775	28.5%
2005/06	6,127,896	7.0%
2006/07	6,699,000	8.5%



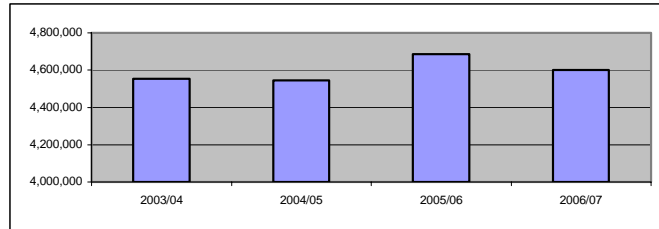
Budget Assumptions – As the table and graph illustrate, the City experienced a significant growth in property tax revenues from FY 2004/05 resulting from the “Triple Flip” which replaced Property Tax in-lieu of VLF. Increases after FY 2004/05 are the result of new development and increases in assessed valuation resulting from sales of property.

### Utility Users Tax

Utility Users Tax accounts for \$4,600,000 or 19% of FY 2006/07 General Fund revenues. The Utility Users Tax rate is charged to customers of electric, natural gas, and telephone companies to raise revenue for general governmental purposes of the City. The Utility Users Tax rate is 11% of the customer's monthly charges. The utility companies collect the tax and remit them to the City.

# Analysis of Major Revenues

	Amount	% change
2003/04	4,553,195	
2004/05	4,546,007	-0.2%
2005/06	4,686,700	3.0%
2006/07	4,600,000	-1.9%

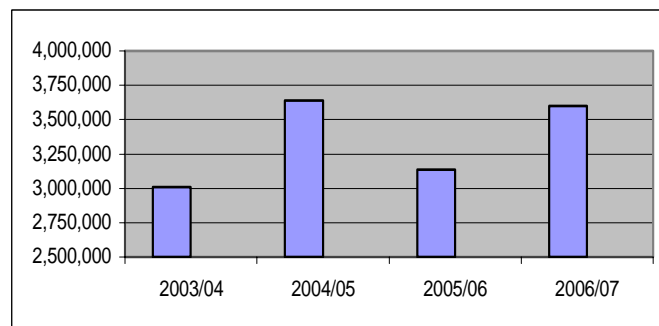


**Budget Assumptions** – As the above information illustrates, the Utility Users Tax revenues continue to be a relatively stable and predictable revenue source. The City has a senior exemption program for the utility users tax. The income level to qualify for the exemption is based on the California Seniors Property Tax Exemption program and is currently \$38,505.

## **Sales and Use Tax**

Sales and Use Tax account for \$3,600,000 or 15% of FY 2006/07 General Fund Revenues. The sales tax rate is 7.75%. All goods sold within the City are subject to sales tax except non-prepared food and prescription drugs. The City receives 1% of all sales tax collected.

	Amount	% change
2003/04	3,010,343	
2004/05	3,639,652	17.3%
2005/06	3,133,100	-16.2%
2006/07	3,600,000	13.0%



As the table and graph points out the City has experienced a significant change in sales and use tax revenues. Total increase in sales tax revenue from FY 2003/04 to FY 2004/05 is primarily due to petroleum brokers locating their place of business in Seal Beach and also the development of the Rossmoor and Bixby shopping centers. The shopping centers include a Target, Bed Bath and Beyond, Macaroni Grill restaurant, Kohl's Department store and a Home Goods store.

Sales tax revenue decreased in FY 2004/05 primarily due to a major sales tax generator moving from the City.

**Budget Assumptions** – Estimated revenues for Sales and Use Tax for FY 2006/07 was provided by Hinderliter, de Llamas and Associates, a consulting firm that specializes in sales and use tax analysis based on sales information provided to them by the State of California Board of Equalization.

## **Motor Vehicle In-Lieu**

Motor Vehicle In-Lieu after the implementation of the "Triple Flip" accounts for only \$140,000 or 0.5% of FY 2006/07 General Fund revenues. The Motor Vehicle In-Lieu Fee is a state vehicle license fee imposed on motorists for the privilege of operating a motor vehicle on the public highways. This annual fee is two percent of the depreciated value of all motor vehicles, and is imposed in-lieu of a local property tax and has become a non-significant revenue source.

# Analysis of Major Revenues

## **Business Licenses**

Business licenses account for \$1,300,000, or 5% of FY 2006/07 General Fund revenues. With an enforcement program that began in FY 2004/05, this revenue source has become a significant source of funding to support General Fund activities. The City Council in April 2006 approved a 5.1% increase based on the Consumer Price Index (CPI).

## **Other Revenues**

Franchise Fees are imposed on various public utilities and account for \$831,000 or 3% of FY 2006/07 General Fund revenues. The franchise grants the public utilities the right to use public property for system infrastructure such as lines and policies. It also grants exclusive rights to provide cable television within the City.

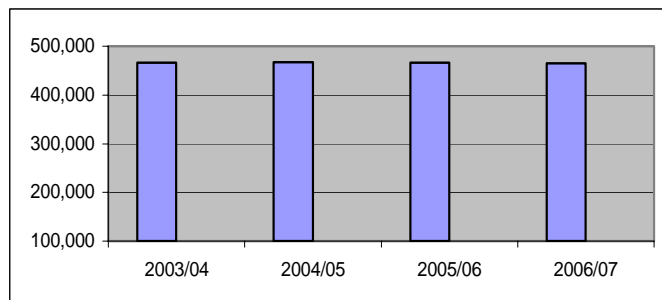
Transient Occupancy Tax (i.e. Hotel Occupancy tax) accounts for \$850,000 or 3% of FY 2006/07 General Fund revenues. The City Council recently approved an increase in the rate from 9% to 12%.

## **ANALYSIS OF SPECIAL REVENUE FUNDS MAJOR REVENUES**

### **State Gas Tax**

State gas tax revenues are received from the City's share of the net collections from the Motor Vehicle Fuel License Tax Law. The State allocates the gas tax revenue each month based on a City's population. A City must also file an annual Maintenance of Effort report with the State to report the total expenditures spent on street maintenance. This report determines whether the City is meeting the level of spending required by the State to qualify for the gas tax revenues.

	Amount	% change
2003/04	465,740	
2004/05	467,437	0.4%
2005/06	466,406	-0.2%
2006/07	465,000	-0.3%



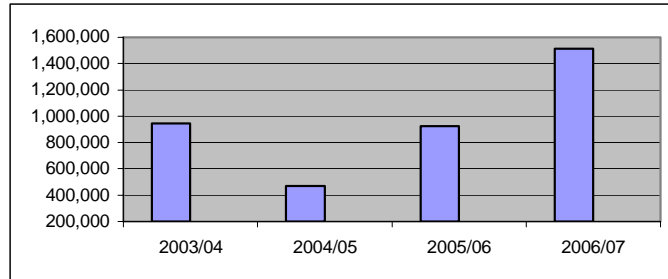
Since the revenue collected is based on the gallons rather than the price of fuel, this revenue source may continue to decline as California residents alter their driving habits due to the high cost of gasoline.

### **Tidelands Beach Fund – Transfer In – General Fund Subsidy**

The Tidelands Beach Fund is required by the State of California and is used to account for all revenues derived from beach and pier operations in the City. Unfortunately the revenues generated at the beach and pier, such as beach parking revenues and property rental, do not exceed expenditures. As a result, the Tidelands Beach Fund is subsidized by the General Fund.

# Analysis of Major Revenues

	Amount	% change
2003/04	946,794	
2004/05	467,626	-102.5%
2005/06	924,701	49.4%
2006/07	1,513,296	38.9%



As the chart reflects, the General Fund Subsidy varies significantly from one year to the next. The primary reason the subsidy varies significantly is due to the timing of various capital projects completed at the pier or beach.

## **Measure M – Local Turnback**

The Measure M “Local Turnback” revenues are part of the one-half sales tax increase approved by voters November 6, 1990. These funds can only be expended on street and highway improvements. The allocation of the one-half sales tax is based on the City’s population and on the City’s “Maintenance of Effort” and or the minimum amount of General Fund funds expended on street and sidewalk maintenance. Each year the City must file a “Maintenance of Effort” report with the Orange County Transportation Authority (OCTA). The report itemizes the estimated expenses the City will spend with General Fund funds on street, storm drains and sidewalk repairs that include supplies, salaries and benefits and compares that figure with the County’s benchmark figure of minimum expenditures for street maintenance. The City’s “Maintenance of Effort” benchmark figure is \$505,000. Failure to reach the \$505,000 may affect the amount of Local Turnback revenues the City receives.

For FY 2006/07, the city anticipates receipt of \$342,825 which is used to fund or provide match funds for various street and road related capital projects.

## **ANALYSIS OF REDEVELOPMENT AGENCY MAJOR REVENUE**

### **Property Taxes**

The City of Seal Beach Redevelopment Agency’s primary source of revenue is property taxes. Property taxes allocated to the Agency are computed in the following manner:

- The assessed valuation of all property within the project area is determined on the date of adoption of the Redevelopment Plan.
- Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency: all taxes on the “frozen” assessed valuation of the property are allocated to the City and other districts.

Revenue estimates are based on historical trends and projected increase in assessed valuation provided by the Orange County Assessor.



# Analysis of Major Revenues

## **ANALYSIS OF WATER AND SEWER OPERATIONS MAJOR REVENUE**

### **Water Revenue and Sewer Fees**

The City's water rate schedule is tiered and based on consumption and meter size. For FY 2006/07, revenues are projected to be \$3,898,500 for the Operations Fund and \$1,299,500 for the Capital Fund. Rates for operations and capital were increased by 3% and 20%, respectively, in FY 2006/07.

The sewer capital fees are also tiered and based on meter size. For FY 2006/07, revenues are projected to be \$748,000 for operations and \$801,000 for capital. Rates for operations and capital were increased by 3% and 20%, respectively, in FY 2006/07.

# Summary of Expenditures and Transfers Out All Funds

	<b>2004-2005 Actual Expenditures</b>	<b>2005-2006 Estimated Year End Expenditures</b>	<b>2006-2007 Adopted Budget</b>
General Fund	19,253,682	22,252,908	22,598,357
Special Revenue Funds			
Street Lighting	131,372	117,700	150,500
Asset Forfeiture - State			3,450
Asset Forfeiture - Federal	(156)	40,750	30,900
Supplemental Law Enforcement	98,854	17,000	151,450
Park Improvement			200,000
Air Quality Improvement	37,874	31,389	31,450
Tidelands Beach	1,012,367	1,474,135	1,957,296
Gas Tax	425,829	951,000	440,000
Measure M	217,271	268,450	575,000
Roberti-Z'Berg-Harris Urban Open Space			286,700
Community Development Block Grant		2,000	200,000
Police Grants	2,996	4,317	34,577
Cleop Grant	25,011		50,000
Traffic Relief			105,000
Community Facilities District No. 2002-02	70,657	98,911	134,550
Total Special Revenues Funds	2,022,075	3,005,652	4,350,873
Capital Project Fund	5,966,961	7,707,771	7,335,500
Enterprise Funds			
Water Operations	2,754,301	3,007,751	3,501,085
Water Capital	171,719	412,500	50,000
Sewer Operations	665,238	692,329	753,538
Sewer Capital	190,651	357,851	397,171
Total Enterprise Funds	3,781,909	4,470,431	4,701,794
Redevelopment Agency Funds			
Riverfront Low/Mod Housing	74,969	475,000	435,000
Surfside Low/Mod Housing	180,000	1,493	
Riverfront Project	420,269	567,585	2,855,020
Debt Service	734,286	737,268	746,000
Tax Increment	1,347,432	4,969,196	1,201,520
Total Redevelopment Agency Funds	2,756,956	6,750,542	5,237,540
<b>Total Expenditures All Funds</b>	<b>33,781,583</b>	<b>44,187,304</b>	<b>44,224,064</b>

# General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include general operating expenses and capital improvement costs, which are not paid through other funds.

# General Fund

## Analysis of Undesignated Fund Balance

As the Budget and Fiscal Policies the Council adopted states, the City's policy is to maintain an undesignated fund balance of at least 20% to 25% of operating expenditures in the General Fund. This is considered the "industry standard" in order to maintain the City's ability to withstand operating or capital needs, economic uncertainties, local disasters and other financial hardships.

Undesignated fund balance refers to the portion of the fund balance that is not obligated to designations or reserves therefore it can be used for the situations previously stated in the prior paragraph. Reserves represent portions of the fund balance that are obligated through legal restrictions or amounts due that the City is legally obligated to such as encumbrances or advances and loans to other funds or organizations. Designation of the fund balance is the obligation of funds due to policy implementation.

### General Fund

#### Analysis of Undesignated Fund Balance

	2004-2005 Actual	2005-2006 Estimated	2006-2007 Projected
Beginning Fund Balance	16,176,803	21,227,401	22,414,841
Prior Period Adjustment	(102,801)		
Less: Reserves and Designations	(8,905,572)	(8,905,572)	(10,549,589)
Less: Carry forward CIPs			(760,000)
Beginning Undesignated Fund Balance	<u>7,168,430</u>	<u>12,321,829</u>	<u>11,105,252</u>
General Fund Revenues			
Property Tax Revenue	4,585,042	6,127,896	6,699,000
Utility Users Tax	4,546,007	4,686,700	4,600,000
Sales and Use Tax	3,639,652	3,133,100	3,600,000
Other Revenue and Transfers In	11,636,380	9,492,652	9,016,720
Total General Fund Revenues	<u>24,407,081</u>	<u>23,440,348</u>	<u>23,915,720</u>
Expenditures			
General Administration	3,260,690	2,825,196	3,451,830
Police Department	6,352,451	6,202,117	7,214,625
Fire Protection Services	3,569,265	3,745,938	3,883,191
Community Development	793,629	967,153	834,655
Public Works	3,188,076	3,004,018	3,495,845
Recreation	732,925	726,288	804,915
Transfers Out	1,356,646	4,782,198	2,913,296
Total Expenditures	<u>19,253,682</u>	<u>22,252,908</u>	<u>22,598,357</u>
Net Revenues (Expenditures)	<u>5,153,399</u>	<u>1,187,440</u>	<u>1,317,363</u>
Ending Undesignated Fund Balance	<u>12,321,829</u>	<u>13,509,269</u>	<u>12,422,615</u>
<i>Undesignated Fund Balance</i>			
<i>Percentage of Total Expenditures</i>	64.00%	60.71%	54.97%

As the spreadsheet illustrates, the City has been able to maintain the General Fund's undesignated fund balance for fiscal year 2004-05 of at least 20% as required by the Budget and Fiscal Policies the City Council adopted. For the above fiscal year the City has also met the reserves as discussed earlier and the designations required by the City's Budget and Fiscal Policy of 20% to 25% of operating expenditures to maintain the City's credit worthiness and cash flow requirements, the designation of \$1,750,000 for changes in economic condition, and other designations of funds for specific types of expenditures.

# **General Fund**

## **Analysis of Undesignated Fund Balance**

The prior year and current budget schedule of Analysis of Undesignated Fund Balance reflects an increase in the undesignated fund balance of 9.64% from fiscal year 2004-05 to 2005-06. The increase in undesignated fund balance is due to:

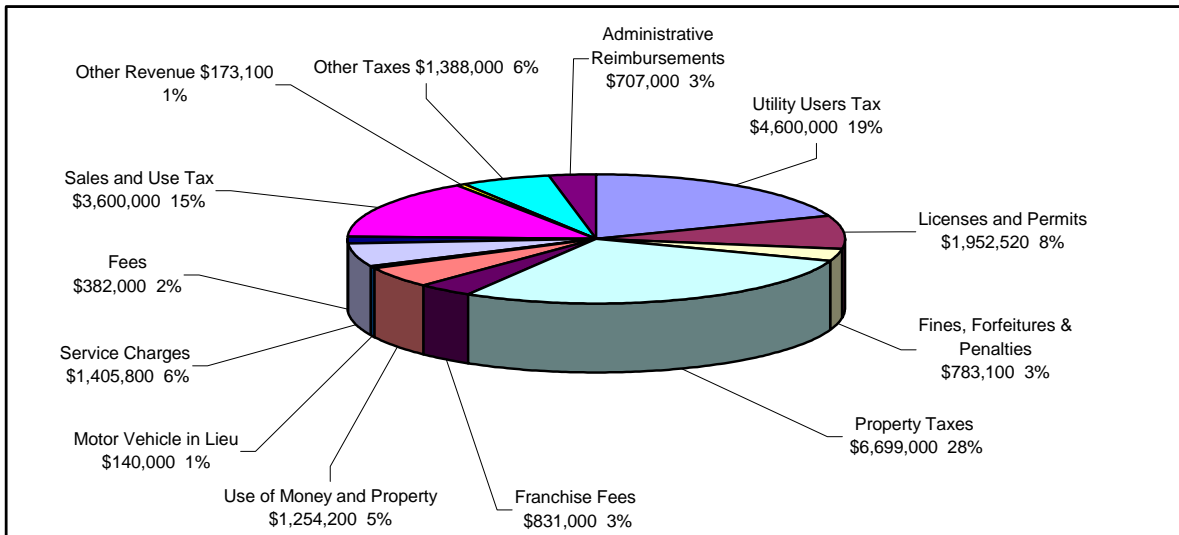
- The increase in revenues such as building and planning check fees, and property tax due to the development of Heron Pointe.
- Council and staff continue to keep expenditures relatively stable through contracting out services such as building inspection, landscape maintenance, and street repairs.

Fiscal year 2006-2007 reflects an 8% decrease in undesignated fund balance but still exceeds the 20% requirement. The primary reason for the decrease is due to the increase in expenditures excluding the transfers out. Total expenditures without the \$2,913,296 transfers to the Capital Projects Fund and Tidelands Beach subsidy totals \$19,685,061, which is 12.7% higher or \$2,214,351 more than FY 2005-06 operating expenditures without the \$4,782,198 transfers to the Capital Projects Fund and Tidelands Beach subsidy. The increase in operating expenditures is due to the increase in public safety salaries and retirement benefits. The public safety PERS rate is expected to increase 5.2%.

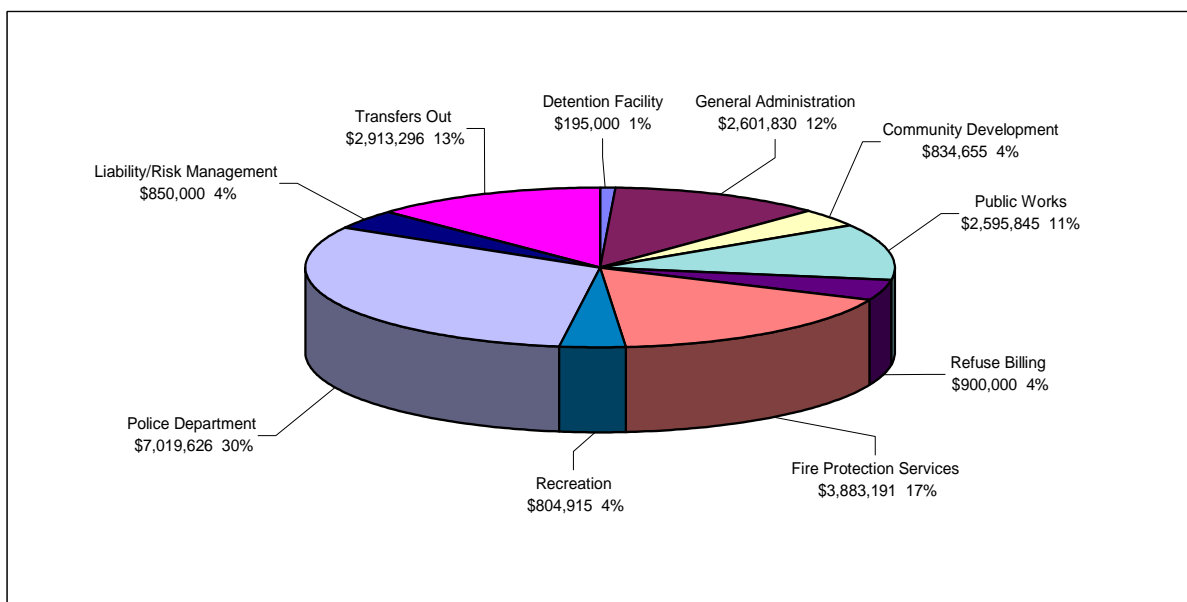
Revenues for fiscal year 2006-07 are expected to increase 2% or \$475,372. The primary reason for the slight increase is due to the increase in property tax revenue reduced by decreases in building and plan check fees.

# Summary of Revenues and Expenditures General Fund

## Fiscal Year 2006/07 Projected Revenues - \$23,915,720

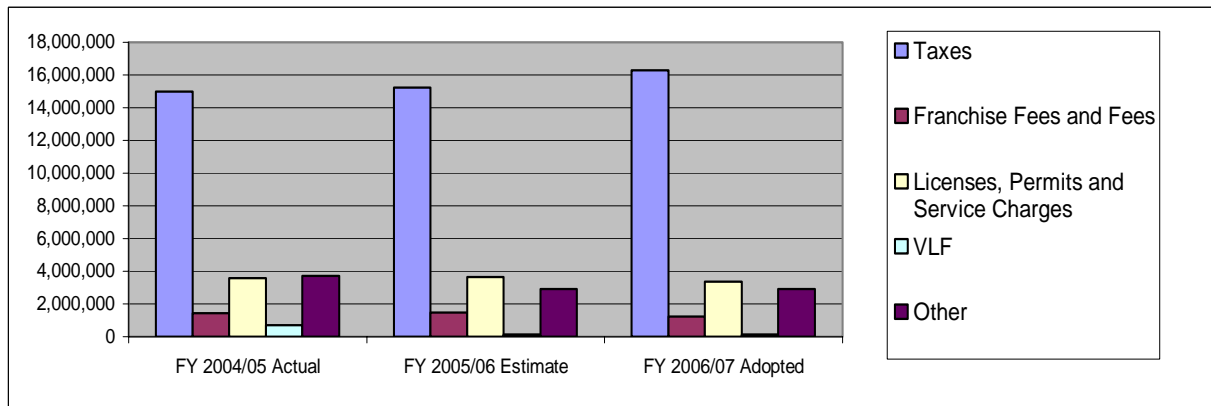


## Fiscal Year 2006/2007 Appropriations - \$22,598,357



# General Fund Revenue Summary

Description	FY 2004/05 Actual	FY 2005/06 Estimated	FY 2006/07 Adopted
Property Tax	5,698,775	6,127,896	6,699,000
Other Taxes	1,103,830	1,269,007	1,388,000
Utility Users Tax	4,546,007	4,686,700	4,600,000
Sales and Use Tax	3,639,652	3,133,100	3,600,000
Franchise Fees	812,675	824,140	831,000
Licenses and Permits	2,151,459	2,193,114	1,952,520
Fines and Forfeitures	812,040	809,567	783,100
Use of Money and Property	1,121,205	1,028,710	1,254,200
Motor Vehicle In-lieu	707,861	140,670	140,000
Service Charges	1,425,237	1,471,412	1,405,800
Fees	617,703	666,395	382,000
Other Revenue	1,105,526	416,790	173,100
Administrative Reimbursements	665,110	672,848	707,000
<b>Total Revenue</b>	<b>24,407,081</b>	<b>23,440,348</b>	<b>23,915,720</b>



# General Fund Revenues

Description	Account Number	FY 2004/05 Actual	FY 2005/06 Estimated	FY 2006/07 Adopted
Property Taxes Secured	001-000-30001	3,817,448	4,028,900	4,500,000
Property Taxes Unsecured	001-000-30002	187,014	193,150	195,000
Homeowners Exemption	001-000-30003	51,670	50,600	50,000
Secured/Unsecured Prior Year	001-000-30004	42,646	49,146	50,000
Property Tax Other	001-000-30005	193,163	206,400	100,000
Supplemental Tax Sec/Unsecured	001-000-30006	293,101	303,350	200,000
Prop. Tax-In Lieu VLF	001-000-30009	1,113,733	1,296,350	1,604,000
Excise Tax	001-000-30011	3,625	40,427	10,000
Barrel Tax	001-000-30012	148,730	168,480	175,000
Property Tax Transfers	001-000-30013	101,153	187,960	125,000
Transient Occupancy Tax	001-000-30014	623,836	684,960	850,000
Utility Users Tax	001-000-30015	4,546,007	4,686,700	4,600,000
Sales/Use Tax	001-000-30016	2,919,354	2,364,500	2,700,000
Sales Tax "Back-Fill"	001-000-30017	720,298	768,600	900,000
Public Safety Sales Tax	001-000-30023	226,486	187,180	228,000
Electric Franchise Fees	001-000-30100	234,631	234,690	235,000
Natural Gas Franchise Fees	001-000-30110	56,466	65,000	65,000
Pipeline Franchise Fees	001-000-30120	82,529	80,000	80,000
Cable TV Franchise Fees	001-000-30130	274,476	287,870	290,000
Refuse Franchise Fees	001-000-30140	164,573	156,580	161,000
Animal Licenses	001-000-30200	1,888	0	0
Bicycle Licenses	001-000-30205	51	12	100
Building Permits	001-000-30210	363,425	560,000	350,000
Business Licenses	001-000-30215	1,460,148	1,300,000	1,300,000
Contractor Licenses	001-000-30220	98,691	93,060	90,000
Electrical Permits	001-000-30230	54,196	48,258	45,000
Film Location Permit	001-000-30235	600	1,600	0
Oil Production Licenses	001-000-30240	9,720	12,420	12,420
Parking Permits	001-000-30245	91,442	91,150	90,000
Other Permits	001-000-30250	36,229	40,159	35,000
Plumbing Permits	001-000-30255	34,288	46,456	30,000
News Rack Permit	001-000-30265	781	0	0
DUI Cost Recovery	001-000-30300	627	0	0
Muni Code Violations	001-000-30310	5,258	3,767	3,500
Parking Citations	001-000-30315	579,456	654,350	586,000
Abandoned Vehicles	001-000-30320	13,018	12,000	15,600
Vehicle Code Violations	001-000-30325	213,682	139,450	178,000
Interest On Investments	001-000-30420	491,744	545,000	763,000
Off-street Parking	001-000-30425	197,300	149,930	150,000
Parking Meters	001-000-30430	60,089	63,390	60,000
Oil Royalties	001-000-30435	42,450	63,390	55,000
Lease Proceeds	001-000-30450	124,927	0	0
Rental Of Property	001-000-30455	195,447	187,000	195,000
Tennis Center Property Rental	001-000-30645	9,249	20,000	31,200
Motor Veh. In Lieu	001-000-30500	707,003	139,400	140,000



# General Fund Revenues

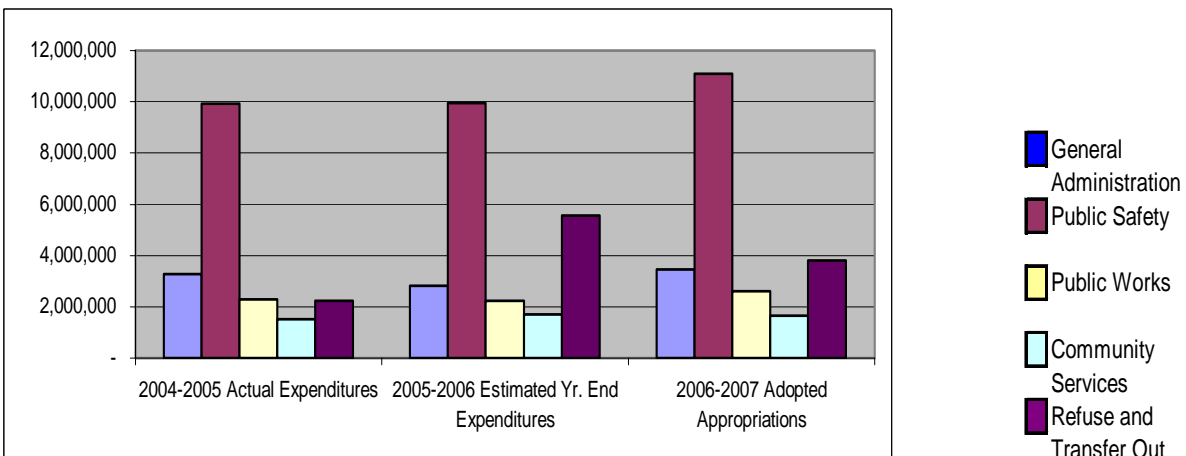
Description	Account Number	FY 2004/05 Actual	FY 2005/06 Estimated	FY 2006/07 Adopted
Off Highway In Lieu	001-000-30550	858	1,270	0
Recreation Facilities Rent	001-000-30600	74,511	68,097	60,000
Leisure Program Fees	001-000-30610	215,373	174,835	170,000
Rec/lap swim passes	001-000-30620	35,045	30,784	30,000
Swimming Lessons	001-000-30630	41,601	40,338	40,000
Recreation Svc Charges	001-000-30640	2,886	1,386	1,800
Sport Fees	001-000-30650	29,803	15,866	20,000
Skate Park Fees	001-000-30660	1,448	0	0
Swimming Pool Rentals	001-000-30665	15,258	10,442	10,000
Recreation Prog. Insurance	001-000-30670	781	1,487	100
Recreation Brochure Advertising	001-000-30680	3,350	0	0
Recreation Cleaning Fees	001-000-30690	1,185	253	500
Reimb. For Misc. Services	001-000-30700	109,314	145,000	100,000
Special Trash Services	001-000-30710	0	753	0
Street Sweeping Svcs	001-000-30720	38,388	38,970	38,000
Tree Trimming Svcs	001-000-30730	34,849	36,355	36,000
Refuse Services	001-000-30740	826,762	908,586	900,000
Bike Safety Class	001-000-30750	0	0	0
Alarm Fees	001-000-30800	12,902	12,985	12,000
Election Fees	001-000-30810	456	167	0
Inspection Fees	001-000-30815	40	0	0
Planning Fees	001-000-30820	34,726	35,535	20,000
Plan Check Fees	001-000-30825	181,300	346,704	150,000
Film Location Fees	001-000-30835	2,200	2,200	1,500
Jail Fees	001-000-30840	379,916	264,231	195,000
Animal Impound Fees	001-000-30845	305	0	0
Dog Park Fees	001-000-30847	990	456	0
Microfiling Fees	001-000-30855	3,684	3,863	3,000
Bus Shelter Advertising	001-000-30900	49,200	49,000	49,000
Cash Over/short	001-000-30910	50	0	0
Insurance Refunds	001-000-30930	65,873	65,708	40,000
Returned Check Fee	001-000-30935	235	143	0
Sale Of Surplus Property	001-000-30940	12,676	1,333	0
Sale Of Printed Material	001-000-30945	14,660	23,986	20,000
Special Events	001-000-30955	100	133	0
Misc. Revenue	001-000-30960	6,046	8,000	0
Donated Revenue	001-000-30962	990,537	0	0
Unclaimed Found Property	001-000-30963	3,421	0	0
Disaster Relief Reimb.	001-000-30965	3,900	42,000	0
Other Agency Revenue	001-000-30980	(101,400)	165,000	0
Senior Bus Program Revenue	001-000-30990	56,098	60,000	64,000

# General Fund Revenues

Description	Account Number	FY 2004/05 Actual	FY 2005/06 Estimated	FY 2006/07 Adopted
Transfers In From Other Funds	001-000-31500	302,316	302,316	328,500
				Transfer from Gas Tax = \$300,000; Transfer from RDA Riverfront Project Area for City Staff time = \$18,500; Transfer from CFD 2002-02 (Landscape Maintenance) for City Staff time = \$10,000
Sewer Overhead	001-000-31660	50,884	52,384	54,000
Water Overhead	001-000-31662	311,910	318,148	324,500
<b>Total General Fund Revenues</b>		24,407,082	23,440,348	23,915,720

# General Fund Expenditure Summary

Department	2004-2005 Actual	2005-2006 Estimated Year-End	2006-2007 Adopted Budget
City Council	67,253	56,731	93,580
City Manager	528,791	523,194	576,500
City Clerk	172,368	180,966	199,060
Elections	26,074	54,000	10,000
City Attorney	471,747	215,081	390,000
Administrative Svcs/Finance	473,393	487,182	729,690
Liability/Risk Management	866,466	764,650	850,000
Non-Departmental	654,598	543,392	603,000
Police Field Services	3,447,093	3,698,685	4,201,861
Police Support	2,325,104	2,307,963	2,817,765
Detention Facilities	410,352	187,686	195,000
Fire Services	3,569,265	3,745,938	3,883,191
Animal Control	169,343	7,785	
Planning Department	315,081	303,556	375,610
Building & Safety Department	478,594	663,597	459,045
Engineering Admin. Department	50,047	41,512	54,475
Storm Drains Department	249,916	251,805	303,390
Street Maintenance	776,594	824,319	898,005
Landscape Maintenance	216,164	228,965	238,075
Auto Maintenance Department	468,909	401,501	590,145
Refuse Collection	888,729	771,789	900,000
Building Maintenance	538,442	484,127	511,755
Recreation Administration	210,165	172,272	242,590
Sports Leagues	133,645	117,518	141,650
Leisure Classes	258,210	309,262	257,065
Aquatics	130,693	127,236	163,610
Transfers Out	1,356,646	4,782,198	2,913,296
<b>Total Expenditures</b>	<b>19,253,682</b>	<b>22,252,908</b>	<b>22,598,357</b>



# General Fund Expenditures

Code:	Department:
010	City Council

Elected Official: City Council
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## Program Purpose:

The City Council serves as the governing body that addresses the current and future needs of the City. Always mindful of the needs, interests and concerns of the City's constituents, the Council will operate an open and responsive government, establishing City policies and legislation that promote the best interests of its citizens, businesses, community organizations and visitors while keeping quality of life a priority.

## Primary Activities:

The City Council reviews and decides issues affecting the City; enacts laws and directs actions as required to provide for the general welfare of the community through programs, services and activities; creates sustainable revenue for essential City services; provides policy guidance to City staff; adopts and monitors the annual operating and capital improvement budgets; makes appointments to vacancies on various commission and committees; serves as the Redevelopment Agency Board of Directors; monitors legislative activity that has a financial impact on the City; provides City policy and input on local, state and federal matters affecting Seal Beach.

## Significant Changes/Comments:

During this fiscal year, citizen expectations for services will continue to exceed the available funding to provide it and, as a result, Council will be required to allocate scarce resources in a manner that is deemed of most importance to the community. Gaining citizen understanding of the function and purpose of their local government and the way in which it will be financed will be critical to the future ability of the community to remain viable.

# General Fund Expenditures

## City Council

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Part-time	001-010-40004	18,420	18,000	18,000	18,000
Medicare Insurance	001-010-40017	267	261	261	260
FICA	001-010-40019	1,142	1,116	1,091	1,120
<b>Total Personnel</b>		19,829	19,377	19,352	19,380
<b>Operations</b>					
Office Supplies	001-010-40100	7,712	4,200	2,957	4,200
Public/legal Notices	001-010-40200				
Memberships and Dues	001-010-40300	22,414	26,715	24,000	51,500 O.C. Div. Of LOCC \$6,800; Cal Coast \$1,600; LAFCO(AB 2838) \$4,300; So. CA Assoc. of Gov \$1,800; League of CA Cities \$8,000; S. A. River Flood Cont. Agency \$1,500; OC Wetlands \$25,000; Misc\$2500
Training and Meetings	001-010-40400	4,268	4,500	2,268	12,000
Special Departmental	001-010-40800	2,435			
Promotional	001-010-40900	10,595	6,500	8,154	6,500 4th of July Tri- City Fireworks Contribution \$5,000
<b>Total Operations</b>		47,424	41,915	37,379	74,200
<b>Total City Council</b>		67,253	61,292	56,731	93,580

# General Fund Expenditures

Code:	Department:
011	City Manager

Managing Department Head: City Manager

## Program Purpose:

Appointed by the City Council, the City Manager serves as the chief administrative officer of the City, responsible for providing effective municipal services in accordance with policies established by the City Council.

## Primary Activities:

The City Manager's Office provides municipal services by effectively directing all City activities, finances and personnel. Contract administration, risk management, personnel services, website operation, ocean water quality issues, grant applications, franchise agreement management, property management, and workers compensation administration are direct functions of this office.

## Significant Changes/Comments:

The City Manager's budget has increased due to the consolidation of personnel-related costs such as fingerprinting, pre-employment physical exams, background checks and other costs related to hiring of personnel. This is not a budget increase since the costs have been shifted from individual departments to the City Manager's budget. This transfer of responsibility will reduce the administrative burden on other departments and ensure the hiring requirements are consistently applied.

# General Fund Expenditures

## City Manager

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-011-40001	314,934	320,945	288,781	320,240
Overtime	001-011-40003	25		131	
Part-time	001-011-40004	9,403	10,000	10,587	10,000
Deferred Compensation	001-011-40011	18,750	19,606	17,255	20,400
Pers Retirement	001-011-40012	27,335	42,417	37,384	44,400
Pars Retirement	001-011-40013	109	130	133	130
Health Insurance	001-011-40014	28,134	29,404	29,413	37,260
Dental Insurance	001-011-40015	1,916	2,104	2,116	
Medicare Insurance	001-011-40017	4,270	4,306	4,064	4,580
Life and Disability	001-011-40018	4,369	4,528	4,402	4,500
PARS Admin Fees	001-011-40025	231	250	161	90
<b>Total Personnel</b>		<b>409,474</b>	<b>433,690</b>	<b>394,425</b>	<b>441,600</b>
<b>Operations</b>					
Office Supplies	001-011-40100	4,607	6,900	5,413	6,900
Public/legal Notices	001-011-40200	2,247	2,500	3,450	2,500
					LexisNexis, subscriptions, handbooks, advertising, personnel notices
Memberships and Dues	001-011-40300	6,902	5,000	7,215	7,500
					OC City Mgr \$800 Personnel Consortium \$2000; ICMA \$2500; Employee Relations \$1000; ASPA \$700; City Cable Assoc \$500
Training and Meetings	001-011-40400	1,273	4,800	3,249	4,800
					OC City Mgr mtgs; ICMA/PERS Confs; Local mtgs
Equipment/materials	001-011-40700			105	

# General Fund Expenditures

## City Manager

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Special Departmental	001-011-40800		1,500		1,500
Telephone	001-011-41000	5,026	4,800	3,306	4,800
					Safety Mtgs; Town Hall mtgs Pgr\$400; CM/ACM allowance \$4000
Auto Allowance	001-011-43000	6,923	6,900	6,298	6,900
Cont. Professional Svcs	001-011-44000	92,340	128,000	99,733	100,000
					Sec 125 Admin\$2,200; Emp Asst Prg \$2,000; Persnrl Fngrprntg \$3,500; Hepatitis Vac \$2,000; Pre- Emplymnt \$3,000; Labor Neg \$6,000; Lobbyist \$36,000; Psych Consult \$2,100; Bckgrnd Invstigatn \$1,100; DOJ Fngrprntg \$2,100; Cost allocation fee for service study \$35,000
<b>Total Operations</b>		<b>119,317</b>	<b>160,400</b>	<b>128,768</b>	<b>134,900</b>
<b>Total City Manager</b>		<b>528,791</b>	<b>594,090</b>	<b>523,194</b>	<b>576,500</b>



# General Fund Expenditures

Code:	Department:
012	City Clerk

Elected Official: City Clerk

## Program Purpose:

The municipal clerk is a primary representative of local government, serving as liaison between the City Council, the City staff, and the public in a helpful, professional manner. The City Charter, City Municipal Code and various Codes of the State of California legally mandate the duties and responsibilities of the Clerk. The City Clerk position in Seal Beach is that of a citywide elected official and serves for a term of four years (no term limits).

## Primary Activities:

Attend all meetings of the City Council and Redevelopment Agency, be responsible for recording and maintaining an accurate record of the actions resulting from those meetings; classify, index, file all City Council and Redevelopment Agency meeting minutes, actions, directives, and documents; maintain official documents, records, minutes, ordinances, resolutions, contracts, agreements, deeds, easements, etc.; process amendments to the Municipal Code; certify official and legal documents; administer legal publications; receive/open bids; administer oaths; custodian of official City seal; process conflict of interest filings; conduct municipal elections in accordance with Charter and State law; maintain campaign reports; perform voter registration; receipt of claims and general information to public.

## Significant Changes/Comments:

In the process of implementing a records management system to provide better access to all City records and to develop a retention schedule citywide to better manage the amount of duplication of records kept by all departments, including the police department. Hire a full-time employee to help establish consistency in the process and development of records management. Establish relief in the department at the switchboard, either through a receptionist or to transfer duties to another department.

## Goals:

- Continue to develop a citywide records management system.
- Continue to maintain a high level of service and to respond to the challenges of the community.
- Provide access to records through the website.

# General Fund Expenditures

## City Clerk

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-012-40001	63,554	100,836	83,004	118,750
Part-time	001-012-40004	20,861	12,000	14,428	14,000
Deferred Compensation	001-012-40011	2,243	3,130	2,642	3,240
Pers Retirement	001-012-40012	5,678	13,455	10,968	16,460
Pars Retirement	001-012-40013	272	156	188	180
Health Insurance	001-012-40014	3,011	4,846	4,200	11,650
Dental Insurance	001-012-40015				
Medicare Insurance	001-012-40017	1,336	1,682	1,573	2,090
Life and Disability	001-012-40018	925	1,590	1,382	1,810
PARS Admin Fees	001-012-40025	92	100	102	130
<b>Total Personnel</b>		97,972	137,795	118,487	168,310
<b>Operations</b>					
Office Supplies	001-012-40100	6,983	3,000	3,932	5,000
Public/legal Notices	001-012-40200	2,576	3,500	1,515	3,500
Memberships and Dues	001-012-40300		200	253	200
Training and Meetings	001-012-40400		350		350
Equipment/materials	001-012-40700	9,283	1,500		1,500
Special Departmental	001-012-40800	1,484	2,500	149	2,500
Auto Allowance	001-012-43000	1,807	1,800	1,643	1,800
Contract Professional Svcs	001-012-44000	52,867	65,000	54,165	15,000
Telephone City Cle	001-012-41000	(604)	900	822	900
<b>Total Operations</b>		74,395	78,750	62,479	30,750
<b>Total City Clerk</b>		172,368	216,545	180,966	199,060
<b>Elections</b>					
Special Departmental	001-013-40800	26,074	54,000	54,000	10,000
<b>Total Elections</b>		26,074	54,000	54,000	10,000

# General Fund Expenditures

Dept Code:	Department:
<b>015</b>	<b>City Attorney</b>

Managed by: City Council
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## Program Purpose:

The City Attorney provides legal counsel and representation to the City Council, the Redevelopment Agency, Commissions and staff with the goal of assuring legal compliance and protecting the City's interest in all legal matters. The City contracts their attorney services with Richards, Watson and Gershon, a professional corporation. The City pays a monthly base fee of \$13,500 covering the first 71 hours of general services. For additional services the City pays between \$225 and \$350 per hour.

## Primary Activities:

The City Attorney attends all City Council, Redevelopment Agency and Commission meetings. The City Attorney represents the City in all legal actions against the City and prosecutes if called upon to do so. The City Attorney prepares or reviews all contracts, ordinances, resolutions, litigation and other documents and provides Council and staff legal advice in compliance with applicable laws.

Description	Account Number	2004-2005	2005-2006	2005-2006	2006-2007
		Actual	Adopted Budget	Estimate	Adopted Budget
Montly Legal Contract	001-015-49700	150,718	162,000	109,663	162,000
Litigation Services	001-015-49710	63,363	50,000	896	50,000
General Prosecution	001-015-49720	10,405	63,000	1,600	63,000
Legal Contract Police	001-015-49730	0	0	0	60,000
Other Attorney Services	001-015-49777	247,261	115,000	102,923	55,000
<b>Total City Attorney</b>		<b>471,747</b>	<b>390,000</b>	<b>215,081</b>	<b>390,000</b>

# General Fund Expenditures

Code:	Department:
017	Administrative Services

Managing Department Head: Director of Administrative Services/Treasurer

## Program Purpose:

Administrative Services is a service-oriented department serving the Public, City Council, City Manager, other departments and employees. The main responsibilities fall into three categories: finance, treasury and information technology. The department's priorities are to be prudent in classifying and recording transactions, safeguarding assets, financial reporting and fiscal planning of the City and Redevelopment Agency.

## Primary Activities:

Administrative Services performs the following activities: accounts payable, accounts receivable, cash receipting, payroll, business licensing, utility billing, general ledger maintenance, timely financial reporting in conformity with generally accepted accounting principles, fixed asset recording, budgeting, grant administration, assessment district administration, Redevelopment Agency low/moderate compliance, debt administration, cash management, and information technology administration. The department also monitors revenue compliance with Utility Users Tax, Hotel Occupancy Tax, Business Licenses, and many others.

## Significant Changes/Comments:

Administrative Services has maintained a stabilized staff. A full time Administrative Services Manager has replaced the part time Assistant Director of Finance. To better support the growing services and obligations of the City, positions for Budget Analyst and Senior Accountant are currently being recruited. Continued audits of business licenses, and hotel occupancy taxes have generated additional revenue.

# General Fund Expenditures

## Administrative Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-017-40001	246,314	272,298	255,000	363,900
Overtime	001-017-40003				2,000
Part-time	001-017-40004	18,125	38,252	21,991	40,000
Tuition Reimbursement	001-017-40007		1,800		1,800
Deferred Compensation	001-017-40011	7,977	8,187	6,316	11,930
Pers Retirement	001-017-40012	21,874	34,289	32,000	50,450
Pars Retirement	001-017-40013	236	497	286	520
Health Insurance	001-017-40014	25,232	30,770	25,626	52,780
Dental Insurance	001-017-40015	1,694	3,293	2,196	
Medicare Insurance	001-017-40017	3,988	4,622	3,731	6,420
Life and Disability	001-017-40018	3,651	4,061	3,173	5,300
PARS Admin Fees	001-017-40025	323	350	263	390
Unemployment	001-017-40030				
<b>Total Personnel</b>		<b>329,413</b>	<b>398,419</b>	<b>350,582</b>	<b>535,490</b>
<b>Operations</b>					
Office Supplies	001-017-40100	8,897	9,700	11,990	10,000
Public/legal Notices	001-017-40200	3,789	5,300		5,500
					Pub. of Budget and Comprehensive Financial Statements
Memberships and Dues	001-017-40300	1,070	1,000	1,207	3,000
					Dues for SURFA, IMCA, CFA, GFOA memberships, Finance Officer, Treasurer, and Business Tax Organizations

# General Fund Expenditures

## Administrative Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Training and Meetings	001-017-40400	7,162	12,500	12,500	22,250 Finance/Regulatory Conferences/Acct Software Training/PERS training; increase due to addition of two professional FTEs, the rise in seminar costs and new accounting pronouncements and associated CPE requirements
Equipment/materials	001-017-40700	400	1,500	533	3,500 Check Signing Bump Files, endorsement stamps coin deposit materials, bank deposit materials
Special Departmental	001-017-40800	70,273	21,375	20,849	39,250 City Storage \$8,000; Armored car services \$6,000; Accounting software maint \$15,250; Temp Assistance \$20,000
Telephone Admin Sv	001-017-41000	889	900	449	900
Auto Allowance	001-017-43000	1,807	1,800	997	1,800

# General Fund Expenditures

## Administrative Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Contract Professional Svcs	001-017-44000	49,692	108,100	88,076	108,000 Annual City Audit \$28,000; State Controller's Report \$2,100; Annual Street Report \$1,100; Sales Tax Audits \$6,500; Prop Tax Updates (HDL) \$2,800; Investment Mgt \$22,500; Asset Inventory Report \$10,000; GASB 34 Infrastructure \$35,000
<b>Total Operations</b>		143,979	162,175	136,600	194,200
<b>Total Administrative Services</b>		473,393	560,594	487,182	729,690

# General Fund Expenditures

Code:	Department:
<b>018</b>	<b>Risk Management</b>

Managing Department Head: Assistant City Manager

## Program Purpose:

Administration of City's risk management program including public liability insurance and worker's compensation insurance. Public liability covers insurance costs, claims administration and claims settlement for any liability incurred against the City. Worker's compensation insurance reflects cost of insurance premiums, claims administration and claims settlement.

## Primary Activities:

The City's risk management program includes administration of the City's insurance programs through use of a joint powers insurance authority as well as the coordination of claims processing between the City and the authority.

## Significant Changes/Comments:

The City recently joined a new risk management joint powers authority and is still in a transitional period for establishing claims and risk history with the authority. Since becoming a member, the city has realized cost savings in the processing and administration of claims. The actual cost of insurance premiums rose considerably following the nation's 9/11 crisis and premiums continue to remain high.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Liability Insurance	001-018-49500	291,250	230,000	450,000	325,000
Liability Claims Adm	001-018-49510	1,261			50,000
Liability Settlement	001-018-49520		25,000		25,000
Work Comp Claims	001-018-49600	212,805	194,000	57,111	450,000
Work Comp Adm	001-018-49610		5,000		
Work Comp Ins. Premiums	001-018-49620	361,150	410,000	257,539	
<b>Total Risk Management</b>		<b>866,466</b>	<b>864,000</b>	<b>764,650</b>	<b>850,000</b>



# General Fund Expenditures

Code:	Department:
019	Non-Departmental

Managing Department Head: Director of Administrative Services/Treasurer

**Program Purpose:**

Non-Departmental provides for activities benefiting the organization as a whole and are not chargeable to other programs or departments.

**Primary Activities:**

Items charged to Non-departmental include but are not limited to retiree insurance, grant writing, citywide copier maintenance and paper, MIS contract (network maintenance), web page and internet service. These citywide expenditures are not charged to departments, therefore the budgets and financial reports accurately reflect programs and activities.

# General Fund Expenditures

## Non-Departmental

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Personnel</b>					
Overtime Salaries	001-019-40003		3,000		
Part-time Salaries	001-019-40004				
Pers Retirement	001-019-40012	3,099			
Pars Retirement	001-019-40013				
Health Insurance	001-019-40014	174,863	180,740	181,302	222,000 Retiree medical and dental insurance
Dental Insurance	001-019-40015	14,677	18,889	20,330	
<b>Total Personnel</b>		<b>192,640</b>	<b>202,629</b>	<b>201,632</b>	<b>222,000</b>
<b>Operations</b>					
Office Supplies Non-depa	001-019-40100	22,472	29,800	23,919	30,000 City Hall and Public Works office supplies; printer maintenance and cartridges; paper; general office supplies; postage; printing for all city letterhead and forms
Training and Meetings	001-019-40400	4,671	8,000	507	8,000 City wide training on computer software and hardware for staff
Rental/lease Equipment	001-019-42000	66,871	77,000	78,213	88,000 Rental, maintenance, supplies, service, and copies for digital copiers/printers and mail machine \$43,000; and Verizon telephone system \$35,000 (includes annual maintenance agreements); Christmas lights lease \$10,000
OCTA Senior Bus Program	001-019-43000	75,042	75,098	62,041	80,000 OCTA senior bus program funded with TDA article 4 funds

# General Fund Expenditures

## Non-Departmental

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Contract Professional Svcs	001-019-44000	292,903	280,812	177,080	175,000 Computer network support svcs \$141,000; web site svcs \$16,800; Quickbase software maint \$3,000; T-1 line for computer network \$14,200
<b>Total Operations</b>		461,959	470,710	341,760	381,000
<b>Total Non-Departmental</b>		654,598	673,339	543,392	603,000

# General Fund Expenditures

Code:	Department:
022, 023	Police

Managing Department Head: Chief of Police
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## Program Purpose:

The Seal Beach Police Department dedicates itself to providing core and essential police service to the citizens of Seal Beach with the primary objective of protecting lives and property. The department works cooperatively with all segments of the community to achieve the mutual goal of keeping Seal Beach a safe and desirable place to live, work, visit and play, all with a genuine feeling of security.

## Primary Activities:

The police department's primary duties include: responding to calls for service, conducting preventive, directed foot and vehicular patrols, and providing traffic enforcement in areas where traffic accidents are occurring and in residential areas as a response to traffic complaints. It also provides neighborhood-policing services to geographically defined locations for a specific time to reduce crime and crime related issues; follow-up on patrol arrests, cases with workable leads, and files criminal cases with the District Attorney's office; and providing desk service to the public during business hours; all within the framework of a community-policing environment.

## Significant Changes/Comments:

During the last two-year budget cycle, the police department weathered a hiring freeze as well as a number of long-term vacancies due to medical or administrative circumstances, along with an organizational restructuring dictated by a Police Services Study. Changes implemented during the last quarter of this past budget cycle included: restructuring the Police Services Study by adding one (1) Sergeant, one (1) CSO, reclassifying the Captain and Administrative Services Commander to Lieutenant and Support Services Manager, and dropping two (2) Corporal positions.

Implementation of a modified CompStat analysis system created significant improvements in police service delivery in both P-1 and P-2 call responses; and, a notable increase to individual and collective self-initiated activity.

# General Fund Expenditures

## Police Field Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Full-time Salaries	001-022-40001	1,801,173	1,978,371	1,891,839	2,057,950
Overtime	001-022-40003	171,170	140,000	230,732	140,000
Part-time	001-022-40004	128,624	157,000	67,451	157,000
Holiday Pay	001-022-40005	91,179	98,054	89,392	100,510
Tuition Reimbursement	001-022-40007	2,052	7,200		7,200
Deferred Compensation	001-022-40011	3,797	3,934	3,718	5,030
Pers Retirement	001-022-40012	950,484	1,151,340	1,085,592	1,314,400
Pars Retirement	001-022-40013	1,685	2,041	877	2,040
Health Insurance	001-022-40014	167,410	202,893	194,091	271,890
Dental Insurance	001-022-40015	17,333	17,797	17,947	
Medicare Insurance	001-022-40017	29,124	30,867	31,870	36,890
Life and Disability	001-022-40018	24,583	27,293	26,930	28,760
Uniform Pay	001-022-40020	14,583	18,432	16,533	21,800
Annual Education Pay	001-022-40021	43,293	43,251	40,656	52,440
PARS Admin Fees	001-022-40025	586	635	478	1,450
Unemployment	001-022-40030				
<b>Total Personnel</b>		<b>3,074,824</b>	<b>3,879,108</b>	<b>3,698,106</b>	<b>4,197,360</b>
<b>Operations</b>					
Telephone	001-022-41000	17	648	577	4,500
					Cell phone allowance for PMA officers
<b>Total Operations</b>		<b>17</b>	<b>648</b>	<b>577</b>	<b>4,500</b>
<b>Total Police Field Services</b>		<b>3,074,841</b>	<b>3,879,756</b>	<b>3,698,683</b>	<b>4,201,860</b>

# General Fund Expenditures

## Police Support Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-023-40001	779,085	779,338	735,277	853,630
Overtime	001-023-40003	46,155	37,800	46,147	37,800
Part-time	001-023-40004	18,322	23,218	13,638	23,220
Holiday Pay	001-023-40005	24,962	23,151	20,413	23,910
Deferred Compensation	001-023-40011	5,702	6,952	5,648	8,920
Pers Retirement	001-023-40012	304,144	341,100	314,653	403,440
Pars Retirement	001-023-40013	241	302	177	300
Health Insurance	001-023-40014	76,593	90,899	78,848	116,440
Dental Insurance	001-023-40015	7,996	9,493	9,815	
Medicare Insurance	001-023-40017	10,867	10,291	10,412	12,840
Life and Disability	001-023-40018	9,350	11,198	10,325	12,150
Uniform Pay	001-023-40020	4,965	5,384	4,457	5,840
Annual Education Pay	001-023-40021	12,026	11,040	10,010	14,100
PARS Admin Fees	001-023-40025	138	150	113	220
<b>Total Personnel</b>		<b>1,300,546</b>	<b>1,350,316</b>	<b>1,259,931</b>	<b>1,512,810</b>
<b>Operations</b>					
Office Supplies	001-023-40100	15,634	16,193	10,973	16,190
Memberships and Dues	001-023-40300	2,550	2,940	3,388	3,000
					Local, statewide, and national memberships & dues (CPOA, IACP, Cal Chiefs, OC Chiefs, Assoc of Fin Crimes, NTOA, etc): \$1,500; Subscriptions (CPOA, Newspapers, Update News letters, US ID Manual, CPOA Res Dir), \$1,500
Training and Meetings	001-023-40400	9,570	14,200	13,036	14,200
					Meetings & Training, non-POST reimb training, conferences, mileage, Reserve Training, Senior Volunteer Directory, CAPE, C of C Dues, Host training costs, Education classes, Resource books

# General Fund Expenditures

## Police Support Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Bldg/grounds Materials	001-023-40500	182			
Automotive	001-023-40600	3,628	4,700	2,901	3,000 Car washes and detailing-
Equipment/materials	001-023-40700	14,470	13,000	13,000	13,000 Photo Proc \$700; batteries \$1,250; flares/tapes/non--office supplies \$1,100; MDC hardware repairs \$3,000; audio recorder/radar maint/repairs \$1,700; printer serv/cartridges \$1,000; armored vest replacement \$3,750, Minor Computer repairs \$500, Lock Serv
Special Departmental	001-023-40800	35,106	30,000	19,849	30,000 Citations/Forms Printing \$4,000; range supplies/ammo \$7,155; spec items (Chaplain Trng, prkg, decals, Intox Calibration) \$1,000; Senior Vol Prog \$1,450; Res. Uniforms, Mo Stipends \$10,800; Crossing Grd Unif \$525; Equip Replacement \$1,070, New employee uniforms & badges \$4,000.
Sp. Assmnt Collect	001-023-40822	294	270	1,230	
Telephone	001-023-41000	47,530	52,648	36,097	52,000
Gas	001-023-41010	2,831	36,000	2,837	3,500
Electricity	001-023-41020	44,718	60,000	43,733	50,000
Rental/lease Equipment	001-023-42000	16,543	20,000	4,822	20,000 Internet tracking (Auto-track, Choicepoint, Entersect, OC Gang Syst, OC Teletype Syst, Intox, etc) \$4,000; pagers \$1,100; copier leases \$9,000; T 1 line West Com access \$4,900; Postage meter \$1,000

# General Fund Expenditures

## Police Support Services

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Contract Professional Svcs	001-023-44000	137,585	170,125	170,000	190,000 Citation process (Or Co) \$85,850; Turbo Data \$36,000; DUI bid & breath tests \$10,000; Drug Enforcement \$1,750; DOJ Fingerprinting \$1,800; false alarm service \$11,000; hospital treatment, physicals \$3,600; Background Investigations & Polygraph testing \$12,000; 800MHz radio backbone maint. \$28,000.
Intergovernmental	001-023-45000	73,989	120,000	90,483	243,000 West Covina Automation fees \$57,500; 128K Frame Relay to West Covina \$2,500; County Prosecution Assmnt Fees \$38,400; Brea MDC backbone and support \$17,600; West Covina Contract \$5,000, Or Co Radio services \$4,000; Long Beach Animal Control \$118,000
West Com JPA	001-023-46000	498,993	498,993	514,000	545,000
Debt Service	001-023-47888	80,000	85,000	85,000	90,000 Principal pymt on bonds for 800 MHz project
Interest Payments	001-023-47999	40,953	36,681	36,681	32,065 Bond Interest pymt for 800 MHz project
<b>Total Operations</b>		<b>1,024,576</b>	<b>1,160,750</b>	<b>1,048,031</b>	<b>1,304,955</b>
<b>Total Police Support Services</b>		<b>2,325,121</b>	<b>2,511,066</b>	<b>2,307,963</b>	<b>2,817,765</b>



# General Fund Expenditures

Code:	Department:
<b>024</b>	<b>Detention Facilities</b>

Managing Department Head: Chief of Police
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## Program Purpose:

The contract jail operation provides a local facility to house arrestees and generates off setting revenue by providing other jail services.

## Primary Activities:

Housing Seal Beach arrestees, as well BOP, and pay and stay prisoners in a manner that is simultaneously safe for the community, prisoners and the City, and in a manner that complies with all applicable state and federal mandates.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted	2005-2006 Estimated	2006-2007 Adopted
			Budget		Budget
Contract Professional Svcs	001-024-44000	410,352	475,000	187,686	195,000
<b>Total Detention Facilities</b>		410,352	475,000	187,686	195,000

# General Fund Expenditures

Code:	Department:
026	Fire Services

Managed by: City Manager

## Program Purpose:

Fire Services contribute to the safety and well being of the community by responding to emergency situations and promoting fire prevention.

## Primary Activities:

Fire Services are provided through a contract with the Orange County Fire Authority (OCFA). The OCFA provides technical, rescue, fire prevention, fire investigation, hazardous materials response, public information/education, paramedic and ambulance transport services.

## Significant Changes/Comments:

The City has received communication from PERS (Public Employees Retirement System), based on newly acquired information, that the City's obligation to the former firefighter's retirement plan will be met in 7 years. Annual cost for the City to fund the plan is estimated to be \$500,000.

Account Description	Account Number	2004-2005 Actual	2005-2006		2006-2007
			Adopted Budget	2005-2006 Estimated	Adopted Budget
Pers Retirement	001-026-40012	462,027	515,086	515,086	524,191
Contract Professional Svcs	001-026-44000	3,107,238	3,230,852	3,230,852	3,359,000
Total Fire Services		3,569,265	3,745,938	3,745,938	3,883,191

# General Fund Expenditures

Code:	Department:
030	Planning

Managing Department Head: Director of Development Services

## Program Purpose:

The Planning Department ensures that projects are compatible with surrounding land uses and incorporates aesthetically pleasing features which architecturally embellish the physical design including design function, landscaping and open space. The Department ensures that all development proposals are planned, designed, and developed in such a manner as to compliment the overall quality of the community and is in accordance with the provisions of the General Plan and Zoning Ordinance of the City. The Department provides a service that protects and preserves the welfare of the community by reviewing projects for federal, state, county, and city regulatory compliance. The Department implements and maintains the City's General Plan. The General Plan establishes and outlines the goals and policies that govern the present and future development of the community. The Department formulates the City's long-range policies and programs related to land use, housing, transportation, urban design, recreation, open space, and economic development. The Department serves as primary staff assistance to the City Council, Redevelopment Agency, Planning Commission, Environmental Quality Control Board, and Archaeological Advisory Committee.

## Primary Activities:

The Department reviews and processes development proposals to determine compliance with the goals set forth in the City's General Plan and development standards in the Zoning Ordinance. The Department processes all the entitlement applications including general plan amendments, tentative maps, zoning text and map amendments, conditional use permits, site plan reviews, variances, sign applications, home occupation permits, zone changes, and environmental assessments. The department is also responsible for implementing local, county, and regional projects that directly impact the community.

The Department is responsible for conducting in-house plan checks and field inspections on new developments, building improvements, and landscaped areas to ensure compliance with development standards and Conditions of Approval imposed with entitlements. In addition, the Department provides public counter and telephone assistance for the community, municipalities, and developers relating to planning, mapping, zoning, and other information.

# General Fund Expenditures

## WORKLOAD INDICATORS:

The service trends and levels of responsibilities in the Planning Department are expected to increase. Additionally, the level of service demanded by recent state legislation requires that the Planning Division participate in and monitor the following programs: Growth Management Plan (GMP), Air Quality Management Plan (AQMP), Mobile Source Emission Reduction, Regional Mobility Plan (RMP), Regional Comprehensive Plan (RCP), National Pollution Discharge Elimination System (NPDES), Drainage Area Management Plan (DAMP), California Environmental Quality Act (CEQA), General Plan Mandatory Element Updates, Local Coastal Plan Adoption, and Regional Housing Needs Assessment. Within the past three years the Department has been involved with 3 major land use entitlement projects: the Bixby Old Ranch project, the Hellman Ranch project, and the Boeing Integrated Defense Systems Specific Plan project. These projects required extensive time commitments of staff to process the necessary Environmental Impact Reports, General Plan Amendments, Zone Changes, Tentative and Final Tract Maps, Development Agreements, Site Plan Reviews, and other necessary land use entitlements. The Hellman Ranch project and the Boeing Integrated Defense Systems Specific Plan project involved extensive efforts in processing the approved project through the California Coastal Commission for approval of the necessary Coastal Development Permits.

The Bixby Old Ranch project was completed in Spring 2004. The Heron Pointe residential development (Hellman Ranch project), comprising a 14.8 acre, 64-lot single family residential neighborhood by John Laing Homes and the Pacific Gateway Business Center project (Boeing Integrated Defense Systems Specific Plan project), comprising a 10 building, 518,000 square foot business park development by Overton Moore Properties are currently under construction and are anticipated to be completed in 2007. Overton Moore Properties anticipates complete buildout of the Pacific Gateway Business Center in 2008.

Projects that will require significant plan review services by the Planning Department include:

- ☐ Pacific Gateway Center – a 120-room hotel and 32,500 square feet of retail commercial development by Panattoni Development that is currently awaiting California Coastal Commission approval;
- ☐ Village at Rossmoor Center – tear down and reconstruction of approximately 118,000 square feet of retail commercial area in an existing shopping center by Century National Properties/Madison Marquette; and
- ☐ Seal Beach Center – Renovation of an existing 7.9-acre shopping center by Regency Centers that is currently awaiting California Coastal Commission approval.

There is a continuing effort to develop a Local Coastal Plan to comply with the provisions of the California Coastal Act. A "Draft Local Coastal Plan" is under review with staff of the California Coastal Commission. Consideration by the Coastal Commission and the City is expected in early 2007.

# General Fund Expenditures

## WORKLOAD INDICATORS

	<u>03-04</u> <u>Actual</u>	<u>04-05</u> <u>Actual</u>	<u>05-06</u> <u>Projected</u>	<u>06-07</u> <u>Projected</u>
Conditional Use Permits	24	18	20	20
Determination of Proper Zoning				
FEIR – Recommend Adequacy				
General Plan Amendments			1	1
General Plan Conformance			3	2
Height Variations	4	5	8	6
Minor Plan Reviews	9	8	17	15
Negative Declarations	1		7	4
Plan Reviews				
Planned Sign Programs			2	1
Redevelopment Plan Amendments				
Site Plan Reviews	1	1	2	2
Special Event Permits	26	33	45	42
Specific Plans			1	1
Tentative Parcel Maps			5	2
Tentative Tract Maps				2
Tree Permits				
Variances		3	6	5
Vesting Tentative Tract Maps				1
Zone Changes			2	2
Zone Text Amendments	4	3	2	2

### Significant Changes/Comments:

The Department plans to complete preparation of a Local Coastal Plan and Implementation Plan and initiate a complete revision to the City Zoning Ordinance during the 2006-07 Fiscal Year.

# General Fund Expenditures

## Planning Department

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-030-40001	200,727	211,983	211,900	215,690
Overtime	001-030-40003	2,253		361	
Part-time	001-030-40004	8,170	8,000	7,810	15,200
Deferred Compensation	001-030-40011	7,167	7,908	7,312	8,040
Pers Retirement	001-030-40012	17,854	28,285	28,000	29,900
Pars Retirement	001-030-40013	58	104	51	100
Health Insurance	001-030-40014	18,777	23,078	21,855	28,140
Dental Insurance	001-030-40015	2,101	2,775	2,774	
Medicare Insurance	001-030-40017	3,371	3,305	3,375	3,680
Life and Disability	001-030-40018	2,804	3,096	3,132	3,140
FICA	001-030-40019				550
PARS Admin Fees	001-030-40025	46	50	38	70
<b>Total Personnel</b>		<b>263,283</b>	<b>288,584</b>	<b>286,608</b>	<b>304,510</b>
<b>Operations</b>					
Office Supplies	001-030-40100	8,223	9,685	8,782	10,000
Public/legal Notices	001-030-40200	1,902	1,090	2,801	2,000
Memberships and Dues	001-030-40300	1,272	1,340	800	1,500
Training and Meetings	001-030-40400	2,294	3,250	1,687	3,250
Equipment/materials	001-030-40700	1,678	1,650	462	1,650
Special Departmental	001-030-40800	132	6,000		
Telephone	001-030-41000	818	830	698	900
Auto Allowance	001-030-43000	1,807	1,800	1,643	1,800
Contract Professional Svcs	001-030-44000	33,625	56,000	75	50,000
					Complete LCP and Zoning Ordinance Update
<b>Total Operations</b>		<b>51,751</b>	<b>81,645</b>	<b>16,948</b>	<b>71,100</b>
<b>Total Planning Department</b>		<b>315,035</b>	<b>370,229</b>	<b>303,556</b>	<b>375,610</b>

# General Fund Expenditures

Code:	Department:
031	Building & Safety

Managing Department Head: Director of Development Services

## Program Purpose:

Building and Safety enforces the local, state, and federal laws enacted to provide minimum requirements that safeguard the public safety, health, and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment.

## Primary Activities:

Receive applications, review construction documents, and issue permits for the erection and alteration of buildings and structures. Perform inspections for such permits and enforce compliance with the provisions of the Code of the City of Seal Beach and the Uniform Building Codes. Compile monthly permit data reports, maintain project coordination with internal divisions, as well as state and local agencies. Review, amend, and adopt required codes and policies.

## Significant Changes/Comments:

The City now contracts with Charles Abbott Associates for an on-call Building Official, a Senior Building Inspector, a building inspector, a permit technician, and a code compliance officer. All construction permits issued are combination permits, and separate permits are no longer issued for electrical, plumbing, or mechanical work requiring permits.

## Goals:

During Fiscal Year 2006-2007 or 2007-2008 the City will revise all of the construction codes in compliance with the requirements of California law. These comprehensive construction code updates occur on an approximate 3-year cycle and the adoption schedule is dependent upon the State adoption of the appropriate construction codes.

# General Fund Expenditures

## Building & Safety Department

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-031-40001	16,344	16,764	15,561	16,770
Overtime	001-031-40003				
Deferred Compension	001-031-40011	740	754	700	760
Pers Retirement	001-031-40012	1,451	2,237	2,084	2,320
Health Insurance	001-031-40012	1,189	1,349	1,305	1,620
Dental Insurance	001-031-40014	133	136	136	
Medicare Insurance	001-031-40015	247	255	235	270
Life and Disability	001-031-40017	225	232	234	230
<b>Total Personnel</b>		20,328	21,727	20,255	21,970
<b>Operations</b>					
Office Supplies	001-031-40100	3,534	2,500	3,219	3,500
Public/legal Notices	001-031-40200		500		500
Memberships and Dues	001-031-40300		875		875
Training and Meetings	001-031-40400	115	700		700
Automotive Materials	001-031-40600		1,500		
Equipment/Materials	001-031-40700	1,673	5,000		1,500
Special Departmental	001-031-40800				4,000
					Permit Retention on CD-ROMs
Telephone	001-031-41000	89	1,375	123	
Contract Professional Svcs	001-031-44000	449,247	320,950	630,000	420,000
					Charles Abbot & Assoc. Contract
Intergovernmental	001-031-45000	3,609	6,000	10,000	6,000
<b>Total Operations</b>		458,267	339,400	643,343	437,075
<b>Total Building and Safety Department</b>		478,594	361,127	663,597	459,045



# General Fund Expenditures

Code:	Department:
042	Public Works: Non-Departmental Engineering

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To administer planning, programming, budgeting, construction and maintenance of the City's infrastructure in a cost-effective way that meets the overall needs of the community.

## Primary Activities and Objective:

Capital Improvement Program – determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; coordinate with other departments and agencies; conduct community meetings and prepare presentations and press releases; prepare council reports, respond to the public inquiries; adhere to multi-agency funding and environmental requirements; Projects include parks and buildings.



Regular Activities – development plan check: tract maps, lot line adjustments, utility plans, grading, best management practices; issue permits: grading and special events; respond to public, council and other agencies requests for information on plans, permits, surveys, flood zones, CIP, and standard plans; track all service requests; prepare maps and blue prints; manage and update the geographic information system and prepare for GASB 34, and manage and file over 7000 record drawings which are stored in the vault; apply for all available grant funding sources; manage various sources of funding; and provide support for other public works divisions;

Construction Management/Inspection– Inspection of grading and special event permits and projects, response to citizen requests concerning construction activities, enforcing City and agency regulations, quality assurance, conformance to plans, specifications and standards.

Outside Agency Coordination and/or Compliance with Regulations- National Pollution Discharge Elimination System permit; Regional Water Quality Control Board; California Department of Transportation, Los Angeles County Flood Control, Los Angeles County Public Works, Orange County Public Facilities and Resource Department, City of Long Beach, City of Huntington Beach, California Department of Health, Air Quality Management District, California Coastal Commission, Los Angeles Department of Water and Power, Southern California Edison, Southern California Gas, Adelphia Cable, Verizon, Department Industrial Relations, Naval Weapons Station, California Coastal Conservancy, California Fish and Game, California Fish and Wildlife, Orange County Transportation Authority, Army Corp of Engineers, California Department of Water Resources, OSHA, Environmental Protection Agency, Metropolitan Water District, Orange County Water District, Municipal Water District of Orange County, West Orange County Water District, Orange County Sanitation District.

# General Fund Expenditures

Significant Changes/Comments:
<p>The Engineering Division will continue with miscellaneous non-departmental projects and services such as outside agency coordination, grading permits, development, general responses to the public, special event coordination and permits, records management, and the small percentage of time spent on parks, landscaping and facilities. The breakdown is as follows: 5% Director of Public Works, 10% Deputy City Engineer, and 20% Executive Secretary.</p> <p>Funding for this Division is 100% General Fund.</p>

# General Fund Expenditures

## Engineering Department

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
Personnel					
Full-time Salaries	001-042-40001	21,470	22,045	19,539	24,070
Part-time	001-042-40004	2,134	3,000	2,313	3,000
Tuition Reimbursement	001-042-40007				
Deferred Compensation	001-042-40011	829	665	574	740
Pers Retirement	001-042-40012	1,987	2,942	2,579	3,340
Pars Retirement	001-042-40013	28	39	30	40
Health Insurance	001-042-40014	2,741	2,532	2,297	3,120
Dental Insurance	001-042-40015	197	172	171	
Medicare Insurance	001-042-40017	218	240	223	280
Life and Disability	001-042-40018	331	329	315	360
PARS Admin Fees	001-042-40025	46	50	38	30
Total Personnel		29,980	32,014	28,078	34,980
Operations					
Office Supplies	001-042-40100	943	900	695	900
Memberships and Dues	001-042-40300	50			
Training and Meetings	001-042-40400	257	300	377	300
Telephone	001-042-41000	140	900	280	45
Rental/lease Equipment	001-042-42000	429	160		160
Auto Allowance	001-042-43000	152	90	82	90
					Allocation of Car Allowance
Contract Professional Svcs	001-042-44000	17,416	20,200	12,000	18,000
					70% West Nile Virus 30% retainer for architect and misc. services
Total Operations		19,388	22,550	13,434	19,495
Total Engineering Department		49,368	54,564	41,512	54,475

# General Fund Expenditures

Code:	Department:
043	Public Works: Storm Drain/NPDES Division

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To ensure proper delivery of storm water for flood protection while maintaining mandated levels of ocean water quality.

## Primary Activities and Objective:

### Regular Activities:

Maintenance - inspecting, cleaning, maintaining, and tracking catch basins, catch basin filters, catch basin screens, storm drains, culverts, and other storm water conveyances, maintaining and operating a storm water pumping station, testing of debris trapped in catch basins.

Engineering - compliance and enforcement of Federal, State, and local regulations for the protection of water quality, implementation of the City's NPDES Local Implementation Plan (L.I.P.) and the Drainage Area Master Plan (D.A.M.P.), compiling annual Program Effectiveness Reports, plan checking and site checking storm drains, and for Best Management Practices, storm water pollution prevention plan, attendance and participation at local, county, and state mandated stormwater meetings, issuance of Notice of Violations and educating the public for the protection of water quality.

### Capital Improvement Program – Storm Drains

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; coordinate with other departments and agencies; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

### Construction Management/Inspection – Storm Drains

Inspection of all permits and projects, response to citizen requests concerning construction activities, enforcing City and agency regulations, quality assurance, conformance to plans, specifications and standards.

### Outside Agency Coordination and/or Compliance with Regulations

National Pollution Discharge Elimination System permit, Regional Water Quality Control Board; Los Angeles County Flood Control District, Los Angeles County Department of Public Works, Orange County Public Facilities and Resource Department, Orange County Watershed Division, City of Long Beach, City of Huntington Beach, California Coastal Commission, Orange County Sanitation District, Caltrans.



# General Fund Expenditures

## Performance Indicators or Assets Maintained:

### OBJECTIVE:

To provide a storm water flood protection and pollution prevention

	03/04 Actual	04/05 Actual	05/06 Projected	06/07 Projected
Catch Basins Cleaned	404	427	434	434
Catch Basin Debris Tests	6	6	12	12
Storm Water Pump Station Maint.	45	45	52	52
NPDES Permit meetings attended	20	24	36	36
Notice of Violations issued	41	31	50	50

## Significant Changes/Comments:

The Division maintains the existing storm drain infrastructure of over 200 catch basins, several thousand linear feet of storm drains, and the West End Pump Station. Recently, this Division has taken on a significant increase in workload for the additional inspection and maintenance of storm drain filters and screens. Each catch basin is now inspected and cleaned at least twice per year. In addition, the Division has started to install catch basin screens which will require installation every spring and removal every fall.

The City's National Pollution Discharge Elimination System Permit has been the other area of significant increase in workload. A new permit was issued in 2002, which has required the development and implementation of a Local Implementation Plan and a Drainage Area Master Plan. The City must now be in full compliance with all regulations and guidelines mandated by the Santa Ana Regional Water Quality Control Board, including tracking and regulating all development activities including residential, compiling an annual report, issuing notice of violations, inspecting all public and private construction projects, attendance at monthly co-permittee meetings and at least 2 sub-committee meetings per month, tracking and locating illegal and illicit discharges, educating the public, working with outside agencies and water quality monitoring.

Funding for this Division is 100% General Fund but only a portion is allowed as part of the City's Maintenance of Effort (MOE) for regular Gas Tax and Measure M funding. The MOE requirement prohibits local agencies from using solely outside sources to replace required general fund contributions for transportation.

# General Fund Expenditures

## Storm Drains

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-043-40001	94,206	105,704	97,499	108,460
Overtime	001-043-40003	2,637	1,000	277	1,000
Part-time	001-043-40004	7,400	6,000	5,103	6,000
Deferred Compensation	001-043-40011	2,343	2,366	2,131	2,460
Pers Retirement	001-043-40012	7,629	14,104	12,930	15,040
Pars Retirement	001-043-40013	88	91	66	80
Health Insurance	001-043-40014	8,545	11,401	10,097	14,040
Dental Insurance	001-043-40015	582	769	691	
Medicare Insurance	001-043-40017	1,149	1,260	1,085	1,370
Life and Disability	001-043-40018	1,265	1,516	1,506	1,560
PARS Admin Fees	001-043-40025				50
<b>Total Personnel</b>		125,843	144,211	131,386	150,060
<b>Operations</b>					
Office Supplies	001-043-40100	576	800	748	800
Membership and Dues	001-043-40300	5	300	292	400
Training and Meetings	001-043-40400	388	2,000	1,477	2,000
					NPDES permit training requirements
Equipment/materials	001-043-40700	2,865	4,000	1,214	4,000
					parts & equipment for West End Pump Station, storm drains and catch basins
Telephone	001-043-41000	894	2,100	660	2,100
					pump station alarms, pager and 20% share of Nextel radios
Gas	001-043-41010	814	2,100	221	1,800

# General Fund Expenditures

## Storm Drains

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Electricity	001-043-41020	2,974	2,500	3,242	3,300
Auto Allowance	001-043-43000	346	180	164	180
Contract Professional Svcs	001-043-44000	93,750	79,250	79,000	99,250
					50% catch basin cleaning, maintenance, testing & video; 25% NPDES technical; 20% filter replacements
Intergovernmental	001-043-45000	21,461	39,500	33,401	39,500
					NPDES Permit
<b>Total Operations</b>		<b>124,073</b>	<b>132,730</b>	<b>120,419</b>	<b>153,330</b>
<b>Total Storm Drains Department</b>		<b>249,916</b>	<b>276,941</b>	<b>251,805</b>	<b>303,390</b>

# General Fund Expenditures

Code:	Department:
044	Public Works: Street Division

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To maintain infrastructure and provide clean and safe roadways, signals, sidewalk, medians, and traffic signage and striping within the public right of way and to promote efficient flow of traffic by providing safe, reliable, cost effective signalization of our roadways.

## Primary Activities and Objective:

### Regular Activities:

Maintenance - sidewalk and gutter patching, pothole repair, road maintenance, traffic markings and signage, paver installation, street litter, Underground Service Alert marking.

Engineering – Capital Improvement program (CIP), development review, plan check, reports, coordinate, budget, permit all activities for street facilities including bridges, overcrossings, streets, sidewalks, curbs, gutters, patching, striping, medians, traffic signal construction, maintenance and repairs, street lighting, street sweeping, street tree trimming and installation;

Contract: street patching, striping, sweeping, traffic signals, median and parkway maintenance and senior bus;

Development plan check: utility plans, streets, storm water pollution prevention plans in the street, best management practices;

Permits: street excavation, dumpsters/street obstruction, tree planting and removal, cranes, monitoring wells, and traffic control;

Routine: respond to public, council and their agencies requests for information on plans, permits, CIP, and standard plans; track all street related service requests; prepare maps and blue prints; manage and update the geographic information system and prepare for GASB 34, and manage and file over 7000 record drawings which are stored in the vault; administer the pavement management system; administer the Tree Advisory Board; apply for all available grant funding sources; manage various sources of funding; and provide support for other public works divisions;



- 43 Center Line Miles of Streets
- 86 Linear Miles of Curb
- 86 Miles of Sidewalk
- Various Traffic Striping and Legends
- Approximately 2500 Traffic Signs
- 22 Signalized Intersections
- 4 Flashing Stop Controlled Intersections



# General Fund Expenditures

## Capital Improvement Program

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; coordinate with other departments and agencies; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

Construction Management/Inspection– Inspection of all street related permits and projects, response to citizen requests concerning construction activities, enforcing City and agency regulations, quality assurance, conformance to plans, specifications and standards.

Traffic Engineering - Manage the design, flow, and operation of the City's transportation network; conduct traffic engineering studies and counts; prepare reports; evaluate intersections, striping, signage; time and coordinate traffic signals; develop a senior busing program; respond to citizen requests and inquiries, provide expert opinion to other departments.

Outside Agency Coordination and/or Compliance with Regulations- National Pollution Discharge Elimination System permit; Regional Water Quality Control Board; California Department of Transportation, Los Angeles County Flood Control, Los Angeles County Public Works, Orange County Public Facilities and Resource Department, City of Long Beach, City of Huntington Beach, Air Quality Management District, California Coastal Commission, Southern California Edison, Southern California Gas, Adelphia Cable, Verizon, Department Industrial Relations, Naval Weapons Station, California Fish and Game, California Fish and Wildlife, Orange County Transportation Authority, Army Corp of Engineers, Occupational Safety & Health Administration (OSHA), Environmental Protection Agency, Tree Advisory Board

## **Significant Changes/Comments:**

Through the attrition of the Public Works Department, the City is now using more contract services such as street sweeping, street tree trimming, median and parkway landscape maintenance, traffic signal maintenance, street patching and striping, and the operation of the senior bus. During the last two years, new contracts were awarded for street sweeping, street tree trimming, median and parkway landscaped maintenance, and traffic signal maintenance. These contracts are managed under the direction of the Deputy City Engineer.

The maintenance crews of the department will continue with routine maintenance such as patching of sidewalks, gutters, potholes, and signs. In-house crews have replaced damaged sidewalk with pavers around mature ficus trees at a rate of one location per month and will continue to work at other high pedestrian locations.

The Deputy City Engineer is continuing to manage the City's aggressive CIP program. The Division is moving forward to rehabilitate the City's street infrastructure, meet ocean and water quality goals, adhere to new regulatory mandates, provide enhanced information and services to the public on the internet, apply for available grant funding and to continue to update the Geographical Information System (GIS) as a tool for staff and the public.

Street paving has become an issue with the community and much gain has been made in the last two years. A new Pavement Management Plan will be brought forward to Council to identify the most cost effective use of street funds and which streets will receive resurfacing and preventative maintenance sealing.

A large portion of the costs for the CIP is allocated to the following projects: local residential, street paving projects fiber optic signal improvement, trees, and arterial rehabilitation projects. Even after these are completed, the Division will face further challenges in the utility systems, environmental

# General Fund Expenditures

regulations and an aging infrastructure, as well as implementation of GASB 34. Refer to the CIP program and Operational Budget sheets for more information.

The Department is continuing to look at better ways to deliver service to the public including benchmarking with the private sector and implementation of a Computerized Maintenance Management System for better data and cost management.

Funding for this Division is General Fund and Gas Tax and 8% user fees for street sweeping and tree trimming.

# General Fund Expenditures

## Street Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
Personnel					
Full-time Salaries	001-044-40001	293,055	311,625	287,839	321,690
Overtime	001-044-40003	521	2,000	833	2,000
Part-time	001-044-40004	9,362	9,000	9,486	9,000
Deferred Compensation	001-044-40011	5,149	6,296	5,647	6,540
Pers Retirement	001-044-40012	25,446	41,581	38,113	44,600
Pars Retirement	001-044-40013	122	143	123	120
Health Insurance	001-044-40014	34,064	36,485	32,817	45,730
Dental Insurance	001-044-40015	2,489	2,602	2,512	
Medicare Insurance	001-044-40017	2,368	2,793	2,514	3,090
Life and Disability	001-044-40018	4,219	4,487	4,424	4,650
PARS Admin Fees	001-044-40025	46	50	38	80
Total Personnel		376,796	417,062	384,346	437,500
Operations					
Office Supplies	001-044-40100	2,255	2,700	1,304	2,700
Public/legal Notices	001-044-40200				
Memberships and Dues	001-044-40300	663	1,800	1,565	1,900
					ASCE, CEAOC, APWA, MSA, and TCSA memberships
Training and Meetings	001-044-40400	2,796	3,000	1,498	3,000
					OSHA, Traffic Control, & signal training
Bldg/grounds Materials	001-044-40500	32			
Equipment/materials	001-044-40700	30,829	41,220	41,594	41,500
					pavers, asphalt, signs, graffiti removal supplies, signal parts & sand bags

# General Fund Expenditures

## Street Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Special Departmental	001-044-40800	28,915	47,000	46,801	36,000 street tree trimming
Sp. Assmnt Collect	001-044-40822	1,863	1,620		
Telephone	001-044-41000	876	1,600	1,763	2,115 pager and 20% share of Nextel radios
Electricity	001-044-41020	19,226	25,360	12,873	25,360
Rental/lease Equipment	001-044-42000	619	1,300		1,300 Plan Copier
Auto Allowance	001-044-43000	346	630	575	630
Cont. Professional Svcs	001-044-44000	311,332	350,250	332,000	346,000 23% traffic signal maintenance & repairs; 19% street work (striping, patching, guardrail, fences, signs); 14% street sweeping (City, Leisure World, PCH); 12% Main St.; 7% Engineering technical; 24% landscape medians, shoulders, & parkways; uniforms
<b>Total Operations</b>		<b>399,752</b>	<b>476,480</b>	<b>439,973</b>	<b>460,505</b>
<b>Total Street Maint. Department</b>		<b>776,548</b>	<b>893,542</b>	<b>824,319</b>	<b>898,005</b>

# General Fund Expenditures

Code:	Department:
<b>049</b>	<b>Public Works: Parks/Landscape Division</b>

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To maintain in a clean, safe, and cost effective manner the City's parks, entryways, and other city owned lands.

## Primary Activities and Objective:

### Regular Activities:

Contracts activities include trimming & planting park trees; mowing grass, fixing irrigation lines, playground equipment inspection and maintenance, pesticide application, weed abatement, trash and graffiti removal in parks and tract entries, and maintenance of portable restrooms.

### Capital Improvement Program: Parks and Playgrounds.

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

Outside Agency Coordination and/or Compliance with Regulations- National Pollution Discharge Elimination System permit; Regional Water Quality Control Board; Orange County Public Facilities and Resource Department, California Coastal Commission, California Fish and Game, California Fish and Wildlife, OSHA, Environmental Protection Agency, Parks and Recreation Commission.



## Significant Changes/Comments:

The majority of this division is contracted out and managed by the Public Works Department employees. The landscaping maintenance contract has recently been re-bid to obtain the lowest prices available through formal competition.

Funding for this Division is 100% General Fund

# General Fund Expenditures

## Landscape Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-049-40001	29,744	16,889	16,133	17,100
Overtime	001-049-40003	580	500	80	500
Part-time	001-049-40004				
Deferred Compensation	001-049-40011	416	378	356	390
Pers Retirement	001-049-40012	2,510	2,254	2,125	2,370
Pars Retirement	001-049-40013				
Health Insurance	001-049-40014	1,714	1,483	1,405	1,900
Dental Insurance	001-049-40015	238	172	172	
Medicare Insurance	001-049-40017	2	119	109	130
Life and Disability	001-049-40018	417	247	248	250
PARS Admin Fees	001-049-40025				
Unemployment	001-049-40030				
<b>Total Personnel</b>		<b>35,620</b>	<b>22,042</b>	<b>20,627</b>	<b>22,640</b>
<b>Operations</b>					
Memberships and Dues	001-049-40300	145	185	153	185 Pesticide Cert dues, So. Cal. Turfgrass Council
Training and Meetings	001-049-40400	363	800	359	350 Workshops for pesticides & landscape management
Equipment/materials	001-049-40700	26	5,910	6,815	7,000 Misc parts playground equipment, park furniture
Sp. Assmnt Collect	001-049-40822	174	152		
Telephone	001-049-41000	61			
Electricity	001-049-41020	10,943	8,900	9,011	8,900
Contract Professional Svcs	001-049-44000	168,832	242,823	192,000	199,000 95% park maint. & repairs, 3% playgrounds, 2% portable restrooms
<b>Total Operations</b>		<b>180,544</b>	<b>258,770</b>	<b>208,339</b>	<b>215,435</b>
<b>Total Landscape Maintenance</b>		<b>216,164</b>	<b>280,812</b>	<b>228,965</b>	<b>238,075</b>

# General Fund Expenditures

Code:	Department:
050	Public Works: Auto Maintenance

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To ensure that City Vehicles and Equipment are available, dependable, safe to operate, cost effective, and energy efficient.

## Primary Activities and Objective:

### Routine Activities:

Primary activities include tune-ups, brake work, fuel system service, electrical system service, mount, balance, and repair tires, transmission service, smog service, diesel and gasoline engine overhauls, welding and fabrication, safety inspection, interior or exterior repair, procurement of parts and materials, bid specifications, suspension service, vehicle modifications and the purchase of fuel.



## Significant Changes/Comments:

A fleet management report has been prepared outlining fleet operations, objectives, and replacement policies. The fleet is under funded for replacements and maintenance costs will continue to increase unless funding is allocated for vehicle replacement.

Maintenance is completed using one full time mechanic and part time mechanics are contracted as workload increases during peak periods. In the recent past, there were two full time mechanics. Through the decrease in vehicle inventory, these personnel costs have decreased. The cost of fuel has significantly increased and is expected to increase over the next year.

Funding for this Division is 100% General Fund.

# General Fund Expenditures

## Automobile Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-050-40001	71,338	58,474	56,043	58,460
Overtime	001-050-40003		250		250
Deferred Compensation	001-050-40011	1,207	1,086	994	1,090
Pers Retirement	001-050-40012	5,780	7,803	7,247	8,100
Health Insurance	001-050-40014	5,018	4,210	4,161	6,470
Dental Insurance	001-050-40015	399	282	352	
Medicare Insurance	001-050-40017	135	71	59	80
Life and Disability	001-050-40018	969	885	899	880
<b>Total Personnel</b>		<b>84,846</b>	<b>73,061</b>	<b>69,754</b>	<b>75,330</b>
<b>Operations</b>					
Memberships and Dues	001-050-40300				150
Training and Meetings	001-050-40400				
Automotive Materials	001-050-40600	31,489	52,055	30,000	35,000
					automotive parts for in-house vehicle repairs and maintenance of 92 motorized vehicles and equipment
Equipment/materials	001-050-40700	158	1,000	1,386	1,000
					Small tools & instruments
Special Departmental	001-050-40800	87,358	98,000	90,000	123,000
					fuel for all city vehicles & equipment - 58% police; 24% public works; 7% lifeguards; 4% admin; 9% beach
Auto Allowance	001-050-43000	346			
Contract Professional Svcs	001-050-44000	42,282	67,164	74,296	77,000
					3% waste oil disposal; 19% motorcycle maintenance; 52% contract mechanic; 23% speciality repairs; 3% uniforms



# General Fund Expenditures

## Automobile Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Lease Payments	001-050-47444	112,858	73,866	103,053	46,950 Principal payments on Crwn Vic and Merc Marquis, John Deere Tractor and Ford Pick Up
Interest Payments	001-050-47999	6,589	6,890	5,964	1,715 Interest payments on Crwn Vic and Merc Marquis, John Deere Tractor, and Ford Pick Up
<b>Total Operations</b>		<b>281,081</b>	<b>298,975</b>	<b>304,699</b>	<b>284,815</b>
<b>Capital Outlay</b>					
Vehicle Purchases	001-050-48075	102,982	20,786	27,048	230,000
<b>Total Capital Outlay</b>		<b>102,982</b>	<b>20,786</b>	<b>27,048</b>	<b>230,000</b>
<b>Total Automobile Maintenance</b>		<b>468,909</b>	<b>392,822</b>	<b>401,501</b>	<b>590,145</b>

# General Fund Expenditures

Code:	Name:
051	Refuse

Managing Department Head: Director of Public Works and Director of Administrative Services

## Program Purpose:

Refuse services contribute to the health and well being of the community by routinely collecting trash and implementing a recycling program.

## Primary Activities:

Refuse services provide residents with weekly trash collection, implementation of Source Reduction and Recycling Element and Household Hazardous Waste Element programs.

## Performance Indicators or Assets Maintained:

The City contracts their refuse services with Consolidated Services, Inc., a private corporation.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Contract Professional Service	001-051-44000	888,729	900,900	771,789	900,000
					Refuse contract with Consolidated Disposal (Briggeman)
<b>Total Refuse Collection</b>		888,729	900,900	771,789	900,000

# General Fund Expenditures

Code:	Department:
<b>052</b>	<b>Public Works - Buildings/Facilities Division</b>

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To maintain clean, safe government facilities in a cost effective manner for citizens, visitors and City Staff.

## Primary Activities and Objective:

### Regular Activities:

Contracts activities include janitorial, elevators, roofing, heating and air conditioning, water, electrical, plumbing, light fixtures, windows, carpeting, doors, locks, cabinets and furniture, phone system, IT network wiring, interior and exterior walls, pest control, termites, fumigation, pool maintenance, landscaping maintenance at buildings/facilities and overall aesthetics.

### Capital Improvement Program: Buildings and Grounds

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

## Performance Indicators or Assets Maintained:

The Division maintains over 19 buildings:



Both major and minor maintenance is performed on the following Government Facilities:

- City Hall
- Police Department
- Public Works Maintenance Complex
- Mary Wilson Senior Center
- Marina Community Center
- North Seal Beach Community Center
- Beach Maintenance Complex
- Lifeguard Complex & Police Substation
- McGaugh Pool

Only major maintenance is performed on the following City owned leased facilities:

- Fire Station 44 and 48
- Ruby's @Pier
- Bait Shop @Pier
- Animal Shelter
- Mary Wilson Library
- River's End @ 1<sup>st</sup> Street
- Old City Hall Annex
- Zoeter Area
- Girl Scout Building
- 2 Day Care Facilities at 12<sup>th</sup> and Landing

## Significant Changes/Comments:

The majority of this Department is contracted out to for specialty services. In addition, the landscaping and janitorial contracts have been re-bid recently to obtain the lowest prices available through formal competition.

On March 22, 2004, City Council authorized a Facility Condition Assessment of all City owned facilities. The assessment is used to identify repairs and upgrades, determine estimated repair costs, determine required Americans with Disabilities Act (ADA) upgrades and create both a master maintenance and

# General Fund Expenditures

capital improvement plan. Projects and repairs include roofs, architectural, civil, structural, mechanical, and electrical components of each City facility.

Funding for this Division is 100% General Fund.

## Building Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
<b>Personnel</b>					
Full-time Salaries	001-052-40001	38,846	47,898	45,666	47,900
Overtime	001-052-40003	505	500	63	500
Deferred Compensation	001-052-40011	667	761	693	760
Pers Retirement	001-052-40012	3,436	6,392	5,936	6,640
Health Insurance	001-052-40014	2,921	3,614	3,570	4,650
Dental Insurance	001-052-40015	335	398	397	
Medicare Insurance	001-052-40017	8	82	27	90
Life and Disability	001-052-40018	596	701	711	700
<b>Total Personnel</b>		<b>47,315</b>	<b>60,346</b>	<b>57,064</b>	<b>61,240</b>
<b>Operations</b>					
Training and Meetings	001-052-40400		400		400
Bldg/grounds Materials	001-052-40500	5,061	12,000	11,963	15,000
					lighting, plumbing, paint, roofing, doors, hardware
Bldg Mat/sup/svcs	001-052-40550	165		126	
Sp. Assmnt Collect	001-052-40822	3,645	3,180		
Telephone	001-052-41000	25,907	27,000	18,051	27,000
Gas	001-052-41010	5,351	7,000	5,356	7,000
Electricity	001-052-41020	41,441	48,000	40,442	48,000
Auto Allowance	001-052-43000	346			
Contract Professional Svcs	001-052-44000	313,183	271,125	252,000	253,000
					14% building repairs; 2% elevators; 7% HVAC; 48% janitorial; 13% landscape grounds; 1% telephones; 11% McGaugh pool; 2% Architect; 1% hazzardous materials; 1% pest control; uniforms

# General Fund Expenditures

## Building Maintenance

Account Description	Account Number	2004-2005 Actual	2005-2006		2006-2007 Adopted Budget
			Adopted Budget	2005-2006 Estimated	
Lease Payments	001-052-47444	56,012	62,201	62,201	66,600 Energy Saving Program - Cal Air HVAC/Lighting
Interest Payments	001-052-47999	40,014	36,925	36,925	33,515 Energy Saving Program - Cal Air HVAC/Lighting
<b>Total Operations</b>		<b>491,127</b>	<b>467,831</b>	<b>427,063</b>	<b>450,515</b>
<b>Total Building Maintenance</b>		<b>538,442</b>	<b>528,177</b>	<b>484,127</b>	<b>511,755</b>

# General Fund Expenditures

Code:	Department:
070-073	Recreation

Managed by: Assistant City Manager

## Program Purpose:

Recreation is dedicated to supporting the community through people, parks and programs. Provides a multi-faceted recreational and community service program that promotes educational and healthy lifestyle instructional classes.

## Primary Activities:

Includes recreation class scheduling, recreation brochure, aquatics and sports league programs, youth activities, facility rentals, senior meals-on-wheels program, Parks and Recreation Commission support.

## Significant Changes/Comments:

Recreation is now under the supervision of the Assistant City Manager within the City Managers Department. During the last two-year budget cycle, through attrition and reorganization, the department's full-time staff was reduced by 50% and now currently operates 85% of its programs with temporary and part-time personnel.

The Recreation Brochure, registration and rental forms are now available on the City web site. New software has been developed to enhance in-house class registration and scheduling information.

# General Fund Expenditures

## Recreation Administration

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
Personnel					
Full-time Salaries	001-070-40001	139,022	140,468	109,457	147,390
Part-time	001-070-40004	3,897	6,300		6,300
Tuition Reimbursement	001-070-40007	1,830			
Deferred Compensation	001-070-40011	3,777	3,518	2,901	3,790
Pers Retirement	001-070-40012	12,352	18,445	14,208	20,430
Pars Retirement	001-070-40013	51	82		80
Health Insurance	001-070-40014	9,231	7,391	7,686	14,220
Dental Insurance	001-070-40015	793	812	812	
Medicare Insurance	001-070-40017	2,122	2,194	1,642	2,430
Life and Disablility	001-070-40018	2,415	1,880	2,066	2,240
PARS Admin Fees	001-070-40025				60
Total Personnel		175,490	181,090	138,772	196,940
Operations					
Office Supplies	001-070-40100	662	2,900	635	900
Memberships and Dues	001-070-40300	580	800	567	800
					CPRS\$420; SCMAF \$100; WILS \$35; CPRSX \$33; NRPA \$160
Training and Meetings	001-070-40400	50	1,500		1,500
Equipment/materials	001-070-40700	262			
Special Departmental	001-070-40800				4,650
Telephone	001-070-41000	298	450	411	450
Auto Allowance	001-070-43000	907	900	821	900
Contract Professional Svcs	001-070-44000				
Intergovernmental	001-070-45000	31,915	36,449	31,066	36,450
					senior meals \$28,900; Rossmoor land lease \$7,550
Total Operations		34,674	42,999	33,499	45,650
Total Recreation Administration		210,165	224,089	172,272	242,590

# General Fund Expenditures

## Recreation Sports

Account Description	Account Number	2004-2005 Actual	2005-2006		2006-2007
			Adopted Budget	2005-2006 Estimated	Adopted Budget
<b>Personnel</b>					
Part-time	001-071-40004	36,584	45,000	17,592	40,000
Pars Retirement	001-071-40013	478	585	229	590
Medicare Insurance	001-071-40017	531	653	255	650
PARS Admin Fees	001-071-40025	540	585	440	410
<b>Total Personnel</b>		38,133	46,823	18,516	41,650
<b>Operations</b>					
Bldg/grounds Materials	001-071-40500	212			
Equipment/materials	001-071-40700	11,288	12,000	9,076	12,000
					softball field equipment, chalk, etc \$4,500; Zoeter field \$3,000; gymnasium \$3,000; Tennis peewee equip \$500; misc \$1,000
Special Departmental	001-071-40800	1,157	3,000	472	3,000
Sp. Assmnt Collect	001-071-40822				
Tennis Center Maintenance	001-071-40900	76,518	80,000	88,094	80,000
Contract Professional	001-071-44000	1,500			
Electricity	001-071-41020	5,049	6,000	1,360	5,000
<b>Total Operations</b>		95,724	101,000	99,002	100,000
<b>Total Sports</b>		133,857	147,823	117,518	141,650



# General Fund Expenditures

## Recreation Leisure Classes

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
Personnel					
Part-time Salaries	001-072-40004	52,008	50,000	74,527	50,000
Pars Retirement	001-072-40013	678	650	963	650
Medicare Insurance	001-072-40017	754	725	1,081	730
PARS Admin Fees	001-072-40025	461	500	376	460
Total Personnel		53,902	51,875	76,947	51,840
Operations					
Office Supplies	001-072-40100	(30)	225	(165)	225
Public/legal Notices	001-072-40200	34,862	38,000	25,976	38,000
					Brochure contract typesetting, printing, mailing, ads
Bldg/grounds Materials	001-072-40500	209		173	
Equipment/materials	001-072-40700	5,669	15,000	7,474	7,500
					leisure class supplies, senior center/kitchen supplies, cleaning and safety equipment, garden supplies, tennis court nets, basketball court equipment, misc. building/progra m supplies
Special Departmental	001-072-40800	82	39,500	739	1,000
Special Events	001-072-40850		4,000		
Telephone	001-072-41000	1,957	3,200	1,672	2,000
Electricity	001-072-41020	10,251	19,500	10,897	10,500
Contract Professional Svcs	001-072-44000	151,308	146,000	185,549	146,000
Total Operatons		204,308	265,425	232,316	205,225
Total Leisure Classes		258,210	317,300	309,262	257,065

# General Fund Expenditures

## Recreation Aquatics

Account Description	Account Number	2004-2005 Actual	2005-2006	2005-2006	2006-2007
			Adopted Budget	Estimated	Adopted Budget
Personnel					
Part-time Salaries	001-073-40004	86,154	85,000	89,239	90,000
Pars Retirement	001-073-40013	1,133	1,105	1,160	1,170
Medicare Insurance	001-073-40017	1,181	1,233	1,242	1,310
PARS Admin Fees	001-073-40025	438	475	357	830
Total Personnel		88,906	87,813	91,998	93,310
Operations					
Equipment/materials	001-073-40700	3,623	7,377	11,808	7,500 guard uniforms, first aid supplies, all city swim meet, swim instruction toys, guard chairs
Special Departmental	001-073-40800	20			
Telephone	001-073-41000	698	800	735	800
Gas	001-073-41010	16,961	24,000	3,311	24,000
Electricity	001-073-41020	20,406	38,000	19,384	38,000
Contract Professional Svcs	001-073-44000	80	3,000		
Total Operations		41,787	73,177	35,238	70,300
Total Aquatics		130,693	160,990	127,236	163,610

# General Fund Expenditures

## Transfers Out To Other Funds

<u>Account Description</u>	<u>Account Number</u>	<u>2004-2005 Actual</u>	<u>2005-2006 Adopted Budget</u>	<u>2005-2006 Estimated</u>	<u>2006-2007 Adopted Budget</u>
Transfers Out	001-080-47000	1,356,646	4,409,947	4,782,198	2,913,296 Tidelands Beach Subsidy \$1,513,296 (operating subsidy \$663,296; pier and groin renovation \$850,000); <b>Transfer to Capital Project fund \$1,400,000</b>
<b>Total Transfers Out</b>		<u>1,356,646</u>	<u>4,409,947</u>	<u>4,782,198</u>	<u>2,913,296</u>

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# Special Revenue Funds

Special revenue funds are established to account for resources legally restricted to specified purposes. The City of Seal Beach currently manages the following special revenue funds:

Street Lighting Assessment District  
Asset Forfeiture Fund – State  
Asset Forfeiture Fund – Federal  
Supplemental Law Enforcement Grant (SLEF)  
Park Improvement Fund (Quimby Act)  
Air Quality Improvement Program Fund  
Tidelands Beach Fund  
State Gas Tax Fund  
Measure M Fund  
Roberti-Z'Berg-Harris Urban Open Space Fund  
Police Grants (UASI, ERTI, CORT, OTS-DUI, BVP)  
CLEEP Grant Fund  
Traffic Relief Fund  
Community Facilities District 2002-2 (SB Blvd/Lampson Ave Landscape Maintenance)  
Community Development Block Grant

# Special Revenue Funds

## Street Lighting Assessment District

The Seal Beach Street Lighting Assessment District was formed under the Street Lighting Act of 1919 to finance the maintenance of streetlights and to finance the electricity used by the streetlights by special assessments. Revenue is derived from the District's share of the basic property tax levy and the special district augmentation allocations.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Property Taxes Secured	002-000-30001	141,268	140,000	119,853	143,500
Property Taxes Unsecured	002-000-30002	0	0	391	0
Secured/Unsecured Prior Year	002-000-30004	701	600	743	700
Property Tax Other	002-000-30005	172	100	122	100
Interest on Investments	002-000-30420	2,705	1,500	3,500	5,000
Unrealized Gain/Loss on Invest	002-000-30423	0	0	0	0
Transfers In from General Fund	002-000-31500	0	0	0	0
<b>Total Revenues</b>		<b>144,846</b>	<b>142,200</b>	<b>124,610</b>	<b>149,300</b>
<b>Expenditures</b>					
Electricity	002-500-41020	116,600	136,000	117,700	136,000
Contract Professional	002-500-44000	14,772	14,250	0	14,500
Transfers Out	002-500-47000	0	0	0	0
<b>Total Expenditures</b>		<b>131,372</b>	<b>150,250</b>	<b>117,700</b>	<b>150,500</b>
<b>Net Revenues(Expenditures)</b>		<b>13,475</b>	<b>(8,050)</b>	<b>6,909</b>	<b>(1,200)</b>

### Fund Balanced Analysis Street Lighting Assessment District

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	126,125	139,600	139,600	146,509
Revenues	144,846	142,200	124,610	149,300
Expenditures	(131,372)	(150,250)	(117,700)	(150,500)
Ending Fund Balance	139,600	131,550	146,509	145,309

# Special Revenue Funds

## Asset Forfeiture Fund - State

The Asset Forfeiture Fund accounts for revenues derived from monies and property seized in drug-related incidents. The primary purpose of the Asset Forfeiture Program is to deter drug-related crimes by depriving criminals of the profits and proceeds from selling illegal drugs. Another purpose of the program is to enhance cooperation among federal, state and local law enforcement agencies through the equitable sharing of asset forfeiture proceeds. These funds cannot be used to supplement on-going operations, for the payment of salaries for existing positions or for non-law enforcement purposes.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	013-000-30420	45		100	200
Federal Asset Forfeiture	013-000-30990	5,894			
<b>Total Revenues</b>		<u>5,939</u>	<u>-</u>	<u>100</u>	<u>200</u>
<b>Expenditures</b>					
Materials and Equipment	013-111-40700				3,450
					Police Safety Equipment
Special Departmental	011-000-40800				
<b>Total Expenditures</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450</u>
<b>Net Revenues (Expenditures)</b>		<u>5,939</u>	<u>-</u>	<u>100</u>	<u>(3,250)</u>

### Fund Balance Analysis

#### Federal Asset Forfeiture Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	-	5,939	5,939	6,039
Revenues	5,939	-	100	200
Expenditures	-	-	-	(3,450)
Ending Fund Balance	<u>5,939</u>	<u>5,939</u>	<u>6,039</u>	<u>2,789</u>

# Special Revenue Funds

## Asset Forfeiture Fund - Federal

The Asset Forfeiture Fund accounts for revenues derived from monies and property seized in drug-related incidents. The primary purpose of the Asset Forfeiture Program is to deter drug-related crimes by depriving criminals of the profits and proceeds from selling illegal drugs. Another purpose of the program is to enhance cooperation among federal, state and local law enforcement agencies through the equitable sharing of asset forfeiture proceeds. These funds cannot be used to supplant on-going operations, for the payment of salaries for existing positions or for non-law enforcement purposes.

For FY 2006-2007 the City will expend \$26,700 for equipment to upgrade new police vehicles to operational status; and, to purchase new equipment for other law enforcement uses.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	011-000-30420	1,462	2,500	700	1,000
Asset Forfeiture	011-000-30990	501		3,600	
<b>Total Revenues</b>		<u>1,963</u>	<u>2,500</u>	<u>4,300</u>	<u>1,000</u>
<b>Expenditures</b>					
Materials and Equipment	011-000-40700	888	37,000	38,350	30,900
Special Departmental	011-000-40800	(1,044)		2,400	
<b>Total Expenditures</b>		<u>(156)</u>	<u>37,000</u>	<u>40,750</u>	<u>30,900</u>
<b>Net Revenues (Expenditures)</b>		<u>2,119</u>	<u>(34,500)</u>	<u>(36,450)</u>	<u>(29,900)</u>

Safety Equipment  
for police vehicles

### Fund Balance Analysis Asset Forfeiture Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	60,033	62,152	62,152	25,702
Revenues	1,963	2,500	4,300	1,000
Expenditures	156	(37,000)	(40,750)	(30,900)
Ending Fund Balance	<u>62,152</u>	<u>27,652</u>	<u>25,702</u>	<u>(4,198)</u>



# Special Revenue Funds

## Supplemental Law Enforcement Services Fund Grant

The Supplemental Law Enforcement Services Fund grant (Proposition 172, circa 1992) is restricted funding received from the State under the State Citizens Option for Public Safety Program. Certain implementation procedures are required prior to the use of these funds, and the funds must not be used to supplant existing funding for law enforcement.

The State awards this on-going grant contribution to local law enforcement agencies in the amount of approximately \$100,000 a year to provide funding for additional personnel, overtime and or other uses within the police department.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	009-000-30420	3,731	5,500	5,500	7,500
Grant Reimb.	009-000-39075	100,041	100,000	100,000	100,000
<b>Total Revenues</b>		<u>103,772</u>	<u>105,500</u>	<u>105,500</u>	<u>107,500</u>
<b>Expenditures</b>					
Overtime	009-600-40002	20,044	100,000		100,000
Holiday Pay-Sup Law	009-600-40005				
Medicare Insurance	009-600-40017	334	1,450		1,450
Training	009-600-40300	40			
Equipment/materials	009-600-40700	78,436	7,047	17,000	50,000
Fund Community Policing equipment, software, training, and additional frontline and support equipment (\$40,000). ILJAOC program (\$10,000) included costs not previously associated.					
<b>Total Expenditures</b>		<u>98,854</u>	<u>108,497</u>	<u>17,000</u>	<u>151,450</u>
<b>Net Revenues(Expenditures)</b>		<u>4,918</u>	<u>(2,997)</u>	<u>88,500</u>	<u>(43,950)</u>

### Fund Balance Analysis Supplemental Law Enforcement Grant

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	146,582	151,500	151,500	240,000
Revenues	103,772	105,500	105,500	107,500
Expenditures	(98,854)	(108,497)	(17,000)	(151,450)
Ending Fund Balance	<u>151,500</u>	<u>148,503</u>	<u>240,000</u>	<u>196,050</u>

# Special Revenue Funds

## Park Improvement Fund

The Park Improvement Fund was established to account for the Quimby Act Fees received by developers. The fees collected are only to be used to improve parks and recreation facilities.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	016-000-30420	3,857	2,700	5,000	7,000
Unrealized Gain/Loss on Invest	016-000-30423				
Quimby Act Fees	016-000-30865	50,000	10,000		20,000
<b>Total Revenues</b>		<u>53,857</u>	<u>12,700</u>	<u>5,000</u>	<u>27,000</u>
<b>Expenditures</b>					
Transfers Out	016-800-47000		146,000		200,000
					Transfer to Capital Projects Fund
<b>Total Expenditures</b>		<u>0</u>	<u>146,000</u>	<u>0</u>	<u>200,000</u>
<b>Net Revenues (Expenditures)</b>		<u>53,857</u>	<u>(133,300)</u>	<u>5,000</u>	<u>(173,000)</u>

### Fund Balance Analysis Park Improvement Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	146,875	200,732	200,732	205,732
Revenues	53,857	12,700	5,000	27,000
Expenditures	-	(146,000)	-	(200,000)
Ending Fund Balance	<u>200,732</u>	<u>67,432</u>	<u>205,732</u>	<u>32,732</u>

# Special Revenue Funds

## **Air Quality Improvement Program Fund**

The Air Quality Improvement Program Fund accounts for supplemental vehicle license fee revenue distributed to Cities by the South Coast Air Quality Management District pursuant to Assembly Bill 2766. Expenditures are limited to programs, which will reduce air pollution by reducing, directly or indirectly, mobile source emission pollutants (i.e. trip reduction, transit and traffic flow improvements, alternative fuel vehicles).

In prior fiscal years the City contributed \$23,000 to \$27,000 of Program Funds for the Orange County's Senior Transportation Program. Senior busing consists of Dial-a-ride with destinations citywide, Fixed Route to the shopping areas on Seal Beach Boulevard north of the 405 freeway and Senior Meals Program to the North Senior Center. The program will continue for FY 2006/07.

In the past the City has acquired three leased electric vehicles, two alternative fuel detective vehicles and two alternative fuel public works vehicles. The three electric vehicles were replaced FY 2002-2003 with two hybrid (electric/fuel) passenger vehicles. An additional alternative fuel public works vehicle was purchased in FY 2002-2003.

All expenditures associated with this program have a direct benefit to the City's General Fund by offsetting the cost associated with fleet replacement, maintenance, and fuel and mass transportation programs.

# Special Revenue Funds

## Air Quality Improvement Program Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	012-000-30420	765	750	600	1,000
AB2766 revenues	012-000-35000	30,247	27,400	27,400	27,400
<b>Total Revenues</b>		<b>31,012</b>	<b>28,150</b>	<b>28,000</b>	<b>28,400</b>
<b>Expenditures</b>					
Electricity	012-700-41020	299		389	450
Contract Professional Svcs	012-700-44000	37,575	24,500	31,000	31,000
					Senior Transportation Program
<b>Total Expenditures</b>		<b>37,874</b>	<b>24,500</b>	<b>31,389</b>	<b>31,450</b>
<b>Net Revenues (Expenditures)</b>		<b>(6,862)</b>	<b>3,650</b>	<b>(3,389)</b>	<b>(3,050)</b>

### Fund Balance Analysis Air Quality Improvement Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	40,662	33,800	33,800	30,411
Revenues	31,012	28,150	28,000	28,400
Expenditures	(37,874)	(24,500)	(31,389)	(31,450)
Ending Fund Balance	<b>33,800</b>	<b>37,450</b>	<b>30,411</b>	<b>27,361</b>

# Special Revenue Funds

## **Tidelands Beach Fund**

The Tidelands Beach Fund is required by the State of California and is used to account for all revenues derived from beach and pier operations in the City. Expenditures are limited to lifeguard, pier and beach operations.

The General Fund subsidizes the Tidelands Beach Fund for expenditures in excess of revenues derived from beach and pier operations. The average annual General Fund subsidy for the last three fiscal years is \$666,500.

# Special Revenue Funds

Code:	Department:
828	Lifeguard

Managing Department Head: Lifeguard Captain

## Program Purpose:

Responsible for the protection of life, limb and property of the beach and ocean going public. Prevention of aquatic accidents can best be accomplished by the recognition of dangerous situations and advising the public to stay clear. It is not always possible to keep hazards and the public separated so the lifeguard is also responsible as the rescuer of persons in distress or having difficulty. Additionally, lifeguards must provide prompt and efficient first aid, monitor beach regulations, and provide educational information on beach related subjects.

## Primary Activities:

The lifeguard's primary activities involve marine safety protection. Ocean Lifeguards protect an assigned area of beach from a station, or in some instances, patrol a section of beach in a mobile unit, warn of hazardous conditions, rescue people in distress or in danger of drowning, answer questions and give information pertaining to the beach and ocean environment, apply first aid to those in need, remove hazardous obstacles from sand and water, take charge of lost children, advise regarding local beach and ocean related ordinances, regulations, safety and conduct, perform other related work as required and maintain a professional and courteous relationship with the public.



Additional primary activities include, but are not limited to: continual training of recurrent and year-round staff to meet United States Lifesaving Association "Advanced Agency" Standards; attendance and participation in the California Surf Lifesaving Association and the United States Lifesaving Association, California Boating Safety Officer's Association, Southern California Training Officer's Association, and the National Safe Boating Council. The Lifeguard Department also administers a Junior Lifeguard Program serving 300 children ages 9-17. Junior Lifeguards are taught ocean and beach safety, lifesaving techniques including CPR and First-Aid, as well as lifesaving competition skills. This program begins June 28<sup>th</sup> and ends mid-August.

The Lifeguard Department works with the community to spread the message of beach safety through such programs as Project Wipeout, introduced over 25 years ago to prevent spinal chord

## Special Revenue Funds

injuries in Orange County. Through Project Wipeout, Seal Beach Lifeguards participate in the Orange County Fair, the Orange County Youth Expo, and the Project Wipeout Lifeguard Seminar. In addition to this program, Lifeguards actively educate visiting schools, Boy and Girl Scouts, and various other groups with material provided by the State of California Department of Boating and Waterways.

The Lifeguard Department assists California State University Long Beach Department of Marine Biology with the collection and study of stingrays. This study has been on going for three years and continues to provide valuable information. The study has been expanded to track the movements of stingrays and further understand their behavior. Another result of this study has been the creation and posting of educational signs to be placed at the beach entrance with the highest number of stingray incidents as well as signs to be placed on field lifeguard towers.

# Special Revenue Funds

## Tidelands Beach Fund

Description	Account	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Unrealized Gain/Loss on Invest	034-000-30423	(60)			
Off-street Parking	034-000-30425	142,057	100,000	98,728	100,000
Lease Proceeds	034-000-30450	91,186		58,000	
Reimb Misc Svcs	034-000-30700	30,628	30,000	36,170	5,500
Other Agency Revenue	034-000-30980	17,353	22,000	33,924	22,000
Transfer In	034-000-31500	467,626	987,788	924,701	1,513,296
					GF subsidy= \$250,000 for Pier: \$600,000 for Groin and \$620,696 for operations
Landing Fees	034-000-31600	61,052	65,600	61,495	62,000
Property Rental	034-000-31650	103,734	88,000	88,918	109,000
Junior Lifeguard Fees	034-000-31700	119,484	156,000	138,000	138,000
					Self-funded program, no impact to general fund.
Surfing Classes	034-000-31800	7,846	5,500	6,742	7,500
					Self-funded program, no impact to general fund.
Tideland Oil	034-000-31900		2,000		
<b>Total Tidelands Beach Revenues</b>		<b>1,040,906</b>	<b>1,456,888</b>	<b>1,446,678</b>	<b>1,957,296</b>

## **Lifeguard Department**

### **Personnel**

Full-time Salaries	034-828-40001	143,332	155,444	144,394	154,770
Overtime	034-828-40003	5,163	5,000	1,870	5,000
Part-time	034-828-40004	225,292	215,054	239,517	264,270
Junior Lifeguard Salaries	034-828-40006	56,282	60,915	63,857	61,000
Surfing Class Salaries	034-828-40007		5,500	4,746	5,500
Deferred Compensation	034-828-40011	5,205	5,548	4,307	5,550
Pers Retirement	034-828-40012	73,774	90,015	76,283	97,670
Pars Retirement	034-828-40013	3,723	3,715	3,882	3,860
Health Insurance	034-828-40014	15,124	17,918	14,812	17,730
Dental Insurance	034-828-40015	1,113	1,106	1,106	
Medicare Insurance	034-828-40017	6,280	6,489	6,570	6,840
Life and Disability	034-828-40018	2,276	2,433	2,323	2,420
Pars Admin Exp	034-828-40025	2,398	2,600	1,957	2,740
Unemployment	034-828-40030				
<b>Total Personnel</b>		<b>539,962</b>	<b>571,737</b>	<b>565,625</b>	<b>627,350</b>



# Special Revenue Funds

## Tidelands Beach Fund

Description	Account	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Operations</b>					
Office Supplies	034-828-40100	1,691	4,000	2,175	2,500
Membership and Dues	034-828-40300	190	200	160	600
					Annual dues for professional lifeguard associations-USLA, CSLA, CBSOA, NSBC, and OC chief's Asso.
Training and Meetings	034-828-40400	473	1,500	2,165	4,500
					Meetings for; USLA, CSLA, CBSOA, NSBE, and other Professional Asso. Training including but not limited to Dept. of Boating and Waterways, U.S. Coast Guard, and CBSOA training classes
Bldg/grounds Materials	034-828-40500	109			
Marine Maint/Fuel Materials	034-828-40600	7,355	8,000	3,879	8,000
Equipment/materials	034-828-40700	10,495	15,000	3,718	18,500
					Lifeguard equipment; can bouys, binoculars, sun screen. Uniforms; shirts, shorts, hats, rash guards, and wetsuits. Tower Equipment; shovels, chairs, rakes, telephones, and deck. First Aid Supplies; gloves, band aids, ice packs, back boards, head beds, O2 fills, and spygnamometers. Two tower bases. Training supplies. Cleaning supplies
Materials and Supplies Jr. Lifegrd	034-828-40701	24,447	56,480	68,582	50,500
					Uniforms, insurance, Wild Rivers, USLA, Regionals, banquet, Catalina, Surf trip, safety and recreational equipment. SELF FUNDED no impact to general fund

# Special Revenue Funds

## Tidelands Beach Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Materials and Supplies Surf Prog	034-828-40702	1,329	4,000	3,033	2,000 Replacement of surfboards and safety equipment, videos, manuals, and storage.
Special Departmental	034-828-40800	2,475	4,200	2,185	5,500
Telephone	034-828-41000	6,740	10,514	5,390	5,500
Electricity	034-828-41020	6,250	10,308	5,841	6,000
Rent/Lease Equipment	034-828-42000	988	1,320	1,107	1,320
Contract Professional Services	034-828-44000	184			
Intergovernmental	034-828-45000	3,000	3,925	2,400	4,000 Annual rental fee for rescue vessel slip
Lease Payments	034-828-47444	29,044	31,311	36,180	31,700 Lease payments on four Dodge Dakota trucks and one Chevrolet Trailblazer
Interest Payments	034-828-47999	3,492	1,872	2,777	850 Interest payments on four Dodge Dakota trucks and one Chevrolet Trailblazer
Vehicles	034-828-48075				
<b>Total Operations</b>		98,262	152,630	139,591	141,470
<b>Total Lifeguard</b>		638,225	724,367	705,216	768,820

# Special Revenue Funds

Code:	Department:
<b>863</b>	<b>Public Works: Beach and Pier Division</b>

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To maintain a clean and safe beach and pier environment free from debris and waste for the overall public's enjoyment and provide resident's protection from tidal events.

## Primary Activities and Objective:

### Regular Activities:

Primary activities include cleaning the beach with the surf rake for large debris and sanitizers for small debris such as cans and glass, removing wind blown fine grained sand from parking lots and against adjacent residences, emptying trash cans along beach, hand picking trash in the beach parking lots and "tot" lot, removing graffiti, building and removing seasonal berms, and cleaning up after storm events. In addition, activities include maintaining the pier, wooden deck as well as emptying trash containers and keeping this facility and parking lots clean. Also, the City pays the Surfside colony \$20,000 per year for maintenance of the Surfside beach.

### Capital Improvement Program:

Capital projects include annual sand management program, pier and groin repairs. Under this program, the Department also determines projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

## Performance Indicators or Assets Maintained:

The Division maintains approx:

- 5,300 linear feet of beach
- 100 trash cans
- 3 parking lots
- 2 shower facilities



## Significant Changes/Comments:

The Department is actively working to maintain the beach with its limited staff. In the FY03/04 CIP program, over 50,000 cubic yards of sand was moved from the west side of the beach to the east side of the beach. In the Fiscal Year 05/06 CIP program approx. 100,000 cubic yards of sand was moved from the west side of the beach to the east side of the beach. This is a constant process since the angles of the naval jetty cause wave refraction and movement of the sand from east to west.

In addition, a new Tractor for beach maintenance is scheduled to replace a 1971 Case Tractor. This Division is funded approximately 25% by Tidelands revenues and subsidized 75% by General Fund.

# Special Revenue Funds

## Tidelands Beach Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Beach/Pier Maintenance</b>					
<b>Personnel</b>					
Full-time Salaries	034-863-40001	75,469	84,806	77,944	88,050
Overtime	034-863-40003	165	750	777	750
Part-time Salaries	034-863-40004	57,022	55,000	55,000	55,000
Deferred Compensatio	034-863-40011	1,090	1,367	1,206	1,440
Pers Retirement	034-863-40012	6,545	11,316	10,247	12,210
Pars Retirement	034-863-40013	755	725	547	720
Medical Insurance	034-863-40014	8,555	8,490	9,711	12,590
Dental Insurance	034-863-40015	536	589	591	0
Medicare Insurance	034-863-40017	1,618	1,824	1,477	1,940
Life and Disability	034-863-40018	1,075	1,222	1,196	1,270
Pars Admin Exp	034-863-40025	231	300	221	510
<b>Total Personnel</b>		<b>153,058</b>	<b>166,389</b>	<b>158,917</b>	<b>174,480</b>
<b>Operations</b>					
Bldg/grounds Materials	034-863-40500	6,850	10,600	9,000	10,000
					Materials for repairs of restrooms & showers; hardware, lumber, paint, sealer, locks, plumbing, wood, electrical, Pier materials
Telephone	034-863-41000	31	45	41	45
Gas	034-863-41010	160	1,000	166	500
Electricity	034-863-41020	2,107	3,500	1,684	2,500
Auto Allowance	034-863-43000		90	82	90
Contract Prof. Svcs	034-863-44000	100,879	100,000	100,000	130,000
					15% pier & parking lots; 57% sand berm; 15% Surfside cleaning; 12% coastal engineering; 1% uniforms and planters
Special Assmt Collect	034-863-45555	602	525		
Transfer Out	034-863-47000	52,450	487,000	478,171	850,000
					Transfer to Capital Projects Fund
Building Improvements	034-863-48000	58,004			
Lease Payments	034-863-47444			18,320	19,095
Interest Payments	034-863-47999			2,539	1,766
<b>Total Operations</b>		<b>221,084</b>	<b>602,760</b>	<b>610,003</b>	<b>1,013,996</b>
<b>Total Beach/Pier Maintenance</b>		<b>374,143</b>	<b>769,149</b>	<b>768,920</b>	<b>1,188,476</b>
<b>Total Tidelands Beach Expenditures</b>		<b>1,012,367</b>	<b>1,493,516</b>	<b>1,474,135</b>	<b>1,957,296</b>
<b>Net Revenues (Expenditures)</b>		<b>28,539</b>	<b>(36,628)</b>	<b>(27,457)</b>	<b>0</b>

# Special Revenue Funds

## Tidelands Beach Fund

### Tidelands Beach Fund Balance Analysis

	<b>2004-2005</b>	<b>Adopted 2005-2006</b>	<b>Projected 2005-2006</b>	<b>Estimated 2006-2007</b>
Beginning Fund Balance	(1,082)	27,457	27,457	(0)
Revenues	1,040,906	1,456,888	1,446,678	1,957,296
Expenditures	(1,012,367)	(1,493,516)	(1,474,136)	(1,957,296)
Ending Fund Balance	27,457	(9,171)	(0)	(0)

# Special Revenue Funds

## **State Gas Tax Fund**

The Gas Tax Fund accounts for State collected, locally shared gas tax monies. Expenditures are limited to repair, construction, maintenance and rights-of-way acquisition relating to streets and highways.

Gas Tax revenues are received from the City's share of the net collections from the Motor Vehicle Fuel License Tax Law. These are segregated according to the State of California Streets and Highways Code. Code Sections 2105, 2106, and 2107 provide monthly allocations based upon population. The City must also file an annual Maintenance of Effort with the State of California to report the total expenditures spent on Street Maintenance. This Maintenance of Effort report determines whether the City is meeting the level of spending required by the State to qualify for the Gas Tax revenues.

An annual report of the transactions and balances of this fund is made to the Office of the State Controller. Additionally, the Controller audits the transaction records of this fund annually.

The City transfers a portion of the Gas Tax revenues received to the General Fund every fiscal year to help cover street maintenance costs. The costs covered include salaries, benefits and materials for the street maintenance department.

# Special Revenue Funds

## State Gas Tax Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	040-000-30420	20,195	25,600	6,400	9,000
Unrealized Gain/Loss on Invest	040-000-30423	0	0	0	0
Other Agency Revenue	040-000-30980	0	0	0	0
Gas Tax 2105	040-000-32500	155,459	170,000	155,330	155,000
Gas Tax 2106	040-000-32525	100,436	112,000	98,990	100,000
Gas Tax 2107	040-000-32530	206,543	225,000	207,090	205,000
Gas Tax 2107.5	040-000-32535	6,000	5,000	5,000	5,000
<b>Total Revenues</b>		<b>488,633</b>	<b>537,600</b>	<b>472,810</b>	<b>474,000</b>
<b>Expenditures</b>					
Transfers Out	040-090-47000	425,829	1,090,781	951,000	440,000
					Transfer to General Fund for Street Maint. \$300,000; Transfer to Capital Projects Fund \$140,000.
<b>Total Expenditures</b>		<b>425,829</b>	<b>1,090,781</b>	<b>951,000</b>	<b>440,000</b>
<b>Net Revenues (Expenditures)</b>		<b>(381,906)</b>	<b>(553,181)</b>	<b>(478,190)</b>	<b>34,000</b>

### Fund Balance Analysis State Gasoline Tax Fund

	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Beginning Fund Balance	823,508	886,312	886,312	408,122
Less: Carry forward CIPs				(280,000)
Revenues	488,633	537,600	472,810	474,000
Expenditures	(425,829)	(1,090,781)	(951,000)	(440,000)
Ending Fund Balance	<b>886,312</b>	<b>333,131</b>	<b>408,122</b>	<b>162,122</b>

# Special Revenue Funds

## Measure M Fund

The Measure "M" Fund accounts for "Local Turnback" funds established as part of the one-half cent sales tax increase approved November 6, 1990, by voter passage of the Revised Traffic Improvement and Growth Management Ordinance, popularly known as Measure "M".

"Local Turnback" revenues can only be expended on street and highway improvements. Expenditures may include construction, reconstruction, maintenance and right-of-way acquisition.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	041-000-30420	21,581	7,000	20,000	28,000
Local Turnback	041-000-33500	279,443	288,700	264,194	314,825
<b>Total Revenues</b>		301,024	295,700	284,194	342,825
<b>Expenditures</b>					
Transfers Out	041-099-47000	217,271	446,000	268,450	575,000
					Transfer to Capital Project Fund
<b>Total Expenditures</b>		217,271	446,000	268,450	575,000
<b>Net Revenues (Expenditures)</b>		83,753	(150,300)	15,744	(232,175)

### Fund Balance Analysis Measure M Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	706,844	790,597	790,597	806,341
Less: Carry forward CIPs				(238,000)
Revenues	301,024	295,700	284,194	342,825
Expenditures	(217,271)	(446,000)	(268,450)	(575,000)
Ending Fund Balance	790,597	640,297	806,341	336,166



# Special Revenue Funds

## Roberti-Z'Berg-Harris Urban Open Space Fund

The Roberti-Z'Berg-Harris Urban Open Space Fund's available funds can only be used to improve open space areas such as parks.

<b>Account Description</b>	<b>Account Number</b>	<b>2004-2005 Actual</b>	<b>2005-2006 Adopted Budget</b>	<b>2005-2006 Estimated</b>	<b>2006-2007 Adopted Budget</b>
<b>Revenues</b>					
Interest on Investments	070-000-30420	154	150	300	500
Other Agency Revenue	070-000-30980		53,347		286,700
<b>Total Revenues</b>		<u>154</u>	<u>53,497</u>	<u>300</u>	<u>287,200</u>
<b>Expenditures</b>					
Contract Professional	070-888-44000				
Transfers Out	070-888-47000		53,347		286,700
<b>Total Expenditures</b>			<u>53,347</u>		<u>286,700</u>
<b>Net Revenues (Expenditures)</b>		<u>154</u>	<u>150</u>	<u>300</u>	<u>500</u>

### Fund Balance Analysis

#### Roberti-Z'Berg-Harris Urban Open Space Fund

	<b>2004-2005</b>	<b>Adopted 2005-2006</b>	<b>Projected 2005-2006</b>	<b>Estimated 2006-2007</b>
Beginning Fund Balance	14,000	14,154	14,154	14,454
Revenues	154	53,497	300	287,200
Expenditures		(53,347)		(286,700)
Ending Fund Balance	<u>14,154</u>	<u>14,304</u>	<u>14,454</u>	<u>14,954</u>

# Special Revenue Funds

## Community Development Block Grant (CDBG)

The City of Seal Beach has received a \$200,000 grant from federal Community Development Block Grant funds through the County of Orange. These funds are for Leisure World Housing Rehabilitation on interiors. The focus of the grant is to modify bathrooms in the Leisure World senior community to make the tub/showers more accessible for elderly residents, including safety handrails. This is the second year of the multi-year grant. Each year it is expected that 20 to 40 units will receive the modifications through this CDBG grant.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	072-000-30420				
Unrealized Gain/Loss on Invest	072-000-30423				
Other Agency Revenue	072-000-30988			2,000	200,000
<b>Total Revenues</b>				2,000	200,000
<b>Expenditures</b>					
Contract Professional	072-030-44000			2,000	200,000
					Leisure World ADA Asssitance Program
<b>Total Expenditures</b>				2,000	200,000
<b>Net Revenues (Expenditures)</b>				0	0

### Fund Balance Analysis Community Development Block Grant

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance				
Revenues			2,000	200,000
Expenditures			(2,000)	(200,000)
Ending Fund Balance			0	0

# Special Revenue Funds

## Police Grants

**UASI Grant:** The Federal Homeland Security Appropriations Act provides funding to address the needs of high-risk urban areas through planning, equipment, training, and exercises through the **Urban Area Security Initiative (UASI)**. The City of Seal Beach is located in the North Orange County Urban Area, and is eligible to receive financial assistance in the form of funds and or equipment through UASI sub-grants. The Orange County Operational Area, under the California Office of Emergency Services (OES), has chosen the City of Anaheim as the core UASI agency for the North Orange County Urban Area (NOCUA). The intent of these grant funds is to reimburse City funds expended in advance, pursuant agreements between the NOCUA and the City. Anaheim will distribute these monies to the participating agencies.

**ERTI Grant:** **E**mergency **R**esponse to **T**errorism **I**ncidents for First Responders training paid for by the State Homeland Security Grant Part II, within additional UASI funding. The Orange County Sheriff-Coroner Department administers this grant. It pays for officer overtime while receiving emergency response to terrorism training. The intent of these grants is to reimburse City funds expended in advance.

**CORT Grant:** **C**ommand **O**fficer's **R**esponse to **T**errorism funds up to 16 training hours for command officers receiving training in emergency response to terrorism (similar to the ERTI grant above). The Orange County Sheriff-Coroner Department administers this grant. The intent of these grants is to reimburse City funds expended in advance.

**OTS-DUI Grant:** The California **O**ffice of **T**raffic **S**afety funds personnel costs to conduct DUI and Seat Belt Enforcement checkpoints. The Seal Beach Police Department is part of this tri-city grant, administered by the City of Cypress. The intent of these grants is to reimburse City funds expended in advance.

**BVP Grant:** This U.S. Department of Justice Office of Justice Planning grant provides matching funds to purchase bullet-resistant vests for all sworn and reserve personnel. The intent of these grants is to reimburse City funds expended in advance.

# Special Revenue Funds

## Police Grants

Account Description	Account Number	2004-2005 Actual End Bal	2005-2006 Adopted Budget	2005-2006 Estimated Yr. End Bal.	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	075-000-30420				
Unrealized Gain/Loss on Invest	075-000-30423				
Other Agency Revenue	075-000-30975	2,887		4,628	34,577
<b>Total Revenues</b>		<u>2,887</u>		<u>4,628</u>	<u>34,577</u>
<b>Expenditures</b>					
Overtime Salaries	075-000-40003	2,960		4,256	24,147
Medicare Insurance	075-000-40017	36		61	352
Training & Meetings	075-000-40400				4,500
					Terrorism training classes
Equipment & Materials	075-000-40700				5,578
					Armored vest replacement
<b>Total Expenditures</b>		<u>2,996</u>		<u>4,317</u>	<u>34,577</u>
<b>Net Revenues (Expenditures)</b>		<u>(109)</u>		<u>311</u>	<u>0</u>

# Special Revenue Funds

## CLEEP Grant Fund

The CLEEP Grant Fund accounts for funds received from the State under the California Law Enforcement Equipment Program. The funds received are restricted to purchase high technology law enforcement equipment. There is no reporting requirement or time limit associated with this funding.

The City has an initiative underway to upgrade its ability to respond to multi-hazard disasters, including but not limited to earthquakes, tsunami tidal waves, and other natural and manmade disasters such as industrial accidents and terrorism. Uses for the available \$50,000 in these funds target upgrading and improving the City's Emergency Operations Center located in the police department.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	076-000-30420	1,690		1,200	1,600
<b>Total Revenues</b>		<u>1,690</u>		<u>1,200</u>	<u>1,600</u>
<b>Expenditures</b>					
Mach & Equipment	076-777-48050	25,011			50,000
					Purchase electronic equipment, software, and training to update the City's Emergency Operations Center.
<b>Total Expenditures</b>		<u>25,011</u>			<u>50,000</u>
<b>Net Revenues (Expenditures)</b>		<u>(23,321)</u>		<u>1,200</u>	<u>(48,400)</u>

## Fund Balance Analysis CLEEP Grant

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	73,056	49,735	49,735	50,935
Revenues	1,690		1,200	1,600
Expenditures	(25,011)			(50,000)
Ending Fund Balance	<u>49,735</u>	<u>49,735</u>	<u>50,935</u>	<u>2,535</u>

# Special Revenue Funds

## Traffic Relief Fund

The State established the Traffic Relief Program for local agencies FY 2000-2001 due to a surplus of available state funds. Traffic Relief Program funds are allocated based on an agency's population and can only be used for traffic relief programs.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	079-000-30420	(661)	1,500	1,200	1,700
Agency Revenue	079-000-37033			105,870	105,000
<b>Total Revenues</b>		<b>(661)</b>	<b>1,500</b>	<b>107,070</b>	<b>106,700</b>
<b>Expenditures</b>					
Transfer Out to Capital Projects Fund					105,000
<b>Total Expenditures</b>					<b>105,000</b>
<b>Net Revenues (Expenditures)</b>		<b>(661)</b>	<b>1,500</b>	<b>107,070</b>	<b>1,700</b>

## Fund Balance Analysis Traffic Relief Grant

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	1,769	1,108	1,108	108,178
Revenues	(661)	1,500	107,070	106,700
Expenditures				(105,000)
Ending Fund Balance	<u>1,108</u>	<u>2,608</u>	<u>108,178</u>	<u>109,878</u>

# Special Revenue Funds

## Community Facilities District No. 2002-02

### Seal Beach Blvd/Lampson Ave Landscape Maintenance

The Seal Beach Community Facilities District No. 2002-02 (Seal Beach Blvd/Lampson Avenue Landscape Maintenance) was formed under the Mello-Roos Community Facilities Act of 1982 to provide financing for the City's maintenance of landscaping facilities installed within the public right-of-way as part of the Bixby Old Ranch Town Center and Country Club developments. The subject landscaping facilities were installed by the Bixby Ranch Co. in the center median and the easterly parkway on Seal Beach Boulevard from Old Ranch Parkway to Plymouth Drive/Rossmoor Center Way, and in the center median, and southerly parkway on Lampson Avenue from the Seal Beach Boulevard to approximately 1600 feet easterly, and in the City owned property along the northerly side of the I-405 north bound off ramp at Seal Beach Boulevard. Revenue is derived from the District's share of the basic property tax levy and the special district augmentation allocations.

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Property Taxes Secured	201-000-30001	126,493	125,000	87,970	132,750
Interest on Investments	201-000-30420	1,204	1,300	1,300	1,800
<b>Total Revenues</b>		<u>127,697</u>	<u>126,300</u>	<u>89,270</u>	<u>134,550</u>
<b>Expenditures</b>					
Water services	201-450-43750	17,032		21,501	21,500
Contract Professional	201-450-44000	35,625	111,050	77,410	103,050
Transfers Out	201-450-47000	18,000	9,000		10,000
					Transfer to General Fund for Admin Costs
<b>Total Expenditures</b>		<u>70,657</u>	<u>120,050</u>	<u>98,911</u>	<u>134,550</u>
<b>Net Revenues(Expenditures)</b>		<u>57,040</u>	<u>6,250</u>	<u>(9,641)</u>	<u>0</u>

#### Fund Balanced Analysis

##### Community Facilities District No. 2002-02

##### Seal Beach Blvd/Lampson Ave Landscape Maintenance

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	21,066	78,106	78,106	68,464
Revenues	127,697	126,300	89,270	134,550
Expenditures	(70,657)	(120,050)	(98,911)	(134,550)
Ending Fund Balance	<u>78,106</u>	<u>84,356</u>	<u>68,464</u>	<u>68,464</u>

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# Enterprise Funds

## **Water Enterprise Funds**

The Water Enterprise Funds account for water operations that are financed and operated in a manner similar to private business where the cost of providing goods or services to the general public is financed or recovered primarily through user charges.

The water usage rates are tiered and charged by cubic feet consumed. The fees collected cover water operation maintenance and operation expenses.

The Water Capital Enterprise Fund was established to pay for the costs of replacing aging water related infrastructure and equipment as needed, and the construction of new or enhanced water services necessitated by new development and existing infrastructural deficiencies. Fees collected are based on meter size and used for capital improvements and meter replacements.

# Enterprise Funds

Code:	Department:
900	Public Works: Water Division

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To ensure clean, reliable and safe water is delivered to the citizens at an economical rate and adequate water for fire protection.

## Primary Activities Objective:

### Regular Activities:

Primary activities include producing and disinfecting water, pipe installation and maintenance, station maintenance, water quality sampling and testing, flushing hydrants, exercising valves, changing meters, reading meters, repairing leaks and main line breaks, customer service requests, water turn offs and ons, cross connection program, fire flow tests, instrumentation and control, and public relations.

### Capital Improvement Program: pipelines, storage, disinfections, and booster stations.

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

Outside Agency Coordination and/or Compliance with Regulations- National Pollution Discharge Elimination System permit; Regional Water Quality Control Board; City of Long Beach, City of Los Alamitos, City of Huntington Beach, California Department of Health, Air Quality Management District, California Coastal Commission, Department Industrial Relations, Naval Weapons Station, California Department of Water Resources, OSHA, Environmental Protection Agency, Metropolitan Water District, Orange County Water District, Municipal Water District of Orange County, West Orange County Water District and Southern California Water Company.

## Assets Maintained:

The Division maintains approximately:

- 72 miles of pipe
- 2,500 valves
- 3 ground water wells
- 2 reservoirs (7 million gallons total)
- 600 hydrants
- 1,350 fire hydrants flushed
- 36,000 meters read



# Enterprise Funds

<b>Significant Changes/Comments:</b>
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<p>Much of the system is over 35-40 years old. In order to maintain the system, additional labor resources were re-allocated to the water department. These additions have ensured increased station maintenance; compliance with regulations, exercised valves yearly and flush hydrants semi-annually. Additionally, there were several major line breaks that indicate the aging infrastructure of the system. The current draft engineering and hydraulic model has identified numerous deficiencies and corrections in the system.</p>
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<p>On August 11, 2003, the City Council was successful in adjusting water rates to implement a 10 – year program that will rehabilitate and replace water infrastructure that has exceeded its design and useful life. This eliminated a large portion of the unfunded need within the previous CIP. The estimated cost of this program is over \$13 million. Over the last 2 years the Public Works Department has successfully completed projects to upgrade the water infrastructure including one water reservoir and booster station. In FY 06/07, the Water Division is also expected to take over the maintenance responsibilities of the water system within the new Heron Point Development and Boeing Development.</p>
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<p>Funding for this Division is 100% Water Enterprise Funds. General funds are NOT used.</p>
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# Enterprise Funds

## Water Operations Enterprise Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest On Investments	017-000-30420	38,038	29,000	66,100	92,500
Unrealized Gain/loss On Inve	017-000-30423				
Miscellaneous Revenue	017-000-30960	400	5,000	267	
Water Revenue	017-000-34000	2,300,471	3,641,000	2,430,353	3,750,000
Residential Water	017-000-35000	1,048,704		1,113,873	
Water Turn On Fee	017-000-35500	6,033	4,500	5,901	6,000
Late Charge	017-000-35510	30,692	12,000	20,001	18,000
Commercial Water	017-000-35020	52,028		53,168	
Door Tag Fee	017-000-35520	300		40	
Water Meters	017-000-35530	7,392	1,000	5,180	5,000
New Cust. Fee	017-000-35540		2,000		
Fire Service	017-000-35590	26,250	15,000	28,546	27,000
Gain/Loss on sale of asset	017-000-36000				
<b>Total Revenues</b>		<b>3,510,308</b>	<b>3,709,500</b>	<b>3,723,429</b>	<b>3,898,500</b>
<b>Personnel</b>					
Full-time Salaries	017-900-40001	525,632	568,043	530,640	616,320
Overtime	017-900-40003	19,247	23,000	18,489	23,000
Part-time	017-900-40004	29,096	52,540	28,994	42,540
Deferred Compensation	017-900-40011	7,699	8,999	7,812	10,290
Pers Retirement	017-900-40012	44,933	75,590	69,657	85,440
Pars Retirement	017-900-40013	375	255	377	550
Health Insurance	017-900-40014	63,942	73,071	68,406	98,790
Dental Insurance	017-900-40015	4,185	4,666	4,437	
Medicare	017-900-40017	5,270	7,050	5,623	7,740
Life And Disability	017-900-40018	7,195	8,280	8,079	8,960
Pars Admin Exp	017-900-40025	369	400	301	390
Unemployment	017-900-40030	361	234	1,013	
<b>Total Personnel</b>		<b>708,304</b>	<b>822,128</b>	<b>743,829</b>	<b>894,020</b>
<b>Operations</b>					
Office Supplies	017-900-40100	22,586	23,800	24,703	31,400
					Postage for water bills, miscellaneous office supplies; water billing forms; publications and legal notices

# Enterprise Funds

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Membership And Dues	017-900-40300	540	2,000	563	2,000 water distribution and treatment licenses, AWWA, CEAO
Training And Meetings	017-900-40400	3,341	5,125	4,764	5,125 finance utility billing training \$2,625, PW training \$2,500
Equipment/materials	017-900-40700	87,456	141,941	57,940	100,000 meter replacement; pipes, fittings, valves, repair clamps, well supplies, treatment supplies, boxes, & labor
Special Departmental	017-900-40800	17,556	22,045	32,087	35,000 utility billing software maintenance
Depreciation	017-900-40900	128,206	166,000	150,000	150,000
Telephone	017-900-41000	9,138	8,900	6,358	8,900
Gas	017-900-41010	66,832	74,000	89,883	90,000
Electricity	017-900-41020	75,751	115,000	76,207	100,000
Rental/lease Equip.	017-900-42000	536	800		2,500
Auto Allowance	017-900-43000		540	493	540
Con. Prof. Svcs	017-900-44000	80,896	560,802	91,027	250,000 22% well, reservoir and booster station repairs; 18% disinfection system program; 20% distribution sytem repairs; 18% engineering; 19% testing & lab program; 3% reporting program; 1% uniforms
Water Overhead	017-900-44050	311,910	318,148	318,148	324,500

# Enterprise Funds

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Intergovernmental - Water	017-900-45000	1,239,755	1,485,000	1,400,000	1,500,000 31% MWD - Imported Water @ \$545/AF, (\$431/AF, \$22/AF RTS, \$5/AF MWDOC), 69% OCWD Replenishment Assessment @ \$223/AF, OC Haz Mat Facility Charge, WOCWD - Feeder Line, AQMD Permit, MWD Connection
Interest Payments	017-900-47999	1,495	9,400	11,749	7,100 Economic Development Loan interest
Legal Services	017-900-49710				
<b>Total Operations</b>		2,045,998	2,933,501	2,263,922	2,607,065
<b>Total Expenditures</b>		2,754,302	3,755,629	3,007,751	3,501,085
<b>Net Income (Loss)</b>		(141,841)	(46,129)	715,678	397,415

# Enterprise Funds

## Water Capital Enterprise Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	019-000-30420	60,945	65,000	85,300	119,500
Unrealized Gain/Loss on Inv.	019-000-30423				
Water Connection Fee	019-000-35042	46,599		260,000	
Water Capital Charge	019-000-37000	828,906	705,000	985,000	1,180,000
Fire Service Charge	019-000-37010	6,270			
<b>Total Revenues</b>		<b>942,720</b>	<b>770,000</b>	<b>1,330,300</b>	<b>1,299,500</b>
<b>Expenditures</b>					
Depreciation	019-950-40900	47,986	25,000	50,000	50,000
Contract Prof svcs	019-925-44000	115,832			
Transfer Out	019-950-47000			362,500	
Water Meter Replacement	019-950-49734	7,901	30,000		
<b>Total Expenditures</b>		<b>171,719</b>	<b>55,000</b>	<b>412,500</b>	<b>50,000</b>
<b>Net Revenues (Expenditures)</b>		<b>771,001</b>	<b>715,000</b>	<b>917,800</b>	<b>1,249,500</b>

# Enterprise Funds

## Water Enterprise Funds Retained Earnings Analysis

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
<b>Water Operations Enterprise Fund</b>				
Beginning Retained Earnings	4,737,837	5,493,843	5,493,843	6,209,521
Revenues	3,510,307	3,709,500	3,723,429	3,898,500
Expenditures	(2,754,301)	(3,755,629)	(3,007,751)	(3,501,085)
Ending Retained Earnings	<u>5,493,843</u>	<u>5,447,714</u>	<u>6,209,521</u>	<u>6,606,936</u>
<b>Water Capital Enterprise Fund</b>				
Beginning Retained Earnings	5,129,370	5,900,371	5,900,371	6,818,171
Revenues	942,720	770,000	1,330,300	1,299,500
Expenditures	<u>(171,719)</u>	<u>(55,000)</u>	<u>(412,500)</u>	<u>(50,000)</u>
Ending Retained Earnings	<u>5,900,371</u>	<u>6,615,371</u>	<u>6,818,171</u>	<u>8,067,671</u>



# Enterprise Funds

## **Sewer Enterprise Funds**

The Sewer Enterprise Funds account for sewer operations and maintenance in addition to the upkeep and replacement of the City's sewer infrastructure and equipment. The Funds are managed in a manner similar to private business where the cost of providing goods or services to the general public is financed or recovered primarily through user charges.

Sewer fees used to finance the Sewer Operations Funds are charged to customers based on water usage. The fees collected cover sewer maintenance and operation expenses.

The Sewer Capital Enterprise Fund was established to pay for the costs of replacing and maintaining the City's aging sewer infrastructure and equipment. Fees collected are based on meter size and are used for long-term debt payments and capital improvements.

# Enterprise Funds

Code:	Department:
925	Public Works: Sewer Division

Managing Department Head: Director of Public Works/City Engineer

## Program Purpose:

To maintain the City's sewer/wastewater collection system in a safe and cost effective manner.

## Primary Activities and Objective:

### Regular Activities:

Primary activities include daily station rounds and maintenance, sewer line cleaning, routinely inspecting the system for physical damage of system, public inquiries and operation of the system to prevent public health hazards.

### Capital Improvement Program: pipelines and pump stations

Determine projects; seek and secure grant funds; coordinate and manage design consultants; prepare project budgets, estimates, designs and specifications; plan check drawings; conduct community meetings and prepare presentations and press releases; prepare council reports for advertisement, award, and completion of each project; administer construction management; inspection and quality assurance; respond to the public inquiries; adhere to multi-agency funding and environmental requirements; negotiate change orders, claims, and disputes; prepare progress reports and payments; and prepare record drawings and project closeouts.

Outside Agency Coordination and/or Compliance with Regulations- National Pollution Discharge Elimination System permit; Regional Water Quality Control Board; City of Huntington Beach, City of Los Alamitos, California Department of Health, Air Quality Management District, California Coastal Commission, Department Industrial Relations, Naval Weapons Station, California Department of Water Resources, OSHA, Environmental Protection Agency, Orange County Sanitation District.

## Assets Maintained:

To maintain the City's sewer/wastewater collection system in a safe and cost effective manner.

The Division maintains approximately:

- 155,000 feet of pipe ranging in size from 6" to 24" in diameter
- 7 separate sewer lift/pump stations
- 650 manholes
- Daily inspection of wastewater Stations
- Weekly station maintenance



## Significant Changes/Comments:

The Public Works Department has made significant progress in its undertaking of a large capital improvement program to replace the majority of the infrastructure. Due to its age, much of the system is at the end of its useful life. 100% of the City's sewer system has been video-taped which provides detailed information for the Capital Improvement Program. In addition, the Department has reconstructed two sewer lift stations, rehabilitated 2 stations, eliminated 2 pump stations, replaced over 10,000 feet of sewer mainline and replaced the force main on Seal Beach Boulevard to name a few.

# Enterprise Funds

The Department will continue its aggressive capital program and on-going maintenance.

In addition, the City Council approved a 2005 update to the Sewer Master Plan with a \$15 million dollar Capital Improvement program supported by increase user rates. New requirements from EPA and the Regional Quality Water Board will focus more energy in the maintenance and operation of the system. In response to these new requirements, the Department has also prepared a new Preventative Maintenance Plan, an Emergency Response Plan, new sewer grease ordinance and a new Fats Oils and Grease Program. In FY 06/07, the Sewer Division is also expected to take over the maintenance responsibilities of the sewer system within the new Heron Point Development and Boeing Development.

Funding for this Division is 100% Sewer Enterprise Funds. General funds are **not** used.

# Enterprise Funds

## Sewer Operations Enterprise Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Revenues					
Interest On Investments	043-000-30420	14,276	25,000	17,000	24,000
Unrealized Gain/loss On Inv.	043-000-30423				
F.O.G. Discharge permit fee	043-000-30725			21,441	
Sewer Connection Fee	043-000-35042		1,500		
Sewer Fees	043-000-36000	606,575	703,000	635,852	724,000
Total Revenues		620,851	729,500	674,293	748,000
Personnel					
Full-time Salaries	043-925-40001	174,688	210,419	192,607	216,340
Overtime	043-925-40003	8,924	13,500	9,754	10,000
Part-time	043-925-40004	5,532	9,800	6,626	6,500
Deferred Compensation	043-925-40011	3,862	4,336	3,889	4,480
Pers Retirement	043-925-40012	14,297	28,077	25,507	29,990
Pars Retirement	043-925-40013	80	127	86	78
Health Insurance	043-925-40014	19,171	22,286	21,464	29,310
Dental Insurance	043-925-40015	1,171	1,820	1,761	
Medicare	043-925-40017	1,452	2,414	1,690	2,650
Life And Disability	043-925-40018	2,348	3,019	2,947	3,130
Pars Admin Exp	043-925-40025	92	100	75	90
Total Personnel		231,617	295,898	266,406	302,568
Operations					
Office Supplies	043-925-40100	1,316	4,000	1,560	1,500
Membership And Dues	043-925-40300	142	500	215	500
					CWEA Cert.
Training And Meetings	043-925-40400	655	1,200	1,096	1,200
					Training and Education Courses for certifications
Equipment/materials	043-925-40700	7,707	20,000	18,551	20,000
					Pumps, piping, valves, manholes, electrical, hardware
Special Departmental	043-925-40800	5,648	8,000	8,667	7,000
					Utility billing software maintenance and upgrades
Depreciation	043-925-40900	27,162	40,000	40,000	40,000
Telephone	043-925-41000	4,159	5,400	3,543	4,000
Gas	043-925-41010	635	1,000	313	1,000
Electricity	043-925-41020	31,227	27,000	28,710	30,000

# Enterprise Funds

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
Rental/lease Equip.	043-925-42000	486	500		2,500
Auto Allowance	043-925-43000		270	246	270
Contract Prof. Svcs	043-925-44000	291,151	328,000	263,000	274,000
					47% sewer line cleaning and video; 26% pump station maint. & repair; 9% system repairs; 9% professional services; 7% fat oil & grease program; 1% facility & uniforms
Sewer Overhead	043-925-44050	50,884	52,384	52,384	54,000
Intergovernmental	043-925-45000	12,451	5,000	7,638	15,000
Transfers Out	043-925-47000				
Legal Fees	043-925-49777				
<b>Total Operations</b>		<b>433,622</b>	<b>493,254</b>	<b>425,923</b>	<b>450,970</b>
<b>Total Expenditures</b>		<b>665,238</b>	<b>789,152</b>	<b>692,329</b>	<b>753,538</b>
<b>Net Income (Loss)</b>		<b>(44,387)</b>	<b>(59,652)</b>	<b>(18,036)</b>	<b>(5,538)</b>

# Enterprise Funds

## Sewer Capital Enterprise Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	044-000-30420	22,878	15,000	44,000	61,000
Unrealized Gain/Loss on Inve:	044-000-30423				
Other Agency Revenues	044-000-30980				
Sewer Connection Fee	044-000-35042	15,005		110,000	
Sewer Capital Charge	044-000-37150	527,567	548,000	615,000	740,000
<b>Total Revenues</b>		<u>565,450</u>	<u>563,000</u>	<u>769,000</u>	<u>801,000</u>
<b>Expenditures</b>					
Office Supplies	044-975-40100	40	1,000		
Depreciation	044-975-40900	173,047	52,000	180,000	180,000
Contract Prof svcs	044-975-44000	9,895	5,000	2,813	
Transfer Out	044-975-47000			25,000	
Amortization of Sewer COP C	044-975-47600	7,669		7,770	7,770
Interest Expense	044-975-47999		213,402	142,268	209,401
<b>Total Expenditures</b>		<u>190,651</u>	<u>271,402</u>	<u>357,851</u>	<u>397,171</u>
<b>Net Revenues (Expenditures)</b>		<u>374,799</u>	<u>291,598</u>	<u>411,149</u>	<u>403,829</u>

# Enterprise Funds

## Sewer Enterprise Funds Retained Earnings Analysis

	<b>2004-2005</b>	<b>Adopted 2005-2006</b>	<b>Projected 2005-2006</b>	<b>Estimated 2006-2007</b>
<b>Sewer Operations Enterprise Fund</b>				
Beginning Retained Earnings	2,646,663	2,602,276	2,602,276	2,584,240
Revenues	620,851	729,500	674,293	748,000
Expenditures	(665,238)	(789,152)	(692,329)	(753,538)
Ending Retained Earnings	<u>2,602,276</u>	<u>2,542,624</u>	<u>2,584,240</u>	<u>2,578,702</u>
<b>Sewer Capital Enterprise Fund</b>				
Beginning Retained Earnings	2,815,930	3,190,729	3,190,729	3,530,151
Revenues	565,450	563,000	697,273	693,000
Expenditures	(190,651)	(271,402)	(357,851)	(397,171)
Ending Retained Earnings	<u>3,190,729</u>	<u>3,482,327</u>	<u>3,530,151</u>	<u>3,825,980</u>

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# Capital Projects Fund

The Capital Projects fund accounts for major capital projects excluding water and sewer capital projects. The projects are financed through transfers of revenues from special revenue funds, the general fund, the Redevelopment Agency or through outside sources such as grants or matching fund programs.

The fund also accounts for the restricted cash accounts from the 1996 County- Wide Revenue bond proceeds.

Major projects for fiscal year 2006/07 are proposed in a balanced infrastructure approach and include Streets, Parks, Storm Drain, Facilities, and Beach and Pier Improvements. Some of the highlighted projects include Ocean Avenue Rehabilitation, Seal Beach Blvd. rehabilitation, Pier Deck rehabilitation, Gum Grove and Bluebell Park Improvements, Phase 2 Storm Drain Improvements, West End Pump Station and Rehabilitation of City Hall and Community Centers.

As the Budgeted Capital Projects and Funding Sources spreadsheet illustrates, of the \$6,685,500 appropriated for capital projects in FY 2006/07 (excluding carry forwards, and water and sewer improvements) only \$1,400,000 is funded by the General Fund. All other projects are funded through grants, local Measure M turn-back fees and gas tax. Detailed descriptions of all capital projects listed, including the water and sewer enterprise funds, are presented in the Five-Year Capital Improvement Program budget document.

# Capital Projects Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	045-000-30420	525	2,500		
Lease Proceeds	045-000-30450				
Other Agency Revenues	045-000-30980	3,245,440	5,944,424	2,115,500	978,800
Transfer In	045-000-31500	1,491,980	3,513,847	6,157,618	6,356,700
<b>Total Revenues</b>		<b>4,737,945</b>	<b>9,460,771</b>	<b>8,273,118</b>	<b>7,335,500</b>
<b>Expenditures</b>					
Materials and Equipment	045-333-40700	48,495	65,000	80,000	400,000
Contract Prof. Svcs	045-333-44000	5,918,466	9,422,271	7,627,771	6,935,500
Design Fees	045-333-45045				
Transfers Out	045-333-47000				
Construct/Inspection	045-333-49605				
Building Improvements	045-333-48000				
800 MHz Project	045-333-49769				
<b>Total Expenditures</b>		<b>5,966,961</b>	<b>9,422,271</b>	<b>7,707,771</b>	<b>7,335,500</b>
<b>Net Revenues (Expenditures)</b>		<b>(1,229,016)</b>	<b>38,500</b>	<b>565,347</b>	<b>0</b>

## Analysis of Fund Balance Capital Projects Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	274,680	(954,336)	(954,336)	(388,989)
Revenues	4,737,945	9,460,771	8,273,118	7,335,500
Expenditures	(5,966,961)	(9,422,271)	(7,707,771)	(7,335,500)
Ending Fund Balance	(954,336)	(915,836)	(388,989)	(388,989)

# Capital Projects Fund

Project Funding Source	Multi-Year Projects Original Budget	Estimated Amnt Spent Through 2005-2006	2005-2006 Carryforward	2006-2007 Adopted Budget
<b><u>Streets &amp; Transportation</u></b>				
<b>50174 FY 05/06 Local Paving Rehab Project</b>				
Fund 040 State Gas Tax	664,000	664,000		
Fund 041 Measure M local turnback	131,000	131,000		
Fund 001 General Fund	1,232,000	1,032,000	200,000	-
<b>Total FY 05/06 Local Rehab Project</b>	<b>2,027,000</b>	<b>1,827,000</b>	<b>200,000</b>	<b>-</b>
<b>50177 FY 05/06 Annual Street Seal Project</b>				
Fund 041 Measure M local turnback	100,000	-		100,000
<b>Total FY 05/06 Annual Street Seal Project</b>	<b>100,000</b>	<b>-</b>		<b>100,000</b>
<b>50181 FY 06/07 Annual Concrete Rehab Project</b>				
Fund 041 Measure M local turnback		-		100,000
<b>Total FY 06/07 Annual Concrete Rehab Project</b>	<b>-</b>	<b>-</b>		<b>100,000</b>
<b>50184 FY 06/07 Local Paving Rehab Project</b>				
Fund 041 Measure M local turnback				100,000
Proposition 42 - Gas Sales Tax				105,000
Fund 001 General Fund				150,000
<b>Total FY 06/07 Local Rehab Project</b>	<b>-</b>			<b>355,000</b>
<b>50187 FY 06/07 Arterial Paving Project - SBB</b>				
Fund 040 State Gas Tax	280,000		280,000	140,000
Fund 041 Measure M local turnback	318,000	80,000	238,000	175,000
Federal Arterial Paving Program Competitive				301,000
<b>Total FY 06/07 Arterial Paving Project - SBB</b>	<b>598,000</b>	<b>80,000</b>	<b>518,000</b>	<b>616,000</b>
<b>50190 FY 06/07 Annual Street Seal Project</b>				
Fund 041 Measure M local turnback		-		100,000
<b>Total FY 06/07 Annual Street Seal Project</b>		<b>-</b>		<b>100,000</b>
<b>50198 Seal Beach Blvd. Signal Interconnect Phase 2</b>				
Measure M - Signal Program Grant				197,800
Measure M - Growth Management Area No. 2 Grant	40,000	40,000		70,000
Fund 041 Measure M local turnback	-	25,000		
<b>Total Seal Beach Blvd Signal Interconnect</b>	<b>40,000</b>	<b>65,000</b>		<b>267,800</b>
<b>50211 Seal Beach Blvd. &amp; St. Cloud Study</b>				
Measure M - Growth Management Area No. 2 Grant				45,000
<b>Total Seal Beach Blvd. St. Cloud Study</b>		<b>-</b>		<b>45,000</b>
<b>50212 Lampson Ave Signal Interconnect Design</b>				
Measure M - Growth Management Area No. 2 Grant				50,000
<b>Total Lampson Ave Signal Interconnect Design</b>		<b>-</b>		<b>50,000</b>
<b>50218 Ocean Avenue Rehabilitation Project</b>				
Redevelopment Agency Project				1,500,000
Trees for Seal Beach				120,000
<b>Total Ocean Avenue Rehabilitation Project</b>		<b>-</b>		<b>1,620,000</b>
<b>50219 Seal Beach Blvd. "Free Flow Lane" Study</b>				
Measure M - Growth Management Area No. 6 Grant				30,000
<b>Total Seal Beach Blvd. "Free Flow Lane" Study</b>		<b>-</b>		<b>30,000</b>

# Capital Projects Fund

Project Funding Source	Multi-Year Projects Original Budget	Estimated Amnt Spent Through 2005-2006	2005-2006 Carryforward	2006-2007 Adopted Budget
<b>50220 Annual Street Tree Planting Program</b>				
Fund 001 General Fund	100,000	100,000		
Fund 001 General Fund				50,000
Fund 046 Tree Replacement Deposit				10,000
<b>Total Annual Street Tree Planting Program</b>		-		60,000
<b><u>Storm Drains/Flood Protection</u></b>				
<b>50050 West End Pump Station Replacement Project</b>				
Fund 063 Redevelopment Agency Project Area	2,300,000	850,000	1,440,000	500,000
<b>Total West End Pump Station Replacement</b>	2,300,000	850,000	1,440,000	500,000
<b>50221 FY 06/07 Storm Drain Project - Phase 2</b>				
Fund 001 General Fund	720,000	720,000		
Fund 001 General Fund				500,000
<b>Total FY 06/07 Storm Drain Project</b>	720,000	720,000		500,000
<b>50222 FY 07/08 Storm Drain Project Design</b>				
Fund 001 General Fund				100,000
<b>Total FY 07/08 Storm Drain Project Design</b>	-	-		100,000
<b><u>Park Improvements</u></b>				
<b>50206 Bluebell Park Improvement Project</b>				
Fund 001 Development Contribution - Bixby	120,000		120,000	-
Proposition 40 Grant	70,000			70,000
<b>Total Bluebell Park Improvement Project</b>	190,000	-	120,000	70,000
<b>50207 Edison Park Parking Lot Rehabilitation</b>				
Proposition 40 Grant	50,000			50,000
<b>Total Edison Park Parking Lot Rehabilitation</b>	50,000	-		50,000
<b>50213 Gum Grove Park Improvement Project</b>				
Development Contribution - John Laing Homes				140,000
<b>Total Gum Grove Park Improvement Project</b>	-	-		140,000
<b>50224 Zoeter School Site Open Space Improvement</b>				
Fund 016 Quimby Act Park Fees	200,000			200,000
<b>Total Zoeter School Site Open Space Improvement</b>	200,000	-		200,000
<b><u>Beach &amp; Pier Improvements</u></b>				
<b>50217 Pier Deck Rehabilitation Project, Phase 1</b>				
Tidelands Beach Fund - (General Fund)		25,000		850,000
<b>Total Pier Deck Rehabilitation Project, Phase 1</b>	-	25,000		850,000
<b><u>Building &amp; Facility Improvements</u></b>				
<b>50101 Seal Beach Tennis Center</b>				
Development Contribution - Bixby	500,000	460,000	40,000	
<b>Total Seal Beach Tennis Center</b>	500,000	460,000	40,000	-
<b>50193 Community Center Facility Improvements</b>				
Proposition 40 Grant	166,700	-		166,700
<b>Total Community Center Facility Improvements</b>	166,700	-		166,700
<b>50209 City Council/City Hall Facility Improvements</b>				
Fund 001 General Fund	490,000	90,000	400,000	
<b>Total City Council/City Hall Facility Improvements</b>	490,000	90,000	400,000	-
<b>50223 Zoeter School Site Demo/Abatement</b>				
Redevelopment Agency Fund				800,000
<b>Total Zoeter School Site Demo/Abatement</b>	-	-		800,000

# Capital Projects Fund

Project Funding Source	Multi-Year Projects Original Budget	Estimated Amnt Spent Through 2005-2006	2005-2006 Carryforward	2006-2007 Adopted Budget
<b><u>Non Departmental/Admin</u></b>				
City Council Misc. Projects				
Fund 001 General Fund				100,000
<b>Total City Council Misc Projects</b>				<b>100,000</b>
 CADD/GIS Program				
GIS Deposit Account				15,000
<b>Total CADD/GIS Program</b>				<b>15,000</b>
 City IMS (Information Management System) Upgrade/Replacement/Maint.				
Fund 001 General Fund				200,000
<b>Total City IMS Upgrade/Replacement/Maint.</b>		-		<b>200,000</b>
 City Phone System Upgrade/Replacement Program				
Fund 001 General Fund				200,000
<b>Total City Phone System Upgrade Program</b>		-		<b>200,000</b>
 City Cabling System Upgrade/Replacement Program				
Fund 001 General Fund				100,000
<b>Total City Cabling System Upgrade Program</b>		-		<b>100,000</b>
 <b>Total Capital Projects</b>	<b>7,381,700</b>	<b>4,117,000</b>	<b>2,718,000</b>	<b>7,335,500</b>

## **Sewer Enterprise Funds Capital Projects**

Funding Source for all Sewer Enterprise Funds Capital Projects is from Sewer Capital Fees Collected.

49886 Sewer Pump Sta. 35 Rehab, Phase 1	750,000	250,000	500,000	500,000
49886 Sewer Pump St. 35 Rehab, Phase 2			900,000	900,000
50214 First St. Sewer Pump Station Rehabilitation			200,000	200,000
50215 FY 06/07 Sewer System Rehabilitation Project			1,100,000	1,100,000
50216 FY 06/07 Sewer System Lining Project			250,000	250,000
<b>Total Sewer Enterprise Funds Capital Projects</b>			<b>2,950,000</b>	<b>2,950,000</b>

## **Water Enterprise Funds Capital Projects**

Funding Source for all Water Enterprise Funds Capital Projects is from Water Capital Fees Collected.

50156 Water Reservoir & Booster Sta. Rehab - NWS	600,000	1,000,000	1,000,000	
50157 College Park East Water Well Project	150,000	1,300,000	1,300,000	
50158 Leisure World Water Connections Project	25,000	600,000	600,000	
50160 Water Reservoir & Booster Sta. Rehab - BM		1,200,000	1,200,000	
50226 Water System Infrastructure Repairs		350,000	350,000	
50227 Water System GIS/GPS Asset Program		45,000	45,000	
<b>Total Water Capital Projects</b>		<b>775,000</b>	<b>4,495,000</b>	<b>4,495,000</b>

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# Redevelopment Agency Funds

The City of Seal Beach Redevelopment Agency operates as a separate legal entity from the City. The Budget and annual work program are established by the City Council acting as the Agency Board of Directors. The Agency maintains four separate funds.

The Riverfront Project Area Fund accounts for staff and operating costs. It also accounts for capital projects within the Riverfront Project Area Fund.

The Tax Increment Fund accounts for the collection of property tax revenues and rental income from property within the Redevelopment Project Area. The 20% Low and Moderate Housing Set-Aside is transferred from this Fund into the Riverfront Project Area Low and Moderate Housing Set-Aside Fund. Revenues accounted for in the Set-Aside Fund are also transferred into the Debt Service Fund. The Debt Service Fund accounts for payments made to satisfy long-term debt obligations.

# Redevelopment Agency Funds

Code:	Department:
	Redevelopment Agency

Managing Department Head: Executive Director (City Manager)

## Program Purpose:

Redevelopment improves the physical safety and quality of life in the City by providing financial tools to eliminate and prevent blighted conditions in the City's redevelopment project area, preserving and increasing the City's supply of low and moderate income housing units, and securing and promoting commercial and industrial development in the City to assure a solid tax base and employment opportunities.

## Primary Activities:

Redevelopment is responsible for the overall coordination, planning, and implementation of the City of Seal Beach Community Development Project, which is aimed at eliminating blighting conditions; encouraging rehabilitation of commercial, industrial, and residential properties; generating employment opportunities; providing public infrastructure improvements and community facilities; increasing and improving the community's supply of affordable housing; participating in land assembly and management; and expanding the City's economic tax base.

The Administrative Program directs and coordinates the planning, prioritization, and implementation of redevelopment goals, objectives, and work programs.

The Low and Moderate Housing Program supports the upgrading and expansion of affordable housing stock in the City through the use of grants, loans, and other assistance to individual homeowners, private developers, and other public entities.

The Redevelopment Project Program allocates tax increment or debt issuance proceeds to improve existing or construct new public and/or private capital projects.

The Debt Service Program functions as a holding or pass-through fund for revenues, which are used to retire Agency debt or construct future capital projects.

## Significant Changes/Comments:

The Agency has adopted a current AB 1290 Implementation Plan and Affordable Housing Compliance Plan that describes how the various funds of the Agency are anticipated to be expended over the 2005-2009 time frame. A summary of those anticipated expenditures are provided below:

### Public Improvement Projects:

- FY 2005/06 - Corporation Yard NPDES/Water Quality Facilities -- \$ 300,000
- FY 2005/06 to 2007/08 - West End Pump Station Replacement -- \$ 3,300,000

### Housing Assistance Projects:

- FY 2005/06 to 2008-09 - Home Improvement Loan/Grant Program -- \$1,400,000
- FY 2005/06 to 2008-09 - Seal Beach Trailer Park Rental Assistance -- \$720,000



# Redevelopment Agency Funds

## Riverfront Project Area Low and Moderate Income Housing Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	061-000-30420	(923)	18,000	30,000	42,000
Unrealized Gain/Loss on Invest	061-000-30423				
Transfers In	061-000-31500	(157,933)			
Low/Mod Housing Set Aside	061-000-38555	253,253	466,370	291,300	294,000
<b>Total Revenues</b>		94,397	484,370	321,300	336,000
<b>Expenditures</b>					
Contract Prof. Svcs	061-081-44000	9,898	35,000	50,000	100,000
Low/Mod Housing Exp	061-081-45050	23,503	380,000	250,000	330,000
Legal Services	061-081-49800	41,569	4,500	175,000	5,000
<b>Total Expenditures</b>		74,969	419,500	475,000	435,000
<b>Net Revenues (Expenditures)</b>		19,428	64,870	(153,700)	(99,000)

### Fund Balance Analysis

#### Riverfront Project Area Low and Moderate Housing Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	3,401,933	3,421,361	3,421,361	3,267,661
Revenues	94,397	484,370	321,300	336,000
Expenditures	(74,969)	(419,500)	(475,000)	(435,000)
Ending Fund Balance	3,421,361	3,486,231	3,267,661	3,168,661

# Redevelopment Agency Funds

## Surfside Project Area

### Low and Moderate Income Housing Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	062-000-30420	3,858		300	500
Unrealized Gain/Loss on Invest	062-000-30423				
<b>Total Revenues</b>		3,858	-	300	500
<b>Expenditures</b>					
Low/Mod Housing	062-081-45050	180,000			
Legal Services	062-081-49800			1,493	
<b>Total Expenditures</b>		180,000	0	1,493	0
<b>Net Revenues (Expenditures)</b>		(176,142)	-	(1,193)	500

#### Fund Balance Analysis

##### Surfside Project Area Low and Moderate Income Housing Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	189,094	12,952	12,952	11,759
Revenues	3,858	-	300	500
Expenditures	(180,000)	-	(1,493)	-
Ending Fund Balance	12,952	12,952	11,759	12,259

# Redevelopment Agency Funds

## Riverfront Project Area

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Interest on Investments	063-000-30420	68,551	25,000	64,800	90,500
Unrealized Gain/Loss on Invest	063-000-30423				
Miscellaneous Revenues	063-000-30960				
Transfers In	063-000-31500	189,844	32,126	2,406,085	36,520
<b>Total Revenues</b>		<b>258,395</b>	<b>57,126</b>	<b>2,470,885</b>	<b>127,020</b>
<b>Expenditures</b>					
Part-time	063-081-40004	2,010	1,800	1,800	1,800
Medicare	063-081-40017	133	26	26	30
Fica	063-081-40019			112	140
Contract Prof. Svcs	063-081-44000	33,574	6,000	4,600	6,000
					HVAC/Lighting maintenance and annual audit svcs
Intergovernmental	063-081-45000	115			
Transfers Out	063-081-47000	191,725	1,366,500	518,500	2,818,500
					Transfer to General Fund for City Staff time \$18,500, Transfer to Capital Projects Fund for West End Pump Station \$500,000; Ocean Ave Pavement Project \$1,500,000; Zoeter Property demolition \$800,000
Lease Payments	063-081-47444	11,472	12,740	12,740	13,650
					Cal Air HVAC/Lighting
Interest Expense	063-081-47999	46,896	7,563	7,563	6,900
					Cal Air HVAC/Lighting
Legal Services	063-081-49800	134,344	7,800	22,244	8,000
<b>Total Expenditures</b>		<b>420,269</b>	<b>1,402,429</b>	<b>567,585</b>	<b>2,855,020</b>
<b>Net Revenues (Expenditures)</b>		<b>(161,874)</b>	<b>(1,345,303)</b>	<b>1,903,300</b>	<b>(2,728,000)</b>

### Fund Balance Analysis Riverfront Area Project Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	2,941,468	2,779,594	2,779,594	4,682,894
Less: Carry forward CIPs				(1,440,000)
Revenues	258,395	57,126	2,470,885	127,020
Expenditures	(420,269)	(1,402,429)	(567,585)	(2,855,020)
Ending Fund Balance	<b>2,779,594</b>	<b>1,434,291</b>	<b>4,682,894</b>	<b>514,894</b>

# Redevelopment Agency Funds

## Riverfront Project Area Debt Service Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Proposed Budget
<b>Revenues</b>					
Bond Proceeds	065-000-30025				
Interest on Investments	065-000-30420	33,236	36,000	36,000	36,000
Unrealized Gain/Loss on Invest	065-000-30423				
Transfers In	065-000-31500	692,960	738,199	737,268	746,000
<b>Total Revenues</b>		<u>726,196</u>	<u>774,199</u>	<u>773,268</u>	<u>782,000</u>
<b>Expenditures</b>					
Contract Prof Svcs	065-081-44000	10,530	6,500	5,569	8,500
Debt Service Payment	065-081-47000	320,000	335,000	335,000	370,000
Interest Expense	065-081-47999	403,756	396,699	396,699	367,500
<b>Total Expenditures</b>		<u>734,286</u>	<u>738,199</u>	<u>737,268</u>	<u>746,000</u>
<b>Net Revenues (Expenditures)</b>		<u>(8,090)</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>

### Fund Balance Analysis

#### Riverfront Project Area Debt Service Fund

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	1,373,782	1,365,692	1,365,692	1,401,692
Revenues	726,196	774,199	773,268	782,000
Expenditures	(734,286)	(738,199)	(737,268)	(746,000)
Ending Fund Balance	<u>1,365,692</u>	<u>1,401,692</u>	<u>1,401,692</u>	<u>1,437,692</u>

# Redevelopment Agency Funds

## Riverfront Project Area Tax Increment Fund

Account Description	Account Number	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimated	2006-2007 Adopted Budget
<b>Revenues</b>					
Property Taxes Secured	067-000-30001	1,158,967	1,286,970	1,337,360	1,400,000
Property Taxes Unsec.	067-000-30002	31,599	26,000	25,040	25,000
Homeowners exemption	067-000-30003	17,365	15,000	16,450	15,000
Secured/Unsec. Pr. Year	067-000-30004	68	150	26,530	
Property Tax Other	067-000-30005	14,879	15,000	13,300	15,000
Supplemntl Tax Sec/unsec.	067-000-30006	43,385	9,000	37,970	15,000
Supplemntal Tax Pr. Yr.	067-000-30007				
Interest on Investments	067-000-30420	25,238	13,000	94,000	132,000
Unrealized Gain/Loss on Invest	067-000-30423				
Proceeds from Sale of Land	067-000-30940			3,680,000	
Property Rental	067-000-31650	260,834	230,300	93,806	
<b>Total Revenues</b>		<b>1,552,335</b>	<b>1,595,420</b>	<b>5,324,456</b>	<b>1,602,000</b>
<b>Expenditures</b>					
Contract Professional Service	067-081-44000	2,968	23,784	20,000	5,000
ERAF contributions	067-081-44500	124,995	81,000	119,543	120,000
Low/Mod housing set aside	067-081-45050	253,253	466,370	291,300	294,000
Transfers Out	067-081-47000	724,871	775,555	3,143,353	782,520
					Transfer to RDA Debt Service Fund \$746,000; Transfer to Project Area Fund \$36,520
Lease Payments	067-081-47444	156,334	169,334	1,300,000	
Interest Payments	067-081-47999	85,011	95,127	95,000	
Legal Services	067-081-49800				
<b>Total Expenditures</b>		<b>1,347,432</b>	<b>1,611,170</b>	<b>4,969,196</b>	<b>1,201,520</b>
<b>Net Revenues (Expenditures)</b>		<b>204,903</b>	<b>(15,750)</b>	<b>355,260</b>	<b>400,480</b>

### **Fund Balance Analysis** **Riverfront Project Area Tax Increment Fund**

	2004-2005	Adopted 2005-2006	Projected 2005-2006	Estimated 2006-2007
Beginning Fund Balance	(560,163)	(355,260)	(355,260)	-
Revenues	1,552,335	1,595,420	5,324,456	1,602,000
Expenditures	(1,347,432)	(1,611,170)	(4,969,196)	(1,201,520)
Ending Fund Balance	(355,260)	(371,010)	-	400,480

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# Appropriations Limits

The voters of California approved Article XIII-B of the California State constitution also known as Proposition 4, or the “Gann Initiative”. The proposition restricts the total amount of appropriations allowed in any given fiscal year from the “proceeds of taxes”. In 1980, the State Legislature added a section of the Government Code that required the governing body of each local jurisdiction to establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year was equal to the previous year’s limit, adjusted for population changes and the change in the U.S. Consumer Price Index or California per Capita Personal Income if smaller.

In June 1990, the voters modified the original Proposition 4 with the passage of Proposition 111 and its implementing legislation. Beginning with the 1990-91 Appropriations Limit, a City may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to construction within the City, and the population growth within the County or the City. Under Proposition 4, if a city ends the fiscal year having more proceeds of taxes than the Limit allows, it must return the excess to the taxpayers within two years.

	<u>Amount</u>
A. Last Year’s Limit	19,126,177
B. Change in CPI**	1.0396
C. Change in Population**	<u>1.0083</u>
D. Ratio of Change (1.0396 x 1.0083)	1.04823
E. 2006-2007 Appropriations Limit	<u>20,048,607</u>

\*\* Source: State of California Department of Finance Price and Population Information

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# Glossary of Terms

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**Accounting System** – The total set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

**Accrual Basis of Accounting-** The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

**Actual Prior Year** – Actual amounts for the fiscal year preceding the current fiscal year that precedes the budget fiscal year.

**Appropriation** – An authorization made by the legislative body of a government that permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

**Appropriation Resolution** – The official enactment by the legislative body establishing the legal authority for officials to obligate and expend resources.

**Assessed Value** – The value placed on real and other property as a basis for levying taxes.

**Assets** – Property owned by a government that has monetary value.

**Bond** – A long-term IOU or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

**Budget** – A plan of financial activity for a specified period of time (fiscal year) indicating all planned revenues and expenses for the budget period.

**Budget Calendar** – The schedule of key dates that a government follows in the preparation and adoption of the budget.

**Budget Deficit** – Amount by which the government's budget outlays exceed its budget receipts for a given period, usually a fiscal year.

**Budget Document** – The official written statement detailing the proposed budget as submitted by the City Manager and supporting staff to the legislative body.

**Budget Message** – A general discussion of the proposed budget presented in writing as a part of or supplemental to the budget document. The budget message explains principal budget issues against the background of financial trends, and presents recommendations made by the city manager.

**Capital Budget** – A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget that includes both operation and capital outlays.

**Debt Service** – Payment of interest and repayment of principal to holders of a government's debt instruments.

**Depreciation** – (1) Expiration in the service life of capital assets attributable to war and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) That portion of the cost of a capital asset that is charged as an expense during a particular period.

# Glossary of Terms

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**Enterprise Fund Accounting** – Accounting used for government operations that are financed and operated in a manner similar to business enterprises and for which preparation of an income statement is desirable. Enterprise Funds use the accrual basis of accounting.

**Expenditure** – The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays intergovernmental grant entitlement and shared revenues.

**Expense** – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

**Fiscal Policy** – A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal Policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

**Fiscal Year** – The City of Seal Beach operates on a fiscal year from July 1 through June 30.

**Franchise Fee** – A fee paid by public service utilities for use of public property in providing their services to the citizens of a community, including refuse and cable television

**Full Time Equivalent (FTE)** – Number of employee positions calculated on the basis that one FTE equates to a 40-hour workweek for twelve months. For example, two part-time positions working 20 hours for twelve months also equal one FTE.

**Fund** – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities that are segregated for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance** – The excess of an entity's assets over its liabilities. A negative fund balance is sometimes called a deficit.

**General Fund** – General operating fund of the City. It is used to account for all financial resources except those included in Special Revenue, Enterprise and/or Agency Funds.

**Goal** – A statement of broad direction, purpose or intent based on the needs of the community.

**Grant** – A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grants are usually made for specified purposes.

**Licenses, Permits and Fees** – Revenues collected by a governmental unit from individuals or business concerns for various rights or privileges granted by the government.

**Maintenance** – All materials or contract expenditures covering repair and upkeep of City buildings, machinery and equipment, systems, and land.

**Material and Supplies** – Expendable materials and operating supplies necessary to conduct department activity.

**Modified Accrual Basis** – The basis of accounting under which expenditures other than accrued interest on general long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash except for material and/or available revenues, which should be accrued to reflect properly the taxes levied and revenue earned.

# Glossary of Terms

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**Operating Budget** – The annual budget and process that provides a financial plan for the operation of government and the provision of services for the year. Excluded from the operating budget are capital projects, which are determined by a separate, but interrelated process.

**Operating Transfer** – A transfer of revenues from one fund to another fund.

**Primary Activities** – A summary of what each department accomplishes during the fiscal year.

**Program Purpose** – The responsibilities of each department.

**Public Hearing** – The portions of open meetings held to present evidence that provides information on both sides of an issue.

**Reserve** – An account used to indicate that a portion of fund balance is legally restricted for a specific purpose, or is otherwise not available for appropriation and subsequent spending.

**Resolution** – An order of a legislative body requiring less formality than an ordinance or statute.

**Revenue** – The term designates an increase to a fund's assets which: (1) does not increase a liability (e.g., proceeds from a loan); (2) does not represent a repayment of an expenditure already made; (3) does not represent a cancellation of certain liabilities; and (4) does not represent an increase in contributed capital.

**Revenue Estimate** – A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

**User Fees** – The payment of a charge or fee for direct receipt of a service by the party benefiting from the service.

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# Long-Term Debt

The City of Seal Beach is not obligated in any manner for general obligation or special assessment bonded indebtedness. Pursuant to California Government Code Section 43605, total general obligation bonds outstanding cannot exceed 15 percent of total assessed valuation. At June 30, 2006, the City did not have any debt subject to the State Debt Limit.

Current General Fund debt obligations as of June 30, 2005 included the 1996 Countywide Financing Authority Revenue Bonds for the purchase of the 800 Mhz radio project for the police department, public works departments and the lifeguards, and capital leases for air conditioning and lighting for City buildings and for vehicles and equipment.

The Seal Beach Redevelopment Agency's long-term debt as of June 30, 2005 included 2000A and 2000B Tax Allocation Bonds and a capital equipment lease. In fiscal year 2005-2006, the Seal Beach Redevelopment Agency sold Zoeter Place (parcel A of the former Los Alamitos School District property) to the existing tenant for the purchase price of \$3,680,000. The tenant's obligations under a prior lease agreement were terminated as a condition of sale. Subsequently, a portion of the proceeds was used to purchase the remaining parcels (parcels B & D) at the former school site for the sum of \$690,842 (rounded). By exercising the right to purchase parcels B & D as provided in the lease agreement with the School District, the City and Agency satisfied all obligations under such lease. As a result, no obligations are reflected on the Debt Schedule as of June 30, 2006.

The Enterprise Funds' debt obligations consisted of the Water Operations Fund economic development loan, the Sewer Capital Fund Certificates of Participation and a capital equipment lease. The following table illustrates the debt outstanding as of June 30, 2006:

# Long-Term Debt

## City of Seal Beach Outstanding Debt Schedule

Name of Bond, Loan or Capital Lease	Original Amount of Issue	Funding Source	Issue Date	Final Payment Date	Interest Rate
<b>General Fund</b>					
<b>Bonds</b>					
1996 Countywide Public Financing Authority Revenue Bonds	1,265,000	General Fund Revenues	July 1996	August 2011	4.1% - 5.75%
<b>Capital Leases</b>					
Air Conditioning/Lighting Capital Property Lease (83%)	889,882	General Fund Revenues	October 2001	October 2013	5.30%
Crown Vic/Mercury Marquis (police vehicles)	102,838	General Fund Revenues	May 2005	May-07	3.60%
4 Crown Victoria's (police vehicles)	95,849	General Fund Revenues	November 2002	November 2005	4.90%
3 BMW Motorcycles (police Depart.)	60,632	General Fund Revenues	October 2003	April 2006	4.25%
Bucket Truck	66,218	General Fund Revenues	March 2001	September 2004	6.25%
John Deere Tractor	54,000	General Fund Revenues	December 2003	September 2006	4.25%
Ford Pick-Up Truck	22,439	General Fund Revenues	July 2004	June 2007	4.25%
<b>Total General Fund</b>	<b>2,534,419</b>				
<b>Tidelands Beach Fund</b>					
<b>Capital Leases</b>					
Beach Surf Rake	58,004	General Fund Subsidy	October 2005	July 2008	4.25%
4 Dodge Pick-Up Trucks and 1 Chevy Trail Blazer (Lifeguards)	91,186	General Fund Subsidy	July 2004	June 2007	4.25%
<b>Total Tidelands Beach Fund</b>	<b>91,186</b>				
<b>Redevelopment Agency</b>					
<b>Bonds</b>					
2000 Tax Allocation Bonds Series A	8,520,000	Property Tax Increment	December 2000	September 2023	4% - 5.55%
2000 Tax Allocation Bonds Series B	685,000	Property Tax Increment	December 2000	October 2018	4.5% - 4.7%
<b>Capital Leases</b>					
Capital Land Lease - Zoeter Property Parcel A	1,908,368	Rental income	September 1987	September 2012	5.84%
Capital Land Lease - Zoeter Property Parcel B & D	1,567,000	Rental income	September 1987	September 2012	5.84%
Air Conditioning/Lighting Capital Property Lease (17%)	182,265	Property Tax Increment	October 2001	October 2013	5.30%
<b>Total Redevelopment Agency</b>	<b>12,862,633</b>				
<b>Water and Sewer Enterprise Funds</b>					
Water Operations Economic Devlp. Loan	288,000	Water usage fees	September 1977	July 2017	5%
Water Capital Lease - Backhoe Tractor	54,054	Water usage fees	March 2004	December 2006	4.50%
Sewer Certificates of Participation	4,230,000	Sewer capital fees	June 2000	June 2030	5.62% - 5.73%
<b>Total Water and Sewer Enterprise Funds</b>	<b>4,572,054</b>				
<b>Total All City Funds Outstanding Debt</b>	<b>20,060,292</b>				

# Long-Term Debt

Beginning Outstanding Balance 7/1/2005	Requirements for Fiscal Year Ending June 30, 2006			Beginning Outstanding Balance 7/1/2006	Requirements for Fiscal Year Ending June 30, 2007			Ending Outstanding Balance 6/30/2007
	Interest Payable	Principal Payment	Total		Interest Payable	Principal Payment	Total	
<b>705,000</b>	36,681	<b>85,000</b>	121,681	<b>620,000</b>	32,065	<b>90,000</b>	122,065	<b>530,000</b>
<b>719,375</b>	36,925	<b>62,201</b>	99,126	<b>657,174</b>	33,513	<b>66,596</b>	100,109	<b>590,578</b>
<b>67,339</b>	2,828	<b>32,977</b>	35,805	<b>34,362</b>	1,443	<b>34,362</b>	35,805	-
<b>24,507</b>	1,201	<b>24,507</b>	25,708	-	-	-	-	-
<b>19,525</b>	674	<b>19,525</b>	20,199	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<b>23,335</b>	698	<b>18,569</b>	19,267	<b>4,766</b>	51	<b>4,766</b>	4,817	-
<b>15,292</b>	563	<b>7,475</b>	8,038	<b>7,817</b>	221	<b>7,817</b>	8,038	-
<b>1,559,081</b>	79,007	<b>242,779</b>	321,786	<b>1,316,302</b>	67,072	<b>195,724</b>	262,796	<b>1,120,578</b>
<b>58,004</b>	1,904	<b>13,740</b>	15,644	<b>44,264</b>	1,766	<b>19,094</b>	20,859	<b>25,170</b>
<b>62,066</b>	2,158	<b>30,377</b>	32,535	<b>31,689</b>	846	<b>31,689</b>	32,535	-
<b>62,066</b>	2,158	<b>30,377</b>	32,535	<b>31,689</b>	846	<b>31,689</b>	32,535	-
<b>6,965,000</b>	351,045	<b>325,000</b>	676,045	<b>6,640,000</b>	336,583	<b>340,000</b>	676,583	<b>6,300,000</b>
<b>560,000</b>	30,888	<b>30,000</b>	60,888	<b>530,000</b>	30,888	<b>30,000</b>	60,888	<b>500,000</b>
<b>692,332</b>	47,877	<b>76,334</b>	124,211	-	-	-	-	-
<b>679,000</b>	39,654	<b>93,000</b>	132,654	-	-	-	-	-
<b>147,342</b>	7,563	<b>12,740</b>	20,303	<b>134,602</b>	6,864	<b>13,640</b>	20,504	<b>120,962</b>
<b>9,043,674</b>	477,027	<b>537,074</b>	1,014,101	<b>7,304,602</b>	374,335	<b>383,640</b>	757,975	<b>6,920,962</b>
<b>151,330</b>	7,567	<b>9,508</b>	17,075	<b>141,822</b>	7,091	<b>9,983</b>	17,074	<b>131,839</b>
<b>27,884</b>	895	<b>18,392</b>	19,287	<b>9,492</b>	152	<b>9,492</b>	9,644	-
<b>3,895,000</b>	213,402	<b>80,000</b>	293,402	<b>3,815,000</b>	209,401	<b>85,000</b>	294,401	<b>3,730,000</b>
<b>4,074,214</b>	221,864	<b>107,900</b>	329,764	<b>3,966,314</b>	216,644	<b>104,475</b>	321,119	<b>3,861,839</b>
<b>14,739,035</b>	780,056	<b>918,130</b>	1,698,186	<b>12,618,907</b>	658,897	<b>715,528</b>	1,374,425	<b>11,903,379</b>

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**RESOLUTION NUMBER 5476**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF SEAL BEACH, CALIFORNIA, ADOPTING FISCAL  
YEAR 2006/2007, SETTING THE APPROPRIATION LIMIT  
FOR FISCAL YEAR 2006/2007 AND AUTHORIZING  
APPROPRIATIONS BY FUND.**

THE CITY COUNCIL OF THE CITY OF SEAL BEACH DOES HEREBY RESOLVE:

**SECTION 1.** To adopt Fiscal Year 2006/2007 budget for the operation of and capital improvements for the City of Seal Beach for the fiscal years commencing July 1, 2006 and ending June 30, 2007. Said budgets to control expenditures in the following amounts which reflect interfund transfers and charges:

**PROPOSED EXPENDITURES**

**Fiscal Year 2006/2007**

General Fund	\$22,598,357
Street Lighting Assessment District	150,500
Asset Forfeiture State & Federal	34,350
Supplemental Law Enforcement Grant	151,450
Park Improvement Fund	200,000
Air Quality Improvement Fund	31,450
Tidelands Beach Fund	1,957,296
State Gas Tax Fund	440,000
Measure M Fund	575,000
Roberti-Z' Berg-Harris Urban Open Space Fund	286,700
Community Development Block Grant	200,000
Police Grants	34,577
CLEEP Grant Fund	50,000
Traffic Congestion Relief Fund	105,000
CFD No. 2002-02 Landscape Maintenance	134,550
Water Operations Enterprise Fund	3,501,085
Water Capital Enterprise Fund	50,000
Sewer Operations Enterprise Fund	753,538
Sewer Capital Enterprise Fund	397,171
Capital Projects Fund	7,335,500
RDA-Riverfront Project Area Low & Moderate Housing Fund	435,000
RDA Riverfront Project Area	2,855,020
RDA Riverfront Project Area Debt Service Fund	746,000
RDA Riverfront Project Area Tax Increment Fund	<u>1,201,520</u>
Estimated Expenditures	<u>\$44,224,064</u>

Includes Water and Sewer expenditures that are recorded as fixed assets.

**SECTION 2.** To adopt the 2006 Pavement Management Plan, the 2006 Pier Deck Rehabilitation Report and the 2006 Fleet Management Report.

**SECTION 3.** That all encumbrances from FY 2005/06 are re-appropriated for continued use in FY 2006/07.

**SECTION 4.** That all capital project appropriation balances from FY 2005/06 are carried forward for use in FY 2006/07.

**SECTION 5.** That the City Manager is hereby authorized to make appropriation transfers within and between functions and programs, in accordance with Fiscal Policy, as long as such transfers do not increase the adopted annual budget appropriations.

**SECTION 6.** That for fiscal year ending June 30, 2007 the City of Seal Beach establishes an appropriations limit of \$20,048,607, thereby demonstrating compliance with Article XIII B of the State Constitution.

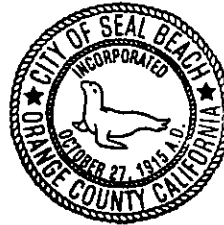
PASSED, APPROVED and ADOPTED by the City Council of the City of Seal Beach at a regular meeting thereof held on the 26th day of June, 2006 by the following vote:

AYES: Councilmember Antos, Hansen, Livitt, Shanko, Ybaben  
NOES: Councilmember None  
ABSENT: Councilmember None  
ABSTAIN: Councilmember None

John Larson  
Mayor

ATTEST:

Linda Devine  
City Clerk



STATE OF CALIFORNIA }  
COUNTY OF ORANGE } SS  
CITY OF SEAL BEACH }

I, Linda Devine, City Clerk of the City of Seal Beach, California, do hereby certify that the foregoing resolution is the original copy of Resolution Number 5476 on file in the office of the City Clerk, passed, approved, and adopted by the City Council of the City of Seal Beach at a regular meeting thereof held on the 26th day of June, 2006.

Linda Devine  
City Clerk