



City of Seal Beach



Adopted Budget for Fiscal Years

2007-08 & 2008-09

**City of Seal Beach
California**

**OPERATING PROGRAM OF SERVICES BUDGET
FOR FISCAL YEARS 2007/08 AND 2008/09**

CITY COUNCIL

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

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Prepared by
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Budget Transmittal Letter

May 24, 2007

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 budgets for FY 2007/08 and FY 2008/09 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 2007/08 – 2008/09 Budgets** – represent the traditional budget documents 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 identifies the needed, but unfunded, projects that the City must eventually address.
- **Budget in Brief** – summarizes the proposed budgets for FY 2007/08 and FY 2008/09 and provides an overview of the budgets to the Seal Beach community. For detailed budget information, it is best to use the proposed FY 2007/08 and FY 2008/09 Budgets.

Combined, these three documents represent the FY 2007/08 and FY 2008/09 budget package that is being submitted to City Council for consideration and approval.

The proposed budgets represent a slight surplus of operating revenues over operating expenditures (excluding capital projects) in each fiscal year. This is due to the hard work over the last few years to reduce expenditures, restrain spending of one-time revenues to one time expenditures, and ensure that the budget is balanced. This formula has resulted in the City being able to fund reserves at acceptable levels and provides for a stable fund balance. The proposed budget reflects a carefully balanced budget that provides essential City services at current levels.

However, the City will be facing new challenges in the near-term. These challenges include rising costs associated with retiree health insurance coverage, anticipated rise in costs for the pending expiration of the contract with the Orange County Fire Association (OCFA) in 2010, the high cost of funding retirement plans for Public Safety employees, and a reduction in specific revenues. The cost associated with advance funding retiree medical benefits have not been considered in the budget proposals. As a result, the City will need to examine this issue including options regarding future programs and service levels.

City Council Goals

In 2001, the City Council established four goals, or mission statements, 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 year, 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 or expected to be completed in FY 2006/07 include:

- Completion of Ocean Ave. Rehabilitation Project
- Completion of the city-wide telecom and information systems upgrade
- Completion of the Zoeter School and Park Project
- Completion of Phase 1 Sewer Pump Station No. 35 Project
- Completion of Phase 1 Pier Deck Project
- Completion of the Navy Water Reservoir and Booster Station Project
- Completion of the Leisure World Water Main Connections Project

The proposed FY 2007/08 and FY 2008/09 budgets continue to place resources where necessary to complete the goals set forth by City Council. For example, an additional phase of storm drain projects, Phase 2 and 3 of the Pier Deck Rehabilitation Project, and the new Offshore Sand Pumping Project are included in the proposed FY 2007/08 and FY 2008/09 budgets. In developing the operating and capital improvement budgets, staff used the City Council goals, approved master plans, and engineering judgment to make funding decisions for the proposed FY 2007/08 and FY 2008/09 budgets. 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 Highlights

Fiscal Stability Continues for FYS 2007 – 2009: The FY 2007/08 General Fund budget reflects an operating deficit of approximately \$1.7 million, due primarily to the \$2.7 million Storm Drain Project anticipated during FY 2007/08. If all capital projects supported by the General Fund are excluded, the City's core operations would achieve an operating surplus of approximately \$1.4 million.

The FY 2007/08 and FY 2008/09 proposed budgets continue to be influenced by the costs associated with Public Safety services. In the proposed budget, retirement costs associated with Public Safety employees are approximately \$2 million in both FY 2007/08 and FY 2008/09. Implementation of the enhanced retirement system (3%@50) for Public Safety employees in FY 2003/04 has resulted in recurring and increasing expenditures that the City is obligated to fund.

Additionally, business license revenues historically received from Boeing's Integrated Defense Systems (IDS) division are expected to decline over the next few years. Revenues anticipated from IDS during FY 2006/07 declined by over \$400,000, or 40%, due to the loss of two federal GPS satellite contracts and corporate restructuring. Although the firm continues to relocate

certain administrative staff to its Seal Beach operations, a dwindling backlog of satellite-related defense contracts (from which the City receives its revenues) is expected to result in significantly reduced revenues for the City. Since business license revenues received from Boeing are tied to manufacturing activity rather than employee head-count or other metric, enhancing revenue in this area would require a major restructuring of the City's current business license program.

In addition, building activity is slowing resulting in reduced building and planning related fees. Revenues anticipated from the Pacific Gateway development have yet to materialize due to a slower-than-expected lease-up phase. Although the anticipated decline in Boeing-related revenues is expected to be offset by increases driven by the Pacific Gateway, Rossmoor and Hampton Inns developments, staff is unable to project the level of increase with certainty as these projects are still pending either completion or lease-up.

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.

Through good fiscal management, the City has been able to produce budgets that generate greater revenues than expenditures since 1999. 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 to increasing revenues and controlling expenditures. Revenue enhancement will be a major issue in the next few years.

Street Improvements – The two year proposed budget reflects an \$875,000 per year transfer of designated street funds for rehabilitation of local and arterial streets. These funds are made up of a mix of State Gas Tax, State Gas Sales Tax (Proposition 42), Measure M (1/2 cent sales tax local turnback) and new State Bond Proposition 1B. This will continue a significant investment that has been made in the street system over the last few years. In order to balance the unfunded needs within the City, no General Fund monies are proposed for street rehabilitation projects at this time.

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. During FY 2007/08 and 2008/09, the Public Works Department is expected to spend approximately \$20 million in capital improvements including several million dollars of projects currently in construction being carried over to the next fiscal year. These expenditures are geared towards a balanced and deliverable plan to improve the infrastructure. Staff has identified over \$40 million in projects throughout the City that are in need of repair and are unfunded.

The following projects are some of the significant undertakings for the Capital Improvement Program for FY 2007/2008 and FY 2008/2009:

- Pier Deck Rehabilitation
- Offshore Sand Pumping Project
- Police, Public Works and Community Center Facility Repairs
- Bluebell Park and Arbor Park Rehab
- City-wide Park Improvements
- Sewer System Repair and Capacity Improvements
- West End Pump Station Improvements
- Storm Drain System Capacity Improvements
- Seal Beach Blvd. & Westminster Signal Coordination



- Seal Beach Blvd. 405/22 Overcrossing
- Local Street Paving
- Water Station and Reservoir Improvements at Beverly Manor
- 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 2007/08 and 2008/09 will generate net operating surplus of approximately \$2.0 million and \$2.1 million, respectively. Due to the rate adjustments enacted by City Council, the Water Fund is now generating revenue at a level necessary to operate without a loss. In addition, capital improvements continue to be made to the water system. In FY 2006/07, the Navy Water Reservoir was rehabilitated thereby 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 began work on the College Park East well design and drilling is expected in FY 2007/08. Improvements will also be made to the water system at Leisure World and the City's Beverly Manor Reservoir and Booster Station.

Sewer Fund – The Sewer Fund's financial situation improved in 2006/07 due to a rate adjustment approved during the prior year. 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 2007/08 and FY 2008/09 will generate net operating surplus of approximately \$946,000 and \$1.1 million, respectively.

In FY 2007/08 Phase 2 improvements will continue to Station 35 prolonging 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 major sewer line replacements, capacity improvements, and a citywide pipe-relining project throughout the City. 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 2007/08, improvements to the West End Pump Station are expected to be completed using Redevelopment Agency Capital Funds. 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 2007/08 and FY 2008/09, total General Fund revenues are projected to be \$24.1 million and \$24.6 million, respectively. This represents an approximate \$227,000 decrease from FY 2006/07. The decrease is due primarily to the significant decline in revenues historically associated with Boeing's IDS division. During FY 2008/09 revenues are expected to increase by approximately \$545,000, or 2%, due to the annual increase in property taxes.

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

	<u>FY 2007/08</u>	<u>FY 2008/09</u>
Property Tax	\$6,725,000	\$6,848,000
Utility Users Tax	\$5,000,000	\$5,200,000
Sales Tax	\$3,489,000	\$3,638,000

In FY 2007/08 and FY 2008/09, these three General Fund revenues represent \$15.2 million and \$15.7 million of the \$24.1 million and \$24.6 million in total General Fund revenues for each respective year. Over the next two years, revenues are expected to remain fairly stable assuming no significant events occur within the top three General Fund revenue categories.

General Fund expenditures in FY 2007/08 and FY 2008/09 are budgeted at approximately \$25.8 million and \$23.4 million, respectively. Excluding transfers out for capital projects, this represents an increase of approximately \$1.4 million and \$2 million, respectively, over FY 2006/07 results. This increase is primarily due to the increase in salaries approved by City Council (e.g., Public Safety employees) and resulting PERS obligations.

Water Fund revenue in FY 2007/08 and FY 2008/09 is projected at approximately \$5.6 million and \$5.9 million, respectively. This represents an increase of approximately \$125,000 and \$376,000, respectively, over FY 2006/07 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 \$3.6 million and \$3.7 million in FY 2007/08 and FY 2008/09, respectively. Salaries and benefits represent approximately 28% of total operating expenditures. Expenditures in the Water Fund remained relatively flat in FY 2006/07 due to the vacancies for two associate engineers that occurred earlier in the year.

The Sewer Fund is projected to have revenues of approximately \$1.9 million and \$2.1 million in FY 2007/08 and FY 2008/09, respectively. This represents an increase of 4% and 14%, respectively, over FY 2006/07 due to the scheduled increase in water rates. Following the trend in revenues, expenditures in the Sewer Fund are expected to increase by 4% in FY 2007/08 and 14% in FY 2008/09 compared to FY 2006/07 results. This is primarily due to the increase in salaries and associated benefits. The Sewer Fund is projected to have \$1.5 million in available cash by the close of FY 2006/07. Although the Fund will generate additional net revenues of \$3.2 million during FY 2007/08, capital projects are expected to total \$4.9 million and \$3.1 million during FY 2007/08 and FY 2008/09, respectively. Since the cost of these projects exceeds the available cash resources within the Sewer Fund, external financing will be required. Staff is currently reviewing financing options and expects to obtain new financing early in FY 2007/08.

Tidelands Beach Fund revenues, excluding the General Fund subsidy, are estimated at approximately \$543,000 in both FY 2007/08 and FY 2008/09. The General Fund subsidy to the Tidelands Beach Fund is projected at \$734,500 in FY 2007/08 and \$750,150 in FY 2008/09 resulting in core revenues of approximately \$1.3 million. The General Fund also supports certain capital projects within the Tidelands Beach Fund. Expenditures are estimated at \$1.8 million during FY 2007/08. This amount includes \$150,000 for the Offshore Sand Pumping project, \$250,000 for pier renovation, and \$150,000 for the Sand Back Pass project. Expenditures projected during 2008/09 are estimated at \$1.6 million which includes \$250,000 for pier improvements and \$100,000 for the New Pier Structural Safety Assessment.

Development and Economic Assumptions

In the FY 2007/08 and FY 2008/09 proposed budgets 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: the Rossmoor Shopping Center, the Regency Shopping Center, timing of lease-up at Pacific Gateway, and the Hampton Inn development. While these projects are much further along than the same time last year, staff cannot project full revenue potential since the projects are either pending completion or in the initial start-up phase of leasing. Once revenue results are available from these developments, staff will be in a better position to adjust estimates. The Pacific Gateway project is a primary example of this uncertainty as our initial expectations assumed the project would be fully occupied by the end of FY 2006/07. At the time of this writing, the development has obtained lease commitments from two commercial enterprises.

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 have begun 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 labor and benefits rates have offset the anticipated benefits.

A more pressing issue relates to the City's obligation to fund retiree health insurance premiums. GASB 45 will require all Tier II Cities to report their retiree medical liabilities by FY 2007/08. The City currently pays for retiree health insurance premiums on a "pay as you go" basis which means the City pays whatever the insurance premiums are for the year. The cost of these premiums is projected at \$262,000 and \$300,000 for FY 2007/08 and FY 2008/09, respectively. Since these premiums have been escalating at an average rate of approximately 18% per year, the City must make a strategic decision as to how to resolve this critical issue. Advance funding these liabilities in a manner similar to that which the City applies to its defined benefit retirement plans appears to be a prudent option.

Over the long term, the City will be pressed to make strategic decisions to improve 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. Although this appears to be a simple formula, it will require the City to make difficult policy decisions. Unfortunately, the revenue option is very limited due to a lack of land within the City available for development coupled with the community's reluctance to make changes that may impact the character of the community. Furthermore, any changes in fee or tax structures would require a general election under Prop 218.

The UCLA Anderson Forecast anticipates a significant slowdown in economic activity within the Southern California region through 2007. The region's housing market has cooled from the levels seen just two years ago, although housing prices have remained relatively stable. However, due to the large number of pre-Prop 13 properties located within the City, increases in property tax revenues have remained relatively flat. The Anderson Forecast indicates that 2007 will see continued softening in the housing market. This is expected to have an impact on real estate related jobs such as construction and lending.

While the City experienced positive growth in sales tax revenue at the end of calendar 2006, the rest of the region was flat. Therefore, we don't anticipate any significant increases in retail sales activity within the community over the next year. A larger source of concern is the cost of raw materials that has increased dramatically over the last few years and negatively impacts the City's capital improvement projects. Additionally, staff has significantly raised fleet fuel cost in anticipation of gasoline remaining well above \$3.00 a gallon. With the national and state

economies poised for slower growth, 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 cursive script, reading "Greg Beaubien".

Greg Beaubien
Interim 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 re-appropriated or specifically carried forward by inclusion in the budget adopting resolution for the subsequent budget cycle.
- 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 appropriations, 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 appropriations 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 appropriations.

GENERAL REVENUE MANAGEMENT

Budget and Fiscal Policies

- 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.
- B. The City will match all current appropriations with current estimated revenues and will avoid procedures that balance current budgets by postponing needed appropriations or rolling over short-term debt.
- C. In order to achieve important public policy goals, the City has established various special revenue, capital projects, 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

Budget and Fiscal Policies

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 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 capital assets 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:

Factors which favor pay-as-you-go financing

Budget and Fiscal Policies

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.
- 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.

Budget and Fiscal Policies

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

Budget and Fiscal Policies

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.
 4. Improving the organization's ability to respond to changing needs, and identify and implement cost-saving programs.

Budget and Fiscal Policies

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?
6. Does the use of contract services provide us with an opportunity to redefine service levels?

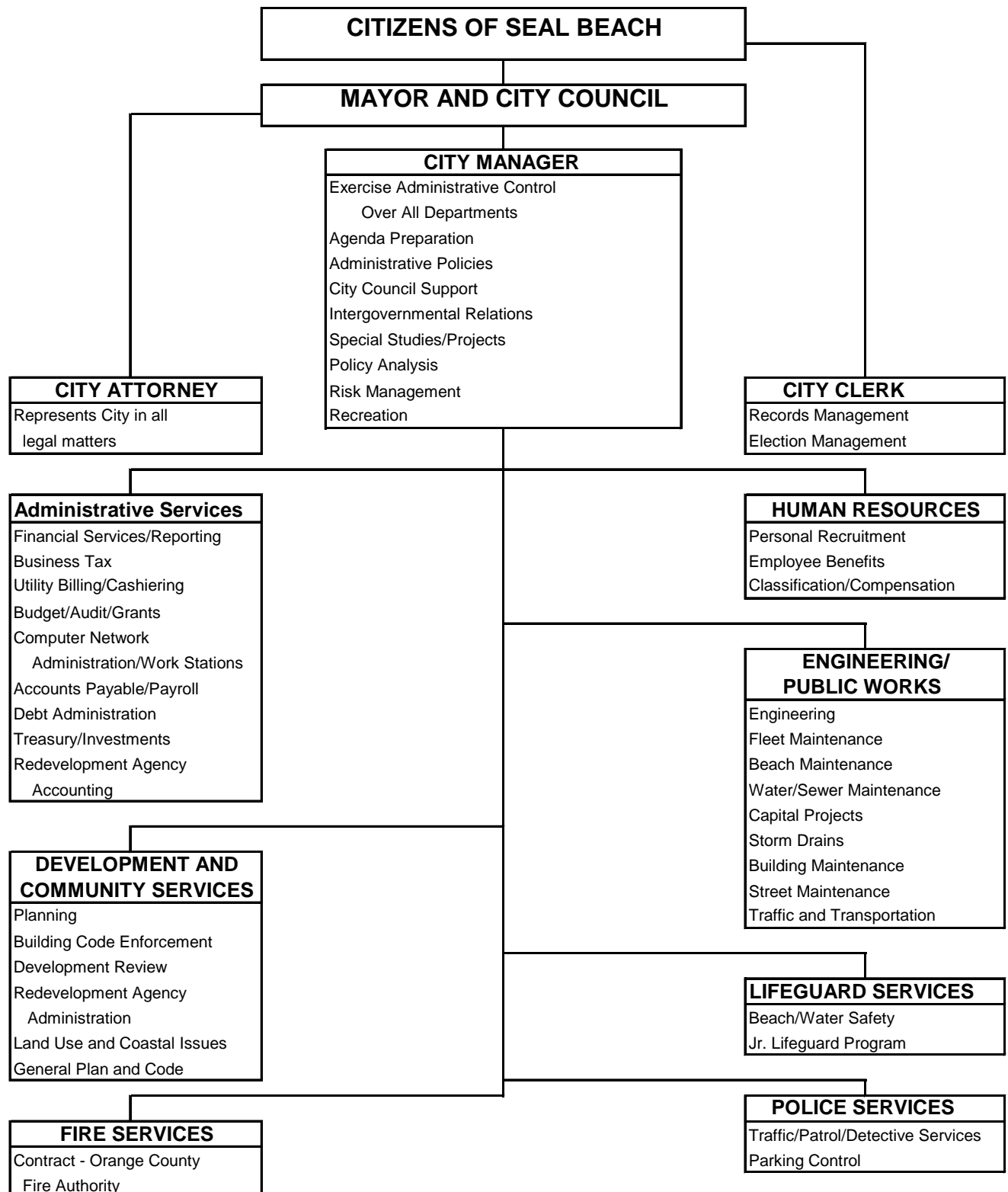
Budget and Fiscal Policies

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

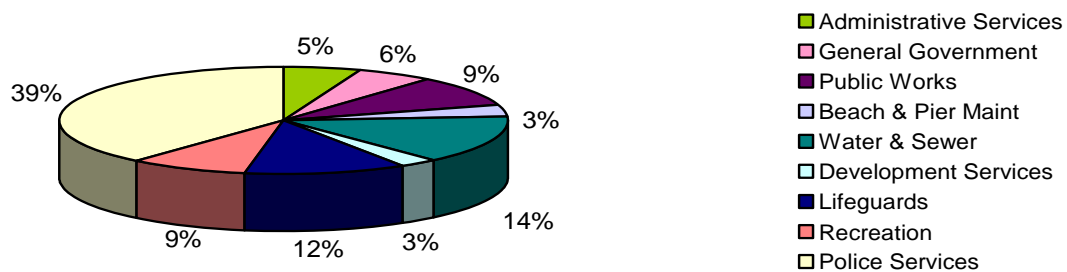


City of Seal Beach Staffing

STAFFING OVERVIEW

A significant percentage of the General Fund, Tidelands Beach Fund and the Water and Sewer Enterprise Funds budgets are appropriated for salaries and benefits to employees who in turn provide services to the Seal Beach community. Salaries and benefits represent 35% and 41% of the operating appropriations within the General Fund for fiscal years 2007/08 and 2008/09 respectively. The Tidelands Beach Fund's lifeguards and beach maintenance salaries and benefits represent 21% and 61% of the 2007/08 and 2008/09 fiscal year's budgets. The Water and Sewer Enterprise Funds salaries and budgets represent 31% and 32% of the operating budgets for fiscal years 2007/08 and 2008/09 respectively. The following graph identifies full-time equivalent (FTE) positions by department.

FY 2007/08 AND 2008/09 STAFFING BY PROGRAM



Note: Salaries and benefits include Part-Time staff costs

STAFFING COMPARISON BY DEPARTMENT IN FULL-TIME EQUIVALENTS

<u>Departments</u>	<u>2006-2007 Adopted</u>	<u>2007-2008 Adopted</u>	<u>2008-2009 Adopted</u>
Administrative Services	6.39	6.39	6.39
General Government	6.19	6.70	6.73
Public Works	10.32	10.76	10.76
Beach & Pier Maintenance	3.9	4.00	4.00
Water & Sewer	16.59	16.95	16.95
Development Services	3.38	3.38	3.38
Lifeguard Services	11.96	13.57	13.54
Recreation	9.44	9.98	10.32
Police Services	43.74	45.37	45.53
Total Full-Time Equivalents	111.91	117.10	117.60

Note: The increase in full-time equivalents is due to the new full-time position of Disaster Coordinator in the Police Services department and the remaining difference is due to additional part-time wages in several departments.

City of Seal Beach Staffing

Police Services has requested a new full time non-sworn employee in the Police Support Department for FY 2007/08 and 2008/09. The proposed position would be a Disaster Preparedness Coordinator to manage training and coordination of a community-wide disaster preparedness program. The Coordinator would also continue development of the Emergency Operations Center (EOC) and its operations.

The City's employee bargaining units are Seal Beach Supervisors & Professional Employees Association; Police Officers Association; Police Management Association; and the Orange County Employees Association. The Executive/Mid-Management are non-represented; Each bargaining unit has a Memorandum of Understanding (MOU) 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 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: 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.

Description of 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.

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 initially approved November 6, 1990 and extended through 2041 by the voters of Orange County in November 2006. 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 Congestion Improvement Act funded by the passage of Prop 42 which mandated that revenues resulting from the state sales and use taxes on the sale of motor vehicle fuel be used for transportation purposes. In November 2006, the voters approved the sale of General Obligation Bonds by the State to fund state and local transportation projects to relieve congestion, improve movement of goods, improve air quality and enhance safety and security of the transportation system.

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. 2002-01: The Community Facilities District No. 2002-01 (Heron Pointe) was formed under the Mello-Roos Community Facilities Act of 1982, as amended, to provide financing for the construction and acquisition of certain public street improvements, water and sanitary sewer improvements, dry utility improvements, park and landscaping improvements which will serve the new construction in the Community Facility District.

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.

Description of Funds

Community Facilities District No. 2005-01: The Community Facilities District No. 2005-01 (Pacific Gateway Business Center) was formed under the Mello-Roos Community Facilities Act of 1982, as amended. Special Tax B will satisfy costs related to the maintenance of parks, parkways and open space within the District ("Landscape Maintenance").

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 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.

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

Low and Moderate Income Housing Funds: The Riverfront 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.

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.

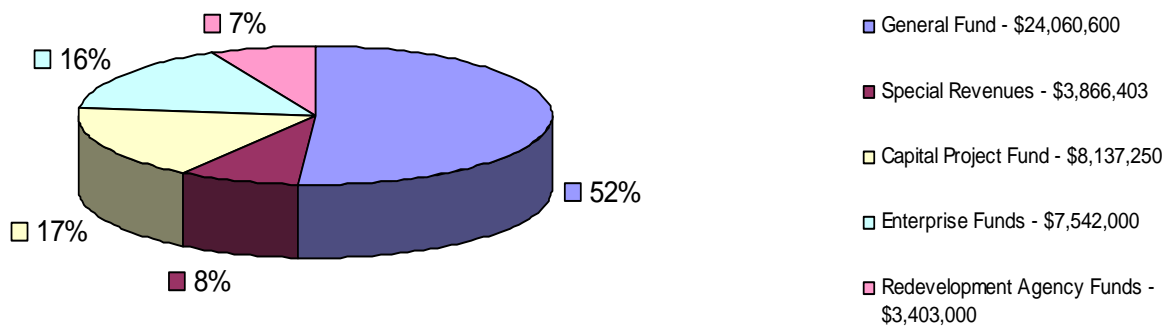
Description of Funds

Fiduciary Funds

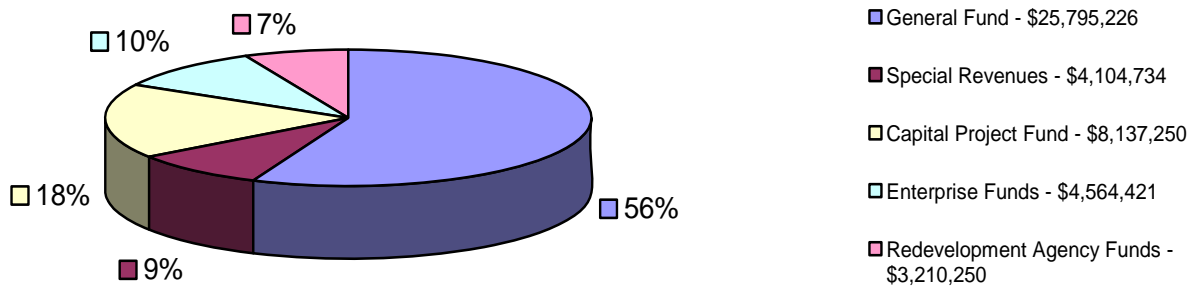
Fiduciary Funds are used when a government holds or manages financial resources in an agent or fiduciary capacity. The City has a trust fund that is not appropriated. This trust fund receives funds from entities and or individuals. Those funds are treated as deposits and expended at the direction of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

Summary of Revenues and Expenditures All Funds

**Projected Summary of Revenues and Transfers In
FY 2007/08 - \$47,009,253**

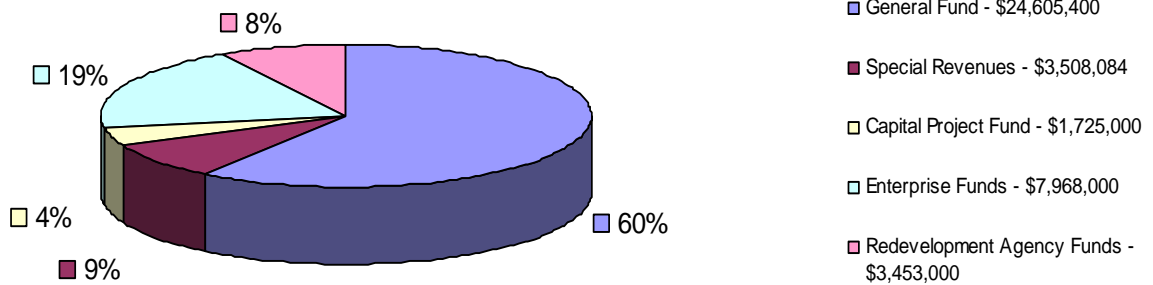


**Projected Summary of Expenditures and Transfers Out
FY 2007/08 - \$45,811,881**

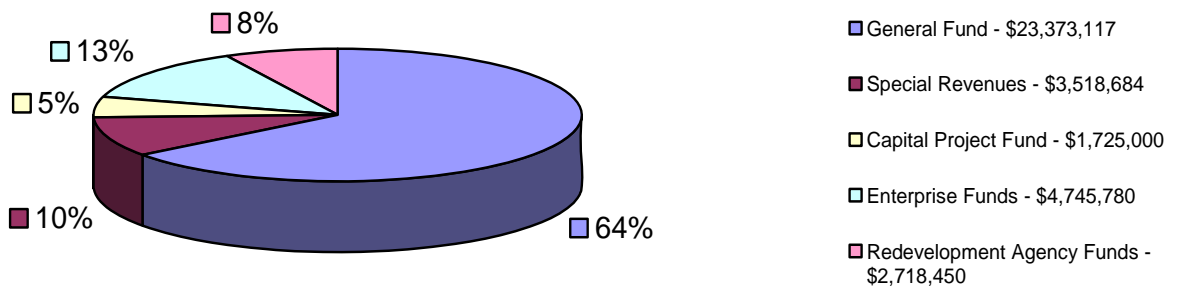


Summary of Revenues and Expenditures All Funds

**Projected Summary of Revenues and Transfers In
FY 2008/09 - \$41,259,484**



**Projected Summary of Expenditures and Transfers Out
FY 2008/09 - \$36,081,031**



Summary of Revenues and Transfers In All Funds

	2005/06 Actual Revenue	2006/07 Estimated Year End Revenues	2007/08 Adopted Revenues	2008/09 Adopted Revenues
General Fund	24,563,524	24,287,782	24,060,600	24,605,400
Special Revenue Funds				
Supplemental Law Enforcement	106,350	108,200	112,000	112,000
Asset Forfeiture - State	8,433	1,000	1,000	-
Police Grants	17,122	57,847	22,234	22,234
Cleop Grant	1,546	1,650	69	-
Community Development Block Grant	1,952	146,056	200,000	-
Air Quality Improvement	31,043	31,000	31,000	31,000
Park Improvement	16,245	97,000	34,000	34,000
State Gas Tax	483,719	480,000	473,000	473,000
Measure M	320,268	342,800	365,100	381,700
Roberti-Z'Berg-Harris Urban Open Space	440	89,060	131,000	1,000
Traffic Relief	113,510	179,700	241,200	381,700
Tidelands Beach	1,388,290	1,781,922	1,827,500	1,643,150
Street Lighting	146,489	142,700	150,300	150,300
Communities Facilities District No. 2002-01	-	40,000	25,000	25,000
Communities Facilities District No. 2002-02	132,706	140,000	143,000	143,000
Communities Facilities District No. 2005-01	-	120,000	110,000	110,000
Total Special Revenues Funds	2,768,113	3,758,935	3,866,403	3,508,084
Capital Project Fund	8,310,713	8,194,763	8,137,250	1,725,000
Enterprise Funds				
Water Operations	4,230,401	4,022,570	4,247,000	4,372,000
Water Capital	1,385,327	1,461,000	1,362,000	1,487,000
Sewer Operations	814,062	837,000	867,000	893,000
Sewer Capital	806,766	1,017,000	1,066,000	1,216,000
Total Enterprise Funds	7,236,556	7,337,570	7,542,000	7,968,000
Redevelopment Agency Funds				
Riverfront Low/Mod Housing	312,311	509,000	371,000	376,000
Riverfront Project	2,421,805	1,931,700	668,000	685,000
Debt Service	731,448	135,000	742,500	745,500
Tax Increment	5,241,901	2,357,000	1,621,500	1,646,500
Total Redevelopment Agency Funds	8,707,465	4,932,700	3,403,000	3,453,000
Total Revenues All Funds	51,586,371	48,511,750	47,009,253	41,259,484

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 2007/08 is \$47,009,253 and FY 2008/09 is \$41,259,484. General Fund revenues 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.

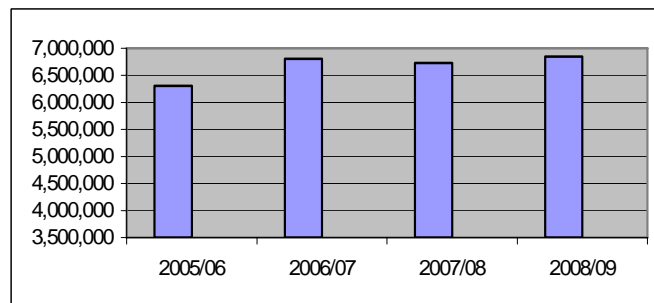
Analysis of Major General Fund Revenues

Property Taxes

Property Taxes account for 27% of FY 2007/08 and FY 2008/09 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 1st), 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.

	Amount	% change
2005/06	6,310,005	
2006/07	6,803,000	7.2%
2007/08	6,725,000	-1.2%
2008/09	6,848,000	1.8%



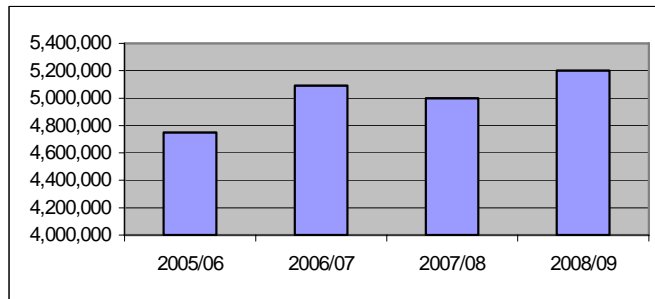
Budget Assumptions – As the above information illustrates, property taxes continues to be a stable revenue source. The projection for FY 2007/08 shows a slight decline. This can be attributed to a significant amount of supplemental property taxes that were received in FY 2006/07 which is not anticipated to be received in FY 2007/08 due to the reduction in new construction.

Utility Users Tax

Utility Users Tax accounts for 21% of FY 2007/08 and 20% in FY 2008/09 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
2005/06	4,749,038	
2006/07	5,092,000	6.7%
2007/08	5,000,000	-1.8%
2008/09	5,200,000	3.8%

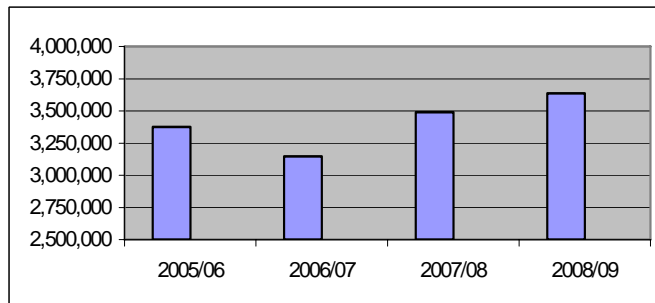


Budget Assumptions – As the above information illustrates, the Utility Users Tax revenues continue to be a relatively stable and predictable revenue source. The City has a senior exemption program for the utility users tax. The income level to qualify for the exemption is based on the California Seniors Property Tax Exemption program and is currently \$40,811.

Sales and Use Tax

Sales and Use Tax accounts for 15% of FY 2007/08 and FY 2008/09 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
2005/06	3,375,319	
2006/07	3,147,000	-7.3%
2007/08	3,489,000	9.8%
2008/09	3,638,000	4.1%



Sales tax revenue for the City continues to steadily increase. With the completion of Pacific Gateway, the City will realize a spike in sales tax revenues. For this budget, no estimate is included as information regarding type of businesses or time of occupancy is not known for certain.

Sales tax revenue decreased in FY 2006/07 to correct an overpayment of the triple flip backfill in FY 2005/06.

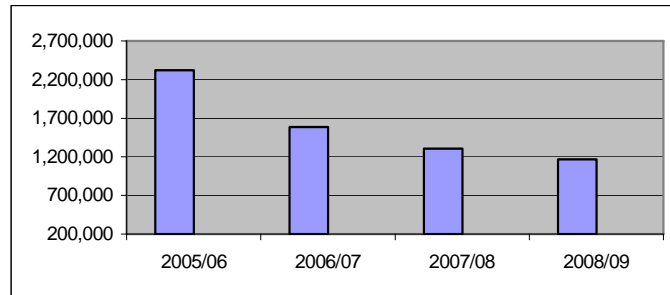
Budget Assumptions – Estimated revenues for Sales and Use Tax for FY 2006/07 was provided by Hinderliter, de Llamas and Associates, a consulting firm that specializes in sales and use tax analysis based on sales information provided to them by the State of California Board of Equalization.

Licenses and Permits

Licenses and permits account for 6% of FY 2007/08 and 5% of FY 2008/09 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. However, the 46% decrease in revenue is contributed to a decline in revenue received from Boeing Integrated Defense Systems. The City Council in April 2007 approved a 3.5% increase based on the Consumer Price Index (CPI).

Analysis of Major Revenues

	<u>Amount</u>	<u>% change</u>
2005/06	2,322,072	
2006/07	1,587,920	-46.2%
2007/08	1,306,000	-21.6%
2008/09	1,166,000	-12.0%



Other Revenues

Franchise Fees are imposed on various public utilities and account for 4% of FY 2007/08 and FY 2008/09 General Fund revenues. The franchise grants the public utilities the right to use public property for system infrastructure such as lines and poles. It also grants exclusive rights to provide cable television within the City.

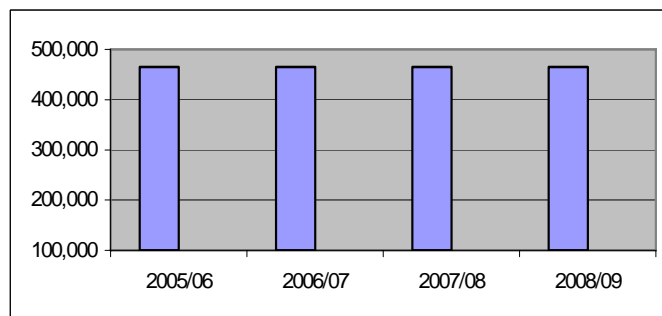
Transient Occupancy Tax (i.e. Hotel Occupancy tax) accounts for 3% of FY 2007/08 and 4% of FY 2008/09 General Fund revenues. The City Council approved an increase in the rate from 9% to 12% effective July 1, 2006.

ANALYSIS OF SPECIAL REVENUE FUNDS MAJOR REVENUES

State Gas Tax

The State of California collects 18¢ per gallon for vehicle fuel which is allocated to the State, Counties and Cities. The City allocation is distributed based on population.

	<u>Amount</u>	<u>% change</u>
2005/06	464,948	
2006/07	465,000	0.0%
2007/08	465,000	0.0%
2008/09	465,000	0.0%



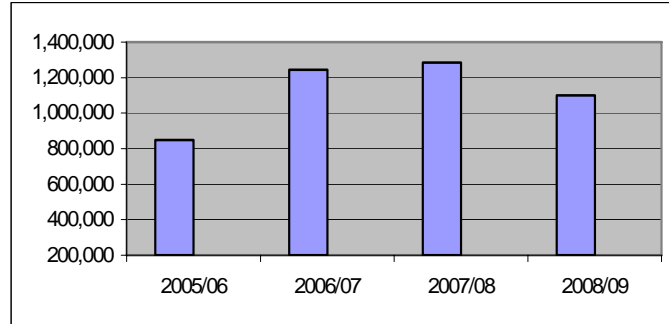
Since the revenue collected is based on the gallons rather than the price of fuel, this revenue source may continue to decline as California residents alter their driving habits due to the high cost of gasoline.

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
2005/06	848,218	
2006/07	1,245,272	31.9%
2007/08	1,284,500	3.1%
2008/09	1,100,150	-16.8%



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 percent sales tax increase approved by voters November 6, 1990 which would provide transportation funding through 2011. In November 2006, voters approved the continuation of the one-half cent sales tax through 2041. 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.

The city anticipates receipt of \$323,100 and \$337,700 for FY 2007/08 and FY 2008/09 respectively.

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. The “frozen” assessed valuation of the properties 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. Revenues are projected to be \$4,247,000 and \$4,372,000 for fiscal years 2007/08 and 2008/09 respectively for the Operations Fund. Water Capital Fund revenues are projected to be \$1,362,000 and \$1,487,000. The approved water rate increase was 2% and 10% for FY 2007/08 and 2008/09 respectively.

The sewer capital fees are also tiered and based on meter size. Revenues are projected to be \$867,000 and \$893,000 for operations in the fiscal years 2007/08 and 2008/09 respectively. The approved sewer rate increase for sewer operations and sewer capital are 3% and 20% for FY 2007/08 respectively and by 3% and 15% for FY 2008/09, respectively.

Summary of Expenditures and Transfers Out All Funds

	2005/06 Actual Expenditures	2006/07 Estimated Year End Expenditures	2007/08 Adopted Budget	2008/09 Adopted Budget
General Fund	22,833,167	23,003,627	25,795,226	23,373,117
Special Revenue Funds				
Supplemental Law Enforcement	47,821	91,700	159,150	158,450
Asset Forfeiture - State	37,671	18,000	14,000	-
Police Grants	26,803	48,002	22,234	22,234
Cleop Grant	-	40,000	13,000	-
Community Development Block Grant	28,800	119,208	200,000	-
Air Quality Improvement	33,178	31,300	31,350	31,850
Park Improvement	-	200,000	50,000	-
Gas Tax	950,781	720,000	475,000	475,000
Measure M	349,500	678,237	400,000	400,000
Roberti-Z'Berg-Harris Urban Open Space	-	88,560	130,000	-
Traffic Relief	-	180,000	350,000	350,000
Tidelands Beach	1,415,748	1,781,922	1,827,500	1,643,150
Street Lighting	132,628	150,500	154,500	160,000
Community Facilities District No. 2002-01	-	25,000	25,000	25,000
Community Facilities District No. 2002-02	134,010	64,000	143,000	143,000
Community Facilities District No. 2005-01	-	57,000	110,000	110,000
Total Special Revenues Funds	3,156,940	4,293,429	4,104,734	3,518,684
Capital Project Fund	7,957,271	8,194,763	8,137,250	1,725,000
Enterprise Funds				
Water Operations	3,031,446	3,500,524	3,577,660	3,733,970
Water Capital	605,776	50,000	-	-
Sewer Operations	704,331	734,924	773,840	803,140
Sewer Capital	162,832	397,171	212,921	208,670
Total Enterprise Funds	4,504,385	4,682,619	4,564,421	4,745,780
Redevelopment Agency Funds				
Riverfront Low/Mod Housing	520,105	476,000	564,000	294,500
Riverfront Project	612,629	3,147,454	290,650	42,050
Debt Service	732,242	735,500	734,100	735,400
Tax Increment	4,849,627	2,357,000	1,621,500	1,646,500
Total Redevelopment Agency Funds	6,714,603	6,715,954	3,210,250	2,718,450
Total Expenditures All Funds	45,166,366	46,890,392	45,811,881	36,081,031

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

The City's Budget and Fiscal 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 Actual	2006-2007 Estimate	2007-2008 Adopted	2008-2009 Adopted
Beginning Fund Balance	16,074,002	21,227,401	22,957,757	24,241,912	22,237,856
GF CIP carry-forward				(269,430)	
General Fund Revenues					
Property Tax Revenue	5,698,775	6,310,005	6,803,000	6,725,000	6,848,000
Utility Users Tax	4,546,007	4,749,038	5,092,000	5,000,000	5,200,000
Sales and Use Tax	3,639,652	3,375,319	3,147,000	3,489,000	3,638,000
Other Revenue and Transfers In	10,522,647	10,129,161	9,245,782	8,846,600	8,919,400
Total General Fund Revenues	24,407,081	24,563,523	24,287,782	24,060,600	24,605,400
Expenditures					
General Administration	4,123,345	3,993,592	3,781,599	4,064,670	4,181,670
Public Safety	9,800,205	10,307,537	12,011,254	12,608,191	13,046,022
Community Development	819,749	1,006,015	749,393	843,820	796,920
Public Works	1,981,616	2,092,918	2,298,481	2,567,820	2,628,420
Recreation	732,713	825,565	833,080	924,510	945,610
Capital Outlay	102,982	20,286	205,000	159,000	160,000
Debt Service	336,426	331,365	222,115	222,715	224,325
Transfers Out	1,356,646	4,255,889	2,902,705	4,404,500	1,390,150
Total Expenditures	19,253,682	22,833,167	23,003,627	25,795,226	23,373,117
Net Revenues (Expenditures)	5,153,399	1,730,356	1,284,155	(1,734,626)	1,232,283
Ending Fund Balance	21,227,401	22,957,757	24,241,912	22,237,856	23,470,139
Reservations	(492,152)	(772,053)	(500,000)	(500,000)	(500,000)
Designations:	(8,413,420)	(10,608,292)	(9,350,907)	(11,048,807)	(9,443,279)
Undesignated Fund Balance	12,321,829	11,577,412	14,391,005	10,689,049	13,526,860
<i>Undesignated Fund Balance</i>					
<i>Percentage of Total Expenditures</i>	64.00%	50.70%	62.56%	41.44%	57.87%

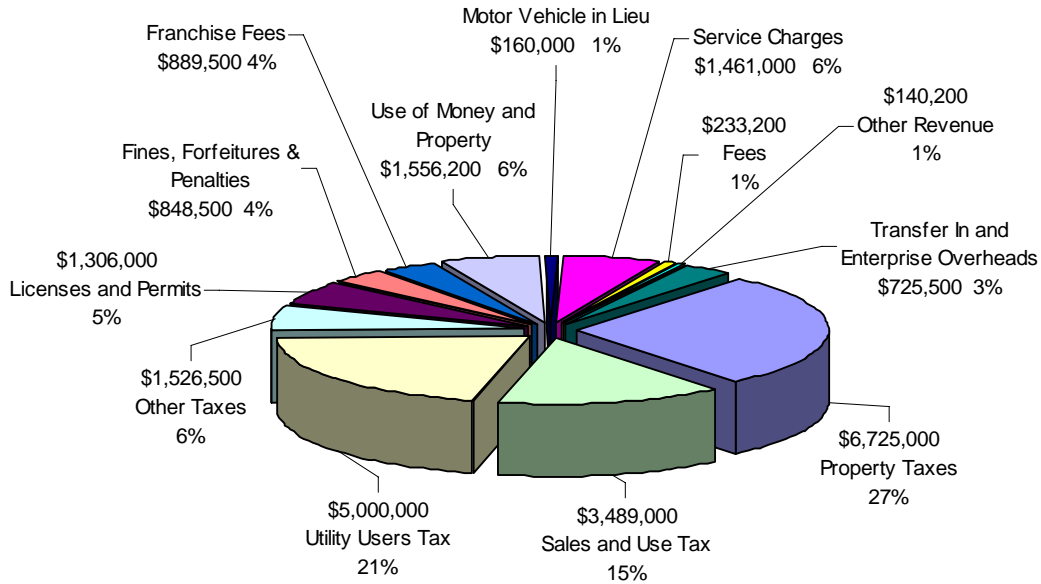
General Fund Analysis of Undesignated Fund Balance

As the spreadsheet illustrates, the City has been able to maintain the General Fund's undesignated fund balance for FY 2004/05 and FY 2005/06 well above the 20% - 25% as required by the Budget and Fiscal Policy. For FY 2006/07, the undesignated fund balance is projected to be 62.56%. The drop in anticipated undesignated fund balance in FY 2007/08 results from a one-time appropriation of \$2,700,000 for the Storm Drain Projects.

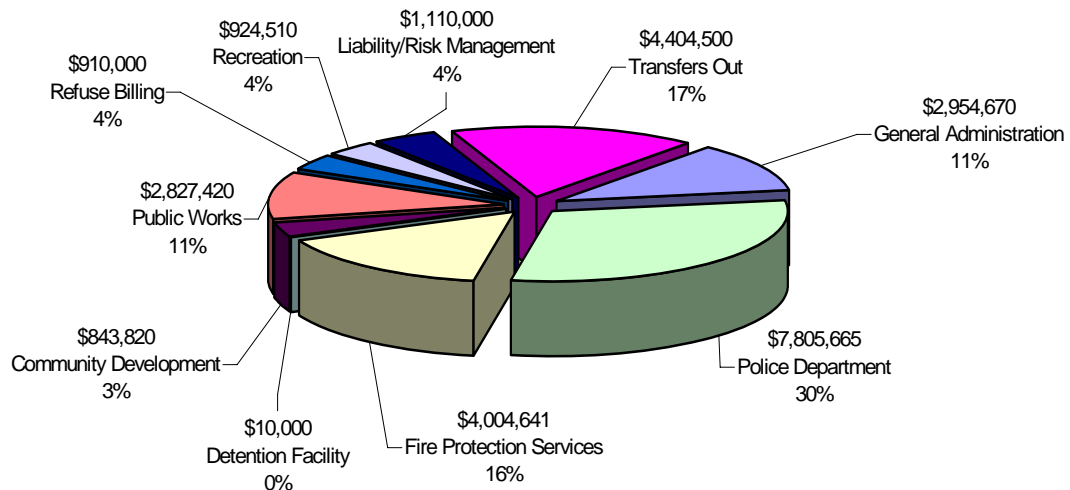
General Fund revenues and expenditures are anticipated to be relatively stable for the two budget years with the exception of the one-time appropriation for the Storm Drain Projects in FY 2007/08.

Summary of Revenues and Expenditures General Fund

Fiscal Year 2007/08 Projected Revenues - \$24,060,600

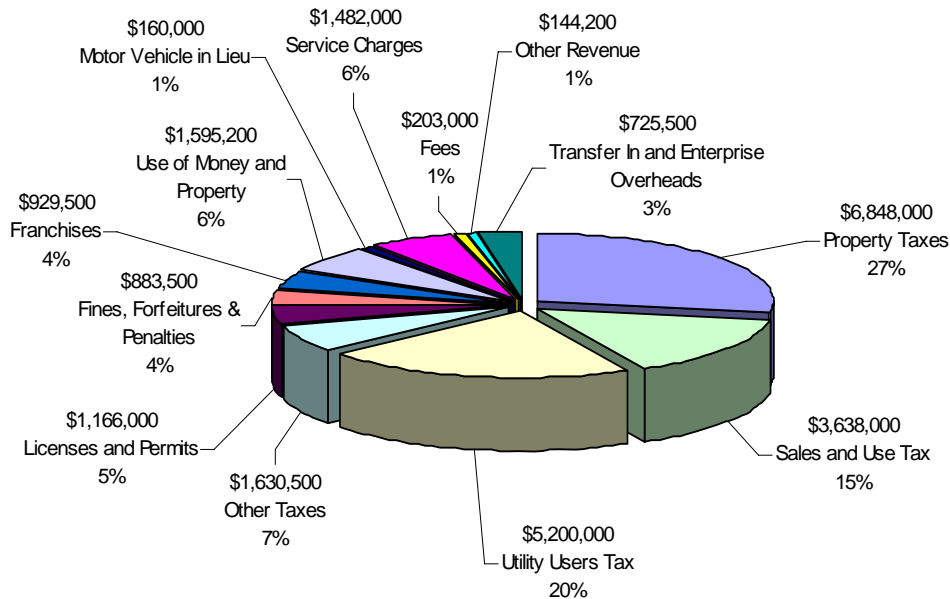


Fiscal Year 2007/2008 Projected Expenditures - \$25,795,226

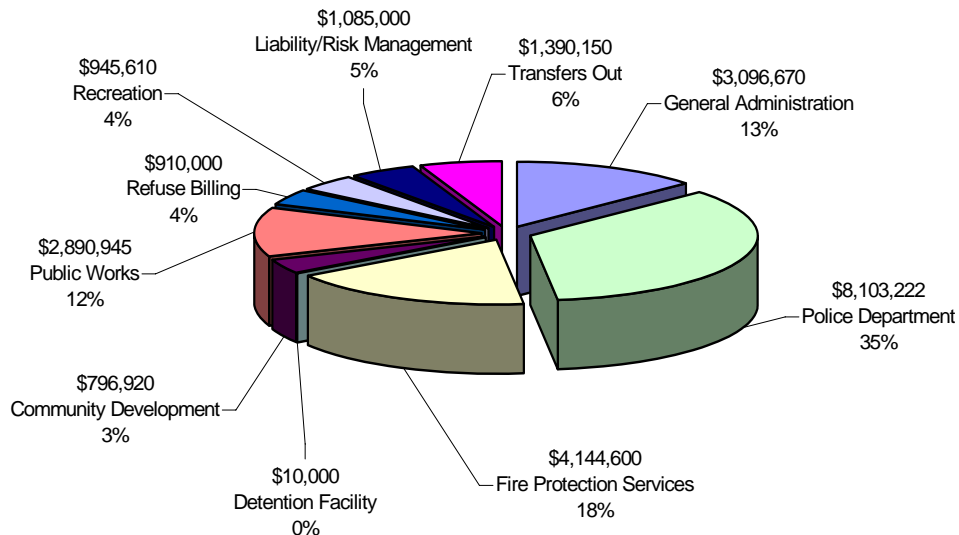


Summary of Revenues and Expenditures General Fund

Fiscal Year 2008/09 Projected Revenues - \$24,605,400

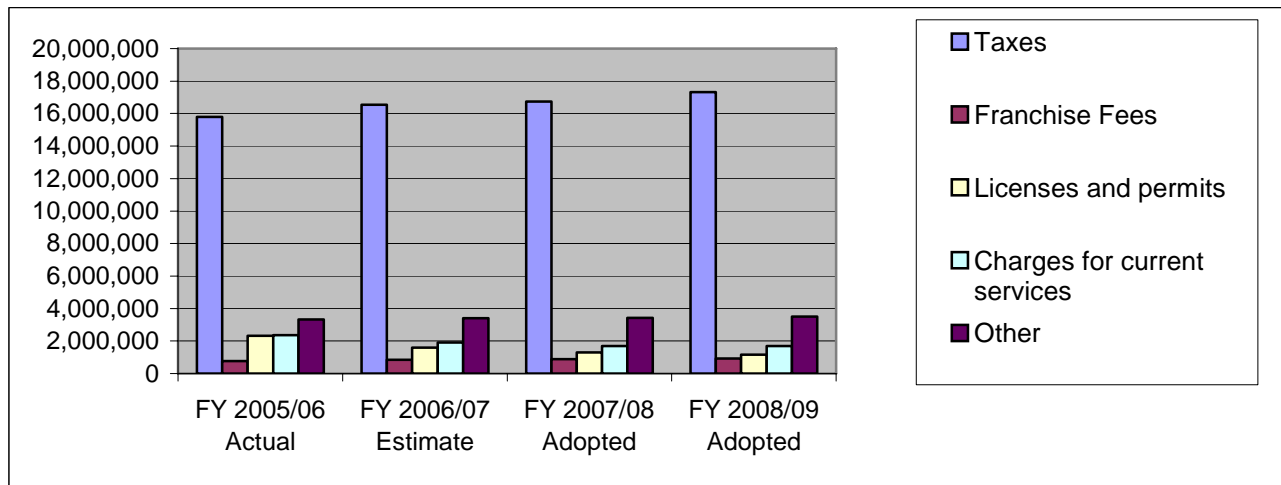


Fiscal Year 2008/2009 Projected Expenditures - \$23,373,017



General Fund Revenue Summary

Description	2005/06 Actual	2006/07 Estimated	2007/08 Adopted	2008/09 Adopted
Property Tax	6,310,005	6,803,000	6,725,000	6,848,000
Other Taxes	1,355,067	1,499,000	1,526,500	1,630,500
Utility Users Tax	4,749,038	5,092,000	5,000,000	5,200,000
Sales and Use Tax	3,375,319	3,147,000	3,489,000	3,638,000
Franchise Fees	772,349	848,500	889,500	929,500
Licenses and Permits	2,324,722	1,587,920	1,306,000	1,166,000
Fines and Forfeitures	887,804	800,500	848,500	883,500
Use of Money and Property	1,158,039	1,397,700	1,556,200	1,595,200
Motor Vehicle In-lieu	154,894	161,000	160,000	160,000
Service Charges	1,674,922	1,424,000	1,461,000	1,482,000
Fees	679,380	479,577	233,200	203,000
Other Revenue	439,172	322,085	140,200	144,200
Transfer In and Enterprise Overheads	682,813	725,500	725,500	725,500
Total Revenue	24,563,524	24,287,782	24,060,600	24,605,400



General Fund Revenues

Description	Account Number	2005/06 Actual	2006/07 Estimated	2007/08 Adopted	2008/09 Adopted
Property Taxes Secured	001-000-30001	4,116,609	4,309,000	4,400,000	4,488,000
Property Taxes Unsecured	001-000-30002	184,070	195,000	195,000	195,000
Homeowners Exemption	001-000-30003	49,517	48,000	50,000	50,000
Secured/Unsecured Prior Yr	001-000-30004	46,343	52,000	50,000	50,000
Property Tax Other	001-000-30005	204,199	208,000	80,000	80,000
Supplemental Tax Sec/Un	001-000-30006	303,334	275,000	200,000	200,000
Prop. Tax-In Lieu VLF	001-000-30009	1,405,933	1,716,000	1,750,000	1,785,000
Excise Tax	001-000-30011	30,405	27,000	10,000	10,000
Barrel Tax	001-000-30012	197,766	261,500	288,000	317,000
Property Tax Transfers	001-000-30013	214,529	157,000	140,000	140,000
Transient Occupancy Tax	001-000-30014	669,229	815,000	825,000	875,000
Utility Users Tax	001-000-30015	4,749,038	5,092,000	5,000,000	5,200,000
Sales/Use Tax	001-000-30016	2,423,155	2,545,000	2,675,000	2,800,000
Sales Tax "Back-Fill"	001-000-30017	952,164	602,000	814,000	838,000
Public Safety Sales Tax	001-000-30023	243,138	238,500	263,500	288,500
Electric Franchise Fees	001-000-30100	234,694	235,000	235,000	235,000
Natural Gas Franchise Fees	001-000-30110	64,000	65,000	65,000	65,000
Pipeline Franchise Fees	001-000-30120	103,281	80,000	100,000	115,000
Cable TV Franchise Fees	001-000-30130	217,583	304,000	325,000	350,000
Refuse Franchise Fees	001-000-30140	152,791	164,500	164,500	164,500
Bicycle Licenses	001-000-30205	21	50	0	0
Building Permits	001-000-30210	547,328	400,000	275,000	250,000
Business Licenses	001-000-30215	1,431,911	870,000	717,000	592,000
Contractor Licenses	001-000-30220	99,285	90,000	100,000	110,000
Electrical Permits	001-000-30230	47,193	55,000	40,000	40,000
Film Location Permit	001-000-30235	1,350	450	0	0
Oil Production Licenses	001-000-30240	12,420	12,420	12,000	12,000
Parking Permits	001-000-30245	99,852	90,000	90,000	90,000
Other Permits	001-000-30250	37,483	35,000	37,000	42,000
Plumbing Permits	001-000-30255	45,229	35,000	35,000	30,000
DUI Cost Recovery	001-000-30300	103	0	0	0
Muni Code Violations	001-000-30310	22,580	2,500	2,500	2,500
Parking Citations	001-000-30315	682,043	577,500	625,000	650,000
Abandoned Vehicles	001-000-30320	13,327	0	0	0
Vehicle Code Violations	001-000-30325	169,751	220,500	221,000	231,000
Interest On Investments	001-000-30420	649,742	778,500	941,000	972,000
Off-street Parking	001-000-30425	154,199	171,000	171,000	171,000
Parking Meters	001-000-30430	67,838	53,500	60,000	63,000
Oil Royalties	001-000-30435	57,661	50,500	55,000	60,000
Rental Of Property	001-000-30455	197,275	313,000	60,000	60,000
Rental of Telecomm. Prop	001-000-30457	0	0	140,000	140,000
Rental of Detention Facility	001-000-30458	0	0	98,000	98,000
Tennis Center Prop Rental	001-000-30645	31,324	31,200	31,200	31,200
Motor Veh. In Lieu	001-000-30500	154,894	161,000	160,000	160,000

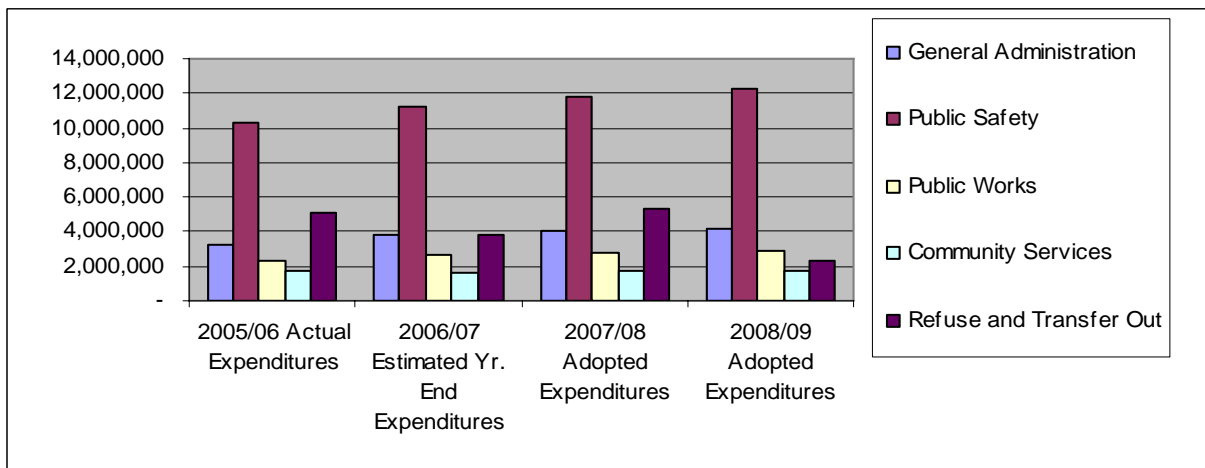
General Fund Revenues

Description	Account Number	2005/06 Actual	2006/07 Estimated	2007/08 Adopted	2008/09 Adopted
Off Highway In Lieu	001-000-30550	953	0	0	0
Recreation Facilities Rent	001-000-30600	57,543	70,000	70,000	85,000
Leisure Program Fees	001-000-30610	259,627	170,000	180,000	180,000
Rec/lap swim passes	001-000-30620	34,788	30,000	36,000	36,000
Swimming Lessons	001-000-30630	46,431	40,000	47,000	47,000
Recreation Svc Charges	001-000-30640	2,806	8,000	8,000	8,000
Sport Fees	001-000-30650	24,115	20,000	25,000	28,000
Skate Park Fees	001-000-30660	1,335	0	0	0
Swimming Pool Rentals	001-000-30665	20,864	6,000	15,000	18,000
Recreation Prog. Insurance	001-000-30670	1,556	3,000	3,000	3,000
Recreation Cleaning Fees	001-000-30690	960	1,900	3,000	3,000
Reimb. For Misc. Services	001-000-30700	120,978	100,000	100,000	100,000
Special Trash Services	001-000-30710	565	0	0	0
Street Sweeping Svcs	001-000-30720	45,904	37,000	37,000	37,000
F.O.G. Discharge Fee	001-000-30725	2,650	0	0	0
Tree Trimming Svcs	001-000-30730	41,363	33,000	33,000	33,000
Refuse Services	001-000-30740	1,018,603	910,000	910,000	910,000
Alarm Fees	001-000-30800	19,489	25,000	28,000	28,000
Election Fees	001-000-30810	960	0	0	0
Planning Fees	001-000-30820	43,276	32,000	25,000	20,000
Plan Check Fees	001-000-30825	319,325	185,000	175,000	150,000
Film Location Fees	001-000-30835	2,450	1,950	0	0
Jail Fees	001-000-30840	288,836	230,000	0	0
Dog Park Fees	001-000-30847	366	153	0	0
Microfiling Fees	001-000-30855	3,718	3,574	2,200	2,000
Bus Shelter Advertising	001-000-30900	49,200	49,200	49,200	49,200
Cash Over/short	001-000-30910	65	0	0	0
Insurance Refunds	001-000-30930	101,883	130,000	0	0
Returned Check Fee	001-000-30935	257	0	0	0
Sale Of Surplus Property	001-000-30940	1,972	0	0	0
Sale Of Printed Material	001-000-30945	22,239	34,000	20,000	20,000
Sb 90 Mandates Reimb.	001-000-30950	0	36,815	0	0
Special Events	001-000-30955	100	0	0	0
Misc. Revenue	001-000-30960	4,465	5,000	0	0
Disaster Relief Reimb.	001-000-30965	41,622	0	0	0
Other Agency Revenue	001-000-30980	154,582	0	0	0
Senior Bus Program Rev	001-000-30990	60,278	64,070	68,000	72,000
Transfers In From Othr Funds	001-000-31500	312,281	347,000	347,000	347,000
Sewer Overhead	001-000-31660	52,384	54,000	54,000	54,000
Water Overhead	001-000-31662	318,148	324,500	324,500	324,500
Total General Fund Revenues		24,563,524	24,287,782	24,060,600	24,605,400

Transfer In	Transfer \$300,000 from Gas Tax; \$10,000 from CFD 2002-01 (Heron Pnt); \$11,000 from CFD 2002-02 (Landscape Maint); \$26,000 from CFD 2005-01 (Pacific)
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General Fund Expenditure Summary

Department	2005/06 Actual	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
City Council	59,493	88,880	89,380	89,380
City Manager	563,858	651,346	614,820	654,120
City Clerk	195,906	209,031	270,270	291,170
Elections	66,957	8,500	72,500	77,500
City Attorney	322,815	388,000	437,000	437,000
Administrative Services	503,059	744,342	810,100	843,300
Liability/Risk Management	887,634	1,050,000	1,110,000	1,085,000
Non-Departmental	590,826	641,500	660,600	704,200
Police Field Services	3,920,534	4,340,046	5,318,300	5,539,000
Animal Control Services	123,467	-	-	-
Police Support	2,368,156	2,809,101	2,487,365	2,564,222
Detention Facilities	271,121	195,000	10,000	10,000
Fire Services	3,745,938	3,879,107	4,004,641	4,144,600
Planning	305,505	285,504	411,620	406,620
Building & Safety	633,552	463,889	432,200	390,300
Administration & Engineering	47,270	58,221	85,850	87,900
Storm Drains/NPDES	242,811	282,058	380,670	368,270
Street Maintenance	852,660	894,010	977,500	1,014,700
Landscape Maintenance	236,009	239,963	307,750	315,600
Fleet Maintenance	405,919	563,303	485,850	494,650
Refuse Collection	870,005	910,000	910,000	910,000
Building Maintenance	538,217	566,041	589,800	609,825
Recreation Administration	192,032	253,324	313,500	333,700
Sports Programs	142,777	135,243	166,560	158,710
Leisure Programs	328,661	281,259	275,950	279,150
Aquatics Programs	162,099	163,254	168,500	174,050
Transfers Out	4,255,889	2,902,705	4,404,500	1,390,150
Total Expenditures	22,833,169	23,003,627	25,795,226	23,373,117



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General Government

Code:	Department:
010	City Council

Elected Official: City Council

Mission:

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.

Objectives:

To provide policy leadership for the community and administration on issues that affect the health, safety and welfare of Seal Beach; to ensure that the City maintains a sustainable revenue base to support essential City services; to allocate resources in accordance to the needs of the community while understanding that citizen expectations for services will continue to exceed the available funding.

General Government

City Council

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Part-time	001-010-40004	18,300	18,000	18,000	18,000	18,000
Medicare Insurance	001-010-40017	284	260	260	260	260
FICA	001-010-40019	1,097	1,120	1,120	1,120	1,120
Total Personnel		<u>19,681</u>	<u>19,380</u>	<u>19,380</u>	<u>19,380</u>	<u>19,380</u>
Operations						
Office Supplies	001-010-40100	3,353	4,200	1,500	1,500	1,500
Public/legal Notices	001-010-40200	(162)	-	-	-	-
Memberships and Dues	001-010-40300	26,984	51,500	51,500	51,500	51,500
Training and Meetings	001-010-40400	2,667	12,000	10,000	10,000	10,000
Special Departmental	001-010-40800	-	-	-	-	-
Promotional	001-010-40900	6,970	6,500	6,500	7,000	7,000
Total Operations		<u>39,812</u>	<u>74,200</u>	<u>69,500</u>	<u>70,000</u>	<u>70,000</u>
Total City Council		<u>59,493</u>	<u>93,580</u>	<u>88,880</u>	<u>89,380</u>	<u>89,380</u>

Memberships and Dues OC Wetlands \$25,000; OC Division of LOCC \$6,800; Cal Coast \$1,600; LAFCO \$4,300; So. CA Assoc of Gov't \$1,800; League of CA Cities \$8,000; SA River Flood Cont. Agency \$1,500; Misc \$2,500

General Government

Code:	Department:
011	City Manager

Managing Department Head: City Manager

Mission Statement:

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 City council policies, the Municipal Code and provisions of the City Charter. The City Manager enforces all municipal laws and regulations for the benefit of the community. The City Manager provides for the overall planning and control of City programs.

Primary Activities:

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

Objectives:

Enforce all laws and ordinances as prescribed in the City Charter and the Municipal Code. Promote the efficient administration of all City departments. Formulate and submit recommended actions concerning policy issues to City Council. Improve service delivery to residents in a cost-effective manner. Ensure that the City Budget is balanced, providing for a healthy reserve as prescribed by City Council policy and to identify future sources of revenues for unfunded necessities of the City. Ensure that the city's interests are effectively represented in decisions made by other governmental agencies.

General Government

City Manager

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-011-40001	314,181	401,735	402,000	379,000	408,500
Over-time	001-011-40003	98	-	-	-	-
Part-time	001-011-40004	9,475	10,000	3,800	10,000	10,000
Auto Allowance	001-011-40008	-	-	-	6,900	6,900
Cell Phone Allowance	001-011-40009	-	-	-	2,300	2,300
Deferred Compensation	001-011-40011	19,103	36,410	36,400	22,000	23,000
PERS Retirement	001-011-40012	41,041	49,400	49,400	53,000	56,400
PARS Retirement	001-011-40013	119	130	45	130	130
Medical Insurance	001-011-40014	30,081	37,440	40,285	33,500	38,200
Dental Insurance	001-011-40015	2,146	-	-	-	-
Medicare Insurance	001-011-40017	4,455	5,340	5,340	5,500	5,900
Life and Disability	001-011-40018	4,412	5,125	5,381	5,300	5,600
PARS Administrative Fee	001-011-40025	184	90	64	90	90
Total Personnel		<u>425,295</u>	<u>545,670</u>	<u>542,715</u>	<u>517,720</u>	<u>557,020</u>
Operations						
Office Supplies	001-011-40100	8,083	6,900	5,000	5,000	5,000
Public/legal Notices	001-011-40200	3,149	2,500	3,459	3,100	3,100
Memberships and Dues	001-011-40300	5,411	7,500	7,500	8,000	8,000
Training and Meetings	001-011-40400	2,890	9,800	9,972	7,000	7,000
Equipment/materials	001-011-40700	105	-	-	-	-
Special Departmental	001-011-40800	261	1,500	1,000	1,000	1,000
Telephone	001-011-41000	3,580	4,800	4,800	-	-
Auto Allowance	001-011-43000	6,847	6,900	6,900	-	-
Contract Professional Svcs	001-011-44000	108,237	100,000	70,000	65,000	65,000
Office & Technology Resources	001-011-40500	-	-	-	8,000	8,000
Total Operations		<u>138,563</u>	<u>139,900</u>	<u>108,631</u>	<u>97,100</u>	<u>97,100</u>
Total City Manager		<u>563,858</u>	<u>685,570</u>	<u>651,346</u>	<u>614,820</u>	<u>654,120</u>

Contract Professional Svcs

Sect. 125 Admin \$2,200; Emp Asst Prg \$2,000; Persnrl Fngrprntg \$3,500; Hep Vac \$2,000; Labor negot. \$6,000; Lobbyist \$36,000; Psych Consultant \$2,100; Background Invest. \$1,100; DOJ \$2,100; Pre-employ \$3,000; Retirement Fund review \$5,000

General Government

Code:	Department:
012	City Clerk

Elected Official: City Clerk

Mission Statement:

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

Primary Activities:

Responsible for recording and maintaining an accurate record of the actions resulting from the City Council and Redevelopment Agency meetings. Process and maintain official documents, records, minutes, ordinances, resolutions, contracts, agreements, deeds, easements, etc. Update all amendments to the City Municipal Code and City Charter. Certify official and legal documents, administer legal publications, receive/open bids, administer oaths, receipt of claims, process requests for public records, and custodian of the City seal. Conduct municipal elections in accordance with the City Charter and State law, maintain campaign reports, perform voter registration, and process conflict of interest filings and other FPPC forms. Maintain a records management program - scanning, retention of documents, tracking of off site documents, and tracking of contracts and agreements.

Objectives:

Overall to continue to further implement the citywide record retention schedule and records management program. Continue the annual "Clean the Files" day - the first event was very successful in starting to better manage the enormous amount of old documents that had not been purged. To continue to implement the records management system, using Laserfiche; round-up original contracts and agreements; and to continue to provide a high level of service to staff and the public when records are requested. To work with the IT personnel to provide better access to public documents/records.

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 Government

City Clerk

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-012-40001	90,149	128,000	123,500	135,300	148,000
Part-time	001-012-40004	14,092	14,000	14,000	30,000	31,000
Auto Allowance	001-012-40008	-	-	-	1,800	1,800
Cell Phone Allowance	001-012-40009	-	-	-	900	900
Deferred Compensation	001-012-40011	2,768	4,200	4,200	4,300	4,700
PERS Retirement	001-012-40012	11,948	17,750	17,200	18,800	20,500
PARS Retirement	001-012-40013	183	180	180	650	650
Medical Insurance	001-012-40014	3,680	11,700	8,670	9,200	10,000
Medicare Insurance	001-012-40017	1,694	2,250	2,250	2,900	3,000
Life and Disability	001-012-40018	1,334	1,920	2,018	2,000	2,200
PARS Administrative Fees	001-012-40025	102	130	93	420	420
Total Personnel		<u>125,950</u>	<u>180,130</u>	<u>172,111</u>	<u>206,270</u>	<u>223,170</u>
Operations						
Office Supplies	001-012-40100	3,360	5,000	5,000	2,000	2,000
Public/legal Notices	001-012-40200	2,320	3,500	3,500	3,500	3,500
Memberships and Dues	001-012-40300	190	200	200	500	500
Training and Meetings	001-012-40400	90	350	350	500	500
Equipment/materials	001-012-40700	5,059	1,500	1,500	-	-
Special Departmental	001-012-40800	385	2,500	2,500	3,500	3,500
Auto Allowance	001-012-43000	1,786	1,800	1,800	-	-
Contract Professional Svcs	001-012-44000	55,873	15,000	15,000	19,000	23,000
Telephone	001-012-41000	893	900	900	-	-
Office & Technology Resources	001-012-40500	-	6,170	6,170	35,000	35,000
Total Operations		<u>69,956</u>	<u>36,920</u>	<u>36,920</u>	<u>64,000</u>	<u>68,000</u>
Total City Clerk		<u>195,906</u>	<u>217,050</u>	<u>209,031</u>	<u>270,270</u>	<u>291,170</u>
<u>Elections</u>						
Special Departmental	001-013-40800	<u>66,957</u>	<u>10,000</u>	<u>8,500</u>	<u>72,500</u>	<u>77,500</u>
Total Elections		<u>66,957</u>	<u>10,000</u>	<u>8,500</u>	<u>72,500</u>	<u>77,500</u>

Contract Professional Svcs	City Storage \$4,000 & \$8,000 FY 07/08 & 08/09 respectively; Records mgmt program \$15,000
Office & Technology Resources	Scanners (City Hall & PD) \$16,000; scanning program \$2,500; Software license - Laserfiche \$16,500
Special Departmental	Spec elect if prior to 11/08 \$70,000 (07/08); Citywide muni elect \$75,000 (08/09); Misc elect costs \$2,500

General Government

Dept Code:	Department:
015	City Attorney

Managed by: City Council

Mission Statement:

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.

Objectives:

Provide effective legal services to all City officers, departments and commissions. Effectively represents the City and the Redevelopment Agency in litigation matters.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Annual Legal Retainer	001-015-49700	163,422	162,000	162,000	162,000	162,000
Litigation Services	001-015-49710	17,388	50,000	50,000	50,000	50,000
General Prosecution	001-015-49720	1,938	23,000	8,000	50,000	50,000
Legal Contract Police	001-015-49730	-	60,000	-	40,000	40,000
Other Attorney Services	001-015-49777	140,067	95,000	168,000	135,000	135,000
Total City Attorney		<u>322,815</u>	<u>390,000</u>	<u>388,000</u>	<u>437,000</u>	<u>437,000</u>

General Government

Code:	Department:
017	Administrative Services

Managing Department Head: Director of Administrative Services/Treasurer

Mission Statement:

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.

Objectives:

To ensure business registration compliance and to expedite the processing of business license applications; provide quality customer service by paying all vendor's invoices accurately and within payment terms; to safeguard the City's cash through the timely processing and deposit of all City funds; to promote positive customer service relations with the City's water customers; to ensure the timely and cost-effective replacement of workstations and servers and maintain a cooperative computer system and network with the Police Department.

General Government

Administrative Services

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-017-40001	250,736	381,650	361,000	413,000	444,000
Over-time	001-017-40003	-	2,000	2,000	2,000	2,000
Part-time	001-017-40004	21,752	41,000	35,000	41,000	41,000
Tuition Reimbursement	001-017-40007	-	1,800	-	-	-
Auto Allowance	001-017-40008	-	-	-	1,800	1,800
Cell Phone Allowance	001-017-40009	-	-	-	900	900
Deferred Compensation	001-017-40011	7,441	12,435	12,000	13,400	14,500
PERS Retirement	001-017-40012	31,414	52,775	50,000	57,300	61,300
PARS Retirement	001-017-40013	283	533	500	500	500
Medical Insurance	001-017-40014	27,216	53,030	45,061	53,100	60,600
Dental Insurance	001-017-40015	2,331	-	-	-	-
Medicare Insurance	001-017-40017	4,208	6,710	6,710	7,200	7,800
Life and Disability	001-017-40018	3,385	5,510	5,592	6,000	6,400
PARS administrative fees	001-017-40025	286	390	279	350	350
Total Personnel		<u>349,052</u>	<u>557,833</u>	<u>518,142</u>	<u>596,550</u>	<u>641,150</u>
Operations						
Office Supplies	001-017-40100	9,673	10,000	10,000	5,000	5,000
Public/legal Notices	001-017-40200	2,134	5,500	5,000	2,000	5,000
Memberships and Dues	001-017-40300	974	8,000	6,000	11,500	11,500
Training and Meetings	001-017-40400	13,863	62,250	62,250	49,250	49,250
Equipment/materials	001-017-40700	1,393	3,500	3,000	2,300	2,300
Special Departmental	001-017-40800	24,576	49,250	49,250	24,000	24,500
Telephone Admin Sv	001-017-41000	586	900	900	-	-
Auto Allowance	001-017-43000	1,302	1,800	1,800	-	-
Contract Professional Svcs	001-017-44000	99,506	88,000	88,000	114,500	99,600
Office & Technology Resourc	001-017-40500	-	-	-	5,000	5,000
Total Operations		<u>154,007</u>	<u>229,200</u>	<u>226,200</u>	<u>213,550</u>	<u>202,150</u>
Total Administrative Services		<u>503,059</u>	<u>787,033</u>	<u>744,342</u>	<u>810,100</u>	<u>843,300</u>
Memberships and Dues	Dues for SURFA, IMCA, CFA, GFOA, IMA, GARP, CSMFO, LASFA & CFA; Subscriptions; and Bus Tax Organizations					
Training and Meetings	Finance/regulatory conf's;Acctg software trng;PERs trng;Tax seminars;LAIF ann. Mtg; GFOA trng; CSMFO trng					
Special Departmental	Ann. Software maint. \$16,000 & \$16,500 FY 07/08 & 08/09 respectively; Armored car svcs \$6,000; AP/AR signature change \$800; Misc \$1,200					
Contract Professional Svcs	Ann.City audit \$28,500 & \$29,500 FY 07/08 & 08/09 respectively;Invest mgmt \$22,000;Temp asst \$30,000;OPEB restrut svc-ABD Inc.\$16,000 (07/08 only);Sales Tax audit \$8,000; State Controller rpt \$2,200 & \$2,300 FY 07/08 & 08/09 respectively;Ann. Street rpt \$1,200;Prop Tax updates \$5,000;CAFR review \$500;HDL CAFR svcs \$600; CA Municipal Statistics, Inc. \$500					

General Government

Code:	Department:
018	Risk Management

Managing Department Head: Assistant City Manager

Mission Statement:

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. Responsibilities include: administration of comprehensive loss prevention programs that incorporate current practices and philosophies most effective in preventing injuries, liabilities and damage to City equipment, vehicles and materials; identifying and minimizing exposures that could result in financial loss to the City and to provide City representation in claims litigation.

Objectives:

To protect the City's assets through cost-effective risk management services. To protect public and employee safety. Recommend changes to all departments to remove City from any possible liability. To stay current in knowledge of principles, practices and methods of safety and loss prevention, also state and federal laws relating to health and safety, including CAL/OSHA. To provide City insurance coverage without interruption and to ensure that all city agreements provide for adequate liability and worker's compensation coverage.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Liability Insurance	001-018-49500	435,101	575,000	510,000	520,000	530,000
Liability Claims Admin	001-018-49510	2,028	50,000	50,000	50,000	50,000
Liability Settlement	001-018-49520	37	25,000	5,000	5,000	5,000
Worker's Comp Claims	001-018-49600	260,314	550,000	485,000	535,000	500,000
Worker's Comp Adm	001-018-49610	(1,500)	-	-	-	-
Worker's Comp Premium	001-018-49620	191,654	-	-	-	-
Total Risk Management		<u>887,634</u>	<u>1,200,000</u>	<u>1,050,000</u>	<u>1,110,000</u>	<u>1,085,000</u>

General Government

Code:	Department:
019	Non-Departmental

Managing Department Head: Director of Administrative Services/Treasurer

Mission Statement:

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.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
PERS Retirement	001-019-40012	3,099	-	-	-	-
Medical Insurance	001-019-40014	188,472	222,000	222,000	262,000	300,000
Dental Insurance	001-019-40015	20,253	-	-	-	-
Total Personnel		<u>211,824</u>	<u>222,000</u>	<u>222,000</u>	<u>262,000</u>	<u>300,000</u>
Operations						
Office Supplies	001-019-40100	30,467	30,000	30,000	50,900	51,500
Training and Meetings	001-019-40400	3,980	8,000	8,000	8,000	8,000
Rental/lease Equipment	001-019-42000	86,919	88,000	88,000	95,700	95,700
OCTA Senior Bus Program	001-019-43000	79,661	80,000	80,000	85,000	90,000
Contract Professional Svcs	001-019-44000	177,975	207,000	207,000	139,000	139,000
Office & Technology Resouces	001-019-40500	-	6,500	6,500	20,000	20,000
Total Operations		<u>379,002</u>	<u>419,500</u>	<u>419,500</u>	<u>398,600</u>	<u>404,200</u>
Total Non-Departmental		<u>590,826</u>	<u>641,500</u>	<u>641,500</u>	<u>660,600</u>	<u>704,200</u>

Office Supplies	City Hall & PW's office supplies; pntr maint & cartridges; paper; postage; all city letterhead & form prntg
Rental/lease Equipment	Monthly equip lease \$36,000; Verizon phone system \$35,000; lease equip maint. \$10,000; Christmas lights lease \$10,000; misc \$4,700
Contract Professional Svcs	Computer & website maintenance \$125,000; misc \$14,000

General Government

Transfers Out To Other Funds

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Transfers Out	001-080-47000	<u>4,255,889</u>	<u>4,422,726</u>	<u>2,902,705</u>	<u>4,404,500</u>	<u>1,390,150</u>
Total Transfers Out		<u><u>4,255,889</u></u>	<u><u>4,422,726</u></u>	<u><u>2,902,705</u></u>	<u><u>4,404,500</u></u>	<u><u>1,390,150</u></u>

Transfers Out	07/08	Tidelands Beach subsidy \$1,284,500 (operating subsidy \$734,500; sand back pass project \$150,000; pier deck renovation \$250,000 and offshore sand pumping project \$150,000. Transfer to Capital Project Fund \$3,120,000				
Transfers Out	08/09	Tidelands Beach subsidy \$1,100,150 (operating subsidy \$750,150; pier structural & underwater safety assmt \$100,000; pier deck renovation \$250,000; Transfer to Capital Project Fund \$290,000				

Public Safety

Code:	Department:
022, 023	Police

Managing Department Head: Chief of Police

Mission Statement:

The Seal Beach Police Department dedicates itself to providing outstanding 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 to reduce crime and crime related issues, and to partner with the community to maintain its high quality of life standards; follow-up on patrol arrests, cases with workable leads, and file criminal cases with the District Attorney's office; and provide front-counter services to the public during business hours; all within the framework of a community-policing environment.

Objectives:

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 and administrative circumstances, along with an organizational restructuring dictated by a Police Services Study. The department worked successfully to fill the vacancies rising from a 75% TOC to 95% TOC.

The department made significant use of grant monies to offset operations, maintenance, and personnel costs.

Implementation of a modified CompStat analysis system during the FY05-06 budget created significant improvements in police service delivery in both Priority-1 and Priority-2 call responses; and, a notable increase in individual and collective self-initiated activity. The increases continue and service delivery has never been timelier!

Additionally, the citywide Emergency Operations Plan was updated, deployed, implemented and supported with new disaster preparedness programs and training; including, FEMA Storm Ready and Tsunami Ready, and Citizen Emergency Response Team (CERT) training. Citywide, staff was trained in the National Incident Management System (NIMMS) and participated in a series of tabletop drill exercises practicing the new system.

The FY07-09 budget cycle will experience an expansion of these efforts.

Public Safety

Police Field Services

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Full-time Salaries	001-022-40001	2,015,686	2,283,425	2,116,000	2,595,000	2,698,000
Temporary Special Pay	001-022-40002	-	8,500	8,500	8,500	8,500
Overtime	001-022-40003	220,721	240,000	240,000	268,000	281,000
Part-time	001-022-40004	80,585	57,000	57,000	-	-
Holiday Pay	001-022-40005	96,416	110,300	123,500	141,000	146,000
Tuition Reimbursement	001-022-40007	(690)	7,200	600	-	-
Cell Phone Allowance	001-022-40009	-	-	-	9,900	9,900
Deferred Compensation	001-022-40011	3,917	5,200	4,000	5,400	5,600
PERS Retirement	001-022-40012	1,157,939	1,434,800	1,345,000	1,775,000	1,824,000
PARS Retirement	001-022-40013	1,048	2,040	1,000	-	-
Medical Insurance	001-022-40014	199,598	285,560	290,172	341,300	389,200
Dental Insurance	001-022-40015	17,481	-	-	-	-
Medicare Insurance	001-022-40017	34,201	39,895	39,895	44,500	46,000
Life and Disability	001-022-40018	26,401	31,130	33,087	35,700	37,000
Uniform Pay	001-022-40020	18,561	22,600	19,199	24,000	24,000
Annual Education Pay	001-022-40021	46,417	55,980	56,555	70,000	69,800
PARS Administrative Fees	001-022-40025	518	1,450	1,038	-	-
Total Personnel		<u>3,918,799</u>	<u>4,585,080</u>	<u>4,335,546</u>	<u>5,318,300</u>	<u>5,539,000</u>
Operations						
Telephone	001-022-41000	1,735	4,500	4,500	-	-
Total Operations		<u>1,735</u>	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>-</u>
Total Police Field Services		<u>3,920,534</u>	<u>4,589,580</u>	<u>4,340,046</u>	<u>5,318,300</u>	<u>5,539,000</u>

Public Safety

Police Support Services

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-023-40001	757,580	881,100	838,000	634,000	670,000
Temporary Special Pay	001-023-40002	-	6,000	6,000	-	-
Overtime	001-023-40003	46,098	61,020	61,000	14,000	15,000
Part-time	001-023-40004	10,229	-	-	70,000	73,500
Holiday Pay	001-023-40005	21,551	25,150	30,000	-	-
Cell Phone Allowance	001-023-40009	-	-	-	900	900
Deferred Compensation	001-023-40011	5,926	9,050	8,000	9,000	9,000
PERS Retirement	001-023-40012	327,037	419,050	400,000	89,000	93,000
PARS Retirement	001-023-40013	133	300	-	1,000	1,000
Medical Insurance	001-023-40014	76,985	117,000	101,365	100,000	114,000
Dental Insurance	001-023-40015	9,416	-	-	-	-
Medicare Insurance	001-023-40017	10,712	13,350	13,350	9,500	11,000
Life and Disability	001-023-40018	9,832	12,600	12,019	9,500	10,000
Uniform Pay	001-023-40020	4,647	5,840	4,560	4,500	4,500
Annual Education Pay	001-023-40021	11,325	14,100	15,350	-	-
PARS Administrative Fees	001-023-40025	122	220	157	600	600
Total Personnel		<u>1,291,593</u>	<u>1,564,780</u>	<u>1,489,801</u>	<u>942,000</u>	<u>1,002,500</u>
Operations						
Office Supplies	001-023-40100	15,912	16,190	15,500	17,000	17,800
Memberships and Dues	001-023-40300	3,462	3,000	3,500	3,500	3,700
Training and Meetings	001-023-40400	11,903	14,200	13,500	19,200	16,200
Office & Technology Resources	001-023-40500	-	-	-	32,500	16,500
Automotive	001-023-40600	3,966	3,000	2,800	3,000	3,000
Equipment/materials	001-023-40700	13,047	14,500	14,000	14,500	26,500
Special Departmental	001-023-40800	29,975	30,000	27,000	46,500	46,500
Sp. Assmnt Collect	001-023-40822	1,230	-	-	-	-
Telephone	001-023-41000	46,398	52,000	52,000	48,000	48,000
Gas	001-023-41010	3,159	3,500	3,000	3,500	3,500
Electricity	001-023-41020	47,328	66,000	57,000	66,000	66,000
Rental/lease Equipment	001-023-42000	4,845	20,000	13,000	15,000	15,000
Contract Professional Svcs	001-023-44000	189,909	208,750	208,000	358,750	358,750
Intergovernmental	001-023-45000	70,281	243,000	243,000	229,000	229,000
West Com Jpa	001-023-46000	513,467	545,000	545,000	566,800	589,472
Debt Service	001-023-47888	85,000	90,000	90,000	95,000	100,000
Interest Payments	001-023-47999	36,681	32,065	32,000	27,115	21,800
Total Operations		<u>1,076,563</u>	<u>1,341,205</u>	<u>1,319,300</u>	<u>1,545,365</u>	<u>1,561,722</u>
Total Police Support Services		<u><u>2,368,156</u></u>	<u><u>2,905,985</u></u>	<u><u>2,809,101</u></u>	<u><u>2,487,365</u></u>	<u><u>2,564,222</u></u>

Public Safety

Special Departmental	Reserve stipends \$24,000; range supplies & ammunition \$6,000; citation supply \$5,000; uniforms & badges \$4,000; volunteer program \$3,500; misc \$4,000
Contract Professional Svcs	Computer & website maint. \$125,000; Citation processing \$88,000; Turbo Data \$43,000; False Alarms \$24,000; 800 MHz contract \$28,000; SB Animal Care Ctr \$10,000; Bckgrd invest. \$9,000; DUI tests \$4,500; transcription svcs \$5,000; polygraph testing \$5,000; misc \$17,250
Intergovernmental	West Covina Sys Group \$60,000; County prosecution assmt fees \$40,000; Long Beach Animal Control \$101,000; Radio & MDC repairs \$12,000; Range fees \$13,000; mobile command vehicle \$3,000

Public Safety

Animal Control Services

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Full-time Salaries	001-029-40001	3,171	-	-	-	-
Uniform Pay	001-029-40020	16	-	-	-	-
Deferred Compensation	001-029-40011	26	-	-	-	-
PERS Retirement	001-029-40012	426	-	-	-	-
Medical Insurance	001-029-40014	423	-	-	-	-
Dental Insurance	001-029-40015	(45)	-	-	-	-
Medicare Insurance	001-029-40017	47	-	-	-	-
Life and Disability	001-029-40018	46	-	-	-	-
Total Personnel		<u>4,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operations						
Contract Professional	001-029-44000	3,000	-	-	-	-
Intergovernmental	001-029-45000	116,357	-	-	-	-
Total Operations		<u>119,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Animal Control Services		<u>123,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note: Animal Control Service are no longer provided, data is shown for historical purposes only.

Public Safety

Code:	Department:
024	Detention Facilities

Managing Department Head: Chief of Police

Mission Statement:

The contract jail operation provides a local facility to house Seal Beach arrestees and through a "profit sharing" arrangement generates off setting revenue by providing other jail services. The City contracted with a private vendor to provide jail intake processing and screening, security, guard, booking, and transportation services to local and regional low-grade criminals serving their sentences.

Primary Activities:

Housing Seal Beach arrestees, as well as Bureau of Prisons, County work-furlough, 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.

Objectives:

The Police and Administrative Services Departments conducted an audit of jail revenues during the latter half of the FY06-07 budget cycle, examining lost revenues and other issues involving fiduciary and vicarious liabilities. The audit pointed to long-term operational deficiencies resulting in deficit revenues. The jail service vendor was instructed to make necessary changes and could not achieve success. Because of this, the City served a notice to quit to the vendor, breaking the existing contract, and a new vendor was sought under a simple 'landlord-tenant' arrangement, rather than the previous profit sharing system. This new arrangement is expected to render revenue without deficit.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Utilities - Electricity	001-024-41020	-	-	-	10,000	10,000
Contract Prof. Svcs	001-024-44000	271,121	195,000	195,000	-	-
Total Detention Facilities		<u>271,121</u>	<u>195,000</u>	<u>195,000</u>	<u>10,000</u>	<u>10,000</u>

Public Safety

Code:	Department:
026	Fire Services

Managed by: City Manager

Mission Statement:

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.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
PERS Retirement	001-026-40012	515,086	524,191	524,191	515,441	516,000
Contract Professional Svcs	001-026-44000	<u>3,230,852</u>	<u>3,359,000</u>	<u>3,354,916</u>	<u>3,489,200</u>	<u>3,628,600</u>
Total Fire Services		<u><u>3,745,938</u></u>	<u><u>3,883,191</u></u>	<u><u>3,879,107</u></u>	<u><u>4,004,641</u></u>	<u><u>4,144,600</u></u>

Public Safety

Supplemental Law Enforcement Services Fund Grant

The Supplemental Law Enforcement Services Fund (SLESF) 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 new program personnel, overtime, equipment, and/or other uses within the police department. Expenditures must link to front-line police services.

The police department's SLESF Fund will provide funds for personnel and equipment supporting the department's community policing efforts and front-line support.

For the FY 2007-2008 and 2008-2009 the City will expend existing funds for personnel and equipment supporting the department's front-line community policing efforts for other permissible law enforcement uses.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	009-000-30420	6,106	7,500	8,000	12,000	12,000
Unrealized Gain/Loss on Invest	009-000-30423	-	-			
Grant Reimb.	009-000-39075	100,244	100,000	100,200	100,000	100,000
Total Revenues		<u>106,350</u>	<u>107,500</u>	<u>108,200</u>	<u>112,000</u>	<u>112,000</u>
Expenditures						
Full-time Salaries	009-600-40001	-	28,000	18,000	-	-
Overtime Salary - Slef Grant	009-600-40003	1,966	72,000	35,000	100,000	100,000
Medicare Insurance	009-600-40017	23	1,450	700	1,450	1,450
Training & Meetings Slef Grant	009-600-40400	133	50,000	3,000	5,000	5,000
Equipment/materials	009-600-40700	45,699	50,000	35,000	35,700	35,000
Contract Professional	009-600-44000	-	-	-	17,000	17,000
Total Expenditures		<u>47,821</u>	<u>201,450</u>	<u>91,700</u>	<u>159,150</u>	<u>158,450</u>
Net Revenues(Expenditures)		<u>58,529</u>	<u>(93,950)</u>	<u>16,500</u>	<u>(47,150)</u>	<u>(46,450)</u>

Equipment/materials	Rifles (Reserve officers) \$10,000 (07/08); SWAT trng \$25,700 (07/08); Policing equip & mat \$35,000 (08/09)
Contract Professional	ILJAOC \$17,000

Public Safety

Supplemental Law Enforcement Services Fund Grant

Fund Balance Analysis Supplemental Law Enforcement Grant

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	151,500	210,029	210,029	226,529	179,379
Revenues	106,350	107,500	108,200	112,000	112,000
Expenditures	(47,821)	(201,450)	(91,700)	(159,150)	(158,450)
Ending Fund Balance	<u>210,029</u>	<u>116,079</u>	<u>226,529</u>	<u>179,379</u>	<u>132,929</u>

Public Safety

Asset Forfeiture Fund - State

The Asset Forfeiture Fund accounts for revenues derived from monies and property seized in drug-related incidents. Those labeled State or Federal indicate the jurisdictional authority over the assets seized and converted to City use. The primary purpose of the Asset Forfeiture Program is to deter drug-related crimes by depriving criminals of the profits and proceeds from trafficking 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.

The Asset Forfeiture Fund will provide funds for equipment to upgrade new police vehicles to operational status; and, to purchase new equipment for other law enforcement uses.

For the FY 2007-2008 and 2008-2009 the City will expend existing funds for equipment to upgrade new police vehicles to operational status; and, to purchase new equipment for other law enforcement uses.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	011-000-30420	1,403	1,000	1,000	1,000	-
Unrealized Gain/Loss on Invest	011-000-30423	-	-	-	-	-
Asset Forfeiture	011-000-30990	7,030	-	-	-	-
Total Revenues		<u>8,433</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Expenditures						
Equipment/material Asset Forf	011-111-40700	1,318				
Material and Equipment	011-555-40700	33,958	33,600	18,000	14,000	
Special Departmental-asset For	011-555-40700	2,395				
Total Expenditures		<u>37,671</u>	<u>33,600</u>	<u>18,000</u>	<u>14,000</u>	<u>-</u>
Net Revenues (Expenditures)		<u>(29,238)</u>	<u>(32,600)</u>	<u>(17,000)</u>	<u>(13,000)</u>	<u>-</u>

Material and Equipment

Vehicle equipment conversions \$14,000

Public Safety

Asset Forfeiture Fund - State

Asset Forfeiture Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	68,276	39,038	39,038	22,038	9,038
Revenues	8,433	1,000	1,000	1,000	-
Expenditures	(37,671)	(33,600)	(18,000)	(14,000)	-
Ending Fund Balance	<u>39,038</u>	<u>6,438</u>	<u>22,038</u>	<u>9,038</u>	<u>9,038</u>

Public Safety

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 Incidents 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.

Public Safety

Police Grants

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	075-000-30420				-	-
Unrealized Gain/Loss on Inv	075-000-30423					
Other Agency Revenue	075-000-30975	17,122	34,577	57,847	22,234	22,234
Total Revenues		<u>17,122</u>	<u>34,577</u>	<u>57,847</u>	<u>22,234</u>	<u>22,234</u>
Expenditures						
Overtime Salaries	075-000-40003	23,083	24,147	44,272	19,715	19,715
Medicare Insurance	075-000-40017	276	352	603	285	285
Training & Meetings	075-000-40400	3,444	4,500	2,628		
Equipment & Materials	075-000-40700	-	5,578	499	2,234	2,234
Total Expenditures		<u>26,803</u>	<u>34,577</u>	<u>48,002</u>	<u>22,234</u>	<u>22,234</u>
Net Revenues (Expenditures)		<u>(9,681)</u>	<u>-</u>	<u>9,845</u>	<u>-</u>	<u>-</u>

Fund Balance Analysis Police Grants

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	(164)	(9,845)	(9,845)	-	-
Revenues	17,122	34,577	57,847	22,234	22,234
Expenditures	(26,803)	(34,577)	(48,002)	(22,234)	(22,234)
Ending Fund Balance	<u>(9,845)</u>	<u>(9,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Public Safety

CLEEP Grant Fund

The **California Law Enforcement Equipment Program** (CLEEP--now defunct) accounts for grant funds received from the State program of the same name under the Governor Wilson administration. The funds received are restricted to purchase high technology law enforcement equipment. There is no reporting requirement or time limit associated with this funding or its expenditure.

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.

The CLEEP Fund will provide funds for equipment supporting the department's Emergency Operations Center located in the police department.

For the FY 2007-2008 and 2008-2009 the City will expend existing funds for equipment supporting the department's Emergency Operations Center located in the police department other permissible law enforcement uses.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	076-000-30420	1,546	1,600	1,650	69	
Unrealized Gain/Loss on Inv	076-000-30423					
Other Agency Revenue	076-000-30982					
Total Revenues		<u>1,546</u>	<u>1,600</u>	<u>1,650</u>	<u>69</u>	<u>-</u>
Expenditures						
Mach & Equipment	076-777-48050		50,000	40,000		
Special Departmental	076-777-40800				13,000	
Total Expenditures		<u>-</u>	<u>50,000</u>	<u>40,000</u>	<u>13,000</u>	<u>-</u>
Net Revenues (Expenditures)		<u>1,546</u>	<u>(48,400)</u>	<u>(38,350)</u>	<u>(12,931)</u>	<u>-</u>

Special Departmental

Emergency Operating Ctr upgrades & improvements \$13,000

Public Safety

CLEEP Grant Fund

Fund Balance Analysis CLEEP Grant

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	49,735	51,281	51,281	12,931	-
Revenues	1,546	1,600	1,650	69	-
Expenditures	-	(50,000)	(40,000)	(13,000)	-
Ending Fund Balance	<u>51,281</u>	<u>2,881</u>	<u>12,931</u>	<u>-</u>	<u>-</u>

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Community Development

Code:	Department:
030	Planning

Managing Department Head: Director of Development Services

Mission Statement:

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.

Objectives:

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 2007-08 Fiscal Year.

Community Development

Planning Department

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-030-40001	212,615	214,085	185,000	253,000	263,000
Over-time	001-030-40003	271	-	-	-	-
Part-time	001-030-40004	6,705	15,200	15,000	15,200	15,200
Auto Allowance	001-030-40008	-	-	-	1,800	1,800
Cell Phone Allowance	001-030-40009	-	-	-	900	900
Deferred Compensation	001-030-40011	7,908	7,935	7,000	9,500	9,800
PERS Retirement	001-030-40012	28,355	29,465	25,500	35,000	36,300
PARS Retirement	001-030-40013	78	100	50	100	100
Medical Insurance	001-030-40014	22,215	24,850	18,944	22,000	25,000
Dental Insurance	001-030-40015	2,774	-	-	-	-
Medicare Insurance	001-030-40017	3,753	3,630	3,630	4,300	4,500
Life and Disability	001-030-40018	3,119	3,275	3,180	3,600	3,800
FICA	001-030-40019	-	550	50	550	550
PARS Administrative Fees	001-030-40025	41	70	50	70	70
Total Personnel		<u>287,834</u>	<u>299,160</u>	<u>258,404</u>	<u>346,020</u>	<u>361,020</u>
Operations						
Office Supplies	001-030-40100	8,949	10,000	10,000	2,000	2,000
Public/legal Notices	001-030-40200	2,885	2,000	2,000	2,000	2,000
Memberships and Dues	001-030-40300	929	1,500	1,500	1,500	1,500
Training and Meetings	001-030-40400	1,328	3,250	3,250	3,000	3,000
Equipment/materials	001-030-40700	979	1,650	1,650	1,000	1,000
Special Departmental	001-030-40800	-	-	-	1,500	1,500
Telephone	001-030-41000	759	900	900	-	-
Auto Allowance	001-030-43000	1,786	1,800	1,800	-	-
Contract Professional Svcs	001-030-44000	56	50,000	6,000	51,100	31,100
Office & Technology Resources	001-030-40500	-	-	-	3,500	3,500
Total Operations		<u>17,671</u>	<u>71,100</u>	<u>27,100</u>	<u>65,600</u>	<u>45,600</u>
Total Planning Department		<u>305,505</u>	<u>370,260</u>	<u>285,504</u>	<u>411,620</u>	<u>406,620</u>

Contract Professional Svcs Housing element - State requirement \$50,000 (07/08 only); General plan review \$30,000 (08/09); CDR Demographic Research Budget \$1,100

Community Development

Code:	Department:
031	Building & Safety

Managing Department Head: Director of Development Services

Mission Statement:

The overall mission of the Building Department is to ensure compliance with 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.

Objectives:

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.

Community Development

Building & Safety Department

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-031-40001	16,829	19,010	19,000	21,000	21,700
Deferred Compension	001-031-40011	757	855	900	1,000	1,000
PERS Retirement	001-031-40012	2,251	2,635	2,600	2,900	3,000
Medical Insurance	001-031-40014	1,325	1,625	1,742	1,900	2,200
Dental Insurance	001-031-40015	136	-	-	-	-
Medicare Insurance	001-031-40017	257	310	310	400	400
Life and Disability	001-031-40018	233	260	287	300	300
Total Personnel		<u>21,788</u>	<u>24,695</u>	<u>24,839</u>	<u>27,500</u>	<u>28,600</u>
Operations						
Office Supplies	001-031-40100	2,987	3,500	3,500	700	700
Public/legal Notices	001-031-40200	-	500	500	1,000	1,000
Memberships and Dues	001-031-40300	-	875	850	1,000	1,000
Training and Meetings	001-031-40400	225	700	700	1,000	1,000
Equipment/Materials	001-031-40700	-	1,500	1,500	-	-
Special Departmental	001-031-40800	-	4,000	4,000	8,500	8,500
Telephone	001-031-41000	134	-	-	-	-
Contract Professional Svcs	001-031-44000	599,402	504,000	420,000	385,000	343,000
Intergovernmental	001-031-45000	9,016	6,000	8,000	6,000	5,000
Office & Technology Resources	001-031-40500	-	-	-	1,500	1,500
Total Operations		<u>611,764</u>	<u>521,075</u>	<u>439,050</u>	<u>404,700</u>	<u>361,700</u>
Total Building and Safety Department		<u>633,552</u>	<u>545,770</u>	<u>463,889</u>	<u>432,200</u>	<u>390,300</u>

Contract Professional Svcs

Charles Abbott & Assoc. contract \$385,000 & \$343,000 for FY 07/08 & 08/09 respectively

Community Development

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 third year of the multi-year grant. Each year it is expected that 20 to 40 units will receive the modifications through this CDBG grant.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	072-000-30420					
Unrealized Gain/Loss on Invest	072-000-30423					
Other Agency Revenue	072-000-30988	1,952	200,000	146,056	200,000	
Total Revenues		<u>1,952</u>	<u>200,000</u>	<u>146,056</u>	<u>200,000</u>	<u>-</u>
Expenditures						
Contract Professional	072-030-44000	28,800	200,000	119,208	200,000	
Total Expenditures		<u>28,800</u>	<u>200,000</u>	<u>119,208</u>	<u>200,000</u>	<u>-</u>
Net Revenues (Expenditures)		<u>(26,848)</u>	<u>-</u>	<u>26,848</u>	<u>-</u>	<u>-</u>

Contract Professional Leisure World ADA Assistance Program

Fund Balance Analysis Community Development Block Grant

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	-	(26,848)	(26,848)	-	-
Revenues	1,952	200,000	146,056	200,000	-
Expenditures	(28,800)	(200,000)	(119,208)	(200,000)	-
Ending Fund Balance	<u>(26,848)</u>	<u>(26,848)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Public Works

Code:	Department:
042	Administration & Engineering

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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:

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.

Public Works

Objectives:
<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>

Public Works

Administration & Engineering

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-042-40001	22,027	26,900	28,000	22,700	24,000
Part-time	001-042-40004	1,975	3,000	3,000	3,000	3,000
Auto Allowance	001-042-40008	-	-	-	1,800	1,800
Cell Phone Allowance	001-042-40009	-	-	-	900	900
Deferred Compensation	001-042-40011	655	815	800	700	700
PERS Retirement	001-042-40012	2,811	3,710	3,700	3,200	3,400
PARS Retirement	001-042-40013	29	40	40	40	40
Medical Insurance	001-042-40014	2,255	3,130	2,766	3,200	3,700
Dental Insurance	001-042-40015	182	-	-	-	-
Medicare Insurance	001-042-40017	248	320	320	300	300
Life and Disability	001-042-40018	324	390	424	300	350
PARS Administrative Fees	001-042-40025	41	30	21	110	110
Total Personnel		<u>30,547</u>	<u>38,335</u>	<u>39,071</u>	<u>36,250</u>	<u>38,300</u>
Operations						
Office Supplies	001-042-40100	679	900	900	4,000	4,000
Memberships and Dues	001-042-40300	-	-	-	2,600	2,600
Training and Meetings	001-042-40400	300	300	300	6,000	6,000
Telephone	001-042-41000	550	860	860	-	-
Rental/lease Equipment	001-042-42000	-	160	-	-	-
Auto Allowance	001-042-43000	89	90	90	-	-
Contract Professional Svcs	001-042-44000	15,105	18,000	17,000	37,000	37,000
Office & Technology Resources	001-042-40500	-	3,500	-	-	-
Total Operations		<u>16,723</u>	<u>23,810</u>	<u>19,150</u>	<u>49,600</u>	<u>49,600</u>
Total PW Admin. & Eng. Department		<u>47,270</u>	<u>62,145</u>	<u>58,221</u>	<u>85,850</u>	<u>87,900</u>

Contract Professional Svcs

Temporary Assistance 68%; West Nile Virus 19%; Development Eng. 13%

Public Works

Code:	Department:
043	Storm Drain/NPDES

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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.



Public Works

Objectives:

<p>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.</p>

<p>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.</p>
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<p>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.</p>
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Public Works

Storm Drains/NPDES

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-043-40001	106,402	119,850	101,000	117,200	124,300
Temporary Special Pay	001-043-40002	-	-	30	-	-
Overtime	001-043-40003	248	1,000	600	-	-
Part Time	001-043-40004	4,386	6,000	4,000	8,000	8,000
Deferred Compensation	001-043-40011	2,347	2,665	2,400	2,800	3,000
PERS Retirement	001-043-40012	14,138	16,210	13,500	16,300	17,200
PARS retirement	001-043-40013	64	80	50	100	100
Medical Insurance	001-043-40014	10,174	14,550	11,841	16,000	18,200
Dental Insurance	001-043-40015	707	-	-	-	-
Medicare Insurance	001-043-40017	1,193	1,477	1,477	1,500	1,600
Life and Disability	001-043-40018	1,512	1,660	1,544	1,700	1,800
Pars Administrative Fees	001-043-40025	-	50	36	70	70
Total Personnel		<u>141,171</u>	<u>163,542</u>	<u>136,478</u>	<u>163,670</u>	<u>174,270</u>
Operations						
Office Supplies	001-043-40100	561	800	800	-	-
Membership and Dues	001-043-40300	219	400	400	-	-
Training and Meetings	001-043-40400	1,243	2,000	2,000	-	-
Equipment/materials	001-043-40700	2,373	4,000	4,000	4,000	4,000
Telephone	001-043-41000	720	2,100	2,100	-	-
Gas	001-043-41010	407	1,800	1,800	-	-
Electricity	001-043-41020	3,198	3,300	3,300	10,000	10,000
Auto Allowance	001-043-43000	179	180	180	-	-
Contract Professional Svcs	001-043-44000	66,795	99,250	99,000	129,000	132,000
Intergovernmental	001-043-45000	25,945	39,500	32,000	44,000	48,000
Machinery & Equipment	001-043-48050	-	-	-	30,000	-
Total Operations		<u>101,640</u>	<u>153,330</u>	<u>145,580</u>	<u>217,000</u>	<u>194,000</u>
Total Storm Drains Department		<u>242,811</u>	<u>316,872</u>	<u>282,058</u>	<u>380,670</u>	<u>368,270</u>

Contract Professional Svcs

NPDES Prg 43%; NPDES permit reqmt 8%; Catch basin cleaning contract 16%; Catch basin filter replacements 15%; Storm Drain Eng. 5%; SD prep flyers 4%; SD video insp. 4%; misc 5%

Intergovernmental

NPDES Permit County of Orange 86%; State Water Quality Regional Board 12%; Air Quality Mgmt Board 2%

Public Works

Code:	Department:
044	Street Maintenance

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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:

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

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

Public Works

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

Objectives:

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

Public Works

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.

Public Works

Street Maintenance

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-044-40001	315,862	355,185	318,000	347,500	366,300
Overtime	001-044-40003	757	2,000	1,400	2,000	2,000
Part Time	001-044-40004	9,369	9,000	12,000	8,000	8,000
Deferred Compensation	001-044-40011	6,242	7,090	7,000	7,500	7,900
PERS Retirement	001-044-40012	41,829	48,125	43,000	48,200	50,600
PARS retirement	001-044-40013	132	120	200	130	130
Medical Insurance	001-044-40014	33,153	46,015	41,697	50,800	58,000
Dental Insurance	001-044-40015	2,578	-	-	-	-
Medicare Insurance	001-044-40017	2,812	3,370	3,370	3,300	3,500
Life and Disability	001-044-40018	4,465	4,960	5,141	5,000	5,200
PARS administrative Fees	001-044-40025	41	80	57	70	70
Total Personnel		<u>417,240</u>	<u>475,945</u>	<u>431,865</u>	<u>472,500</u>	<u>501,700</u>
Operations						
Office Supplies	001-044-40100	1,944	2,700	2,700	-	-
Memberships and Dues	001-044-40300	1,474	1,900	1,900	-	-
Training and Meetings	001-044-40400	1,289	3,000	3,000	-	-
Equipment/materials	001-044-40700	42,708	46,500	45,000	45,000	46,000
Tree Trimming	001-044-40800	48,164	36,000	36,000	36,000	36,000
Street Sweeping	001-044-40801	-	-	-	46,000	46,000
Sp. Assmnt Collect	001-044-40822	2,446	-	-	-	-
Telephone	001-044-41000	1,498	2,115	2,115	-	-
Electricity	001-044-41020	17,767	25,360	19,000	20,000	21,000
Rental/lease Equipment	001-044-42000	-	1,300	-	-	-
Auto Allowance	001-044-43000	625	630	630	-	-
Contract Professional Svcs	001-044-44000	317,505	351,800	351,800	358,000	364,000
Total Operations		<u>435,420</u>	<u>471,305</u>	<u>462,145</u>	<u>505,000</u>	<u>513,000</u>
Total Street Maintenance Department		<u>852,660</u>	<u>947,250</u>	<u>894,010</u>	<u>977,500</u>	<u>1,014,700</u>

Equipment/materials Asphalt & concrete 43%; Signs & graffiti 22%; Equip, tools & hardware 22%;signal supplies 13%

Contract Professional Svcs Landscape maint. 38%; Traffic signal repairs 14%; signal monthly maint.7%; Asphalt full depth patching 11%;Trash cans Main St.(Mon-Fri) 7%; Main St. (Sun. & Hol) 2%; Main St Steam Clean (4x/yr) 3%; Traffic & transport svcs 4%; Striping/markings 3%; City Forestry svcs 2%; Pavement mgmt 1%;minor concrete work 2%; misc 6%

Public Works

Code:	Department:
049	Landscape Maintenance

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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.



Objectives:

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

Public Works

Landscape Maintenance

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-049-40001	17,882	19,530	18,000	32,400	34,500
Overtime	001-049-40003	93	1,000	800	1,000	1,000
Deferred Compensation	001-049-40011	393	425	400	1,000	1,000
Pers Retirement	001-049-40012	2,319	2,585	2,400	4,500	4,800
Medical Insurance	001-049-40014	1,399	1,530	1,422	3,000	3,400
Dental Insurance	001-049-40015	172	-	-	-	-
Medicare Insurance	001-049-40017	122	155	155	400	400
Life and Disability	001-049-40018	247	270	251	450	500
Total Personnel		<u>22,627</u>	<u>25,495</u>	<u>23,428</u>	<u>42,750</u>	<u>45,600</u>
Operations						
Memberships And Dues	001-049-40300	115	185	185	-	-
Training and Meetings	001-049-40400	269	350	350	-	-
Equipment/materials	001-049-40700	5,243	7,000	6,000	6,000	6,000
Sp. Assmnt Collect	001-049-40822	228	-	-	-	-
Electricity	001-049-41020	10,405	8,900	11,000	12,000	12,000
Contract Professional Svcs	001-049-44000	197,122	199,000	199,000	247,000	252,000
Total Operations		<u>213,382</u>	<u>215,435</u>	<u>216,535</u>	<u>265,000</u>	<u>270,000</u>
Total Landscape Maintenance		<u>236,009</u>	<u>240,930</u>	<u>239,963</u>	<u>307,750</u>	<u>315,600</u>

Contract Professional Svcs	Park landscape maint. 62%; park landscape repairs 14%; parks mgmt contract 8%; park fence repairs 3%; ann. Playground insp. 1%; playground safety repairs 2%; plygrd safety monthly maint. 1%; portable restrooms 1%; Zoeter park maint. 8%
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Public Works

Code:	Department:
050	Fleet Maintenance

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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.



Objectives:

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 contract 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 cost 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.

Public Works

Fleet Maintenance

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full-time Salaries	001-050-40001	60,019	61,370	61,100	71,100	74,400
Overtime	001-050-40003	-	250	-	250	250
Deferred Compensation	001-050-40011	1,079	1,105	1,100	1,400	1,400
PERS Retirement	001-050-40012	7,835	8,510	8,500	10,000	10,300
Medical Insurance	001-050-40014	4,213	8,510	5,531	7,900	9,000
Dental Insurance	001-050-40015	352	-	-	-	-
Medicare Insurance	001-050-40017	65	80	80	200	200
Life and Disability	001-050-40018	895	915	1,027	1,000	1,100
Total Personnel		<u>74,458</u>	<u>80,740</u>	<u>77,338</u>	<u>91,850</u>	<u>96,650</u>
Operations						
Memberships and Dues	001-050-40300	-	150	-	-	-
Automotive Materials	001-050-40600	37,803	35,000	35,000	-	-
Equipment/materials	001-050-40700	1,053	1,000	300	30,000	30,000
Fuel	001-050-40800	101,181	123,000	120,000	123,000	126,000
Contract Professional Svcs	001-050-44000	60,579	77,000	77,000	82,000	82,000
Lease Payments	001-050-47444	104,828	46,950	46,950	-	-
Interest Payments	001-050-47999	5,731	1,715	1,715	-	-
Total Operations		<u>311,175</u>	<u>284,815</u>	<u>280,965</u>	<u>235,000</u>	<u>238,000</u>
Capital Outlay						
Vehicles	001-050-48075	20,286	230,000	205,000	159,000	160,000
Total Capital Outlay		<u>20,286</u>	<u>230,000</u>	<u>205,000</u>	<u>159,000</u>	<u>160,000</u>
Total Automobile Maintenance		<u>405,919</u>	<u>595,555</u>	<u>563,303</u>	<u>485,850</u>	<u>494,650</u>

Equipment/materials Auto parts & materials for 92 vehicles

Contract Professional Svcs Spec. contract repairs 24%; contract mech. (seasonal) 49%; motorcycle maint. 24%; Oil displ 3%

Public Works

Code:	Department:
051	Refuse

Managing Department Head: Director of Public Works and City Manager

Mission Statement:

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.

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Contract Professional Services	001-051-44000	870,005	900,000	910,000	910,000	910,000
Total Refuse Collection		<u>870,005</u>	<u>900,000</u>	<u>910,000</u>	<u>910,000</u>	<u>910,000</u>

Public Works

Code:	Department:
052	Buildings/Facilities Maintenance

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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.

Objectives:

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

The objective is to maintain clean, safe government facilities for the public, visitors and City Staff.

Funding for this Division is 100% General Fund.

Public Works

Building/Facilities Maintenance

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full -time Salaries	001-052-40001	50,004	54,155	54,000	70,500	74,000
Overtime	001-052-40003	213	1,000	2,000	1,000	1,000
Deferred Compensation	001-052-40011	753	760	800	1,500	1,600
PERS Retirement	001-052-40012	6,424	7,000	7,000	9,800	10,200
Medical Insurance	001-052-40014	3,619	4,675	4,804	6,500	7,500
Dental Insurance	001-052-40015	397	-	-	-	-
Medicare Insurance	001-052-40017	30	100	100	100	100
Life and Disability	001-052-40018	709	735	822	1,000	1,100
Total Personnel		<u>62,149</u>	<u>68,425</u>	<u>69,526</u>	<u>90,400</u>	<u>95,500</u>
Operations						
Training and Meetings	001-052-40400	-	400	400	-	-
Bldg/grounds Materials	001-052-40500	13,351	15,000	15,000	-	-
Bldg Mat/sup/svcs	001-052-40550	95	-	-	-	-
Equipment/materials	001-052-40700	-	-	-	15,000	15,000
Sp. Assmnt Collect	001-052-40822	3,963	-	-	-	-
Telephone	001-052-41000	22,511	27,000	27,000	31,000	31,000
Gas	001-052-41010	6,424	7,000	7,000	7,800	7,800
Electricity	001-052-41020	49,251	48,000	50,000	52,000	54,000
Contract Professional Svcs	001-052-44000	281,347	297,000	297,000	293,000	304,000
Lease Payments	001-052-47444	62,201	66,600	66,600	70,600	76,425
Interest Payments	001-052-47999	36,925	33,515	33,515	30,000	26,100
Total Operations		<u>476,068</u>	<u>494,515</u>	<u>496,515</u>	<u>499,400</u>	<u>514,325</u>
Total Building Maintenance		<u>538,217</u>	<u>562,940</u>	<u>566,041</u>	<u>589,800</u>	<u>609,825</u>

Equipment/materials	Electrical, plumbing, etc.					
Contract Profess Svcs	07/08	Facilities landscape maint 20%; janitorial supplies 8%; Pool maint 11%; janitorial svc-PD/LG 10%, Comm Ctr/Rec 8%, City Hall 6%, Pier 5%, City Yard 3% and extra cleaning 2%; HVAC svcs 6%; elevator svc City Hall & PD 2%; Fac. Maint software 2%; Uniforms 2%; electrical repairs 2%; Building svc- doors & locks 2%, painting 2%, plumbing 2%, carpentry 2% and roof 2%;misc 3%				
	08/09	Facilities landscape maint 21%; janitorial supplies 8%; Pool maint 11%; janitorial svc-PD/LG 10%, Comm Ctr/Rec 8%, City Hall 6%, Pier 5%, City Yard 3% and extra cleaning 2%; HVAC svcs 6%; elevator svc City Hall & PD 2%; Fac. Maint software 2%; Uniforms 2%; electrical repairs 2%; Building svc- doors & locks 2%, painting 2%, plumbing 2%, carpentry 2% and roof 2%; misc 2%				

Public Works

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 2007/08 and 2008/09.

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 2002/03 with two hybrid (electric/fuel) passenger vehicles. An additional alternative fuel public works vehicle was purchased in FY 2002/03.

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.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	012-000-30420	908	1,000	1,000	1,000	1,000
Ab2766 Revenues	012-000-35000	30,135	27,400	30,000	30,000	30,000
Total Revenues		<u>31,043</u>	<u>28,400</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>
Expenditures						
Electricity	012-700-41020	361	450	300	350	350
Contract Prof Svcs	012-700-44000	32,817	31,000	31,000	31,000	31,500
Total Expenditures		<u>33,178</u>	<u>31,450</u>	<u>31,300</u>	<u>31,350</u>	<u>31,850</u>
Net Revenues (Expenditures)		<u>(2,135)</u>	<u>(3,050)</u>	<u>(300)</u>	<u>(350)</u>	<u>(850)</u>

Contract Prof Svcs

Senior Transportation program

Public Works

Air Quality Improvement Program Fund

Air Quality Improvement Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	33,801	31,666	31,666	31,366	31,016
Revenues	31,043	28,400	31,000	31,000	31,000
Expenditures	(33,178)	(31,450)	(31,300)	(31,350)	(31,850)
Ending Fund Balance	<u>31,666</u>	<u>28,616</u>	<u>31,366</u>	<u>31,016</u>	<u>30,166</u>

Public Works

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	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	016-000-30420	6,245	7,000	7,000	14,000	14,000
Unrealized Gain/Loss on Invest	016-000-30423	-	-			
Quimby Act Fees	016-000-30865	10,000	20,000	90,000	20,000	20,000
Total Revenues		<u>16,245</u>	<u>27,000</u>	<u>97,000</u>	<u>34,000</u>	<u>34,000</u>
Expenditures						
Transfers Out	016-800-47000		200,000	200,000	50,000	-
Total Expenditures		<u>-</u>	<u>200,000</u>	<u>200,000</u>	<u>50,000</u>	<u>-</u>
Net Revenues (Expenditures)		<u>16,245</u>	<u>(173,000)</u>	<u>(103,000)</u>	<u>(16,000)</u>	<u>34,000</u>

Transfers Out Transfer to Capital Projects Fund

Fund Balance Analysis Park Improvement Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	200,732	216,977	216,977	113,977	97,977
Revenues	16,245	27,000	97,000	34,000	34,000
Expenditures	-	(200,000)	(200,000)	(50,000)	-
Ending Fund Balance	<u>216,977</u>	<u>43,977</u>	<u>113,977</u>	<u>97,977</u>	<u>131,977</u>

Public Works

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. 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.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	040-000-30420	18,771	9,000	15,000	8,000	8,000
Gas Tax 2105	040-000-32500	154,544	155,000	155,000	155,000	155,000
Gas Tax 2106	040-000-32525	98,289	100,000	100,000	100,000	100,000
Gas Tax 2107	040-000-32530	206,115	205,000	205,000	205,000	205,000
Gas Tax 2107.5	040-000-32535	6,000	5,000	5,000	5,000	5,000
Total Revenues		<u>483,719</u>	<u>474,000</u>	<u>480,000</u>	<u>473,000</u>	<u>473,000</u>
Expenditures						
Transfers Out	040-090-47000	950,781	580,000	720,000	475,000	475,000
Total Expenditures		<u>950,781</u>	<u>580,000</u>	<u>720,000</u>	<u>475,000</u>	<u>475,000</u>
Net Revenues (Expenditures)		<u>(467,062)</u>	<u>(106,000)</u>	<u>(240,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>

Transfers Out

Transfer to Capital Projects Fund \$175,000; Transfer to General Fund for Street Maint. \$300,000

Public Works

State Gas Tax Fund

Fund Balance Analysis State Gasoline Tax Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	886,311	419,249	419,249	179,249	72,249
Less: Carryforward CIPs				(105,000)	
Revenues	483,719	474,000	480,000	473,000	473,000
Expenditures	(950,781)	(580,000)	(720,000)	(475,000)	(475,000)
Ending Fund Balance	<u>419,249</u>	<u>313,249</u>	<u>179,249</u>	<u>72,249</u>	<u>70,249</u>

Public Works

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". In November 2006, voters approved an extension of the program through 2041.

"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	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	041-000-30420	25,922	28,000	28,000	42,000	44,000
Unrealized Gain/Loss on Invest	041-000-30423	-				
Other Agency Revenue	041-000-30980	-				
Local Turnback	041-000-33500	294,346	314,825	314,800	323,100	337,700
Total Revenues		<u>320,268</u>	<u>342,825</u>	<u>342,800</u>	<u>365,100</u>	<u>381,700</u>
Expenditures						
Transfers Out	041-099-47000	349,500	853,550	678,237	400,000	400,000
Total Expenditures		<u>349,500</u>	<u>853,550</u>	<u>678,237</u>	<u>400,000</u>	<u>400,000</u>
Net Revenues (Expenditures)		<u>(29,232)</u>	<u>(510,725)</u>	<u>(335,437)</u>	<u>(34,900)</u>	<u>(18,300)</u>

Transfers Out Transfer to Capital Projects Fund \$400,000

Fund Balance Analysis Measure M Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	790,597	761,365	761,365	425,928	291,028
Less: Carryforward CIPs				(100,000)	
Revenues	320,268	342,825	342,800	365,100	381,700
Expenditures	(349,500)	(853,550)	(678,237)	(400,000)	(400,000)
Ending Fund Balance	<u>761,365</u>	<u>250,640</u>	<u>425,928</u>	<u>291,028</u>	<u>272,728</u>

Public Works

Roberti-Z'Berg-Harris Urban Open Space Fund

Prop 40 (Roberti-Z'Berg-Harris Urban Open Space) provides funds to be used to improve open space areas such as parks.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	070-000-30420	440	500	500	1,000	1,000
Unrealized Gain/Loss on Invest	070-000-30423	-	-			
Other Agency Revenue	070-000-30980	-	286,700	88,560	130,000	-
Total Revenues		<u>440</u>	<u>287,200</u>	<u>89,060</u>	<u>131,000</u>	<u>1,000</u>
Expenditures						
Contract Professional	070-888-44000		-			
Transfers Out	070-888-47000		286,700	88,560	130,000	-
Total Expenditures			<u>286,700</u>	<u>88,560</u>	<u>130,000</u>	<u>-</u>
Net Revenues (Expenditures)		<u>440</u>	<u>500</u>	<u>500</u>	<u>1,000</u>	<u>1,000</u>

Transfers Out Transfer to Capital Projects Fund \$130,000

Fund Balance Analysis Roberti-Z'Berg-Harris Urban Open Space Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	14,154	14,594	14,594	15,094	16,094
Revenues	440	287,200	89,060	131,000	1,000
Expenditures		(286,700)	(88,560)	(130,000)	-
Ending Fund Balance	<u>14,594</u>	<u>15,094</u>	<u>15,094</u>	<u>16,094</u>	<u>17,094</u>

Public Works

Traffic Relief Fund

This funds accounts for Prop 42 (Traffic Congestion Improvement Act) and Measure 1B revenues. These funds are to be used for traffic and transportation related improvements that relieve congestion, improve the movement of goods, improve air quality and enhance safety and security of the transportation system.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	079-000-30420	561	1,700	1,700	1,200	1,700
Unrealized Gain/Loss on Invest	079-000-30423					
Agency Revenue	079-000-37033	112,949	105,000	178,000	240,000	380,000
Total Revenues		<u>113,510</u>	<u>106,700</u>	<u>179,700</u>	<u>241,200</u>	<u>381,700</u>
Expenditures						
Transfer Out	079-888-47000	-	285,000	180,000	350,000	350,000
Total Expenditures		<u>-</u>	<u>285,000</u>	<u>180,000</u>	<u>350,000</u>	<u>350,000</u>
Net Revenues (Expenditures)		<u>113,510</u>	<u>(178,300)</u>	<u>(300)</u>	<u>(108,800)</u>	<u>31,700</u>

Transfers Out Transfer to Capital Projects Fund \$350,000

Fund Balance Analysis Traffic Relief Grant

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	1,108	114,618	114,618	114,618	5,818
Revenues	113,510	106,700	179,700	241,200	381,700
Expenditures	-	(285,000)	(180,000)	(350,000)	(350,000)
Ending Fund Balance	<u>114,618</u>	<u>(63,682)</u>	<u>114,318</u>	<u>5,818</u>	<u>37,518</u>

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Recreation

Code:	Department:
070-073	Recreation Administration

Managed by: Assistant City Manager

Mission Statement:

The Recreation and Community Services Department is dedicated to supporting the community through people, parks and programs. The department provides a multi-faceted recreational and community service program that promotes educational and healthy lifestyle in the community.

Primary Activities:

Department programming encompasses a year-round recreation class program, day care, youth and educational camps, aquatic and sports league programs, youth and adult activities, facility rentals, and community and special events. The department also offers senior services and senior programs including senior meals-on-wheels, transportation and flu clinics. The department provides staff and/or oversight to recreational and park activities at fifteen facility sites throughout the city. Provide support to Parks and Recreation Commission.

Objectives:

To provide the highest quality of community, social and recreational programs for the community; provide program and service opportunities that allow youth of all ages to share, grow, learn and play together; provide opportunities to keep older adults actively involved in the community; promote cultural awareness through recreation and special event activities; provide training of full and part-time personnel in basic lifeguard, first aid and defibrillator to fully support year around pool aquatic program. To provide quality cultural, developmental and recreation programming for Seal Beach residents of all ages and abilities; monitor community needs and changes to ensure provision of effective social services programs, assist non-profit social service agencies or providers in aiding Seal Beach residents and provide information and referral services to the community. To evaluate the future facility and programming needs of the community and to identify future funding resources to support recreational and community service growth in the city.

Recreation

Administration

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Full - Time Salaries	001-070-40001	124,279	155,435	155,000	164,500	178,400
Part-time	001-070-40004	489	6,300	6,300	35,000	36,500
Auto Allowance	001-070-40008	-	-	-	900	900
Cell Phone Allowance	001-070-40009	-	-	-	450	450
Tuition Reimbursement	001-070-40007	-	2,600	2,600	2,600	2,600
Deferred Compensation	001-070-40011	3,083	4,000	3,300	4,100	4,300
PERS Retirement	001-070-40012	16,285	21,550	23,000	31,000	33,000
PARS Retirement	001-070-40013	6	80	-	-	100
Medical Insurance	001-070-40014	7,817	14,300	13,775	17,000	19,200
Dental Insurance	001-070-40015	857	-	-	-	-
Medicare Insurance	001-070-40017	1,900	2,560	2,560	3,200	3,400
Life and Disability	001-070-40018	2,043	2,340	2,646	2,500	2,600
PARS Administrative Fees	001-070-40025	-	60	43	300	300
Total Personnel		<u>156,759</u>	<u>209,225</u>	<u>209,224</u>	<u>261,550</u>	<u>281,750</u>
Operations						
Office Supplies	001-070-40100	1,306	900	500	1,000	1,000
Memberships and Dues	001-070-40300	585	800	800	800	800
Training and Meetings	001-070-40400	-	3,000	1,500	1,500	1,500
Equipment/materials	001-070-40700	-	3,500	500	-	-
Special Departmental	001-070-40800	-	4,650	3,000	8,650	8,650
Telephone	001-070-41000	447	450	450	-	-
Auto Allowance	001-070-43000	893	900	900	-	-
Contract Professional Svcs	001-070-44000	-	-	-	-	-
Intergovernmental	001-070-45000	32,042	36,450	36,450	37,000	37,000
Office & Technology Resources	001-070-40500	-	-	-	3,000	3,000
Total Operations		<u>35,273</u>	<u>50,650</u>	<u>44,100</u>	<u>51,950</u>	<u>51,950</u>
Total Recreation Administration		<u>192,032</u>	<u>259,875</u>	<u>253,324</u>	<u>313,500</u>	<u>333,700</u>

Intergovernmental

Senior meals \$29,000; Rossmoor land lease \$8,000

Recreation

Sports Programs

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Part-time	001-071-40004	26,748	40,000	24,000	42,000	44,100
PARS Retirement	001-071-40013	348	590	300	600	600
Medicare Insurance	001-071-40017	388	650	650	600	650
PARS Administrative Fees	001-071-40025	477	410	293	360	360
Total Personnel		<u>27,961</u>	<u>41,650</u>	<u>25,243</u>	<u>43,560</u>	<u>45,710</u>
Operations						
Equipment/materials	001-071-40700	8,426	17,000	15,000	15,000	15,000
Special Departmental	001-071-40800	369	3,000	3,000	3,000	3,000
Tennis Center Maintenance	001-071-40900	105,001	80,000	87,000	90,000	80,000
Electricity	001-071-41020	1,020	5,000	5,000	5,000	5,000
Office & Technology Resources	001-071-40500	-	5,000	-	10,000	10,000
Total Operations		<u>114,816</u>	<u>110,000</u>	<u>110,000</u>	<u>123,000</u>	<u>113,000</u>
Total Sports		<u>142,777</u>	<u>151,650</u>	<u>135,243</u>	<u>166,560</u>	<u>158,710</u>

Recreation

Leisure Programs

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Part-time Salaries	001-072-40004	71,391	50,000	58,000	52,500	55,200
PARS Retirement	001-072-40013	924	650	600	700	700
Medicare Insurance	001-072-40017	1,035	730	730	800	800
PARS Administrative Fees	001-072-40025	408	460	329	450	450
Total Personnel		<u>73,758</u>	<u>51,840</u>	<u>59,659</u>	<u>54,450</u>	<u>57,150</u>
Operations						
Office Supplies	001-072-40100	(124)	1,000	600	500	500
Public/legal Notices	001-072-40200	31,731	38,000	35,000	38,000	38,000
Bldg/grounds Materials	001-072-40500	330	-	-	-	-
Equipment/materials	001-072-40700	8,317	7,500	7,500	7,500	7,500
Special Departmental	001-072-40800	24,649	4,500	11,500	12,000	12,000
Telephone	001-072-41000	1,846	2,000	2,000	2,000	2,000
Electricity	001-072-41020	11,933	10,500	15,000	15,500	16,000
Contract Professional Svcs	001-072-44000	176,221	146,000	150,000	146,000	146,000
Total Operatons		<u>254,903</u>	<u>209,500</u>	<u>221,600</u>	<u>221,500</u>	<u>222,000</u>
Total Leisure Classes		<u>328,661</u>	<u>261,340</u>	<u>281,259</u>	<u>275,950</u>	<u>279,150</u>

Special Departmental	Vermont software maint. \$11,000; misc \$1,000
Contract Professional Svcs	Leisure class instructors \$146,000

Recreation

Aquatics Programs

Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Personnel						
Part-time Salaries	001-073-40004	87,484	90,000	90,000	94,500	100,000
PARS Retirement	001-073-40013	1,139	1,170	900	1,300	1,300
Medicare Insurance	001-073-40017	1,209	1,310	1,310	1,400	1,400
PARS Administrative Fees	001-073-40025	388	830	594	800	850
Total Personnel		<u>90,220</u>	<u>93,310</u>	<u>92,804</u>	<u>98,000</u>	<u>103,550</u>
Operations						
Training & Meetings	001-073-40400	109	-	-	-	-
Equipment/materials	001-073-40700	9,002	7,500	7,500	7,500	7,500
Telephone	001-073-41000	893	800	950	1,000	1,000
Gas	001-073-41010	32,024	24,000	24,000	24,000	24,000
Electricity	001-073-41020	29,851	38,000	38,000	38,000	38,000
Total Operations		<u>71,879</u>	<u>70,300</u>	<u>70,450</u>	<u>70,500</u>	<u>70,500</u>
Total Aquatics		<u>162,099</u>	<u>163,610</u>	<u>163,254</u>	<u>168,500</u>	<u>174,050</u>

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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 \$672,041.

Tidelands Beach Fund

Code:	Department:
828	Lifeguard

Managing Department Head: Lifeguard Captain

Mission Statement:

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 for the rescuer of persons in distress or 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 28th 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 injuries in Orange County. Through Project Wipeout, Seal Beach Lifeguards participate in the Orange County Fair,

Tidelands Beach Fund

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 going on 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 sting ray incidents as well as signs to be placed on field lifeguard towers.

Tidelands Beach Fund

Tidelands Beach Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Unrealized Gain/Loss on Ir	034-000-30423	(655)	-	-	-	-
Off-street Parking	034-000-30425	111,786	100,000	139,000	140,000	140,000
Lease Proceeds	034-000-30450	58,004	-	-	-	-
Swimming Lessons	034-000-30630	-	-	-	13,000	13,000
Reimb Misc Svcs	034-000-30700	27,727	5,500	5,500	5,500	5,500
Other Agency Revenue	034-000-30980	25,443	22,000	40,950	31,500	31,500
Transfer In	034-000-31500	848,218	1,718,966	1,245,272	1,284,500	1,100,150
Landing Fees	034-000-31600	51,973	62,000	75,000	75,000	75,000
Property Rental	034-000-31650	127,182	109,000	111,000	110,000	110,000
Junior Lifeguard Fees	034-000-31700	133,556	161,000	161,000	161,000	161,000
Surfing Classes	034-000-31800	5,056	7,500	4,200	7,000	7,000
Tideland Oil	034-000-31900	-	-	-	-	-
Total Tidelands Beach Revenues		<u>1,388,290</u>	<u>2,185,966</u>	<u>1,781,922</u>	<u>1,827,500</u>	<u>1,643,150</u>
Lifeguard Department						
Personnel						
Full-time Salaries	034-828-40001	152,261	166,450	143,000	197,000	215,400
Overtime	034-828-40003	3,714	5,000	4,200	5,000	5,000
Part-time	034-828-40004	238,431	268,750	292,000	290,000	289,000
Junior Lifeguard Salaries	034-828-40006	55,328	89,600	101,000	100,600	100,600
Surfing Class Salaries	034-828-40007	3,560	-	-	5,000	5,000
Deferred Compensation	034-828-40011	4,668	6,000	5,100	7,400	8,000
Pers Retirement	034-828-40012	81,378	103,320	85,300	123,600	134,000
Pars Retirement	034-828-40013	3,694	4,415	5,200	5,300	5,300
Health Insurance	034-828-40014	13,274	26,130	26,000	30,000	34,200
Dental Insurance	034-828-40015	1,034	-	-	-	-
Medicare Insurance	034-828-40017	6,571	7,600	7,600	9,000	9,400
Life and Disability	034-828-40018	2,268	2,530	2,600	3,000	3,200
Pars Admin Exp	034-828-40025	2,121	2,740	2,000	2,500	2,500
Unemployment	034-828-40030	-	-	650	-	-
Total Personnel		<u>568,302</u>	<u>682,535</u>	<u>674,650</u>	<u>778,400</u>	<u>811,600</u>

Transfer In GF subsidy = \$150,000 Sand Back Pass, \$250,000 for Pier, \$150,000 for Offshore Sand Pumping project and \$734,500 for operations

Junior Lifeguard Fees Self-funded program, no impact to general fund.

Tidelands Beach Fund

Tidelands Beach Fund - Lifeguards

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Operations						
Office Supplies	034-828-40100	4,278	6,000	2,500	2,500	2,500
Membership and Dues	034-828-40300	120	600	600	600	600
Training and Meetings	034-828-40400	1,624	4,500	4,500	11,600	11,600
Office & Tech Resources	034-828-40500	-	-	-	5,000	5,000
Marine Maint/Fuel Mat	034-828-40600	9,136	8,000	8,000	7,800	7,800
Equipment/materials	034-828-40700	11,919	18,500	18,500	18,200	18,200
Materials & Supplies	034-828-40701	59,575	50,500	50,500	50,300	50,300
Materials & Supplies Surf f	034-828-40702	3,899	2,000	2,000	2,000	2,000
Special Departmental	034-828-40800	3,188	5,500	5,500	5,500	5,500
Telephone	034-828-41000	6,939	5,500	5,500	5,500	5,500
Electricity	034-828-41020	6,190	10,500	8,000	7,200	8,600
Rent/Lease Equipment	034-828-42000	1,136	1,320	1,300	1,500	1,500
Intergovernmental	034-828-45000	2,600	4,000	3,000	3,100	4,500
Lease Payments	034-828-47444	30,377	31,700	31,700	20,000	5,200
Interest Payments	034-828-47999	2,158	850	850	750	50
Machinery And Equip Lifeg	034-828-48050	-	11,000	-	-	-
Total Operations		<u>143,139</u>	<u>160,470</u>	<u>142,450</u>	<u>141,550</u>	<u>128,850</u>
Total Lifeguard		<u>711,441</u>	<u>843,005</u>	<u>817,100</u>	<u>919,950</u>	<u>940,450</u>

Training and Meetings	Rookie Training \$8,835; CBSOA mtgs \$1,000; Dept of Boating & Waterways trng \$1,000; misc mtgs \$800
Equipment/materials	First aid supplies \$3,000; tower deck (2) \$2,000; AED \$1,800; 800 MHz radio \$1,800; binoculars \$1,500; FT uniforms \$1,000; lockers \$1,000; other \$6,100
Materials & Supplies	Uniforms \$9,600; B/C catalina boat charter \$12,000; Wild Rivers \$5,950; bus charter \$4,730; USLA membership \$3,500; catalina trip \$5,000; desk/file cabinet \$2,000; paddle boards \$1,500; banquet food & supplies \$2,000; computer \$1,000; other \$3,020

Tidelands Beach Fund

Code:	Department:
863	Beach and Pier Maintenance

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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:

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.

Objectives:

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 because of the angles of the naval jetty's 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.

Tideland Beach Fund

Tidelands Beach Fund – Beach/Pier Maintenance

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beach/Pier Maintenance						
Personnel						
Full-time Salaries	034-863-40001	85,540	95,590	93,000	95,000	99,000
Overtime	034-863-40003	583	750	200	750	750
Part-time Salaries	034-863-40004	46,121	55,000	49,000	60,000	60,000
Deferred Compensatio	034-863-40011	1,346	1,550	1,600	1,800	1,900
Pers Retirement	034-863-40012	11,298	13,100	11,500	13,200	13,700
Pars Retirement	034-863-40013	600	720	650	800	800
Medical Insurance	034-863-40014	9,820	12,650	12,700	13,500	15,400
Dental Insurance	034-863-40015	613	-	-	-	-
Medicare Insurance	034-863-40017	1,633	2,025	2,000	2,100	2,200
Life and Disability	034-863-40018	1,212	1,350	1,500	1,400	1,400
Pars Admin Exp	034-863-40025	241	510	350	500	500
Unemployment Beach Ma	034-863-40030	1,867	-	9,100	-	-
Total Personnel		<u>160,874</u>	<u>183,245</u>	<u>181,600</u>	<u>189,050</u>	<u>195,650</u>
Operations						
Bldg/grounds Materials	034-863-40500	9,200	10,000	10,000	-	-
Equipment/materials	034-863-40700	-	-	-	15,000	15,000
Telephone	034-863-41000	45	45	50	-	-
Gas	034-863-41010	185	500	500	-	-
Electricity	034-863-41020	1,762	2,500	2,500	2,700	2,800
Auto Allowance	034-863-43000	89	90	90	-	-
Contract Prof. Svcs	034-863-44000	88,032	130,000	130,000	130,000	134,000
Intergoven Beach Ma	034-863-45000	(38)	-	-	-	-
Special Assmt Collect	034-863-45555	791	-	-	-	-
Transfer Out	034-863-47000	427,722	995,720	619,182	550,000	350,000
Building Improvements	034-863-48000	-	-	-	-	-
Lease Payments	034-863-47444	13,740	19,095	19,100	20,000	5,200
Interest Payments	034-863-47999	1,905	1,766	1,800	800	50
Total Operations		<u>543,433</u>	<u>1,159,716</u>	<u>783,222</u>	<u>718,500</u>	<u>507,050</u>
Total Beach/Pier Maintenance		<u>704,307</u>	<u>1,342,961</u>	<u>964,822</u>	<u>907,550</u>	<u>702,700</u>
Total Tidelands Beach Expenditures		<u>1,415,748</u>	<u>2,185,966</u>	<u>1,781,922</u>	<u>1,827,500</u>	<u>1,643,150</u>
Net Revenues (Expenditures)		<u>(27,458)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equipment/materials	Change in accounts for consistency across all departments in all funds. Prior account # 034-863-40500					
Contract Prof. Svcs	Pier/Beach repairs \$20,000; Sand Dike - construction \$40,000 & \$42,000 FY 07/08 & 08/09 respectively, removal \$25,000 & \$26,000 FY 07/08 & 08/09 respectively, inspection \$9,000 & \$10,000 FY 07/08 & 08/09 respectively; Coastal Eng. \$15,000; First street lot grounds maint. \$1,000; Surfside \$20,000					
Transfer Out	\$250,000 for Pier Deck Renovation in FY 07/08 and 08/09; \$150,000 for Sand Back Pass Project FY 07/08 only; \$150,000 for Offshore Sand Pumping Project FY 07/08 only; \$100,000 for Pier Structural & Underwater Safety Assmnt FY 08/09 only					

Tideland Beach Fund

Tidelands Beach Fund

Tidelands Beach Fund Balance Analysis

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	27,458	0	0	0	0
Revenues	1,388,290	2,185,966	1,781,922	1,827,500	1,643,150
Expenditures	(1,415,748)	(2,185,966)	(1,781,922)	(1,827,500)	(1,643,150)
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Special Assessment Districts

Special Assessment Districts are established to account for resources legally restricted to specified purposes. The City of Seal Beach currently manages the following special assessments districts:

002 - Street Lighting Assessment District

201 - Community Facilities District 2002-02 (SB Blvd/Lampson Ave Landscape Maintenance)

204 - Community Facilities District 2002-01 (Heron Pointe Administrative Expense Fund)

205 - Community Facilities District 2005-01 (Pacific Gateway Business Center)

Special Assessment Districts

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	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Property Taxes Secured	002-000-30001	141,172	143,500	137,000	143,500	143,500
Property Taxes Unsecured	002-000-30002	294	-			
Secured/Unsecured Prior Year	002-000-30004	664	700	600	700	700
Property Tax Other	002-000-30005	128	100	100	100	100
Interest on Investments	002-000-30420	4,231	5,000	5,000	6,000	6,000
Unrealized Gain/Loss on Invest	002-000-30423	-	-			
Transfers In from General Fund	002-000-31500	-	-			
Total Revenues		<u>146,489</u>	<u>149,300</u>	<u>142,700</u>	<u>150,300</u>	<u>150,300</u>
Expenditures						
Electricity	002-500-41020	132,628	136,000	136,000	140,000	145,000
Contract Professional	002-500-44000	-	14,500	14,500	14,500	15,000
Transfers Out	002-500-47000	-	-			
Total Expenditures		<u>132,628</u>	<u>150,500</u>	<u>150,500</u>	<u>154,500</u>	<u>160,000</u>
Net Revenues(Expenditures)		<u>13,861</u>	<u>(1,200)</u>	<u>(7,800)</u>	<u>(4,200)</u>	<u>(9,700)</u>

Fund Balance Analysis Street Lighting Assessment District

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	139,600	153,461	153,461	145,661	141,461
Revenues	146,489	149,300	142,700	150,300	150,300
Expenditures	(132,628)	(150,500)	(150,500)	(154,500)	(160,000)
Ending Fund Balance	<u>153,461</u>	<u>152,261</u>	<u>145,661</u>	<u>141,461</u>	<u>131,761</u>

Special Assessment Districts

Community Facilities District No. 2002-01 **Heron Pointe Administrative Expense Fund**

The Seal Beach Community Facilities District No. 2002-01 (Heron Pointe) was formed under the Mello-Roos Community Facilities Act of 1982, as amended, to provide financing for the construction and acquisition of certain public street improvements, water and sanitary sewer improvements, dry utility improvements, park and landscaping improvements which will serve the new construction in the Community Facility District. This special revenue fund will account for the activity of the Administrative Expense Fund created by the Fiscal Agent Agreement. Revenue is derived from the proceeds of the annual levy and collection of the Special Tax against property within the Community Facility District and used to fund all costs directly related to the administration of the CFD.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Administrative Expense Reimb.	204-000-30300			40,000	25,000	25,000
Total Revenues		-	-	40,000	25,000	25,000
Expenditures						
Contract Professional	204-460-44000			14,000	14,000	14,000
Transfers Out	204-460-47000			11,000	11,000	11,000
Total Expenditures		-	-	25,000	25,000	25,000
Net Revenues(Expenditures)		-	-	15,000	-	-

Transfers Out Transfer to General Fund for Admin Costs

Fund Balance Analysis **Community Facilities District No. 2002-01** **Heron Pointe Administrative Expense Fund**

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance		-	-	15,000	15,000
Revenues	-	-	40,000	25,000	25,000
Expenditures	-	-	(25,000)	(25,000)	(25,000)
Ending Fund Balance	-	-	15,000	15,000	15,000

Special Assessment Districts

Community Facilities District No. 2002-02 Seal Beach Blvd/Lampson Ave Landscape Maintenance

The Seal Beach Community Facilities District No. 2002-02 (Seal Beach Boulevard/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	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Property Taxes Secured	201-000-30001	131,420	132,750	138,200	138,000	138,000
Interest on Investments	201-000-30420	1,286	1,800	1,800	5,000	5,000
Total Revenues		<u>132,706</u>	<u>134,550</u>	<u>140,000</u>	<u>143,000</u>	<u>143,000</u>
Expenditures						
Water services	201-450-43750	20,220	21,500	19,000	20,000	20,000
Contract Professional	201-450-44000	104,790	103,050	35,000	113,000	113,000
Transfers Out	201-450-47000	9,000	10,000	10,000	10,000	10,000
Total Expenditures		<u>134,010</u>	<u>134,550</u>	<u>64,000</u>	<u>143,000</u>	<u>143,000</u>
Net Revenues(Expenditures)		<u>(1,304)</u>	<u>-</u>	<u>76,000</u>	<u>-</u>	<u>-</u>

Transfers Out

Transfer to General Fund for Admin Costs

Special Assessment Districts

Community Facilities District No. 2002-02 **Seal Beach Blvd/Lampson Ave Landscape Maintenance**

Fund Balance Analysis
Community Facilities District No. 2002-02
Seal Beach Blvd./Lampson Ave. Landscape Maintenance

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	78,106	76,802	76,802	152,802	152,802
Revenues	132,706	134,550	140,000	143,000	143,000
Expenditures	(134,010)	(134,550)	(64,000)	(143,000)	(143,000)
Ending Fund Balance	<u>76,802</u>	<u>76,802</u>	<u>152,802</u>	<u>152,802</u>	<u>152,802</u>

Special Assessment Districts

Community Facilities District No. 2005-01 **Pacific Gateway Business Center (Special Tax B)**

The Seal Beach Community Facilities District No. 2005-01 (Pacific Gateway Business Center) was formed under the Mello-Roos Community Facilities Act of 1982, as amended. Special Tax B will satisfy costs related to the maintenance of parks, parkways and open space within the District ("Landscape Maintenance). Revenue is derived from the proceeds of the annual levy and collection of the Special Tax against property within the Community Facility District.

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Secured Property Tax	205-470-30001			85,000	85,000	85,000
Administrative Expense Reimb.	205-480-30300			35,000	25,000	25,000
Total Revenues		<u>-</u>	<u>-</u>	<u>120,000</u>	<u>110,000</u>	<u>110,000</u>
Expenditures						
Water Services	205-470-43750			5,000	20,000	20,000
Contract Professional Services	205-470-44000			12,000	50,000	50,000
Transfer Out	205-470-47000			15,000	15,000	15,000
Contract Professional Services	205-480-44000			14,000	14,000	14,000
Transfers Out	205-480-47000			11,000	11,000	11,000
Total Expenditures		<u>-</u>	<u>-</u>	<u>57,000</u>	<u>110,000</u>	<u>110,000</u>
Net Revenues(Expenditures)		<u>-</u>	<u>-</u>	<u>63,000</u>	<u>-</u>	<u>-</u>

Transfers Out Transfers to General Fund for Admin Costs

Fund Balance Analysis **Community Facilities District No. 2005-01** **Pacific Gateway Business Center**

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance		-	-	63,000	63,000
Revenues	-	-	120,000	110,000	110,000
Expenditures	-	-	(57,000)	(110,000)	(110,000)
Ending Fund Balance	<u>-</u>	<u>-</u>	<u>63,000</u>	<u>63,000</u>	<u>63,000</u>

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	Water Operations & Capital

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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 off's and on's, 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.

Objectives:

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, 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.

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.

Funding for this Division is 100% Water Enterprise Funds. General funds are NOT used.

Enterprise Funds

Water Operations Enterprise Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest On Investments	017-000-30420	69,574	92,500	71,000	183,000	187,000
Miscellaneous Revenue	017-000-30960	300	-	600	-	-
Water Revenue	017-000-34000	2,740,284	3,750,000	3,900,000	4,017,000	4,138,000
Residential Water	017-000-35000	1,294,350	-	-	-	-
Commercial Water	017-000-35020	62,566	-	-	-	-
Water Turn On Fee	017-000-35500	6,826	6,000	7,170	6,000	6,000
Late Charge	017-000-35510	19,432	18,000	9,200	10,000	10,000
Door Tag Fee	017-000-35520	50	-	-	-	-
Water Meters	017-000-35530	3,995	5,000	1,300	3,000	3,000
Fire Service	017-000-35590	33,024	27,000	33,300	28,000	28,000
Total Revenues		4,230,401	3,898,500	4,022,570	4,247,000	4,372,000
Personnel						
Full-time Salaries	017-900-40001	588,475	674,385	602,382	701,300	737,100
Temporary Special Pay	017-900-40002	-	-	1,842	-	-
Overtime	017-900-40003	20,143	31,000	35,165	31,000	31,000
Part-time	017-900-40004	27,327	42,540	26,456	42,200	43,800
Deferred Compensation	017-900-40011	8,687	10,800	10,272	13,200	13,800
Pers Retirement	017-900-40012	76,909	92,500	79,343	97,300	101,800
Pars Retirement	017-900-40013	362	550	342	600	600
Medical Insurance	017-900-40014	69,840	98,650	90,337	112,200	128,000
Dental Insurance	017-900-40015	4,614	-	-	0	0
Medicare	017-900-40017	6,225	8,300	8,300	9,400	9,800
Life And Disability	017-900-40018	7,928	9,580	9,966	10,000	10,500
Pars Admin Exp	017-900-40025	301	390	279	360	370
Unemployment	017-900-40030	760	-	-	-	-
Total Personnel		811,571	968,695	864,684	1,017,560	1,076,770

Enterprise Funds

Water Operations Enterprise Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Operations						
Office Supplies	017-900-40100	27,027	31,400	31,000	32,000	32,000
Membership And Dues	017-900-40300	602	2,000	2,000	2,000	2,000
Training And Meetings	017-900-40400	4,534	5,125	6,000	6,500	6,500
Equipment/materials	017-900-40700	87,874	114,800	110,000	115,000	115,000
Special Departmental	017-900-40800	34,798	35,000	35,000	35,000	36,500
Depreciation	017-900-40900	150,934	150,000	150,000	-	-
Telephone	017-900-41000	7,124	8,900	8,900	9,000	9,000
Gas	017-900-41010	102,726	90,000	90,000	95,000	100,000
Electricity	017-900-41020	99,899	100,000	120,000	125,000	130,000
Rental/lease Equip.	017-900-42000	-	2,500	-	-	-
Auto Allowance	017-900-43000	536	540	540	-	-
Con. Prof. Svcs	017-900-44000	95,787	252,200	250,000	259,000	265,000
Water Overhead	017-900-44050	318,148	324,500	324,500	324,500	324,500
Water Purchase	017-900-45000	1,280,730	1,500,000	1,500,000	1,550,000	1,630,000
Interest Payments	017-900-47999	9,156	7,900	7,900	7,100	6,700
Total Operations		2,219,875	2,624,865	2,635,840	2,560,100	2,657,200
Total Expenditures		3,031,446	3,593,560	3,500,524	3,577,660	3,733,970
Net Revenues (Expenditures)		1,198,955	304,940	522,046	669,340	638,030
Acquisition of Capital Assets						
Vehicles		737	45,000	20,000	29,000	30,000

Office Supplies	Postage for water bills; misc office supplies, wtr billing forms, publications & legal notices
Equipment/materials	Meter replacement; pipes, fittings, valves, repair clamps, wel suplies, treatment supplies, boxes and lids
Special Departmental	Payment Resource International; UB annual software maint.; Datamatic, Ltd.
Con. Prof. Svcs	21% well, reservoir & booster station repairs; 17% disinfection svcs; 17% distribution system repairs; 19% testing program; 15% engineering; 10% landscape grounds; 1% uniforms
Intergovernmental	26% MWD-Imported wtr @ \$550/AF; 74% OCWD replenishment @ \$246/AF; OC Haz Mat facility charge; WOCWD feeder line; MWD connection fees; AQMD permit fees

Enterprise Funds

Water Capital Enterprise Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	019-000-30420	105,639	119,500	71,000	152,000	156,000
Water Connection Fee	019-000-35042	267,877	-	290,000	-	-
Water Capital Charge	019-000-37000	1,011,811	1,180,000	1,100,000	1,210,000	1,331,000
Total Revenues		1,385,327	1,299,500	1,461,000	1,362,000	1,487,000
Expenditures						
Depreciation	019-950-40900	44,932	50,000	50,000	-	-
Contract Prof svcs	019-925-44000	198,329	-	-	-	-
Transfer Out	019-950-47000	362,514	-			
Total Expenditures		605,775	50,000	50,000	-	-
Net Revenues (Expenditures)		779,552	1,249,500	1,411,000	1,362,000	1,487,000

Enterprise Funds

Water Enterprise Funds Cash Analysis

Description	2006/07 Estimated	2007/08 Adopted	2008/09 Adopted
Water Operations Enterprise Fund			
Beginning Cash Balance	3,137,741	3,770,887	4,401,227
Revenues	4,022,570	4,247,000	4,372,000
Expenditures	(3,500,524)	(3,577,660)	(3,733,970)
Add: Depreciation	150,000	-	-
Less: Vehicles	(20,000)	(29,000)	(30,000)
Less: Notes Payable	(18,900)	(10,000)	(10,500)
Ending Cash Balance	3,770,887	4,401,227	4,998,757

Water Capital Enterprise Fund

Beginning Cash Balance	3,371,361	2,179,041	(608,959)
Revenues	1,461,000	1,362,000	1,487,000
Expenditures	(50,000)	-	-
Add: Depreciation	50,000	-	-
Less: Capital Projects	(2,653,320)	(4,150,000)	(2,000,000)
Ending Cash Balance	2,179,041	(608,959)	(1,121,959)

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	Sewer Operation & Capital

Managing Department Head: Director of Public Works/City Engineer

Mission Statement:

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

Primary Activities:

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.

Objectives:

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 its end of its useful life. 100% of the City's sewer system has been video-tapped 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 10 blocks of sewer mainline and replaced the force main on Seal Beach Boulevard to name a few. 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.

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

Enterprise Funds

Sewer Operations Enterprise Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest On Investments	043-000-30420	20,736	24,000	17,000	43,000	44,000
F.O.G. Discharge perm fee	043-000-30725	29,718	0	20,000	-	-
Sewer Fees	043-000-36000	763,608	724,000	800,000	824,000	849,000
Total Revenues		814,062	748,000	837,000	867,000	893,000
Personnel						
Full-time Salaries	043-925-40001	209,923	238,865	206,572	253,000	266,000
Temporary Special Pay	043-925-40002	0	0	98	0	-
Overtime	043-925-40003	9,501	10,000	11,415	13,500	13,500
Part-time	043-925-40004	5,529	6,500	4,709	5,000	5,000
Deferred Compensation	043-925-40011	4,290	4,820	4,172	5,700	6,000
Pers Retirement	043-925-40012	28,018	32,420	27,140	35,000	36,700
Pars Retirement	043-925-40013	79	78	62	100	100
Health Insurance	043-925-40014	21,649	28,900	27,003	34,400	39,200
Dental Insurance	043-925-40015	1,802	0	0	0	-
Medicare	043-925-40017	1,883	2,800	2,800	3,000	3,200
Life And Disability	043-925-40018	2,976	3,340	3,419	3,600	3,800
Pars Admin Exp	043-925-40025	82	90	64	40	40
Total Personnel		285,732	327,813	287,454	353,340	373,540
Operations						
Office Supplies	043-925-40100	1,364	1,500	1,500	1,500	1,500
Membership And Dues	043-925-40300	161	500	500	500	500
Training And Meetings	043-925-40400	967	1,200	1,200	1,500	1,500
Equipment/materials	043-925-40700	11,517	20,000	20,000	20,000	20,000
Special Departmental	043-925-40800	8,000	7,000	7,000	5,000	5,100
Depreciation	043-925-40900	39,284	40,000	40,000	-	-
Telephone	043-925-41000	4,162	4,000	4,000	5,000	5,000
Gas	043-925-41010	326	1,000	1,000	1,000	1,000
Electricity	043-925-41020	32,785	30,000	34,000	35,000	36,000
Rental/lease Equip.	043-925-42000	-	2,500	-	-	-
Auto Allowance	043-925-43000	268	270	270	-	-
Contract Prof. Svcs	043-925-44000	261,653	274,000	270,000	282,000	290,000
Sewer Overhead	043-925-44050	52,384	54,000	54,000	54,000	54,000
Intergovernmental	043-925-45000	5,728	15,000	14,000	15,000	15,000
Transfers Out	043-925-47000	-	-	-	-	-
Total Operations		418,599	450,970	447,470	420,500	429,600
Total Expenditures		704,331	778,783	734,924	773,840	803,140
Net Revenue (Expenditures)		109,731	(30,783)	102,076	93,160	89,860

Enterprise Funds

Sewer Operations Enterprise Fund

Account Description	Account Number	2005/06 Actual	Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Acquisition of Capital Assets						
Vehicles		427	40,000	40,000	29,000	30,000
<hr/>						
Equipment/materials	Pumps, piping, valves, manholes, electrical hardware					
Contract Prof. Svcs	40% Sewer cleaning; 21% Jimini pump station maint.; 9% prof. Eng/Accountant; 7% spot repairs & sewer lining; 7% FOG Program; 7% video taping; 4% pump station repairs; 2% manhole lining & replacement; 2% landscape maint. PS 35; 1% uniforms					
Intergovernmental	State Regional Board fees; AQMD emergency generator fees					

Enterprise Funds

Sewer Capital Enterprise Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted Revised Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	044-000-30420	65,652	61,000	50,000	79,000	81,000
Unrealized Gain/Loss on Inv	044-000-30423	-				
Sewer Connection Fee	044-000-35042	111,318	-	144,000	-	-
Sewer Capital Charge	044-000-37150	629,796	740,000	823,000	987,000	1,135,000
Total Revenues		<u>806,766</u>	<u>801,000</u>	<u>1,017,000</u>	<u>1,066,000</u>	<u>1,216,000</u>
Expenditures						
Depreciation	044-975-40900	124,211	180,000	180,000	-	-
Contract Prof svcs	044-975-44000	5,952	-	-	-	-
Transfer Out	044-975-47000	25,000	-	-	-	-
Amortization of Sewer COP C	044-975-47600	7,669	7,770	7,770	7,770	7,770
Interest Expense	044-975-47999	-	209,401	209,401	205,151	200,900
Total Expenditures		<u>162,832</u>	<u>397,171</u>	<u>397,171</u>	<u>212,921</u>	<u>208,670</u>
Net Revenues (Expenditures)		<u>643,934</u>	<u>403,829</u>	<u>619,829</u>	<u>853,079</u>	<u>1,007,330</u>

Enterprise Funds

Sewer Enterprise Funds Cash Analysis

	2006/07 Estimated	2007/08 Adopted	2008/09 Adopted
Sewer Operations Enterprise Fund			
Beginning Cash Balance	749,215	851,291	915,451
Revenues	837,000	867,000	893,000
Expenditures	(734,924)	(773,840)	(803,140)
Add: Depreciation	40,000	-	-
Less: Vehicles	(40,000)	(29,000)	(30,000)
Ending Cash Balance	<u>851,291</u>	<u>915,451</u>	<u>975,311</u>
Sewer Capital Enterprise Fund			
Beginning Cash Balance	1,684,345	1,552,614	(2,580,773)
Revenues	1,017,000	1,066,000	1,216,000
Expenditures	(397,171)	(212,921)	(208,670)
Add: Depreciation	180,000	-	-
Add: Amortization	7,770	7,770	7,770
Less: COPs Principal	(85,000)	(85,000)	(90,000)
Less: Capital Projects	(854,330)	(4,909,236)	(3,100,000)
Ending Cash Balance	<u>1,552,614</u>	<u>(2,580,773)</u>	<u>(4,755,673)</u>

Note: Capital Projects are to be funded with future proceeds from Certificates of Participation.

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 2007/08 and 2008/09 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 Offshore Sand Pumping, Seal Beach Blvd. rehabilitation, Pier Deck rehabilitation, City-wide Park Improvements, Phase 2 Storm Drain Improvements, West End Pump Station and Rehabilitation of Police and Public Works Facilities.

As the Budgeted Capital Projects and Funding Sources spreadsheet illustrates, of the \$8,137,250 and \$1,725,000 appropriated for capital projects in FY 2007/08 and 2008/09 (excluding carry forwards, and water and sewer improvements) only \$3,120,000 and \$290,000 respectively 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	2005/06 Actual	2006/07 Adopted Budget	2006/07 Estimate	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	045-000-30420	11,650	-	-	-	-
Developer Impact Fees	045-000-30865	413,922	2,234,080	296,950	350,000	160,000
Other Agency Revenues	045-000-30960	2,116,072	1,359,850	944,597	2,762,250	-
Transfer In	045-000-31500	5,769,069	10,613,740	6,953,216	5,025,000	1,565,000
Total Revenues		8,310,713	14,207,670	8,194,763	8,137,250	1,725,000
Expenditures						
Materials and Equipment	045-333-40700	66,972	370,000	458,928		
Contract Prof. Svcs-cp	045-333-44000	7,735,479	13,837,670	7,735,835	8,137,250	1,725,000
Contract Prof. Svcs-ret	045-333-44003	154,820				
Design Fees	045-333-45045					
Transfers Out	045-333-47000					
Building Improvements	045-333-48000					
Total Expenditures		7,957,271	14,207,670	8,194,763	8,137,250	1,725,000
Net Revenues (Expenditures)		353,442	-	-	-	-

Capital Projects Fund

Project Funding Source	Multi-year Project Approp.	Estimated Amnt Spent Through 2006/07	Approp. Carry- Forward	FY 2007/08 Adopted Budget	FY 2008/09 Adopted Budget
<u>Streets & Transportation</u>					
49750 Seal Beach Blvd/405 Overcross Approach Widening					
Fund 045 - OCTA GMA & MPAH	600,000	465,000	135,000	2,062,250	-
Traffic Impact Fees	2,423,000	416,000	2,007,000	-	-
Total	3,023,000	881,000	2,142,000	2,062,250	-
50184 FY 2006/07 Local Pavement Rehab					
Fund 041 - Measure M Turnback-Transf'd back from 50218	100,000	100,000	-	-	-
Fund 040 - Gas Tax (Transferred back from 50218)	105,000	-	105,000	-	-
Fund 001 - General Fund - Transferred back from 50218	244,430	-	244,430	-	-
Total	449,430	100,000	349,430	-	-
50220 Annual St. Tree Planting Program					
Fund 001- General Fund	50,000	25,000	25,000	-	25,000
Fund 046 - Tree Replacement Deposit	10,000	10,000	-	-	-
Total	60,000	35,000	25,000	-	25,000
New Arterial Paving Project					
Fund 041 - Measure M Turnback			100,000	200,000	200,000
Fund 040 - State Gas Tax				175,000	175,000
Total		-	100,000	375,000	375,000
New SBB Edison Underground Project					
Fund 001 - General Fund				20,000	20,000
Total	-	-	-	20,000	20,000
New Local Paving Program					
Fund 040 - State Gas Tax				-	-
Fund 079 - Prop 1B				240,000	120,000
Fund 079 - Sales Tax				110,000	230,000
Total	-	-	-	350,000	350,000
New Annual Slurry Seal Program					
Fund 041 - Measure M Turnback				150,000	150,000
Fund 001 - General Fund				-	-
Total	-	-	-	150,000	150,000
New Annual Concrete Repair Program					
Fund 041 - Measure M Turnback				50,000	50,000
Fund 001 - General Fund				50,000	50,000
Total	-	-	-	100,000	100,000
New SBB & Westminster Comprehensive Signal Coordination					
Traffic Impact Fees				150,000	-
Total	-	-	-	150,000	-
New 405/22 Freeway Project Consultant Services					
Traffic Impact Fees				100,000	100,000
Total	-	-	-	100,000	100,000

Capital Projects Fund

Storm Drains/Flood Protection

Project Funding Source	Multi-year Project Approp.	Estimated Amnt Spent Through 2006/07	Approp. Carry- Forward	FY 2007/08 Adopted Budget	FY 2008/09 Adopted Budget
50050 West End Pump Station					
Fund 063 - RDA	3,541,000	1,800,000	1,741,000	250,000	-
Fund 001- Environmental Reserve - BA 07-09	255,000	-	255,000	-	-
Total	3,796,000	1,800,000	1,996,000	250,000	-
50221 FY 06/07 Storm Drain Project Phase 2					
Fund 001 - General Fund	100,000	100,000	-	2,700,000	-
Total	100,000	100,000	-	2,700,000	-
New Storm Drain Master Plan Update					
Fund 001 - General Fund				100,000	-
Total	-	-	-	100,000	-

Park Improvements

50206 Bluebell Park Improvements					
Fund 070 - Roberti-Z'Berg Prop 40 Grant	190,000	30,000	160,000	60,000	-
Total	190,000	30,000	160,000	60,000	-
New Arbor Parking Lot Rehab & ADA Improvements					
Prop 40 - Roberti-Z'Berg				70,000	-
Total	-	-	-	70,000	-
New City-wide Park Improvements					
Fund 001 - General Fund				50,000	50,000
Total	-	-	-	50,000	50,000
New Zoeter Ballfield Improvements					
Fund 016 - Quimby Fees				50,000	-
Total	-	-	-	50,000	-
New Zoeter Park Preliminary Study					
Founder's Day Fund				-	35,000
Total	-	-	-	-	35,000

Beach & Pier Improvements

50171 River's End RMC Project					
RMC Grant	160,000	160,000	-	500,000	-
Total	160,000	160,000	-	500,000	-
50195 Sand Back Pass Project					
Fund 034 - Tidelands				150,000	-
Total	-	-	-	150,000	-
50217 Pier Deck Renovation					
Fund 034 - Tidelands	320,000	320,000	-	250,000	250,000
State Grant	-	-	-	200,000	-
Total	320,000	320,000	-	450,000	250,000

Capital Projects Fund

Project Funding Source	Multi-year Project Approp.	Estimated Amnt Spent Through 2006/07	Approp. Carry- Forward	FY 2007/08 Adopted Budget	FY 2008/09 Adopted Budget
New Offshore Sand Pumping Project					
Fund 034 - Tidelands				150,000	-
Total	-	-	-	150,000	-
New Pier Structural & Underwater Safety Assessment					
Fund 034 - Tidelands				-	100,000
Total	-	-	-	-	100,000
<u>Building & Facility Improvements</u>					
49764 Public Yard Remediation					
State Water Resouce Control Bd	534,000	465,616	-	-	-
Fund 001 - General Fund		201,257	-	50,000	20,000
Total	534,000	666,873	-	50,000	20,000
50193 Community Center Facility Improvements					
Fund 001 - General Fund	-	-	-	-	100,000
Total	-	-	-	-	100,000
New Police & Public Works Rehab & Repairs					
Fund 001 - General Fund				150,000	25,000
Total	-	-	-	150,000	25,000
New Main Street Parking Lot Rehab & ADA Improvements					
Parking in-lieu Fees				75,000	-
Total	-	-	-	75,000	-
<u>Non-Departmental/Administration</u>					
50233 CADD/GIS					
GIS deposit account	15,000	9,000	6,000	25,000	25,000
Total	15,000	9,000	6,000	25,000	25,000
Grand totals	8,647,430	4,101,873	4,778,430	8,137,250	1,725,000

Capital Projects Fund

Sewer Enterprise Funds Capital Projects

Project Funding Source	Multi-Year Projects Original Budget	Estimated Amnt Spent Through 2006/07	2006/07 Carryforward	2007/08 Adopted Budget	2008/09 Adopted Budget
49886 Sewer Pump St. 35 Rehab	1,650,000	950,000	700,000	300,000	-
50214 First St. Sewer Pump Station Rehabilitation	370,000	70,000	300,000	-	-
50215 FY 06/07 Sewer System Rehabilitation Project	1,100,000	110,764	989,236	1,100,000	1,100,000
50216 FY 06/07 Sewer System Lining Project	250,000	-	250,000	250,000	-
New Pier Pump Station	-	-	-	520,000	-
New Sewer Capacity Improvements	-	-	-	500,000	2,000,000
Total Sewer Enterprise Funds Capital Projects	3,370,000	1,130,764	2,239,236	2,670,000	3,100,000

* Funding source for all Sewer Enterprise Funds capital projects are from sewer capital fees collected and from anticipated Certificate of Participation.

Water Enterprise Funds Capital Projects

Project Funding Source	Multi-Year Projects Original Budget	Estimated Amnt Spent Through 2006/07	2006/07 Carryforward	2007/08 Adopted Budget	2008/09 Adopted Budget
50157 College Park East Water Well Project	1,450,000	350,000	1,100,000	900,000	1,500,000
50160 Water Reservoir & Booster Sta. Rehab - BM	1,200,000	-	1,200,000	200,000	-
50226 Water System Infrastructure Repairs	350,000	-	350,000	400,000	400,000
New Update of Water Master Plan					100,000
Total Water Enterprise Funds Capital Projects	3,000,000	350,000	2,650,000	1,500,000	2,000,000

* Funding source for all Water Enterprise Funds capital projects are from water capital fees collected.

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)

Mission Statement:

The overall mission of the Redevelopment Agency is to improve 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.

Objectives:

The objective of the Low-Mode Housing Income Fund is to utilize available funds for the improvement of housing to persons and families that qualify under the provisions of law through a variety of loans, grants and rental subsidy programs as determined appropriate by the Redevelopment Agency.

Redevelopment Agency Funds

Riverfront Project Area Low and Moderate Income Housing Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	061-000-30420	27,702	42,000	42,000	45,000	45,000
Transfers In	061-000-31500					
Low/Mod Hsg Set Aside	061-000-38555	284,609	294,000	467,000	326,000	331,000
Total Revenues		<u>312,311</u>	<u>336,000</u>	<u>509,000</u>	<u>371,000</u>	<u>376,000</u>
Expenditures						
Training & Meetings	061-081-40400	-	-	-	1,500	1,500
Contract Prof. Svcs	061-081-44000	92,059	294,000	150,000	125,000	33,000
Low/Mod Housing Exp	061-081-45050	259,475	1,300,000	315,000	420,000	240,000
Legal Services	061-081-49800	168,571	5,000	11,000	17,500	20,000
Total Expenditures		<u>520,105</u>	<u>1,599,000</u>	<u>476,000</u>	<u>564,000</u>	<u>294,500</u>
Net Revenues (Expenditures)		<u>(207,794)</u>	<u>(1,263,000)</u>	<u>33,000</u>	<u>(193,000)</u>	<u>81,500</u>

Fund Balance Analysis

Riverfront Project Area Low and Moderate Housing Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	3,421,361	3,213,567	3,213,567	3,246,567	3,053,567
Revenues	312,311	336,000	509,000	371,000	376,000
Expenditures	(520,105)	(1,599,000)	(476,000)	(564,000)	(294,500)
Ending Fund Balance	<u>3,213,567</u>	<u>1,950,567</u>	<u>3,246,567</u>	<u>3,053,567</u>	<u>3,135,067</u>

*Low/mod loans in the amounts of \$360,000 & \$90,000 are anticipated to be funded in the fiscal years 07/08 & 08/09 respectively.

Redevelopment Agency Funds

Riverfront Project Area

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	063-000-30420	71,239	90,500	150,000	125,000	125,000
Unrealized Gain/Loss on Inv	063-000-30423	-	-	-	-	-
Transfers In	063-000-31500	2,350,566	36,520	1,781,700	543,000	560,000
Total Revenues		<u>2,421,805</u>	<u>127,020</u>	<u>1,931,700</u>	<u>668,000</u>	<u>685,000</u>
Expenditures						
Part-time	063-081-40004	1,230	1,800	1,800	1,800	1,800
Medicare	063-081-40017	20	30	25	25	25
Fica	063-081-40019	74	140	125	125	125
Membership & Dues	063-081-40300	-	-	3,000	3,000	3,000
Training & Meetings	063-081-40400	-	-	150	2,000	2,000
Contract Prof. Svcs	063-081-44000	3,450	6,000	3,000	4,000	5,000
Transfers Out	063-081-47000	549,163	4,904,210	3,109,804	250,000	-
Lease Payments	063-081-47444	12,700	13,650	13,650	14,500	15,700
Interest Expense	063-081-47999	20,503	6,900	6,900	6,200	5,400
Legal Services	063-081-49800	25,489	8,000	9,000	9,000	9,000
Total Expenditures		<u>612,629</u>	<u>4,940,730</u>	<u>3,147,454</u>	<u>290,650</u>	<u>42,050</u>
Net Revenues (Expenditures)		<u>1,809,176</u>	<u>(4,813,710)</u>	<u>(1,215,754)</u>	<u>377,350</u>	<u>642,950</u>

Transfers Out Transfer to Capital Projects Fund for West End Pump Station \$250,000

Fund Balance Analysis Riverfront Area Project Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	2,791,427	4,600,603	4,600,603	3,384,849	2,021,199
Less: Carry forward CIPs				(1,741,000)	
Revenues	2,421,805	127,020	1,931,700	668,000	685,000
Expenditures	(612,629)	(4,940,730)	(3,147,454)	(290,650)	(42,050)
Ending Fund Balance	<u>4,600,603</u>	<u>(213,107)</u>	<u>3,384,849</u>	<u>2,021,199</u>	<u>2,664,149</u>

Redevelopment Agency Funds

Riverfront Project Area Debt Service Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Interest on Investments	065-000-30420	41,412	36,000	32,500	-	-
Transfers In	065-000-31500	690,036	746,000	102,500	742,500	745,500
Total Revenues		<u>731,448</u>	<u>782,000</u>	<u>135,000</u>	<u>742,500</u>	<u>745,500</u>
Expenditures						
Contract Prof Svcs	065-081-44000	7,926	8,500	6,500	6,500	6,500
Debt Service Payment	065-081-47000	335,000	370,000	355,000	370,000	390,000
Interest Expense	065-081-47999	389,316	367,500	374,000	357,600	338,900
Total Expenditures		<u>732,242</u>	<u>746,000</u>	<u>735,500</u>	<u>734,100</u>	<u>735,400</u>
Net Revenues (Expenditures)		<u>(794)</u>	<u>36,000</u>	<u>(600,500)</u>	<u>8,400</u>	<u>10,100</u>

Fund Balance Analysis

Riverfront Project Area Debt Service Fund

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	1,365,693	1,364,899	1,364,899	764,399	772,799
Revenues	731,448	782,000	135,000	742,500	745,500
Expenditures	(732,242)	(746,000)	(735,500)	(734,100)	(735,400)
Ending Fund Balance	<u>1,364,899</u>	<u>1,400,899</u>	<u>764,399</u>	<u>772,799</u>	<u>782,899</u>

Redevelopment Agency Funds

Riverfront Project Area Tax Increment Fund

Account Description	Account Number	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Revenues						
Property Taxes Secured	067-000-30001	1,334,697	1,400,000	1,750,000	1,550,000	1,575,000
Property Taxes Unsec.	067-000-30002	17,015	25,000	240,000	25,000	25,000
Homowners exemption	067-000-30003	16,455	15,000	16,500	16,500	16,500
Secured/Unsec. Pr. Year	067-000-30004	22,747	-	-	-	-
Property Tax Other	067-000-30005	16,959	15,000	15,000	15,000	15,000
Supplemntl Tax Sec/unsec.	067-000-30006	15,174	15,000	305,500	15,000	15,000
Interest on Investments	067-000-30420	69,802	132,000	30,000	-	-
Proceeds from Sale of Land	067-000-30940	3,680,000	-	-	-	-
Property Rental	067-000-31650	69,052	-	-	-	-
Total Revenues		<u>5,241,901</u>	<u>1,602,000</u>	<u>2,357,000</u>	<u>1,621,500</u>	<u>1,646,500</u>
Expenditures						
Contract Professional Servic	067-081-44000	10,700	5,000	5,800	6,000	6,000
Property Maintenance Fee	067-081-44002	-	-	-	4,000	4,000
ERAF contributions	067-081-44500	119,543	120,000	-	-	-
Low/Mod housing set aside	067-081-45050	284,609	294,000	467,000	326,000	331,000
Transfers Out	067-081-47000	3,040,603	782,520	1,884,200	1,285,500	1,305,500
Lease Payments	067-081-47444	1,299,341	-	-	-	-
Interest Payments	067-081-47999	94,831	-	-	-	-
Legal Services	067-081-49800	-	-	-	-	-
Total Expenditures		<u>4,849,627</u>	<u>1,201,520</u>	<u>2,357,000</u>	<u>1,621,500</u>	<u>1,646,500</u>
Net Revenues (Expenditures)		<u>392,274</u>	<u>400,480</u>	<u>-</u>	<u>-</u>	<u>-</u>

Transfers Out Transfer out to RDA Debt Service Fund \$742,500 & \$745,500 FY 07/08 & 08/09 respectively; Transfer to Project Area Fund \$523,000 & \$560,000 FY 07/08 & 08/09 respectively

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

	2005/06 Actual	2006/07 Adopted/ Revised Budget	2006/07 Estimated	2007/08 Adopted Budget	2008/09 Adopted Budget
Beginning Fund Balance	(355,260)	37,014	37,014	37,014	37,014
Revenues	5,241,901	1,602,000	2,357,000	1,621,500	1,646,500
Expenditures	(4,849,627)	(1,201,520)	(2,357,000)	(1,621,500)	(1,646,500)
Ending Fund Balance	<u>37,014</u>	<u>437,494</u>	<u>37,014</u>	<u>37,014</u>	<u>37,014</u>

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, 2007, the City did not have any debt subject to the State Debt Limit.

Current General Fund debt obligations as of June 30, 2007 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, 2007 included 2000A and 2000B Tax Allocation Bonds and a capital equipment lease. The bonds refinanced the 1991 and 1985 Tax Allocation Bonds and the bond proceeds are being used to replace the West End Pump Station. The capital property lease is for the replacement of air conditioning and lighting in buildings located within the agency's boundaries.

Enterprise Funds' debt obligations consist of the Water Operations Fund economic development loan from the Economic Development Administration for drought relief and the Sewer Capital Fund Certificates of Participation for the financing of improvements to the sewer infrastructure.

The following schedule outlines the City's total outstanding debt for fiscal years 2007/08 and 2008/09. It reports the original amounts of debt issued, the funding source to pay the debt, issue date, final payment date and the interest rate.

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
<i>General Fund</i>					
<i>Bonds</i>					
1996 Countywide Public Financing Authority Revenue Bonds	1,265,000	General Fund Rev	July 1996	Aug 2011	4.1% - 5.75%
<i>Capital Leases</i>					
Air Conditioning/Lighting Capital Property Lease (83%)	889,882	General Fund Rev	Oct 2001	Oct 2013	5.30%
<i>Total General Fund</i>	2,154,882				
<i>Tidelands Beach Fund</i>					
<i>Capital Leases</i>					
Beach Surf Rake	58,004	General Fund Sub	Oct 2005	July 2008	4.25%
<i>Total Tidelands Beach Fund</i>	58,004				
<i>Redevelopment Agency</i>					
<i>Bonds</i>					
2000 Tax Allocation Bonds Series A	8,520,000	Property Tax Incr	Dec 2000	Sept 2023	4% - 5.55%
2000 Tax Allocation Bonds Series B	685,000	Property Tax Incr	Dec 2000	Oct 2018	4.5% - 4.7%
<i>Capital Leases</i>					
Air Conditioning/Lighting Capital Property Lease (17%)	182,265	Property Tax Incr	Oct 2001	Oct 2013	5.30%
<i>Total Redevelopment Agency</i>	9,387,265				
<i>Water and Sewer Enterprise Funds</i>					
Water Operations Economic Devlp. Loan	288,000	Water usage fees	Sept 1977	July 2017	5%
Sewer Certificates of Participation	4,230,000	Sewer capital fees	June 2000	June 2030	5.62% - 5.73%
<i>Total Water and Sewer Enterprise Funds</i>	4,518,000				
<i>Total All City Funds Outstanding Debt</i>	16,118,151				

Long-Term Debt

Beginning Outstanding Balance 7/1/2007	Requirements for Fiscal Year Ending June 30, 2008			Beginning Outstanding Balance 6/30/2008	Requirements for Fiscal Year Ending June 30, 2009			Ending Outstanding Balance 6/30/2009
	Interest Payable	Principal Payment	Total		Interest Payable	Principal Payment	Total	
530,000	27,115	95,000	122,115	435,000	21,800	100,000	121,800	335,000
590,578	29,926	70,567	100,493	520,011	26,072	76,423	102,495	443,588
1,120,578	57,041	165,567	222,608	955,011	47,872	176,423	224,295	778,588
25,170	843	20,017	20,860	5,153	61	5,153	5,214	-
25,170	843	20,017	20,860	5,153	61	5,153	5,214	-
6,640,000	328,933	340,000	668,933	6,300,000	311,964	355,000	666,964	5,945,000
530,000	28,581	30,000	58,581	500,000	26,916	35,000	61,916	465,000
120,962	6,130	14,454	20,584	106,508	5,340	15,653	20,993	90,855
7,290,962	363,644	384,454	748,098	6,906,508	344,220	405,653	749,873	6,500,855
142,317	7,091	9,983	17,074	132,334	6,617	10,457	17,074	121,877
3,730,000	205,151	85,000	290,151	3,645,000	200,901	90,000	290,901	3,555,000
3,872,317	212,242	94,983	307,225	3,777,334	207,518	100,457	307,975	3,676,877
12,309,027	633,770	665,021	1,298,791	11,644,006	599,671	687,686	1,287,357	10,956,320

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 Years' Limit	20,048,607
B. Change in CPI**	1.0442
C. Change in Population:**	<u>1.0084</u>
D. Ratio of Change (1.0442 x 1.0083)	<u>1.05297</u>
E. 2007-2008 Appropriations Limit	<u><u>21,110,607</u></u>

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

Glossary of Terms

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

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

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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