



CITY OF SANTA MONICA

REGULAR MEETING AGENDA OF THE BUDGET TASK FORCE

SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICA, CA 90401

MONDAY, NOVEMBER 4, 2019
6:00 PM

Call to Order

Roll Call

(Please note that Agenda Items may be reordered during the meeting at the discretion of the body.)

1. Discussion/Action Items

- a. Committee Member Introductions
- b. Overview of the Task Force and its Purpose
- c. Selection of Interim Chair
- d. Swearing in of All Budget Task Force Members
- e. Brown Act Training
- f. Citywide Budget Overview

2. **Public Input:** Public input is permitted only on items not on the agenda that are within the subject matter jurisdiction of the Budget Task Force. State law prohibits the body from taking any action on items not listed on the agenda, including issues raised under this agenda item.

3. **Written Communication:** Review of any written communications received from the public

4. **Future Agenda Items:** Any additional items to be recommended for future meetings.

Adjournment

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

- Treat everyone courteously
- Listen to others respectfully
- Exercise self-control
- Give open-minded consideration to all viewpoints
- Focus on the issues and avoid personalizing debate
- Embrace respectful disagreement and dissent as democratic rights, inherent components of an inclusive public process, and tools for forging sound decisions

This agenda is available in alternate format upon request. The SMI Training Room is wheelchair accessible. If you require any special disability related accommodations (i.e. sign language interpreting, access to an amplified sound system, etc.), please contact the Budget Task Force at 310-458-8281 or finance.mailbox@smgov.net at least three business days prior to the scheduled meeting.

This agenda is subject to change up to 72 hours prior to a regular meeting and 24 hours prior to a special meeting. Please check the agenda prior to the meeting for changes.

City of Santa Monica
Finance Department
1717 4th Street, Santa Monica, CA. 90401
Phone: 310-458-8281 E-mail: Finance.Mailbox@smgov.net
Website: finance.smgov.net

PUBLIC INPUT GUIDELINES: Public attendance and comment at Advisory Council meetings are welcomed and encouraged. Members of the public will have 3 minutes to speak and should submit a chit to City staff before the presentation begins. If more than, 15 members of the public wish to speak on one item, speaking time will be limited to 2 minutes each. If a member of the public submits a late chit, his/her speaking time will be limited to 1 minute. Members of the public wishing to speak will be called upon in the order in which their chit was received. Applause or any other disruptive behavior is not allowed. Any member of the public unable to attend a meeting but wishing to comment on an item(s) listed on the agenda may submit written comments prior to the meeting by mailing them to Finance Department, Attn: Budget Task Force, 1717 4th Street, Suite 250, Santa Monica, CA 90401. Or comments may be emailed to Finance.Mailbox@smgov.net.



Budget Task Force Introduction

November 2019



THE BUDGET PROCESS



The biennial budget reflects the City of Santa Monica's values.

ACCOUNTABILITY

EQUITY

INCLUSION

RESILIENCE

STEWARDSHIP

SAFETY

INNOVATION



The City's biennial budget is the result of collaboration between the community, City Departments, the City Manager's Office, and the City Council.

JANUARY

Community
input collected
to shape budget
priorities.



The City's biennial budget is the result of collaboration between the community, City Departments, the City Manager's Office, and the City Council.

JANUARY

Community
input collected
to shape budget
priorities.

FEBRUARY

Departments
develop budget
proposals.

The City's biennial budget is the result of collaboration between the community, City Departments, the City Manager's Office, and the City Council.

JANUARY

Community input collected to shape budget priorities.

FEBRUARY

Departments develop budget proposals.

MAY

City Council reviews proposed budget and provides feedback.



The City's biennial budget is the result of collaboration between the community, City Departments, the City Manager's Office, and the City Council.

JANUARY

Community input collected to shape budget priorities.

FEBRUARY

Departments develop budget proposals.

MAY

City Council reviews proposed budget and provides feedback.

JUNE

City Council holds public hearing and adopts budget.



THE FRAMEWORK FOR A SUSTAINABLE CITY OF WELLBEING

THE FRAMEWORK

In FY 2017-19, the City restructured its budget around a performance-driven Framework.



FRAMEWORK'S STRATEGIC FOUNDATION

Sustainable City Guiding Principles

City of Santa Monica Wellbeing Index

21st Century Principles of Good Governance

In FY 2017-19, the City restructured its budget around a performance-driven Framework.



INFORM

FRAMEWORK'S STRATEGIC FOUNDATION

Sustainable City Guiding Principles

City of Santa Monica Wellbeing Index

21st Century Principles of Good Governance

OUTCOME AREAS

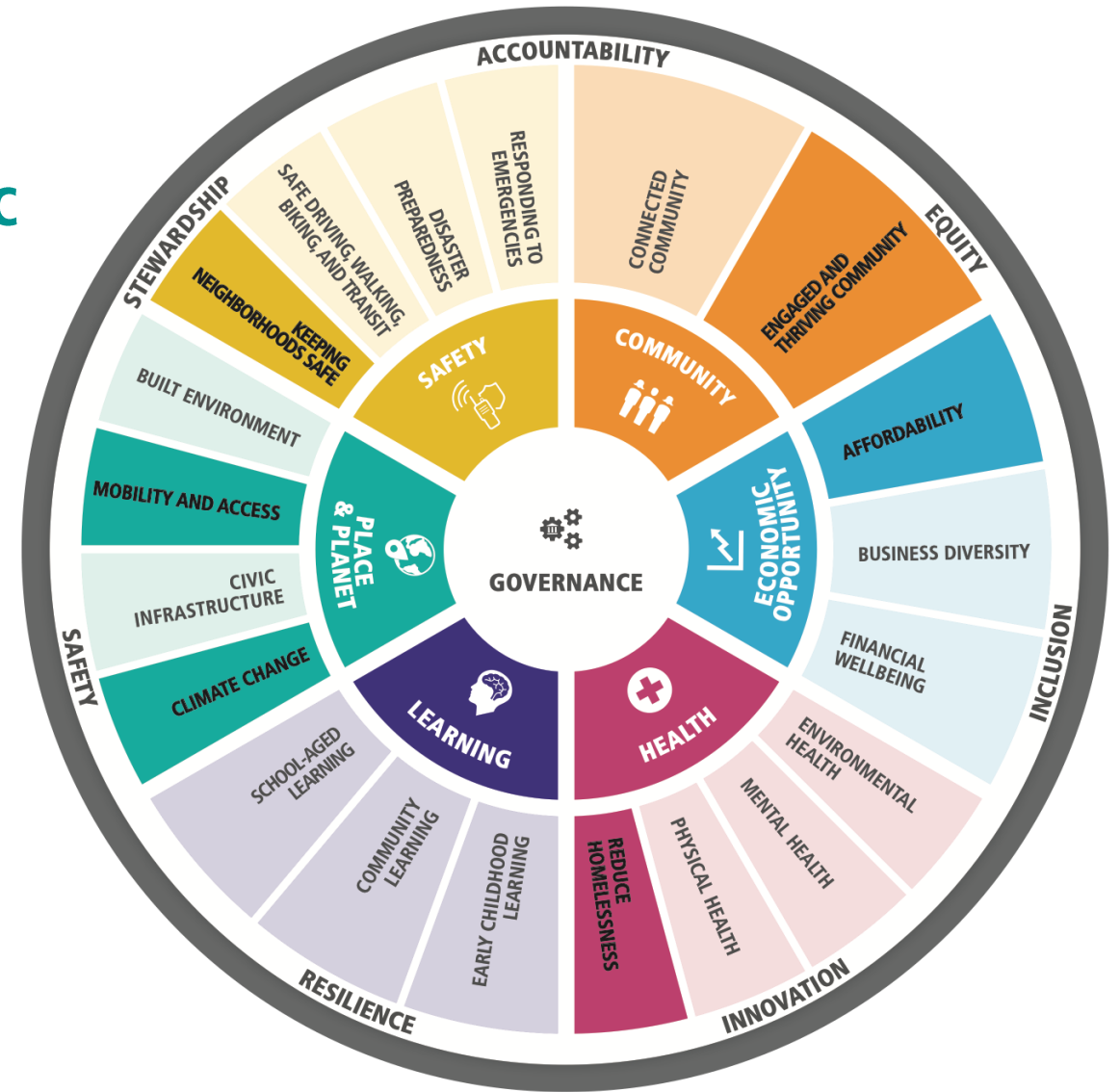
1. Connected and Engaged Community
2. Lifelong Opportunities for Personal Growth
3. Resilient Built and Natural Environment
4. A Safe Place for All
5. Inclusive, Affordable, & Diverse Local Economy
6. Physical, Mental, & Environmental Health
7. Reliable, Effective, & Efficient Government

In FY 2017-19, the City restructured its budget around a performance-driven Framework.



THE FRAMEWORK

The Framework is the City of Santa Monica's strategic direction, connecting organizational purpose and day-to-day functions.





THE FY 2019-21 BIENNIAL BUDGET

The City uses three fund categories that determine how revenues can be used.

General Fund

Who pays?

Taxpayers

Operations?

Services shared by all

Cost Recovery?

Most costs not recovered

*Tax changes require
voter approval

Enterprise Funds

Users

Operate like a business

Costs recovered w/ rates and fees

Other Funds

Grants and special revenues

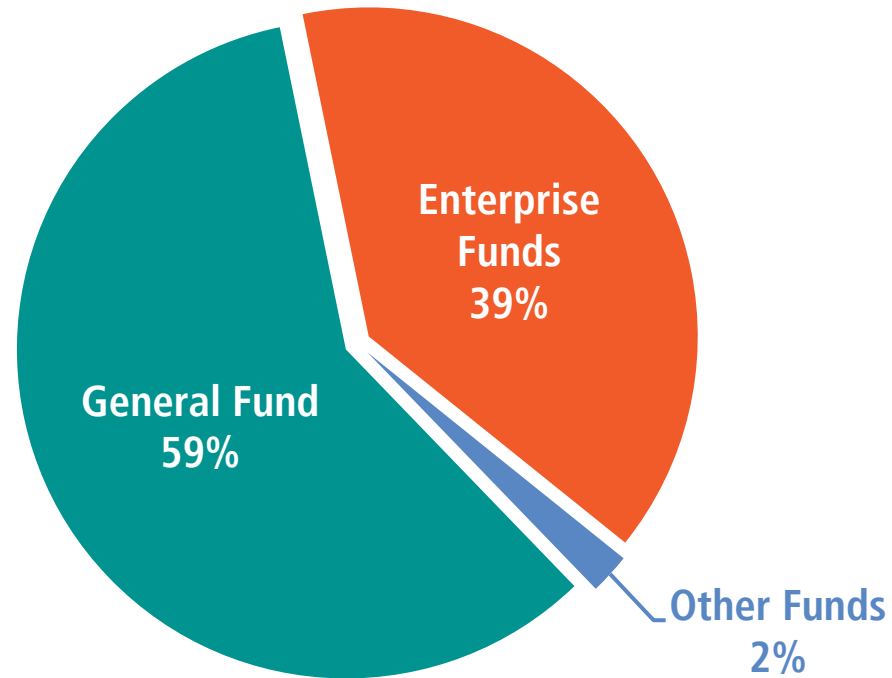
Restricted to specific tasks

All costs recovered

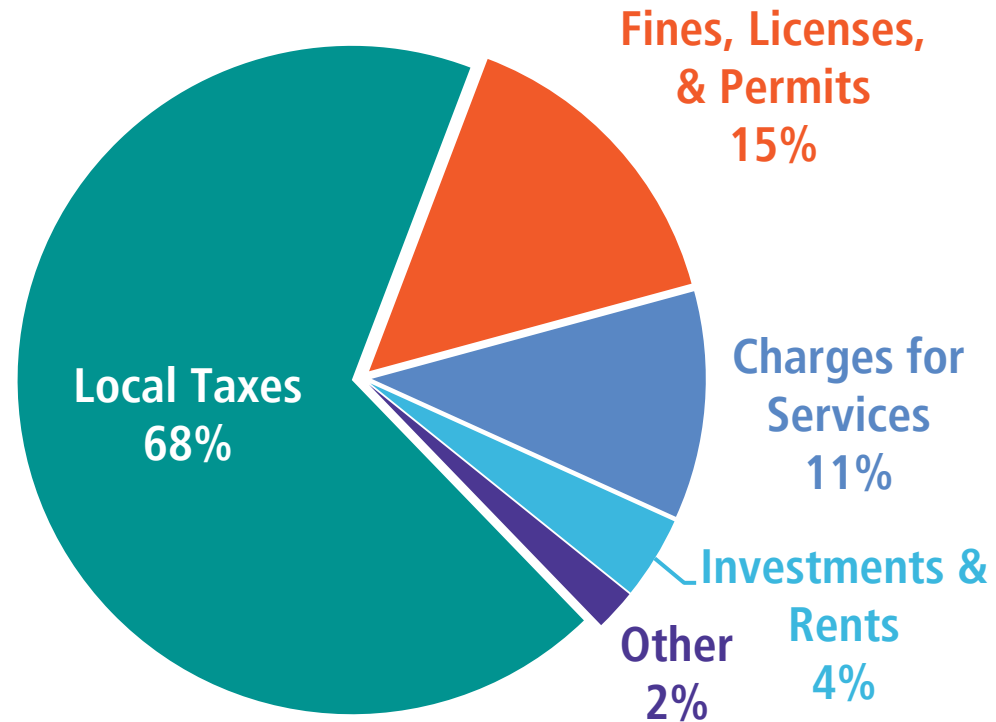
The City uses three fund categories that determine how revenues can be used.

FY 2019-20

Citywide budget	\$712.9M
FTE	2,297.9

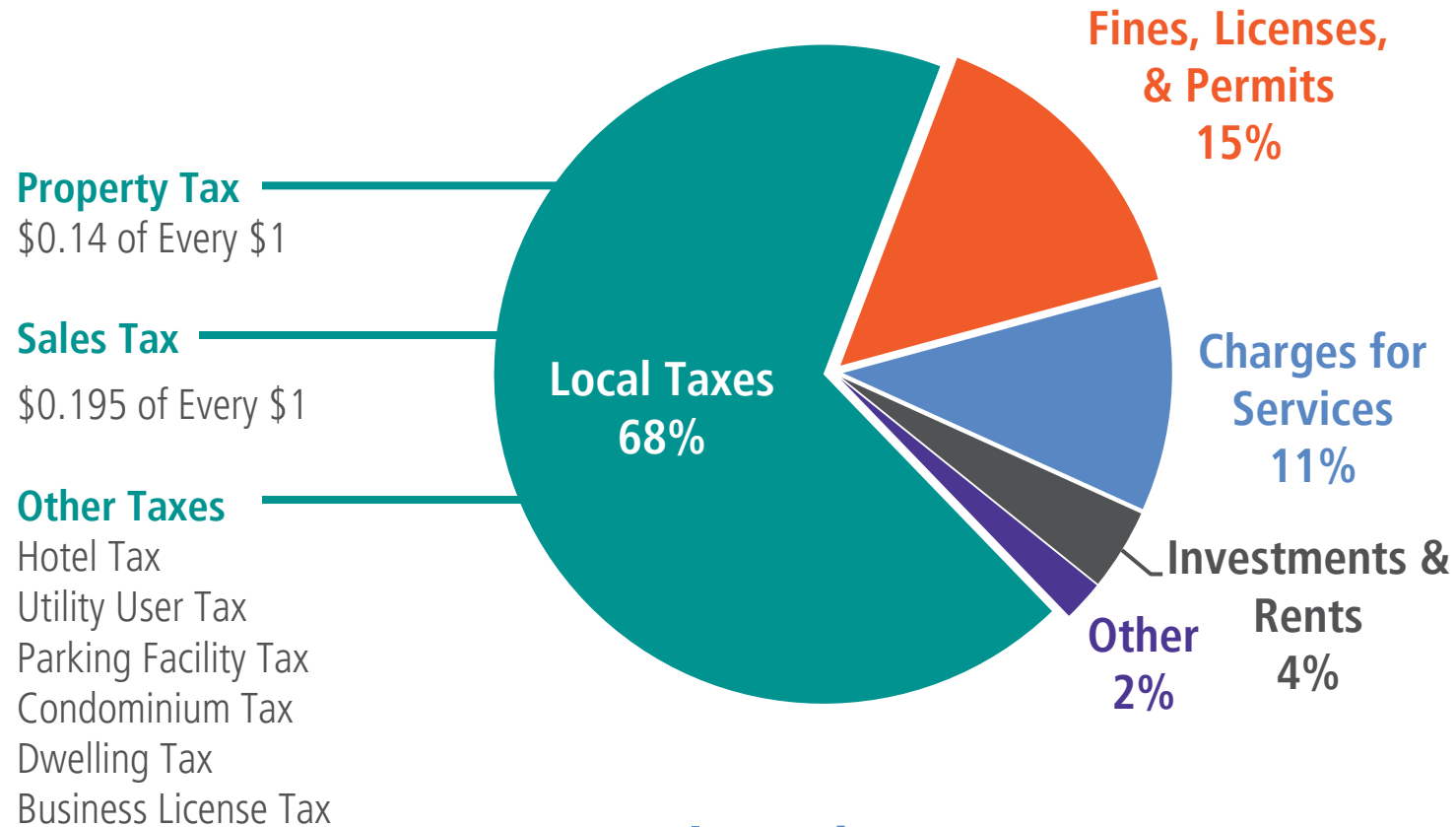


Revenues come from diverse sources.



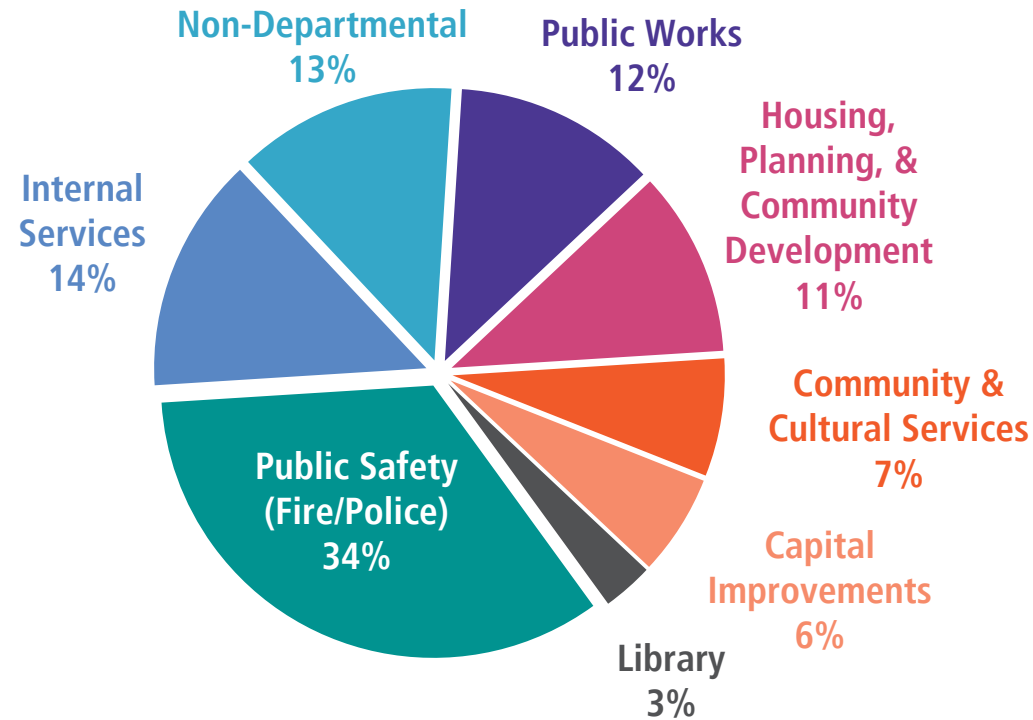
General Fund FY 2019-20

Revenues come from diverse sources.



General Fund FY 2019-20

General Fund revenues fund the operating and capital activities of 15 departments and over 1,500 employees.



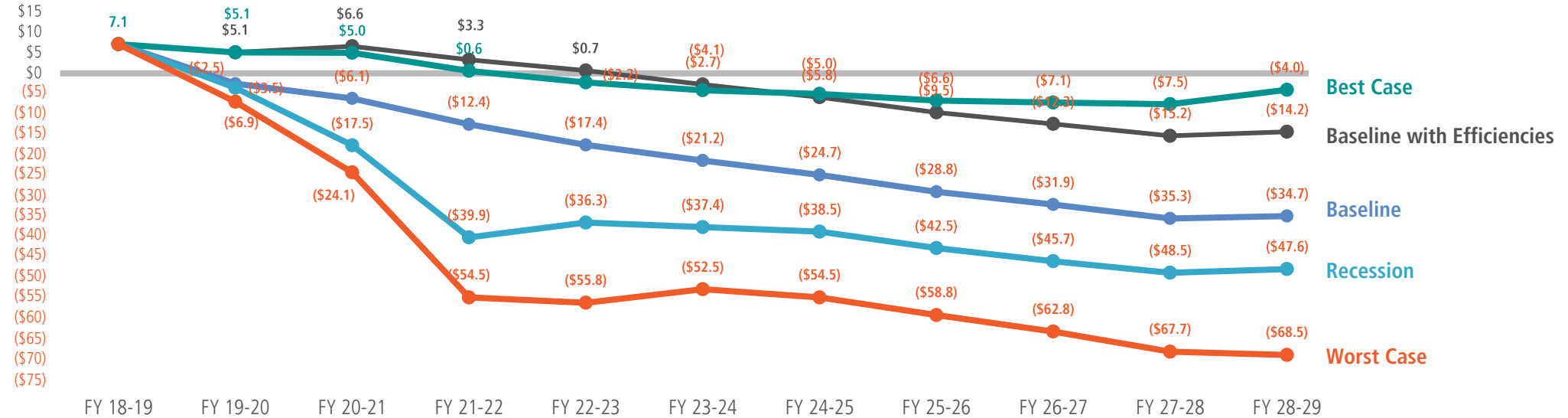
General Fund FY 2019-20



THE BUDGET CHALLENGE

Despite current fiscal strength, future shortfalls are driven by rising pension costs and flattening revenues.

Projected General Fund Balances with 13-year UAL Paydown (in millions)



The City's \$448 million unfunded pension liability is a significant financial challenge.

How did we end up here?



Investment Losses

During Great Recession, pension portfolio lost 35% of value.



Enhanced Benefits

CalPERS underestimated costs of retroactive enhanced benefit plans.



Contribution Policy

CalPERS lowered smoothing, amortization schedules—which increased the annual contribution requirement.



Demographics

Demographic assumptions did not account for longer lifespans.

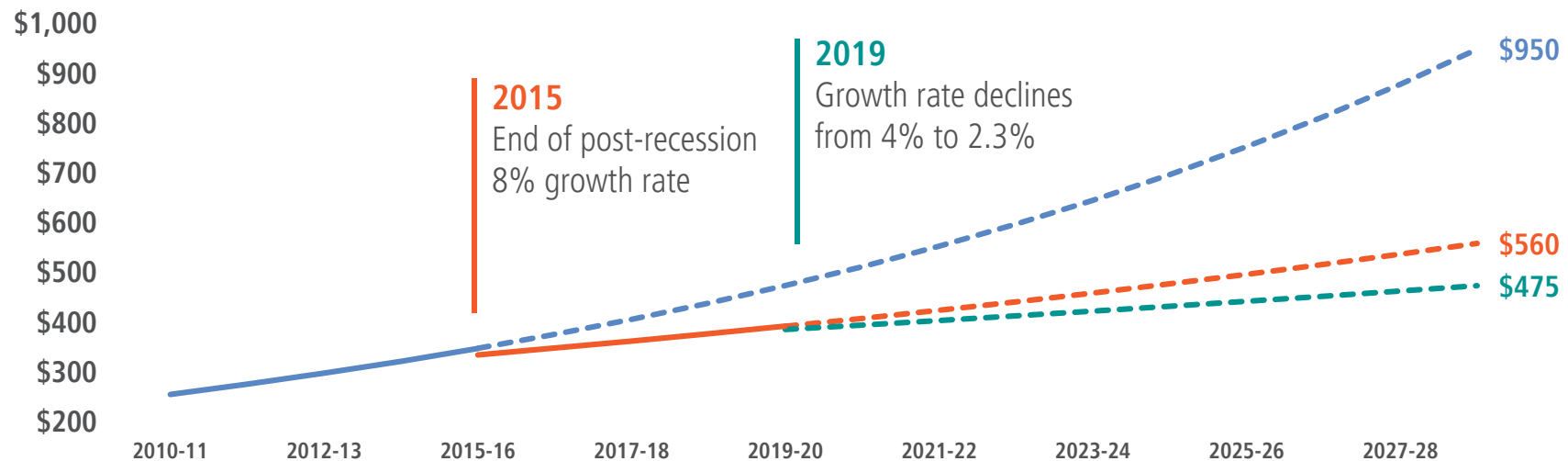
The City's General Fund Revenue growth is projected at an annual average 2% — down from 4% and 8% in prior years.

Projected General Fund Revenues (in millions)

Post-Recession 8% Growth Rate

Recent Past 4% Growth Rate

10-Year Projected 2% Growth Rate



STEPS TO MITIGATE THREATS

To manage rising pension costs, the City has increased contributions and reduced benefits.



Prepayment Rebates

To qualify for a \$0.9 million rebate, the City prepays required contributions at the beginning of the year.



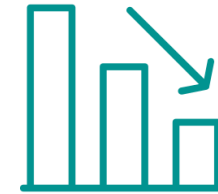
Voluntary Payments

The City uses savings to further pay down liabilities.



Employee Contributions

City employees are contributing more towards their retirement.



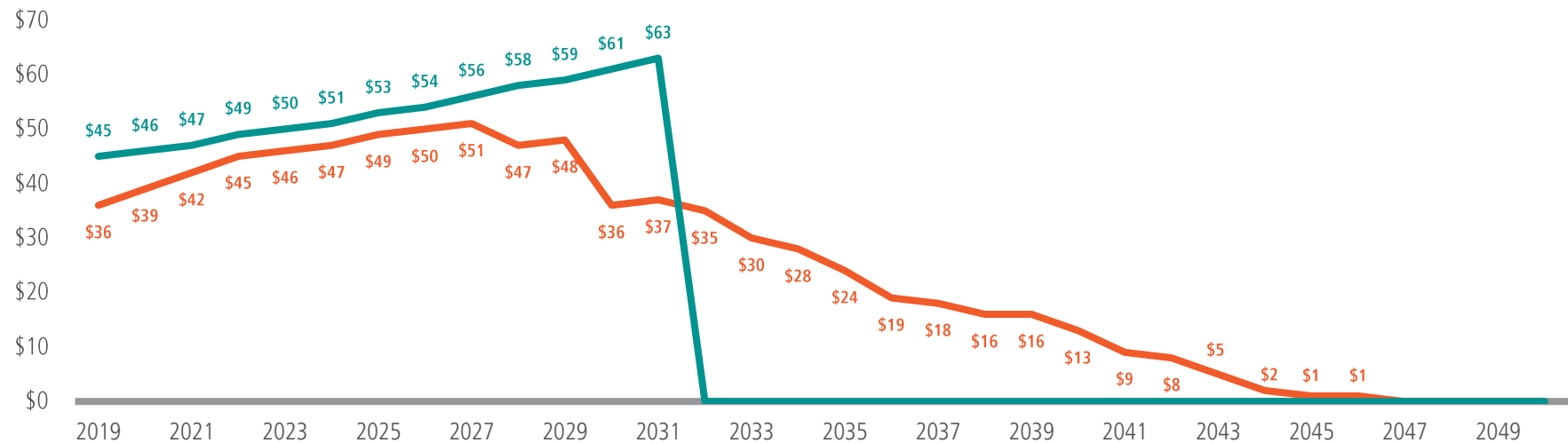
Reduced Benefits

New and transferring employees are only eligible for lower pension benefits.

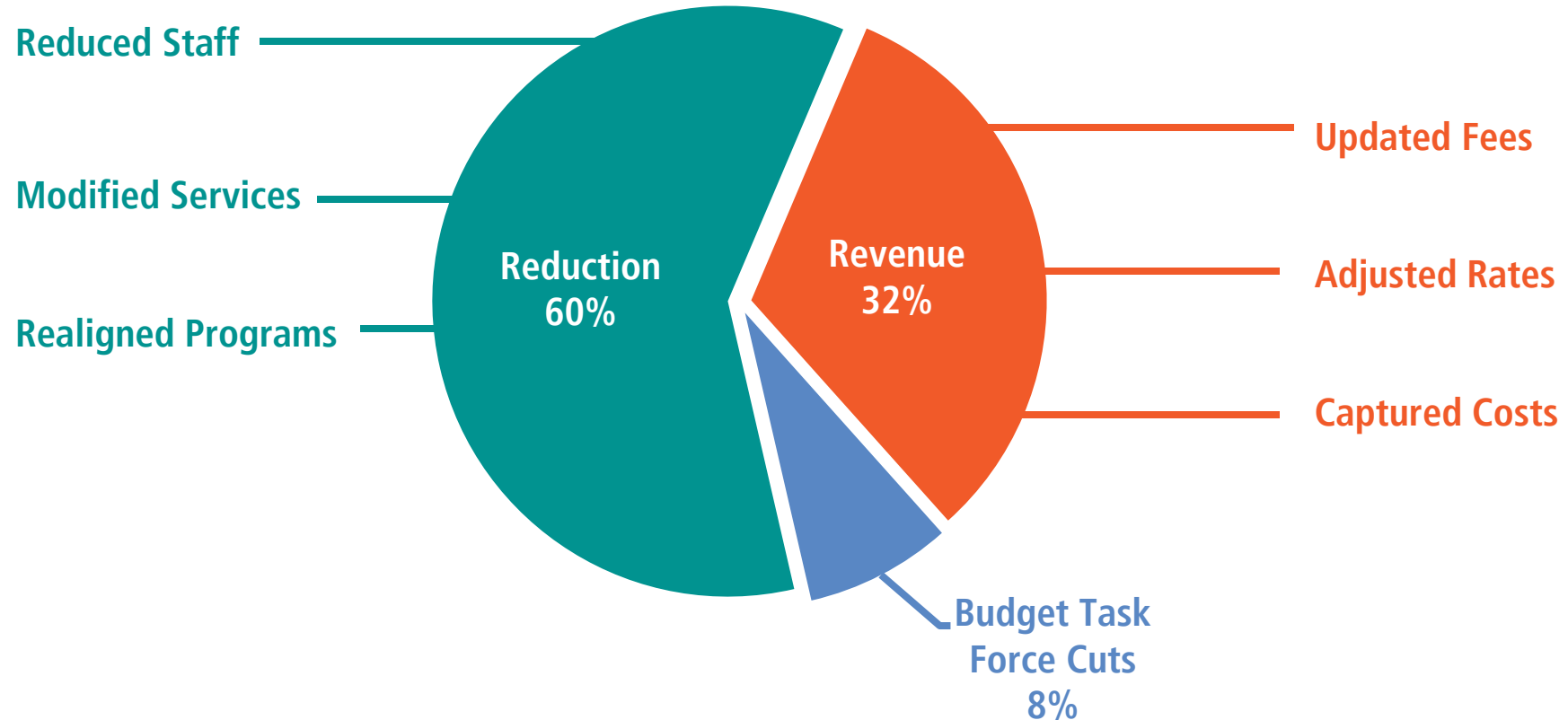
By accelerating paydowns over 13 years, the City will save over \$100 million in interest costs.

Unfunded Accrued Pension Liability Payments (in millions)

Status Quo Projected Contributions
13-Year Accelerated Paydown



To curb projected shortfalls, the City has already cut expenditures and increased revenues by \$18.8 million over two years.



The six-year budget plan reflects a phased approach to achieve bold, long-term change.



FY 2019-21

Monitor activity and set targets

13-year pension liability paydown

Consider lower impact efficiencies

Budget Task Force: short-term
program changes

The six-year budget plan reflects a phased approach to achieve bold, long-term change.



FY 2019-21

FY 2021-23

Monitor activity and set targets

Use metrics to make decisions

13-year pension liability paydown

13-year pension liability paydown

Consider lower impact efficiencies

Consider higher impact efficiencies

Budget Task Force: short-term
program changes

Budget Task Force: long-term
program changes

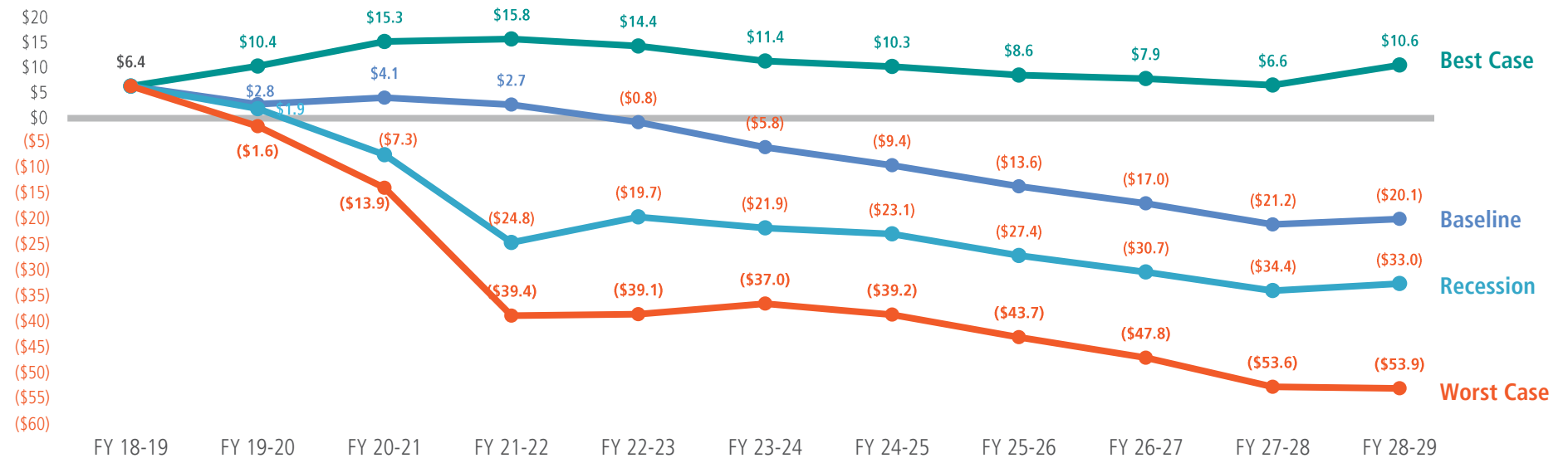
The six-year budget plan reflects a phased approach to achieve bold, long-term change.

FY 2019-21	FY 2021-23	FY 2023-25
Monitor activity and set targets	Use metrics to make decisions	Use metrics to make decisions
13-year pension liability paydown	13-year pension liability paydown	13-year pension liability paydown
Consider lower impact efficiencies	Consider higher impact efficiencies	Continue higher impact efficiencies
Budget Task Force: short-term program changes	Budget Task Force: long-term program changes	Budget Task Force: long-term program changes

Measures, efficiencies will make a difference, but ongoing challenges remain.



Projected General Fund Balances (in millions)





THE BUDGET TASK FORCE

The Budget Task Force will provide critical input to changes considered during the City's budget process.



FEBRUARY 2019

City Departments
identified proposals to
improve efficiency and
reduce expenses.

The Budget Task Force will provide critical input to changes considered during the City's budget process.



FEBRUARY 2019

City Departments identified proposals to improve efficiency and reduce expenses.

APRIL 2019

Proposals presented to City Council.

The Budget Task Force will provide critical input to changes considered during the City's budget process.

FEBRUARY 2019

City Departments identified proposals to improve efficiency and reduce expenses.

APRIL 2019

Proposals presented to City Council.

NOVEMBER 2019

Budget Task Force to review City proposals.

The Budget Task Force will provide critical input to changes considered during the City's budget process.

FEBRUARY 2019

City Departments identified proposals to improve efficiency and reduce expenses.

APRIL 2019

Proposals presented to City Council.

NOVEMBER 2019

Budget Task Force to review City proposals.

FEBRUARY 2020

Budget Task Force to submit final recommendation to City Manager.

The Budget Task Force will review proposals to address budget shortfalls for the next two budget cycles.

PROPOSALS FOR CONSIDERATION

- | | |
|--------------------|--|
| November 18 | Right-Size Police Explorer Program • Reduce City Wi-Fi from Street Corridors |
| December 2 | Reconsider Fee Waivers • Reduce Parking Grace Period |
| January 13 | Transfer Farmer's Market to a Non-Profit • Cost-Share SMMUSD Crossing Guards |
| January 27 | Pursue Naming Rights and Sponsorships • Eliminate Breeze Bike |
| February 3 | Evaluate Event Subsidies |
| February 24 | Final Task Force Decision-Making |

As members of the Budget Task Force, your responsibility is to:



Consider Proposals with an Open Mind

During Budget Task Force meetings, City Departments will present proposals for consideration.



Discuss Tradeoffs

Task Force members will analyze and discuss proposals, recognizing finding efficiencies may require tradeoffs.



Cast Votes

At the end of each meeting, the Budget Task Force will take a vote on each proposal.



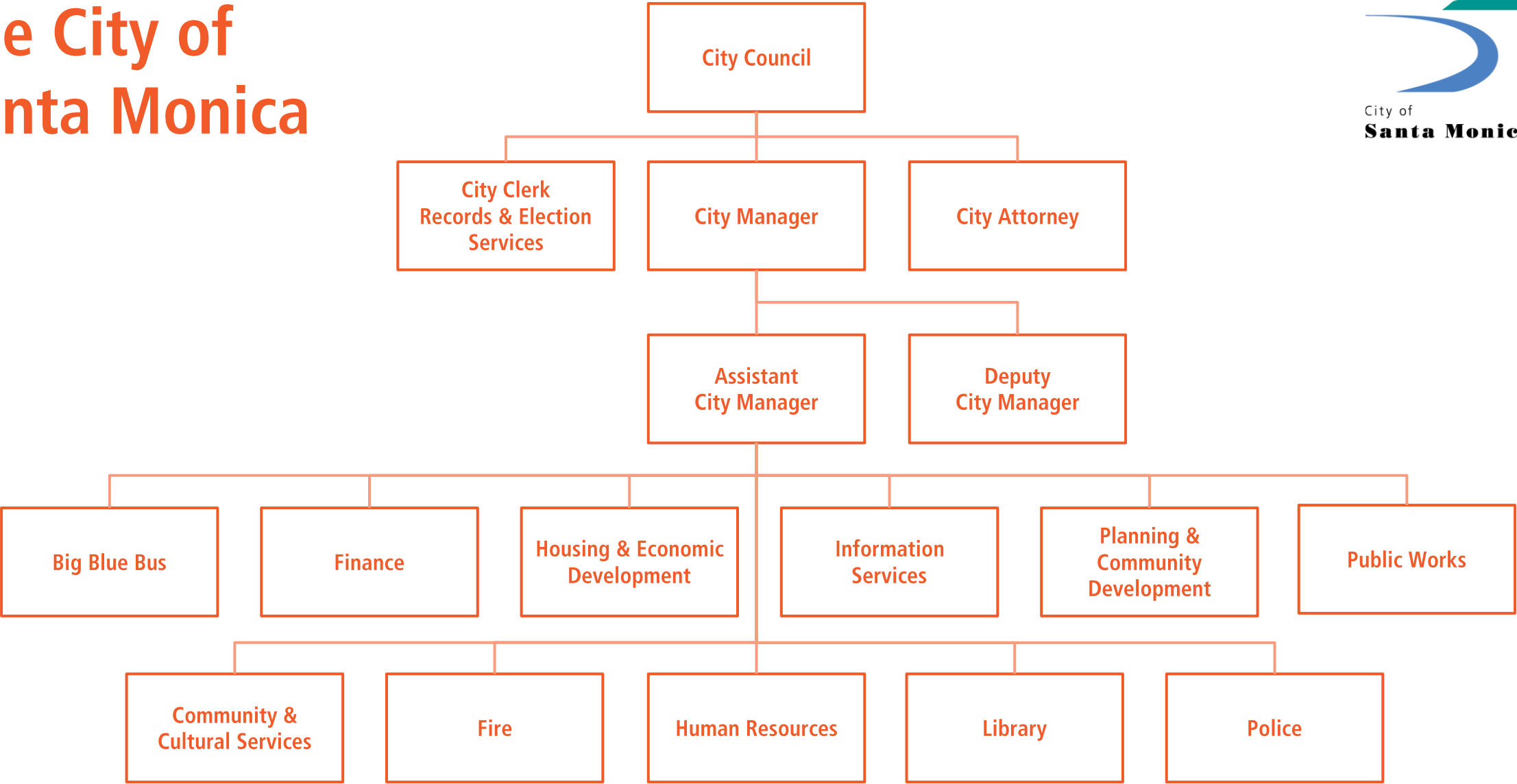
Confirm Final Recommendation

Ultimately, the Task Force will deliver its final recommendations to the City Manager.

Task Force recommendations will be shared with the City Council, but only Council is responsible for final decision-making.



The City of Santa Monica



CITY OF SANTA MONICA

FY 2019-21 BIENNIAL BUDGET

creating a 21st Century government that works better and costs less.

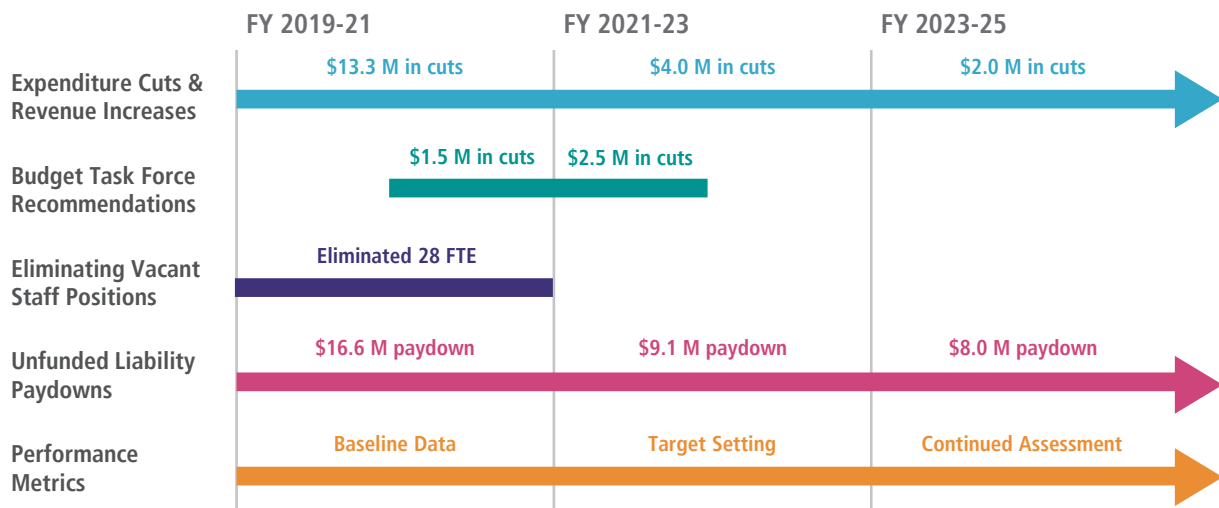
The FY 2019-21 Biennial Budget is the first step in a six-year plan to maintain Santa Monica's financial strength despite challenges from flattening revenue growth; rising pension costs; and technological, economic, and demographic change.

The six-year plan includes a combination of efficiencies and program changes — many vetted by a Budget Task Force of community and City staff members — the use of metrics to drive decisions on programs and services, and an accelerated paydown of the City's unfunded pension liability that will save over \$100 million in interest costs over 30 years.

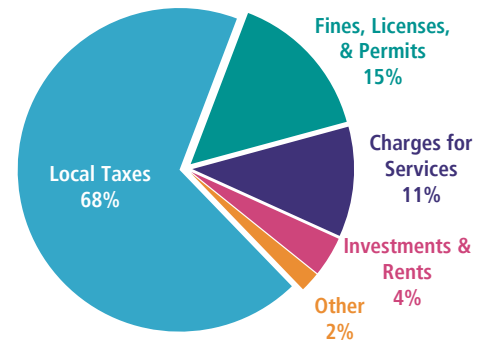
FY 2019-20

General Fund	\$418.9 M
Enterprise Funds	\$277.6 M
Other Funds	\$15.6 M
Citywide Budget	\$712.9 M
Full-Time Equivalent Positions (FTE)	2,297.9

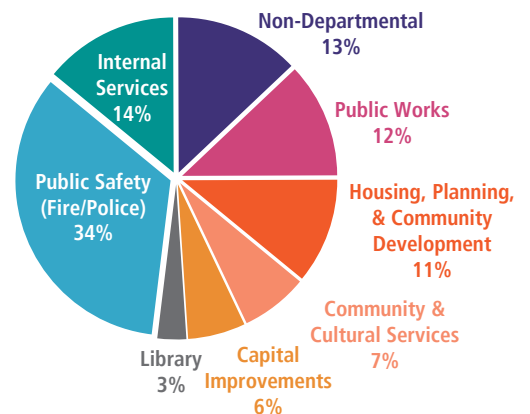
THE SIX-YEAR BUDGET PLAN



GENERAL FUND
BY REVENUE SOURCE



GENERAL FUND
BY EXPENDITURE



For more information, visit: santamonica.gov/budget

THE FRAMEWORK FOR A SUSTAINABLE CITY OF WELLBEING

The City's performance-driven budget Framework sets the City's strategic direction, connecting organizational purpose and day-to-day functions. City departments organize activities around seven central outcomes: community, economic opportunity, health, learning, place and planet, and safety. Each outcome includes multiple sub-outcomes. In each biennial budget, City Council identifies Framework Priorities and commits to investing in these sub-outcomes.

Keeping Neighborhoods Safe

As a result of increased staffing and improved deployment strategies, Part One Crime is decreasing in Santa Monica. In 2019, the City will pilot an expansion of Ambassador Services in Reed Park. In addition, the newly constructed Fire Station #1 will replace an outdated and seismically unstable facility.

Engaged and Thriving Community

In 2014, the City of Santa Monica began measuring the wellbeing of our City's residents. The goal was to use the results to harness government and community efforts to improve community and individual wellbeing. In 2019, the City will hold a Wellbeing Summit to broaden involvement by residents and community institutions in this effort.



Mobility and Access

The City launched eleven capital projects that include safer bike and pedestrian amenities and new technologies to enhance the rider experience on public transit. In addition, the City made changes to two mobility positions to facilitate more effective inter-departmental collaboration and project implementation.

Affordability

The City committed \$200,000 in one-time General Funds and \$4 million in Housing Trust Funds to Affordability initiatives including a pilot program to help people meet credit requirements for City-funded affordable housing and the expansion of the Preserving Our Diversity (POD) pilot, which provides low-income seniors with cash-based financial assistance and care management.

Climate Change

The City committed to achieving its Climate Change goals by increasing its electric vehicle charging network, developing a Ground Water Sustainability Plan, building an Urban Water Management Plant, expanding our nonpotable water system, and updating equipment at the City's water facilities.

Reduce Homelessness

Over the next two years, the City allocated \$3 million in General Funds to extend positions for a Senior Advisor on Homelessness and an as-needed social worker and to maintain funding for the Homeless Multidisciplinary Street Team and the C3 (City + County + Community) Homeless Engagement Team.

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

Honorable Mayor and City Councilmembers:

It is my City Charter responsibility to present the Adopted FY 2019-21 Biennial Budget for the City of Santa Monica.

While every budget cycle represents an important opportunity to preserve our City's fiscal sustainability, the next three biennial budgets represent **an important inflection point for Santa Monica's future.**

Santa Monica's financial health remains strong. Looking forward, however, our long-established ways of budgeting and making economic and operational projections will be challenged. Traditional revenue streams are growing at a slower rate due to changes in the modern economy; pension costs are projected to increase significantly to address statewide unfunded public pension liabilities; and as Governor Newsom's May Revised Budget notes, both the world and national economy face "increased risk."

Above all, Santa Monica recognizes that profound technological, economic and demographic changes are reshaping our lives, affecting both the public and private sectors and rendering old ways of doing business and delivering services increasingly obsolete.

These challenges, and our focus on delivering the most effective services where they have the greatest impact, are the impetus for our goal to create a **21st Century government that works better and costs less.** This goal is the basis for the FY 2019-21 Biennial Budget process and a six year transition to performance-based budgeting based on the Framework for a Sustainable City of Wellbeing.

This budget plan for FY 2019-21 and beyond is designed to:

- Ensure continuing excellent service and safety to our community
- Maintain fiscal balance in a changing economy
- Eliminate the threat of our unfunded pension liability
- Sustain our ability to recruit and retain the best available talent
- Continue our commitment to keeping our neighborhoods safe as we reverse the recent rise in crime
- Invest in a 21st Century government, which includes a new City Hall extension, new Fire Station and modernized City Yards; revamping our work processes to be more efficient and better serve customers; and developing a digital City Hall using a new website to deliver 24/7 responsiveness to our community members

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

FISCAL CONTEXT

The overall budget for the City of Santa Monica is \$712.9 million in FY 2019-20 and \$756.4 million in FY 2020-21. This budget reflects the operating and capital activities of 30 funds across 15 departments and approximately 2,300 permanent and temporary full-time equivalent positions that provide the City's public safety, quality of life, infrastructure construction and maintenance, transportation and development-related services, and the internal governance services that support them. The largest component of the budget is the General Fund. The General Fund budget is \$420.5 million in FY 2019-20 and \$503.3 million in FY 2020-21.

The Citywide budget includes a number of enterprise and special revenue funds that operate with sufficient revenues to sustain necessary operating and capital needs; and others that have a structural deficit where ongoing revenues are not sufficient to cover ongoing expenditures. Among the larger funds contributing to operations, the Resource Recovery and Recycling (RRR), Water, Wastewater, Big Blue Bus (BBB), Beach Recreation, Airport and Cemetery funds have sufficient revenue to cover operational and capital needs during the biennial budget period.

Two funds are projected to require subsidies during the biennial budget period. The Housing Authority Fund has recently had an operating structural deficit of approximately \$0.9 million annually due to the loss of Redevelopment funding and reduction of U.S. Department of Housing and Urban Development (HUD) allocations. Staff will use RDA loan repayment and Measure GSH funds to cover the costs of the subsidies over the next two years. The Pier Fund is also not able to sustain an adequate balance to cover its operating costs and large capital expenditures. As a result, it is anticipated that a \$4.7 million subsidy may be required in FY 2019-20.

Our two-year budget approach means that FY 2019-20 represents the exception-based year for the City's capital improvement program (CIP) biennial budget. The CIP budget for FY 2019-20 is \$136.4 million, with \$25.4 million representing the General Fund portion. The capital program advances five of the seven outcome areas, primarily advancing the Place & Planet outcome area by developing, protecting, and maintaining City-owned infrastructure which is key to the foundation of supporting a sustainable city of wellbeing. The FY 2019-20 CIP Budget represents major project support to water projects that advance the City's efforts to achieve water self sufficiency by 2023.

PRESERVING OUR FISCAL SUSTAINABILITY

Over the next ten years, our current General Fund forecast projects a budget shortfall (the gap between annual revenues and expenditures) to reach \$34 and \$47 million unless action is taken now to change course. The projected shortfall is based on projections of sharply rising pension costs and flattening revenues. This Adopted Biennial Budget is part of a six-year plan to reduce that projected budget shortfall to less than half that amount (with future action needed in later years to eliminate it altogether). A crucial element of this is the direction by the Council for an accelerated pay-down of our City's unfunded pension liability.

In other funds, similar to the General Fund, the impact of increasing pensions, the cost of significant initiatives such as water self-sufficiency and zero waste (in the Water and RRR Funds, respectively), capital costs (in the Pier and Beach Recreation Funds) and flattening revenues (as is the case with Big Blue Bus) are also putting greater

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

stress on fund balances and/or will drive greater rate increases. So for all funds, it makes sense to find efficiencies, restructure or phase out low impact activities, and think boldly about long term changes that will help us plan ahead for the tougher times we know are coming. Taking these steps now and over the next six years will ensure that future Councils and staff leaders will be able to take additional steps in later years to maintain a balanced budget for the next decade and beyond.

The FY 2019-21 Adopted Biennial Budget includes the following elements:

- The first step in the transition to a performance-based budget built on a new Framework. The purpose of our performance management program is to understand and gauge the connection between the work we do, the level of resources we dedicate to doing that work, and the impact that the work has on achieving the goals of our Framework outcomes. This data will assist Council in making budget decisions.
- A commitment to remove the most serious threat to our long-term fiscal health through an accelerated 13-year pay-down of our unfunded pension liability, currently estimated at \$448 million. This would result in \$106 million in savings over 30 years, better position the City to weather significant upcoming pension contribution increases and other fiscal challenges, and provide strong support for maintaining our long-standing AAA bond rating by all three national credit agencies.
- A slate of budget reductions based on more streamlined and efficient practices. These changes come from reduced contract costs, staffing adjustments and the elimination of 28.0 full-time equivalent positions. Only vacant permanent positions are being eliminated, while some hours are being eliminated for as-needed employees. These reductions amount to \$13.3 million in FY 2019-20 and an additional \$4.0 million in FY 2020-21. Details on the reductions and cost recovery initiatives are included in each Department's summary pages within this budget document and are anticipated to have relatively modest impacts:
 - ◇ Programs and services will be realigned to current industry standards, community usage and anticipated future needs
 - ◇ Some reductions will require departments to share responsibilities or reduce program capacity
 - ◇ Incremental changes will be made to programs and/or services which may be the first phase of transition to a more cost-efficient option for better delivering services over the long term
 - ◇ The cost of doing business will be fully recovered in instances such as building in the cost of credit card transactions into our fee structure and full cost recovery for events
 - ◇ Legacy costs will be reduced while investing in new ways to maintain service to the community
- A plan to assess the feasibility of and begin implementing more impactful and broader changes for a **transition to 21st Century governance**. Long-term, fundamental reallocation of both our staffing and spending will be needed to meet future fiscal challenges while also maintaining excellence in our

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

service delivery. Through data-driven decision-making and a willingness to look at alternative methods for achieving results, we can minimize the impact of these changes on our highest-value services. Based on initial impressions regarding the time required to analyze and potentially implement a series of adopted savings, there are two lists included in the budget recommendation. The first set of changes will be assessed during the upcoming year, with final proposals to be incorporated into the FY 2020-21 budget approved by Council. The second set of changes will be assessed during the second year of the Biennial and adopted for the FY 2021-25 budget years.

As the goal of these changes is to better focus our limited resources on the most important needs of the community, staff is recommending a Task Force to evaluate feasibility assessments and plans for the potential implementation of program and service changes that would cut costs and/or improve performance. The Task Force would bring its recommendations to the City Manager as part of the preparation of future budget recommendations to the City Council. The adopted make-up of the Task Force would include community members with relevant experience in business, public sector and non-profit management and innovation as well as members of our workforce through bargaining unit representation.

At the same time, departments would continue to work on ongoing efficiency measures that are anticipated to generate another \$2 million in savings before the third budget cycle which are factored into our budget forecasts. Other funds will also be required to make adjustments. Finally, any additional reallocation to new efforts will require budget adjustments beyond these amounts, and future year fiscal sustainability will also require additional savings to be identified.

EXPANDING REVENUES

While Santa Monica can commit to operating an efficient government, traditional revenue sources that we have relied upon are eroding and it is crucial that the City identify areas for which we do not currently recover the cost of doing business. It is also important to continue our efforts to support our local and small businesses, encourage entrepreneurship and pro-actively plan for a changing economy. Staff will research and recommend options for new or enhanced revenue sources or changes that will facilitate the generation of revenues, including a potential revenue measure to be included on the 2020 ballot.

APPLYING PERFORMANCE MANAGEMENT AND THE FRAMEWORK TO THE BUDGET

We are committed to creating a fiscal future that reflects our values and focuses our resources on what will help achieve our mission as outlined in the Framework for a Sustainable City of Wellbeing (Framework). The Framework is the City of Santa Monica's strategic direction, connecting organizational purpose and day-to-day functions. The Framework organizes work around the achievement of seven outcomes:

- Connected and Engaged Community
- Inclusive, Affordable, and Diverse Local Economy

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

- Lifelong Opportunities for Personal Growth
- Physical, Mental, and Environmental Health
- Resilient Built and Natural Environment
- A Safe Place for All
- Reliable, Effective, and Efficient Government

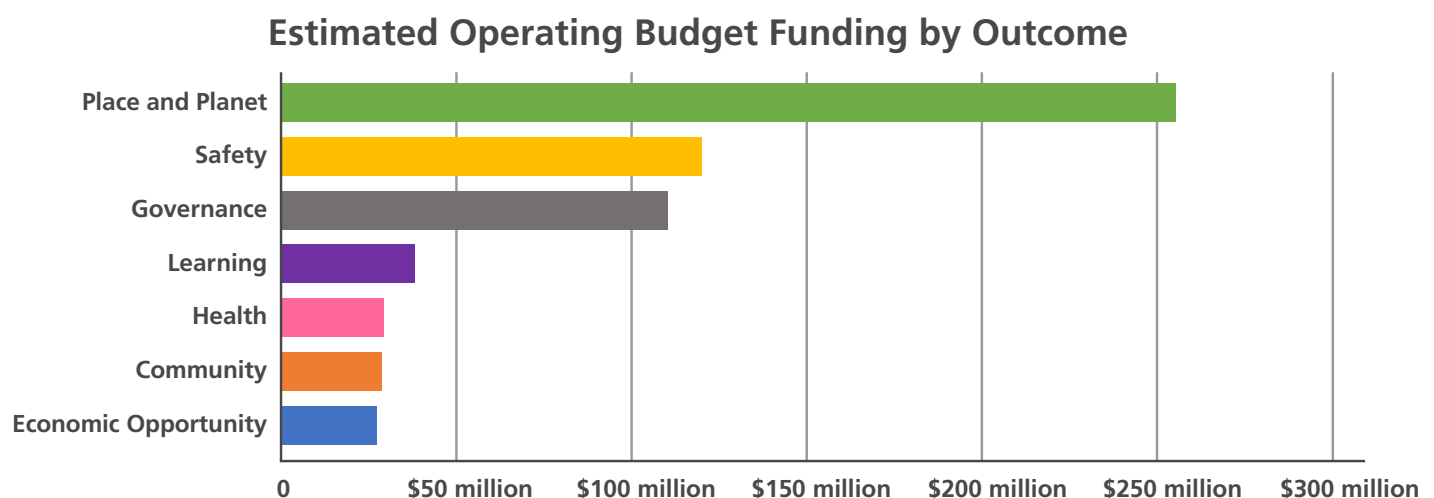
Each outcome is further broken down into sub-outcomes, dedicated work streams which define success in specific sub-sets of each outcome area. Outcomes also include outcome metrics, high-level indicators designed to help us understand whether the City's actions are driving towards improved outcomes for the members of our community.

We have already achieved important milestones:

- The Framework has been refined to measure and use data to help align resources needed to help the City achieve identified Outcomes
- The Council has adopted values to guide our budget decisions
- More than 660 activities have been mapped and linked to the Framework outcomes and sub-outcomes with estimated costs associated with each activity

The Framework is now reported on through the new [Citywide Dashboard](#) – a performance portal on the City's website which includes up to date data related to the metrics included in the Framework. The dashboard provides contextual information on each metric, explaining the story behind the numbers.

The following table maps the cost of activities across the City, including staffing, capital, and supplies and expenses costs, to show how our investments are allocated to the various outcome and sub-outcome areas.



FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

At its retreat on January 26th, 2019, the Council identified six Framework Priorities, which are also sub-outcomes in the Framework structure:

- Affordability
- Climate Change
- Engaged and Thriving Community
- Keeping Neighborhoods Safe
- Mobility and Access
- Reduce Homelessness

Interdepartmental staff teams have developed Plans of Action for all six Priorities. These Plans contain currently funded budget activities as well as new project investments and implementation milestones.

As detailed below, additional one-time and ongoing operating budget investments are adopted to make further progress on a number of Framework Priorities. Over the course of the two-year budget cycle, teams will monitor progress as part of the SaMoStat process.

INVESTMENTS TO HELP ACHIEVE THE COUNCIL'S PRIORITIES

Staff is proposing to make additional investments using one-time savings and reallocated funds made available through budget efficiencies. Without adding additional staff overall, these new one-time as well as ongoing investments would cover program extensions and enhancements that further the Framework Priorities and Values shown below.

A total of \$200,000 in one-time General Funds and \$4 million of Housing Trust Funds over two years is allocated to initiatives furthering the goals of the **Affordability** Framework Priority, including a new pilot program to help people who live or work in Santa Monica meet credit requirements for City-funded affordable housing, and the expansion of the Preserving Our Diversity (POD) pilot program, which provides low-income seniors with cash-based financial assistance and care management from 22 households to a range of 200 to 400 households.

Supporting the **Climate Change** Framework Priority, operations and maintenance costs associated with the new City Services Building, and a restructuring of Water Resources staffing to implement and maintain new and existing infrastructure (such as the Olympic Well Field Restoration and the Arcadia Water Treatment Plan expansion) that is helping the City reach water self-sufficiency by 2023. Additionally, six capital projects are furthering the goals of the Climate Change priority, through an expansion of our EV charging ports, the development of a Groundwater Sustainability Plan and Urban Water Management Plan, expansion of the non potable water system, and equipment updates at the City's water facilities.

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

Beginning in 2014, the City of Santa Monica pioneered a focus on defining and measuring the wellbeing of our City's residents. The goal was to use the results to harness government and community efforts to improve community and individual wellbeing. In 2019, the City will hold a Wellbeing Summit to broaden involvement by residents and community institutions in this effort. Wellbeing work is at the heart of the Council's **Engaged and Thriving Community** Framework Priority, under the Community Outcome Area. This Priority focuses on Santa Monica being a city that engages community members with opportunities to effectively partner with local government to promote a thriving community. It emphasizes investing in our human capital, particularly in preventative programs that allow people to flourish. Activities included in this plan are designed to ensure that every member of the Santa Monica community can participate in democratic decision-making and shared efforts to improve community and individual quality of life.

Continued efforts to implement enhancements adopted in past budgets are supporting Santa Monica's ongoing commitment to fighting crime and **Keeping Neighborhoods Safe**. We have reached full staffing in our police officer ranks through a concerted recruitment process, combined with the ability to "over-hire" up to 9 additional officers to ensure attrition does not put us back below the budgeted baseline. In the upcoming budget cycle, we will continue our successful efforts to deploy new hires to directly impact crime and safety. As a result of the increased staffing and deployment strategies, we are seeing a trend of falling Part One Crime in Santa Monica. We are also focused on other threats to life safety. The new Fire Station #1 will replace a seismically unstable facility with an expanded modern structure capable of housing multiple apparatus and up to 20 personnel. In addition, one-time funding of \$250,000 is allocated to expand ambassador services to Reed Park for a six-month pilot program.

Changes to two existing positions in the Mobility Division will further the City's Framework Priority of **Mobility and Access** and facilitate more effective inter-departmental collaboration and strategic project implementation, as well as provide divisional leadership and supervision, and a study focused on traffic engineering, traffic management and curb management to improve Big Blue Bus travel time and reduce delays for buses travelling in the city, with a goal of making the bus service more attractive and useful. Additionally, eleven capital projects are added in FY 2019-20 to further Mobility and Access goals. These include the design or construction of safer bike and pedestrian amenities, replacement of bus equipment and new technologies to enhance the BBB customer experience, and improving our streets, sidewalks and crosswalks.

A total of \$3 million in General Funds over two years is allocated to extend and enhance intensive initiatives supporting the **Reduce Homelessness** Framework Priority for another two years. This funding will maintain the Homeless Multidisciplinary Street Team (HMST) and C3 (City + County + Community) homeless engagement team at their current levels and extend the limited-term Senior Advisor to the City Manager on Homelessness position, Library Services Officers at the Library and as-needed social worker, while enhancing the C3 team presence during this time to engage a greater share of the City's homeless population by expanding the team's coverage to other impacted areas, such as the beach and parks outside of the Downtown area. It is anticipated that the upcoming reimagining of the Human Services Grants Program will be in line with the City's Framework and will consider the need to focus efforts on Reducing Homelessness in the years following the FY 2019-21 Biennial Budget. There will be continued work to identify and leverage non-City resources and partnerships to support ongoing costs.

FY 2019-21 ADOPTED BIENNIAL BUDGET

CITY MANAGER'S MESSAGE

Supporting the **Resilience and Accountability Values**, \$2.8 million in General Funds over two years, with ongoing costs of \$1.6 million in future years, is allocated to operations and maintenance costs related to new capital projects supporting contract management software, cyber security systems, and process automation, as well as additional staffing capacity in the Human Resources Department to facilitate the shift from transactional to strategic and value-added customer service. This position will be responsible for key strategic administrative initiatives as well as special projects such as Civil Service, Municipal Code and classification reform.

Finally, supporting the **Stewardship Value**, \$14 million in ongoing and reserve funds from all City operating funds is allocated towards the 13-year pay-down of the City's current unfunded pension liability over two years.

In addition, funds are reallocated to programs and activities supporting the **Connected Community, Physical Health**, and **Built Environment** sub-outcomes. These investments total up to \$280,000 in ongoing annual costs by the second year of the Biennial Budget.

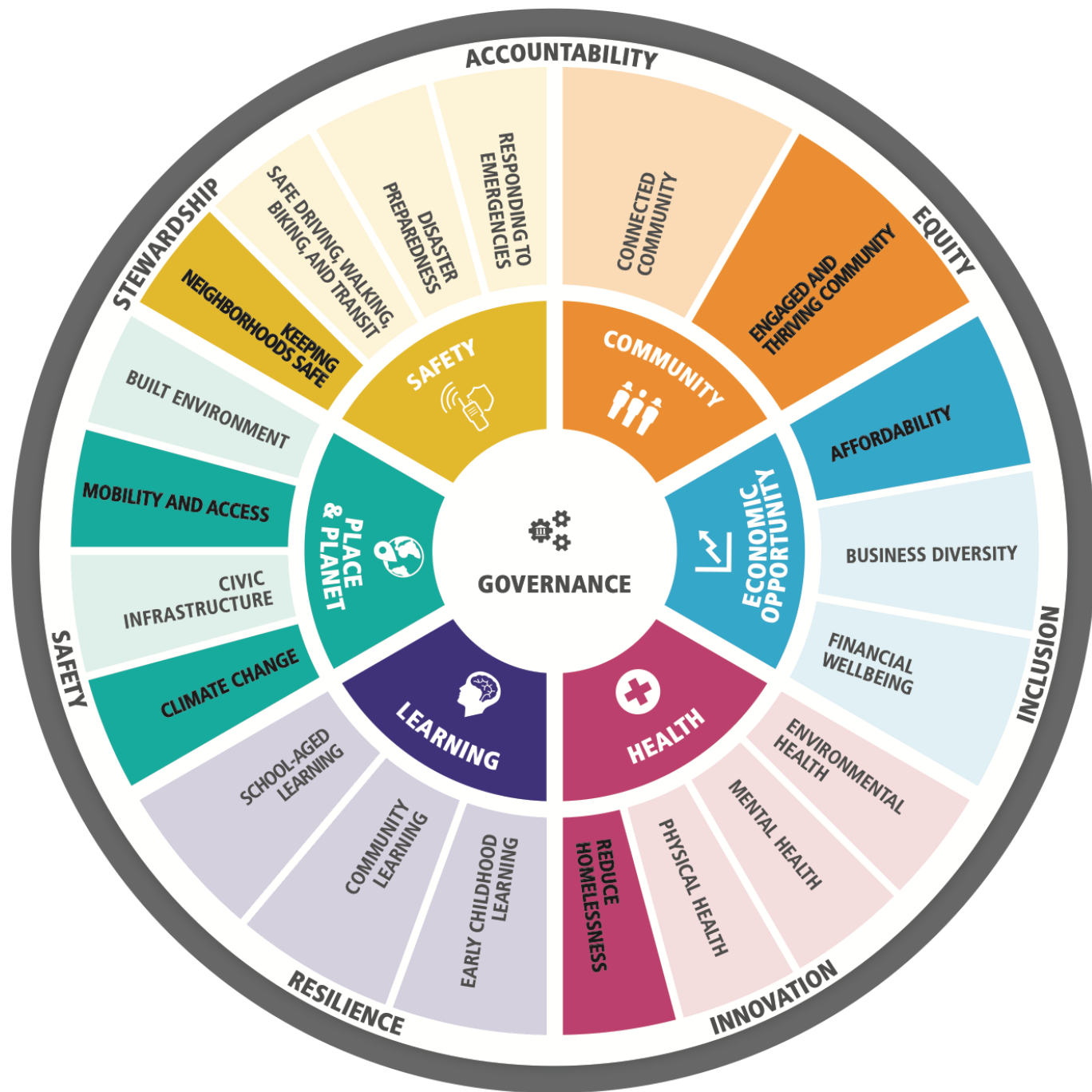
NEXT STEPS

Change is never easy. Yet I believe that the six-year plan outlined in this Adopted Biennial Budget will provide for an orderly transition toward our goal of creating a 21st Century Government – a government that works better and costs less. Following this plan, we can achieve success in delivering the outcomes that make Santa Monica a Sustainable City of Wellbeing. It will ensure that we live within our means – and provides stronger protection for our services and our workforce against future economic calamity. As much as possible we will make smart, informed decisions using performance data and metrics. Finally, while we will have a smaller City workforce, we will continue the Council's policy of competitive compensation and investing in the training and advancement of our workforce, providing them with the most up-to-date facilities, technology, training and equipment. Working closely with community partners, non-profits, our workforce and an engaged citizenry, we will leverage talent, innovation and capacity to deliver equitable outcomes to the community we serve and create a thriving city that works for everyone.

Respectfully submitted,



Rick Cole
City Manager



Framework For A Sustainable City Of Wellbeing

*FY 2019-21
Framework Priorities*

FRAMEWORK PRIORITIES



Affordability



Climate Change



Engaged and Thriving Community



Keeping Neighborhoods Safe



Mobility and Access



Reduce Homelessness



AFFORDABILITY

Outcome Statement: A city that strives to provide opportunities for people to afford living within its boundaries.

Outcome Metrics

- # of households supported by affordable housing programs; and
- % of households in Santa Monica that are low- or moderate- income.

Representative Sample of Activities (out of 12 activities at a cost of \$21 Mil.):

- Affordable Housing Vouchers for Very Low- and Low-Income Households (HED);
- Investment in Production and Preservation of Affordable Housing (HED); and
- Mobility On Demand Everyday (MODE) (BBB).

One-Time Operating Projects (Estimated FY 19-20 Costs - \$400,000):

- Start-Up Costs for Preserving Our Diversity (POD) Expansion (Enhancement); and
- Pilot Program to Help Locals Overcome Credit Barriers to City-Financed Affordable Housing (New).



CLIMATE CHANGE

Outcome Statement: A city that maintains a sustainable climate that supports thriving human life and a flourishing biodiverse environment.

Outcome Metrics

- Achieve water self-sufficiency by 2023
- Achieve zero waste by 2030
- Reduce greenhouse gas emissions by 80% below 1990 levels by 2030
- Achieve carbon neutrality by 2050 or sooner

Representative Sample of Activities (out of 31 activities at a cost of \$55 Mil.):

- Solar Policies and Programs (PW)
- Environmental Enforcement (PCD)
- Water Efficiency Policies and Programs (PW)

Representative Sample of Capital Improvement Program (CIP) Projects (out of six projects at a cost of \$29 Mil.):

- Electric Vehicle Charging Stations
- Groundwater Sustainability Plan
- Water Facility Upgrades



ENGAGED AND THRIVING COMMUNITY

Outcome Statement: A City that supports its residents and community members with opportunities to effectively engage and partner with local government to promote a thriving community where investing in people and preventive programs allows people to flourish.

Outcome Metrics

- % of residents who report living their best possible life;
- % of residents who feel they can influence decision-making in Santa Monica; and
- % of residents who see themselves as a member of the Santa Monica community.

Representative Sample of Activities (out of 19 activities at a cost of \$5.5 Mil.):

- Engagement

While not mapped to Engaged and Thriving Community, these activities are representative of the City's efforts to develop an engaged and thriving community.

- Community programming and coordination (Library);
- Direct client services (CCS); and
- Adult Literacy Services (Library)

One-time Operating Project Cost (Estimated FY 19- 20 Costs - \$100K):

- Wellbeing Summit (Funded by Council Contingency Fund in FY 18-19)



KEEPING NEIGHBORHOODS SAFE

Outcome Statement: A city that provides services and engagement to address crime, public confidence in safety, and wellbeing.

Outcome Metrics

- Crime trends;
- Misdemeanor conviction rate;
- Property crime rate; violent crime rate; and
- Officer-initiated activities.

Representative Sample Activities (out of 43 activities at a cost of \$67 Mil.):

- Police Patrol (SMPD);
- Juvenile Diversion Program (SMPD); and
- Prosecution (CAO).

Capital Improvement Program (CIP) Projects (Estimated FY 19- 20 Costs - \$4 Mil.):

- Criminal Prosecution Case Management System (New);
- Park Safety Enhancements (Tongva, Palisades, and Reed) (Enhancement);
- Specialized Units Staging Facility (New); and
- Street Lighting Modernization Program (Enhancement).



MOBILITY AND ACCESS

Outcome Statement: Create a more diverse, connected, and safe mobility system; prioritize modes that move people efficiently and increase use of those modes; reducing emissions and influencing regional solutions.

Outcome Metrics

- % increase in Average Vehicle Ridership of people employed in Santa Monica
- % increase in transit riders (BBB/Expo)
- % increase in daily resident walking, biking, etc.
- Increase in parks, schools, and open spaces accessible within 15 min walk/roll along a low stress network
- Fatal/Severe Crashes year over year
- % of residents that feel safe crossings streets

Representative Sample Activities (out of 41 activities at a cost of \$85 Mil.):

- Mobility on Demand Everyday (MODE – BBB)
- Safe Routes to School (PCD)

Representative Sample CIP Projects (out of 12 projects at a cost of \$38 Mil.):

- Bus Replacement Program
- Safe Streets for 17th Street project construction



REDUCE HOMELESSNESS

Outcome Statement: A city that supports increasing housing placements and improving health outcomes of people experiencing homelessness.

Outcome Metrics

- % decrease in the number of behavioral health arrests and hospital emergency room visits.

Representative Sample Activities (Estimated FY 19 - 20 Costs - \$11 Mil.):

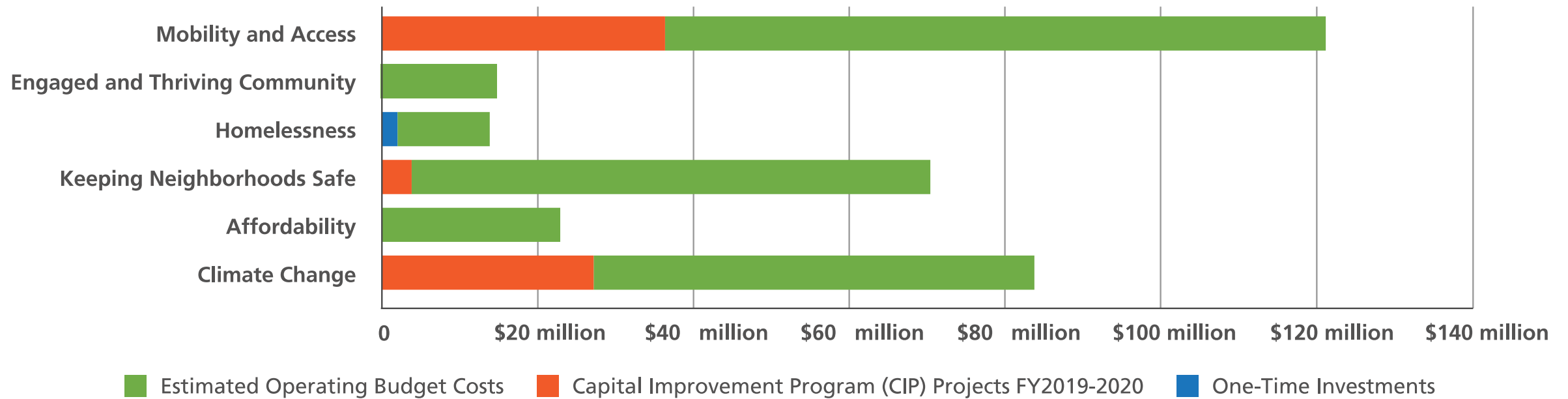
- Direct Client Services - Homeless (CCS);
- Homeless Court (CAO); and
- Homelessness - Homeless Liaison Program (SMPD).

Representative Sample Operating Projects (Estimated FY 19 - 20 Costs - \$2 Mil.)

- Funding for C3 (City, County, and Community) Team (Enhancement);
- Funding for Library Social Worker and Library Services Officers (Enhancement);
- Multidisciplinary Street Team (Ongoing); and
- Funding for Senior Advisor to the City Manager on Homelessness (Continued).

FRAMEWORK PRIORITIES

Estimated Investments in Framework Priorities



APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

CITY COUNCIL

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Reduce Council Discretionary funds based on historic savings

CITY MANAGER'S OFFICE

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Reduce coverage and video archiving of City events
- Modify Federal Lobbyist contract to focus on legislative advocacy and internal audit contract to shift from 6 to 4 high impact audits per year
- Reduce supplies and maintenance costs based on streamlining and historical spending; rebid mass notification and web-based incident management contracts
- Reduce overtime, office supplies and conference attendance costs
- Reduce publication and distribution of Seascap from 10 issues to 6 8-page issues per year to reflect community usage
- Delete 1.0 FTE limited-term Senior Advisor to the City Manager on Airport Affairs
- Extend 1.0 FTE limited-term Senior Advisor to the City Manager on Homelessness for two years
- Delete 1.0 FTE vacant Senior Administrative Analyst in the Office of Civic Wellbeing resulting in loss of program capacity such as grant writing, community engagement and data analysis
- Delete 0.75 FTE City Hall Receptionist and increase as-needed vacation coverage in the City Manager's Office. Existing Public Services Officer will provide service in City Hall Lobby
- Allocate funds to support ongoing maintenance of the City's new website
- Allocate funds to support ongoing maintenance of the City Hall workplace security project

CITY ATTORNEY'S OFFICE

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- The City Attorney's Office has combined its Code Enforcement and Consumer Protection Divisions to maximize litigation strength and promote efficiency in securing compliance with a wide range of regulatory laws that seek to protect the quality of life in Santa Monica

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- As a result of the Consumer Protection Division's successes in recent litigation, Consumer Protection revenues derived from litigation settlements are available and are being used to support Consumer Protection services
- The City Attorney's Office is moving to a paper-on-demand environment, including converting from print to electronic legal research resources, to reduce costs and increase efficiency
- By increasing efficiencies, including through a streamlined electronic contract review process, the City Attorney's Office has been able to reduce costs by deleting 0.23 FTE vacant position
- To more efficiently coordinate with the Police Department and comply with new e-filing requirements, funds are being allocated to support a new criminal prosecution case management system
- To ensure that attorneys and staff are most efficiently able to handle the wide range of matters presented, funds are being allocated to support legal training not available through the City's in-house training program

RECORDS AND ELECTION SERVICES

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Reduce food purchases for Council meetings in Chambers

BIG BLUE BUS

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Delete 13.0 FTE vacant positions through natural attrition to align staffing with planned service adjustments and efficiencies in FY 2019-20
- Delete 1.0 FTE vacant position through natural attrition to align staffing with planned service adjustments and efficiencies in FY 2020-21
- Reduce workers' compensation costs through the use of a third-party administrator and the direct oversight by BBB administration
- Consolidate management functions by adding 1.0 FTE Transit Operations Manager and 1.0 FTE Administrative Staff Assistant, offset by the deletion of 1.0 FTE Transit Operations Superintendent and 1.0 FTE Motor Coach Operator Supervisor
- Allocate one-time funds to support a study on traffic engineering, traffic management, and curb management study to improve bus travel time

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

COMMUNITY AND CULTURAL SERVICES

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Eliminate CREST AM Care, Late Start and PM Extended Care and redirect participants to other City or SMMUSD programming options
- Eliminate Saturday programming at PAL Youth Center and Fitness Center and Virginia Avenue Park (KidZone), which have low participation levels, and redirect participants to any area Saturday morning City and non-City sponsored programs
- Eliminate Lincoln Pool lap pool swim hours due to low participation, reduce as-needed hours (1.83 FTE) and shift regular employees to the Swim Center. This would affect approximately 2,600 annual visits
- Reduce the number of summer camp programs due to low participation and/or redundancy in department programming and redirect participants to other City and non-City summer camp programming options
- Reduce as-needed hours (0.41 FTE) at the Swim Center and Memorial Park as the result of streamlining and combining similar work efforts
- Reduce as-needed field monitor hours (0.13 FTE) at Clover and Marine Parks
- Allocate one-time funds to maintain the Homeless Multidisciplinary Street Team (HMST) and C3 (City + County + Community) homeless engagement team at their current levels
- Allocate one-time funds to enhance the C3 team presence to engage about 20% of the City's homeless population by expanding the team's coverage to other impacted areas, such as the beach and parks outside of the Downtown area
- Allocate one-time funds to extend a social worker at the Library to address the needs of patrons experiencing homelessness and connecting people to services
- Extend 1.0 FTE limited-term Assistant Park Planner for one year, offset by utilizing the 0.25 FTE vacant Beach Manager position, to assist with the completion of the Parks Master Plan
- Allocate development agreement funds for community park activations
- Allocate development agreement funds to expand community gardens program to Marine Park and other parks

FINANCE

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Merge Payroll Unit with Financial Operations Division to streamline tasks and supervision
- Delete as-needed hours (0.26 FTE) and reduce general supplies and expenses costs based on streamlining and historical spending

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- Reduce professional services based on historical spending and prioritization of tasks
- Allocate funds to improve process management for signatures, contracts, and proposals through technology

FIRE

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Provide in-house paramedic internships to reduce overtime costs associated with backfill overtime for paramedic students completing their internship with an outside agency. Paramedic students will now complete their required 20 shifts in-the-field training with a SMFD preceptor
- Allocate one-time funds to support replacement of staffing software system
- Allocate funds to expand capacity of the emergency reporting records management system to improve efficiencies and update outdated business practices
- Allocate funds to support ongoing maintenance of the station alerting system

HOUSING AND ECONOMIC DEVELOPMENT

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Eliminate funds previously used to operate Mountain View Mobile Home Park, which has been sold
- Allocate Housing Trust Fund to add 0.5 FTE as-needed Staff Assistant III and extend 1.0 FTE limited-term Housing Specialist for two years, to support expansion of the Preserving Our Diversity (POD) Program and development of a broader and more robust City-administered housing waitlist
- Reallocate funds from the Housing Opportunities Utilizing Subsidy Enhancements (HOUSE) pilot program to a new pilot program that is intended to help people who live or work in Santa Monica to overcome credit barriers for City-funded affordable housing
- Allocate Housing Trust Funds to expand the Preserving Our Diversity (POD) Program
- Allocate Housing Authority funds to support an accelerated 13-year pay down of the unfunded pension liability

HUMAN RESOURCES

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Reduce supplies and contractual spending based on historical savings and streamlining
- Add 1.0 FTE Deputy Director-Special Projects to facilitate the shift from transactional to strategic and value-added customer service

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- Add 1.0 FTE Human Resources Analyst, offset by the deletion of a 1.0 FTE Administrative Staff Assistant, to provide succession planning for essential HR functions
- Extend the Management Fellow Program for 18 months
- Extend 1.0 FTE limited-term Human Resources Information System Analyst for one year until completion of the Enterprise Resource Planning (ERP) system implementation

INFORMATION SERVICES

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Eliminate City-issued email service for seasonal employees
- Consolidate the Network Operations Center (NOC) support services functions for Community Broadband and City operations to achieve economies of scale
- Allocate funds to support ongoing maintenance of cyber security systems
- Add 1.0 FTE Business Process Technology Analyst, offset by the deletion of a 1.0 FTE Computer Support Specialist, to help enable technology use and innovation in support of 21st Century government objectives
- Add 1.0 FTE Project Portfolio Coordinator, offset by the deletion of a 1.0 FTE Communications Engineer, to address the changing needs of the department and manage a large portfolio of systems, network and communications infrastructure projects
- Add 1.0 FTE Systems Engineer, offset by the deletion of a 1.0 FTE Systems Policy Engineer, to address the increased demand for administering complex cloud-hosted systems
- Allocate funds to support process improvement, modernization and digitization

LIBRARY

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Consolidate and combine public service desk points for improved customer service and to reduce as-needed hours (1.52 FTE)
- Extend 2.0 FTE limited-term Library Services Officers for two years as part of the City's commitment to reduce the impact of the region's homeless crisis on high impact public spaces

PLANNING AND COMMUNITY DEVELOPMENT

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Increase parking rates to reflect changes in parking use

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- Correction to reimbursement for parking structure use by Macerich
- Eliminate food purchases, handouts and posters for meetings and reduce outreach costs
- Delete 1.0 FTE vacant Principal Planner
- Require digital design application submission and distribution to reviewers and board members
- Add 1.0 FTE Mobility Manager and 1.0 FTE Senior Transportation Planner, offset by the deletion of 1.0 FTE Mobility Administrator and 1.0 FTE Bikeshare Coordinator
- Add 1.0 FTE Historic Preservation Officer, offset by the deletion of a 1.0 FTE Senior Planner
- Move Street Signs and Markings and Parking Meter Repairs groups from Public Works to Planning and Community Development to consolidate traffic-related functions within the Mobility Division, creating efficiencies and allowing for faster response to mobility-related issues

POLICE

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Fully capture the cost of providing Police services to support Airport operations
- Eliminate LA County Sr. Criminalist Agreement
- Implement department reorganization that aligns units to be able to more quickly and effectively address crime and safety issues

PUBLIC WORKS

- Eliminate 2.4% CPI annual increase from department's supplies and expenses budget
- Reduce supplies and contractual costs to reflect streamlining and historical spending
- Reduce professional services budget to discontinue Civic Spark Program and reduce Climate Action SM scope
- Reduce AltCar event from two days to one and various other special events
- Add 1.0 FTE Public Works Inspector, offset by the deletion of a 1.0 FTE Street Services Crew Leader based on changing department need and resulting in a net cost decrease
- Add 2.0 FTE HVAC Assistants, offset by the deletion of 2.0 FTE HVAC Technicians, based on changing department need and resulting in a net cost decrease
- Allocate funds to support landscape maintenance costs for approved General Fund and Beach Recreation Fund Capital Improvement Program projects
- Allocate funds to support mandated prevailing wage cost increases in landscape maintenance contracts

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- Add 2.0 FTE Building Systems Technician and 0.5 FTE Custodian I positions, offset by the deletion of 2.0 FTE Custodian I positions, to support operational and maintenance costs associated with upcoming Capital Improvement Program projects
- Move Street Signs and Markings and Parking Meter Repairs groups from Public Works to Planning and Community Development to consolidate traffic-related functions within the Mobility Division, creating efficiencies and allowing for faster response to mobility-related issues
- Add 1.0 FTE Chief Sustainability Officer, offset by the deletion of 1.0 FTE Sustainability Administrator to provide for management oversight within the Division of Office of Sustainability and the Environment
- Extend 4.0 FTE limited-term positions in the Water Conservation Unit to June 30, 2023 to coincide with Water Self-Sufficiency target and provide flexibility in ongoing operating needs to maintain self sufficiency
- Reduce beach maintenance budget in the Beach Recreation Fund due to historic savings
- Add 1.0 FTE Beach Maintenance Supervisor in the Beach Recreation Fund, offset by the deletion of 1.0 FTE Parks Maintenance Supervisor in the General Fund
- Reduce contractual services budget in the Clean Beaches/Ocean Parcel Tax Fund due to historic savings
- Allocate funds to support operational and maintenance costs associated with upcoming Water-Funded and Airport-Funded Capital Improvement Program projects*
- Add 1.0 FTE Process Engineer funded by the Water and Wastewater Funds in FY 2020-21 to support Water Self Sufficiency project construction and maintenance
- Adjust staffing to reflect engineering needs of the Water Resources Division, by adding 1.0 FTE Water Resources Protection Program Coordinator and 1.0 FTE Senior Water Resources Protection Specialist, offset by the deletion of 2.0 FTE Water Resources Protection Specialists, resulting in a net cost decrease
- Defund the Fixed Based Operator (FBO) and delete 3.0 FTE vacant FBO positions in the Airport Fund
- Reduce aviation maintenance and custodial budget in the Airport Fund based on historic savings
- Allocate funds to cover the full cost of Police services to support Airport operations
- Add 1.0 FTE Building Systems Technician and 1.0 FTE Airport Operations Administrator, offset by the deletion of four FBO positions (2.0 FTE Airport Guest Services Representatives and 2.0 FTE FBO Airport Service Line Workers) to maintain adequate staffing aligned to improving responsiveness to tenants, efficiencies, and oversight of the Airport Division
- Delete 1.0 FTE vacant Motor Sweeper Operator and 1.0 FTE vacant Customer Services Assistant, and eliminate eight vehicles from RRR fleet to reflect current operational needs
- Eliminate Residential Household Hazardous Waste Door-to-Door Collections Program contract
- Adjust Main Street sidewalk cleaning service level to align with revenue collected from Main Street Business Improvement Association

APPENDIX - EFFICIENCIES/ELIMINATIONS AND INVESTMENTS

- Add 4.0 FTE full-time RRR Equipment Operators, offset by the deletion of 3.2 FTE part time RRR Equipment Operator position and as-needed hours (1.05 FTE) to increase retention and therefore effectiveness and efficiency of staffing
- Allocate funds for recyclable materials processing services to reflect changing market trends

NON-DEPARTMENTAL

- Allocate one-time funds to expand ambassador services to Reed Park for a six-month pilot program
- Transfer funds from Community Broadband Fund to General Fund for Network Operations Center (NOC) services
- Transfer funds from Special Revenue Source (TDM funds) to General Fund for staffing costs
- Fully capture costs associated with planning for the LA Marathon
- Delete transfer of Airport Funds to the General Fund to support a 1.0 FTE limited-term Senior Advisor to the City Manager on Airport Affairs
- Transfer funds from the Beach Recreation Fund to the General Fund to support the extension of a 1.0 FTE Limited term Assistant Park Planner
- Transfer funds from the Housing Trust Fund to the General Fund to support a 0.5 FTE as-needed Staff Assistant III and the extension of a 1.0 FTE limited term Housing Specialist that will support expansion of the Preserving Our Diversity (POD) Program and development of a broader and more robust City-administered housing waitlist
- Transfer funds from the Pier Fund to the Beach Recreation Fund to support a 1.0 FTE Beach Maintenance Supervisor
- Allocate General Fund, Beach Recreation Fund, Clean Beaches/Ocean Parcel Tax Fund, Water Fund, Wastewater Fund, Pier Fund, Resource Recovery and Recycling Fund, Community Broadband Fund, Airport Fund, Cemetery Fund, Big Blue Bus Fund, Vehicle Management Fund and Risk Management Administration Fund funds to support an accelerated 13 year pay down of the unfunded pension liability
- Fully capture cost of non-parking credit card fees in the General Fund, Cemetery Fund and Airport Fund in FY 2020-21
- Additional \$1.5 million FY 2020-21 savings recommended by the Task Force
- Transfer funds from the Wastewater Fund to the Water Fund to support a 1.0 FTE Process Engineer in FY 2020-21

*The Airport Fund allocated funds to cover the costs of the removal of prior runway and taxiway pavement put out of use by the shortening of the runway, and the ongoing maintenance costs for the hydroseeded areas that will replace the removed pavement. The City believes that use of the Airport Fund to cover these costs is appropriate. Aviation industry groups have submitted a complaint to the FAA challenging the use of the Airport Fund to cover these costs. On April 19, 2019, the FAA issued an order precluding the City from using the Airport Fund to cover these costs pending the FAA's resolution of the complaint. While the April 19 order remains in place, these costs will be paid from the General Fund. If the FAA retracts its April 19 order and/or resolves the complaint in the City's favor, the Airport Fund will reimburse the General Fund for these costs.