

CITY OF LAKEWOOD, CALIFORNIA



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TWO-YEAR BUDGET 2014-2016



The City of Lakewood, with a population of 81,224, is located in southern Los Angeles County, 23 miles southeast of the City of Los Angeles.

The city is a residential community that includes a regional shopping center with 2.1 million square feet of retail area. Single-family detached homes comprise 82 percent of the housing units. By the end of the 1990's, Lakewood was 99.5 percent "built out," leaving very little of the 9.5 square miles of the city available for new development.

The Lakewood Plan

In 1953, homeowners in the unincorporated Lakewood area, ready to take on the responsibility of managing their own city, rejected annexation by the City of Long Beach and sought to find new ways of operating a city at the lowest cost to residents. After a vote in 1954 that gave a strong majority for independence, the City of Lakewood was incorporated. When Lakewood became a city on April 16, 1954, it was the first California city to incorporate since 1939.

Lakewood's approach to local government has earned the City a special place in the history of American municipalities. The Lakewood Plan made Lakewood the nation's first contract city. By contracting with the County of Los Angeles and with private businesses for public services, Lakewood pioneered a model for local government that has been adopted by all but one of the cities incorporated in Los Angeles County since 1954 and more than a quarter of all cities in California.

Contract services represent about 40 percent of the City's operating budget. Lakewood contracts with private firms for trash collection, traffic signal maintenance, street lighting

maintenance and street sweeping. By contract, Los Angeles County provides law enforcement, road repair, building inspection and civil engineering services.

Parks, recreation and cultural activities, community development programs, parkways, medians, water utility and general administrative services are provided directly by the City through the labor of 175 full-time employees and approximately 435 part-time employees.

The City-entrance signs reflect Lakewood's essential character as a community of homes, schools, parks, places of worship and commerce. Monument signs on the street medians, entrance signs to Lakewood and a unique sign on the Mae Boyar Park overpass on Del Amo Boulevard spell out *Times Change. Values Don't.*, and name Lakewood as *Sportstown USA* and *Tree City USA*.

The residents of Lakewood enjoy 13 parks, including the Lakewood Equestrian Center in Rynerson Park, totaling 204.45 acres. Passive and active lands zoned for open space in Lakewood total 810.91 acres, equivalent to 10 acres per 1,000 residents, which is one of the highest ratios in the region.



West San Gabriel Parkway Nature Trail

Lakewood's West San Gabriel Parkway Nature Trail was recognized with an Award of Excellence from the American Public Works Association, Southern California Chapter, and the California Park and Recreation Society.

KaBoom!, a national non-profit organization based in Washington, DC, designated Lakewood a *Playful City USA*, one of only 22 cities in California.



Lakewood strives to keep its citizenry well informed. The City's online service request system provides residents greater access to solutions for service needs. Lakewood residents can also subscribe to e-mail publications for City news.

The City's website is under construction adding new search and links for users to easily find the information they are seeking.



City TV has been providing local programming for over 30 years earning over 210 first place awards in regional and national competitions. Over 2,200 programs have been produced for cable channel 31.

City Government

Lakewood is a "general law city" operating under the California laws applicable to municipalities. The five council members who govern the City are elected for overlapping four-year terms. The Mayor is selected by the City Council from among its members and serves in that special capacity for a one-year term. The City Council appoints a City Manager and a City Attorney.

In addition, the Council appoints the members of the Community Safety Commission, the Planning and Environment Commission and the Recreation and Community Services Commission.

The City Council also sits as the Board of Directors of the Successor Agency of the former Lakewood Redevelopment Agency, the Lakewood Housing Successor Agency, and the Lakewood Public Financing Authority.

The Budget Process

Lakewood's budget represents more than a schedule of revenue and expenditure estimates. The budget is a planning tool and although adjustments are expected as needs arise, the budget ultimately maps the City's activity over the course of the next fiscal year.

The Proposed Budget continues the fundamental financial philosophy of the City of Lakewood:

- Providing municipal services at a level consistent with available resources
- Saving for unplanned events and emergencies
- Maintaining public infrastructure
- Utilizing private companies and other public agencies to provide greater flexibility and cost-effectiveness in the delivery of services
- Supporting and encouraging a strong, viable business community
- Promoting citizen volunteerism

The Proposed Budget is built to meet Lakewood's City Council Budget Focus Areas:

- Budget for sustainability
- Keep Lakewood Safe
- Preserve neighborhood quality of life
- Foster a sense of community
- Promote economic vitality
- Support a caring community
- Enhance Parks and Open Space
- Highlight governmental transparency
- Defend Our Traditional Right to Contract
- Protect the environment

A variety of methods are used in determining expenditures and predicting revenues for the upcoming year. Citizen satisfaction surveys, data from the City's computerized citizen request system, and monitoring recent economic trends and actions taken by County, State and Federal Agencies are all utilized in developing the Fiscal Year 2013-2014 budget and forecasting future years.

The budget process begins in January with the preparation of the budget calendar:

- ✓ January – Current year mid-year review
- ✓ February – Expenditure estimates projected
- ✓ March – Revenue estimates projected
- ✓ April – Budget revenue and expenditure analysis
- ✓ April – Capital improvement projects budgeted
- ✓ May – Preliminary budget prepared
- ✓ June – City Council study session and adoption

Budget Guide

The document is organized into the following sections:

- The **Introduction** describes the City of Lakewood and the budget process
- The **City Manager's Letter** summarizes revenues and expenditures, and sets forth the major projections and economic and budgetary issues of the upcoming Fiscal Year
- A **Summary of Funds** and **Summary of Appropriations** are provided
- **Projected Revenues** are based on estimates provided by various consultants, State reports, and economic and political monitoring

- Proposed Expenditures are divided among the categories of **City Operations, Water Utility, Capital Improvement Projects, and Internal Service Funds**
- **Budgetary and Fiscal Policies**, these policies are based on generally accepted best practices, the fundamental financial philosophy of the City of Lakewood, and Council guidance.

Revenues

Fund accounting is the basis of Municipal accounting in California. Funds are used to separate the City's financial resources and corresponding obligations as required by law, or for effective managerial control. Funds are established to group revenues that have either restricted or unrestricted uses. The major funds used in this budget are:

- **General Fund** – Comprised of revenues that are not expressly restricted as to their use or require separate accounting.
- **Special Revenue Funds** – Restricted grant revenues from the County, State and Federal agencies are placed in separate funds to meet the requirements of the grant. The following are reoccurring funding sources:
 - ... **Gas Tax**– Restricted for street repair and maintenance projects
 - ... **Prop A and Prop C** – Restricted for transit purposes
 - ... **Measure R** – ½ cent sales tax restricted for street repair
 - ... **TDA Article 3** – Restricted for pedestrian, bikeways and handicapped accessibility projects
 - ... **Community Development Block Grant, CDBG** – Restricted HUD funds for community development purposes

- ... **COPS and JAG Grants** – Restricted for public safety programs and activities
- ... **Litter Reduction and Used Oil Grants** – Restricted for the promotion of refuse recycling programs
- ... **Prop A Recreation** – Restricted for park maintenance and programs
- ... **Various Park Grants** – Restricted for the improvement of local parks
- **Business Development Fund** – A fiduciary fund restricted to provide low-interest, low cost loans to local businesses.
- **Water Funds** – An enterprise fund that is primarily comprised of revenues generated through the water rate structure of the City's Water Utility.

Appropriations

The operating budget is divided into four Sections – City Operations, Water Utility, Capital Improvements, and Internal Services. The City Operations Section is further divided by government function and identified by the purpose of work performed – Legislative, General Government, Public Safety, Transportation, Community Development, Health, and Culture and Leisure.

The standard classifications of expenditures are used. These classifications are:

- **Employee Services** – Include regular and part-time employees, overtime wages, retirement contributions, benefits and employer costs.
- **Contract Services** – Professional and specialized services performed by firms or persons who are not employees of the City.
- **Supplies and Expenses** – Account for the operational costs that are not labor or contract services. These costs include

maintenance and repair of buildings and structures, and utilities: the depreciation expense of fixed assets for the Water Utility and Fleet Maintenance Division; office expenses and specialized supplies include postage, publications, office equipment maintenance, small tools, equipment for individual departments, uniforms and safety equipment; and meeting expenses that cover travel to attend meetings of organizations of which the City is a member. This category also includes costs for lobbying efforts in Washington and Sacramento and miscellaneous training activities. Other Operating Expenses include insurance, membership dues, and the cost of groundwater replenishment and the purchase of reclaimed water.

- **Interdepartmental Charges** – Include printing and reproduction services from the City's Graphics and Copy Center and vehicle maintenance and fuel from the City's Fleet Maintenance Division. Charges are allocated to departments by use tracked by work order systems.
- **Equipment** – Includes Capital Outlay for machinery and equipment with a unit price of \$5,000 or more and a useful life longer than one year, as well as non-capital equipment valued less than \$5,000 with a useful life greater than one year.
- **Construction** – Includes Capital Outlay for construction contracts and materials.

The Proposed Appropriations reflect a spending plan, taking into consideration every contingency known at the time that the budget is being composed, and may be modified during the fiscal year by transfers or actions taken by the City Council. Proposed appropriations may not always be fully-spent during the fiscal year. Estimated Actual Expenditures are staff's spending projections through June 30, 2013, and are calculated as of March 31, three months prior to year-end.

June 24, 2014

**City of Lakewood
Lakewood, California**

Honorable Mayor and Council Members:

The proposed two-year budget for Fiscal Years 2014-2015 and 2015-2016 is submitted for your consideration.

As presented, General Fund operating revenues and expenditures (*total appropriations sans construction costs*) are in balance.

The City is slowly returning to its tradition of maintaining an operational structural surplus. This structural surplus has allowed us to maintain and improve the city's infrastructure such as streets, sidewalks, trees and community facilities. The small surplus in the proposed budget years is attained by taking advantage of the ability to exchange Prop A funds to fill the gap created by decreasing gas tax revenues, and pension cost saving resulting from the Public Employees Pension Reform Act (PEPRA).

General Fund unassigned reserves on hand for capital improvements of \$1,486,050 are allocated in the proposed Fiscal Year 2014-2015 and 2015-2016 Budget for new capital projects. Additionally, an estimated \$493,960 of general funds designated in prior fiscal years for multi-year capital projects will defer to Fiscal Year 2014-2015.

The General Fund, over which the City Council has discretionary authority, is extremely important in the provision of essential city services. A rainy-day reserve of approximately 20 percent for economic uncertainty is set by

policy and allows us to weather crises that the city might face in the coming years.

In an effort to present the proposed Budget in the context of our times, this letter is comprised of nine sections:

- Challenges
- National Economy
- State Economy
- Local Economy
- Economic Outlook
- Budget Focus Areas
- Budget Overview
- Reserves
- Recommendation

Challenges

The City does face several financial challenges. One is from a loss of sales-tax revenue stemming from the continued migration of consumers away from traditional brick-and-mortar businesses to online shopping. Lakewood still benefits greatly from a very popular regional shopping center and several smaller commercial plazas, but over time the loss of sales-tax revenue to online shopping will have an increasing impact on the City's revenue.

Another challenge comes from the growing mandate from the state and federal governments to reduce storm water runoff to lower and lower levels. Such mandates come with no revenue stream to pay for them. The City will face a significant challenge in coming years of how to pay for those mandates.

Lastly, Lakewood and other cities across the state are confronting the continued loss of revenue from the overly

aggressive efforts of the state Department of Finance (DOF), which seeks to “claw back” funds that the City legitimately received for loans made over many years to its local redevelopment agency. The DOF’s actions threaten the rainy-day reserves that many cities have worked hard to create over many years. The actions are unfortunately another example of the state government taking away local government funds and making it more difficult for cities in California to do their job of delivering quality services to their local residents.

The National Economy

Gross Domestic Product (GDP):

Projections for the near future have the Nation’s GDP continuing to grow at a relatively slow pace of 2.3 percent in 2014 and rising to three percent in 2015. The variation in the projected growth rate being reported is tied to how individual economists assess the impact of the lackluster housing sector over other market forces that are showing signs of strength.

Again, GDP growth is primarily from the private sector. Details in the market indexes show better prospects for faster growth in the next few years. Demand from businesses and consumers is holding up despite the polar vortex and the implementation of the Affordable Care Act (ACA), both of which extracted a lot of economic activity from the market.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
GDP Growth	-2.40%	3.00%	1.80%	2.80%	1.90%	2.30%	3.10%
Personal Consumption	-0.60%	2.00%	2.50%	2.20%	2.00%	2.90%	2.70%
Business Investment	-17.80%	1.10%	7.60%	7.30%	2.70%	3.30%	5.80%
Residential Investment	-20.50%	-4.30%	0.50%	12.90%	12.20%	2.80%	14.20%

Overall, incomes grew by three percent in real terms and disposable incomes (after taxes) rose by 1.65 percent in 2013. Aggregate wealth has returned to record high levels with a strong rebound in the financial markets. The only major concern on the consumer side is that the income a wealth growth is largely experienced by the top wage earners in the nation, and the worry of a continuing jobless recovery.

Both housing production and home sales slowed at the end of 2013, but did not stop. With the national housing supply still below five months, price appreciation should continue through 2014. There is growing concern that housing is becoming once again unaffordable.

Profits were at record levels for both corporations and small businesses in 2013. However, businesses are not taking advantage of this historic situation and investing more in their business or increase hiring as uncertainty is still holding them back.

Recent improvement in a wide range of economic data has given economists optimism for a stronger economy through the end of next year as drags from residential construction, government spending and net exports to all turn positive throughout the duration of 2014. However, there remain risks due to the delicate economic global recovery.

Employment is improving, but further improvement in the labor market is the most important factor for the health of the consumer, resulting in stronger growth in disposable income and, thereby, gains in personal consumption.

The State Economy

The state, as with the rest of the nation, is recovering from the recession. California is well positioned to enable growth with a huge consumer base and the infrastructure and skilled labor for the tech and entertainment industries. Beacon Economics provides the following economic assessment of California, based on their subsequent review on the state.

"After years of economic travail, the term "Golden State" is starting to sound less and less ironic." Beacon Economics

Although California dipped to the 17th fastest-growing state economy in 2013 on a year-over-year basis in terms of jobs, with more than 235,000 jobs created in the state during the last twelve months California generated more new employment positions than six of the top eight states combined.

Residential real estate is booming in California with median home prices up by more than 20 percent in 2013; with a tight inventory of only three months of supply currently available on the market, the housing market should continue to be an economic bright spot in 2014 and beyond.

International trade picked up in the second half of 2013 and will continue to exert a positive influence on the state's economy over the next year. Through this year's first quarter, the state's export trade was running 6.8 percent ahead of the first three months of 2013. By contrast, overall U.S. merchandise exports rose by just 2.6 percent during the same period. Additionally, manufactured exports from California were up 6.2 percent, and the state's first quarter exports of non-manufactured goods posted a gain of 11.3 percent.

The state's unemployment rate fell to 7.8 percent in April on a seasonally adjusted basis. Helping to fuel the decline are improving household employment levels, which increased by 37,900, although the state's labor force did also fall by 8,600.

Tourism remains a solid driver of the state's economic recovery. The Leisure and Hospitality sector led California's job gains adding over 45,000 new positions since April 2013. The Health Care sector and Educational Services sector also contributed significantly to job gains, adding 9,900 and 9,500 new positions, respectively. Health Care has been one of the fastest growing industries over the past year, adding 69,200 new positions, a 3.6 percent increase over April 2013. Even the Government sector employment increased by 10,400 since April 2013.

Prop 30, as approved by the voters, has two temporary tax increases designed to shore up state revenues. First is a marginal one to three percent increase on the personal income tax on one percent of the highest California wage earners through the end of the 2018 tax year. The tax is estimated to bring in an additional \$7.9 billion in revenues to the state. The second is a 0.25 percent increase to the state's sales and use tax through the end of 2016, which is expected to generate \$1.3 billion in additional sales.

The economic recovery and additional tax revenues has put California back in the black with surpluses projected for the duration of the Prop 30 temporary tax increases.

The Local Economy

Los Angeles County ranks among the world's largest economies and is well known for its film, entertainment, international trade and technology industries. Its major research universities have created a reputation for global

leadership in innovation — a quality attractive to leading companies.

Beacon Economics is forecasting Los Angeles County employment levels to return to their pre-recession peak by the beginning of 2015. The forecast projects employment to grow at a pace of between 1.3 and two percent over the next two years, similar to the 1.8 percent pace of growth one year ago.

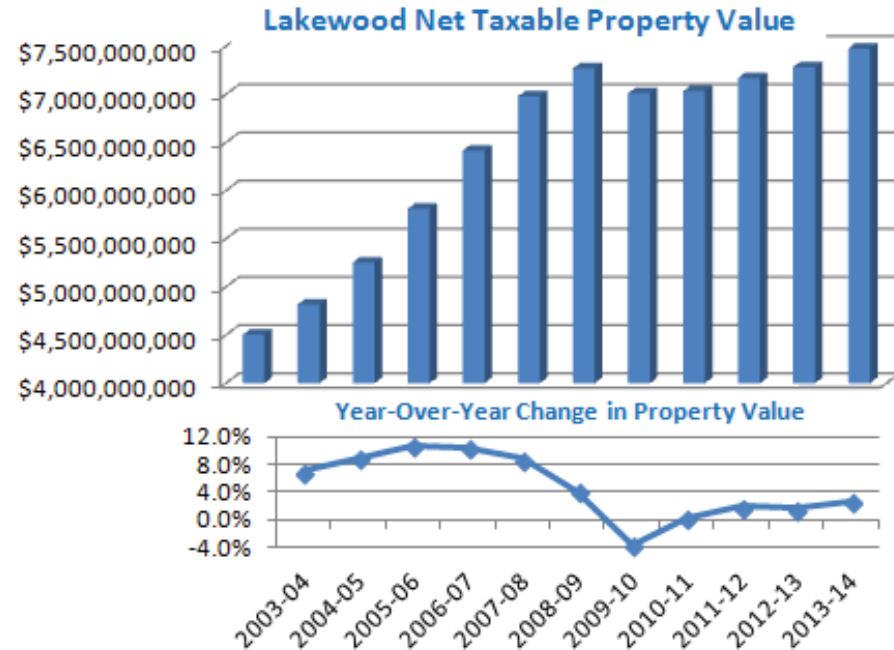
Housing construction stepped up in Los Angeles County in 2013, beginning to turn the corner after six years of sluggish activity. Permits ranged 20,000 to 26,500 housing units annually between 2003 and 2007, then slowed and failed to top 13,000 housing units until 2013 when 15,100 permits were filed (a 21.4 percent increase over 2012).

The City of Lakewood is a bedroom community in Los Angeles County with only six percent of the city zoned for commercial use. The city is a low property tax city, which means we assessed a small municipal property tax prior to 1978-79 that has been folded into the tax base under Prop 13. Today, we rely on a small 5.84 percent share of the county collections – one of the lowest in the county.

The County Assessor increased Lakewood property tax assessments by a CPI of two percent from 2012-2013 to 2013-2014. However, the decline in property values in the last recession triggered the 1978 Proposition 8 reductions where the lesser of the adjusted base year value or market value is used for taxation. Prop 8 reductions still offset a majority of the increase in the assessment by reducing the assessed valuations on certain parcels in the city.

Fortunately, the transfer of ownership along with other assessed valuation changes increased the overall taxable

value by \$196,677,683. The main driver of the increase was residential properties of \$179,831,506, followed by commercial and industrial of \$30,451,214.

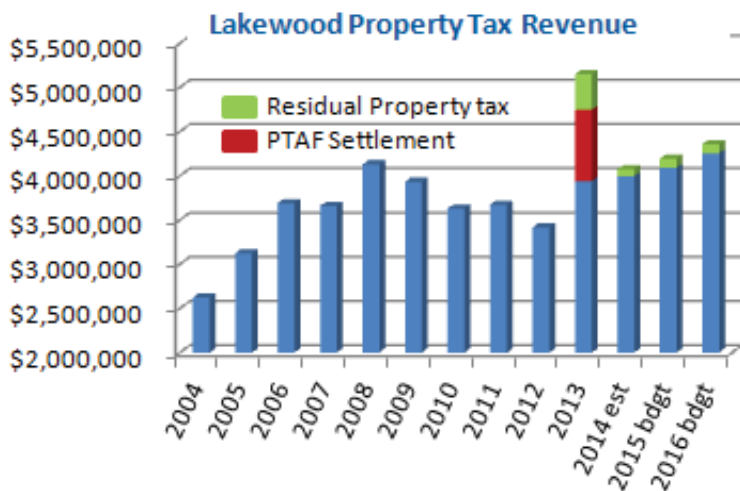


The total assessed valuation of real property in the city was \$7.47 billion for Fiscal Year 2013-2014, a 2.6 percent increase from the previous year. The growth in the city's assessed value of 2.6 percent was outpaced by the county which increased by 4.7 percent.

In calendar year 2013, the median single family Lakewood home sold for about \$411,000, a 17 percent increase from 2011; home sales also increased by 26 percent.



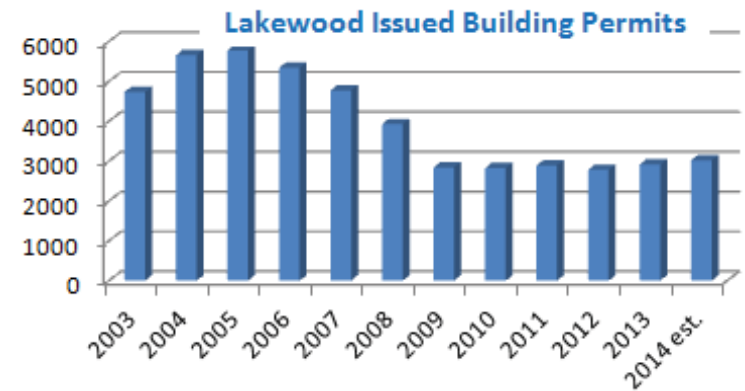
In Fiscal Year 2013, the City of Lakewood began to receive residual property tax from the dissolution of the Lakewood Redevelopment Agency. Additionally, the property tax increment formerly held by the Lakewood Redevelopment Agency was disbursed to all other local taxing agencies. The City's share of these disbursements amounted to \$404,967 in Fiscal Year 2013. Immediate future disbursements of residual property tax are expected to drop and then increase slightly to \$500,000 over five years, and continue at that level into future years.

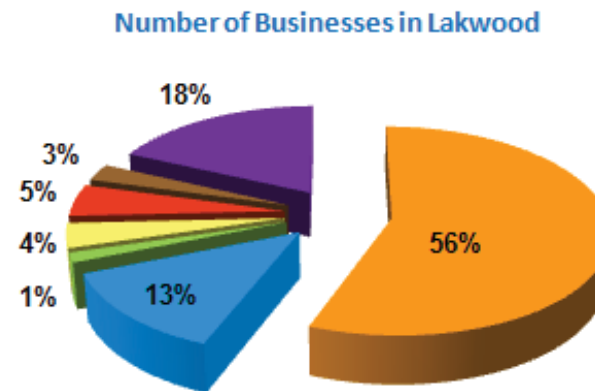
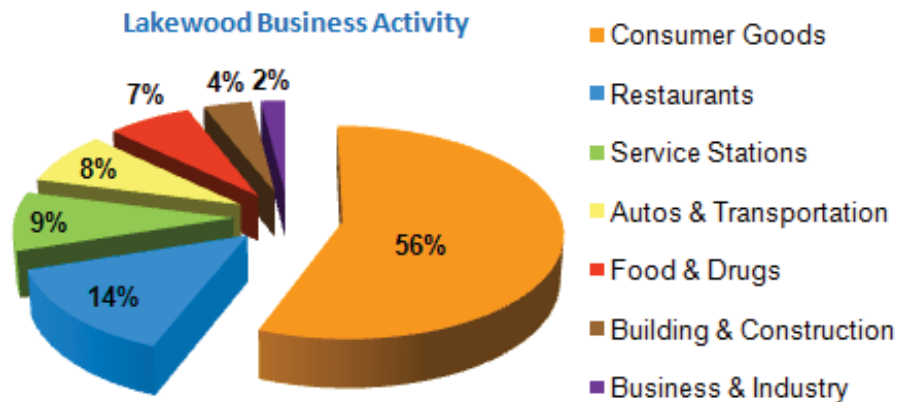


In an effort to retain full value of local property tax receipts, in Fiscal Year 2008 the City joined in a Collective Action against Los Angeles County regarding property tax administration fees. The case was settled resulting in a refund to the City of \$804,544 in excess property tax fees, and current and future property tax administrative fees being reduced by \$150,000 annually.

Property tax revenue accounts for 6.6 percent of General Fund revenues and is expected to increase by two percent going into Fiscal year 2014-2015 and increase by four percent in Fiscal Year 2015-2016. Since the approval of the 2004 Prop 1A and subsequent implementation of the "triple-flip," changes in property tax valuation have a greater impact. Under the "triple-flip," vehicle license fee revenue growth is tied to property tax growth. Property tax in-lieu of vehicle license fees accounts for an additional 16 percent of General Fund revenues.

Building permits issued by the City has remained far below the levels reached in the early 2000s and relatively flat over the past five years. However, the recent up-tick in activity brings optimism as building activity shows signs of improvement.

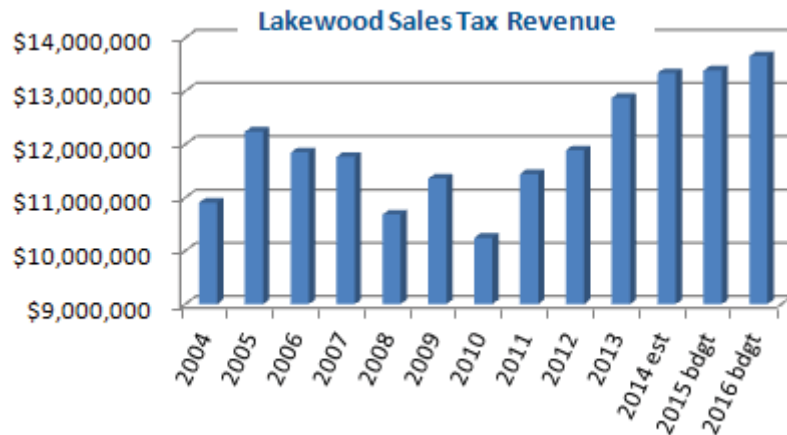




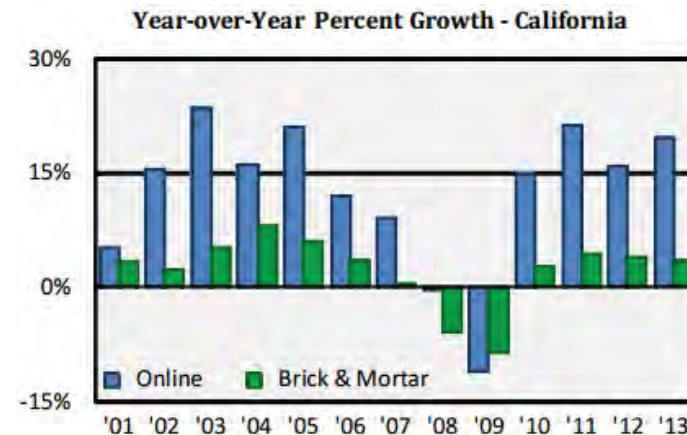
Sales tax revenues account for 29 percent of General Fund revenues. Over 3,000 businesses (including home occupations) are located in Lakewood generating a projected \$13.4 million in sales tax for the City. The economic base of Lakewood is primarily retail and the city's "top twenty-five" retail businesses, as a group, produce 58 percent of the City's sales tax revenues.

Consumers' changing shopping habits are the expected reason for the lackluster growth in sales tax revenue. More and more shoppers are using malls as a showroom and then going home and buying what they want on-line. The City's sales tax revenue is generated largely by consumer goods or retail.

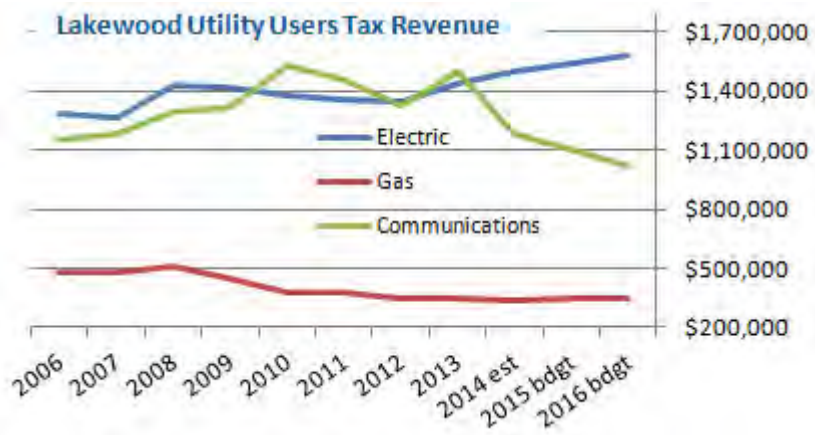
The growth of online sales of general consumer goods in California was over 19 percent in 2013 and made up over ten percent of total general consumer goods sales.



Sales tax revenues are expected to stay flat going into Fiscal Year 2014-2015 and increase by two percent in Fiscal Year 2015-2016.



City revenues are also affected by changes in the commodity markets. The city assessed utility users tax represents seven percent of General Fund revenues. The three percent tax is assessed on communications, electricity, natural gas and water use. Natural gas prices continue to stay at low levels resulting in \$160,145 less natural gas utility users tax revenues from what was received in Fiscal Year 2007-2008. The decline in natural gas prices has also affected the City's franchise fee collections. Natural gas franchise fees remain down \$109,575 from revenues received in Fiscal Year 2008-2009.



Beacon Economics reported that California's nonfarm payrolls are up 2.3 percent since April 2013, a faster pace of growth than in the nation overall. Additionally, California accounted for 19.5 percent of all jobs added in the U.S. in April, well above the state's share of the nation's population. The growth in jobs was statewide with Los Angeles area leading the way in southern California.

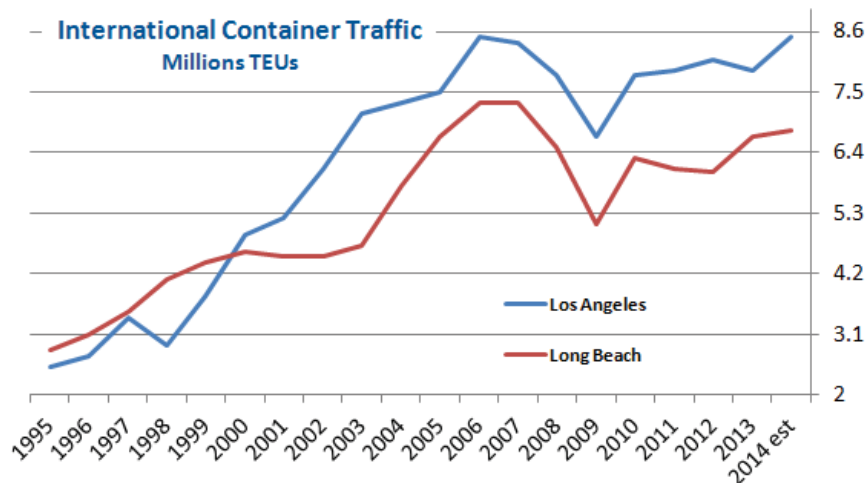
Lakewood's employment rate depends on the regional job situation. A major employer in the region was the Boeing C-17 cargo jet plant with approximately 5,000 employees —

the last large fixed-wing aircraft production plant in California — by last December that employment number had dwindled to about 1,100 full-time employees. September marked the end of an era when Boeing handed over its 223rd and final C-17 to the U.S. Air Force, and announced the C-17 Globemaster III plant would shutter in mid-2015, affecting 2,200 Boeing Co. employees based in Long Beach and Huntington Beach, and thousands of workers and suppliers nationwide. There is tentative hope that employment will continue at the Long Beach plant based on Boeing's announcement to shift modification work done by 375 people in the Seattle area to its Long Beach plant over the next year.

Mercedes-Benz USA recently signed a 15-year lease with Boeing Co. to establish its western regional offices at the former Boeing 717 plane factory in Long Beach. The new location will centralize several business units and consolidate 200 jobs throughout southern California at the 52.2 acre site, which will be used primary as a vehicle preparation facility, the regional office, and a training center. The vehicle preparation center will serve as the first stop for new vehicles that are destined for dealerships throughout the U.S. Boeing Co. shuttered these facilities in 2006, when the last 717 commercial jet rolled off the line. Boeing inherited the plant when it acquired McDonnell Douglas Corp. in 1997. The factory, which employed thousands for decades, once built some of the world's most popular airlines, including the DC-3, DC-8 and MD-80.

Douglas Park, another former Boeing site, is slowly being transformed into a mixed-use development for office, retail and industrial use, including a recently opened Courtyard by Marriott hotel.

The Port of Long Beach is a vast provider of employment opportunities throughout the county and state. In the local area, the port operations support 30,000 jobs. The more than \$155 billion worth of cargo that moves through the port every year creates jobs, supports retail and manufacturing businesses and generates tax revenues. After a 30 percent decline from 2007 through 2009, trade volumes through the Port of Long Beach have regained much of this loss.



Long Beach port officials are reporting continued increase in cargo, even with the slow March due to the harsh winter in other parts of the country. Container volumes have rebounded as weather patterns and shopping patterns returned to normal.

The Port of Long Beach is investing \$1.1 billion to build a new bridge to span the Port's Back Channel. The Port is also modernizing two aging shipping terminals by adding on-dock rail capacity, shore power hookups and a new longer wharf to move twice the cargo with half the air pollution. A multi-year renovation of the International Transportation Service

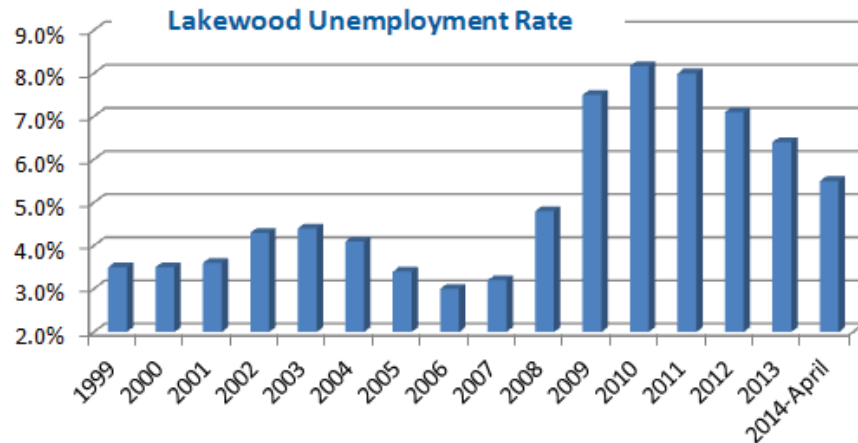
Inc. container terminal is also underway. A new on-dock rail yard has been completed, nearly doubling the terminal's capacity for on-dock rail, and to come are additional shore power facilities and container yard space.

In 2009, the Legislature passed a \$500 million five-year program to counteract the financial incentives offered by other states to lure film production away from the Los Angeles County region by offering tax credits to a limited range of qualifying productions. The Southern California Association of Governments (SCAG), recently issued a report showing that the California Film and Television Tax Credit Program generates over \$19 in economic activity for every \$1 in tax credits, kept over 22,300 jobs in California, and returned \$248 million in tax receipts to the state and local governments.

In September 2012, Governor Jerry Brown signed legislation granting a two-year extension of California's \$100 million a year film and television tax credit program, which now will run through July 2017.

Hospitals are hubs of employment, purchasers of goods and services, and generators of tax revenue. The estimated total economic output of hospitals and related services in the Los Angeles region accounts for about 11 percent of the region's economy and provides over 380,000 jobs.

The area's local hospital, Lakewood Regional Medical Center, received an "A" in The Leapfrog Group's Spring 2014 Hospital Safety Score (one of the nation's leading patient safety advocacy organizations). The "A" rating recognizes Lakewood Regional Medical Center's commitment to providing safe, quality healthcare to patients.



Lakewood's unemployment rate was 5.7 percent in the first quarter of 2014; far better than the state as a whole, but above the average rate Lakewood has enjoyed in the past. Major employers located within city limits are Long Beach Unified School District, County of Los Angeles, Lakewood Regional Medical Center, and various retail, automotive and home improvement businesses, as well as the City itself.



The April to April Consumer Price Index (CPI) for the Los Angeles, Riverside and Orange County region was 1.4 percent in 2014, and is expected to remain relatively low.

Economic Outlook

As Beacon Economics published in their Spring 2014 *Beaconomics*, the positive from a gradually healing economy is that both local and state budgets have turned around. Revenue growth outpaced the 2012-2013 fiscal year as well as State estimates. While some of this growth is in part due to the passage of Prop 30, both personal income and taxable sales in the state exceeded their pre-recession peak.

The economy in the private sector is also looking up. California has recovered much of the ground it lost during the Great Recession. Just about every major sector in every major region of the state has turned the corner toward recovery.

The economists at Beacon believe that California is poised for an acceleration in growth and expect the state to hit its stride in the 2014-2015 fiscal year and beyond.

At the local level, Lakewood will benefit from an accelerated economy, but will face the challenges of changing consumer habits and possible slower growth in sales tax revenue.

Budget Focus Areas

The City of Lakewood has remained focused on what is truly important – the core functions of operating a city – resulting in a healthy community for residents and businesses. By keeping this focus, the City has built a large capital base that includes the entire inventory of city assets: streets, sidewalks, water system, trees, parks, community facilities and goodwill. The city's goodwill, cultivated through recreation, community services, public safety and economic development programs, creates the neighborly sense of community we all enjoy.

The following Budget Focus Areas highlight how we plan to carry on Lakewood's tradition of community investment.

1. BUDGET FOR SUSTAINABILITY

The proposed budget for Fiscal Year 2014-2015 and 2015-2016 takes into consideration an improving private sector economy and changing consumer shopping habits. Lakewood's long-term financial management practices include an analysis of all city assets and liabilities in a manner that puts resources to their best use and minimizes costs – specifically reoccurring costs.

The City has taken great care of its physical assets. City streets, buildings and infrastructure are in good repair. Although difficult to quantify, there is a definite annual operational savings realized because these city assets are less likely to break, degrade or malfunction.

We have also been able to reduce on-going operational costs by effectively managing known future liabilities. These liabilities include pension plans, the retiree health plan, and CJPIA general liability and workers' compensation plans. However, the City will be responding to the fiscal challenges posed by the Affordable Care Act (ACA) in Fiscal Year 2014-2015. Additional costs associated with this federal mandate for employers to provide healthcare insurance to employees who were formally not considered full-time for the purposes of receiving benefits are included in the proposed budget.

But, no amount of prudent fiscal planning could have mitigated the impact of the dissolution of redevelopment agencies. The State immediately took \$4.2 million in housing funds-- and the Department of Finance has determined that another \$9.3 million in general funds should be paid to the State. The City via the successor agency is

joining over 150 other agencies in suing the State in an effort to retain the \$9.3 million.

The general funds the state took -- and the additional funds it seeks to grab -- are the debt service payments on loans made by the City to the former Lakewood Redevelopment Agency. Rather than issuing bonds for economic development projects, the City chose to directly loan the agency the funds. City direct loans provided the agency the flexibility to delay debt service payments when funds were deemed to be better used for projects. When the State dissolved all redevelopment agencies these direct loans were constitutionally made null and void, and are only now considered valid due to the passage of AB 1484, which provides a means for the City to receive loan payments. Although relieved that we do have a means to receive payments for the city loans, the City takes the stance that loan debt service payments made prior to the dissolution of redevelopment are valid and cannot be clawed-back. Additionally, there is a concern that future funds available for re-payment of the city loans may be insufficient.

The City has also absorbed the housing costs of the former Lakewood Redevelopment Agency. These costs include measures to alleviate blight through code enforcement, and the city's administration of the fix-up and paint loan and grant program, monitoring of affordable housing covenants and development of housing properties.

The proposed budget continues the process of identifying the full cost of services and aligning costs to corresponding revenues. Refuse and water consumption rates take into account all costs, and city building and safety fees for services provided by the county have been set at the county rates to cover the county provided inspection costs.

2. KEEP LAKEWOOD SAFE

The City utilizes a comprehensive approach to keeping Lakewood a safe place to live and work. The methods employed are prevention and education, law enforcement services, and emergency preparedness and response.

Preventive services and educational events to enhance neighborhood security and public health include:

- Neighborhood Watch
- LAND (Lakewood Apartments Nuisance Deterrent) program for rental property managers
- Business Watch, a crime-fighting program for small business owners
- Success Through Awareness and Resistance (STAR) Deputy, a youth drug education program
- Public Safety and Bike Expo, an annual pre-summer event stressing bike safety
- Street lighting and city-wide graffiti removal program
- Live Scan fingerprinting at the Community Safety Center inside the mall to provide fingerprinting services for residents for job clearances at schools and municipalities, as well as state and federal agencies
- Illegal fireworks annual suppression campaign

Law enforcement services to preserve the peace include:

- Los Angeles County Sheriff's Department contract provides law enforcement services to the city.
- Special Assignment Officers serve as team leaders and work "hot spots" within the city by adjusting their schedules to meet public safety needs.
- Trained part-time city employees lift latent fingerprints. Lakewood is one of the few cities where law enforcement routinely lifts prints from non-violent crime scenes.

- Sky Knight helicopter patrol provides support to ground units during emergency calls.
- COPS grant funds used for two park deputies on weekends over the busy summer months.
- Lakewood's Nuisance Property Abatement Team, which works to resolve severe property violations when accompanied by criminal activity. Justice Assistance Grant (JAG) funds offset the cost of a special assignment officer on the City Abatement Team.
- Other enforcement programs including scavenger patrol, parking control and animal control.

Emergency and disaster preparedness and response include:

- The City's "community resource command vehicle" serves as an Emergency Operations Center on wheels equipped with a dispatch center, conference room, satellite telephone communications system, interoperable radios linked to all emergency agencies, and computers to handle a full range of emergency operations and coordination.
- The City met training requirements mandated by federal Homeland Security Presidential Directive-5.
- City workforce is certified in the National Incident Management System.
- Lakewood's *Survive for 7* program guides residents on how to prepare for an emergency.
- The City's CERT program teaches area residents how to prepare for, respond to and cope with the aftermath of a disaster.

Knowing the importance of providing a safe environment for the community to prosper, the proposed Budget continues

the full funding of public safety programs and services, which represents the City's largest allocation of funds.

3. PRESERVE NEIGHBORHOOD QUALITY OF LIFE

Lakewood is a community of well-kept neighborhoods. The streets are in excellent condition, swept clean and free of potholes. Sidewalks are lined with mature and young trees, local parks are manicured and safe, and homes are in good repair.

The proposed budget includes funding for the following:

- Local street maintenance. Providing well-maintained city streets for Lakewood residents will always be a local government priority. The City's proactive paving program began in 2000. Since the program's inception, 100 percent of residential streets have been resurfaced with rubberized asphalt providing long-lasting durable roadways throughout the city. Prop C, Measure R, TDA and general funds are allocated in the proposed budget to continue the City's investment in street resurfacing and sidewalks.
- Tree planting. City efforts in the budget years will maintain Lakewood's tradition of being a Tree City USA. The National Arbor Day Foundation has named Lakewood a "Tree City USA" every year since 1982.
- Mitigating storm water pollution. Mandated by the State's Water Quality Control Board, Lakewood continues our city-wide "no parking during street sweeping" program. The program has ensured that all Lakewood streets are swept clean each week by requiring all vehicles be moved off the street on street sweeping day.
- Effective in December 2012, the city must comply with the new five-year Municipal Separate Storm Sewer System (MS4) permit. The permit requires the City to embark on a multi-year planning process, resulting in the identification and construction of major projects, which will have a

significant impact on storm run-off and water quality. The costs associated with this program are expected to be quite significant and are presently unfunded.

- Commitment to excellent water quality and providing a reliable water supply. The City's water utility provides service to about 80 percent of Lakewood. The Department of Water Resources has the responsibility for running the utility, providing water quality assurance, maintaining equipment, funding capital improvements and being prepared to respond to an emergency. Water Resources routinely replaces water mains, service lines and fire hydrants, which is part of the overarching plan to replace old undersized water mains to increase fire-fighting capabilities and improve water quality. Allocated in the proposed budget are funds for the water main and meter replacement programs, completion the installation of a treatment facility at Well #22, and the commencement of work on Well #28.

4. FOSTER A SENSE OF COMMUNITY

Lakewood has long recognized the value that a positive sense of community has on the overall wellbeing of its residents, business owners and city-wide workforce. The City fosters this positive sense of community by providing opportunities for public involvement through recreation, community and social events, and volunteerism.

The Recreation and Community Services Department offers a wide array of classes, activities and programs to the community. In addition to the more than 1,500 contract classes and programs conducted throughout the year, the City offers aquatics programs, sports leagues, camps, park activities and an annual series of community events.

In 2004, *Sports Illustrated* named Lakewood "Sportstown USA" recognizing the city's sports programs as the best in California. In 2014 and for the fifth year in a row, KaBoom!

(a national non-profit organization based in Washington, DC) designated Lakewood a *Playful City USA*, one of only 22 cities in California.

Community events offered throughout the year include:

- Lakewood Civic Center Block Party, an early summer family entertainment, food and fireworks event
- Summer Concerts in the Park
- Patriot Day 9/11 commemoration
- Halloween Carnivals at eight park locations
- The Lollipop Lane, a holiday craft boutique
- The Pan American Fiesta, a three-day event in May
- Lakewood Youth Sports Opening Day, and Public Safety and Bike Expo, a start-of-summer event

In Fiscal Year 2014-2015, the City will continue celebrating its 60th anniversary of incorporation. An anniversary theme and special elements will be added to many longstanding community events, and a first-ever holiday tree lighting event is planned for the end of the anniversary year in December 2014.

The Centre at Sycamore Plaza is a multi-purpose banquet facility for groups ranging in size from 10 to 500. The Centre's beautiful interior décor, as well as its outdoor plaza area, make it a highly desirable locale for many users ranging from recreation classes and small community meetings to large corporate functions and private events.

Many volunteer opportunities are provided by the city. Although we can tally the hours volunteered, the value to the community provided by the city's many volunteers is immeasurable. These volunteers who help make Lakewood a better place to live are recognized as the cornerstone in maintaining the quality-of-life programs that make Lakewood

uniquely charming. Lakewood Youth Sports coaches volunteer over 11,000 hours annually. Lakewood's enthusiastic teens volunteer over 7,000 hours each year and senior programming volunteers give over 25,000 hours annually.

The proposed budget allocates funds to continue these highly successful programs — a quality truly distinctive of Lakewood.

5. PROMOTE ECONOMIC VITALITY

The City continues its collaboration with the business community to encourage commercial development and opportunities to rejuvenate existing businesses in Lakewood, which provide our residents with both convenient shopping and employment opportunities.

In Fiscal Year 2014-2015, the city will see the completion of several new and reconstructed commercial developments, as well as multiple housing units. Among the commercial facilities in Lakewood Center will be:

- DXL a new casual men's wear store for big and tall customers will occupy 7,539 square in three tenant spaces on Candlewood Street near Men's Warehouse.
- AT&T "Store of the Future" will be one of four large stores opening nationwide to carry an expanded variety of high-end portable electronics. This 4,351 square foot store will be located on the Southeast corner of Lakewood Boulevard and Candlewood Street.
- Forever 21 will complete a \$1.8 Million dollar renovation on their 84,775 square foot store.
- Romano's Jewelers is building a new 1,945 square foot store adjacent to Macy's.

- Kay's' Jewelers' will move and renovate two existing tenant spaces to expand their store.
- The new food court in the mall near Target will add a new Burger King.
- Flame Broiler will be located along Restaurant Row, adding to the large number of dining choices found along Candlewood Street.

Among the housing projects that will be developed in Fiscal Year 2014-2015 will be the following:

- William Lyon Homes will be building a 72-unit condominium project on South Street.
- Villa Madrid will be building a 22-unit apartment complex that will be operated in conjunction with the existing 192 units that are adjacent to this parcel on Centralia Street at Bloomfield Avenue.

The proposed budget allocates the funds necessary to continue the City's exemplary level of service that has been so highly praised by developers and business owners.

6. SUPPORT A CARING COMMUNITY

Lakewood continues to focus on the preservation of the city's homes, most of which are now more than 50 years old, and programs that support our residents in need. The proposed budget allocates funds to assist low and moderate-income families, the disabled and medically fragile, and seniors in our community.

The Fix Up/Paint Up program offers grants of up to \$3,000 in exterior repairs for elderly and disabled residents who cannot attend to the property upkeep themselves. The Home Improvement Loan program makes major repairs possible by lending up to \$18,000 for home improvements to eligible homeowners. Both of these home renovation programs will

continue in Fiscal Year 2014-2015 and 2015-2016 with the use of repayments of prior loans to the Housing Agency funds.

Utilizing Community Development Block Grant (CDBG) funds, the City supports and partners with the local organizations listed below to provide in-home care and counseling assistance to those in need:

- Community Family Guidance Center
- Human Services Association
- Lakewood Meals on Wheels
- Pathways Volunteer Hospice

Also noteworthy is the City's successful and rewarding practice of encouraging staff involvement in these programs. Many city staff members volunteer in these programs and are largely involved in their success.

The City also utilizes contract services to provide an innovative program designed for Lakewood's baby boomer population, "Nifty after Fifty." The program is offered at the Burns Community Center, and provides fitness and wellness opportunities for anyone age 50 and over.

Project Shepherd provides holiday assistance to Lakewood residents in need. Community organizations, businesses and residents contribute food, toys, clothing and monetary support. Over 500 families annually received assistance in the previous two years. This program also provides assistance throughout the year for the purchase of food and clothing, and payment of essential utility services.

Volunteer Day is a collaborative event held each spring where a diverse collection of service groups, city staff and members of the community work together to fix, clean or

paint selected work sites in the city for homeowners who are physically or economically unable to do so on their own. This year, over 29 sites ranging from homes to public facilities were attended to and/or repaired by over 500 volunteers.

The City also provides support for those in immediate danger or crisis through Su Casa Family Crisis and Support Center.

7. ENHANCE PARKS AND OPEN SPACE

One of Lakewood's defining features in its initial design in the 1950s was the dedication of space for a park in every neighborhood of the city, with the goal of having every residence within walking distance of a park. Lakewood residents are extremely proud of the City's 12 parks and its natural trail along the San Gabriel River. Like any piece of public infrastructure, parks and open space require maintenance and enhancement over time, and several of Lakewood's recreational assets are in need of such work in the coming year.

The proposed Fiscal Year 2014-2015 budget allocates funds for new playground equipment for San Martin Park, including a new pumpkin carriage and expanded Cinderella and castle-themed play equipment to replace the aging, existing play equipment. The budget also includes funds to renovate and expand the Veterans Memorial Plaza at Del Valle Park. The facility, built in 1964, was damaged last year when memorial plaques were stolen by thieves presumably seeking to sell the metal to recyclers. The renovated memorial will present the written material from the plaques in etched-stone or other theft-proof materials. The memorial will be expanded and redesigned to replicate the deck of an aircraft carrier to match the history of the jet fighter plane that has been the centerpiece of the memorial since it was

built. The new memorial will be a dramatic display of Lakewood's appreciation for the service and sacrifice of our nation's military veterans.

Lakewood residents are also proud of the two-mile-long West San Gabriel River Parkway Nature Trail located adjacent to Monte Verde Park. The City was recently successful in securing a \$1.4 million grant from the California Natural Resources Agency to complete the final ½ mile phase of the trail from Del Amo Boulevard to Candlewood Street. This project is included in the current Budget, however, the work will continue into next year.

Recreational desires change over time. In recent years, many Lakewood residents have expressed an interest in having a dog park for the exercise and play of their four-legged family members. Locating such a park in a built-out residential community has been a challenge, but the Lakewood City Council and staff have worked diligently on the effort. The City believes it is close to a final agreement with the Southern California Edison Co., which will allow the City to locate a dog park in an area that encompasses city land and a portion of an SCE parcel. Should that agreement be finalized, then funds have been made available in this budget to construct and open a dog park during Fiscal Year 2014-2015.

In addition to these major park enhancements, this budget includes funds to continue the City's longstanding commitment to the regular maintenance of its existing parks and open space areas

8. HIGHLIGHT GOVERNMENTAL TRANSPARENCY

Lakewood continues its long tradition of communicating regularly with our residents about city government and civic life through detailed print newsletters, e-

newsletters, city website, cable TV programs and many public gatherings.

Transparency has grown in importance and there is an increasing expectation that city information be readily available. The proposed budget includes funding to disseminate Lakewood's fiscal information and supplemental materials to complete Lakewood's story of its financial and programmatic efforts and goals.

The City's website is being updated with current technology to make it even more user-friendly. There will be a new "How To" page that users can go to directly for the information and actions they want most from the City, and the search function will be made more robust. The site will be further upgraded during Fiscal Year 2014-2015.

The City will also continue to explore methods to make it even easier for residents and the business community to communicate and interact with the Lakewood city government.

9. DEFEND OUR TRADITIONAL RIGHT TO CONTRACT

Lakewood has consistently been very active in Sacramento's legislative process to protect local jobs, land use and redevelopment authority, and assure that local revenues are protected and state take-aways stopped.

Recently, a new threat to Lakewood and the local authority of other cities has occurred in Sacramento with the introduction of HR 29, which seeks to limit the longstanding ability of cities to contract for services.

Lakewood was able to incorporate in 1954 and be financially viable because the new city developed the innovative

method of flexibly contracting with private businesses, the County of Los Angeles and other public agencies for a wide range of municipal services, such as law enforcement, trash collection and street maintenance. Those services would have been far too expensive for a city the size of Lakewood to deliver on its own using traditional city bureaucracies. Lakewood's governmental innovation was so successful that it became known as the "Lakewood Plan" and was copied by many other new and longstanding cities in California and across the nation.

It is sadly ironic that the state government, which is perennially in and out of budget dysfunction, would consider taking away the freedom of dozens of cities like Lakewood to contract, and would instead burden those cities with higher costs and reduced services for their residents.

The proposed Fiscal Year 2014-2015 Budget allocates funds for council members and city staff to continue engaging our legislators and governor's staff to fight to protect our traditional right to contract and to protect other forms of local authority for determining what is best for the Lakewood community.

10. PROTECT THE ENVIRONMENT

The City provides curbside recycling and automated refuse collection with the use of alternative fuel trash trucks. The refuse collection program provides residents with trash and recycling carts and unlimited green-waste disposal. The City's recycling program in the past year has diverted from landfills over: 2,052 tons of street sweepings, 15.5 tons of televisions, monitors, computers and other e-waste, 9,077 tons of green waste, 9,495 gallons of oil, 1,896 oil filters, 7.8 tons of mixed waste fiber paper, and 17.4 tons of Christmas trees. The proposed budget allocates funds to continue the City's recycling programs.

Additionally, the City is developing two measures— a construction and demolition ordinance, and a fats, oil and grease (FOG) ordinance — in an effort to free these substances from landfills and drainage systems.

The City itself is “green.” The City has incorporated “green building” features by use of sustainable materials, energy efficiency and the recycling of demolition debris into all its construction plans. The City utilizes clean fuel vehicles to cut greenhouse gas emissions and uses recycled tires in street repairs that have kept old tires out of landfills, and 100 percent of city streets, both neighborhood streets and local highways, have been repaved using rubberized asphalt.

In 2008, solar panels were installed on one of the water storage tanks at the Arbor Maintenance Yard. The panels provide energy to run the water storage facility’s booster station during daylight hours, reducing the use of electrical energy during periods of peak demand and peak time of use rates. For this undertaking, the City received a \$711,000 rebate from the California Solar Initiative Program, which will be paid to the City over five years. The City also operates a second solar panel project, which generates electricity to run the Arbor Maintenance Yard offices and operational buildings.

In Fiscal Year 2010-2011, Water Resources implemented a rebate program for the residential customers when they purchase and install water efficient sprinklers, controllers, rain sensors and drip irrigation, or remove thirsty grass and plant water-wise landscaping. This program continues in the proposed budget.

Budget Overview

The following overview highlights the major sources and uses of the City’s resources in the proposed Fiscal Year 2014-2015 and 2015-2016 Budget, and makes comparisons to Fiscal Year 2013-2014 expected revenues to be received by year-end.

Revenues

General government operating and water utility revenues total \$62,131,918 for Fiscal Year 2014-2015 and \$63,705,759 for Fiscal Year 2015-2016.

Major sources for the City’s revenues are as follows:

- **Property taxes** – Projected at \$4,192,310 a five percent increase from the prior year and a subsequent four percent increase in Fiscal Year 2015-2016 to \$4,356,000.
- **Sales tax** – Lakewood’s share of the uniform state sales tax is the City’s largest revenue source is expected to stay flat at \$13,388,621 and \$13,656,133 respectively.
- **Utility users’ tax** – The utility users’ tax is levied at three percent. The amount is also expect to remain at current levels of \$3,442,889 and \$3,464,173 respectively.
- **Franchises and business licenses** – Annual franchise and business license taxes are projected at \$1,746,745 and \$1,810,360. This includes franchise fees to support CATV.
- **Refuse collection and disposal fees** – Current service charges to customers; revenues are projected at \$5,136,241 and \$5,225,957. This revenue directly offsets the costs of the City’s solid waste contract and related overhead.

- **Special public safety charges** – Revenue reimbursements to Lakewood for the Sky Knight program from the City of Cerritos are estimated at \$294,940 and \$300,000. Other public safety services are at \$575,967 and \$591,627.

- **Recreation fees** – Fees for recreation classes, programs and sports programs are projected at \$985,845 and \$994,227. These revenues partially offset recreation operational costs.

- **Building permit fees** –Construction permits and plan check fees are estimated at \$1,702,677 and \$1,713,601.

- **State subventions** – State-collected local taxes (subventions) are estimated at \$9,749,755 and \$9,793,715. The largest of these are motor vehicle in-lieu at \$7,349,010 and \$7,642,970, and state gas tax and traffic congestion relief at \$2,095,745 for both fiscal years.

- **County and other agency grants for both fiscal years –**

Prop A Transit	\$1,414,527	\$1,450,000
Prop C Transit	\$1,173,313	\$1,200,000
Measure R	\$879,995	\$900,000
AQMD	\$110,000	\$100,000
Prop A Recreation	\$145,554	\$20,289

- **State grants –**

COPS	\$130,000	\$130,000
Litter Reduction	\$20,000	\$20,000
TDA	\$67,907	\$65,000
Used Oil	\$23,016	

- **Federal grants –**

STPL-TEALU	\$856,000	(carryover)
CDBG	\$484,216	\$484,216
JAG	\$30,137	\$18,000

- **Water utility charges** – Water utility operating revenues are projected at \$11,642,198 for Fiscal Year 2014-2015 and \$12,753,697 in Fiscal Year 2015-2016. Of the total revenue, reclaimed water sales are forecast at \$383,663 and \$438,472 respectively, and the solar panel energy rebate is \$145,000 for both years.

Appropriations

General government and water enterprise operating appropriations total \$60,789,250 for Fiscal Year 2014-2015, and \$61,952,323 for Fiscal Year 2015-2016.

- **Personnel expenses** – Personnel costs comprise 36.4 percent of the proposed operating budget for both fiscal years. In the past 20 years, Lakewood’s workforce has decreased and is now at 171 positions. No new positions are proposed in this budget.

- **Contract services** – Approximately 40.25 percent of the operating budget for both years reflects contract services.

Major contracts for both fiscal years include law enforcement by the Los Angeles County Sheriff’s Department at \$10,032,163 and \$10,364,602, and refuse disposal and collection at \$4,518,966 and \$4,609,345.

Other contracts include street lighting maintenance at \$1,175,253 and \$1,190,139 (includes electrical costs), street sweeping \$635,000 and \$648,000, tree maintenance \$541,000 and \$552,000, IT computer services \$495,000 for both years, Sky Knight \$400,000 and \$345,725, animal control \$350,191 and \$357,195, building and safety inspection \$341,700 and \$348,500, as well as engineering services at \$281,500 and \$287,100.

- **Supplies and expenses** – This general classification of expenses represents 22.1 percent of the operating budget

for both years. The largest expenses are utilities at \$1,670,375 and 1,793,285, and insurance costs for liability, property, earthquake, and workers' compensation and unemployment programs at \$1,069,394 and \$1,123,344.

- **Interdepartmental services** – These are services provided by the City's Graphics and Copy Center, Fleet Maintenance and Geographic Information System (GIS). Costs are collected in internal service funds and allocated through work orders and in the case of GIS, costs are allocated on estimated usage. These services comprise about 1.35 percent of both budget years. Graphics and Copy operations are expected to cost \$425,250 and \$426,874. The fleet maintenance costs are budgeted at \$1,129,052 and \$1,064,388, and GIS costs are budgeted at \$104,592 and \$97,615 for the two fiscal years respectively.

- **Water utility services** – Water utility appropriations for operational costs are proposed at \$10,110,802 for Fiscal Year 2014-2015, and \$10,376,671 for Fiscal Year 2015-2016. Operational costs includes water replenishment of \$2,527,776 and \$2,782,440, depreciation in the amount of \$1,500,000 for both years, debt service of \$818,207 and \$817,500, and \$649,000 and \$668,470 in electricity costs for pumping water.

- **Capital equipment** – Appropriations for vehicles are designated in an equipment replacement fund with the purpose to replace equipment that is unsafe or no longer serviceable.

Capital Improvements

Capital improvements are considered apart from the City's operating budget. Capital improvement projects typically involve various funding sources, large outlays and cover multiple years.

Multi-year capital improvement projects, including water utility projects, totaling \$12,691,029 are slated for Fiscal Year 2014-2015 and Fiscal Year 2015-2016, of which \$3,716,583 are projects continuing from prior years.

Park and facilities projects include: San Martin Park play area and entry, Palms Park activity building and Burns Center upgrade, West San Gabriel River trail, dog park, hardscape repair at various parks; refurbishment of Sycamore Centre and Civic Centre facilities; fire, security system and fencing improvements are on-going throughout the city; roofing and paint at the Nixon Yard, and various small projects that attend to potential health and safety matters.

Public right-of-way projects include: Woodruff Avenue resurfacing; Del Amo Boulevard pavement and medians; local street and alley resurfacing; ficus tree side panel replacement, bridge repair; ADA improvements and hardscape repairs throughout the city.

The water utility capital improvement budget is \$4,093,137 for Fiscal Year 2014-2015, and \$1,704,300 in Fiscal year 2015-2016. Water utility capital projects include: water main and meter replacement, and the completion of Well #22 treatment facility and the commencing of the design and construction of Well #28.

Expenditure Limit

Article XIIIB of the California Constitution limits the expenditures from the proceeds of taxes. These expenditures may increase over the prior year in the same percentage as inflation and population changes. Grants and non-tax revenues are exempt.

Prior to the adoption of the budget the City Council determines its annual appropriations that are subject to limitation pursuant to Article XIII.B of the State Constitution, which are adopted by separate resolution and made available for public inspection fifteen days prior to adoption. The total annual appropriations of the City of Lakewood subject to limitation as specified in Article XIII.B of the State Constitution for the fiscal year commencing July 1, 2015, is determined to be \$29,158,830. Proceeds subject to the Gann limit are 61.1 percent of the imposed limit.

Reserves

The City has maintained a structural surplus to fund the City's capital improvement program. This surplus has ranged from over ten percent of revenues to close to zero depending on the strength of the economy.

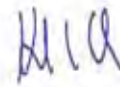
On average, the structural surplus is five percent of General Fund operational expenditures. Post Great Recession, the maintenance of this structural surplus will need to be rebuilt into the revenue and expenditure structure.

The proposed Budget calls for the use of General Fund unassigned reserves of \$636,050 in Fiscal Year 2014-2015 and \$775,000 in Fiscal Year 2015-2016 for capital projects, which is proposed to be added to the projected \$493,960 in allocations for capital improvements made in prior years that are continuing into Fiscal Year 2014-2015, as many of the capital projects are multi-year.

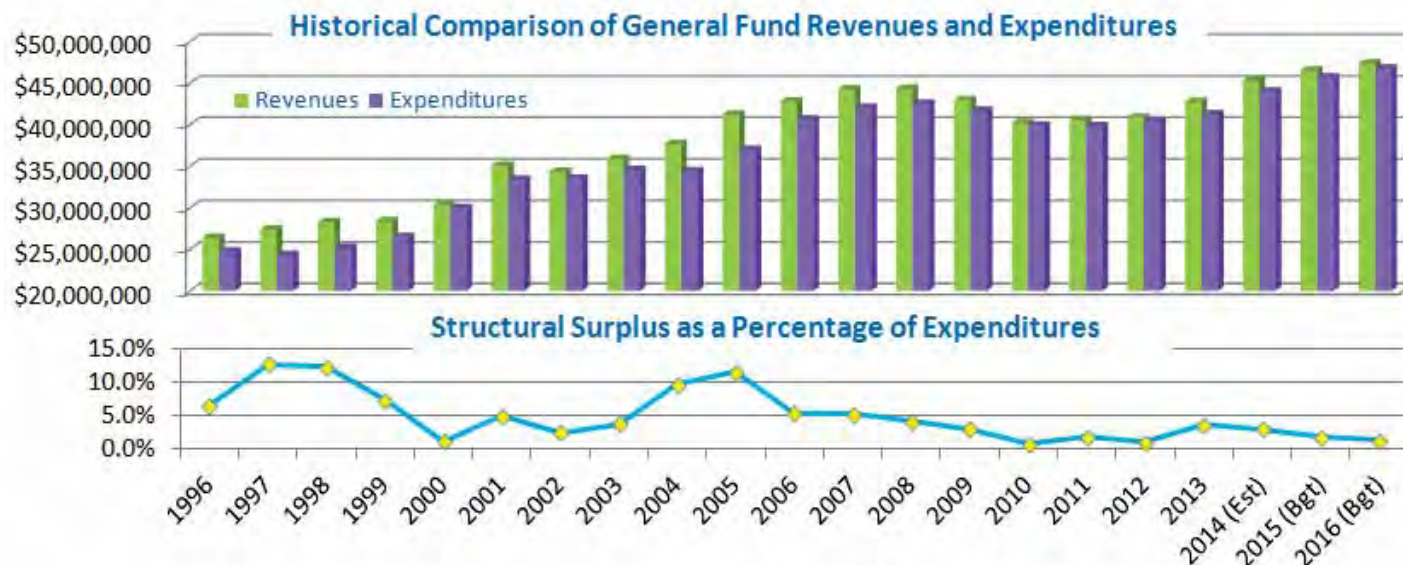
Recommendation

It is respectfully recommended that the City Council hold the public hearing on the budget, and adopt the presented budget as the City's Financial Plan for Fiscal Year 2014-2015 and Fiscal Year 2015-2016.

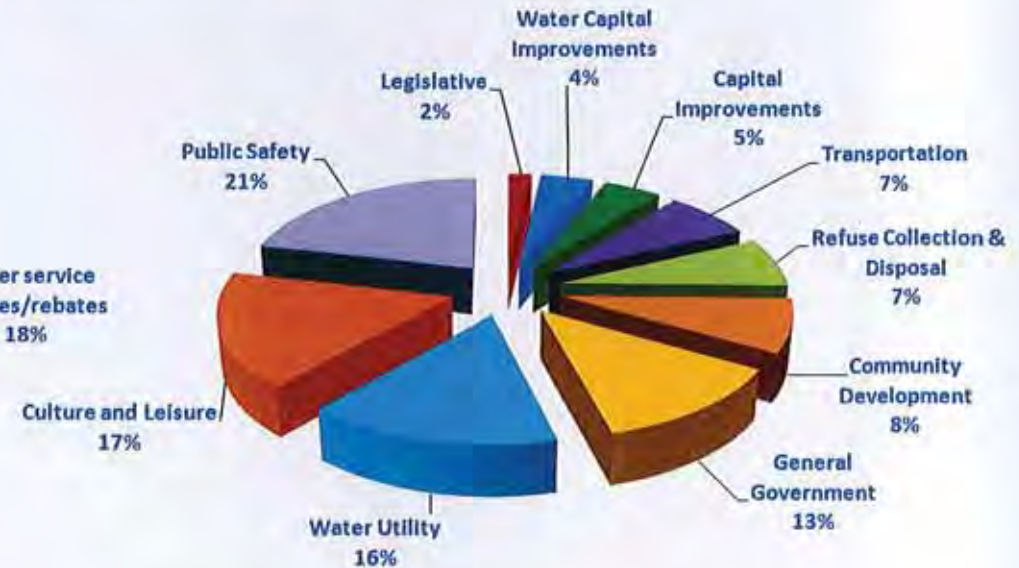
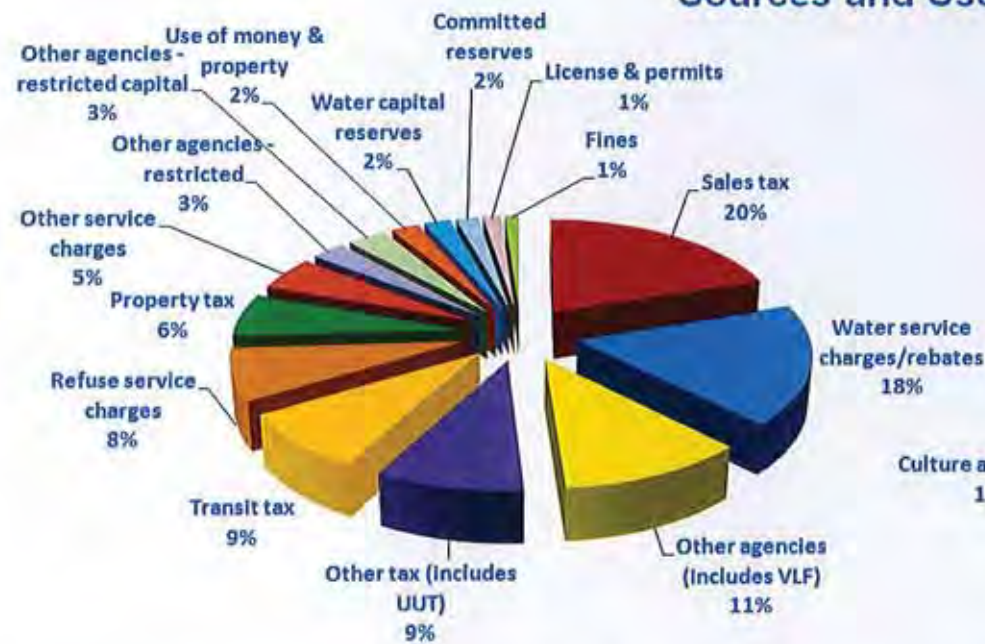
Respectfully submitted,



Howard L. Chambers
City Manager



Two-Year Budget Sources and Uses of Funds



Fiscal Year 2014-2015

Sources of Funds		Uses of Funds	
Sales tax	\$ 13,388,621	Public Safety	\$ 14,309,266
Water service charges/rebates	11,359,198	Culture and Leisure	11,510,488
Other agencies (includes VLF)	7,654,010	Water Utility	10,110,802
Other tax (includes UUT)	6,045,634	General Government	8,427,093
Transit tax	5,771,487	Community Development	5,398,664
Refuse service charges	5,136,241	Refuse Collection & Disposal	4,943,522
Property tax	4,192,310	Transportation	4,775,183
Other service charges	3,362,481	Water Capital Improvements	4,093,137
Other agencies - restricted capital	2,751,501	Capital Improvements	4,050,783
Water capital reserves	2,844,741	Legislative	1,314,232
Other agencies - restricted	2,053,140		<u>\$ 68,933,170</u>
Use of money & property	1,446,468		
Committed reserves	1,205,010		
License & permits	955,128		
Fines	767,200		
	<u>\$ 68,933,170</u>		

Fiscal Year 2015-2016

Sources of Funds		Uses of Funds	
Sales tax	\$ 13,656,133	Public Safety	\$ 14,655,593
Water service charges/rebates	12,470,697	Culture and Leisure	11,816,973
Other agencies (includes VLF)	7,697,970	Water Utility	10,376,671
Other tax (includes UUT)	6,140,533	General Government	8,482,539
Transit tax	5,840,745	Community Development	5,462,381
Refuse service charges	5,225,957	Refuse Collection & Disposal	5,014,362
Property tax	4,356,000	Transportation	4,929,981
Other service charges	3,406,490	Capital Improvements	2,842,809
Other agencies - restricted	1,644,098	Water Capital Improvements	1,704,300
Use of money & property	1,499,106	Legislative	1,213,823
Other agencies - restricted capital	1,583,653		<u>\$ 66,499,432</u>
Committed reserves	1,230,309		
License & permits	975,541		
Fines	772,200		
	<u>\$ 66,499,432</u>		

FISCAL YEAR 2014-2015

FUND	Estimated Fund Balance June 30, 2014	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2015
<u>General Fund</u>	\$ 3,017,817	\$ 42,113,958	\$ 2,843,465	\$ 44,649,063	\$ 3,326,177
Capital Improvements	493,960	-	711,050	1,205,010	-
Community Facility Fund	-	335,500	553,328	888,828	-
Retiree Benefit Fund	5,546,433	234,031	6,660	1,111,231	4,675,893
Cable TV Fund	-	498,635	147,292	645,927	-
Housing Successor Agency Fund	-	200,000	-	200,000	-
<u>Special Revenue Funds</u>	-	-	-	-	-
CDBG Funds	209,312	484,216	-	297,841	23,569
CDBG-Capital	-	-	-	372,118	-
State COPS Grant	398,566	132,000	-	132,000	398,566
JAG Grant	-	20,137	-	20,137	-
Litter Reduction Grant	75,456	20,600	-	20,600	75,456
TDA Article-3-Capital	65,460	67,907	-	60,000	73,367
Measure R	(897,575)	879,995	-	-	(115,580)
Measure R-Capital	-	-	-	98,000	-
Used Oil Grant	22,077	23,016	-	23,016	22,077
PROP A Recreation	2,695	146,554	-	146,554	2,695
River Park Grant (see Capital Projects Fund)	61,188	-	-	61,188	-
Air Quality Management (AQMD)	39,958	111,000	-	150,463	495
State Gas Tax	-	2,100,745	(2,100,745)	-	-
Prop A Transit Fund	770,688	1,424,527	-	1,345,465	849,750
Prop A Capital Project	-	-	-	-	-
Prop C Transit Fund	2,271,124	1,188,313	-	1,041,314	1,494,656
Prop C-Capital	-	-	-	923,467	-
Sewer Reconstruction Fund	96,345	-	-	-	96,345
Business Development Loan Fund	439,474	74,404	-	106,500	407,378
CDBG Program Income Fund	24,251	32,200	-	33,009	23,442
Other Grant Funds	106,493	401,982	-	475,000	33,475
TOTAL GOVERNMENTAL FUNDS	\$ 13,599,723	\$ 50,489,720	\$ 2,161,050	\$ 54,862,731	\$ 11,387,762

FISCAL YEAR 2014-2015

FUND	Estimated Fund Balance June 30, 2014	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2015
Water Debt Service	\$ 231,776	\$ -	\$ 818,207	\$ 818,207	\$ 231,776
Water Utility Operations ⁽¹⁾	7,012,684	11,642,198	(2,268,207)	7,792,595	4,500,943
Water Utility Capital	-	-	-	4,093,137	-
TOTAL ENTERPRISE FUNDS	\$ 7,244,460	\$ 11,642,198	\$ (1,450,000)	\$ 12,703,939	\$ 4,732,719
⁽¹⁾ Less depreciation					
 GRAND TOTAL	 \$ 20,844,183	 \$ 62,131,918	 \$ 711,050	 \$ 67,566,670	 \$ 16,120,481
 Graphics and Copy Center	-	425,250	-	425,250	-
Fleet Maintenance Fund	-	999,052	-	999,052	-
Geographic Info. System Fund	-	104,592	-	104,592	-
TOTAL INTERNAL SERVICE FUNDS	\$ -	\$ 1,528,894	\$ -	\$ 1,528,894	\$ -

FISCAL YEAR 2015-2016

FUND	Estimated Fund Balance June 30, 2015	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2016
<u>General Fund</u>	\$ 3,326,177	\$ 42,895,195	\$ 2,841,422	\$ 45,388,673	\$ 3,674,121
Capital Improvements	-	-	775,000	775,000	-
Community Facility Fund	-	335,500	563,909	899,409	-
Retiree Benefit Fund	4,675,893	245,052	2,360	1,117,952	3,805,353
Cable TV Fund	-	499,235	188,054	687,289	-
Housing Successor Agency Fund	-	200,000	-	200,000	-
		-	-	-	-
<u>Special Revenue Funds</u>		-	-	-	-
CDBG Funds	23,569	484,216	-	300,407	23,569
CDBG-Capital	-	-	-	183,809	-
State COPS Grant	398,566	132,000	-	132,000	398,566
JAG Grant	-	18,000	-	18,000	-
Litter Reduction Grant	75,456	20,600	-	20,600	75,456
TDA Article-3-Capital	73,367	65,000	-	60,000	78,367
Measure R	(115,580)	900,000	-	129,135	65,285
Measure R-Capital	-	-	-	590,000	-
Used Oil Grant	22,077	-	-	-	22,077
PROP A Recreation	2,695	20,289	-	22,984	-
River Park Grant (see Capital Projects Fund)	-	-	-	-	-
Air Quality Management (AQMD)	495	101,000	-	55,487	46,008
State Gas Tax	-	2,100,745	(2,100,745)	-	-
Prop A Transit Fund	849,750	1,460,000	-	1,345,251	964,499
Prop A Capital Project	-	-	-	-	-
Prop C Transit Fund	1,494,656	1,215,000	-	1,090,322	385,334
Prop C-Capital	-	-	-	1,234,000	-
Sewer Reconstruction Fund	96,345	-	-	-	96,345
Business Development Loan Fund	407,378	56,470	-	106,500	357,348
CDBG Program Income Fund	23,442	32,200	-	32,253	23,389
Other Grant Funds	33,475	171,560	-	-	205,035
TOTAL GOVERNMENTAL FUNDS	\$ 11,387,762	\$ 50,952,062	\$ 2,270,000	\$ 54,389,071	\$ 10,220,753

FISCAL YEAR 2015-2016

FUND	Estimated Fund Balance June 30, 2015	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2016
Water Debt Service	\$ 231,776	\$ -	\$ 817,500	\$ 817,500	\$ 231,776
Water Utility Operations ⁽¹⁾	4,500,943	12,753,697	(2,312,500)	8,059,171	5,178,669
Water Utility Capital	-	-	-	1,704,300	-
TOTAL ENTERPRISE FUNDS	\$ 5,410,445	\$ 12,753,697	\$ (1,495,000)	\$ 10,580,971	\$ 5,410,445
⁽¹⁾ Less depreciation					
 GRAND TOTAL	 \$ 16,120,481	 \$ 63,705,759	 \$ 775,000	 \$ 64,970,042	 \$ 15,631,198
 Graphics and Copy Center	-	426,874	-	426,874	-
Fleet Maintenance Fund	-	1,029,388	-	1,029,388	-
Geographic Info. System Fund	-	97,615	-	97,615	-
TOTAL INTERNAL SERVICE FUNDS	\$ -	\$ 1,553,877	\$ -	\$ 1,553,877	\$ -

Lakewood General Fund revenues have experienced an average annual increase of 1%**Significant changes in operational revenues:**

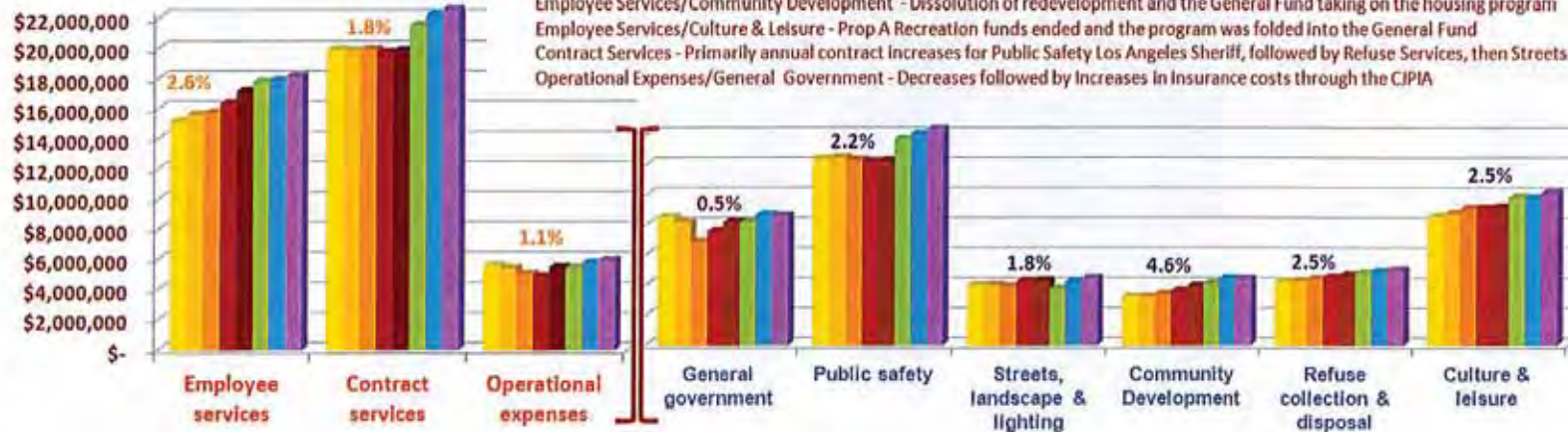
Sales tax has rebounded from recessionary lows and is now leveling off as income growth remains flat and changing consumer shopping habits
 Property tax has returned to 2% growth pattern prior to the housing bubble
 Property tax in 2013 includes county admin fee settlement and the initial redistribution of redevelopment agency assets
 Utility Users Tax decline is due to falling natural gas prices and changes in users' communication methods
 Transit taxes includes Gas Tax which has been declining, and the exchange of Prop A transit funds which accounts for the fluctuations
 Vehicle license fees follow property tax growth, the slower growth is due to the permanent shift of a portion of these funds to the state
 Building permits and fees has increased substantially from the recessionary years, but is still far below prerecession levels
 Money and property revenues includes interest earnings and leases, the decline is due to the extremely low rate of return on cash investment

**Lakewood General Fund operational expenditures have increased annually by 1%**

The City budgets conservatively, and has kept costs in check with 2% average annual budgetary increases

Significant changes in operational expenditures:

Employee Services/Community Development - Dissolution of redevelopment and the General Fund taking on the housing program
 Employee Services/Culture & Leisure - Prop A Recreation funds ended and the program was folded into the General Fund
 Contract Services - Primarily annual contract increases for Public Safety Los Angeles Sheriff, followed by Refuse Services, then Streets
 Operational Expenses/General Government - Decreases followed by Increases in Insurance costs through the CIPIA



APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD**FISCAL YEAR 2014-2015**

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
LEGISLATIVE							
1000 Legislative	\$ 175,891	\$ 0	\$ 39,700	\$ 0	\$ 0	\$ 0	215,591
1100 Legislative Advocacy	0	0	14,000	0	0	0	14,000
1220/40/60 Advisory Commissions	11,459	0	21,140	0	0	0	32,599
1300 Administration	331,700	0	13,030	1,424	0	0	346,154
3000 City Clerk	223,886	108,000	11,640	1,009	0	0	344,535
3100 Records Management	141,540	10,150	2,300	0	0	0	153,990
3220 City Legal Services	0	207,363	0	0	0	0	207,363
Total Legislative	884,476	325,513	101,810	2,433	0	0	1,314,232
GENERAL GOVERNMENT							
2000 Information Technology	206,980	703,800	40,490	10	55,000	0	1,006,280
2400 Public Information	227,266	105,425	21,264	56,155	0	0	410,110
2500 Customer Service	214,056	13,850	7,705	33,663	0	0	269,274
2550 Intergovernmental Relations	221,572	74,574	53,667	0	0	0	349,813
3240 Legal Services	0	0	35,000	0	0	0	35,000
3300 Internal Administration	261,983	5,795	199,730	27,665	0	0	495,173
3400 Human Resources	421,011	88,522	41,510	7,479	500	0	559,022
5000 Finance	843,978	142,310	93,755	22,933	101,000	0	1,203,976
5200 Insurance	0	8,400	2,180,105	0	0	0	2,188,505
5400 Purchasing & Stores	273,203	0	8,240	3,785	200	0	285,428
6300 Building Maintenance	532,619	96,958	243,517	65,799	0	0	938,893
7500 Facilities Maintenance	543,631	37,561	100,788	3,639	0	0	685,619
Total General Government	\$ 3,746,299	\$ 1,277,195	\$ 3,025,771	\$ 221,128	\$ 156,700	\$ 0	\$ 8,427,093

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2014-2015

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
PUBLIC SAFETY							
3600 Law Enforcement	\$ 678,168	\$ 10,071,710	\$ 95,235	\$ 52,925	\$ 0	\$ 0	10,898,038
3700 Sky Knight Program	147,822	528,621	24,945	0	0	0	701,388
3800 Safety Services - Other	299,623	0	12,185	2,395	0	0	314,203
5300 Parking Control	535,599	11,200	6,745	12,103	0	0	565,647
6200 Animal Control	5,981	350,191	51	0	0	0	356,223
6500 Graffiti Removal	101,447	0	9,575	10,242	0	0	121,264
6820 Street Lighting	19,463	1,211,303	0	0	0	0	1,230,766
7250 Emergency Preparedness	93,142	4,160	21,366	3,069	0	0	121,737
Total Public Safety	1,881,245	12,177,185	170,102	80,734	0	0	14,309,266
TRANSPORTATION							
4300 Transportation	247,360	1,150,353	5,744	51,438	0	0	1,454,895
6600 Hardscape Maintenance	131,138	260,000	150	0	0	0	391,288
6700 Tree Maintenance	365,769	600,000	9,450	98,394	1,200	0	1,074,813
6800 Street Maintenance	72,181	835,000	102	0	0	0	907,283
6810 Traffic Control	0	199,000	38,590	0	0	0	237,590
7200 DASH Program	467,221	10,720	26,003	205,370	0	0	709,314
Total Transportation	\$ 1,283,669	\$ 3,055,073	\$ 80,039	\$ 355,202	\$ 1,200	\$ 0	\$ 4,775,183

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD

FISCAL YEAR 2014-2015

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
COMMUNITY DEVELOPMENT							
2120 Media Services	\$ 692,327	\$ 24,100	\$ 37,486	\$ 42,708	\$ 0	\$ 0	796,621
2140 Media Production Center	0	20,000	1,500	0	51,500	0	73,000
2160 Transit CATV Program	54,112	5,000	2,378	0	0	0	61,490
2300 Economic Development	55,951	22,000	0	0	0	0	77,951
2600 Community Relations	213,449	2,300	87,236	33,030	0	0	336,015
4000 Planning	618,061	27,300	24,315	10,903	0	0	680,579
4100 Building & Safety	410,794	796,016	5,327	81	0	0	1,212,218
4400 Business Development Program	0	106,250	250	0	0	0	106,500
4600 Housing Program	176,882	213,707	35,311	0	0	0	425,900
4700 Code Enforcement	330,332	1,500	4,499	0	0	0	336,331
5100 Licensing	81,542	0	1,350	102	0	0	82,994
6000 Engineering	709,179	369,269	115,516	15,101	0	0	1,209,065
Total Community Dev	3,342,629	1,587,442	315,168	101,925	51,500	0	5,398,664
HEALTH							
6100 Solid Waste Collection	275,398	4,616,891	51,233	0	0	0	4,943,522
Total Health	275,398	4,616,891	51,233	0	0	0	4,943,522
CULTURE AND LEISURE							
6400 Park Maintenance	887,585	122,474	90,792	30,410	71,430	0	1,202,691
7000 RCS Administration	1,136,606	55,528	41,760	14,414	0	0	1,248,308
7050/7055 Aquatics Programs	281,997	5,000	16,255	5,395	0	0	308,647
7150 Centre Concessions	375,195	100,349	187,780	1,616	0	0	664,940
7300 Human Services Program	451,531	44,200	115,046	13,240	6,000	0	630,017
7350 Parks/Playground Programs	1,277,272	0	99,123	27,720	3,500	0	1,407,615
7400 Social/Cultural Programs	343,953	390,650	185,131	66,039	0	0	985,773
7450 Sports Programs	168,737	5,700	92,460	27,947	0	0	294,844
7550 Turf Maintenance	387,991	40,717	15,280	0	0	0	443,988
7600 RCS Park Maintenance	1,378,935	88,583	960,297	70,222	54,250	0	2,552,287
7720/7740 Landscape/Turf Maintenance	1,048,031	56,191	368,280	298,876	0	0	1,771,378
Total Culture and Leisure	\$ 7,737,833	\$ 909,392	\$ 2,172,204	\$ 555,879	\$ 135,180	\$ 0	\$ 11,510,488

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2014-2015

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
WATER UTILITY							
8000 Administration	\$ 255,408	\$ 263,430	\$ 2,617,126	\$ 58,003	\$ 250,000	\$ 0	\$ 3,443,967
8100/8200 Supply/Pumping	237,304	52,850	3,468,557	44,577	1,600	0	3,804,888
8300 Water Treatment	246,090	47,500	278,802	0	7,500	0	579,892
8400 Maintenance Storage	69,348	0	43,253	0	0	0	112,601
8500 Reclaimed Water	195,614	0	313,801	0	8,300	0	517,715
8600-8800 Distribution	628,322	66,800	86,167	95,855	95,700	0	972,844
8900 Customer Services	628,005	0	48,540	0	2,350	0	678,895
Total Water Utility	2,260,091	430,580	6,856,246	198,435	365,450	0	10,110,802
CAPITAL IMPROVEMENTS							
	0	0	0	0	0	8,143,920	8,143,920
Total Capital Improvements	0	0	0	0	0	8,143,920	8,143,920
GRAND TOTAL							
	\$ 21,411,640	\$ 24,379,271	\$ 12,772,573	\$ 1,515,736	\$ 710,030	\$ 8,143,920	\$ 68,933,170
INTERNAL SERVICE FUNDS							
2450 Graphics and Copy Center	280,500	78,700	56,050	0	10,000	0	425,250
6020 Geographic Information System	59,015	25,375	10,202	0	10,000	0	104,592
6900 Fleet Maintenance	424,094	38,500	483,516	11,442	171,500	0	1,129,052
Total Internal Service Funds	\$ 763,609	\$ 142,575	\$ 549,768	\$ 11,442	\$ 191,500	\$ 0	\$ 1,658,894

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2015-2016

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
LEGISLATIVE							
1000 Legislative	\$ 178,562	\$ 0	\$ 39,700	\$ 0	\$ 0	\$ 0	218,262
1100 Legislative Advocacy	0	0	14,000	0	0	0	14,000
1220/40/60 Advisory Commissions	11,844	0	17,390	0	0	0	29,234
1300 Administration	338,784	0	13,030	1,467	0	0	353,281
3000 City Clerk	225,117	0	11,640	1,013	0	0	237,770
3100 Records Management	141,413	10,200	2,300	0	0	0	153,913
3220 City Legal Services	0	207,363	0	0	0	0	207,363
Total Legislative	895,720	217,563	98,060	2,480	0	0	1,213,823
GENERAL GOVERNMENT							
2000 Information Technology	211,344	703,800	35,675	10	19,800	0	970,629
2400 Public Information	231,843	97,125	21,264	56,369	0	0	406,601
2500 Customer Service	220,317	13,850	3,005	33,791	0	0	270,963
2550 Intergovernmental Relations	228,345	74,574	53,667	0	0	0	356,586
3240 Legal Services	0	0	35,000	0	0	0	35,000
3300 Internal Administration	262,934	5,910	173,180	27,827	0	0	469,851
3400 Human Resources	425,909	97,051	43,010	7,507	500	0	573,977
5000 Finance	849,014	143,965	96,685	22,733	101,000	0	1,213,397
5200 Insurance	0	4,100	2,245,411	0	0	0	2,249,511
5400 Purchasing & Stores	274,630	0	8,940	3,790	200	0	287,560
6300 Building Maintenance	544,673	98,021	253,279	55,425	0	0	951,398
7500 Facilities Maintenance	548,327	37,561	107,438	3,740	0	0	697,066
Total General Government	\$ 3,797,336	\$ 1,275,957	\$ 3,076,554	\$ 211,192	\$ 121,500	\$ 0	\$ 8,482,539

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2015-2016

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
PUBLIC SAFETY							
3600 Law Enforcement	\$ 682,652	\$ 10,397,697	\$ 97,544	\$ 53,199	\$ 0	\$ 0	11,231,092
3700 Sky Knight Program	149,915	478,433	24,945	0	0	0	653,293
3800 Safety Services - Other	308,275	0	32,185	2,364	0	0	342,824
5300 Parking Control	540,397	11,700	7,695	12,470	0	0	572,262
6200 Animal Control	6,004	357,195	51	0	0	0	363,250
6500 Graffiti Removal	106,031	0	9,759	10,553	0	0	126,343
6820 Street Lighting	19,553	1,226,889	0	0	0	0	1,246,442
7250 Emergency Preparedness	94,090	4,160	18,684	3,153	0	0	120,087
Total Public Safety	1,906,917	12,476,074	190,863	81,739	0	0	14,655,593
TRANSPORTATION							
4300 Transportation	254,171	1,153,138	5,744	47,323	0	0	1,460,376
6600 Hardscape Maintenance	135,849	260,000	150	0	0	0	395,999
6700 Tree Maintenance	369,727	612,000	9,450	84,453	1,200	0	1,076,830
6800 Street Maintenance	72,910	828,000	102	0	0	0	901,012
6810 Traffic Control	128,253	199,000	41,402	0	0	0	368,655
7200 DASH Program	476,187	10,720	28,646	211,556	0	0	727,109
Total Transportation	\$ 1,437,097	\$ 3,062,858	\$ 85,494	\$ 343,332	\$ 1,200	\$ 0	\$ 4,929,981

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD

FISCAL YEAR 2015-2016

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
COMMUNITY DEVELOPMENT							
2120 Media Services	\$ 696,611	\$ 24,100	\$ 36,286	\$ 43,651	\$ 0	\$ 0	800,648
2140 Media Production Center	0	20,000	1,500	0	90,000	0	111,500
2160 Transit CATV Program	54,508	5,000	0	0	0	0	59,508
2300 Economic Development	57,127	22,000	0	0	0	0	79,127
2600 Community Relations	219,388	2,300	87,236	33,293	0	0	342,217
4000 Planning	616,976	20,000	24,440	11,029	0	0	672,445
4100 Building & Safety	415,327	811,928	5,327	81	0	0	1,232,663
4400 Business Development Program	0	106,250	250	0	0	0	106,500
4600 Housing Program	181,897	278,771	34,427	0	3,500	0	498,595
4700 Code Enforcement	331,788	1,500	4,499	0	0	0	337,787
5100 Licensing	84,588	0	2,715	100	0	0	87,403
6000 Engineering	588,758	372,089	128,379	44,762	0	0	1,133,988
Total Community Developme	3,246,968	1,663,938	325,059	132,916	93,500	0	5,462,381
HEALTH							
6100 Solid Waste Collection	276,780	4,705,795	31,787	0	0	0	5,014,362
Total Health	276,780	4,705,795	31,787	0	0	0	5,014,362
CULTURE AND LEISURE							
6400 Park Maintenance	907,769	129,043	92,434	31,333	72,858	0	1,233,437
7000 RCS Administration	1,155,309	56,537	41,760	14,543	0	0	1,268,149
7050/7055 Aquatics Programs	290,000	5,000	16,255	5,415	0	0	316,670
7150 Centre Concessions	377,896	100,349	194,485	1,622	0	0	674,352
7300 Human Services Program	465,689	44,200	119,360	13,291	0	0	642,540
7350 Parks/Playground Programs	1,296,775	0	99,966	27,826	0	0	1,424,567
7400 Social/Cultural Programs	352,316	390,650	185,881	66,560	0	0	995,407
7450 Sports Programs	166,200	5,700	92,460	28,054	0	0	292,414
7550 Turf Maintenance	390,561	40,717	15,280	0	0	0	446,558
7600 RCS Park Maintenance	1,460,052	88,583	1,017,417	72,351	56,000	0	2,694,403
7720/7740 Landscape/Turf Maintenance	1,065,324	56,191	399,010	307,951	0	0	1,828,476
Total Culture and Leisure	\$ 7,927,891	\$ 916,970	\$ 2,274,308	\$ 568,946	\$ 128,858	\$ 0	\$ 11,816,973

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2015-2016

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
WATER UTILITY							
8000 Administration	\$ 256,597	\$ 264,781	\$ 2,613,275	\$ 53,965	\$ 250,000	\$ 0	\$ 3,438,618
8100/8200 Supply/Pumping	239,009	52,850	3,743,271	45,930	1,600	0	4,082,660
8300 Water Treatment	247,647	52,500	287,327	0	8,600	0	596,074
8400 Maintenance Storage	69,874	0	44,573	0	0	0	114,447
8500 Reclaimed Water	197,221	0	321,301	0	8,300	0	526,822
8600-8800 Distribution	631,485	66,925	86,167	98,566	50,200	0	933,343
8900 Customer Services	632,767	0	51,540	0	400	0	684,707
Total Water Utility	2,274,600	437,056	7,147,454	198,461	319,100	0	10,376,671
CAPITAL IMPROVEMENTS							
	0	0	0	0	0	4,547,109	4,547,109
Total Capital Improvements	0	0	0	0	0	4,547,109	4,547,109
GRAND TOTAL							
	\$ 21,763,309	\$ 24,756,211	\$ 13,229,579	\$ 1,539,066	\$ 664,158	\$ 4,547,109	\$ 66,499,432
INTERNAL SERVICE FUNDS							
2450 Graphics and Copy Center	281,674	78,700	56,500	0	10,000	0	426,874
6020 Geographic Information System	61,982	25,375	10,258	0	0	0	97,615
6900 Fleet Maintenance	429,280	38,500	489,766	11,842	95,000	0	1,064,388
Total Internal Service Funds	\$ 772,936	\$ 142,575	\$ 556,524	\$ 11,842	\$ 105,000	\$ 0	\$ 1,588,877

APPROPRIATION SUMMARY

CITY OF LAKEWOOD

CONTRACT SERVICES

Rank	Description	Projected Actual 2013-2014	% of Total	Adopted Budget 2014-2015	% of Total	Adopted Budget 2015-2016	% of Total
1	Law Enforcement	\$ 9,354,057	40.9%	\$ 10,032,163	40.9%	\$ 10,364,602	41.6%
2	Refuse Collection/Disposal Service	4,384,848	19.1%	4,518,966	18.4%	4,609,345	18.5%
3	Street Lighting	1,163,000	5.0%	1,175,253	4.8%	1,190,139	4.8%
4	Street Sweeping	622,000	2.6%	635,000	2.6%	648,000	2.6%
5	Tree Maintenance	530,000	2.2%	541,000	2.2%	552,000	2.2%
6	Computer Services	495,000	2.1%	495,000	2.0%	495,000	2.0%
7	Sky Knight	321,000	1.3%	400,000	1.6%	345,725	1.4%
8	Animal Control	320,237	1.3%	350,191	1.4%	357,195	1.4%
9	Building Inspection	335,000	1.4%	341,700	1.4%	348,500	1.4%
10	Engineering Services	276,000	1.1%	281,500	1.1%	287,100	1.2%
	Sub-total	17,801,142	76.96%	18,770,773	76.55%	19,197,606	77.10%
11	Street & Sidewalk Maintenance	260,000	1.1%	260,000	1.1%	260,000	1.0%
12	Legal Services	205,363	0.9%	205,363	0.8%	205,363	0.8%
13	Long Beach Transit	132,000	0.6%	139,353	0.6%	142,138	0.6%
14	Traffic Control	138,000	0.6%	138,000	0.6%	138,000	0.6%
15	Mail Processing	129,682	0.6%	130,470	0.5%	133,710	0.5%
16	Facility Maintenance	114,755	0.5%	160,605	0.7%	160,605	0.6%
17	Fire & Security Alarm	104,368	0.5%	114,816	0.5%	117,019	0.5%
18	Industrial Waste Inspection	77,000	0.3%	78,500	0.3%	80,100	0.3%
19	Live Scan	75,000	0.3%	75,000	0.3%	75,000	0.3%
20	Code Enforcement	61,000	0.3%	62,200	0.3%	63,500	0.3%
	Sub-total	1,297,168	5.68%	1,364,307	5.56%	1,375,435	5.52%
	All other	3,734,021	17.35%	4,386,766	17.89%	4,325,745	17.37%
	Grand total	\$ 22,832,331	100.00%	\$ 24,521,846	100.00%	\$ 24,898,786	100.00%

REVENUE ANALYSIS

CITY OF LAKEWOOD

REVENUE COMPOSITION

Rank	Description	Projected Actual 2013-2014	% of Total	Adopted Budget 2014-2015	% of Total	Adopted Budget 2015-2016	% of Total
1	Sales tax / ERAF	\$ 13,321,675	21.6%	\$ 13,388,621	21.0%	\$ 13,656,133	20.9%
2	Water utility service charges	9,333,465	15.1%	11,214,198	17.6%	12,325,697	18.9%
3	Motor vehicle in lieu / ERAF	7,061,604	11.4%	7,349,010	11.5%	7,642,970	11.7%
4	Refuse service charges	4,977,531	8.1%	5,136,241	8.1%	5,225,957	8.0%
5	Property tax	3,995,979	6.5%	4,192,310	6.6%	4,356,000	6.7%
6	Utility users tax	3,432,942	5.6%	3,442,889	5.4%	3,464,173	5.3%
7	Gas tax	2,358,182	3.8%	2,095,745	3.3%	2,095,745	3.2%
8	Franchise fees	1,692,422	2.7%	1,746,745	2.7%	1,810,360	2.8%
9	Building Permits & Fees	1,928,876	3.1%	1,702,677	2.7%	1,713,601	2.6%
10	Prop A Transit	1,368,103	2.2%	1,414,527	2.2%	1,450,000	2.2%
	Sub-total	49,470,779	80.2%	51,682,963	81.2%	53,740,636	82.3%
11	Prop C Transit	1,134,806	1.8%	1,173,313	1.8%	1,200,000	1.9%
12	Recreation fees	985,551	1.6%	985,845	1.5%	994,227	1.6%
13	Rents & Concession	932,854	1.5%	1,179,468	1.9%	1,182,106	1.9%
14	Measure R	851,102	1.4%	879,995	1.4%	900,000	1.4%
15	Fines & forfeitures	768,475	1.2%	767,200	1.2%	772,200	1.2%
16	Other Public Safety Fees	557,562	0.9%	575,967	0.9%	591,627	0.9%
17	Business licenses	545,990	0.9%	550,000	0.9%	555,000	0.9%
18	CDBG (Block Grant)	475,961	0.8%	484,216	0.8%	484,216	0.8%
19	Use of money and property	425,418	0.7%	396,199	0.6%	442,946	0.7%
20	Sky Knight	286,925	0.5%	294,940	0.5%	300,000	0.5%
	Sub-Total	6,964,644	11.3%	7,287,143	11.4%	7,422,322	11.7%
	All other	5,263,110	8.5%	4,690,706	7.4%	4,096,678	6.3%
	Grand total	\$ 61,698,533	100%	\$ 63,660,812	100%	\$ 65,259,636	100%

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
GENERAL FUND:							
Property taxes	\$ 3,671,332	\$ 3,661,314	\$ 5,150,561	\$ 3,895,979	\$ 3,995,979	\$ 4,192,310	\$ 4,356,000
Sales tax	8,492,663	9,097,832	9,698,725	9,860,458	9,786,064	10,122,841	10,325,037
ERAF - Sales tax	2,949,995	2,787,872	3,176,891	3,363,392	3,535,611	3,265,780	3,331,096
Utility users tax	3,508,512	3,365,149	3,626,639	3,616,171	3,432,942	3,442,889	3,464,173
Other taxes	1,801,721	1,915,726	2,046,662	2,052,320	2,214,647	2,288,295	2,366,550
Licenses & permits	770,650	635,099	883,337	642,678	1,092,265	955,128	975,541
Fines & forfeitures	881,450	817,093	782,011	743,300	768,475	767,200	772,200
Use of money & property	947,703	811,983	758,782	942,178	897,031	1,150,968	1,203,606
From other agencies	12,059,326	10,626,753	7,147,584	7,304,901	7,361,830	7,654,010	7,697,970
Current service charges	10,832,777	6,989,802	7,657,447	7,436,675	7,408,853	7,508,737	7,637,222
Other revenue	228,052	822,276	1,087,058	660,800	665,048	765,800	765,800
Total General Fund	46,144,181	41,530,900	42,015,696	40,518,852	41,158,745	42,113,958	42,895,195
COMMUNITY FACILITY FUND:							
Use of money & property	148,606	229,143	218,806	260,000	277,000	295,500	295,500
Current service charges	22,845	32,341	37,853	28,000	31,450	40,000	40,000
Total Community Facility	171,451	261,484	256,658	288,000	308,450	335,500	335,500
CABLE TV FUND:							
Other taxes	369,340	350,317	345,320	355,000	322,500	314,450	309,810
Other revenue	150,183	175,118	172,384	182,100	176,500	184,185	189,425
Total Cable TV Fund	519,523	525,435	517,704	537,100	499,000	498,635	499,235
RETIREE BENEFITS FUND:							
Other revenue	0.0	0.0	0.0	0.0	0.0	234,031.0	245,052.0
Total Retiree Benefits Fund	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 234,031.0	\$ 245,052.0

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
PARK DEDICATION FUND:							
Other taxes	\$ 40,760	\$ 40,760	\$ 330	\$ 0	\$ 990	\$ 401,982	\$ 171,560
Total Park Dedication Fund	40,760	40,760	330	0	990	401,982	171,560
AQMD FUND:							
Use of money & property	2,445	1,502	1,224	1,400	1,000	1,000	1,000
From other agencies	91,199	100,675	96,954	100,000	100,000	110,000	100,000
Total AQMD Fund	93,644	102,177	98,178	101,400	101,000	111,000	101,000
CDBG GRANT FUND:							
Current year allocation	1,207,303	400,720	882,620	475,961	475,961	484,216	484,216
Program income	34,183	29,183	36,163	37,300	37,200	32,200	32,200
Total CDBG Fund	1,241,486	429,903	918,783	513,261	513,161	516,416	516,416
STATE GAS TAX/TRAFFIC CONGESTION RELIEF FUND:							
Use of money & property	21,583	13,423	5,010	5,000	5,000	5,000	5,000
Other revenue	2,058,477	2,311,196	1,876,322	2,428,601	2,353,182	2,095,745	2,095,745
Total State Gas Tax Fund	2,080,060	2,324,619	1,881,332	2,433,601	2,358,182	2,100,745	2,100,745
HOUSING SUCCESSOR AGENCY FUND							
Current year allocation	0	0	690	1,000	1,000	1,000	1,000
Program income	0	0	248,186	199,000	199,000	199,000	199,000
Total Housing Successor Agency Fund	0	0	248,876	200,000	200,000	200,000	200,000
BUSINESS DEVELOPMENT LOAN FUND:							
Use of money & property	16,845	14,868	12,390	12,170	10,670	8,399	6,146
Other revenue	28,748	58,205	60,696	63,295	63,295	66,005	50,324
Total Business Dev Loan Fund	\$ 45,593	\$ 73,073	\$ 73,086	\$ 75,465	\$ 73,965	\$ 74,404	\$ 56,470

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
PROP A TRANSIT FUND:							
Other taxes	\$ 1,129,424	\$ 1,222,169	\$ 1,292,382	\$ 1,368,103	\$ 1,368,103	\$ 1,414,527	\$ 1,450,000
Use of money & property	18,017	7,601	5,146	4,000	7,232	10,000	10,000
Total Prop A Fund	1,147,441	1,229,770	1,297,527	1,372,103	1,375,335	1,424,527	1,460,000
PROP C TRANSIT FUND:							
Other taxes	938,583	1,015,865	1,074,476	1,134,806	1,134,806	1,173,313	1,200,000
Use of money & property	107,332	21,563	12,189	10,000	16,000	15,000	15,000
Total Prop C Fund	1,045,915	1,037,428	1,086,665	1,144,806	1,150,806	1,188,313	1,215,000
MEASURE R FUND							
Other taxes	700,252	755,399	803,033	851,102	851,102	879,995	900,000
Use of money & property		7,703	604	1,000	0	0	0
Total Measure R Fund	700,252	763,102	803,637	852,102	851,102	879,995	900,000
SPECIAL GRANT FUNDS:							
Prop A Recreation Funds	167,590	74,272	73,675	186,233	186,233	146,554	20,289
State COPS Grant	228,489	200,102	127,599	131,701	132,535	132,000	132,000
JAG Grant	266,979	0	0	22,229	22,229	20,137	18,000
Litter Reduction	8,627	44,252	22,113	22,450	22,632	20,600	20,600
TDA Article 3 - SB821	33,571	40,292	59,513	65,460	65,460	67,907	65,000
Used Oil Grant	27,125	-2,938	33,974	23,022	22,822	23,016	0
Beverage Container Recycling	17,981	86,596	0	0	0	0	0
STPL TEA-LU	173,976	1,624,502	149,520	856,000	0	0	0
Sewer Reconstruction Fund	0	0	9,626	0	0	0	0
River Park Grant	0	95,974	0	1,446,203	1,014,000	0	0
Total Special Grant Funds	\$ 924,338	\$ 2,163,053	\$ 476,021	\$ 2,753,298	\$ 1,465,911	\$ 410,214	\$ 255,889

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
CAPITAL IMPROVEMENT PROJECT FUND	\$ 1,872,947	\$ 593,357	\$ 574,000	\$ 0	\$ 0	\$ 0	\$ 0
	<u>1,872,947</u>	<u>593,357</u>	<u>574,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL GOVERNMENTAL FUNDS:	<u>56,027,591</u>	<u>51,075,061</u>	<u>50,248,494</u>	<u>50,789,988</u>	<u>50,056,647</u>	<u>50,489,720</u>	<u>50,952,062</u>
WATER OPERATIONS FUND:							
Use of money & property	253,897	172,945	137,163	183,000	143,341	283,000	283,000
Other revenue	244,713	180,476	1,065,950	140,000	199,391	145,000	145,000
Operating revenues	7,804,382	8,824,236	9,429,900	10,083,535	10,847,499	11,214,198	12,325,697
TOTAL WATER FUND:	<u>8,302,992</u>	<u>9,177,656</u>	<u>10,633,013</u>	<u>10,406,535</u>	<u>11,190,231</u>	<u>11,642,198</u>	<u>12,753,697</u>
TOTAL GOVERNMENTAL AND WATER FUND:	<u>64,330,583</u>	<u>60,252,717</u>	<u>60,881,507</u>	<u>61,196,523</u>	<u>61,246,878</u>	<u>62,131,918</u>	<u>63,705,759</u>
INTERNAL SERVICE FUNDS:							
Graphics and Copy Center	385,269	396,468	393,681	421,441	409,506	425,250	426,874
Fleet maintenance	962,029	841,896	941,315	974,198	942,865	999,052	1,029,388
Geographic Info Systems	73,762	99,090	66,992	97,016	62,508	104,592	97,615
TOTAL INTERNAL SERVICE FUNDS:	<u>\$ 1,421,060</u>	<u>\$ 1,337,454</u>	<u>\$ 1,401,988</u>	<u>\$ 1,492,655</u>	<u>\$ 1,414,879</u>	<u>\$ 1,528,894</u>	<u>\$ 1,553,877</u>

CITY OPERATIONS

The purpose of this activity is for the City Council to serve as the legislative and policy-making body of the City of Lakewood; to act on behalf of the general health, comfort, safety and welfare of the City's inhabitants; and to provide overall direction to the activities, programs, projects and services of the City government.

PROGRAMS AND FUNCTIONS

To enact ordinances and resolutions necessary for governing the affairs of the City.

To authorize contracts on behalf of the City.

To approve the annual budget.

To confirm personnel appointments.

To adopt such measures as may be necessary for the protection of the health, comfort, safety, life, welfare and property of the City's inhabitants.

To represent the City at the local, regional, state and federal levels on matters of concern to the City.

BUDGET SUMMARY

Changed Conditions: None

Proposed Activities: City Council will oversee the Budget focus areas:

- Budget for sustainability
- Keep Lakewood safe
- Preserve neighborhood quality of life
- Foster a sense of community
- Promote economic vitality
- Support a caring community
- Enhance parks and open space
- Highlight governmental transparency and online resources
- Defend our traditional right to contract
- Protect the environment

ADMINISTRATION - 1000 LEGISLATIVE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	165,103	171,651	168,967	175,251	171,526	175,891	178,562
Office Expense	491	607	115	800	0	800	800
Meetings Expense	6,802	6,737	6,591	15,200	15,200	15,200	15,200
Special Department	22,056	23,214	22,505	23,700	1,200	23,700	23,700
TOTAL EXPENDITURES	194,451	202,209	198,177	214,951	187,926	215,591	218,262

FUNDING SOURCES

1010 General Fund	\$ 194,451	\$ 202,209	\$ 198,177	\$ 214,951	\$ 187,926	\$ 215,591	\$ 218,262
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The purpose of this activity is to provide support to obtain supplemental funding and to provide representation in intergovernmental decision-making.

PROGRAMS AND FUNCTIONS

To organize intergovernmental activities in support of the Annual Statement of Intergovernmental Objectives.

To seek assistance to the City through grants of supplemental funds.

To provide ongoing State Capitol representation and, as needed, Federal representation of City interests.

To establish and expand key coalitions to influence policy outcomes where appropriate.

BUDGET SUMMARY

Changed Conditions: None.

Proposed Activities: None.

Intergovernmental priorities include:

- Preservation and enhancement of local control.
- Funding for critical items like Community Development Block Grant, COPS and JAG.
- Support reauthorization of the Federal Highway Program.
- Support legislation that protects and preserves adequate quality and quantity of water resources to the community.
- Support water infrastructure funding to address water infrastructure challenges.
- Support local control of the siting of wireless and telecommunications equipment on public property.
- Oppose FEMA flood insurance reforms to require properties in residual risk areas to purchase flood insurance even when the man-made structures are certified to provide at least 100-year protection.
- Support the provision of municipal services through contracting.
- Support legislation that encourages economic development for cities to create jobs and improve the economy.
- Oppose proposals to take additional revenue from local governments or to shift responsibilities and costs to local government without providing funding.
- Oppose further state prison realignment proposals that negatively affect crime rates in the city.

ADMINISTRATION - 1100 LEGISLATIVE ADVOCACY

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Meetings Expense	8,284	4,151	0	14,000	14,000	14,000	14,000
TOTAL EXPENDITURES	8,284	4,151	0	14,000	14,000	14,000	14,000

FUNDING SOURCES

1010 General Fund	\$ 8,284	\$ 4,151	\$ -	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
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The purpose of this activity is to provide for the Advisory Commissions as appointed by the City Council.

PROGRAMS AND FUNCTIONS

The Planning and Environment Commission established by Resolution 2011-15, which derives its authority from the Government Code of the State of California and Lakewood Ordinance 72-16, acts in an advisory capacity to the City Council. It has the responsibility for studying, planning and making recommendations on matters pertaining to zoning, land use and the City's long-range comprehensive General and Specific Plans.

The Community Safety Commission, established by Resolution 78-22 and amended by Resolution 2011-16, performs all functions and duties assigned to it by the City Council and the Lakewood Municipal Code.

The Recreation and Community Services Commission, established by Resolution 78-22 and amended by Resolution 2011-17, performs all functions and duties assigned to it by the City Council and the Lakewood Municipal Code.

All three Commissions perform other duties as assigned by the City Council.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>
Planning and Environment Commission	\$ 11,828	\$ 11,975
Community Safety Commission	\$ 8,368	\$ 8,371
Recreation and Community Services Commission	\$ 12,073	\$ 8,326

Changed Conditions: None.

Proposed Activities:

- The Planning and Environment Commission will review ways to implement the General Plan, update the zoning ordinance to conform to the General Plan and current trends, and review cases as prescribed.
- The Community Safety Commission will review issues of traffic operations and traffic safety referred to it by the public, City Council or staff.
- The Recreation and Community Services Commission will review the City's Recreation and Community Services programs.

ADMINISTRATION - 1220/1240/1260 ADVISORY COMMISSIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	7,454	6,516	7,555	11,045	7,182	11,459	11,844
Office Expense	752	170	218	400	300	400	400
Meetings Expense	4,170	1,611	5,801	18,000	14,725	19,300	15,550
Special Department	574	243	199	780	780	815	815
Other Operating	554	525	540	625	625	625	625
Interdepartmental	0	5,475	0	0	0	0	0
TOTAL EXPENDITURES	13,503	14,540	14,314	30,850	23,612	32,599	29,234

FUNDING SOURCES

1010 General Fund	\$	13,503	\$	14,540	\$	14,314	\$	30,850	\$	23,612	\$	32,599	\$	29,234
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The purpose of this activity is to direct the operations and activities of the City, in accordance with City Council policies, in a manner that enhances the effectiveness and efficiency of services, plans and programs.

PROGRAMS AND FUNCTIONS

- To supervise the establishment of the levels of service, plans and programs for each City function.
- To provide for an annual analysis of the City's revenues.
- To direct the preparation of the annual budget.
- To direct a continuing review and evaluation of City services.
- To provide continuing personal contact with the City Council.
- To maintain working relationships with other agencies whose actions affect the City.

BUDGET SUMMARY

Changed Conditions:

- Increase in Employee Services is due to funding realignment after the dissolution of the Redevelopment Agency.

Proposed Activities:

- City Administration will oversee the Budget focus areas:
- Budget for sustainability.
 - Keep Lakewood safe.
 - Preserve neighborhood quality of life.
 - Foster a sense of community.
 - Promote economic vitality.
 - Support a caring community.
 - Enhance parks and open space
 - Highlight governmental transparency and online resources.
 - Defend our traditional right to contract
 - Protect the environment.

ADMINISTRATION - 1300 CITY ADMINISTRATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	172,900	183,223	321,862	345,515	338,413	331,700	338,784
Office Expense	975	985	921	1,518	700	1,600	1,600
Meetings Expense	3,565	4,997	4,735	4,000	4,000	4,000	4,000
Special Department	2,197	2,108	2,896	3,690	325	5,430	5,430
Other Operating	400	1,620	1,900	2,000	2,000	2,000	2,000
Interdepartmental	2,599	2,159	1,575	1,544	1,608	1,424	1,467
Capital Outlay	0	3,030	0	0	0	0	0
TOTAL EXPENDITURES	182,636	198,123	333,888	358,267	347,046	346,154	353,281

FUNDING SOURCES

1010 General Fund	\$ 141,225	\$ 173,715	\$ 333,888	\$ 358,267	\$ 347,046	\$ 346,154	\$ 353,281
1030 CDBG - Current Year	\$ 41,411	\$ 24,408	\$ -	\$ -	\$ -	\$ -	\$ -

DEPARTMENT/DIVISION 2000 - INFORMATION TECHNOLOGY

The purpose of this activity is to account for the equipment, development and operating costs of information technology, which includes network applications, office automation systems, Internet, email and Enterprise Resource Planning applications for all departments.

PROGRAMS AND FUNCTIONS

To support all departments in the use of information technology.

To assure the appropriate levels of network and desktop security and anti-virus protection are established and maintained.

To maintain and update the management of Information Technologies for all city departments.

To obtain and/or develop, implement and maintain additional applications to meet the information needs of all departments.

To provide scheduled maintenance and updates for all workstations, servers and networking equipment.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Contractual Services	\$ 495,000	\$ 495,000	Non-Capital Equipment	\$ 50,000	\$ 50,000
Maintenance and Licenses	\$ 176,790	\$ 164,400	Capital Equipment	\$ 38,000	\$ -
Disaster Recovery	\$ 44,399	\$ 44,400			

Changed Conditions:

- Change in Capital Equipment is due to increased hardware cost for the purchase of a new backup appliance required to double storage capacity.

Proposed Activities:

- Replace three end-of-life servers.
- Replace 55 obsolete user workstations.
- Expand remote backup capacity from 4 tb to 8 tb.
- Upgrade MUNIS Enterprise Resource Planning (ERP) system.
- Provide security awareness training for all users.

Productivity Initiatives:

- Improve effectiveness of desktop software tools and limit security risks through user training.

Proposed Activities:

- Respond to at least 90% of the Help Desk calls within 30 minutes.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
IT Services	\$ 495,000	\$ 495,000	\$ 483,988	\$ 495,000	\$ 495,000	\$ 495,000
Maintenance & Licenses	\$ 201,000	\$ 240,515	\$ 168,710	\$ 185,939	\$ 176,790	\$ 164,400
Disaster Recovery	\$ 76,800	\$ 54,000	\$ 34,699	\$ 36,000	\$ 44,399	\$ 44,400
Servers/Computers	\$ 9,000	\$ 32,000	\$ 8,518	\$ 41,288	\$ 88,000	\$ 50,000

ADMINISTRATIVE SERVICES - 2000 INFORMATION TECHNOLOGY

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	180,462	191,144	192,217	198,920	196,684	206,980	211,344
Contract Services	756,627	757,099	699,170	689,314	687,314	703,800	703,800
Facilities Expense	0	0	12,870	23,160	23,160	23,160	23,935
Special Department	5,747	25,777	3,397	33,565	32,665	16,330	10,740
Other Operating	0	0	3,750	7,600	2,000	1,000	1,000
Interdepartmental	82	2,921	10	11	10	10	10
Capital Outlay	26,909	42,587	8,519	45,288	41,288	55,000	19,800
TOTAL EXPENDITURES	969,826	1,019,528	919,932	997,858	983,121	1,006,280	970,629

FUNDING SOURCES

1010 General Fund	\$ 969,826	\$ 1,019,528	\$ 919,932	\$ 997,858	\$ 983,121	\$ 1,006,280	\$ 970,629
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DEPARTMENT/DIVISION 2120 - MEDIA PRODUCTION

The purpose of this activity is to produce programming for the City cable channel, City website and radio station to promote community identity solely supported by franchise fees and contract revenue. Additionally, audio visual services are provided for The Centre at Sycamore Plaza and the City.

PROGRAMS AND FUNCTIONS

- To produce video programming for CityTV, the City's cable channel.
- To produce monthly and emergency audio programming for KLWD 1620 AM.
- To port video programming to social media outlets such as YouTube, Facebook, and Twitter.
- To provide training aids and presentation support for City departments.
- To provide audio visual services for meetings and events at The Centre at Sycamore Plaza.
- To provide audio visual support to select City events.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Contractual Services	\$ 14,200	\$ 14,200	Advertising	\$ 6,500	\$ 6,500
Special Supplies	\$ 13,000	\$ 13,000	Equipment Maintenance	\$ 5,000	\$ 5,000

Changed Conditions:

- Change in Contractual Services due to contracting monthly mailing.
- Change in Contractual Services due to addition of website improvements.
- Change in Special Supplies due to Legacy Video Archive Project.

Proposed Activities:

- Promote recycling, senior and youth activities, public safety and current public issues through special video projects.
- Create programming highlighting Prop C funded programs to encourage and explain the use of local transit resources.
- Provide scheduled coverage of City Council meetings and special events, Community Digest, recreation activities, historical video and the annual report.
- Support wireless web access for The Centre at Sycamore Plaza clients.
- Promote CityTV viewership to outlets such as Time Warner, FiOS, YouTube and Facebook.

Productivity Initiatives:

- Produce Public Safety and Regional History programming.

Performance Measures:

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
Number of New Programs Per Year	100	90	90	90	90	90
Franchise Revenues	\$ 745,597	\$ 814,252	\$ 923,279	\$ 972,842	\$ 950,000	\$ 950,000
Audio Visual Fees	\$ 22,845	\$ 32,341	\$ 37,852	\$ 35,000	\$ 35,000	\$ 35,000

ADMINISTRATION - 2120 MEDIA PRODUCTION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	656,049	676,351	685,032	709,964	728,764	692,327	696,611
Contract Services	9,696	13,699	10,139	17,000	48,000	24,100	24,100
Facilities Expense	747	202	0	0	0	0	0
Office Expense	0	111	34	0	0	0	0
Meetings Expense	455	300	0	500	200	500	500
Special Department	16,199	17,086	20,379	25,581	21,000	27,581	27,581
Other Operating	4,775	3,115	1,430	4,100	5,105	9,405	8,205
Interdepartmental	8,356	14,674	22,208	26,346	20,576	42,708	43,651
TOTAL EXPENDITURES	696,277	725,537	739,221	783,491	823,645	796,621	800,648

FUNDING SOURCES

1020 Cable TV Fund	\$ 499,155	\$ 521,180	\$ 527,973	\$ 554,402	\$ 606,606	\$ 572,733	\$ 575,591
1050 Community Facility	\$ 197,122	\$ 204,357	\$ 211,249	\$ 229,089	\$ 217,039	\$ 223,888	\$ 225,057

DEPARTMENT/DIVISION 2140 - MEDIA PRODUCTION CENTER

The purpose of this activity is to strengthen community identity by fostering the development of locally produced cable television programs for the enlightenment of the Lakewood community over Telco and FiOS Broadband. Activities in this division funded by access support payments by the cable company and Verizon.

PROGRAMS AND FUNCTIONS

To schedule and operate the mobile production van and television studio located at The Centre at Sycamore Plaza.

To schedule and facilitate commercial use of the studio and van.

To stream the City channel on the internet.

To schedule and operate the City radio station KLWD 1620 AM.

To promote the cost effective use of the media production center.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>
Computer Maintenance Agreements	\$ 13,000	\$ 13,000
Capital Equipment	\$ 50,000	\$ 90,000

Changed Conditions:

- Change in Capital Equipment is due to end of life equipment replacement and installation of a system for converting existing legacy tape to an archival format for future use.

Proposed Activities:

- Replace field cameras to digital acquisition format.
- Research and replace end of life digital editing and storage systems.

Productivity Initiatives:

- Establish efficient workflow to institute digital (file-based) acquisition and editing.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Number of Studio Productions	60	60	60	60	60	60
Media Service Fees	\$ 2,978	\$ 17,000	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Revenue from Video Franchise-holders to Fund Studio Equipment	\$ 145,529	\$ 154,668	\$ 171,033	\$ 173,086	\$ 173,086	\$ 170,000

ADMINISTRATION - 2140 MEDIA PRODUCTION CENTER

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Contract Services	16,052	20,065	19,723	20,000	20,000	20,000	20,000
Special Department	4,000	838	2,057	1,500	1,500	1,500	1,500
Capital Outlay	<u>109,913</u>	<u>71,470</u>	<u>11,870</u>	<u>20,000</u>	<u>20,000</u>	<u>51,500</u>	<u>90,000</u>
TOTAL EXPENDITURES	<u>129,965</u>	<u>92,373</u>	<u>33,651</u>	<u>41,500</u>	<u>41,500</u>	<u>73,000</u>	<u>111,500</u>

FUNDING SOURCES

1020 Cable TV Fund	\$	129,965	\$	92,373	\$	33,651	\$	41,500	\$	41,500	\$	73,000	\$	111,500
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DEPARTMENT/DIVISION 2300 - ECONOMIC DEVELOPMENT

The purpose of this activity is to preserve and enhance the economic development climate in Lakewood's commercial-zoned areas.

PROGRAMS AND FUNCTIONS

To retain existing enterprises that provide an employment or tax base for the betterment of Lakewood.

To attract new businesses to the community, and to meet needs or provide quality goods and services at affordable costs.

To encourage transactions between owners of commercial-zoned parcels and prospective developers and tenants to further the economic development goals of the General Plan.

To develop and implement an annual economic development action plan to focus on municipal economic development activities.

To develop policies and programs to further the objectives of this division.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Chamber of Commerce Contract	\$ 22,000	\$ 22,000

Changed Conditions:

- Due to the continuing effects from the recession and the elimination of Redevelopment Agency funding, there will be a significant impact on the overall economic development strategy.

Proposed Activities:

- The economic development priorities for FY 2014-2015 and FY 2015-2016 include: promoting improvements at the shopping center located at the southeast corner of Palo Verde Avenue and South Street; promoting development and create opportunities in the Gordon Ranch Plaza Center, the undeveloped pad adjacent to Wal-Mart, the tenant spaces behind Buffalo Wild Wings; and the continuing development of the Candlewood Street shops.

Productivity Initiatives:

- Conduct analysis of intergovernmental proposals impacting property tax, redevelopment tax increment or sales tax.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Sales Tax Revenue	\$ 11,262,520	\$ 14,217,422	\$ 15,461,092	\$ 15,824,584	\$ 15,976,461	\$ 16,306,133
Business License Receipts	\$ 469,595	\$ 505,519	\$ 507,770	\$ 545,990	\$ 550,000	\$ 555,000

ADMINISTRATION - 2300 ECONOMIC DEVELOPMENT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	46,071	50,699	52,182	54,785	53,333	55,951	57,127
Contract Services	49,838	22,000	22,000	22,000	22,000	22,000	22,000
TOTAL EXPENDITURES	95,909	72,699	74,182	76,785	75,333	77,951	79,127

FUNDING SOURCES

1010 General Fund	\$ 95,909	\$ 72,699	\$ 74,182	\$ 76,785	\$ 75,333	\$ 77,951	\$ 79,127
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The purpose of this activity is to enhance communications among the City, the public, City staff and the news media.

PROGRAMS AND FUNCTIONS

To provide information to public, City Council and City staff.

To present an accurate view of the City through active, ongoing communication rather than in reaction to events or news media reports.

To provide messages (through print media, the Internet and other forms of electronic communication) and to manage the communication infrastructure in support of City and community information goals.

To coordinate media relations and manage the City's photo operations.

To introduce new residents to City services and Lakewood's civic culture.

To organize and provide emergency public information in the event of a disaster using the best available technologies.

To provide technical assistance in the form of oral, written and audio-visual materials to City departments.

To support citizen participation in public policy formulation, and facilitate civic activities and programs.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
City Newsletter	\$ 36,000	\$ 36,000	Graphics & Copy Center	\$ 56,155	\$ 56,369
Contract Services	\$ 45,400	\$ 37,100	Maintenance Agreement	\$ 11,275	\$ 11,275

Changed Conditions:

- Change in Employee Services due to staffing realignment.
- Change in Contract Services due to increase in photography services and decrease due to new website with e-newsletter capabilities.
- Change in Maintenance Agreement due to increase in website maintenance fee.
- Change in Community Survey due to survey being performed without paid consultant.
- Change in Membership and Dues to do new computer training membership.

Proposed Activities:

- Produce the City's e-media including weekly (and occasional twice-weekly alerts) eMagazines to about 19,000 subscribers.
- Publish seven editions of the city newsletter and six editions of utility billing inserts in FY 2014-2015 and FY 2015-2016.
- Expand training in graphic design to improve the look of eMagazines and website postings.

Productivity Initiatives:

- Increased integration of the City's Internet presence to improve the efficiency and timeliness of postings and eMagazines.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Newsletters	6	7	7	7	7	7
eMagazines	52	55	55	55	55	55
Bill Inserts	7	6	6	6	6	6

ADMINISTRATION - 2400 PUBLIC INFORMATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	351,977	287,035	218,574	223,848	213,535	227,266	231,843
Contract Services	92,636	79,148	82,851	100,604	101,460	105,425	97,125
Office Expense	4,623	4,693	4,860	6,000	4,800	5,500	5,500
Meetings Expense	2,351	1,298	2,816	2,275	2,500	2,500	2,500
Special Department	13,658	4,630	10,186	13,245	10,290	12,439	12,439
Other Operating	225	225	225	675	450	825	825
Interdepartmental	27,080	43,021	61,749	61,899	54,965	56,155	56,369
Capital Outlay	1,169	0	0	0	0	0	0
TOTAL EXPENDITURES	493,717	420,050	381,261	408,546	388,000	410,110	406,601

FUNDING SOURCES

1010 General Fund	\$ 475,532	\$ 400,651	\$ 362,141	\$ 382,819	\$ 362,979	\$ 384,555	\$ 380,689
3060 Transit - Prop A Fund	\$ 18,185	\$ 19,399	\$ 19,120	\$ 25,727	\$ 25,021	\$ 25,555	\$ 25,912

DEPARTMENT/DIVISION 2500 - CUSTOMER SERVICE

The purpose of this activity is to enhance responsiveness to approximately 8,500 annual requests for service and approximately 40,000 requests for information.

PROGRAMS AND FUNCTIONS

To efficiently and effectively process and monitor requests for services from Lakewood residents.

To efficiently and quickly process RV and trailer parking permits from Lakewood residents and out-of-town visitors.

To measure quality assurance by conducting a *customer satisfaction* questionnaire after the fulfillment of service requests to determine satisfaction in such areas as effectiveness, promptness, employee courteousness and overall satisfaction.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>
Contract Services	\$ 7,100	\$ 7,100
Graphics & Copy Center	\$ 33,663	\$ 33,791

Changed Conditions:

- Change in Meeting Expense due to sharing Annual Service Provider Luncheon costs with another department.
- Change in Special Supplies due to lessening need.
- Change in Software due to implementation of custom code enforcement reports.

Proposed Activities:

- Institute code enforcement report generation to better track workflow.

Performance Measures:

	<u>Actual</u> <u>2011</u>	<u>Actual</u> <u>2012</u>	<u>Actual</u> <u>2013</u>	<u>Projected</u> <u>2014</u>	<u>Estimated</u> <u>2015</u>	<u>Estimated</u> <u>2016</u>
Total Service Requests	8,057	8,087	7,787	7,600	7,550	7,500
Tree Trimming Requests	494	553	478	525	525	515
Total Graffiti Requests	589	696	636	650	660	630
Total Street Sweeping Requests	111	86	74	70	75	70
Total RV/Trailer Parking Requests	3,800	3,479	3,405	3,300	3,200	3,100
Total Trash/Recycling Requests	857	760	774	750	760	750
Employee Courteousness Positive Score	92%	96.3%	95.4%	95%	95%	95%
Employee Helpfulness Positive Score	93%	95.5%	96.6%	96%	96%	97%

ADMINISTRATION - 2500 CUSTOMER SERVICE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	275,540	289,409	298,552	307,197	283,968	214,056	220,317
Contract Services	7,578	12,806	13,863	13,850	13,850	13,850	13,850
Meetings Expense	1,762	2,188	5,849	6,000	2,500	6,000	2,500
Special Department	893	1,676	1,035	1,770	250	1,705	505
Interdepartmental	20,261	18,700	29,827	35,395	32,950	33,663	33,791
TOTAL EXPENDITURES	306,035	324,779	349,125	364,212	333,518	269,274	270,963

FUNDING SOURCES

1010 General Fund	\$ 305,929	\$ 325,909	\$ 348,897	\$ 364,212	\$ 333,518	\$ 269,080	\$ 270,765
1020 Cable TV Fund	\$ 106	\$ 85	\$ 228	\$ -	\$ -	\$ 194	\$ 198

DEPARTMENT/DIVISION 2550 - INTERGOVERNMENTAL RELATIONS

The purpose of this activity is to provide support to obtain supplemental funding and provide representation in intergovernmental decision making.

PROGRAMS AND FUNCTIONS

To organize intergovernmental activities in support of the Annual Statement of Intergovernmental Objectives.

To seek assistance to the City through grants of supplemental funds.

To provide ongoing state capitol representation and, as needed federal representation of City interests.

To establish and expand key coalitions to influence policy outcomes where appropriate.

BUDGET SUMMARY

Significant Detail:		<u>2014-2015</u>		<u>2015-2016</u>
Legislative Advocacy	\$	53,424	\$	53,424

Changed Conditions: - Change in Employee Services is due to staff reallocation.

Proposed Activities: - Monitor issues addressed in legislative session that may impact the City including: supporting legislation providing supplemental funding for complying with stormwater mandates; tracking legislation that affects water quality and delivery; and supporting legislation that halts the continuing loss of wireless Utility Users Taxes (UUT).

Intergovernmental priorities include:

- Preservation and enhancement of local control.
- Funding for critical items like Community Development Block Grant, COPS and JAG.
- Support reauthorization of the Federal Highway Program.
- Support legislation that protects and preserves adequate quality and quantity of water resources to the community.
- Support water infrastructure funding to address water infrastructure challenges.
- Support local control of the siting of wireless and telecommunications equipment on public property.
- Oppose FEMA flood insurance reforms to require properties in residual risk areas to purchase flood insurance even when the man-made structures are certified to provide at least 100-year protection.
- Support the provision of municipal services through contracting.
- Support legislation that encourages economic development for cities to create jobs and improve the economy.
- Oppose proposals to take additional revenue from local governments or to shift responsibilities and costs to local government without providing funding.
- Oppose further state prison realignment proposals that negatively affect crime rates in the city.

ADMINISTRATION - 2550 INTERGOVERNMENTAL RELATIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	140,413	81,902	84,596	98,153	104,263	221,572	228,345
Contract Services	56,961	74,529	73,840	75,774	74,105	74,574	74,574
Meetings Expense	18,118	14,466	10,595	13,500	11,500	13,500	13,500
Special Department	1,899	1,596	882	1,382	500	3,167	3,167
Other Operating	34,751	35,639	34,101	37,000	36,000	37,000	37,000
TOTAL EXPENDITURES	252,141	208,133	204,014	225,809	226,368	349,813	356,586

FUNDING SOURCES

1010 General Fund	\$ 236,341	\$ 192,333	\$ 188,214	\$ 210,009	\$ 210,568	\$ 334,013	\$ 340,786
3000 AQMD Fund	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
3060 Transit - Prop A Fund	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000

DEPARTMENT/DIVISION 2600 - COMMUNITY RELATIONS

The purpose of this activity is to enhance community pride and identification and to serve as a liaison between the City and various civic and community groups, residents and leaders.

PROGRAMS AND FUNCTIONS

To educate, inform and engage community stakeholders about important issues facing the City through outreach activities, special events and communications.

To enhance interactions and increase contacts with community stakeholders.

To organize annual special events for community promotion purposes, including the Mayor's Prayer Breakfast, Award of Valor, State of the City, Memorial Day and Lakewood Celebrates Receptions.

To involve residents in activities designed to enhance the quality of life in the neighborhood environment through community beautification via the Lakewood Beautiful Home Awards Program.

To organize civic involvement opportunities for residents and to facilitate interaction between stakeholders and local government officials.

To promote community pride and identification through Club Lakewood promotional materials and commemorative items.

To solicit event sponsorships from corporate and community groups to defray out-of-pocket expenses for City-sponsored special events.

To design and purchase commemorative and commendatory items consistent with fulfilling the purpose of this activity.

To host civic and municipal groups and other meetings to advance key communications objectives.

To commemorate civic milestones, individual achievement and achievements by community members through events, publications and presentations.

To facilitate and promote key messages and communications objectives through street banner campaigns, advertising and other strategic outreach efforts.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>
Graphics & Copy Center	\$ 33,030	\$ 33,293
Special Supplies	\$ 23,000	\$ 23,000

Changed Conditions:

- Change in Meeting Expense due to declining costs.
- Change in Special Supplies - Lakewood Store due to declining patronage.

Proposed Activities:

- Continue to include a water-wise award category in the Lakewood Beautiful Home Awards Program, to honor irrigation and landscaping efforts that reduce water usage and result in attractive gardens.
- Consider redesign of commendatory and recognition items.
- Continue implementation of 60th Anniversary Events.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Special Events Revenue and Sponsorships	\$ 21,500	\$ 31,445	\$ 26,505	\$ 24,500	\$ 25,500	\$ 26,000

ADMINISTRATION - 2600 COMMUNITY RELATIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	230,080	228,207	215,941	226,677	183,055	213,449	219,388
Contract Services	15,427	10,243	3,086	4,900	2,300	2,300	2,300
Meetings Expense	5,324	4,536	4,068	6,000	5,000	5,000	5,000
Special Department	102,109	74,207	70,433	158,411	153,159	81,011	81,011
Other Operating	2,349	1,010	985	1,225	1,225	1,225	1,225
Interdepartmental	19,303	22,962	15,562	21,124	32,295	33,030	33,293
Capital Outlay	<u>0</u>	<u>1,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>374,592</u>	<u>342,292</u>	<u>310,074</u>	<u>418,337</u>	<u>377,034</u>	<u>336,015</u>	<u>342,217</u>

FUNDING SOURCES

1010 General Fund	\$ 374,592	\$ 342,292	\$ 310,074	\$ 418,337	\$ 377,034	\$ 336,015	\$ 342,217
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The purpose of this activity is to provide prompt, efficient and comprehensive service to the public, City Council, City Advisory Commissions and City Council Committees, and staff in the area of information flow, providing research and dissemination of official recorded data and certification of the authority of that data. The City Clerk is the filing officer for Statements of Economic Interests and administers the General Municipal Elections.

PROGRAMS AND FUNCTIONS

- To coordinate and produce the agenda for City Council meetings.
- To process ordinances and resolutions as required by law.
- To provide and be responsible for the necessary filing of forms in accordance with the Political Reform Act.
- To provide updates of the Lakewood Municipal Code amendments.
- To conduct General Municipal Elections.
- To provide voter registration forms and information.
- To provide certification and duplication of City records.
- To accept service and coordinate research pertaining to claims and litigation against the City.
- To prepare and issue appropriate public notices pertaining to City Council hearings and actions.
- To publicize public works projects, issue plans and specifications, receive bids and provide results.
- To monitor City contracts, agreements and franchises to ensure compliance is maintained with regard to insurance, bonds and agreement expiration.
- To respond to inquiries and requests pursuant to the California Public Records Act.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Municipal Election	\$ 108,000	\$ -

Changed Conditions: - Change in Contract Services due to General Municipal Election in March, 2015.

Proposed Activities:

- Administer state-mandated conflict of interest laws, including the biennial review of the City's Conflict of Interest Code and annual filing of Statements of Economic Interests.
- Maintaining bidder's information available through the City's website to provide contractors, as potential bidders, with access to Notices Inviting Bids, Planholders Lists, Addenda, and Bid Results.
- Respond to requests for records pursuant to the California Public Records Act.

Productivity Initiatives: - Electronic storage of the Lakewood Municipal Code provides for immediate updates following code revisions.

Performance Measures: - Effective and timely management of liability claims to sustain the volume of claims closed without liability to the City.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Damage Claims Processed	35	41	31	36	34	32
Claims Closed without Liability	19	33	31	28	29	28

ADMINISTRATION - 3000 CITY CLERK

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	205,079	205,783	210,624	221,852	212,259	223,886	225,117
Contract Services	88,473	0	2,874	0	0	108,000	0
Office Expense	3,284	27	0	1,000	0	1,000	1,000
Meetings Expense	0	0	0	1,100	200	1,100	1,100
Special Department	3,798	3,998	4,060	5,115	4,740	5,140	5,140
Other Operating	3,837	1,954	2,566	4,325	3,918	4,400	4,400
Interdepartmental	22,005	9,741	3,776	4,957	3,500	1,009	1,013
Capital Outlay	0	0	0	1,007	1,303	0	0
TOTAL EXPENDITURES	326,476	221,504	223,899	239,356	225,920	344,535	237,770

FUNDING SOURCES

1010 General Fund	\$ 314,250	\$ 212,288	\$ 214,373	\$ 239,356	\$ 225,920	\$ 344,374	\$ 237,606
1030 CDBG Current Year	\$ 12,226	\$ 9,216	\$ 9,526	\$ -	\$ -	\$ 161	\$ 164

DEPARTMENT/DIVISION 3100 - RECORDS MANAGEMENT

The purpose of this activity is to maintain an effective records management system for the storage, preservation and efficient retrieval of official City records.

PROGRAMS AND FUNCTIONS

To maintain, preserve and effectively retrieve records, files and indexes of all legal documents, as required by law, and good records management practices.

To maintain the active and inactive vaults as an efficient resource by eliminating outdated or useless records, through use of optical storage and the establishment of effective retention schedules.

To provide assistance at departments' requests in determining value and appropriate retention of their records.

To coordinate the annual destruction of obsolete records in accordance with the California Government Code and other state and federal requirements.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Document Imaging System Support	\$ 9,400	\$ 9,400

Changed Conditions: None.

Proposed Activities:

- Use document imaging software and hardware for records retrieval and reference.
- Prepare newly-created and existing records for transfer to optical storage.
- Continue to convert permanent, low-reference records to optical storage to free storage space.
- Scan case files to free physical storage space.

Productivity Initiative:

- Transfer of records to optical storage to enhance file integrity and speed retrieval.

Performance Measures:

- Maximize available storage space by managing retention of records.
- Purge obsolete and duplicate records to accommodate active files.
- Transfer permanent and frequently retrieved records to optical storage as approved.

	<u>Actual 2010-2011</u>	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Projected 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Estimated 2015-2016</u>
Types of Records Controlled by Retention Schedules	87	93	100	101	102	103
Volume of Records Available Through Document Imaging System	975,000	996,000	1,030,000	1,060,000	1,100,000	1,130,000

ADMINISTRATION - 3100 RECORDS MANAGEMENT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	129,890	148,603	132,949	143,206	132,984	141,540	141,413
Contract Services	9,464	8,894	9,135	10,150	9,102	10,150	10,200
Meetings Expense	0	0	20	250	0	250	250
Special Department	479	562	920	1,600	800	1,500	1,500
Other Operating	230	230	230	530	505	550	550
TOTAL EXPENDITURES	140,063	158,289	143,254	155,736	143,391	153,990	153,913

FUNDING SOURCES

1010 General Fund	\$ 140,063	\$ 158,289	\$ 143,254	\$ 155,736	\$ 143,391	\$ 153,990	\$ 153,913
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The purpose of this activity is to provide legal advice and guidance to the City Council, Advisory Commissions and City staff in a manner assuring a sound legal basis for contemplated policies and administrative decisions, through the City Attorney, City Prosecutor and outside legal services.

PROGRAMS AND FUNCTIONS

City Attorney:

- To render legal opinions and deliver legal services as requested by authorized City officials.
- To prepare all agreements and contracts to be executed by and on behalf of the City or to approve the same as to form.
- To approve all notices given by any City officer at any official City hearing or concerning any official City business.
- To frame all ordinances and resolutions by the legislative body.
- To attend all regular meetings of the City Council and attend meetings of the Planning and Environment Commission as needed and other Advisory Commissions when the business requires legal services or advice.
- To perform extraordinary services as required.

City Prosecutor:

- To render legal opinions and deliver legal services as it relates to City prosecution in the abatement of cases in violation of the Lakewood Municipal Code.
- To file charges and prosecute cases, which have not been abated as authorized by City officials.
- To provide legal advice on all abatement team related cases and determine the best course of action.

Outside Legal Services:

- To provide legal representation in those matters requiring specific expertise.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Contract Legal Services	\$ 205,363	\$ 205,363
City Prosecutor	\$ 35,000	\$ 35,000

Changed Conditions: None.

Proposed Activity: - Anticipate no change in function from prior year.

ADMINISTRATION - 3220/3240 LEGAL SERVICES

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Contract Services	198,359	198,359	204,669	207,363	207,363	207,363	207,363
Special Department	18,141	20,221	7,623	35,000	35,000	35,000	35,000
TOTAL EXPENDITURES	216,500	218,580	212,292	242,363	242,363	242,363	242,363

FUNDING SOURCES

1010 General Fund	\$ 216,500	\$ 218,580	\$ 212,292	\$ 242,363	\$ 242,363	\$ 242,363	\$ 242,363
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DEPARTMENT/DIVISION 3300 - INTERNAL ADMINISTRATION

The purpose of this activity is to provide for certain City-wide support services.

PROGRAMS AND FUNCTIONS

To support the following services: telephone service, mail processing and City postage costs.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Postage	\$ 136,250	\$ 141,250	Graphics & Copy Center	\$ 25,528	\$ 25,626
Communications	\$ 58,600	\$ 27,050	Mail Processing	\$ 5,795	\$ 5,910

Changed Conditions: None.

Productivity Initiative: None.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Special Event Mailers	35,847	35,847	36,446	38,160	38,923	38,923
Business Licenses & Renewals	4,052	4,659	4,713	4,925	4,925	4,925

ADMINISTRATION - 3300 INTERNAL ADMINISTRATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	202,722	208,803	213,514	230,175	252,390	261,983	262,934
Contract Services	6,510	3,536	5,676	5,000	5,682	5,795	5,910
Facilities Expense	69,002	71,368	56,388	55,509	55,509	59,600	28,050
Office Expense	131,587	117,538	109,952	110,700	133,530	136,950	141,950
Meetings Expense	2,194	2,539	1,550	2,000	600	2,000	2,000
Special Department	1,387	407	811	1,000	500	1,180	1,180
Interdepartmental	24,691	28,504	27,906	28,777	26,611	27,665	27,827
TOTAL EXPENDITURES	438,094	432,695	415,797	433,161	474,822	495,173	469,851

FUNDING SOURCES

1010 General Fund	\$ 438,094	\$ 432,305	\$ 415,797	\$ 433,161	\$ 474,822	\$ 495,173	\$ 469,851
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DEPARTMENT/DIVISION 3400 - HUMAN RESOURCES

The purpose of this activity is to operate and maintain a professional personnel and employee relations program in accordance with City Rules, Regulations and Procedures, and the Memorandum of Understanding between the City and employee association.

PROGRAMS AND FUNCTIONS

To maintain personnel records and administer the employees' benefit programs.

To provide qualified candidates to departments for appointment to positions by efficient and consistent application of the merit system.

To maintain effective employee-management relations through timely communications and prompt resolution of personnel problems.

To meet and confer with employee association and maintain the Memorandum of Understanding.

To fairly and effectively administer the City's Personnel System, including the Personnel Rules, Regulations and Procedures and the Memorandum of Understanding.

To emphasize employee safety and accident prevention through the administration of an effective employee Injury and Illness Prevention Program.

To manage the Workers' Compensation Program with emphasis on early return to work.

To respond in a timely manner to new or changed employment, health and safety mandates promulgated by state and federal agencies.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Advertising	\$ 1,000	\$ 1,000	Live scan	\$ 5,000	\$ 5,000
Medical Exams	\$ 6,000	\$ 6,000	Training	\$ 8,600	\$ 8,600

Changed Conditions:

- Change in Other Operating associated with Advertising costs due to less reliance on mass media and greater focus on targeted outreach.
- Change in Contract Services associated with labor relations services due to increased reliance on legal counsel for labor negotiations and compliance with the Affordable Care Act.
- Change in Contract Services for Medical Exams and Live scan due to cost of anticipated changes in personnel, such as retirements and promotions.
- Change in Contract Services for Safety Programs due to materials and supplies now being rented from CJPIA, provided by Safety Consultant or developed in-house.

Proposed Activities:

- Continue to update and maintain the job classification plan.
- Continue to train supervisors on best management practices for employment and safety.
- Continue to update health and safety written programs and post on the City's Intranet.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Safety and Risk Management Training Hours	4,512	3,975	3,471	3,250	3,200	3,200
Total Job Applications	1,713	1,035	1,674	2,400	2,800	3,100
New Hires/Promotions:						
* Full-Time Employees	9	4	8	12	11	8
* Part-Time & Seasonal Employees	87	93	101	100	105	90
Total Employment Recruitments	23	19	38	40	43	45
NEOGOV online applicant tracking:						
* Total Job Posting Hits	20,130	12,082	27,448	22,000	30,000	27,000
* Total Online Job Applications	1,557	887	1,541	2,280	2,695	3,010

ADMINISTRATION - 3400 HUMAN RESOURCES

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	359,774	394,115	410,948	414,489	394,643	421,011	425,909
Contract Services	65,487	76,724	83,119	86,300	89,760	88,522	97,051
Office Expense	1,343	1,213	195	1,590	1,700	1,700	1,700
Meetings Expense	702	2,105	1,841	2,500	2,500	2,800	4,300
Special Department	23,043	21,622	23,837	25,960	22,000	25,960	25,960
Other Operating	7,661	4,629	7,839	8,710	7,300	11,050	11,050
Interdepartmental	13,799	10,653	5,873	7,634	7,320	7,479	7,507
Capital Outlay	288	0	0	1,000	500	500	500
TOTAL EXPENDITURES	472,097	511,061	533,652	548,183	525,723	559,022	573,977

FUNDING SOURCES

1010 General Fund	\$	472,097	\$	511,061	\$	533,652	\$	548,183	\$	525,723	\$	559,022	\$	573,977
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DEPARTMENT/DIVISION 3600 - LAW ENFORCEMENT

The purpose of this activity is to provide law enforcement services under contract with the Los Angeles County Sheriff's Department.

PROGRAMS AND FUNCTIONS

To provide, under contract with Los Angeles County Sheriff's Department, general law enforcement and traffic enforcement, jail services, community relations and the Criminal and Nuisance Abatement program.

To provide a comprehensive community-based policing program through Neighborhood Watch, STAR, LAW, LAND, Business Watch, Mall Watch, Park Watch, the Special Assignment Officer's Program, the neighborhood beat patrol, PAVE and the Lakewood Sheriff's Community Safety Center.

To recognize meritorious service by Sheriff's personnel through the annual Award of Valor program.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Sheriff's General Law Contract	\$ 6,836,514	\$ 7,075,543	Liability Insurance & State Fee	\$ 344,451	\$ 356,103
Specially-Assigned Officers	\$ 935,088	\$ 967,816	Star Deputy Program	\$ 88,026	\$ 91,107
Special Mall Patrol	\$ 792,071	\$ 818,253	Holiday Patrol	\$ 25,000	\$ 25,000

Changed Conditions:

- Change in Contract Services provides for a 2.6% increase in Sheriff's service costs.
- Change in Contract Services due to lease of Mobile Digital Computers (MDC) for use in the Community Service Officer vehicles.

Proposed Activities:

- Hold instructional and recognition programs for the block captains participating in Neighborhood Watch.
- Increase patrol, special deployment and educational programs to reduce residential burglary and auto theft.
- Increase recruitment efforts for Neighborhood Watch, Business Watch, Mall Watch and LAND members.

Productivity Initiatives:

- Share STAR costs with school districts serving Lakewood.
- Share cost of Specially Assigned Officer and Mall deputies with Lakewood Center.
- Partially fund the Abatement Team, enhanced patrol, park patrol and special project teams with state and federal grants.

Performance Measures:

- Increase total number of active block captains to 405, and 1,110 registered vehicles in the Operation LAW program by the end of this budget period.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Part I Crimes	2,126	2,212	2,307	2,415	2520	2610
Response Times in Minutes	3.3	3.4	3.3	3.4	3.4	3.3
Cases Handled	7,366	6,436	6,643	6,815	7020	7240
Calls for Service	21,663	22,110	23,434	24,225	25,300	26,450
LAW Registered Vehicles	1,110	1,107	1,107	1,106	1,110	1,110
Block Captain Participants	400	400	400	400	405	407
LAND Participants	150	144	144	142	144	146

ADMINISTRATION - 3600 PUBLIC SAFETY-LAW ENFORCEMENT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	514,164	533,525	566,287	673,502	518,418	678,168	682,652
Contract Services	9,087,958	8,721,676	8,655,507	9,822,542	9,354,057	10,071,710	10,397,897
Facilities Expense	7,835	7,560	8,059	7,033	7,033	7,525	7,900
Office Expense	493	102	211	600	0	600	600
Meetings Expense	2,775	4,210	5,328	5,000	5,000	5,000	5,000
Special Department	8,310	8,943	6,529	16,230	0	16,230	16,230
Other Operating	56,143	58,179	57,989	63,500	0	65,880	67,814
Interdepartmental	40,689	32,231	44,692	44,514	51,984	52,925	53,199
Capital Outlay	136,556	0	0	30,000	0	0	0
TOTAL EXPENDITURES	9,854,923	9,366,425	9,344,603	10,662,921	9,936,492	10,898,038	11,231,092

FUNDING SOURCES

1010 General Fund	\$ 9,546,423	\$ 9,267,271	\$ 9,264,295	\$ 10,508,991	\$ 9,782,562	\$ 10,745,901	\$ 11,081,092
1336 STATE COPS	\$ 43,995	\$ 60,567	\$ 53,896	\$ 131,701	\$ 131,701	\$ 132,000	\$ 132,000
1371 JAG Grant	\$ 264,506	\$ 38,588	\$ 26,412	\$ 22,229	\$ 22,229	\$ 20,137	\$ 18,000

DEPARTMENT/DIVISION 3700 - SKY KNIGHT

The purpose of this activity is to provide airborne law enforcement to the cities of Cerritos and Lakewood.

PROGRAMS AND FUNCTIONS

To provide helicopter patrol service to the Lakewood Sheriff's Station region, with the costs shared by the two participating cities.

To provide airborne law enforcement observation, direction and backup to ground units in handling all types of calls for service.

To patrol remote areas such as open space recreational areas, flood control channels, vacant areas and rooftops.

To provide airborne law enforcement mutual aid support to Los Angeles County Sheriff's Aero Bureau and surrounding policing agencies.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Helicopter Maintenance Contract	\$ 400,400	\$ 345,725	Sky Knight Helicopter Insurance	\$ 19,000	\$ 19,000
Sky Knight Observers Contract	\$ 128,220	\$ 132,705	Safety Training	\$ 2,500	\$ 2,500

Changed Conditions:

- Change in Contract Services due to ten scheduled major helicopter time-limited components to be replaced in FY 2014-2015 and five major helicopter time-limited components to be replaced in FY 2015-2016.

Proposed Activities:

- Continue mutual aid response program between Sky Knight and Los Angeles County Sheriff's Aero Bureau.
- Train relief deputy observers assigned to Sky Knight.

Productivity Initiatives:

- Share cost of deputy observers with Los Angeles County Sheriff's Department.
- Adjust Sky Knight schedule as necessary to address the high-call service hours.
- Work with maintenance contractor to ensure continued quality aircraft maintenance.

Performance Measures:

- Respond to an estimated 2,000 calls for service this program year.
- Maintain Sky Knight emergency response time average under 2.5 minutes from dispatch to crime scene.
- Provide a minimum of 1,000 flight hours of law enforcement to the two-city region.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Calls for Service	2,417	1,612	2,139	2,000	2,000	2,000
Flight Time in Hours	1,232	942	988	1,000	1,040	1,040
Percent Share by City						
Cerritos	38	38	38	41	41	41
Hawaiian Gardens	9	9	9	N/A	N/A	N/A
Lakewood	53	53	53	59	59	59

ADMINISTRATION - 3700 PUBLIC SAFETY-SKY KNIGHT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	102,623	119,166	125,323	145,738	131,917	147,822	149,915
Contract Services	351,721	368,127	456,938	445,972	445,972	528,621	478,433
Facilities Expense	523	302	0	0	0	0	0
Special Department	4,096	1,756	1,525	3,395	1,870	3,395	3,395
Other Operating	<u>21,972</u>	<u>22,203</u>	<u>17,885</u>	<u>26,550</u>	<u>25,545</u>	<u>21,550</u>	<u>21,550</u>
TOTAL EXPENDITURES	<u>504,543</u>	<u>511,553</u>	<u>601,671</u>	<u>621,655</u>	<u>605,304</u>	<u>701,388</u>	<u>653,293</u>

FUNDING SOURCES

1010 General Fund	\$ 504,543	\$ 511,553	\$ 601,671	\$ 621,655	\$ 605,304	\$ 701,388	\$ 653,293
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DEPARTMENT/DIVISION 3800 - SAFETY SERVICES

The purpose of this activity is to provide crossing guard service at locations throughout the city and a continuing program for traffic safety, crime prevention education, substance abuse and gang diversion education in the elementary schools in Lakewood. The primary focus of the program is to reduce traffic accidents due to lack of knowledge of proper bicycle and pedestrian safety habits. The program also focuses on informing Lakewood youth on Internet safety.

PROGRAMS AND FUNCTIONS

To provide a comprehensive safety program to Lakewood youth.

To present multi-media teaching modules (using DVDs, video and PowerPoint presentations) keyed to different grade levels.

To evaluate the learning outcomes of the educational program.

To adapt and modify the education program.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Crossing Guards	\$ 188,802	\$ 188,802	Bike Safety Expo	\$ 3,000	\$ 3,000
Special Supplies	\$ 4,800	\$ 24,800	Uniforms	\$ 2,000	\$ 2,000

- Changed Conditions:**
- Change in Special Department includes purchase of two year supply of school safety program books in FY 2015-2016.
- Proposed Activities:**
- Hold Public Safety Bike Expo in conjunction with Lakewood Youth Sports Opening Day for better outreach.
 - Update Crossing Guard posts with the "Suggested Route to School" maps and number of children crossing.
 - Update "Suggested Route to School" maps and print in four colors.
- Productivity Initiatives:**
- Adjust post hours to accommodate walking students.
 - Conduct enhanced training for crossing guards in safety programs.
 - Partially fund Bicycle Safety Expo through sponsorships from community groups.
- Performance Measures:**
- Teach the School Safety program in over 270 classrooms, reaching over 8,000 students.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Crossing Guards	30	30	30	30	30	30
Classrooms Visited	280	256	288	273	273	273
Students Reached	7,842	8,064	8,630	8,200	8,200	8,200

ADMINISTRATION - 3800 PUBLIC SAFETY-SAFETY SERVICES

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	265,745	251,809	279,958	294,580	246,482	299,623	308,275
Office Expense	5	15	24	0	0	0	0
Meetings Expense	130	814	137	1,240	0	1,240	1,240
Special Department	5,992	12,641	4,310	30,820	0	10,820	30,820
Other Operating	0	75	75	125	0	125	125
Interdepartmental	1,002	3,709	1,687	2,655	2,354	2,395	2,364
TOTAL EXPENDITURES	272,874	269,064	286,191	329,420	248,836	314,203	342,824

FUNDING SOURCES

1010 General Fund	\$ 272,874	\$ 269,064	\$ 286,191	\$ 329,420	\$ 248,836	\$ 314,203	\$ 342,824
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DEPARTMENT/DIVISION 4000 - PLANNING

The purpose of this activity is to plan, coordinate, and monitor growth and development of the city through preparation and implementation of the General Plan, Specific Plans, zoning and subdivision ordinances, the California Environmental Quality Act of 1970 and other state and federal planning-related laws, and to administer the Community Development Block Grant Program.

PROGRAMS AND FUNCTIONS

To review all proposed development for compliance with applicable ordinances and regulations of the City.

To provide information, enforce requirements and monitor the mitigation measures as required by the California Environmental Quality Act of 1970.

To serve as the professional staff to the Planning & Environment Commission and the Development Review Board (DRB).

To conduct special studies on areas dealing with the urban, physical and social environment.

To inform the public on the procedures and regulations for all development, and serve as the center for coordinated development permit processes.

To prepare, review and recommend revisions to the General Plan, and enforce the General Plan goals and policies.

To prepare the environmental documents required by the Housing and Community Development Act.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Assistance to Hazard Mitigation Plan	\$ 7,500	\$ -	DRB Architectural Services	\$ 8,000	\$ 8,200

Changed Conditions:

- Change in Contract Services in FY 2014-2015 due to technical assistance required to update the Hazard Mitigation Plan.
- The total number of cases being heard by the Development Review Board is expected to increase in FY 2014-2015 and FY 2015-2016.

Proposed Activities:

- Promote efforts to revitalize the city's commercially-zoned properties and preserve its economic base.
- Anticipate completion of the following development activities: 72-unit condominium project, 22-unit apartment building and various in-fill housing development projects.
- Begin updating the Hazard Mitigation Plan.
- Continue to participate in subregional local government groups, including the Gateway Cities Council of Governments (COG) Economic Development Committee and the Planning Directors' Committee.
- Coordinate with SCAG/Gateway Cities COG on the update of the Sustainable Communities Strategy.

Productivity Initiatives:

- Continue to provide and maintain all planning forms for access through the Internet.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Site Plan Approvals	663	731	660	680	775	790
Development Review Board Cases	112	106	138	138	147	150
Conditional Use Permit Cases	20	18	21	23	21	21

COMMUNITY DEVELOPMENT - 4000 PLANNING

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	298,907	393,020	748,693	600,162	621,712	618,061	616,976
Contract Services	37,457	17,259	152,854	36,482	25,700	27,300	20,000
Office Expense	3,713	3,436	4,481	4,982	5,206	5,206	5,206
Meetings Expense	3,435	5,144	1,530	5,000	5,000	5,000	5,000
Special Department	4,005	4,870	10,974	8,468	3,539	8,564	8,564
Other Operating	3,249	3,641	5,177	5,250	5,250	5,545	5,670
Interdepartmental	18,832	13,528	13,372	14,542	13,490	10,903	11,029
Capital Outlay	0	0	740	1,258	0	0	0
TOTAL EXPENDITURES	369,597	440,898	937,821	676,144	679,897	680,579	672,445

FUNDING SOURCES

1010 General Fund	\$ 323,165	\$ 396,645	\$ 591,422	\$ 497,229	\$ 523,834	\$ 516,541	\$ 506,789
1030 CDBG Current Year	\$ 46,432	\$ 44,253	\$ 291,063	\$ 178,915	\$ 156,063	\$ 164,038	\$ 165,656
1621 Measure R	\$ -	\$ -	\$ 55,336	\$ -	\$ -	\$ -	\$ -

DEPARTMENT/DIVISION 4100 - BUILDING REGULATION

The purpose of this activity is to protect the public health and safety through implementation of the regulations of the building code, plumbing code, electrical code, mechanical code and all other related codes of the City.

PROGRAMS AND FUNCTIONS

To provide plan check services by utilizing plan checkers through a contract with Los Angeles County Department of Public Works Building & Safety (DPWBS) with a plan checker located in City Hall.

To provide building inspections by utilizing building inspectors through a contract with Los Angeles County DPWBS.

To enforce the building laws of the City via contract employees under a service agreement.

To provide for building inspection of inadequately maintained or substandard structures, which are a detriment to the health, safety and general welfare of the public or occupants thereof under the provisions of the building code.

To provide for pollution control inspection, inspections of ground disposal wastewater, checking of special plans, map updating and special engineering services beyond the resources of the City staff.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
LA County DPWBS	\$ 801,100	\$ 817,100

Changed Conditions:	<ul style="list-style-type: none">- Change in contract Services due to anticipated increase in Los Angeles County DPWBS Building and Safety contract service fees by 2% annually in FY 2014-2015 and FY 2015-2016.- Change in Employee Services is attributed to the reduced cost associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.
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Proposed Activities:	<ul style="list-style-type: none">- Anticipated development activities: continued improvements at Lakewood Center, construction and various in-fill housing development projects.
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Productivity Initiatives:	<ul style="list-style-type: none">- Continue to scan building records for retrieval by computer and provide public access through a public computer at the building and safety counter.- Continue use of the Los Angeles County Data and Permit Tracking System (DAPTS) building and safety permit system, to improve tracking of plan check status.
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Performance Measures:	<ul style="list-style-type: none">- Provide initial review 75 percent of plan check requests within ten days of receipt.
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	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Building & Safety Permits Issued	2,889	2,781	2,915	3,018	3,100	3,200
Number of Inspections	5,278	5,100	4,878	4,800	4,900	5,000
Completed Plan Checks	560	499	693	716	736	754
Revenue Generated:						
Plan Check	\$ 272,994	\$ 183,070	\$ 252,445	\$ 374,478	\$ 309,479	\$ 315,668
Building Permits	\$ 417,672	\$ 330,008	\$ 466,986	\$ 631,983	\$ 525,623	\$ 536,136

COMMUNITY DEVELOPMENT - 4100 BUILDING REGULATIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	182,339	218,465	372,060	403,249	425,723	410,794	415,327
Contract Services	735,131	712,998	729,222	790,500	780,500	796,016	811,928
Special Department	1,296	1,605	3,394	3,221	900	4,427	4,427
Other Operating	326	215	200	450	900	900	900
Interdepartmental	2,505	0	114	134	79	81	81
TOTAL EXPENDITURES	921,598	933,282	1,104,990	1,197,554	1,208,102	1,212,218	1,232,663

FUNDING SOURCES

1010 General Fund	\$ 921,598	\$ 933,282	\$ 1,104,990	\$ 1,197,554	\$ 1,208,102	\$ 1,212,218	\$ 1,232,663
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DEPARTMENT/DIVISION 4300 - GENERAL TRANSPORTATION

The purpose of this activity is to plan and supervise the implementation of transportation improvement projects.

PROGRAMS AND FUNCTIONS

To provide plans for the implementation of transportation facility/service improvements.

To ensure continued ready access to community centers, social service offices, medical care, shopping areas, recreational facilities and other essential destinations.

To provide a means of improving the infrastructure necessary to support transit services.

To perform ongoing research into the transportation needs of all residents and integrate this into future transportation planning.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Long Beach Transit	\$ 139,353	\$ 142,138	91-605 Freeway Study	\$ 11,000	\$ 11,000
GIS Services	\$ 51,438	\$ 47,323			

Changed Conditions:

- Change in Contract Services includes Prop A fund exchange with other municipalities.
- Change in Special Department is associated with the increase in the cost of fuel as reflected in the higher cost of services.

Proposed Activities:

- Continue planning for improved transit facilities.
- Provide for operating subsidies to Long Beach Transit for fixed route and Dial-A-Lift services.
- Continue to work with the Gateway Council of Governments and pursue grants with MTA and SCAQMD to fund projects that will improve transportation and reduce air emissions.
- Continue to implement the Congestion Management Program while working with MTA to change the regulations.

Productivity Initiatives:

- Use computer and appropriate software for tracking all new development.
- Continue to work with a consortium of cities on common projects of regional nature.
- Continue to use GIS to obtain data and produce maps more efficiently.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Fixed Route Ridership	1,003,986	1,065,555	1,016,395	1,037,054	1,028,645	1,030,327
Fixed Route Subsidy	\$ 73,350	\$ 71,078	\$ 70,860	\$ 71,404	\$ 77,853	\$ 79,410
Dial-A-Lift Ridership	2,154	2,169	2,253	2,365	2,365	2,365
Dial-A-Lift Subsidy	\$ 49,844	\$ 52,381	\$ 56,663	\$ 59,480	\$ 61,500	\$ 62,728

COMMUNITY DEVELOPMENT - 4300 GENERAL TRANSPORTATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	197,542	221,434	74,764	253,294	104,873	247,360	254,171
Contract Services	381,394	1,134,459	938,523	943,000	943,000	1,150,353	1,153,138
Meetings Expense	0	250	0	250	250	250	250
Special Department	2,092	2,425	855	3,454	2,962	3,934	3,934
Other Operating	0	1,238	85	1,555	1,555	1,560	1,560
Interdepartmental	31,192	54,996	33,496	48,508	31,254	51,438	47,323
TOTAL EXPENDITURES	612,219	1,414,802	1,047,723	1,250,061	1,083,894	1,454,895	1,460,376

FUNDING SOURCES

3000 AQMD Fund	\$ 15,191	\$ 15,346	\$ 15,455	\$ 15,602	\$ 15,534	\$ 15,663	\$ 15,687
3060 Transit - Prop A Fund	\$ 492,464	\$ 1,282,225	\$ 991,573	\$ 1,027,152	\$ 1,007,772	\$ 1,236,275	\$ 1,236,168
3070 Transit - Prop C Fund	\$ 104,564	\$ 117,231	\$ 40,696	\$ 207,307	\$ 60,588	\$ 202,957	\$ 208,521

DEPARTMENT/DIVISION 4400 - BUSINESS DEVELOPMENT PROGRAM

The purpose of this activity is to administer the Lakewood Business Development Program, funded by an Economic Development Authority (EDA) grant, to provide access to affordable capital for business expansion, economic development and job creation in the City. This access is provided by repayable loans made at favorable rates.

PROGRAMS AND FUNCTIONS

To provide financing and leveraging of private financing to create or attract new businesses to the city.

To provide financing and leveraging of private financing for businesses to expand resulting in significant economic improvements in the city.

To provide financing and leveraging of private financing to retain existing commercial and industrial businesses in the city.

To provide financing for startup or early-stage high-technology firms.

To provide financing and leveraging of private capital to strategically assist retail businesses to maintain essential services and stimulate related development and job creation activities.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Business Loan Consultant	\$ 6,000	\$ 6,000	Commercial Loan Program	\$ 100,000	\$ 100,000

Changed Conditions:

- Provide additional loans to qualified Lakewood business applicants from repaid funds as available.

Proposed Activities:

- Fund business loans of \$50,000 to \$250,000 to qualified Lakewood businesses.
- Provide access to capital for industrial/commercial enterprises in the city.
- Establish a network of local financial representatives to assist with identification of creditworthy small businesses.
- Prepare an update to the Administrative Plan for the Revolving Loan Fund (RLF) Program to reflect current procedures.

Productivity Initiative:

- Recruit and contract a commercial Loan Administrator as required by the RLF program to assist with loan procedures.
- Utilize Community Development staff to prescreen applicants to reduce administrative costs.

Performance Measures:

- Placement of the original EDA grant and matching funds within EDA's three-year grant timeline.
- Create minimum of one job for each \$35,000 loaned.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Number of Loan Applicants	1	0	0	0	1	1
Number of Loans	1	0	0	0	1	1
Loan Amount	0	0	0	0	\$ 100,000	\$ 100,000
Loan Payment	\$ 28,748	\$ 58,205	\$ 60,695	\$ 63,295	\$ 66,006	\$ 50,325

COMMUNITY DEVELOPMENT - 4400 BUSINESS DEVELOPMENT PROGRAM

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Contract Services	4,680	4,680	3,120	106,250	2,250	106,250	106,250
Special Department	20	0	0	250	250	250	250
TOTAL EXPENDITURES	4,700	4,680	3,120	106,500	2,500	106,500	106,500

FUNDING SOURCES

8000 Busines Development Loan	\$	4,700	\$	4,680	\$	3,120	\$	106,500	\$	2,500	\$	106,500	\$	106,500
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DEPARTMENT/DIVISION 4600 - HOUSING PROGRAMS

The purpose of this activity is to utilize Community Development Block Grant (CDBG) and General Funds to provide affordable housing and rehabilitation programs for Lakewood residents. Fair housing activities, including enforcement, education and outreach, are provided to landlords and tenants.

PROGRAMS AND FUNCTIONS

To administer the CDBG Program as required by the Consolidated Plan.

To administer CDBG funds for housing rehabilitation and create programs to meet housing assistance goals.

To make residents aware of available rental assistance programs, including the Section 8 Housing Choice Voucher Program.

To provide and monitor the fair housing program for Lakewood residents.

To encourage residents to participate in property rehabilitation programs.

BUDGET SUMMARY

Changed Conditions:

- Anticipate a decrease in the number Fix/Up Paint-Up Program grants and an increase in residential Rehabilitation Loans due to the decline in grant participants.

Proposed Activities:

- Maintain existing Successor Agency properties prior to development.
- Continue programs to encourage property rehabilitation and maintenance by offering deferred loans and Fix-Up/Paint-Up Program grants using repayment of Lakewood Housing Successor Agency loans.
- Continue to contract with a fair housing consultant to affirmatively further fair housing.
- Continue to market housing programs using City newsletters and area newspapers.
- Working to increase CDBG entitlement funds from HUD.

Performance Measures:

- Fund ten single-family rehabilitation loans.
- Fund up to six Fix-Up/Paint-Up Program grants.
- Provide 6 neighborhood cleanup dates.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Number of Loans Funded - CDBG	0	0	0	0	0	0
Number of Grants - CDBG	0	0	0	0	0	0
Amount Loan - CDBG	0	0	0	0	0	0
Amount Repaid - CDBG	\$ 32,320	\$ 27,273	\$ 36,163	\$ 35,000	\$ 30,000	\$ 30,000
Number of Loans Funded - RDA/LHSA	9	0	0	9	10	10
Number of Grants - RDA/LHSA	15	0	0	12	6	6
Amount Loan - RDA/LHSA	\$ 153,000	0	0	\$ 162,000	\$ 180,000	\$ 180,000
Amount Repaid - RDA/LHSA	\$ 167,508	\$ 136,465	\$ 248,146	\$ 200,000	\$ 199,000	\$ 199,000

COMMUNITY DEVELOPMENT - 4600 HOUSING PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	33,576	114,423	222,474	182,152	126,763	176,882	181,897
Contract Services	1,831,141	51,916	36,481	195,046	195,046	213,707	214,381
Office Expense	50	0	0	350	350	883	300
Meetings Expense	0	65	4,133	500	500	500	500
Special Department	398	2,720	0	54,240	48,352	30,628	30,628
Other Operating	160	699	809	3,300	3,300	3,300	2,999
Capital Outlay	0	0	0	10,500	3,500	3,500	3,500
TOTAL EXPENDITURES	1,865,324	169,823	263,898	446,088	377,811	429,400	434,205

FUNDING SOURCES

1010 General Fund	\$ 30,726	\$ 121,454	\$ 201,285	\$ 164,700	\$ 109,856	\$ 159,184	\$ 164,071
1030 CDBG-Fair Housing	\$ 9,672	\$ 8,057	\$ 32,240	\$ 33,046	\$ 33,046	\$ 33,707	\$ 34,381
3040 HSG Program*	\$ 1,790,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3901 Housing Admin	\$ -	\$ 10,348	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
8010 CDBG Program Inc.	\$ 34,183	\$ 29,964	\$ 30,373	\$ 37,842	\$ 31,409	\$ 33,009	\$ 32,253

DEPARTMENT/DIVISION 4700 - CODE ENFORCEMENT

The purpose of this activity is to continue to implement a responsive Community Conservation Program dedicated to preserving and improving the aesthetic and environmental quality of the city. The City's three Community Conservation Representatives each serve a designated area of the community to respond to citizen service requests regarding property maintenance, building, planning and zoning, and public health and safety concerns.

PROGRAMS AND FUNCTIONS

To implement and direct the Community Conservation Program, which enforces the City property maintenance standards.

To educate residents on state, county, and local ordinances.

To respond to complaints concerning residential, commercial and public right-of-way violations.

To coordinate enforcement efforts with outside agencies, such as the Los Angeles County Fire Department, Los Angeles County Sheriff's Department, and the Los Angeles County Health Department.

To carry out the goals and policies of the General Plan concerning the preservation of the aesthetic and environmental quality of the city.

BUDGET SUMMARY

Changed Conditions:

- Propose modifications to the Administrative Citation Ordinance.

Proposed Activities:

- Continue to focus on property maintenance programs to ensure preservation of the city's housing stock.
- Maintain a strong code enforcement program to address issues associated with aging housing and problem property owners.
- Review standards and continue efforts to stimulate residential and commercial property maintenance.
- Continue the use of the Nuisance Abatement Team.
- Review and update property maintenance standards.
- Analyze and target declining areas to focus code enforcement efforts.

Productivity Initiative:

- Continue to use Civica for efficient tracking of code enforcement cases.

Performance Measures:

	<u>Actual 2010-2011</u>	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Projected 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Estimated 2015-2016</u>
Service Requests Received	1,464	1,248	1,423	1,400	1,400	1,400
Service Requests Cleared	1,236	1,010	1,268	950	950	950

COMMUNITY DEVELOPMENT - 4700 CODE ENFORCEMENT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	95,528	203,983	313,847	323,591	319,619	330,332	331,788
Contract Services	0	0	100	1,500	1,500	1,500	1,500
Meetings Expense	0	111	0	200	200	200	200
Special Department	968	2,332	3,159	3,599	3,599	3,599	3,599
Other Operating	278	485	225	750	675	700	700
TOTAL EXPENDITURES	96,773	206,910	317,331	329,640	325,593	336,331	337,787

FUNDING SOURCES

1010 General Fund	\$	39,579	\$	156,588	\$	265,151	\$	275,173	\$	271,254	\$	280,785	\$	282,003
1030 CDBG - Current Year	\$	57,194	\$	50,323	\$	52,180	\$	54,467	\$	54,339	\$	55,546	\$	55,784

DEPARTMENT/DIVISION 5000 - ADMINISTRATIVE SERVICES

The purpose of this activity is to maintain strict accountability of all money received by and disbursed by the City, and to provide complete and accurate financial information in proper form and on a timely basis.

PROGRAMS AND FUNCTIONS

- To maintain and operate the general accounting system of the City and its departments.
- To invest with the maximum safety, yield and liquidity cash in excess of that required to meet current obligations.
- To maintain and operate the customer services, billing, and collection system for City utilities.
- To determine water and trash billing rates for City utilities.
- To assist the City Manager in the preparation of the budget.
- To prepare the payroll and maintain payroll records on all employees.
- To file all required tax reports.
- To prepare monthly financial reports.
- To prepare financial reports requested by the State Controller's Office and other agencies, as required.
- To provide risk management services in an effort to safeguard the assets and resources of the City.
- To prepare the City's Annual Financial Report.
- To maintain an inventory of all City assets.
- To track grants from all sources.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Contract Services	\$ 95,635	\$ 96,635	Audits	\$ 40,725	\$ 41,280
Credit Card/Banking Services	\$ 64,129	\$ 66,859	Graphics & Copy Center	\$ 22,933	\$ 22,733

- Changed Conditions:**
- Change in Interdepartmental is due to a decrease in the printed reports produced by the Graphics & Copy Center.
- Proposed Activities:**
- Submit financial statements to the GFOA. The City has received "Outstanding Awards" for the past 26 consecutive years.
- Productivity Initiatives:**
- Monitor the budget closely to ensure necessary related to economic impacts.
- Performance Measures:**
- Mail water bills to customers within 48 hours of reading the meter.
 - Continue to have 99% of temporary idle funds invested in order to optimize interest earned on these funds.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Accounts Payable Invoices	11,452	10,997	10,260	10,024	10,896	10,900
Accounts Payable Checks	7,218	6,877	6,534	7,437	6,876	6,900
Regular Utility Bills	144,749	144,871	144,972	144,945	145,000	145,200
Investment Earnings - City	\$ 427,427	\$ 406,538	\$ 315,048	\$ 350,000	\$ 350,000	\$ 400,000

ADMINISTRATIVE SERVICES - 5000 FINANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	682,381	773,607	820,336	842,267	856,479	843,978	849,014
Contract Services	108,804	115,146	140,907	145,500	142,175	142,310	143,965
Office Expense	13,892	13,507	13,719	14,475	14,453	14,475	14,975
Meetings Expense	3,026	6,694	3,617	3,500	3,500	3,500	3,000
Special Department	64,063	111,668	1,992,114	63,551	64,959	73,480	76,210
Other Operating	2,268	179,097	353,474	2,300	2,300	2,300	2,500
Interdepartmental	7,968	12,021	18,784	23,655	22,525	22,933	22,733
Capital Outlay	1,103	0	0	30,641	45,000	101,000	101,000
TOTAL EXPENDITURES	883,505	1,211,741	3,342,950	1,125,889	1,151,391	1,203,976	1,213,397

FUNDING SOURCES

1010 General Fund	\$ 860,711	\$ 968,952	\$ 1,037,776	\$ 1,118,050	\$ 1,142,232	\$ 1,192,587	\$ 1,201,975
1030 CDBG Current Year	\$ 22,794	\$ 18,500	\$ 10,034	\$ 11,431	\$ 9,159	\$ 11,389	\$ 11,422

DEPARTMENT/DIVISION 5100 - LICENSING AND REVENUE COLLECTION

The purpose of this activity is to administer and enforce the business license ordinance of the City. This activity also provides for centralized cashing for all City activities.

PROGRAMS AND FUNCTIONS

- To maintain all records relating to over 4,000 thousand business licenses.
- To maintain records on resale permits issued by State Board of Equalization to businesses in Lakewood.
- To investigate business license applications requiring study and complaints.
- To maintain records on business permits issued using a computerized business license system.
- To provide staff support for the License and Permit Hearing Board.
- To provide centralized cashing for all City activities.
- To collect and record all revenues of the City.
- To maintain permit records on film, fireworks stands, entertainment and other special events.

BUDGET SUMMARY

Changed Conditions:

- Senate Bill 1186 imposed a \$1.00 fee to all business license applications and renewals, which started January 1, 2013 and sunsets December 31, 2018.

Proposed Activities:

- Continue implementation of the field enforcement program, which results in many unlicensed businesses obtaining a City license.

Productivity Initiatives:

- Inspect all business locations annually to ensure business license compliance.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Home Occupation Licenses	729	851	801	851	851	851
Lakewood Business Locations	1,298	1,633	1,771	1,785	1,785	1,785
Contractors and Businesses Outside Lakewood	2,025	2,175	2,141	2,289	2,289	2,289
Total Business License Applications Mailed	4,052	4,659	4,713	4,925	4,925	4,925
 Total Business Licenses Issued	 3,509	 3,599	 3,587	 3,590	 3,600	 3,600
Total Annual Revenue	\$ 469,595	\$ 505,519	\$ 507,770	\$ 545,990	\$ 550,000	\$ 555,000

ADMINISTRATIVE SERVICES - 5100 LICENSING AND REVENUE COLLECTION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	88,563	90,557	93,267	94,756	47,533	81,542	84,588
Office Expense	105	178	12	100	100	150	160
Meetings Expense	50	0	50	75	75	75	80
Special Department	760	1,075	1,080	1,000	1,000	1,125	2,475
Interdepartmental	0	0	89	140	100	102	100
TOTAL EXPENDITURES	89,478	91,810	94,498	96,071	48,808	82,994	87,403

FUNDING SOURCES

1010 General Fund	\$	89,478	\$	91,810	\$	94,498	\$	96,071	\$	48,808	\$	82,994	\$	87,403
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DEPARTMENT/DIVISION 5200 - INSURANCE

The purpose of this activity is to coordinate and administer risk management and insurance either secured by the City or through participation in the Joint Powers Insurance Authority.

PROGRAMS AND FUNCTIONS

- To secure proposals in anticipation of the expiration of insurance policies.
- To maintain liaison with insurance carriers.
- To process claims against the City filed with the California Joint Powers Insurance Authority (CJPIA).
- To administer risk management for the City.
- To administer retiree medical plan.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Liability Insurance (CJPIA)	\$ 579,977	\$ 626,288	Property Damage Insurance (CJPIA)	\$ 34,500	\$ 35,072
Worker's Compensation (CJPIA)	\$ 394,694	\$ 402,363	Environmental Liability Insurance	\$ 20,000	\$ 20,000
Earthquake Insurance (CJPIA)	\$ 133,000	\$ 136,990	Employee Bond	\$ 5,000	\$ 5,250
Retiree Medical	\$ 68,353	\$ 76,612	Employee Assistance Program	\$ 5,000	\$ 5,000
Unemployment Insurance	\$ 52,000	\$ 53,560			

Changed Conditions:

- Change in Other Operating is mostly attributed to the decline in exposure of liability claims, however, worker's compensation cost increased due to claims in the last two fiscal years.

Proposed Activities:

- Annual applications for liability, property and workers' compensation insurance will be completed.
- Continue bi-monthly meetings of the City Safety Committee.

Productivity Initiatives:

- Conduct departmental safety inspections by designated safety coordinators.
- Coordinate periodic CJPIA inspections to ensure safety procedures are being followed.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Liability Program Costs	\$ 537,774	\$ 385,785	\$ 965,515	\$ 612,919	\$ 579,977	\$ 626,288
Property Damage	\$ 27,741	\$ 29,665	\$ 31,194	\$ 32,429	\$ 34,500	\$ 35,072
Earthquake Insurance	\$ 109,087	\$ 122,315	\$ 122,677	\$ 126,207	\$ 133,000	\$ 136,990
Workers' Compensation*	\$ 137,616	\$ 246,894	\$ 286,838	\$ 265,814	\$ 394,694	\$ 402,363
Unemployment Insurance	\$ 60,122	\$ 90,813	\$ 37,166	\$ 48,885	\$ 52,000	\$ 53,560
Liability Claims	35	41	31	36	34	32
Workers' Compensation Claims	13	17	24	18	15	15

*Includes rebates based on actual experience

ADMINISTRATIVE SERVICES - 5200 INSURANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Contract Services	0	5,818	33,940	8,200	16,250	8,400	4,100
Office Expenses	1,782	1,949	2,149	2,150	2,150	2,150	2,215
Meetings Expense	0	0	658	1,829	2,150	1,830	1,900
Other Operating	1,079,012	1,098,437	1,675,111	1,038,642	1,336,344	2,176,125	2,241,296
TOTAL EXPENDITURE	1,080,794	1,106,204	1,711,858	1,050,821	1,356,894	2,188,505	2,249,511

FUNDING SOURCES

1010 General Fund	\$ 945,679	\$ 912,258	\$ 1,508,453	\$ 871,021	\$ 1,131,314	\$ 1,077,274	\$ 1,131,559
1070 Retiree Medical Fund	\$ 135,115	\$ 193,946	\$ 203,405	\$ 179,800	\$ 225,580	\$ 1,111,231	\$ 1,117,952

DEPARTMENT/DIVISION 5300 - PARKING CONTROL

The purpose of this activity is to enforce parking regulations throughout the city. It is the City's desire to reduce the number of citations issued and obtain compliance with parking laws.

PROGRAMS AND FUNCTIONS

To obtain compliance with the City's parking ordinances.

To collect revenue in payment of parking fines.

To process citations, issue "Notices of Illegal Parking" to those who do not pay citations on time and generate Department of Motor Vehicle "holds" for unpaid citations. (63% of citations are issued to vehicles parked in violation of the ordinance prohibiting parking during street sweeping hours.)

To investigate service requests related to parking of vehicles on city streets.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Cardinal Tracking Contract Services	\$ 9,100	9,600	Vehicle Maintenance	\$ 12,103	12,470
Hearing Officer	\$ 2,000	2,000			

Changed Conditions:

- Continue to work toward decrease in the number of street sweeping citations.
- Continue to maintain online payment system to increase revenue collection.

Proposed Activities:

- Clear service requests within seven days of receipt.

Productivity Initiatives:

- Continue to operate in-house parking control program, which has improved the enforcement of the City's parking regulations.
- Continue aggressive follow-up on delinquent citations through DMV and collection services.
- Implement online citation appeals to improve customer service.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Amount Collected	\$ 583,571	\$ 503,263	\$ 558,201	\$ 566,350	\$ 565,000	\$ 570,000
Number of Citations Issued (Includes Warnings)	22,428	22,270	22,522	22,200	22,200	22,200
Administrative Towing Fees	\$ 40,397	\$ 28,021	\$ 33,579	\$ 40,000	\$ 35,000	\$ 35,000
Number of Service Requests Handled	1,170	1,199	1,420	1,500	1,500	1,500
Number of Vehicles Towed (By the City)	58	50	51	40	50	50

ADMINISTRATIVE SERVICES - 5300 PARKING CONTROL

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	470,507	486,828	528,532	544,025	526,880	535,599	540,397
Contract Services	11,523	9,990	10,929	11,821	11,671	11,200	11,700
Meetings Expense	559	0	603	1,556	1,565	650	1,600
Special Department	4,071	6,864	5,601	6,004	4,740	5,960	5,960
Other Operating	125	125	135	135	135	135	135
Interdepartmental	14,466	14,622	13,404	14,317	13,684	12,103	12,470
Capital Outlay	457	0	0	0	0	0	0
TOTAL EXPENDITURES	501,709	518,429	559,203	577,858	558,675	565,647	572,262

FUNDING SOURCES

1010 General Fund	\$ 501,709	\$ 518,429	\$ 559,203	\$ 577,858	\$ 558,675	\$ 565,647	\$ 572,262
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DEPARTMENT/DIVISION 5400 - PURCHASING AND STORES

The purpose of this activity is to provide efficient and cost effective administration of the purchasing and warehouse operations, and to obtain necessary supplies and equipment at the required quality and least cost to the City.

PROGRAMS AND FUNCTIONS

- To solicit informal and formal bids for the purchase of equipment and supplies.
- To exercise quantity and quality control over purchases.
- To deliver equipment and supplies to departments.
- To maintain an inventory of supplies for recurring City needs and maintain Safety Data Sheets.
- To update stock specifications and standard purchasing forms.
- To maintain strong relationships with vendors.
- To continually search the market for lower prices for equipment and supplies.
- To collect and dispose of surplus equipment and materials.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Office Equipment Maintenance	\$ 2,500	\$ 3,000	Vehicle Maintenance	\$ 1,067	\$ 1,100

Changed Conditions: - Change in Contract Services due to moving of copier expense to Graphics Copy Center division.

Proposed Activities:

- Continue to maintain inventory at economically efficient levels.
- Purchase products made from recycled and recyclable materials when available, operationally practical and economically beneficial.

Productivity Initiatives: - Expand use of the Internet for procurement activities to increase operational efficiency.

Performance Measures:

- Dispose of surplus equipment as soon as practical to optimize the salvage value received.
- Deliver stock items required by City departments within three working days and buyout items will be delivered within 7 working days after receipt of requisition.
- Generate and distribute formal bid packages within 10 working days after receipt from City departments.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Purchase Orders Issued	3,565	3,553	3,232	3,200	3,200	3,200
Warehouse Stock Items (On Hand)	709	694	694	694	694	694
Revenue - Surplus Property	\$ 9,276	\$ 5,035	\$ 20,221	\$ 22,500	\$ 20,000	\$ 5,000

ADMINISTRATIVE SERVICES - 5400 PURCHASING AND STORES

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	303,692	254,419	263,702	273,272	263,641	273,203	274,630
Facilities Expense	121	0	265	300	300	300	400
Office Expense	10,709	11,124	12,863	1,600	1,600	2,900	3,500
Meetings Expense	0	39	133	339	375	400	400
Special Department	4,148	4,485	3,749	4,540	1,111	4,300	4,300
Other Operating	230	308	240	251	290	340	340
Interdepartmental	2,016	1,405	2,760	3,217	3,922	3,785	3,790
Capital Outlay	11	0	312	200	200	200	200
TOTAL EXPENDITURES	<u>320,926</u>	<u>271,780</u>	<u>284,023</u>	<u>283,719</u>	<u>271,439</u>	<u>285,428</u>	<u>287,560</u>

FUNDING SOURCES

1010 General Fund	\$ 320,926	\$ 271,780	\$ 284,023	\$ 283,719	\$ 271,439	\$ 285,428	\$ 287,560
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DEPARTMENT/DIVISION 6000 - ENGINEERING AND ADMINISTRATION

The purpose of this activity is to provide for ongoing administrative functions of the City's Public Works Department. The department's activities encompass most functions within the public rights-of-way and City-owned property.

PROGRAMS AND FUNCTIONS

- To manage capital improvement projects within the established budget and schedule.
- To maintain ongoing administrative functions and provide a high standard of physical facilities and services.
- To continuously monitor and supervise public works functions being conducted by Los Angeles County and private contractors.
- To study, plan and implement an integrated solid waste reduction program.
- To provide traffic engineering, safety programs and staff support to the Community Safety Commission.
- To administer the "Gatekeeper" emergency response programs, which responds to emergency requests during non-business hours.
- To maintain the City's phone and security systems, and provide input to management on changing issues affecting the City.
- To administer the City's National Pollutant Discharge Elimination System (NPDES) storm water program.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Consulting Services (NPDES)	\$ 193,369	\$ 196,189	Communications	\$ 42,147	\$ 38,847
Professional Services	\$ 117,000	\$ 117,000	Contract Personnel	\$ 15,000	\$ 15,000
Permit Fees (NPDES)	\$ 55,419	\$ 72,464	Graphics & Copy Center	\$ 7,116	\$ 7,085

Changed Conditions:

- Current municipal stormwater permit includes requirements for activities, reporting, inspecting, monitoring and outreach resulting in ever increasing expenses.

Proposed Activities:

- Continue maintenance projects for the City's infrastructure, including administration of water capital improvement projects.
- Identify alternative funding sources for public improvements and stormwater regulations.
- Adopt fats, oil and grease program for food services establishments.
- Implement use of tablets (6) for Field Supervisors in Public Works and RCS to enhance responsiveness in the field.

Productivity Initiatives:

- Continue to closely monitor construction activities to ensure highest quality result and minimize change orders.
- Evaluate feasibility and cost effectiveness of existing and potential privatized services.
- Complete capital improvement projects.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Street Clean-up	11	7	2	3	3	4
Hazardous Waste Clean-up	10	20	11	10	11	11
Catch Basin Clean-up	11	8	8	6	6	6
Total Service Requests Received	502	480	450	450	452	455

PUBLIC WORKS - 6000 ENGINEERING AND ADMINISTRATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	589,373	604,230	558,046	590,389	518,163	709,179	588,758
Contract Services	195,988	140,419	156,789	341,688	341,688	369,269	372,089
Facilities Expense	42,150	40,566	30,228	35,475	28,000	42,147	38,847
Office Expense	1,139	1,927	1,813	2,000	1,500	2,000	2,000
Meetings Expense	9,858	9,242	7,966	8,675	8,675	8,675	8,675
Special Department	21,132	28,069	27,867	46,489	43,384	60,406	76,569
Other Operating	5,630	11,080	1,266	2,268	2,268	2,288	2,288
Interdepartmental	22,326	19,702	15,940	17,308	16,313	15,101	44,762
TOTAL EXPENDITURES	887,596	855,235	799,916	1,044,292	959,991	1,209,065	1,133,988

FUNDING SOURCES

1010 General Fund	\$ 856,471	\$ 831,941	\$ 709,572	\$ 738,440	\$ 870,976	\$ 1,068,877	\$ 966,633
1030 CDBG Current Year	\$ 31,125	\$ 22,870	\$ -	\$ -	\$ -	\$ -	\$ -
3060 Prop A	\$ -	\$ 424	\$ 17,091	\$ 24,136	\$ 21,709	\$ 11,145	\$ 10,285
3070 Prop C	\$ -	\$ -	\$ 73,253	\$ 274,083	\$ 67,306	\$ 129,043	\$ 157,070

DEPARTMENT/DIVISION 6100 - SOLID WASTE MANAGEMENT

The purpose of this activity is to provide for the efficient and economical collection of refuse and recyclable materials. A private contractor collects the City's refuse, recycling and commercial/multi-residential family recycling. This service is provided through regulations established by City ordinance, collection contract, and state legislation.

PROGRAMS AND FUNCTIONS

To administer the City's municipal solid waste collection and disposal.

To provide the Dial-A-Dump program for bulky residential items.

To comply with the regulations of AB 939 - Integrated Waste Management Act

To comply with the regulations of AB 341 - Mandatory Commercial Recycling.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Collection Services	\$ 4,566,323	\$ 4,657,649	Used Oil Program	\$ 22,822	\$ 23,067
Professional Services	\$ 25,000	\$ 25,000	Litter Reduction Program	\$ 22,000	\$ 22,000

Changed Conditions:

- Increase in Contract Services for collection and disposal contract based upon contractual blended CPI.

Proposed Activities:

- Continue to administer contract for collection of refuse and recyclables with EDCO.
- Continue to work with EDCO on promoting, monitoring and reporting commercial and multi-family recycling activities.
- Monitor compliance with AB 939 requirements.
- Continue specialized recycling programs for residents, such as Christmas tree and residential paper shredding event, and recycling programs such as greenwaste and collection of other recyclable items from City facilities.
- Continue to administer grants for used oil and beverage container collection program.
- Finalize Construction & Demolition (C&D) Ordinance and Illegal Bin Ordinance.
- Continue to promote county programs such as: Household Hazardous Waste Round-Ups, Smart Gardening Program and the Clean LA website.

Performance Measures:

- The following statistics are based upon the City's annual reports to the Cal Recycle using Los Angeles County Disposal Reporting System:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Residential to SERRF	7,273	12,571	6,455	6,750	6,750	6,750
Residential Trash	14,141	10,319	15,400	15,400	15,450	15,450
Commercial Tonnage	23,190	19,071	20,500	20,500	20,550	20,550
All Other Disposal*	57,000	55,000	54,000	54,000	54,500	54,500
Residential Recycling	7,035	6,647	6,600	6,700	6,750	6,750
Residential Green Waste	11,931	9,302	9,300	9,400	9,450	9,450
Additional Trash Cart Requests	269	221	150	160	155	155
Additional Recycle Cart Requests	297	133	80	100	110	110

*Represent disposal at other landfills, self-haul and C&D Disposal

PUBLIC WORKS - 6100 SOLID WASTE MANAGEMENT

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	175,075	190,631	271,772	270,877	295,003	275,398	276,780
Contract Services	4,242,494	4,324,216	4,397,885	4,488,776	4,471,848	4,616,891	4,705,795
Office Expense	29	0	0	250	250	250	250
Meetings Expense	145	1,888	1,490	2,500	2,500	2,500	2,500
Special Department	32,168	97,675	19,691	43,000	43,184	45,983	26,537
Other Operating	0	708	0	4,000	2,000	2,500	2,500
TOTAL EXPENDITURES	4,449,912	4,615,117	4,690,838	4,809,403	4,814,785	4,943,522	5,014,362

FUNDING SOURCES

1010 General Fund	\$ 4,417,288	\$ 4,497,423	\$ 4,666,999	\$ 4,764,381	\$ 4,771,763	\$ 4,899,906	\$ 4,993,762
1600 Litter Reduction	\$ 1,286	\$ -	\$ -	\$ 22,200	\$ 20,200	\$ 20,600	\$ 20,600
1630 Used Oil Grant	\$ 19,185	\$ 33,386	\$ 23,838	\$ 22,822	\$ 22,822	\$ 23,016	\$ -
1640 Beverage Container Grant	\$ 12,153	\$ 84,308	\$ -	\$ -	\$ -	\$ -	\$ -

DEPARTMENT/DIVISION 6200 - ANIMAL CONTROL

The purpose of this activity is to provide for animal control services for the City by contract with the Southeast Animal Control Authority (SEAACA) in Downey. SEAACA is a joint powers authority with eight cities as member agencies serving as the governing board.

PROGRAMS AND FUNCTIONS

To administer the animal control services contract with SEAACA which includes dog licensing, field patrol, pet adoption programs and investigation of complaints regarding animal cruelty, barking and strays.

To provide and promote pet vaccination clinics.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
SEAACA	\$ 336,249	\$ 353,061

Changed Conditions:

- Change in Contract Services due to a projected increase of 5% in the SEAACA contract.

Proposed Activities:

- Continue to promote SEAACA's public education campaigns to help residents understand how to live with local wildlife such as opossums, raccoons and coyotes.
- Continue to coordinate with SEAACA to provide vaccination clinics. These clinics give residents an opportunity to obtain low cost vaccinations in conjunction with obtaining licenses for their pets.
- Propose amendments to Lakewood Municipal Code to reflect SEAACA's model ordinance.
- Review license fees.

Performance Measures:

	<u>Actual 2010-2011</u>	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Projected 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Estimated 2015-2016</u>
Number of Dogs Licensed	9,498	10,372	8,650	8,650	8,650	8,650
Service Calls Handled by SEAACA	4,262	3,618	3,672	3,672	3,672	3,672
Service Requests Handled by Lakewood	62	36	99	94	95	95
Dogs Returned to Their Owners	121	101	130	130	130	130
Cats Returned to Their Owners	55	13	12	10	10	10
Dogs Placed in New Homes	148	123	91	91	91	92
Cats Placed in new Homes	55	47	38	30	30	31

PUBLIC WORKS - 6200 ANIMAL CONTROL

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	5,320	5,618	5,805	5,893	5,838	5,981	6,004
Contract Services	269,757	283,010	301,036	320,237	320,237	350,191	357,195
Special Department	49	51	51	51	0	51	51
TOTAL EXPENDITURES	275,127	288,679	306,892	326,181	326,075	356,223	363,250

FUNDING SOURCES

1010 General Fund	\$ 275,127	\$ 288,679	\$ 306,892	\$ 326,181	\$ 326,075	\$ 356,223	\$ 363,250
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DEPARTMENT/DIVISION 6300 - BUILDING MAINTENANCE

The purpose of this activity is to provide skill trades services to repair and maintain City Hall, The Centre at Sycamore Plaza, Community Safety Center, City-owned and Housing Authority-owned parcels, and Nixon and Arbor Maintenance Yards.

PROGRAMS AND FUNCTIONS

To administer service contracts for HVAC, elevator, security, roof warranty, electrical and fire protection systems.

To provide setup and logistical support for block parties and special events held city-wide.

To coordinate the contract to install City's street banner and holiday decorations.

To troubleshoot, repair and maintain building-related structures, maintenance systems and equipment.

To provide for maintenance of utilities for City Hall, The Centre at Sycamore Plaza, Nixon and Arbor Maintenance Yards, Fidler House and Sheriff

To provide for the disposal of hazardous materials used at the Nixon and Arbor Maintenance Yards, and hazardous material removed from the public rights-of-way.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Utilities (Electric/Gas/Water)	\$ 150,920	\$ 158,990	Contract Services	\$ 35,000	\$ 35,000
Street Banner Program	\$ 40,800	\$ 41,616	Fire/Security Alarm Contract	\$ 36,184	\$ 36,864
Vehicle/Equipment Maintenance	\$ 65,799	\$ 55,425	Building Maintenance	\$ 21,350	\$ 21,777
			HVAC Maintenance and Repair	\$ 18,225	\$ 18,475

Changed Conditions:

- Change in Contract Services reflects an estimated 2.5% CPI increase in Fire/Security expenses, new monitoring costs for Nixon Maintenance Yard and planned upgrade of CCTV Security System at the Civic Center.
- Change in Facilities Expense reflects projected increase in cost of electricity and natural gas for general building operations.

Proposed Activities:

- Perform routine and extraordinary maintenance on HVAC systems, plumbing and electrical systems, telephone and security systems, elevators and building structures.

Performance Measures:

- Continue developing inventory and assessment of all facilities maintained under this department/division.
- Continue joint Centre/Public Works coordination meetings to facilitate completion of work orders and facility rehabilitation at The Centre at Sycamore Plaza.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Work Orders Completed	569	576	407	366	439	526

PUBLIC WORKS - 6300 BUILDING MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	517,139	522,961	532,950	546,065	577,735	532,619	544,673
Contract Services	87,496	90,385	76,066	108,122	74,238	96,958	98,021
Facilities Expense	178,921	163,560	153,256	163,051	163,051	174,360	182,922
Office Expense	571	635	478	500	500	500	510
Meetings Expense	12	0	0	0	0	0	0
Special Department	63,920	57,985	49,966	66,357	65,475	67,907	69,097
Other Operating	84	254	268	500	500	750	750
Interdepartmental	50,467	45,236	43,403	44,259	44,311	65,799	55,425
Capital Outlay	4,046	0	0	0	0	0	0
TOTAL EXPENDITURES	902,656	881,016	856,387	928,854	925,810	938,893	951,398

FUNDING SOURCES

1010 General Fund	\$ 902,656	\$ 881,016	\$ 856,387	\$ 928,254	\$ 925,810	\$ 938,893	\$ 951,398
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DEPARTMENT/DIVISION 6400/6470/6475 - PARK MAINTENANCE

The purpose of this activity is to provide skill trades services to repair and maintain all park and recreational facilities including swimming and wading pools, except for landscaping, irrigation and janitorial services.

PROGRAMS AND FUNCTIONS

To administer service contracts for HVAC, elevator, security, roof warranty, electrical and fire protection systems.

To repair and maintain all park buildings, including Burns Center, Weingart Senior Center, Lakewood Youth Center and Nye Library.

To repair and maintain the City's swimming and wading pools.

To repair and maintain park fencing and park site furnishings.

To repair and maintain playground equipment, athletic fields and court lighting, area lighting and hardscape on park/community center facilities.

To provide setup and logistical support for special park and recreational events, such as Pan American Fiesta, Halloween Carnivals, Safety Expo and Concerts in the Park.

To troubleshoot and repair building-related structures, systems and equipment.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Capital Equipment	\$ 71,430	\$ 72,858	HVAC Maintenance	\$ 26,000	\$ 26,521
Fire/Security Contract	\$ 66,086	\$ 67,358	Contract Services	\$ 17,400	\$ 17,748
Special Department (Parks & Pools)	\$ 58,492	\$ 59,508	Ballfield Relamping Services	\$ 3,335	\$ 7,705
Parts and Materials	\$ 32,300	\$ 32,926			

Changed Conditions:

- Resumed ballfield relamping.

Proposed Activities:

- Continue to update the inventory and conduct assessment of all facilities maintained under this department/division.
- Continue annual inspection of facilities by Facility Preservation Committee to identify minor capital improvements.
- Continue to enter city equipment assets into computerized work order system.

Productivity Initiatives:

- Complete 75% of work orders within five working days.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Work Orders Completed	2,535	2,915	2,548	2,599	2,650	2,704

PUBLIC WORKS - 6400 PARK MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	943,395	851,275	842,159	884,765	760,742	887,585	907,769
Contract Services	106,126	130,234	116,448	120,548	106,111	122,474	129,043
Facilities Expense	30,411	35,017	28,878	32,300	32,300	32,300	32,926
Special Department	92,632	53,684	53,804	55,950	56,884	58,492	59,508
Other Operating	0	0	932	0	0	0	0
Interdepartmental	19,882	24,084	32,430	36,478	33,109	30,410	31,333
Capital Outlay	46,992	40,052	61,080	63,335	63,335	71,430	72,858
TOTAL EXPENDITURES	<u>1,239,438</u>	<u>1,134,346</u>	<u>1,135,731</u>	<u>1,193,376</u>	<u>1,052,481</u>	<u>1,202,691</u>	<u>1,233,437</u>

FUNDING SOURCES

1010 General Fund	\$ 1,239,438	\$ 1,134,346	\$ 1,135,731	\$ 1,193,376	\$ 1,052,481	\$ 1,202,691	\$ 1,233,437
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DEPARTMENT/DIVISION 6500 - GRAFFITI REMOVAL

The purpose of this activity is to remove graffiti from all City-owned buildings and private structures. Residents, business owners and staff members are encouraged to report graffiti visible on public and private property.

PROGRAMS AND FUNCTIONS

To remove graffiti from City-owned buildings and facilities.

To respond to all requests to remove graffiti identified by City departments and others through work orders, city service requests or emergency calls.

To remove graffiti from privately-owned buildings and fences upon request by the property owner.

BUDGET SUMMARY

Significant Detail:

	<u>2014-15</u>	<u>2015-16</u>
Paint & Equipment	\$ 8,600	\$ 8,772
Vehicle/Equipment Maintenance	\$ 10,242	\$ 10,553

Changed Conditions:

- Change in Special Department due to upward trend in graffiti resulting in the need for more Graffiti Removal supplies.

Proposed Activities:

- Continue to remove highly offensive graffiti within hours and notify Los Angeles County Sheriff's on weekly basis.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
<u>Number of Service Requests Received:</u>						
Private Property	215	207	212	264	264	264
Public Right of Way	371	358	402	552	552	552
<u>Number of Work Orders Received:</u>						
Graffiti Removal on City Facilities	19	15	7	10	10	10

PUBLIC WORKS - 6500 GRAFFITI REMOVAL

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	104,845	109,232	101,493	116,553	61,742	101,447	106,031
Special Department	5,773	6,685	5,261	8,975	9,145	9,575	9,759
Interdepartmental	11,778	8,929	9,723	9,801	9,927	10,242	10,553
TOTAL EXPENDITURES	122,397	124,846	116,477	135,329	80,814	121,264	126,343

FUNDING SOURCES

1010 General Fund	\$ 122,397	\$ 124,846	\$ 116,477	\$ 135,329	\$ 80,814	\$ 121,264	\$ 126,343
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DEPARTMENT/DIVISION 6600 - HARDSCAPE MAINTENANCE

The purpose of this activity is to provide a comprehensive hardscape maintenance and improvement program for public rights-of-way, parks and City-owned facilities. Hardscape includes sidewalk, curb, gutter, asphalt and American Disability Act (ADA) handicapped ramps.

PROGRAMS AND FUNCTIONS

- To provide an ongoing public information program, which responds to residential hardscape maintenance requests.
- To conduct annual sidewalk, curb and gutter repairs city-wide.
- To conduct annual city-wide sidewalk inspection to assess and document sidewalk conditions.
- To administer hardscape-related capital improvement projects.
- To maintain hardscape database.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Hardscape Repair	\$ 200,000	\$ 200,000
Patching	\$ 60,000	\$ 60,000

Changed Conditions: None.

- Proposed Activities:
- Coordinate contract hardscape repairs in response to service requests.
 - Continue a city-wide inspection of sidewalks to eliminate vertical displacements.
 - Continue grinding program to eliminate minor vertical displacements without costly concrete replacement.
 - Continue alternative repair methods to allow preservation of trees, where possible, such as bridging sidewalk over roots or obtaining sidewalk easements on private property.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Sidewalk Grinding	1,453	1,512	1,306	1,500	1,500	1,500
Sidewalk Ramping	338	448	485	400	400	400
* Sidewalk Repair – Square Footage	24,815	25,630	30,339	25,000	25,000	25,000
* Curb/Gutter – Lineal Footage	6,121	6,673	5,971	7,500	7,500	7,500
* Access Ramps Installed	2	6	2	3	4	4

**Does not include concrete repairs
done under street projects*

PUBLIC WORKS - 6600 HARDSCAPE MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	138,901	141,138	107,694	132,136	120,220	131,138	135,849
Contract Services	133,122	259,652	260,000	260,589	260,000	260,000	260,000
Special Department	285	640	29	150	150	150	150
TOTAL EXPENDITURES	272,308	401,430	367,723	392,875	380,370	391,288	395,999

FUNDING SOURCES

1010 General Fund	\$ 272,308	\$ 401,430	\$ 367,723	\$ 392,875	\$ 380,370	\$ 391,288	\$ 395,999
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DEPARTMENT/DIVISION 6700 - TREE MAINTENANCE

The purpose of this activity is to provide a comprehensive management program for the approximately 30,000 trees located on public rights-of-way, parks, and other City-owned facilities.

PROGRAMS AND FUNCTIONS

To provide an ongoing inspection program which responds to residential tree maintenance requests.

To provide emergency tree service 24 hours per day, 7 days per week.

To conduct an ongoing reforestation program to replace trees removed where hardscape damage, storm damage, disease and vandalism have occurred.

To maintain and manage computerized inventory and work order databases.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Tree Maintenance Contract	\$ 541,000	\$ 552,000	Tree Planting Contract	\$ 51,000	\$ 52,000
Vehicle/Equipment Maintenance	\$ 98,394	\$ 84,453			

Changed Conditions:

- Change in Contract Services includes an increase in West Coast Arborist tree maintenance contract and tree planting for CPI adjustment, limited to 2% in each fiscal year.

Proposed Activities:

- Continue contracting tree maintenance services to support special projects or programs.
- Apply for tree planting grants.
- Continue using private sector contracting to augment scheduled trimming and remove large tree species for hardscape improvement city-wide.
- Continue tree replanting.
- Continue to recycle greenwaste.
- Maintenance of easement rights-of-way.
- Initiate training budget for full-time staff.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Contract Trims	8,434	8,349	8,400	8,000	8,400	8,400
Tree Plantings	132	257	263	250	263	273
Tree Removals	323	429	226	255	220	220
Service Requests	1,080	749	606	700	700	700

PUBLIC WORKS - 6700 TREE MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	351,951	371,137	375,471	370,750	366,457	365,769	369,727
Contract Services	535,993	573,015	576,099	588,000	588,000	600,000	612,000
Office Expense	500	499	454	600	500	500	500
Meetings Expense	100	0	30	200	200	500	500
Special Department	8,305	7,473	6,118	7,146	7,246	7,250	7,250
Other Operating	350	190	225	300	300	1,200	1,200
Interdepartmental	70,875	62,688	72,401	67,168	73,916	98,394	84,453
Capital Outlay	1,192	1,200	433	1,200	1,200	1,200	1,200
TOTAL EXPENDITURES	969,265	1,016,201	1,031,231	1,035,364	1,037,819	1,074,813	1,076,830

FUNDING SOURCES

1010 General Fund	\$ 969,265	\$ 1,016,201	\$ 1,031,231	\$ 1,035,364	\$ 1,037,819	\$ 1,074,813	\$ 1,076,830
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DEPARTMENT/DIVISION 6800 - STREET MAINTENANCE

The purpose of this activity is to maintain city streets, bridges, alleys, drainage facilities, parkway panels and medians, street striping and markings, and traffic and street name signs. Various private contractors and the Los Angeles Department of Public Works (DPW) provide these services.

PROGRAMS AND FUNCTIONS

To maintain the city's public rights-of-way in a safe condition for use by motorists and pedestrians.

To provide improvements recommended by the City's Community Safety Commission and adopted by the City Council.

To administer the City's street sweeping contract, and investigate and resolve all related service requests.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Street Sweeping	\$ 635,000	\$ 648,000	Traffic Control	\$ 40,000	\$ 40,000
Street Maintenance/Repair	\$ 60,000	\$ 60,000	Bridge Repair	\$ 12,000	\$ 12,000
Contract Services	\$ 70,000	\$ 50,000			

Changed Conditions:

Change in Contract Services due to:

- Estimating an increase in street sweeping CPI of 2% each fiscal year.
- Conducting Non-National Bridge Inventory (NBI) bridge inspection carried over to FY 2014-2015.
- Performing city-wide traffic counts.
- Conducting engineering and traffic survey to set speed limits.

Proposed Activities:

- Conduct repairs identified in latest bridge inspection report provided by Los Angeles County DPW.
- Maintain pavement evaluation and inventory, and update as needed.
- Continue to maintain house number curb painting as needed.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Curb Number Addresses Painted	12,000	12,000	12,000	12,000	12,000	12,000
Streets Overlaid (Sq. Ft.)						
Major	1,111,380	1,300,000	0	0	460,000	370,000
Collector	0	381,300	0	252,000	0	0
Local	792,000	0	1,065,000	0	0	0
Paving CIP Projects	\$3,100,000	\$2,875,000	\$2,465,000	\$610,000	\$1,200,000	\$965,000

PUBLIC WORKS - 6800 STREET MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	148,406	150,147	71,562	73,306	86,957	72,181	72,910
Contract Services	786,351	790,260	837,219	839,411	767,100	835,000	828,000
Special Department	849	867	100	102	0	102	102
TOTAL EXPENDITURES	935,606	941,274	908,881	912,819	854,057	907,283	901,012

FUNDING SOURCES

1010 General Fund	\$ 935,606	\$ 941,274	\$ 908,881	\$ 912,819	\$ 854,057	\$ 907,283	\$ 901,012
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DEPARTMENT/DIVISION 6810 - TRAFFIC CONTROL

The purpose of this activity is to provide for the ongoing operation, maintenance and energy requirements of 76 signalized intersections and three warning flashers. Thirty-five of the intersections are shared with adjoining jurisdictions, and the cost of maintenance and energy requirements is proportionally split among the affected agencies.

PROGRAMS AND FUNCTIONS

To administer the contract for maintenance of traffic signals, highway safety lights and illuminated street name signs.
To coordinate with other jurisdictions for shared intersections.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
LA County Maintenance	\$ 138,000	\$ 138,000	Long Beach Maintenance	\$ 10,000	\$ 10,000
Utilities	\$ 37,095	\$ 38,950			

Changed Conditions: - None.

Proposed Activities:

- Continue to perform night safety lighting checks at signalized intersections to insure public safety and cost effectiveness.
- Continue to perform routine maintenance of all Lakewood controlled intersections by Los Angeles County Department of Public Works.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Traffic Signal Maintenance Calls	266	298	172	200	200	200

PUBLIC WORKS - 6810 TRAFFIC CONTROL

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	0	0	154,181	134,448	141,971	0	128,253
Contract Services	163,919	140,323	137,043	189,000	189,000	199,000	199,000
Facilities Expense	27,649	28,176	32,471	36,065	36,065	38,590	40,520
Special Department	0	0	900	882	0	0	882
TOTAL EXPENDITURES	191,568	168,499	324,595	360,395	367,036	237,590	368,655

FUNDING SOURCES

1010 General Fund	\$ 191,568	\$ 168,499	\$ 169,513	\$ 225,065	\$ 225,065	\$ 237,590	\$ 239,520
1621 Measure R	\$ -	\$ -	\$ 155,082	\$ 135,330	\$ 141,971	\$ -	\$ 129,135

DEPARTMENT/DIVISION 6820 - STREETLIGHTING

The purpose of this activity is to provide for the maintenance of City-owned streetlights by City Light and Power (CLP), which comprises about 75% of the street lighting in Lakewood. This activity also provides for the energy costs of both the City-owned system and the Southern California Edison (SCE) owned and maintained system, which accounts for the remaining 25%.

PROGRAMS AND FUNCTIONS

To coordinate with CLP for maintenance and operation of City-owned streetlights. To coordinate with SCE for maintenance and operation of SCE system. To provide improvements recommended by the City's Community Safety Commission and adopted by the City Council.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
CLP Services	\$ 670,253	\$ 676,139	SCE-owned System	\$ 220,000	\$ 224,000
Electrical Energy (City-owned)	\$ 285,000	\$ 290,000	Light Repair	\$ 36,050	\$ 36,750

Changed Conditions:

- Change in Contract Services due to CPI increase in for CLP contract.

Proposed Activities:

- Conduct night street lighting checks for major arterial streets and safety lighting at intersections to increase public safety.
- Continue to replace deteriorated poles as needed.
- Study purchase of SCE street lights.
- Study upgrade of street lights to energy-saving LED fixtures.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Street Lights						
SCE-owned	1,430	1,430	1,430	1,430	1,430	1,430
City-owned	5,540	5,540	5,540	5,540	5,540	5,540
Service Requests Received	470	324	270	270	270	270
Light Standards Replaced	8	17	6	9	10	12

PUBLIC WORKS - 6820 STREET LIGHTING

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	30,959	32,061	19,335	19,696	19,457	19,463	19,553
Contract Services	1,132,088	1,151,922	1,141,332	1,203,000	1,195,000	1,211,303	1,226,889
Special Department	142	145	0	0	0	0	0
TOTAL EXPENDITURES	1,163,188	1,184,127	1,160,666	1,222,696	1,214,457	1,230,766	1,246,442

FUNDING SOURCES

1010 General Fund	\$ 1,163,188	\$ 1,184,127	\$ 1,160,666	\$ 1,222,696	\$ 1,214,457	\$ 1,230,766	\$ 1,246,442
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DEPARTMENT/DIVISION 7000 - RECREATION AND COMMUNITY SERVICES ADMINISTRATION

The purpose of this activity is to provide planning, coordination and management of park, recreation, human services, landscape and custodial maintenance personnel and programs, and to provide centralized support services for citizen contact for departmental programs, activities and facilities.

PROGRAMS AND FUNCTIONS

To recommend levels of service for department administered programs and activities.

To review and evaluate departmental expenditures, operating procedures and employee performance, and implement changes as needed to maximize organization effectiveness.

To prepare studies, reports and recommendations for the City Council, City Manager, and Recreation and Community Services Commission.

To provide coordinating and consulting services to community groups regarding leisure and human services activities.

To review, recommend and administer licensed and professional service agreements, grant applications and compliance contracts.

To support and maintain the class software modules for facility booking, program registration, credit card payment and Internet connection.

BUDGET SUMMARY

Significant Detail:

	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
SCE Rights-of-Way Leases	\$ 39,128	\$ 40,137	Graphics & Copy Center	\$ 11,632	\$ 11,676
Credit Card Fees	\$ 20,000	\$ 20,000			

Changed Conditions:

- Change in Employee Services due to elimination of Prop A funding and reduction of part-time staff needs.
- Change in Interdepartmental due to reallocation of vehicle/equipment costs and print/reproduction costs.

Proposed Activities:

- Focus on the following areas: community volunteer opportunities for youth and adults, facility preservation and park development.
- Coordinate the City's compliance with the Americans with Disabilities Act (ADA) and State Office of Emergency Services (OES).
- Provide employee safety training through the department's Injury and Illness Prevention Program.
- Continue energy conservation measures for electrical, natural gas and water used at all Recreation and Community Services (RCS) facilities.
- Incorporate the branding campaign of the California Park & Recreation Society's "Parks Make Life Better!" to promote the value of parks and recreation to Lakewood residents.

Performance Measures:

Coordinate with the Public Works Department through the interdepartmental Facility Preservation Committee for the development of a long-term facility preservation plan.

RECREATION AND CULTURAL SERVICES - 7000 ADMINISTRATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	1,019,560	1,118,475	1,154,904	1,118,121	1,114,676	1,136,606	1,155,309
Contract Services	50,795	51,704	51,045	54,072	53,869	55,528	56,537
Office Expense	7,226	5,934	4,768	7,516	7,500	7,500	7,500
Meetings Expense	3,957	4,310	4,898	4,100	4,100	5,000	5,000
Special Department	26,696	24,013	23,690	27,925	23,200	27,925	27,925
Other Operating	1,335	1,435	1,393	1,319	1,335	1,335	1,335
Interdepartmental	73,222	47,113	15,587	17,308	13,584	14,414	14,543
TOTAL EXPENDITURES	1,182,790	1,252,984	1,256,286	1,230,361	1,218,264	1,248,308	1,268,149

FUNDING SOURCES

1010 General Fund	\$ 1,182,790	\$ 1,252,984	\$ 1,256,286	\$ 1,230,361	\$ 1,218,264	\$ 1,248,308	\$ 1,268,149
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DEPARTMENT/DIVISION 7050/7055/7070/7075 - AQUATICS PROGRAMS

The purpose of this activity is to strengthen community safety and security by providing Lakewood residents opportunities to develop a variety of aquatic and swimming skills for personal recreation, physical fitness and survival purposes, and to provide recreational swimming opportunities.

PROGRAMS AND FUNCTIONS

To schedule and conduct water safety instruction for beginning, intermediate and advanced level swimmers of all ages, complying with all America Red Cross (ARC) skill, health and safety standards.

To conduct specialized instruction in competitive swimming, diving, synchronized swimming, basic water safety and advanced lifesaving.

To schedule and supervise community groups permitted use of City-operated swimming pools.

To provide public recreational swim sessions throughout the summer months.

To recruit, hire and train qualified ARC certified personnel as lifeguards and swim instructors.

To promote health and wellness by conducting water fitness classes.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Graphics & Copy Center	\$ 5,395	\$ 5,415
Junior Guard Program	\$ 5,000	\$ 5,000

Changed Conditions: - None.

Proposed Activities:

- Conduct Junior Lifeguard Program using American Red Cross Guard Start program curriculum.
- Conduct Family Sessions three nights per week at Mayfair Pool.
- Continue Lakewood swim card program for reduced rate admission to recreation swim sessions.

Productivity Initiatives:

- Continue staff training to include pool managers and senior guards by conducting skills tests throughout the season.
- Promote Internet registration for swim lessons.

Performance Measures:

- Issue swim achievement cards to 2,000 qualified swimmers annually.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-13</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
<u>Instructional Swim</u>						
Registration	3,889	4,294	4,874	4,642	4,700	4,700
<u>Recreational Swim</u>						
Sessions Offered	390	390	406	406	406	406
Attendance	25,243	27,876	26,653	27,000	27,000	27,000
Pool Rentals	95	90	97	99	95	95
Pool Rental Attendance	8,458	8,471	8,862	8,490	8,500	8,500

RECREATION AND CULTURAL SERVICES - 7050/7055/7070/7075 AQUATICS PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	238,139	243,194	261,649	271,569	245,778	281,997	290,000
Contract Services	4,823	4,905	4,566	5,000	5,000	5,000	5,000
Facilities Expense	5,331	3,661	2,192	2,500	2,500	2,500	2,500
Special Department	11,757	9,672	5,963	9,855	9,600	9,855	9,855
Other Operating	2,448	1,980	2,322	3,900	3,900	3,900	3,900
Interdepartmental	<u>9,546</u>	<u>9,818</u>	<u>7,238</u>	<u>5,257</u>	<u>5,280</u>	<u>5,395</u>	<u>5,415</u>
TOTAL EXPENDITURES	<u>272,044</u>	<u>273,231</u>	<u>283,930</u>	<u>298,081</u>	<u>272,058</u>	<u>308,647</u>	<u>316,670</u>

FUNDING SOURCES

1010 General Fund	\$ 272,044	\$ 273,231	\$ 283,930	\$ 298,081	\$ 272,058	\$ 308,647	\$ 316,670
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DEPARTMENT/DIVISION 7150 - CENTRE FACILITY OPERATIONS

The purpose of this activity is to manage The Centre at Sycamore Plaza as a multi-purpose activity facility, encompassing prime instructional, meeting, audiovisual and banquet resources, and by providing a quality environment for a wide variety of individually engaged functions, both public and private.

PROGRAMS AND FUNCTIONS

To plan, coordinate, schedule and evaluate the use of The Centre at Sycamore Plaza and its services.

To develop and administer policies, procedures and practices to meet organizational needs.

To schedule, coordinate and enhance City-sponsored meetings and activities.

To operate and maintain The Centre at Sycamore Plaza heating, ventilation, air conditioning, security, audiovisual and fire alarm systems.

To balance public versus entrepreneurial and innovative uses of The Centre at Sycamore Plaza.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Utilities	\$ 130,705	\$ 137,410	Building Maintenance Supplies	\$ 16,000	\$ 16,000
Custodial/Contract Services	\$ 94,752	\$ 94,752	Maintenance of Equipment	\$ 12,400	\$ 12,400
Event Supplies	\$ 16,400	\$ 16,400			

Changed Conditions:

- None.

Proposed Activities:

- Coordinate marketing with concessionaire to identify and implement marketing opportunities.
- Identify and evaluate facility maintenance and improvements, and implement as needed.

Productivity Initiatives:

- Add useable event space and event amenities to increase opportunity for caterer bookings and revenue.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Catered Events	380	489	472	438	500	500
Catered Attendance	38,240	42,320	42,171	43,415	45,000	45,000
Non-catered Events	667	657	647	693	700	700
Non-catered Attendance	10,364	10,410	10,393	10,400	10,500	10,500
Gross Rent for Concessionaire	\$ 199,460	\$ 228,705	\$ 218,805	\$ 277,000	\$ 295,000	\$ 295,000

RECREATION AND CULTURAL SERVICES - 7150 CENTRE FACILITY OPERATIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	371,319	370,547	373,118	385,863	363,783	375,195	377,896
Contract Services	98,430	72,396	91,669	94,752	94,752	100,349	100,349
Facilities Expense	138,924	135,326	142,315	137,340	138,285	146,705	153,410
Office Expense	1,390	1,344	1,298	1,400	1,400	1,400	1,400
Meetings Expense	6,195	5,761	2,981	6,000	6,000	6,000	6,000
Special Department	32,325	34,181	32,187	33,675	31,450	33,675	33,675
Interdepartmental	2,540	4,544	3,314	2,219	1,582	1,616	1,622
Capital Outlay	0	27,382	0	0	0	0	0
TOTAL EXPENDITURES	651,123	651,481	646,881	661,249	637,252	664,940	674,352

FUNDING SOURCES

1050 Community Facility	\$ 651,123	\$ 651,481	\$ 646,881	\$ 661,249	\$ 637,252	\$ 664,940	\$ 674,352
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The purpose of this activity is to plan, manage and operate a modified demand-responsive paratransit system for elderly and disabled residents not having access to private transportation or existing public transportation, and to operate a local public excursion program.

PROGRAMS AND FUNCTIONS

To provide a paratransit service system to Lakewood senior and disabled residents.

To enable residents access to community centers, social service offices, medical care, shopping areas, recreational facilities and other essential destinations.

To focus upon the shut-in and the at-risk elderly so they can feel a new sense of social and physical mobility within the community.

To perform ongoing research into the transportation needs of the elderly and handicapped and integrate this into future transportation services.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Vehicle/Equipment Maintenance	\$ 203,425	\$ 209,604	Maintenance of Equipment	\$ 7,000	\$ 7,000

Changed Conditions:

- Change in Interdepartmental due to reallocation of printing/reproduction costs and vehicle maintenance costs.
- Change in Employee Services is attributed to the reduced cost associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.

Proposed Activities:

- Continue to provide shuttle service to Mayfair Park for Pan American Fiesta.
- Continue to complete a bi-annual report of services with statistical data to help assess transportation needs of Lakewood's elderly and disabled.
- Continue to utilize local transit agencies' training workshops for DASH staff.
- Implement transition to Class C licensed drivers for vans.

Productivity Initiatives:

- Continue to provide County-wide transit information and referrals through the DASH office.
- Provide quarterly safety training for DASH drivers.

Performance Measures:

- Provide paratransit service to 1,150 Lakewood residents.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Clients Transported per Mile	9.5	9.25	8.75	8.5	8.5	8.5
Individual Rides	13,500	13,000	12,750	12,500	12,500	12,500
Active Participants	1,400	1,300	1,150	1,100	1,100	1,100
Round Trip Rides	21,000	20,800	20,120	20,000	20,000	20,000

RECREATION AND CULTURAL SERVICES - 7200/2160 TRANSIT PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	489,991	484,211	487,256	514,514	444,743	521,333	530,695
Contract Services	44,573	58,201	48,292	9,848	13,148	15,720	15,720
Facilities Expense	11,449	8,738	5,286	5,260	5,275	5,550	5,815
Special Department	12,228	12,186	12,290	12,904	12,030	14,683	14,683
Other Operating	1,428	1,439	2,255	7,096	7,286	8,148	8,148
Interdepartmental	161,837	149,752	172,105	171,197	176,329	205,370	211,556
TOTAL EXPENDITURES	721,506	714,528	727,484	720,819	658,811	770,804	786,617

FUNDING SOURCES

3060 Transit - Prop A Fund	\$	538,232	\$	583,775	\$	-	\$	-	\$	-	\$	-
3070 Transit - Prop C Fund	\$	71,767	\$	46,834	\$	680,389	\$	997,352	\$	651,811	\$	709,314
3060 Transit - Prop A Fund-2160	\$	50,517	\$	51,663	\$	47,095	\$	61,056	\$	7,000	\$	61,490
											\$	61,886

DEPARTMENT/DIVISION 7250 -EMERGENCY PREPAREDNESS

The purpose of this activity is to provide for the City's emergency preparedness needs.

PROGRAMS AND FUNCTIONS

To participate as a member in Area E of Los Angeles County of Emergency Planning Office.

To continue coordination and integration of City forces into the resources available and on call through the Los Angeles County Sheriff's Department emergency operation program, the Los Angeles County Fire Department, American Red Cross (ARC) and other emergency organizations.

To maintain awareness throughout the City staff of emergency responsibilities through information and training programs.

To coordinate an ongoing citizen training program in emergency preparedness.

To coordinate a public information program.

To assess local needs and develop courses of action through the staff Emergency Preparedness Committee in cooperation with the Los Angeles County Sheriff's Department, Los Angeles County Fire Department and ARC.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Communication	\$ 7,862	\$ 8,100	Emergency Preparedness/ Special Supplies	\$ 16,970	\$ 14,050

Changed Conditions:

- Change in Special Department due to purchase of AEDs for City facilities and First Aid/CPR Certification.
- Change in Interdepartmental due to reallocation of vehicle maintenance costs.

Proposed Activities:

- Provide National Incident Management System (N.I.M.S.) field training to City employees.
- Continue the Community Preparedness Programs to train volunteers in neighborhood disaster response and residents for family preparedness.
- Coordinate annual emergency preparedness training opportunities with ARC, Long Beach Chapter.
- Promote emergency preparedness program for City employees and community volunteers, including EOC set up and review.
- Participate in the Great California ShakeOut annual exercise.

Performance Measures:

- Conduct annual training sessions for employees at City Hall, Arbor and Nixon Maintenance Yards.

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
Number of Participants:	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>
Emergency Preparedness						
Training	176	175	176	176	176	176
CPR	215	85	194	58	169	83
Survive for 7	65	98	109	107	120	120
CERT	48	45	34	52	50	50

RECREATION AND CULTURAL SERVICES - 7250 EMERGENCY PREPAREDNESS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	84,430	88,263	90,613	93,466	95,166	93,142	94,090
Contract Services	3,320	3,328	4,003	4,160	4,160	4,160	4,160
Facilities Expense	21,524	18,318	8,358	9,388	7,683	7,862	8,100
Office Expense	50	48	0	0	0	0	0
Meetings Expense	89	169	0	0	0	0	0
Special Department	5,542	6,741	8,265	7,705	7,188	11,080	8,160
Other Operating	2,583	2,501	1,489	2,424	2,424	2,424	2,424
Interdepartmental	5,588	1,664	2,630	2,359	2,369	3,069	3,153
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>123,126</u>	<u>121,032</u>	<u>115,359</u>	<u>134,502</u>	<u>118,990</u>	<u>121,737</u>	<u>120,087</u>

FUNDING SOURCES

1010 General Fund	\$ 123,126	\$ 121,032	\$ 115,359	\$ 134,502	\$ 118,990	\$ 121,737	\$ 120,087
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DEPARTMENT/DIVISION 7300/7380/7385 - HUMAN SERVICES PROGRAMS

The purpose of this activity is to foster human development for all Lakewood residents by linking them to public and private service agencies, providing senior adult programs and services, and maintaining a viable community volunteer program.

PROGRAMS AND FUNCTIONS

To promote health and wellness by planning and conducting community health clinics in cooperation with public and private agencies.

To coordinate year-round resident emergency assistance through the Project Shepherd Program.

To facilitate community problem solving and strengthen community image by recruiting, training and referring volunteers to community-based human service agencies.

To coordinate and facilitate a major senior services program, which includes nutrition, socialization, recreation, health and wellness, and safety awareness.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Utilities	\$ 83,496	\$ 87,810	Pathways Volunteer Hospice	\$ 9,000	\$ 9,000
Graphics & Copy Center	\$ 13,240	\$ 13,291	Community Family Guidance	\$ 9,000	\$ 9,000
Meals on Wheels	\$ 10,500	\$ 10,500	Human Services Association	\$ 4,500	\$ 4,500

Changed Conditions:

- Change in Capital Outlay due to purchase of exercise treadmill for Weingart Senior Center.
- Change in Employee Services attributed to the reduced costs associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.

Proposed Activities:

- Acquire information regarding the needs and interests of older adults in the community.
- Create new recreational and educational opportunities at the Burns Community Center specifically targeted older adults.

Productivity Initiatives:

- Disperse Community Development Block Grant (CDBG) to community-based nonprofit organizations to provide services to Lakewood families.
- Provide sponsorship opportunities for various older adult events.

Performance Measures:

- Provide emergency assistance to 494 families.
- Provide in-kind services to Meals on Wheels and Human Service Association that service over 22,194 meals per year.
- Organize cleanup projects by Teens in Lakewood Care volunteers in response to community need, and organize up to 600 volunteers for Lakewood Volunteer Day projects.
- Serve approximately 23,000 older adults through the Weingart Fitness Program.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Burns Center Visitors/Clients	81,722	74,059	65,726	70,000	72,000	75,000
Weingart Senior Center	56,348	54,829	53,742	54,500	54,500	54,500
Volunteer Hours	49,302	22,311	45,970	46,442	47,000	47,000

RECREATION AND CULTURAL SERVICES - 7300/7380/7385 HUMAN SERVICES PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	441,647	453,820	862,910	492,830	424,294	451,531	465,689
Contract Services	42,641	49,502	55,108	44,200	44,200	44,200	44,200
Facilities Expense	87,143	89,931	168,543	87,315	87,315	92,591	96,905
Office Expense	3,023	2,980	6,072	3,110	3,110	3,110	3,110
Meetings Expense	1,764	1,516	1,831	1,545	1,545	1,545	1,545
Special Department	47,261	36,904	49,064	17,883	13,200	16,950	16,950
Other Operating	729	678	936	850	700	850	850
Interdepartmental	7,031	21,729	10,492	15,306	12,960	13,240	13,291
Capital Outlay	0	0	0	20,367	5,989	6,000	0
TOTAL EXPENDITURES	631,240	657,060	1,154,955	683,406	593,313	630,017	642,540

FUNDING SOURCES

1010 General Fund	\$ 594,759	\$ 610,704	\$ 621,615	\$ 650,406	\$ 560,312	\$ 597,017	\$ 609,540
1030 CDBG	\$ 36,481	\$ 36,235	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000

DEPARTMENT/DIVISION 7350 - PARKS PROGRAMS

The purpose of this activity is to provide recreational experiences for residents of all ages, make recreational facilities available to community groups and individuals, and strengthen facility safety and security through the supervision of recreational services and opportunities.

PROGRAMS AND FUNCTIONS

- To plan, schedule and conduct after-school programs and vacation activities for children at nine supervised City facilities.
- To plan and conduct the Adaptive Recreation Program for developmentally disabled and physically handicapped residents.
- To administer and supervise youth and adult sports leagues and activities.
- To schedule and supervise use of recreational facilities including meeting rooms, picnic shelters and athletic fields.
- To train recreation leaders in areas of safety, emergency services, supervision, leadership and customer service.
- To plan and conduct youth services for the community's teenage population.
- To provide trained personnel to maintain and inspect City playgrounds.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Park Program Supplies	\$ 48,396	\$ 48,396	Graphics & Copy Center	\$ 27,720	\$ 27,826
Communications/Cable	\$ 25,817	\$ 26,660			

Changed Conditions: - None.

Proposed Activities:

- Organize teen programs and special events at Bloomfield Park in the Teen Resource Center and Lakewood Youth Center.
- Provide after-school programs from 3:00-5:00 PM for elementary school-aged children at eight City parks.
- Offer teen workshops on health and wellness, education assistance, job training and societal trends at the Lakewood Youth Center and Bloomfield Park Teen Resource Center.
- Market the availability of recreation facilities for private events and gatherings to Lakewood residents.

Productivity Initiatives:

- Teach CPR and First Aid to 150+ part-time and full-time employees, by 13 staff certified in CPR instruction.
- Use student recreation assistants as the third staff person on weekends during the spring and summer months.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
After-School Program Participants	34,190	40,456	47,091	45,000	45,000	45,000
Picnic Shelter Reservations	1,220	1,095	1,059	1,090	1,090	1,090
Facility Rentals-Buildings	1,900	2,107	2,677	2,500	2,600	2,600
Facility Rentals-Fields	3,563	4,694	4,546	4,500	4,500	4,500

RECREATION AND CULTURAL SERVICES - 7350 PARKS PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	1,172,623	1,293,906	1,296,506	1,459,268	1,235,730	1,277,272	1,296,775
Facilities Expense	18,677	24,955	21,391	25,461	25,461	25,817	26,660
Special Department	66,879	70,341	65,579	71,257	62,646	71,256	71,256
Other Operating	992	1,450	1,844	2,000	2,050	2,050	2,050
Interdepartmental	17,546	18,166	22,105	18,498	27,133	27,720	27,826
Capital Outlay	0	0	10,562	3,000	3,000	3,500	0
TOTAL EXPENDITURES	1,276,717	1,408,817	1,417,987	1,579,484	1,356,020	1,407,615	1,424,567

FUNDING SOURCES

1010 General Fund	\$ 1,114,666	\$ 1,267,540	\$ 1,298,021	\$ 1,454,363	\$ 1,238,589	\$ 1,323,384	\$ 1,424,567
1030 CDBG	\$ 53,633	\$ 45,469	\$ -	\$ -	\$ -	\$ -	\$ -
1710 Prop A-Recreation	\$ 108,418	\$ 119,945	\$ 119,965	\$ 125,121	\$ 117,431	\$ 84,231	\$ -

DEPARTMENT/DIVISION 7400 - SOCIAL AND CULTURAL PROGRAMS

The purpose of this activity is to provide opportunities to develop personal skills through a variety of enrichment programs and conduct community-wide special events.

PROGRAMS AND FUNCTIONS

To conduct instructional programs in the area of the arts, self-improvement, dance, fitness and crafts for youth and adults.

To provide a summer day camp program for youth.

To organize and produce three seasonal recreation brochures for special interest activities and recreation events.

To conduct community special events to include Halloween Carnivals, Arbor Week, Lollipop Lane, Earth Walk, Summer Concert Series, Pan American Fiesta, Civic Center Block Party and Patriot Day Concert.

To provide staff assistance for the Lakewood Tot Lot Program and Lakewood Community Gardens.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Graphics & Copy Center	\$ 66,039	\$ 66,560	Pan American Fiesta	\$ 22,435	\$ 22,435
Civic Center Block Party	\$ 68,420	\$ 68,420	Concerts in the Park	\$ 14,550	\$ 14,550
Summer Day Camp	\$ 59,500	\$ 60,000	Family Programs	\$ 25,180	\$ 25,430
Recreation Catalog	\$ 52,500	\$ 52,500	Adult Activities	\$ 108,000	\$ 108,000
Program Supplies	\$ 23,555	\$ 23,555	Youth Activities	\$ 96,500	\$ 96,500
			Preschool	\$ 36,000	\$ 36,000

Changed Conditions: - Change in Interdepartmental due to reallocation of print/reproduction costs.

Proposed Activities: - Promote City special events using a marketing design that specifically targets Lakewood residents.
- Promote the "Parks Make Life Better" brand for recreation programming and marketing.

Productivity Initiatives: - Reduce manual recreation class registration by promoting eCatalog and providing incentives for registering online.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Contract Classes						
Number of Classes	2,049	1,805	1,787	2,132	2,200	2,200
Number of Participants	10,404	9,675	8,578	9,200	9,500	9,500
Pan Am Fiesta - Attendance	14,000	16,000	12,500	14,000	15,000	15,000
Block Party - Attendance	19,000	20,000	23,000	25,000	25,000	25,000

RECREATION AND CULTURAL SERVICES - 7400 SOCIAL AND CULTURAL PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	326,436	333,150	310,904	344,371	305,924	343,953	352,316
Contract Services	337,360	332,459	295,297	380,175	383,675	390,650	390,650
Office Expense	49	50	0	50	0	0	0
Special Department	151,920	149,364	166,468	177,449	177,499	179,046	179,796
Other Operating	15,166	3,864	2,131	6,345	6,085	6,085	6,085
Interdepartmental	33,118	55,741	50,199	61,557	66,859	66,039	66,560
TOTAL EXPENDITURES	864,049	874,627	824,998	969,947	940,042	985,773	995,407

FUNDING SOURCES

1010 General Fund	\$ 864,049	\$ 874,627	\$ 824,998	\$ 969,947	\$ 940,042	\$ 985,773	\$ 995,407
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DEPARTMENT/DIVISION 7450 - SPORTS PROGRAMS

The purpose of this activity is to provide recreational experiences through a variety of team and individual athletic and fitness opportunities for youth and adults.

PROGRAMS AND FUNCTIONS

To recruit, train, evaluate and recognize community volunteers for the Lakewood Youth Sports (LYS) program.

To recruit, train and evaluate officials for youth and adult sports programs.

To conduct a youth instruction program for all skill levels in gymnastics, basketball, baseball, softball, and flag football and volley tennis.

To conduct youth track program.

To conduct youth sports camps and specialty instruction schools during school vacations.

To promote health and wellness by conducting organized leagues for youth and adults in a variety of sports.

To recognize human achievement by conducting the Lakewood Youth Hall of Fame awards program working in partnership with community business sponsors.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Sports Supplies	\$ 43,900	\$ 43,900	Hall of Fame	\$ 20,570	\$ 20,570
Graphics & Copy Center	\$ 27,947	\$ 28,054			

Changed Conditions:

- Change in Employee Services attributed to the reduced costs associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.

Proposed Activities:

- Emphasize LYS sportsmanship principles.
- Continue standardized LYS coach presentation for all parks.
- Increase Adult Sports marketing.
- Introduce Adult Softball Modified Bat Leagues.

Productivity Initiatives:

- Conservation measures include scheduling LYS for optimum use of daylight hours and limited use of lighted fields for community organizations.
- Continue non-resident fee for LYS.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Youth - Number of Teams	238	228	210	232	225	225
Youth - Number of Participants	2,516	2,547	2,294	2,604	2,500	2,500
Youth - Lakewood Resident %	73%	77%	76%	78%	77%	77%
Adult - Number of Teams	123	126	103	103	110	120
Adult - Number of Participants	1,722	1,764	1,294	1,294	1,396	1,536

RECREATION AND CULTURAL SERVICES - 7450 SPORTS PROGRAMS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	163,926	152,448	154,390	197,466	150,294	168,737	166,200
Contract Services	0	0	0	5,100	5,100	5,700	5,700
Special Department	78,535	79,106	70,124	89,565	85,561	91,435	91,435
Other Operating	885	785	760	1,025	970	1,025	1,025
Interdepartmental	22,525	28,155	32,468	33,949	27,355	27,947	28,054
TOTAL EXPENDITURES	265,871	260,494	257,742	327,105	269,280	294,844	292,414

FUNDING SOURCES

1010 General Fund	\$ 253,418	\$ 250,278	\$ 247,513	\$ 313,619	\$ 257,136	\$ 283,440	\$ 287,414
1015 Special Olympics	\$ 4,938	\$ 6,782	\$ 3,650	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
1710 Prop A Recreation	\$ 7,516	\$ -	\$ 6,578	\$ 8,486	\$ 7,144	\$ 6,404	\$ -

DEPARTMENT/DIVISION 7500 - FACILITIES MAINTENANCE

The purpose of this activity is to provide an ongoing program of landscape and custodial maintenance services at various City facilities, City-owned parcels, alleyways and non-supervised parks, and the delivery and setup for all city-wide community events.

PROGRAMS AND FUNCTIONS

To provide landscape maintenance at the Civic Center, Los Angeles County Sheriff's Station, Iacoboni Library, Nixon and Arbor Maintenance Yards, Center, Community Gardens, Weingart Senior Center, non-supervised parks and City-owned parcels.

To provide staff support for setup and cleanup of major community special events.

To monitor and assess contract custodial maintenance at City Hall, Council Chambers, Burns Community Service Center, Weingart Senior Center, and Arbor Maintenance Yard.

To conduct an ongoing employee safety training program.

To provide weed abatement for City-owned lots, Civic Center, Centralia Street, Candlewood Avenue, Los Coyotes Diagonal and 45 alleyways.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Utilities	\$ 70,020	\$ 76,670	Building Maintenance Supplies	\$ 10,878	\$ 10,878
Custodial Contract	\$ 19,045	\$ 19,045	Window Cleaning	\$ 10,500	\$ 10,500
Landscape Supplies	\$ 15,740	\$ 15,740			

Changed Conditions:

- Change in Employee Services attributed to the reduced costs associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.
- Change in Facilities Expense due to change in utility costs.
- Change in Interdepartmental due to reallocation of printing/reproduction and vehicle maintenance costs.

Proposed Activities:

- Review Civic Center landscape for areas of improvement.
- Design, select and install plant material for planter in front of Iacoboni Library entrance.
- Increase the use of eco-friendly cleaners and recycled paper products throughout City facilities.
- Renovate and reseed wild flower meadow at Rynerson Park.

Productivity Initiatives:

- Implement as part of the Lakewood Volunteer Day, landscape and beautification projects including painting of picnic benches, cleanup of qualified residences and other projects to be determined throughout the year.
- Cross-train division members to operate equipment such as tractor and riding mowers.
- Continue maintenance of 23,500 sq. ft. of rights-of way landscape no longer maintained by Los Angeles Department of Public Works.

Performance Measures:

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Number of Plantings by Square Footage for Parks and Facilities	25,000	30,461	34,629	34,536	31,500	30,500

RECREATION AND CULTURAL SERVICES - 7500 FACILITIES MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	506,651	453,987	408,665	554,617	435,163	543,631	548,327
Contract Services	33,310	33,310	32,515	29,545	29,545	37,561	37,561
Facilities Expense	53,896	61,719	70,043	74,714	74,714	80,898	87,548
Office Expense	441	1,125	359	475	475	475	475
Meetings Expense	100	0	127	135	135	135	135
Special Department	15,706	16,424	16,504	16,940	16,940	16,940	16,940
Other Operating	1,697	1,907	2,140	2,235	2,250	2,340	2,340
Interdepartmental	6,518	3,858	3,619	3,527	3,267	3,639	3,740
Capital Outlay	213	0	0	0	0	0	0
TOTAL EXPENDITURES	618,534	572,330	533,971	682,188	562,489	685,619	697,066

FUNDING SOURCES

1010 General Fund	\$	618,534	\$	572,330	\$	533,971	\$	682,188	\$	562,489	\$	685,619	\$	697,066
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DEPARTMENT/DIVISION 7550 - PARKS AND FACILITIES TURF MAINTENANCE

The purpose of this activity is to provide turf maintenance, irrigation maintenance and pest control in the parks, water production facilities and other City facilities.

PROGRAMS AND FUNCTIONS

To provide a turf culture program for City facilities including mowing, scalping, verticutting, edging, trimming, aerating, fertilizing and over seeding.

To maintain and repair all irrigation systems located on parks and City facilities.

To conduct in-service training programs, safety meetings, emergency response trainings and job skill improvement activities.

To plan for resources allocation including personnel and equipment, maintenance records and preparation of field reports and studies.

To monitor and assess mowing contract of City parks.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Mowing Contract	\$ 40,717	\$ 40,717
Turf Supplies	\$ 12,580	\$ 12,580

Changed Conditions: - None.

Proposed Activities:

- Evaluate the water usage on turf and landscape areas to achieve water conservation through the use of proper equipment and programming.
- Develop an annual turf renovation program including renovation of Mayfair Park Diamond #1 and #3, San Martin Park Diamond #1 and #2, Nye Library and Bloomfield Park Diamond #1 and #2.
- Increase aerification on sports turf grass areas in City parks.
- Renovate turf at Del Valle Park after summer concert series.
- Renovate one acre of meadow grass at West San Gabriel River Parkway Nature Trail - Phase I.

Productivity Initiatives:

- Continue daily equipment inspections to further reduce equipment repair costs.
- Use mulching blades on Honda rotary mowers at various locations to help reduce man-hours and greenwaste.
- Evaluate areas where synthetic turf can be used to reduce costs and benefit the landscape.

Performance Measures:

- Maintain 60 irrigation controllers, inspection and maintenance for 150 of the 638 automatic controller valves.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Acres of Parks & Other Facilities Maintained	190	190	190	190	197.5	197.5
Acres of Turf Renovated	11	9	8.5	12.5	8.5	8.5

RECREATION AND CULTURAL SERVICES - 7550 PARKS AND FACILITIES TURF MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	373,950	387,181	409,013	388,568	369,649	387,991	390,561
Contract Services	40,713	40,713	40,713	40,717	40,717	40,717	40,717
Office Expense	407	314	677	160	7,400	700	700
Meetings Expense	220	325	314	160	160	160	160
Special Department	13,656	11,475	14,509	13,730	13,730	13,730	13,730
Other Operating	380	615	620	690	690	690	690
TOTAL EXPENDITURES	429,326	440,623	465,846	444,025	432,346	443,988	446,558

FUNDING SOURCES

1010 General Fund	\$ 429,326	\$ 440,623	\$ 465,846	\$ 444,025	\$ 432,346	\$ 443,988	\$ 446,558
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DEPARTMENT/DIVISION 7600 - PARK MAINTENANCE

The purpose of this activity is to provide custodial, grounds and landscape maintenance services for City parks.

PROGRAMS AND FUNCTIONS

To provide janitorial at all park activity buildings, including floor waxing and mopping, window washing and sanitizing of restroom facilities.

To provide regular maintenance of park facilities, including game courts, baseball fields, picnic shelters and playground equipment.

To provide litter control on parks, weed control in planter beds, pest control, shrubs and trees, and inspection, repair and routine maintenance of irrigation systems.

To plan and schedule park personnel and equipment, maintain records and prepare field reports.

To conduct in-service training programs, safety meetings, emergency response trainings and job skill improvement activities.

To manage custodial and window cleaning contracts at Mayfair Park, Palms Park, Lakewood Youth Center, Burns Community Center, City Hall, Monte Verde Park, and Weingart Senior Center.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Vehicle Maintenance	\$ 70,222	\$ 72,351	Park Maintenance Supplies	\$ 53,150	\$ 47,260
Custodial Maintenance	\$ 50,453	\$ 62,236			

Changed Conditions:

- Change in Employee Services due to elimination of Prop A Funding.
- Change in Special Department due to completion of WSGRPNT Phase III.
- Change in Capital Outlay due to purchase of sand for playgrounds.

Proposed Activities:

- Add infield mix at Bloomfield Park Diamond #1 and San Martin Park.
- Develop and implement a quarterly facilities inspection program to address maintenance concerns.
- Design and install decomposed granite walk path on east side of basketball courts at Mayfair Park.
- Continue use of eco-friendly cleaners and recycled paper products throughout City parks.
- Increase the number of trash receptacles at parks to accommodate public need.
- Install manual irrigation system at Boyar Park Diamond #1.
- Continue installation and maintenance of central irrigation system at Bloomfield Park.

Productivity Initiatives:

- To assist Public Works with graffiti removal in City parks by park maintenance workers.
- Continue preventative ball field and playground maintenance program.
- Train and equip park maintenance staff to implement irrigation and Weed Abatement Program.
- Utilize All Hand projects to assist with landscape and maintenance projects to improve safety and aesthetics.

Performance Measures:

- Review all park facility projects, and work orders and priorities with Public Works Department.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Work Orders Generated on Parks and Facilities	1,200	633	689	700	700	700
Acres of Park Maintained	178	178	178	178	185.5	185.5
Landscape Plantings (Sq Ft)	28,336	29,922	34,536	38,036	31,136	31,136

RECREATION AND CULTURAL SERVICES - 7600 PARK MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	1,165,289	1,238,865	1,324,242	1,323,560	1,386,051	1,378,935	1,460,052
Contract Services	92,551	92,366	92,451	62,236	62,236	88,583	88,583
Facilities Expense	698,247	675,645	747,321	829,132	831,632	897,790	960,800
Meetings Expense	500	163	313	282	500	320	320
Special Department	42,507	45,063	44,821	38,488	48,618	61,508	55,618
Other Operating	445	352	135	703	485	679	679
Interdepartmental	80,737	71,808	73,491	77,530	75,028	70,222	72,351
Capital Outlay	56,573	0	2,196	0	0	54,250	56,000
TOTAL EXPENDITURES	2,136,849	2,124,261	2,284,970	2,331,931	2,404,550	2,552,287	2,694,403

FUNDING SOURCES

1010 General Fund	\$ 2,075,369	\$ 2,062,766	\$ 2,221,524	\$ 2,354,571	\$ 2,269,079	\$ 2,496,368	\$ 2,671,419
1710 Prop A-Recreation	\$ 60,710	\$ 61,495	\$ 63,446	\$ 59,531	\$ 59,531	\$ 55,919	\$ 22,984

DEPARTMENT/DIVISION 7650/7720/7740 - PARKWAYS AND MEDIANS MAINTENANCE

The purpose of this activity is to provide turf and landscape maintenance, and pest control on public parkways and street medians.

PROGRAMS AND FUNCTIONS

To conduct a city-wide turf culture program including mowing, scalping, verticutting, edging, trimming, aerating, fertilizing, overseeding and weed control.
To maintain and repair all potable and recycled water irrigation systems located on parkways and street medians.
To conduct in-service training programs, safety meetings, emergency response trainings and job skill improvement activities.
To plan for resources allocation including personnel and equipment, maintenance of records, and preparation of field reports and studies.
To provide landscape maintenance for all parkways and medians.
To monitor the Cerritos Maintenance Agreement for medians on Del Amo Boulevard from Pioneer Boulevard to Bloomfield Avenue.
To monitor and assess landscape/turf maintenance contract on Bloomfield Avenue from Del Amo Boulevard to 215th Street, Pioneer Boulevard from Del Amo Boulevard to Carson Street, Del Amo Boulevard from Palo Verde Avenue to Studebaker Road, and Centralia Street from Norwalk Boulevard to Bloomfield Avenue.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Vehicle Maintenance	\$ 298,876	\$ 307,951	Contract Median Maintenance	\$ 45,499	\$ 45,499
Utilities	\$ 314,000	\$ 344,730	Cerritos Maintenance	\$ 10,692	\$ 10,692
Maintenance Supplies	\$ 46,900	\$ 46,900			

Changed Conditions:

- Change in Employee Services attributed to the reduced costs associated with providing lower retirement benefits for new employees under the Pension Reform Act of 2013.
- Change in Facilities Expense due to increase in utilities costs.
- Change in Interdepartmental due to reallocation of vehicle maintenance costs.

Proposed Activities:

- Evaluate water usage on parkways and medians to achieve water conservation.
- Implement soil and tree injections to help control insect pests on city street trees.
- Environmental Resource Division (ERD) staff to attend Pacific Southwest Management School.
- Evaluate use of synthetic turf on street medians.
- Monitor and evaluate 1,200 linear feet of recently installed irrigation on Canehill Avenue.

Productivity Initiatives:

- Conduct Parkway panel de-thatching program to improve the turf on sections of South Street, Downey Ave./Los Coyotes/Carson.
- Utilize all hands day to assist with the landscape maintenance along major streets and parkways.

Performance Measures:

- Maintain 40 irrigation controllers, inspect and maintain 100 of the 400 automatic controller valves, perform city-wide repair work, and respond to the irrigation maintenance requests on over 23 miles of medians and parkways.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Acres of Turf Renovated	2	4	4	9.5	4	4
Irrigation Maintenance Requests	88	307	280	300	300	300
Bee Removal Requests	148	175	182	175	175	175

RECREATION AND CULTURAL SERVICES - 7650/7720/7740 PARKWAYS AND MEDIAN MAINTENANCE

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	448,591	1,000,009	1,069,501	1,037,852	1,018,673	1,048,031	1,065,324
Contract Services	55,222	55,222	55,222	56,191	56,191	56,191	56,191
Facilities Expense	222,346	265,818	273,443	285,800	285,800	314,000	344,730
Office Expense	687	506	678	700	700	700	700
Meetings Expense	70	260	194	260	260	260	260
Special Department	50,502	49,145	50,480	51,330	51,330	51,330	51,330
Other Operating	1,857	1,701	1,950	1,990	1,990	1,990	1,990
Interdepartmental	318,684	299,816	351,691	367,504	359,050	298,876	307,951
Capital Outlay	0	10,555	8,084	26,112	26,112	0	0
TOTAL EXPENDITURES	<u>1,097,958</u>	<u>1,683,032</u>	<u>1,811,243</u>	<u>1,827,739</u>	<u>1,800,106</u>	<u>1,771,378</u>	<u>1,828,476</u>

FUNDING SOURCES

1010 General Fund	\$ 1,097,958	\$ 1,683,032	\$ 1,811,243	\$ 1,827,739	\$ 1,800,106	\$ 1,771,378	\$ 1,828,476
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WATER UTILITY

DEPARTMENT/DIVISION 8000 - WATER UTILITY ADMINISTRATION

The purpose of this activity is to provide the management and administration of the City's Water Resources Department and to work with other agencies to assure reliable, healthful water supplies.

PROGRAMS AND FUNCTIONS

- To monitor other agencies that impact the cost of providing water to customers.
- To monitor laws and respond proactively to proposed and enacted rules, regulations and legislation affecting water operations.
- To manage the completion of water capital improvement projects.
- To monitor water supplies, distribution and maintenance activities.
- To manage utility personnel, and provide ongoing safety and operational training programs.
- To manage computerized inventory control system.
- To provide water awareness and encourage conservation.
- To protect the water system from potential threats.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Debt Service on Water Revenue Bonds	\$ 818,207	\$ 817,500	Acquisition of Water Rights	\$ 250,000	\$ 250,000
Depreciation/Amortization	\$ 1,522,168	\$ 1,522,168	Legal Service	\$ 55,000	\$ 55,000

Changed Conditions:

- Change in Contract Services due to reduction in legal work associated with the amendment to the Central Basin Judgment to allow for groundwater storage in the basin, and reduction in mail process expense.
- Change in Facilities Expense provides for adjustments in depreciation of the water system.

Proposed Activities:

- Work with local water utilities and the Water Replenishment District of Southern California to implement the amended Central Basin Judgment participative watermaster and groundwater storage provisions.
- Prepare 2015 Urban Water Management Plan outlining water conservation efforts to meet the 20% per capita reduction in water use by 2020 as required by the state.
- Encourage water conservation through community outreach programs.
- Communicate water quality issues through the federally-mandated annual water quality report.
- Conduct water system operator continuing education classes to meet California Department of Public Health requirements.
- Administer capital improvement program for water system improvements.

Performance Measures:

- Conduct monthly safety training sessions with department personnel.
- Conduct quarterly safety inspections of water facilities.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
Water Revenue Bond Debt Service	\$ 813,856	\$ 812,058	\$ 809,813	\$ 817,394	\$ 818,207	\$ 807,500
Water Conservation Rebates:						
Water Conservation Devices	58	58	17	20	20	20
Turf Removal Projects	0	1	2	5	5	5

WATER RESOURCES DEPARTMENT - 8000 ADMINISTRATION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	251,134	271,844	289,861	294,385	241,857	255,408	256,597
Contract Services	209,955	181,818	167,737	339,898	240,795	263,430	264,781
Facilities Expense	1,323,231	1,384,875	1,478,817	1,484,668	1,484,668	1,535,043	1,532,062
Office Expense	1,894	1,952	1,764	2,000	2,000	2,000	2,000
Meetings Expense	3,646	2,404	2,494	6,260	4,089	6,300	6,300
Special Department	634,291	618,835	638,811	704,244	698,964	726,307	751,307
Other Operating	266,659	248,374	225,388	209,651	183,651	347,476	321,606
Interdepartmental	30,164	37,705	42,341	58,770	39,032	58,003	53,965
Capital Outlay	1,910	3	1,474	218,718	0	250,000	250,000
TOTAL EXPENDITURES	2,722,884	2,747,809	2,848,686	3,318,594	2,895,056	3,443,967	3,438,618

FUNDING SOURCES

7000 Water Rev Bond Debt Svc.	\$ 813,225	\$ 812,058	\$ 809,813	\$ 817,394	\$ 817,296	\$ 818,207	\$ 817,500
7500 Water Utility Fund	\$ 1,760,032	\$ 1,935,752	\$ 2,038,873	\$ 2,501,200	\$ 2,077,760	\$ 2,625,760	\$ 2,621,118
8060 SEWC	\$ 79,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DEPARTMENT/DIVISION 8100/8200/8300/8400/8500 - WATER UTILITY PRODUCTION

The purpose of this activity is to furnish manpower and materials for purchasing, pumping, treating and storing the City's potable and recycled water supply, and to maintain and repair physical facilities for water operations.

PROGRAMS AND FUNCTIONS

To produce water to meet demand, which includes operation and maintenance of 11 water wells, 3 water storage facilities and 1 water treatment plant.

To treat and test water to assure drinking water quality to comply with all state and federal drinking water standards.

To maintain the City's seven steel water storage tanks and two concrete reservoirs.

To manage water quality through the cross-connection control program.

To manage recycled water supply.

To manage and comply with all non-storm water discharge requirements.

BUDGET SUMMARY

Significant Detail:	2014-2015	2015-2016		2014-2015	2015-2016
Water Replenishment District	\$ 2,527,778	\$ 2,782,440	Hazardous Materials Disposal	\$ 90,000	\$ 90,000
Pumping Electric Power	\$ 849,000	\$ 668,470	Water Analysis	\$ 47,500	\$ 52,500
Equipment Maintenance	\$ 281,202	\$ 282,522	Vehicle Maintenance	\$ 44,577	\$ 45,930
Recycled Water Purchase	\$ 290,000	\$ 297,500	Central Basin Watermaster Services	\$ 30,500	\$ 30,500
Water Production Chemicals	\$ 170,500	\$ 179,025	Central Basin MWD Availability Charge	\$ 27,360	\$ 27,360

- Changed Conditions:**
- Change in Other Operating reflects the increase in cost for the groundwater extraction fees paid to the Water Replenishment District of Southern California in FY 2015-2016 and the purchase of 500 acre feet of recycled water through an agreement with City of Cerritos each year.
 - Change in Special Department reflects an increase in chemical costs and costs associated with planned maintenance on various water production facilities.
 - Change in Contract Services for FY 2015-2016 reflects the additional costs associated with the triennial at-the-tap monitoring for lead and copper required by the California Department of Public Health.

- Proposed Activities:**
- Pump up to 9,432 acre feet of groundwater from the Central Groundwater Basin, which includes the extraction of 900 acre feet of stored water to return to Long Beach Water Department in FY 2014-2015 as outlined in the water storage agreement.
 - Monitor water quality through rigorous testing to insure compliance with drinking water standards.

- Productivity Initiatives:**
- Evaluate water well productivity through an efficiency testing program through Southern California Edison.
 - Increase water production productivity by rehabilitating motors and pumps at booster stations and wells.

- Performance Measures:**
- Insure commercial customers protect the water supply through annual testing of backflow devices and periodic inspections of internal plumbing, and test all City-owned backflow prevention devices.

	Actual 2010-2011	Actual 2011-2012	Actual 2012-2013	Projected 2013-2014	Estimated 2014-2015	Estimated 2015-2016
Lakewood Groundwater Production	7,752 AF	8,060 AF	8,211 AF	8,524 AF	8,532 AF	9,432 AF
Long Beach Storage Agreement	0 AF	0 AF	0 AF	0 AF	900 AF	0 AF
Long Beach Purchase Agreement	0 AF	0 AF	1,610 AF	1,400 AF	0 AF	0 AF
Recycled Water	439 AF	473 AF	524 AF	572 AF	500 AF	500 AF
Total Production	8,191 AF	8,533 AF	10,345 AF	10,496 AF	9,932 AF	9,932 AF
Cross Connection Inspection	23	7	7	50	100	100
Water Quality Inquiries	115	153	14	95	90	85
Well 27 Treatment Plant Production	706 AF	520 AF	1,107 AF	800 AF	900 AF	950 AF

WATER RESOURCES DEPARTMENT - 8100/8200/8300/8400/8500 PUMPING OPERATIONS

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	693,515	729,752	725,789	751,962	778,954	748,356	753,751
Contract Services	90,358	73,511	70,443	103,450	93,789	100,350	105,350
Facilities Expense	17,425	21,086	20,392	33,196	33,572	38,177	40,077
Special Department	274,920	401,331	281,834	585,320	491,122	599,460	607,985
Other Operating	2,244,294	2,256,808	3,177,727	3,307,602	3,372,602	3,466,776	3,748,410
Interdepartment	36,197	37,643	33,824	38,582	34,532	44,577	45,930
Capital Outlay	<u>9,724</u>	<u>1,998</u>	<u>4,057</u>	<u>24,200</u>	<u>26,800</u>	<u>17,400</u>	<u>18,500</u>
TOTAL EXPENDITURES	<u>3,366,432</u>	<u>3,522,129</u>	<u>4,314,067</u>	<u>4,844,312</u>	<u>4,831,371</u>	<u>5,015,096</u>	<u>5,320,003</u>

FUNDING SOURCES

7500 Water Utility Fund	\$ 3,366,432	\$ 3,522,129	\$ 4,314,067	\$ 4,844,312	\$ 4,831,371	\$ 5,015,096	\$ 5,320,003
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DEPARTMENT/DIVISION 8600/8700/8800 - WATER UTILITY DISTRIBUTION

The purpose of this activity is to furnish manpower and materials for metering and distribution of the City's water supply, and maintain and repair physical facilities for water delivery.

PROGRAMS AND FUNCTIONS

- To maintain and operate the City's water distribution system.
- To maintain, repair and install water meters.
- To maintain and operate the City's fire hydrants.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>		<u>2014-2015</u>	<u>2015-2016</u>
Capital Equipment	\$ 95,700	\$ 50,200	Pipes & Fittings	\$ 77,000	\$ 77,000
Vehicle Maintenance	\$ 95,855	\$ 98,566	Street Repair	\$ 50,000	\$ 50,000

- Changed Conditions:**
- Change in Interdepartmental Expense due to increase in vehicle maintenance expense.
 - Change in Capital Outlay provides for the replacement of traffic safety equipment, various maintenance equipment, water meters and fire hydrants.

- Proposed Activities:**
- Install new services for commercial development at Lakewood Center Mall, commercial and residential development in various locations in the service area.
 - Improve water quality by continuing the annual main line flushing program, which includes exercising 1,372 valves and operating fire hydrants.
 - Continue the Water Main Replacement Program by installing approximately 11,000 linear feet of water mains and replace three large valves on large transmission water mains.
 - Continue four year water meter replacement program.

- Productivity Initiatives:**
- Replace 15 valves to insure proper shutdown of main lines during the annual flushing program.

- Performance Measures:**
- Continue routine fire hydrant upgrade and maintenance program.
 - Increase firefighting capabilities by upgrading ten fire hydrants at various locations in the service area.

	<u>Actual</u> <u>2010-2011</u>	<u>Actual</u> <u>2011-2012</u>	<u>Actual</u> <u>2012-2013</u>	<u>Projected</u> <u>2013-2014</u>	<u>Estimated</u> <u>2014-2015</u>	<u>Estimated</u> <u>2015-2016</u>
New Water Meter Installations	58	37	7	333	396	333
Fire Hydrants Replaced	6	5	7	9	12	12
Water Main Leaks Repaired	15	10	13	8	9	9
Valve Maintenance	2	13	7	3	3	3

WATER RESOURCES DEPARTMENT - 8600/8700/8800 WATER UTILITY DISTRIBUTION

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	554,297	546,048	594,308	573,210	633,880	628,322	631,485
Contract Services	16,494	13,283	20,670	67,400	54,300	66,800	66,925
Special Department	37,745	31,413	40,402	85,717	86,164	86,167	86,167
Interdepartmental	89,687	91,579	82,021	87,803	84,083	95,855	98,566
Capital Outlay	26,483	12,518	39,744	286,599	286,599	95,700	50,200
TOTAL EXPENDITURES	724,707	694,840	777,145	1,100,729	1,145,026	972,844	933,343

FUNDING SOURCES

7500 Water Utility Fund	\$ 724,707	\$ 694,840	\$ 777,145	\$ 1,100,729	\$ 1,145,026	\$ 972,844	\$ 933,343
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DEPARTMENT/DIVISION 8900 - WATER UTILITY CUSTOMER SERVICES

The purpose of this activity is to maintain and repair the City's water service lines, read 20,000 water meters six times annually and process customer service requests and complaints.

PROGRAMS AND FUNCTIONS

To read water meters.
To process customer requests and complaints.
To repair water service lines.
To install new services as required.
To replace water service lines on a programmed basis.
To raise or replace water meter boxes on a programmed basis.
To turn on and off services as required.

BUDGET SUMMARY

Significant Detail:	<u>2014-2015</u>	<u>2015-2016</u>
Service Line Supplies	\$ 48,540	\$ 51,540
Capital Equipment	\$ 2,350	\$ 400

Changed Conditions:

- Change in Special Department provides for replacement of air monitoring equipment used during confined space entry and an increase in expenses associated with service line maintenance.

Proposed Activities:

- Upgrade existing 55-year old galvanized service lines and replace existing water meter boxes.
- Respond to water conservation customer inquiries.

Productivity Initiatives:

- Adjust 120 service lines and meter boxes to standard grade.
- Upgrade 45 services with new operating mechanism for easier shut off/turn on and to prevent meter tampering.

Performance Measures:

	<u>Actual 2010-2011</u>	<u>Actual 2011-2012</u>	<u>Actual 2012-2013</u>	<u>Projected 2013-2014</u>	<u>Estimated 2014-2015</u>	<u>Estimated 2015-2016</u>
Service Repairs & Replacements	42	57	29	45	50	49
Preventative Maintenance	1	1	16	5	17	18
New Service Installation	5	5	3	4	5	5

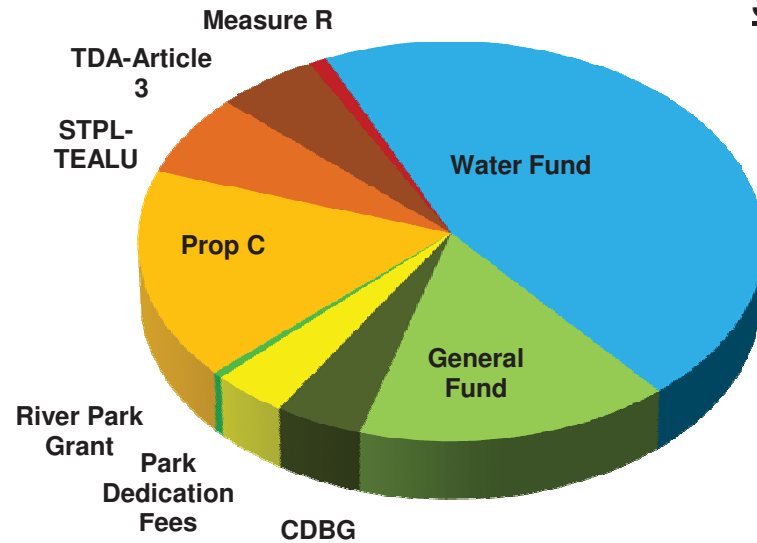
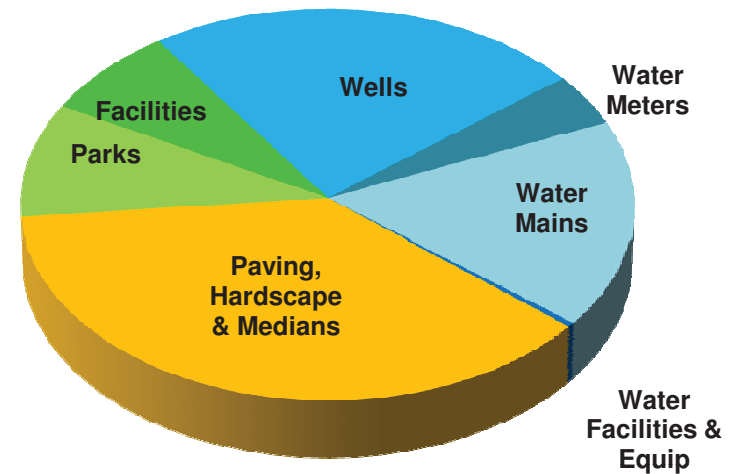
WATER RESOURCES DEPARTMENT - 8900 WATER UTILITY CUSTOMER SERVICES

DESCRIPTION	2010-2011 Actual	2011-2012 Actual	2012-2013 Actual	2013-2014 Revised Budget	2013-2014 Projected Actual	2014-2015 Adopted Budget	2015-2016 Adopted Budget
Employee Services	615,090	615,090	662,699	658,717	637,836	628,005	632,767
Special Department	40,886	40,886	36,163	40,305	40,305	48,540	51,540
Interdepartmental	4,350	4,350	1,200	0	0	0	0
Capital Outlay	<u>220</u>	<u>220</u>	<u>0</u>	<u>30,750</u>	<u>30,750</u>	<u>2,350</u>	<u>400</u>
TOTAL EXPENDITURES	<u>660,545</u>	<u>660,545</u>	<u>700,062</u>	<u>729,772</u>	<u>708,891</u>	<u>678,895</u>	<u>684,707</u>

FUNDING SOURCES

7500 Water Utility Fund	\$ 660,545	\$ 660,545	\$ 700,062	\$ 729,772	\$ 708,891	\$ 678,895	\$ 684,707
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SOURCES OF FUNDS**\$12,691,029**USES OF FUNDS

	2014-2015	2015-2016
General Fund	\$ 1,205,010	\$ 775,000
CDBG	372,118	183,809
Park Dedication Fees	475,000	-
River Park Grant	61,188	-
Prop C	923,467	1,234,000
STPL-TEALU	856,000	-
Measure R	98,000	590,000
TDA-Article 3	60,000	60,000
Water Fund	4,093,137	1,704,300
TOTAL FUNDING SOURCES	8,143,920	4,547,109

	2014-2015	2015-2016
Paving, Hardscape & Medians	2,307,467	2,434,000
Facilities	859,118	338,809
Parks	884,198	70,000
Wells	2,606,775	417,500
Water Meters	300,000	250,000
Water Mains	1,141,362	1,036,800
Water Facilities & Equip	45,000	-
TOTAL FUNDING USES	8,143,920	4,547,109

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

STREETS & TRANSIT PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
40021 ADA Public Right of Way	65,460	0	65,460	0	60,000	60,000	60,000
60016 Hardscape (Streets)	200,000	138,686	61,314	0	200,000	200,000	200,000
60020 Civic Center Slurry Seal	50,000	0	50,000	0	0	0	0
60021 Local Street/Alley Resurfacing	800,000	475,619	324,381	50,000	0	50,000	590,000
60026 Woodruff Ave. Resurfacing	923,467	0	923,467	923,467	0	923,467	900,000
60027 Candlewood Ave. Pavement Maintenance	200,000	189,579	10,421	0	0	0	0
60033 Bus Shelter Improvement-3400 South	23,495	23,495	0	0	0	0	0
60034 Bus Shelter Improvement-Del Amo/Lakewood	26,505	9,090	17,415	0	0	0	0
60035 Del Amo Rehab-Between Clark & Downey)	973,420	38,418	935,002	856,000	0	856,000	334,000
60045 Lakewood Blvd. Metro Competitive Grant	0	0	0	0	40,000	40,000	0
SUBTOTAL STREET & TRANSIT PROJECTS	\$ 3,262,347	\$ 874,887	\$ 2,387,460	\$ 1,829,467	\$ 300,000	\$ 2,129,467	\$ 2,084,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

STREETS & TRANSIT PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
60046 Ficus Tree Replacement-Side Panel	0	0	0	0	100,000	100,000	75,000
60047 Del Amo Median East of Studebaker	0	0	0	0	0	0	275,000
60048 Del Amo Median at Pioneer/Conservation	0	0	0	0	20,000	20,000	0
60049 Bridge Repair Local Match	0	0	0	0	58,000	58,000	0
TOTAL STREET & TRANSIT PROJECTS	\$ 3,262,347	\$ 874,887	\$ 2,387,460	\$ 1,829,467	\$ 478,000	\$ 2,307,467	\$ 2,434,000

FUNDING SOURCES

General Fund	250,000	138,686	111,314	50,000	320,000	370,000	550,000
Prop A	50,000	32,585	17,415	0	0	0	0
Prop C	1,240,887	227,997	1,012,890	923,467	0	923,467	1,234,000
Measure R	800,000	475,619	324,381	0	98,000	98,000	590,000
STPL-TEALU	856,000	0	856,000	856,000	0	856,000	0
TDA-Article 3	65,460	0	65,460	0	60,000	60,000	60,000
TOTAL FUNDING SOURCES	\$ 3,262,347	\$ 874,887	\$ 2,387,460	\$ 1,829,467	\$ 478,000	\$ 2,307,467	\$ 2,434,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

PARKS & FACILITIES PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
40041 West San Gabriel River Phs III	1,258,405	994,207	264,198	264,198	0	264,198	0
60018 Hardscape-Parks	50,000	17,396	32,604	0	50,000	50,000	50,000
70001 Centre: Refurbishments	305,654	176,074	129,580	125,000	85,000	210,000	100,000
70003 Civic Center Development	17,486	17,486	0	0	80,000	80,000	30,000
70005 Fence Replacement - Parks	20,000	4,050	15,950	15,950	4,050	20,000	20,000
70006 Fire/Security Systems	25,000	25,000	0	0	25,000	25,000	25,000
70021 Nixon Yard-Metal Bldg Roofs	30,000	0	30,000	30,000	0	30,000	0
70022 Nixon Yard-Paint Metal Bldg	10,000	0	10,000	10,000	0	10,000	0
70046 Mayfair Park HVAC, Roof and Ducting	513,005	257,204	255,802	0	0	0	0
70052 Dog Park Design	0	0	0	0	75,000	75,000	0
70057 Rynerson Park Electrical Panel Repair	33,540	31,011	2,529	0	0	0	0
70058 Palms Park Improvement	185,743	0	185,743	185,743	0	185,743	0
70065 Burns Center Hardscape	0	0	0	0	186,375	186,375	0
70066 Burns Center Elevator	0	0	0	0	0	0	183,809
SUBTOTAL PARKS & FACILITIES PROJECTS	\$ 2,448,833	\$ 1,522,428	\$ 926,406	\$ 630,891	\$ 505,425	\$ 1,136,316	\$ 408,809

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

PARKS & FACILITIES PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
70059 Palms Park-DASH Office Improvement	60,000	0	60,000	60,000	0	60,000	0
70060 Mayfair Park Tennis Court Resurfacing	30,000	6,800	23,200	0	0	0	0
70061 Mayfair Park Parking Lot	30,000	29,900	100	0	0	0	0
70063 San Martin Park Playground	475,000	0	475,000	475,000	0	475,000	0
70064 Park Restrooms Improvement	0	0	0	0	72,000	72,000	0
TOTAL PARKS & FACILITIES PROJECTS	\$ 3,043,833	\$ 1,559,128	\$ 1,484,706	\$ 1,165,891	\$ 577,425	\$ 1,743,316	\$ 408,809

FUNDING SOURCES

General Fund	1,063,436	430,242	633,194	318,960	306,050	625,010	125,000
River Park Grant	1,014,000	952,812	61,188	61,188	0	61,188	0
Community Facility Fund	305,654	176,074	129,580	125,000	85,000	210,000	100,000
CDBG	185,743	0	185,743	185,743	186,375	372,118	183,809
Park Dedication Fund	475,000	0	475,000	475,000	0	475,000	0
TOTAL FUNDING SOURCES	3,043,833	1,559,128	1,484,706	1,165,891	577,425	1,743,316	\$ 408,809

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

WATER RESOURCES PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
50004 Well #22 Treatment Facility	1,847,244	606,775	1,240,469	606,775	0	606,775	0
50009 Plant #22 Reservoir	600,000	584,700	15,300	0	0	0	0
50012 Water Main Replacement - Design	16,634	16,634	0	0	0	0	0
50021 Plant #13 Rehabilitation Project	998,872	998,872	0	0	0	0	0
50023 Water Conservation Demonstration Garder	226,454	226,454	0	0	0	0	0
50025 SCADA System Replacement	45,137	45,137	0	0	0	0	0
50030 CNG Arbor Yard Compressor	90,000	77,558	12,442	0	0	0	0
50032 Arbor Yard Roofing & HVAC	80,000	80,000	0	0	0	0	0
50033 Water Main Replacement Design	400,000	285,550	114,450	114,450	0	114,450	0
50034 FY 2014 Water Main Replacement	1,053,600	1,053,600	0	0	1,026,912	1,026,912	0
50035 Meter Rotation Program/Technology	275,000	275,000	0	0	300,000	300,000	250,000
50036 Field Data Work Order System	38,300	38,300	0	0	0	0	0
SUBTOTAL WATER RESOURCES PROJECTS	\$ 5,671,241	\$ 4,288,580	\$ 1,382,661	\$ 721,225	\$ 1,326,912	\$ 2,048,137	\$ 250,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

WATER RESOURCES PROJECTS	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
50037 Arbor Yard Lighting Projects	20,000	16,500	3,500	0	0	0	0
50038 Well Siting Study	200,300	200,300	0	0	0	0	0
500xx Emergency Interie with Long Beach Water	50,000	50,000	0	0	0	0	0
500xx Well #28 Drilling & Equipping	0	0	0	0	2,000,000	2,000,000	417,500
500xx Lead Abatement at Production Facilities	0	0	0	0	45,000	45,000	0
500xx Water Main Replacement	0	0	0	0	0	0	1,036,800
TOTAL WATER RESOURCES PROJECTS	\$ 5,941,541	\$ 4,555,380	\$ 1,386,161	\$ 721,225	\$ 3,371,912	\$ 4,093,137	\$ 1,704,300

WATER RESOURCES PROJECT FUNDING

Water Operations Fund	5,941,541	4,555,380	1,386,161	721,225	3,371,912	4,093,137	1,704,300
TOTAL FUNDING SOURCES	\$ 5,941,541	\$ 4,555,380	\$ 1,386,161	\$ 721,225	\$ 3,371,912	\$ 4,093,137	\$ 1,704,300

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

ALL PROJECTS BY FUNDING SOURCE	FY 2013-2014			FY 2014-2015			FY 2015-2016
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
1010 General Fund	1,313,436	568,928	744,508	368,960	626,050	995,010	675,000
1050 General Fund - Centre	305,654	176,074	129,580	125,000	85,000	210,000	100,000
1030 CDBG	185,743	0	185,743	185,743	186,375	372,118	183,809
1610 TDA-Article 3	65,460	0	65,460	0	60,000	60,000	60,000
1611 STPL-TEALU	856,000	0	856,000	856,000	0	856,000	0
1621 Measure R	800,000	475,619	324,381	0	98,000	98,000	590,000
1720 River Park Grant	1,014,000	952,812	61,188	61,188	0	61,188	0
3050 Park Dedication	475,000	0	475,000	475,000	0	475,000	0
3060 Prop A	50,000	32,585	17,415	0	0	0	0
3070 Prop C	1,240,887	227,997	1,012,890	923,467	0	923,467	1,234,000
7500 Water Operations Fund	5,941,541	4,555,380	1,386,161	721,225	3,371,912	4,093,137	1,704,300
TOTAL FUNDING SOURCES	\$ 12,247,721	\$ 6,989,395	\$ 5,258,327	\$ 3,716,583	\$ 4,427,337	\$ 8,143,920	\$ 4,547,109

PROJECT

CENTRE PROJECTS

Waterproofing Exterior Brick Veneer	Waterproofing last completed in 2008; efflorescence showing-should be done every five years.
Restoring Storefront & Canopy Frames	Contractor estimate; Storefronts/frames original to 1984 building.

FACILITIES CAPITAL ASSETS PROJECTS

Waterproofing Exterior Brick & Wood-Burns Center	Water is infiltrating through brick and causing efflorescence in interior stairwells and rooms, resulting in potential for structural rebar failure. Wood is badly deteriorated.
Game Courts-San Martin Park	Replace the concrete slab damage by extensive cracking, remove divider wall, includes new basketball standards, lights and fencing.
Game Courts-Biscailuz Park	Replace the concrete slab damage by extensive cracking, remove related divider wall, includes new basketball standards, lights and fencing
Bolivar Playground Renovation	Includes replaement of play equipment and addition of rubberized surfacing at both Tot Lot and School Age play areas; Last replace in 1995.
Bloomfield Park Kitchen Remodel	Remodel kitchen into catering kitchen. CDBG eligible.
Del Valle Youth Center Fitness Center	Change Shuffleboard court into outdoor fitness center. Will seek grant funding.
Roof Project - Water Resources Admin	15-year roof due for replacement in 2013; 4,925 sq ft.
Roof Project - Rynerson No. RR Bldgs. 1 & 2	Replace open lattice roofs with closed pitched roof like RR # 3.
Roof Project - Rynerson Picnic Shelter #1	Replace wood with metal roof.
Roof Project - Rynerson Picnic Shelter #2	Replace wood with metal roof.
Roof Project - Bolivar Activity Building	Replacement
Roof Project - San Martin Activity Building	Replacement
Roof Project - Del Valle Activity Building	Replacement
Roof Project - Del Valle Snack Bar Building	Replacement
Roof Project - McCormick Pool Bathhouse	Replacement
Rynerson Park Fitness Circuit	Replace existing aged par course equipment with new outdoor fitness equipment.
Pillars of Community Glass Panel Replacement	Replace deteriorating panel graphics.
Nixon Yard- PW/FM Metal Building	Abatement, roof replacement and repainting.
Nixon Yard- ERD Metal Building	Abatement, roof replacement and repainting.
Nixon Yard- Building C Metal Storage	Abatement, roof replacement and repainting.
Backstops- Bolivar Park	Replace structure and fencing on Diamond #1 and replace site amenities.
Monte Verde Lodge Bifold Door Replacement	Replace damaged doors due to continuous use of facility.
Weingart Senior Center	Replace carpeting. Possible Weingart Foundation Grant.
Biscailuz Irrigation System	Replace obsolete irrigation system.

CITY OF LAKEWOOD

Fixed Asset Capitalization and Control Policy

PURPOSE

The purpose of this policy is to ensure adequate control and appropriate use of City fixed assets. The procedures are intended to define fixed assets and to establish guidelines for budgeting, financial reporting, logging, inventorying, transferring, depreciating, and disposing of fixed assets.

POLICY

It is the policy of the City of Lakewood that fixed assets be used for appropriate City purposes and be properly accounted for. It is the responsibility of the Administrative Services Department to ensure fixed assets will be tagged, inventoried on a periodic basis, and accounted for by fund and asset category. It is the responsibility of the Department Heads to ensure that proper budgeting and purchasing guidelines are followed and that fixed assets are adequately secured.

OBJECTIVES

The City of Lakewood's fixed asset policy has two (2) objectives:

- (i) Accounting and Financial Reporting - To accurately account for and report fixed assets to the City Council, external reporting agencies, granting agencies, and the public.
- (ii) Safeguarding – To protect its fixed assets from loss or theft.

The Administrative Services Department is responsible for, and has established, systems and procedures through which both objectives are met. The system and procedures are used to identify, process, control, track, and report City fixed assets.

PROCEDURES

Fixed Asset Capitalization

Accounting and Financial Reporting

In general, all fixed assets, including land, buildings, machinery and equipment, with an acquisition cost of \$5,000 or more, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition. Specific capitalization requirements are described below.

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- The capitalization threshold will generally not be applied to components of fixed assets. For example, a tractor purchased with several attachments will not be evaluated individually against the capitalization threshold. The entire equipment with components will be treated as a single fixed asset.
- Repair is an expense that keeps the property in good working condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department fund.

CITY OF LAKEWOOD

Fixed Asset Capitalization and Control Policy

- Software programs will be regarded as fixed assets subject to capitalization and the cost will be amortized over a useful life of 5 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.
- Improvements to existing fixed assets will be presumed to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. A fixed asset that had an acquisition cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined with the improvement as a single asset and the total cost (original cost plus the cost of the improvement) will be capitalized over the estimated useful life.
- Capital projects will be capitalized as “construction in progress” until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.
- Additions and deletions to the fixed asset inventory records shall be made on a periodic basis. When fixed assets are sold or disposed of, the inventory of Fixed Assets should be relieved of the cost of the asset and the associated accumulated depreciation.
- Department Heads will need to approve a Property Disposition report prior to transfer, auction or disposal of any fixed asset.

Depreciation

Depreciation is computed from the date the fixed asset is

placed in service until the end of its useful life.

Depreciation method – straight line

Buildings	50 years
Building improvement	30 years
Water and sewer lines	50 years
Roads	30 years
Vehicles	7 years
Office equipment	7 years
Computer equipment/Software	5 years
Other equipment	7 years

Control

Safeguarding

The Administrative Services Department is responsible for establishing and maintaining systems and procedures to properly safeguard assets. However, Department Heads are responsible for protecting assets under their control from theft or loss. These assets are described as follows:

- a. The acquisition cost of the fixed asset is equal to or greater than \$5,000.
- b. An asset required to be controlled and separately reported pursuant to grant conditions and other operational or externally imposed. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant funded asset.

Purchasing and Disposal of Property

Purchasing and disposal of fixed assets will follow the Purchasing Ordinance of the Lakewood Municipal Code.

CITY OF LAKEWOOD

Capital Financing and Debt Management Policy

PURPOSE

Local governments finance capital improvements in many different ways. Current revenues from taxation, fees, fines and forfeitures, grants are used as a sort of "pay-as-you-go" method of improving infrastructure. Contributions from private property developers in connection with new construction are also a way of ensuring public capital improvements. Most important, however, is the use of borrowed funds and these are largely obtained from the sale of securities.

Capital financing and debt issuance involves the commitment of city resources for an extended period of time; public officials must undertake such transactions only after careful planning. Capital Financing and Debt Management Policy provides a framework within which informed borrowing decisions may be made.

The purpose of this policy is to set forth guidelines for the financing of capital expenditures. To enhance creditworthiness and prudent financial management, the City is committed to systematic capital planning and long-term financial planning.

POLICY

It is the policy of the City of Lakewood to use debt financing only for one-time capital improvement projects and unusual equipment purchases. Debt financing, to include general obligation bonds, special assessment bonds, revenue bonds, temporary notes, lease/purchase agreements, and

other City obligations permitted to be issued or incurred under California law, shall only be used to purchase capital assets that will not be acquired from current resources. The useful life of the asset or project shall exceed the payout schedule of any debt the City assumes. This allows for a closer match between those that benefit from the asset and those who pay for it. Debt financing will not be considered for any reoccurring purpose such as operating and maintenance expenditures.

OBJECTIVES

The City of Lakewood's Capital Financing and Debt Management Policy has two (2) objectives:

- (i) To ensure that borrowing is done only when it is appropriate; and
- (ii) To ensure that borrowing is done in the most cost-effective manner possible.

The primary responsibility for making debt-financing recommendations rests with the Director of Administrative Services. Responsibilities include:

- Consider all options for interim financing including short term and inter-fund borrowing, taking into considerations possible federal and state grants and/or reimbursements;
- Effects of the proposed actions on local tax rates, fees, and user charges;
- Trends in the bond market structures;
- Trends in interest rates; and
- Other factors deemed appropriate.

CITY OF LAKEWOOD

Capital Financing and Debt Management Policy

PROCEDURES

A. Capital Financing

1. The City will consider the use of debt financing only for one-time capital improvement projects and only under the following circumstances:
 - a. When the projects useful life will exceed the term of the financing.
 - b. When project revenues or specific resources will be sufficient to service the long term debt.
2. The City will use the following criteria to evaluate pay-as-you-go versus long-term financing in funding capital improvements:

Factors Favoring Pay-As-You-Go Financing

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

Factors Favoring Long Term Financing

- a. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
- b. The project securing the financing is of the type, which will support an investment grade credit rating.
- c. Market conditions present favorable interest rates and demand for City financings.
- d. A project is mandated by state and federal requirements, and resources are insufficient or unavailable.
- e. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
- f. The life of the project or asset to be financed is 10 years or longer.

B. Debt Management

1. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.
2. 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.

CITY OF LAKEWOOD

Capital Financing and Debt Management Policy

3. The City will generally conduct financings on a competitive basis. However, negotiated financing may be used due to market volatility or the used of an unusual or complex financing or security structure.
4. 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.
5. 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.
6. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
7. The City will maintain good, ongoing 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).

C. Debt Capacity

1. **General Purpose Debt Capacity.** The City will carefully monitor its levels of general purpose debt. Because our general purpose debt capacity is limited, it is important that we only use general purpose debt financing for high-priority projects where we cannot reasonable use other financing methods for two key reasons:

- a. Funds borrowed for a project today are not available to fund other projects tomorrow.
- b. Funds committed for debt repayment today are not available to fund operations in the future.

2. **Enterprise Fund Debt Capacity.** The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.

D. Independent Disclosure Counsel

The following criteria will be used on a case-by-case basis in determining whether the City should retain the services of an independent disclosure counsel in conjunction with specific project financings:

1. The City will generally not retain the services of an independent disclosure counsel when all of the following circumstances are present:
 - a. The revenue source for repayment is under the management or control of the City, such as general obligation bonds, revenue bonds, lease-revenue bonds or certificates of participation.
 - b. The bonds will be rated or insured.

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Capital Financing and Debt Management Policy

2. The City will consider retaining the services of an independent disclosure counsel when one or more of the following circumstances are present:
 - a. The financing will be negotiated and the underwriter has not separately engaged an underwriter's counsel for disclosure purposes.
 - b. The revenue source for repayment is not under the management or control of the City, such as land-based assessment districts, tax allocation bonds or conduit financings.
 - c. The bonds will not be rated or insured.
 - d. The City's financial advisor, bond counsel or underwriter recommends that the City retain an independent disclosure counsel based on the circumstances of the financing.
 - c. The City wants to reduce the principal outstanding in order to achieve future debt service savings, and it has available working capital to do so from other resources.
2. ***Standards for Economic Savings.*** In general, refinancing for economic savings will be undertaken whenever net present value savings of at least five percent (5%) of the refunded debt can be achieved.
 - a. Refinancings that produce net present value savings of less than five percent will be considered on a case-by-case basis, provided that the present value savings are at least three percent (3%) of the refunded debt.
 - b. Refinancing with saving of less than three percent (3%), or with negative savings, will not be considered unless there is a compelling public policy objective.

E. Refinancing

1. ***General Guidelines.*** Periodic reviews of all outstanding debt will be undertaken to determine refinancing opportunities. Refinancings will be considered (within federal tax law constraints) under the following conditions:
 - a. There is a net economic benefit.
 - b. It is needed to modernize covenants that are adversely affecting the City's financial position or operations.

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

I. Scope

This policy applies to the investment of the City of Lakewood's ("City") applies to all funds accounted for in the annual budget. Funds of the City will be invested in compliance with the provisions of, but not necessarily limited to California Government Code Section 53601 et sec and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. This policy does not regulate the investment of bond proceeds.

II. Objectives

The objectives, in priority order, of the City of Lakewood's investment activities shall be:

Safety

Safety of principal is the primary and most important objective of the investment program. Investments of the City will be made in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will endeavor to mitigate credit and market risk.

Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated. This will be achieved through maturity diversification and purchases of securities with an established secondary market.

Yield

The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints, liquidity needs, and cash flow characteristics of the portfolio. Return on investment is of

secondary importance compared to the safety and liquidity objectives described above.

III. Standards of Care

Prudence

The City of Lakewood adheres to the guidance provided by the "prudent investor" standard (CA 53600.3) to insure that:

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

This standard of prudence is to be used by all investment staff and will be applied in the context of managing an overall portfolio.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

Delegation of Authority

The authority to invest City funds rests with the Administrative Services Director and his designated staff, herein referred to as investment staff. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established. The Administrative Services Director shall be responsible for all transactions undertaken and will establish a system of controls to regulate the activities of subordinate officials.

The City may delegate its investment decision making and execution authority to an investment advisor. The advisor shall follow the policy and such other written instructions as are provided.

IV. Authorized and Suitable Investments

Surplus funds of local agencies may only be invested in certain eligible securities as listed below. The investment strategy for the City of Lakewood is to administer an operational portfolio. A definition of an operational portfolio is to have adequate funds available at all times to meet appropriated and projected cash flow requirements for the City of Lakewood.

The City of Lakewood does **NOT** purchase or sell securities on **MARGIN**.

1. *U.S. Treasury Obligations.* United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no portfolio percentage limits for U.S. Treasury obligations.

2. *U.S. Government Agency Issues.* Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no portfolio percentage limits for U.S. Government Agency obligations.

3. *Municipal Investments.* Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. Obligations are required to be rated in one of the two highest categories by a nationally recognized statistical rating organization (NRSRO). There are no portfolio percentage limits for municipal obligations.

4. *Negotiable Certificates of Deposit.* Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank. Eligible negotiable certificates of deposit shall be rated in category "AA" or its equivalent or better by a NRSRO. No more than 30% of the City's portfolio may be invested in negotiable certificates of deposit and no more than 10% may

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be invested with a single issuer.

5. *Time Deposits/Time Certificates of Deposit (CDs).* Time Deposits/Time Certificates of Deposit (CDs) placed with commercial banks and savings and loans. Time certificates of deposit shall meet the conditions in either paragraph (a) or paragraph (b) below:

(a) Time certificates of deposit shall meet the requirements for deposit under Government Code Section 53635 et. seq. The Administrative Services Director, for deposits up to the current FDIC insurance limit, may waive collateral requirements if the institution insures its deposits with the Federal Deposit Insurance Corporation (FDIC). The City shall have a signed agreement with the depository per California Government Code (Hereafter Code) 53649.

(b) Fully insured time certificates of deposit placed through a deposit placement service shall meet the requirements under Code Section 53601.8.

There is no portfolio percentage limit for Time Deposits/Time Certificates of Deposit (CDs). The maximum maturity shall be limited to one year.

6. *Money Market Funds.* Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. See. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or (2) retain an investment advisor registered or exempt from registration with the

Securities and Exchange commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 20% of the City's portfolio may be invested in money market funds.

The purchase price of shares shall not exceed 20 % of the City's surplus money nor include any commission charged by the fund. No more than 10% of the City's portfolio may be invested in any one fund.

7. *Government Pools.* Shares of beneficial interest issued by a joint powers authority (6509.7) that invests in securities authorized by Section 53601 of the California Government Code. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(a) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(b) The adviser has not less than five years of experience investing in the securities and obligations authorized in California Government Code section subdivisions (a) to (n), inclusive.

(c) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

There is no portfolio percentage limit for Government Pool holdings.

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8. *State of California's Local Agency Investment Fund.* Investment in LAIF may not exceed the current LAIF limit and should be reviewed periodically.

9. *Los Angeles County Pool.* Investment in the Los Angeles County Pool may not exceed the current pool limits and should be reviewed periodically.

10. *Commercial paper.* Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

(a) The entity meets the following criteria:

- (i) Is organized and operating in the United States as a general corporation.
- (ii) Has total assets in excess of five hundred million dollars (\$500,000,000).
- (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

(b) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper may not exceed 25% of the City's portfolio, 270 days maturity nor represent more

than 10% of the outstanding paper of an issuing corporation. Additionally, no more than 10% of the City's funds may be invested with a single issuer.

11. *Corporate Notes.* Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States, or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchase of medium-term notes may not exceed 30% of the City's investment Portfolio. No more than 10% of the City's total investment portfolio may be invested in the debt of any one corporation.

V. Ineligible Investments

Any security type or structure not specifically approved by this policy is hereby prohibited; these include, but are not restricted to, the following:

(a) "Complex" derivative securities such as range notes, dual index notes, inverse floating-rate notes, leveraged or deleveraged floating-rate notes, or any other complex variable-rate or structured note.

(b) Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

(c) Financial Futures and Financial Options also known as forward contracts for securities.

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VI. Investment Parameters

Diversification. The City's investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or sector.
- Limiting investment in securities that have higher credit risks.
- Investing in securities with varying maturities.
- Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Maximum Maturities. To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless stated otherwise in Section IV of this Policy or approval made by the City's executive body, the maximum maturity of the City's eligible investments will not exceed five years.

Sale of Securities. The City does not make investments for the purpose of trading or speculation, but buys with the prevalent intent to hold securities to maturity. The prohibition of speculative investment precludes pursuit of profit through unusual risk or conjectural fluctuations in market prices. However, fluctuations in market rates or changes in credit quality may produce situations where securities may be sold at a nominal loss in order to mitigate further erosion of principal or to reinvest proceeds of sale in securities that will out-perform the original investment.

VII. Depository Services

Legal Constraints

Money must be deposited in state or national banks, state or federal savings associations, or state or federal credit unions in the state. It may be in inactive deposits, active deposits or interest-bearing active deposits. The deposits cannot exceed the amount of the bank's or savings and loan's paid up capital and surplus.

The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110% of the total amount of the deposits. State law also allows, as an eligible security, first trust deeds having a value of 150% of the total amount of the deposits. A third class of collateral is letters of credit drawn on the Federal Home Loan Bank (FHLB). As a matter of policy, the City does not accept 150% collateral in first trust deeds or 105% Letters of Credit drawn on the FHLB, even though the state statutes allow municipalities to accept them.

The treasurer may at his discretion waive security for that portion of a deposit which is insured pursuant to federal law. Currently, the first \$250,000 of a deposit is federally insured. It is to the City's advantage to waive this collateral requirement for the first \$250,000 because we receive a higher interest rate. If funds are to be collateralized, the collateral we accept is 110% of the deposit in government securities.

Depository Services

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

Active deposits are demand or checking accounts which receive revenues and pay disbursements. The City of Lakewood has three demand accounts:

General checking account
Payroll checking account
Redevelopment Agency bond proceeds checking account

Interest-bearing active deposits are money market accounts at a financial institution (i.e., bank, savings and loan, credit union). These accounts are demand accounts (i.e., checking accounts) with restricted transaction activity. The City of Lakewood has one account of this nature for the Lakewood Redevelopment Agency.

Inactive deposits are Certificates of Deposit issued in any amount for periods of time as short as 14 days and as long as several years. Interest must be calculated on a 360-day basis, actual number of days. At any given time, the City may have certificates of deposit in 30 or 40 financial institutions. As a matter of policy, we do not invest in CD's for longer than one year.

We require that each financial institution submit current financial statements which are evaluated by staff prior to the investment of funds. We use the following criteria:

- The institution must have been in business at least three years.
- The institution must submit audited financial statements.

- The institution must have assets of at least \$50 million and a net worth to liability ratio of 3.5 to 1. For calculations, net worth does not include subordinated debt and Reserves for Allowance for Loan Losses.
- City investments of less than 180 days to maturity can use a net worth to asset ratio of 3 to 1.
- Investments in Credit Unions require an Equity (net worth) to Asset Value of 5.0%. The loan balance to share draft ratio is compared to industry standards, but should not exceed 90%. The City may invest funds for a period up to 120 days in institutions with a Regular Reserve to Loan Balance ratio of at least 3.25%. For longer periods of time, the ratio must be at least 4.0%.
- In addition, examination is made of the Reserve for Loan Losses category to evaluate the financial trend of the institution's asset base. Comparison is made of institution ratio values to the industry averages.

Under deposits, if data is available, we track the ratio of \$100,000 certificates of deposit (brokered money) to the total deposit base. A percent greater than 50% is an area of concern.

Whenever possible, the use of several years' financial data is evaluated to present a trend of activity in the institution.

We also require that interest be paid to the City on a monthly basis (current state law only requires quarterly payment). We do not place more than \$100,000 in a savings and loan, small bank, or credit union.

VIII. Safekeeping and Custody

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

Delivery vs. Payment

All investment transactions will be executed on a delivery versus payment basis. Securities will be held in safekeeping by a third party custodian designated by the City. The custodian will be required to provide timely (written or on-line) confirmation of receipt and monthly position and transaction reports.

IX. Reporting Requirements

Monthly Reporting

The Administrative Services Director will provide to the City Council monthly investment reports that provide a detailed summary of transactions in the City's portfolio.

Quarterly Reporting

The Administrative Services Director will provide to the City Council quarterly investment reports which provide a detailed summary of the status of the investment program. The quarterly report will contain the following:

- The type of investment, issuer, and date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency.
- A description of any of the local agency's funds, investments, or programs that are under the management of contracted parties, including lending programs.
- A current market value as of the date of the report and the source of this same valuation for all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund.

- A statement of compliance with the Government Code and this policy.
- A statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

X. Performance Standards

The City's portfolios are managed with the objective of obtaining a market rate of return, commensurate with identified risk constraints and cash flow characteristics. Because the composition of the portfolio fluctuates, depending on market and credit conditions, various indices will be used to monitor performance.

XI. Investment Advisor Review

The performance if the city's investment advisor and investment advisory firm shall be reviewed annually based on the following criteria:

- Understanding of the city's overall investment program and the investment objectives and constraints unique to the city, and approach to management of the city's portfolio.
- Experience, resources, and qualifications of the firm and individuals assigned to this account.
- Experience of the firm in managing state/local/district government reserve funds.

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- Performance of the managed portion of the city's portfolio.
- Reporting methodology and additional investment of financial services offered or available through affiliation.
- Fees, relative to services.

XII. Policy Considerations

This policy shall be reviewed on an annual basis. Any changes must be approved by the investment officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Fund balance refers to the difference between assets and liabilities in the city's governmental funds balance sheet. This information is one of the most widely used elements of state and local government financial statements. Financial statement users examine fund balance information to identify the available liquid resources that can be used to repay long-term debt, add new programs, finance capital improvements, or enhance the financial position of the city.

PURPOSE

The purpose of this policy is to improve financial reporting by establishing fund balance classifications that create a hierarchy based on the extent to which the City is bound to observe spending constraints that govern how the City can use amounts reported in the governmental fund balance sheet. This policy satisfies the requirements of GASB Statement No. 54.

POLICY

It is the policy of the City of Lakewood to identify the various classifications of the City's governmental fund balance in its Comprehensive Annual Financial Report (CAFR). These classifications take into consideration the City's long-term infrastructure needs, non-current liabilities, stabilization funds, funds necessary to mitigate economic uncertainties, funding that has spending constraints such as grants, and fixed assets that will not easily convert to cash. The fund balance is a tool the City uses to have an effective long-term financial plan, as well to ensure sufficient liquidity for the City meets its financial obligations in the short-term.

OBJECTIVES

The City of Lakewood's Fund Balance Policy has two (2) objectives:

- (i) To determine the available liquid resources; and**
- (ii) To provide the information necessary to make informed financial decisions.**

The classifications of the City's governmental fund balance are designed to clarify the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent, rather than to simply represent the financial resources available for appropriation.

OVERVIEW

Governmental funds represent one of three categories of funds; the other two categories are proprietary funds (water enterprise fund, and fleet and print-shop internal service funds), and fiduciary funds (pension funds held in trust).

Governmental funds are used to account for activities primarily supported by taxes, fees, grants, and bond proceeds.

Governmental funds are further classified into five fund types: General Fund, the chief operating fund of the City; Special Revenue Funds, which account for funds legally restricted for a specific use; Debt Service Fund; Capital Projects Fund; and Permanent Funds for endowment arrangements.

CITY OF LAKEWOOD

Governmental Fund Balance Policy

Governmental funds are designed to focus on the near-term. To do this, governmental funds present only the subset of the City's assets that are considered the City's current financial resources, and the corresponding sub-set of liabilities that is expected to be liquidated with those current financial resources, resulting in a method to assess the City's financial liquidity. Because governmental funds report only a subset of assets and liabilities, the difference between the two, or fund balance, is a measure of working capital – not of net worth.

The fund balance is only an approximate measure of liquidity or working capital. It is this discrepancy of measuring working capital that requires the City to recognize what makes-up the fund balance and isolate funds that are needed for longer-term obligations, discern what funds are restricted for specified purposes, and pull-out funds that are not available at all. To accomplish this, the City's financial statements for governmental funds are comprised of five (5) fund balance classifications:

- (i) Nonspendable Funds**
- (ii) Restricted Funds**
- (iii) Committed Funds**
- (iv) Assigned Funds**
- (v) Unassigned Funds**

NONSPENDABLE & RESTRICTED FUND BALANCE

The first two classifications are subject to requirements outside the local governing body's control for financial

decision-making and planning purposes; Nonspendable resources are essentially irrelevant, and Restricted resources are of no discretionary value. Accordingly, this policy will just briefly describe Nonspendable and Restricted funds in this Section.

Nonspendable Funds

Some of the assets that are included in determining the City's fund balance are inherently nonspendable:

- Assets that will never convert to cash, such as prepaid items and inventories.
- Assets that will not convert to cash within sixty (60) days from the start of the fiscal year, such as long-term loans receivable, and non-financial assets held for resale.
- Assets that must be maintained intact pursuant to legal or contractual requirements, such as an endowment.

Restricted Funds

Restricted funds describe the portion of the fund balance that is subject to externally enforceable legal restrictions, these restrictions fall into three (3) categories:

- (i) Restrictions are imposed by parties altogether outside the scope of the City's governance:
 - Creditors (typically through a debt covenant)
 - Grantors (typically state, federal and other governmental agencies)

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Governmental Fund Balance Policy

- Contributors
- Other governments.

(ii) Restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, such as:

- Gas taxes must be used for street repair
- Prop C must be used for fixed transit routes
- Prop A must be used for transit programs
- Measure R must be used for local street repair

(iii) Long-term loans receivable and non-financial assets that are collected can also be considered Restricted if the collected funds are subject to an externally enforceable restriction on how they can be spent.

PROCEDURES

This Section provides a comprehensive protocol on what is legally deemed the unrestricted portion of the fund balance, and the order in which the classifications are spent.

The unrestricted portion of the fund balance is comprised of the City's fund balance or resources that are classified as Committed Funds, Assigned Funds, or Unassigned Funds.

UNRESTRICTED FUND BALANCE

Committed Funds

Committed funds describe the portion of the fund balance that is constrained by limitations imposed by the Lakewood City Council and/or the Lakewood Redevelopment Agency.

The Council and/or Agency imposed limitation must occur no later than the close of the reporting period and remains binding unless removed under the same manner.

Types of commitments:

- Self Insurance
- Pension Obligations
- Refuse Stabilization
- Economic Uncertainties
- Capital Projects

Self Insurance

Since 1998, \$4 million has been held in reserve in the General Fund for self Insurance. These funds are held to cover liability and worker's compensation expenses that are in excess of the costs covered by the California Joint Powers Insurance Authority, CJPIA. The CJPIA has historically covered all costs for the city, so the use of these funds is rare and would only be used for very large unpredictable claims. Periodic review of this amount is required to ensure adequate funds are available.

Pension Obligations

Pension obligations include: CalPERS, California Public Employees' Retirement System; OPEB, other post-employment benefits (retiree health benefit); and PARS, Public Agency Retirement Services.

Every year CalPERS provides an Annual Valuation Report. This report specifies the employer contribution rate for both 'normal cost' and amortized costs, and unfunded liability. Using a weighted amortized cost rate, the unfunded liability attributed to amortized cost is computed. This computed

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Governmental Fund Balance Policy

amount is then held as a Committed fund balance in the General Fund.

The funds necessary to cover OPEB obligations is determined by a biennial actuarial as of June 30 every odd year. This actuarial computes the unfunded accrued liability, this amount is then transferred into the OPEB Trust. On even years, City staff computes the estimated OPEB unfunded liability using the assumptions presented in the prior year's actuarial. This amount is held in the General Fund as a Committed Fund Balance to be paid to the Trust in the following year per the actuarial.

The PARS plan also has a biennial actuarial as of June 30 every odd year. The actuarial provides the PARS 'normal rate' and the unfunded actuarial liability rate. Using a weighted unfunded actuarial liability rate, the unfunded liability cost is computed, which is then held as a Committed fund balance in the General Fund. The PARS unfunded actuarial liability and Committed fund balance are reduced each year resulting in full funding by 2025.

Refuse Stabilization

The refuse stabilization funds of \$1,964,966 were built up over a period of years using the Long Beach SERRF rebates. In Fiscal Year 2010, the rebate program ceased. The rate stabilization funds were set aside to offset sharp increases in cost due to the implementation of a new refuse related program, or offset large annual increases (greater than 10%), or unexpected increases within the fiscal year (greater than 3%) in refuse collection or disposal. New programs and rate increase of ten percent or greater is unusual, and rate increases mid-year even more so; the use

of these funds to offset rate increases would be rarely used and would only provide a bridge to the new higher rate.

Economic Uncertainties

The amount for economic uncertainties is computed as 20% of the General Fund's annual operating expenditures. These funds are held to offset major or unexpected reductions in revenue. Reduction in revenue equal to or greater than 10% would trigger the use of these funds to support core city services. The city has yet to experience a ten percent drop in revenues; the use of these funds is rare.

Capital Projects

The amount for discrete contracts and purchases is limited to the required continuing appropriations or encumbrances for contracts or purchases that required Council approval. These contracts and purchases are discrete in that they are one-time in nature.

Assigned Funds

Assigned funds describe the portion of the fund balance that reflects the intended use of resources by the Lakewood City Council and/or the Lakewood Redevelopment Agency. The amounts set aside for an intended use can be assigned by the City Manager.

Types of Assigned Funds:

- Infrastructure and Structures
- Equipment Replacement
- Contract Services in Case of Emergency

Infrastructures and Structures

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These Assigned funds are set aside to for major emergency or unexpected necessary repairs of the City's streets, hard-scape, facilities, communication and technology systems, or other owned City property. The Assigned amount is the value of the assets before depreciation divided by thirty, which corresponds to the CAFR thirty-year depreciation schedule.

Equipment Replacement

These Assigned funds are set aside to for emergency or unexpected replacement of the City's vehicles or equipment. The Assigned amount is the value of the assets before depreciation divided by seven, which corresponds to the CAFR seven-year depreciation schedule.

Contract Services in Case of Emergency

These Assigned funds are set aside to for contract services necessary to deal with an emergency or unexpected event. The Assigned amount is equivalent to the current one-month costs of the top eight contract services, and one-month lease from the Lakewood Stables.

Unassigned Funds

The General Fund often will have net resources in excess of what is classified in one of the four previous categories. This amount is presented as the unassigned fund balance. Only the general Fund can report a positive unassigned fund balance; however, all governmental funds can report a negative unassigned fund balance.

Use of Resources

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, the order of allocation of these available funds is first restricted, second committed, third assigned, and lastly unassigned amounts.

SUMMARY

Components of the Fund Balance

Nonspendable Fund Balance

- Inherently nonspendable
- Portion of net resources that cannot be spent because of their form
- Portion of net resources that cannot be spent because they must be maintained intact

Restricted Fund Balance

- Externally enforceable limits on use
- Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
- Limitations imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

- Council/Agency Self-imposed Limitations set in place prior to the end of the fiscal year
- Limitation imposed at highest level of decision making that requires formal action at the same level to remove

Assigned Fund Balance

- Limitation resulting from intended use

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Governmental Fund Balance Policy

- Intended use established by the City Manager

Unassigned Fund Balance

- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus)
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit)

Use of Fund Balance

- Restricted
- Committed
- Assigned

GLOSSARY

State and local governments use three broad categories of funds: *governmental* funds, *proprietary* funds and *fiduciary* funds.

Governmental funds include the following.

- *General* fund. This fund is used to account for general operations and activities not requiring the use of other funds.
- *Special revenue* funds are required to account for the use of revenue earmarked by law for a particular purpose. State and federal fuel tax revenues require special revenue funds, because federal and state laws restrict these taxes to transportation uses.
- *Capital projects* funds are used to account for the construction or acquisition of fixed assets such as buildings, equipment and roads. Depending on its use, a fixed asset may instead be financed by a

special revenue fund or a proprietary fund. A capital project fund exists only until completion of the project. Fixed assets acquired and long-term debts incurred by a capital project are assigned to the government's *General Fixed Assets and Long-Term Debts*.

- *Debt service* funds are used to account for money that will be used to pay the interest and principal of long-term debts. Bonds used by a government to finance major construction projects, to be paid by tax levies over a period of years, require a debt service fund to account for their repayment.

The debts of special assessment and proprietary funds are serviced within those funds, rather than by a separate debt service fund.

- *Special assessment* funds account for public infrastructure improvements financed by special levies against property holders. Sidewalk and alley repairs often rely on special assessments.

Proprietary funds include the following.

- *Internal service* funds are used for operations serving other funds or departments within a government on a cost-reimbursement basis. A printing shop, which takes orders for booklets and forms from other offices and is reimbursed for the cost of each order, would be a suitable application for an internal service fund.
- *Enterprise* funds are used for services provided to the public on a user charge basis, similar to the operation

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Governmental Fund Balance Policy

of a commercial enterprise. Water and sewage utilities are common examples of government enterprises.

Fiduciary funds are used to account for assets held in trust by the government for the benefit of individuals or other entities. The employee pension fund, created by the State of Maryland to provide retirement benefits for its employees, is an example of a fiduciary fund. Financial statements may further distinguish fiduciary funds as either *trust* or *agency* funds; a trust fund generally exists for a longer period of time than an agency fund.

CITY OF LAKEWOOD Purchasing Policy

SUMMARY

TYPE	CATEGORY	AUTHORIZATION	FEATURES
OCCASIONAL SUPPLIES & EXPENSES Reimbursement by the City can only be made through the use of petty cash form submitted and authorized by the Director of Finance.	PETTY CASH	DEPARTMENT HEAD	<ul style="list-style-type: none"> » For <u>occasional use</u> in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the Department Head may authorize an employee to make such purchase and be reimbursed by the City through the use of petty cash form. Such purchases shall be limited to the amounts <u>not exceeding \$75.00</u>. For miscellaneous items purchased on a regular basis from a single vendor, contact Purchasing Division staff who will establish an appropriate arrangement with such vendors. » Those employees who incur miscellaneous expenditures for meetings on an ongoing basis should complete an Individual Expense Report on a monthly basis.
	NOT TO EXCEED \$75		
SUPPLIES & EQUIPMENT All departmental requests for supplies and equipment shall be submitted to the Purchase Officer utilizing the standard requisition process. Purchasing supplies and equipment shall be made only by Purchase Order.	LESS THAN \$1,000	DEPARTMENT HEAD	<ul style="list-style-type: none"> » Item must be budgeted » No Bids required
	\$1,000 TO \$20,000 (\$40,000 for vehicles)	CITY MANAGER	<ul style="list-style-type: none"> » Item must be budgeted » Whenever possible (this should be 99% of the time) at least three (3) informal bids/quotes must be obtained. Whether received in writing or verbally, a written record of the bid/quote information must be retained. » All bids/quotes shall be kept by the Purchasing Officer and open to public inspection.
	OVER \$20,000 (over \$40,000 for vehicles)	CITY COUNCIL	<ul style="list-style-type: none"> » Item must be budgeted » Formal bid process <ul style="list-style-type: none"> • Notice Inviting Bids required • Notice must be published in newspaper and posted in three (3) public places • Ten-day notice must be given before opening bids

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TYPE	CATEGORY	AUTHORIZATION	FEATURES
SERVICE AGREEMENTS All departmental requests for services shall be submitted to the City Manager utilizing the standard requisition process. Securing services shall be made only by Purchase Order or Contract.	LESS THAN \$1,000	DEPARTMENT HEAD	» Item must be budgeted » Department Head signature
	\$1,000 TO \$5,000	CITY MANAGER	» Item must be budgeted » Services secured by Purchase Order » City Manager signature » May need approval as to form by the City Attorney
	\$5,000 TO \$20,000	CITY MANAGER	» Item must be budgeted » Services secured by Contract, Agreement or Letter » City Manager signature » Approved as to form by the City Attorney
	OVER \$20,000	CITY COUNCIL	» Item must be budgeted » Services secured by Contract or Agreement » Written report submitted to the City Council » Approved as to form by the City Attorney

CITY OF LAKEWOOD Purchasing Policy

TYPE	CATEGORY	AUTHORIZATION	FEATURES
AMENDMENT	10% OR \$20,000, WHICHEVER IS LESS	CITY MANAGER	» Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » City Manager Signature
AMENDMENT	OVER 10% OR \$20,000	CITY COUNCIL	» Item must be budgeted » Applies to: <ul style="list-style-type: none"> • Purchase of Supplies and Equipment • Procurement of Professional Services » Written report submitted to the City Council
PURCHASE OF REAL PROPERTY	ANY VALUE	CITY COUNCIL	» Item must be budgeted » Obtain appraisal report » May be required to submit proposed acquisition to the Planning and Environment Commission » Written report submitted to the City Council
CONSTRUCTION AND PUBLIC WORKS PROJECTS	OVER \$5,000	CITY COUNCIL	» Item must be budgeted » Section 37901 of the Government Code applies, C.P.P.C.. » Written report submitted to the City Council » Overseen by Public Works
CHANGE ORDERS	Authorization set by Council at Bid Award	PUBLIC WORKS DIRECTOR	» Funds must be budgeted or appropriated » Applies to Construction and Public Works Projects » City Manager consultation » Director of Public Works signature
CHANGE ORDERS	Over the authorization set by Council	CITY COUNCIL	» Funds must be budgeted or appropriated » Applies to Construction and Public Works Projects » Written report submitted to the City Council

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GLOSSARY

- (a) Bidder's List. "Bidder's List" shall mean a list of responsible prospective vendors capable of providing the items being bid upon.
- (b) Competitive Bid. Transparent procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated. Competitive bidding aims at obtaining goods and services at the lowest prices by stimulating competition, and by preventing favoritism. In (1) open competitive bidding (also called open bidding), the sealed bids are opened in full view of all who may wish to witness the bid opening; in (2) closed competitive bidding (also called closed bidding), the sealed bids are opened in presence only of authorized personnel.
- (c) Cooperative Bid. "Cooperative Bid" is when several government agencies join together to create one bid document combining all agencies product volume for consideration of the bidder in determining the unit cost.
- (d) Emergency. As determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property, repair or replace any public facility without adopting plans, specification, or working details or give notice for bids to let a contract or Public Works Construction Contract.
- (e) Equipment. "Equipment" shall mean unique supplies, computers, furnishings, machinery, vehicles, rolling stock, and other personal property used in the City's business, which are not generally and regularly ordered in bulk by the City and which must perform complex tasks, or integrate efficiently with existing equipment.
- (f) General Services. "General Services" are services which do not require any unique skill, special background, training, and obtaining such services at the lowest cost should be the single most important factor in selection, as opposed to personal performance. Examples of general services include uniform cleaning and maintenance services.
- (g) Informal Bids/Quotes. Request for "Informal Bids" or "Quotes" shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.
- (h) Maintenance Work. "Maintenance Work" shall mean:

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- (1) Routine, recurring, and usual work for the cleaning, preservation, or protections of any publicly owned or publicly operated facility for its intended purposes.
 - (2) Minor repainting.
 - (3) Resurfacing of streets and highways at less than one inch.
 - (4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
 - (5) Work performed to keep, operate, and maintain publicly owned water or waste disposal systems including, but not limited to, wells and reservoirs.
- (i) Multiple Awarded Bid. When a bid is awarded to more than one vendor for the same or similar products. A multiple awarded bid schedule is usually set up and provides information of product type/brand and vendor who is providing the product.
 - (j) Piggyback. Use of another public agency's existing contract to purchase the same product(s) as outlined in the awarding bid document.
 - (k) Professional, Management, or Special Services. "Professional," "Management", or "Special Services" shall mean any work performed by an attorney,

doctor, architect, engineer, land surveyor, construction manager, appraiser, expert, accounting firm, instructor, consultant or those services such as computer services, golf course operating services, concession services, parking garage operation services, and transportation/transit operator services. Factors for determining whether professional, management, or special services are needed include but, are not limited to, services which require professional judgment, licensing, qualified expertise in a specific area of work, or other unique factors other than simply obtaining the service at the lowest cost to the City. Professional Management and Special Services are not subject to the informal, formal or competitive bidding requirements of this policy and may be procured through negotiated contract or Requests for Qualification and/or Proposal process.

- (l) Public Works. "Public Works" shall mean a type of public construction project subject to the regulation of the State Public Contract Code and State Labor Code and as defined in California Labor Code Division 2, Chapter 1, Article 1, Section 1720 and as further amended. Examples of a Public Works Project include:

- (1) The erection, construction of, alteration, major painting, repair, or demolition of public buildings, streets, walkways, water and sewer facilities, drainage facilities, or other public facilities, whether owned, leased, or operated by the City.

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- (2) Furnishing supplies or materials for any of the above works or projects.
- (3) A public work does not include maintenance work as defined in this article.
- (m) Purchase. "Purchase" shall include the renting, leasing, purchasing, licensing, or a trade of equipment or supplies.
- (n) Purchasing Officer. The "Purchasing Officer," for the purposes of this policy, shall be the City Manager or his/her designated representative.
- (o) Request For Proposal. "Requests for Proposal (RFP)" shall mean requests for a project or professional service. Requests for proposals allow bidders to highlight their experience and knowledge in an area through the proposal itself. Request for proposals list requirements of products or services, such as function, work flow, integration specifications and goals, providing in great detail how the requested product or service will be accommodated. Requests for proposals include a scope of work (SOW), pricing information, price quotes, contract terms and conditions, and detailed reference information. The scope of work describes tasks, products, services and even external factors that may not be required to satisfy the proposal. A request for proposals is developed when the City has discovered a need to resolve an issue, without a specific plan for the way that the need should be fulfilled and allowing vendors to express individual creativity when presenting products or services as a response to a request for a proposal.
- (p) Sealed Bid. "Sealed Bids" shall contain information regarding a project including project parameters and pricing. All entities that submit a sealed bid are not aware of what others have bid. Sealed bids are turned in to the City Clerk. Sealed bids contain the actual pricing associated with the project. Sealed bids allow for all bidders to submit pricing to the City in a confidential manner. Sealed bids are used to keep bidding results confidential until a winner is selected. Sealed bids are submitted by a specified date and time to the City Clerk.
- (q) Supplies. "Supplies" shall mean office supplies, janitorial supplies, materials, goods, tools, or other commodities used in the general conduct of the City's business, excepting supplies or materials for a public work which is regulated under the California Public Contract Code Sections 20160, et seq.
- (r) Task Order. Supplementary contractual and obligating document that usually includes task description, used in task type contracts, and means a task, delivery, or call order for supplies and/or services placed against an established contract, agreement or blanket purchase order.
- (s) Task Type Contract. Two-part contract in which one part lays down the general provisions of the contract, and the other part (represented by one or

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more task orders) gives the details of the specific job to be performed.

- (t) Quotes/Informal Bids. Request for “Quotes” or “Informal Bids” shall mean the gathering of pricing for the same product or service, and is used when the City has determined an exact product or service required to resolve its need, and this product and/or services falls below the dollar value requiring competitive bid or request for proposal.
- (u) Urgency. “Urgency” shall exist when the service, repair, or replacements are immediately necessary to permit the continued performance of the operations or services of the City, or to avoid the immediate danger to life, health, or property.

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Purchasing Policy

PURPOSE

The purpose of this policy is to emulate best practices in purchasing procedures.

OBJECTIVES

The objective of this policy is to establish an efficient procedure for the purchase of supplies and equipment, and procurement of services, and references purchase/acquisition of real property and contracting for the construction of public works projects consistent with state law. These procedures shall not be overly time consuming and cumbersome, while allowing the City to obtain the best professional services, and acquire quality supplies, general services, and equipment in an overall economic manner at the lowest reasonable cost.

OVERVIEW

In accordance with the provisions of Sections 54201 and 54204 of the Government Code of the State of California, and the procedures in this policy, the authority for the purchase of supplies, equipment, and services is vested in the Purchasing Officer and such procedures and policies shall govern all purchases of supplies and equipment.

The provisions of this policy apply to the purchase of supplies, equipment, services, and references the purchase of real property as prescribed by state and federal law, and public works projects as defined by Section 37901 of the Government Code. This policy

identifies binding documents such as contracts, agreements and letter agreements as “contract(s)”.

The provisions of this policy do not apply to the purchase of supplies, equipment, and professional services where the City Council has, by contract or resolution, contracted for or transferred the authority to make the purchase of supplies, equipment, and services to another governmental agency or officer and where the other governmental agency or officer, in the purchase of supplies, equipment, and services, follows to the satisfaction of the purchasing officer this policy and procedures in substantial compliance with provisions of Sections 54201 and 54204 of the Government Code of the State of California.

Duties of the Purchasing Officer

The City Manager, or his/her authorized representative(s), shall act as the City’s Purchasing Officer and be responsible for the purchase of all supplies, equipment and services for all departments and divisions of the City. The duties of the Purchasing Officer may be combined with those duties of any other officer or position in the City. The Purchasing Officer shall have the authority and duty to:

- (a) Purchase or contract for needed City supplies, equipment and services, which are not included within a construction contract or proposed specifications for a construction contract of public work being administered by any other City department;
- (b) Investigate, keep knowledgeable about, negotiate, and recommend on the execution of contracts or the purchasing of supplies, equipment and services pursuant to the procedures of this policy, and such administrative rules and regulations as prescribed by the City Council;

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- (c) Keep informed of current developments concerning purchasing, prices, market conditions, and new products and services;
- (d) Prescribe and maintain such forms and procedures as necessary for the proper operation of the purchasing and contracting system;
- (e) Operate and maintain the warehouse and designated storage facilities of the City and such control records as are necessary for the proper inventory of stocks and supplies.
- (f) Inventory and keep a record of all purchases and supplies of the City;
- (g) Maintain up-to-date bidder's list, vendor's catalogs, files, and such other records as needed to perform these duties;
- (h) Ensure that purchasing specifications are written to encourage full competition, as such, he/she shall negotiate and recommend execution of contracts for the purchase of supplies, equipment, and services and seek the needed quality at least expense to the City, and discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (i) Inspect supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. Purchasing Officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications;
- (j) The Purchasing Officer shall submit a report to the City Council quarterly on all such equipment and vehicle purchases over \$500.00;
- (k) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use;
- (l) Review and monitor service contracts to ensure adherence to contractual terms, limitations and deadlines, and that service contracts are being performed with requisite quality, on time and within budget. Maintain a positive relationship with the service providers and/or companies. Assure customers are satisfied with the service under the contract.
- (m) Perform such other tasks as may be necessary for the proper conduct of purchasing of supplies, equipment, and services.

PROCEDURES

Estimates of Requirements

All Department Heads shall file detailed estimates of their requirements in supplies, equipment and services in such a manner, at such time, and for such future periods as the City Manager shall prescribe.

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Requisitions

Department Heads or their designees shall submit requests for supplies, equipment and services to the Purchasing Officer by the standard requisition electronic entry procedure.

Purchase Orders

The purpose of a purchase order is to ensure compliance with this Purchasing Policy.

- (a) Purchases of supplies and equipment shall be made only by purchase order issued by the Purchasing Officer.
- (b) Securing of services shall be made by purchase order for an amount under \$5,000.00, purchases of services shall be made by contract if equal to or in excess of \$5,000.00.

Encumbrance of Funds

Except in cases of urgency or emergency as described in this policy, the Purchasing Officer shall not issue any purchase order or contract, for the purchase of supplies, equipment, and services unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged or City Council has authorized said purchase.

Purchases on Behalf of the City

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, provided that the government entity acquiring the supplies, equipment or service

substantially adheres to the procedures for the purchase of supplies, equipment, and professional services set forth in this policy.

AWARD OF CONTRACTS: GENERAL OR PROFESSIONAL SERVICES

Except as provided by this policy, the procurement of services not included in the construction contract or bid specification for a public works project shall be by Request for Proposal/Qualifications (RFP/Q) procedure as provided in this policy, and shall be made as follows:

- (a) Contracts, as referenced in this policy, represent all written contracts, agreements or letter agreements, rate schedules, and amendments. All written contracts, agreements or letter agreements shall be approved by City Attorney as to form.
- (b) All service contracts shall require the provider to meet the California Joint Powers Insurance Authority's insurance coverage recommendations, unless deemed inappropriate by the Risk Manager and/or City Attorney who will then determine the appropriate insurance coverage.
- (c) A Department Head may approve the contracting for services up to \$1,000.00 with qualified consultants/firms.
- (d) Services provided for an amount under \$5,000.00 may be secured by purchase order and approved by the City Manager.
- (e) A contract shall be prepared for all general or professional services for the amount of \$5,000.00 and over.

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- (f) Services secured by contract for an amount greater than \$1,000.00 and under \$20,000.00 shall be approved and/or awarded by the City Manager.
 - (g) Services secured by contract with a dollar amount equal to or exceeding \$20,000.00 shall be approved and/or awarded by City Council.
 - (h) Contract amendments. An Amendment shall be used to modify the contract documents regarding contract price, schedule of payments, completion date, plans and specifications, expanding scope of work due to change in conditions, and for unit price overruns and under runs, as specified in the contract. Work description and justification should relate to the original project and should be necessary to achieve original scope of project. After a determination that costs is merited by developments in a specific project, the City Manager is authorized to issue Amendments up to the contract contingency amount approved by the City Council for the individual contract as follows:
 - (1) If the contract was originally executed for an amount under \$20,000.00, the City Manager shall have the authority to issue Contract Amendments, provided that the sum of all amendments, plus original contract amount, shall not exceed \$20,000.00. If the amended contract will exceed \$20,000.00, City Council shall approve the contract amendment.
 - (2) Once the original contract plus all accumulated Amendments is in an amount that exceeds \$20,000.00, subsequent Amendments must be approved by City Council prior to commencing the work.
- (3) For a contract originally executed for an amount in excess of \$20,000.00 and originally approved by City Council, the City Manager shall have authority to issue Amendments, provided that the sum of all contract amendments for any single contract shall not exceed the limit approved by City Council. If the amended contract will exceed the limit previously approved by City Council, the contract amendment must be approved by City Council.
 - (4) Any single Amendment which results in the total contract exceeding \$20,000.00 must be approved by City Council prior to commencing with the work. In urgency situations where stopping the work will result in severe repair or replacement delays and subject the City to excessive additional costs due to the delay in the project, and City Manager may approve such an Amendment and shall give notice to City Council at the next City Council meeting.

General Services Contracts

General services contracts are to be used for routine, recurring, and usual work and for services which do not require any unique skill, special background or training, and obtaining such services at the lowest cost should be the single most important factor in selection, which is to include long-term and opportunity costs.

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General Service Contracts shall be procured either through the purchasing bid process or Request for Proposal/Qualification (RFP/Q) process with the emphasis on awarding to the “lowest responsive responsible bidder”.

- (a) If it is determined by the Department Head in consultation with the City Manager that all vendors providing a service classification can equally provide the service satisfactorily, a bid process would be appropriate. However, if factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract.
- (b) General Services shall be awarded based on reasonableness of cost, plus qualifications that will impact long-term type costs and/or opportunity costs.
- (c) A Statement of Work shall identify the specific scope of work under contract.
- (d) Task Orders as listed in the Statement of Work shall be issued pursuant to the Maintenance Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.
- (e) General Services Single or Multi-year Contracts may be awarded to multiple service providers following a formal RFP/Q process using the procedures set forth in this policy.

Professional Service Contracts

For those Professional Services as defined in Government Code Section 4526 (and as otherwise amended), professional services contracts and/or multi-year contracts with several consultants with a general scope of work may be set up for a total not-to-exceed dollar amount or an unspecified dollar amount if for on-call type services as approved by City Council. For contracts approved with an unspecified do-not-exceed dollar amount, a fee schedule shall be annually submitted to the City Council for approval.

When factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract and the Request for Proposal/Qualification (RFP/Q) process may be used. Examples of areas other than price that may be important in awarding the contract include: experience level, competence, resources/equipment, staffing levels, services available/time factors, licenses and other qualifications determined by each City department responsible for recommending the service contract that may be important to consider.

- (a) A formal RFP/Q process shall be used and awarded based on qualifications.
- (b) A Statement of Work shall identify the specific scope of work under contract.
- (c) Task Orders as listed in the Statement of Work shall be issued pursuant to the Professional Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.

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Award of Contracts Based Upon Competence

Factors to consider. In contracting for professional services listed in Government Code Section 4526, selection shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services and solicited through a Request for Proposal/Qualification process.

In contracting for professional services (other than those listed in Government Code Section 4526), professional services contracts should only be awarded to firms or persons who have demonstrated “adequate competence” meaning: an adequate level of experience, competence, training, credentials, character, integrity, reputation, financial responsibility, resources, equipment, staffing, and other professional qualifications necessary for more than a satisfactory performance of the service required at the time period needed and price. The cost of the service may be considered, however, the lowest cost may not be the sole factor in deciding which firm or who shall be awarded the contract. It may be in the City’s best interest to award the contract to a higher priced proposal based on the scope of services, availability, unique skills, licenses, staffing levels, timing, prior experience, familiarity with the City and other factors required by the department. The information needed for determining that level of competence and other qualifications and the procedure for selecting such services shall be determined by the Department Head responsible for recommending the service contract.

- (a) Request for Proposal/Qualifications. The initial acquiring of services shall be procured through negotiated contract following a Request for Proposal/Qualifications (RFP/Q) process. Contracting for services is decentralized and shall be the responsibility of the Department Head requesting the service.

- (b) Contracts for an amount equal to or exceeding \$5,000.00 but under \$20,000.00. The requesting department shall meet the following requirement unless an urgency exists pursuant to this policy:

- (1) Selection Process: Prepare an informal written document and contact as many companies as necessary to receive a minimum of three (3) written responses from consultants/firms. The requirement may be waived for good cause in writing by the Department Head and Purchasing Officer as designated by the City Manager in consultation with one another and with the approval of the City Manager.
- (2) Award: The Department Head shall prepare a written recommendation to the City Manager for the firm or person to be awarded the contract. The City Manager shall award the contract.
- (3) Contract document. A written contract must be established and approved as to form by the City Attorney, and the City Manager shall sign/approve service contracts exceeding \$5,000.00 but not more than \$20,000.00.

- (c) Contract for an amount equal to or exceeding \$20,000.00. Department Heads shall utilize a Sealed request for Proposal process essentially meeting the following requirements unless an urgency exists pursuant to this policy:

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- (1) Request for Proposal/Qualification (RFP/Q) solicitation process. A formal Sealed Request for Proposal/Qualification (RFP/Q) document shall be developed for solicitation of professional, management, or general and special services for an amount exceeding \$20,000.00.
 - (2) Advertisement. The requesting department shall advertise in appropriate publications and/or contact the consultants/firms previously utilized by the City during the solicitation process.
 - (3) Notice Contents. The notice shall include a description of general type of service needed, how the RFP/Q minimum scope of work can be obtained, any pre-proposal conferences anticipated, the requirement of a written sealed proposal, state the closing date, and place and time for submission of the RFP/Q.
 - (4) Solicitation Procedure. Sealed RFP/Q should be submitted to the Purchasing Officer as identified in the RFP/Q. All proposals shall be analyzed by the requesting department for compliance with RFP/Q requirements, and value of the total scope of services. Follow-up interviews of the most qualified of those submitting a proposal should be held.
- claim can be adequately justified, a RFP/Q Waiver or a Sole Source process may be used.
- (a) The RFP/Q process may be waived if it is determined with acceptable justification that competition is neither practical nor in the best interest of the City.
 - (b) The vendor has an established business relationship with the City and has proven to adhere to contractual terms, limitations and deadlines, and the service provided is being performed with requisite quality, on time and within budget.

Franchise Agreements and Services Provided by Franchise Utilities

The City enters into multi-year agreements with utility companies that have infrastructure in the City's right-of-ways or on City facilities. City approved service and/or equipment upgrades by utility operators are exempted from the bidding and RFP/Q processes and can be approved by the City Manager or his/her designee when the increase in projected utility costs to the City is under \$20,000.00 per year. If the expected increase in utility costs is greater than \$20,000.00 per year, the upgrade shall be approved by the City Council.

BIDDING: SUPPLIES AND EQUIPMENT

Except as provided by this policy, purchases of supplies and equipment and the sale of supplies and equipment not included in the construction contract or bid specification for a public works project shall be by bid procedure as provided in this policy, and shall be made as follows:

Waive Competition

- Although the City prefers a competitive process for securing services, in certain circumstances, where the
- (a) Direct Purchase Order. The purchase of supplies and equipment with the estimated value equal to or less than \$20,000.00, or

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\$40,000.00 for vehicles, shall be made by the Purchasing Officer as follows:

- (1) Procure whenever possible at least three informal bids/quotes or enter into competitive negotiation or purchase through a governmental entity as described in this policy.
 - (2) Solicit bids by written request to prospective vendors, by telephone, or by other notice.
 - (3) Award the bid and purchase said supplies and equipment provided the same is awarded to the lowest responsible bidder and within the budgeted amount therefore.
 - (4) Keep a record of all such bids received and purchases made, which shall be open to public inspection.
- (b) Formal Bid Procedures. Except as otherwise provided, purchases of equipment and supplies of an estimated value greater than \$20,000.00 or \$40,000.00 for vehicles per unit shall be awarded by the City Council to the lowest responsible bidder pursuant to the following procedure:
- (1) Notice Inviting Bids. Notices inviting bids include a general description of the articles to be purchased or sold, shall state where bid documents and specifications may be secured and the time and place for opening bids.
 - (i) Published Notice. Notice Inviting Bids

shall be given at least ten (10) days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation, printed and published in the city, or if there is none, it shall be posted in at least three public places in the City that have been designated by ordinance as the places for posting public notices.

- (ii) Bidders' List. The Purchasing Officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the Bidders' List or who have requested their names be added thereto.
- (c) Bidder's Security. When deemed necessary by the Purchasing Officer, bidder's security may be prescribed in public notices inviting bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

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- (d) Bid Opening Procedure. Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.
- (e) Rejection of Bids. In its discretion, the City Council may reject any and all bids presented and re-advertise for bids
- (f) Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided by this policy.
- (g) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.
- (h) Performance Bonds. The City Council shall have authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the City Council requires a performance bond, the form and amount of the bond shall be described in the Notice Inviting Bids.

Cooperative, Piggyback, and Multiple Awarded Bids Purchasing With Other Agencies

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, or cooperatives, provided that the entity acquiring the supplies or equipment substantially adhere to the procedures for the purchase of supplies and equipment set forth in this policy.

Approval and award of cooperative, “piggy-back” or multiple awarded purchases shall be obtained by the Purchasing Officer for an amount equal to or less than \$20,000.00, or \$40,000.00 for vehicles, and by the City Council for purchases in an amount exceeding \$20,000.00 or \$40,000.00 for vehicles.

- (a) Cooperative Purchasing. The bidding requirements in this policy shall not apply to the purchasing of any equipment or supplies which the Purchasing Officer determines to be in the best interest of the City to obtain through a cooperative competitive bidding procedure being prepared by and processed through another local, state, or federal governmental agency.
- (b) Piggyback. If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to “piggy-back” onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.
- (c) Multiple Awarded Bids. Multiple awarded bids are generally conducted by larger government agencies. A competitive bidding process is conducted for a specified product.

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Several vendors whose product meets the specification are awarded the contract. Maximum item price and contract terms are established. If the Purchasing Officer determines it to be in the City's best interest, the Purchasing Officer is authorized to use federal, state, or other governmental agency multiple awarded contracts. The Purchasing Officer must obtain quotes from at least three vendors on the awarded contract list and award the bid to the lowest responsive and responsible bidder.

Staging of Purchases Prohibited

Purchases and contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements of this policy.

Recycled Supply Products Specification

If in procuring supplies, a recycled or recyclable/reusable product can achieve the necessary City performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled materials, or products that are recyclable, be bid. Unless the Department Head determines that:

- (a) A recycled or recyclable/reusable product lacks performance capabilities or needed quality levels.
- (b) A sufficient amount of said recycled or reusable product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to non-recycled or virgin materials.

When recycled products are required, reasonable efforts shall be made to label the products as containing recycled materials. As used in this section, recycled product does not mean used products, but is limited to new products made with materials which have been recycled.

Purchase Local Specification

If in procuring supplies, a locally manufactured and/or product sold within the City of Lakewood can achieve the necessary City performance standard, and if such locally manufactured and/or product sold is readily available, specifications should, if economically feasible, require products locally manufactured and/or sold be bid; unless the Department Head determines that a locally manufactured and/or product sold does not meet required performance capabilities or quality.

Disposition Of Surplus Supplies And Equipment

All Department Heads shall submit to the Purchasing Officer at such times and in such form as he/she prescribes, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The Purchasing Officer shall have authority to sell all supplies and equipment which cannot be used by any department or which have become unsuitable for City use, or trade in the same for new supplies and equipment, or otherwise dispose of the same for, as provided below:

- (a) Supplies and equipment certified by the Department Head as having a value of less than \$100.00 may be sold or disposed by the Purchasing Officer by current available means.

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- (b) Supplies and equipment certified by the Department Head as having value over \$100.00 and under \$5,000.00 shall be sold at auction.
- (c) Supplies and equipment certified by the Department Head as having value equal to or greater than \$5,000.00 shall be sold only by sealed bid following the giving of notice as provided in this policy for purchases greater than \$20,000.00, or \$40,000.00 for vehicles. Such sales shall be awarded by the City Council to the highest bidder, provided however, the City Council may in any notice calling for bids provide that it will receive at the time and place of public hearing before the City Council oral bids in excess of 10% of the highest sealed bid and in such case the City Council shall sell the supplies or equipment to such highest bidder.
- (d) In the event any such supplies and equipment cannot be disposed of as provided in this policy, at the discretion of the Purchasing Officer, be sold as junk or disposed of by any other means.
- (e) City employees may not purchase surplus City property directly from the City or any auction service employed by the City unless the City Manager should determine in writing that said employee was not involved in any recommendation or decision-making as to the sale of said property or the value thereof.

SOLE SOURCE PURCHASES

Sole Source Purchases. Unique commodities or services that can be obtained from only one vendor or one distributor authorized to sell in this area, with singular characteristics or

performance capabilities or which have specific compatibility components with existing City products are exempt from the competitive bidding requirements and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer.

- (a) All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the Department Head and forwarded to the Purchasing Officer. The City Manager shall approve sole source acquisitions in an amount under \$20,000.00.
- (b) Approval of any sole source acquisition shall be obtained from City Council for an award of a contract for an amount equal to or exceeding \$20,000.00.

In purchasing equipment and supplies that need to be compatible with existing equipment and supplies, or to perform complex or unique functions, the City Manager and Department Head in consultation with one another may:

- (a) Limit bidding to a specific product type, or a brand name product; or
- (b) Utilize a request for proposal approach where warranties, service and/or maintenance obligations, and product performance will be evaluated in addition to the price of the product or service. The award of the contract should be to the proposer that staff deems is in the best public interest.

PETTY CASH AND REIMBURSEMENTS

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For occasional use in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a department, the department head may authorize an employee to make such a purchase and be reimbursed by the City through the use of a petty cash form. Such purchases shall be limited to amounts not exceeding \$75.00. All petty cash forms must be approved by the Department Head or his/her designee and the Director of Finance, and be signed by the person receiving the reimbursement.

For miscellaneous items purchased on a regular basis from a single vendor, the Department Head will contact the Purchasing Officer who will establish a purchasing arrangement with such vendors.

Employees who incur miscellaneous expenditures for meetings on an ongoing basis must complete an Individual Expense Report on a monthly basis.

TRAVEL REQUESTS AND EXPENSES

Travel and related expenses are to only occur when there is substantial benefit to the City. The Travel or Conference Authorization Request form must be submitted to and approved by the City Council for officials and by the City Manager for staff prior to the event. For reimbursement and payment for travel expenses, the Travel Request and Expense Report form must be completed by the traveler and approved by the City Council for officials or City Manager for staff. No official or staff shall sustain personal monetary loss as a result of duties performed in the service of the City. However, all expenditures and requests for reimbursement shall logically relate to the conduct of City business and shall be "necessary"

to accomplish the purpose of such business and shall be "reasonable" in amount.

(a) Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for the performance of official duties. Such duties include, but are not necessarily limited to:

- (1) Meeting and communicating with representatives of other cities, county/regional, state and national government on City adopted policy positions and discuss the communities' concerns.
 - (i) Participating in local, county/regional, state and national organizations whose activities affect the City's interest
 - (ii) Attending meetings and participating in activities conducted in conjunction with such meetings, of civic and governmental committees and organizations in which the city has retained membership or has provided funds for the financing thereof
- (2) Business-related meetings or trips where a benefit to the City can be defined, including meetings with staff officials from other cities, and conferences and meetings of the City's membership organizations
 - (i) Attending City events and meetings with City service providers, both contracted service providers and other public agencies.

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- (ii) Attending meetings to implement a City-approved strategy for attracting or retaining businesses to the City
 - (iii) Attending City-sponsored or co-sponsored events including those requiring an invitation from the sponsoring or co-sponsoring organization
 - (3) Attending educational seminars designed to improve the skill and knowledge of officials and staff
 - (4) Recognizing service to the city
 - (5) Other charity or City-related events or meetings that provide a benefit to the public or the City as authorized by the City Manager for staff or Council for officials.
- (b) Non-reimbursable Expenses
- (1) The personal expense portion of any trip
 - (2) Family expenses, including partner's expenses when accompanying City staff and/or officials on City-related business, as well as children and/or pet related expenses
 - (3) Entertainment expenses, including theater, movies (either in-room or at a theater), attendance at sporting events, or other cultural events that are non-conference events
- (4) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or fuel
 - (5) Other expenses as determined by the City Manager.
- (c) Cost Control
- To conserve the City's resources and to keep expenses within standards for public officials and staff, travel related expenditures should adhere to the guidelines in this policy. Expenses for which staff or official receives reimbursement from another agency are not reimbursable by the City. The cost borne or reimbursed by the City shall be limited to costs that fall within the listed guidelines:
- (1) Transportation: The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route.
 - (i) Airfare: All officials and staff shall utilize coach or economy class accommodations when traveling by commercial airlines. Reservations, where practical, should be made in sufficient advance to receive discount pricing. Increased fees related to late booking or purchasing higher priced refundable tickets may be allowed with a sound business reason such as making changes to tickets to accommodate illness or schedule changes. Officials and staff may at their own expense pay to upgrade their airline accommodations.

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- (ii) Baggage handling fees at the rate charged by the airline or other mass transportation line.
 - (iii) Automobile: The rules regarding expenses relating to the use of council members' vehicle in the performance of City duties are set forth in Resolution 2005-39. For appointed officials and staff members, automobile mileage is reimbursed at the Internal Revenue Service (IRS) rate presently in effect. These rates are designed to compensate the driver for fuel, insurance, maintenance, and other vehicle related expenses. The amount does not include bridge and road tolls, which are reimbursable.
 - (iv) Car rental: Rental rates that are equal to or less than those available through the American Automobile Association (AAA) or other standard discount services shall be considered the most economical and reasonable for purposes of reimbursement.
 - (v) Taxis/shuttles: Taxi or shuttle fares may be reimbursed, including a reasonable gratuity per fare, when the cost of such fare is equal to or less than the cost of car rentals, fuel and parking combined, or when such transportation is necessary for time-efficiency
 - (vi) Garage and parking expenses: Expenses for necessary parking and storage of private, rented or City vehicles may be authorized. Receipts should be provided to obtain reimbursement (except where not available such as metered parking). Parking in lots at airports or other mass travel related lots may be reimbursed. Officials and staff are encouraged to use parking at non-premium rates unless such parking is inappropriate due to time constraints or safety concerns.
- (2) Lodging: Lodging expenses will be reimbursed or paid when travel on official City business reasonably requires an overnight stay. Where lodging is in connection with a conference or other organized educational activity, reasonable lodging cost shall not exceed the maximum group rate published by the conference or activity sponsor, providing that lodging at the group rate is available at the time of booking. If the group rate is not available, the official or staff member shall be entitled to reimbursement for actual costs of lodging that is comparable in location and quality. Every effort shall be made to secure adequate lodgings that are conveniently located and moderately priced. In many instances, it makes sense to stay at the conference hotel for convenience and safety, and to avoid additional transportation costs. Government discounts and any discounts the official or staff is personally eligible for should always be sought at the time of reservation. The cost of lodging may be paid directly by the City or paid by the official or staff and subsequently reimbursed.
 - (3) Communication and internet service: Officials and staff shall be reimbursed for actual phone, mobile, fax and internet access expenses incurred as a

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consequence of City business necessity. Personal calls to the staff or official's family of a reasonable duration may be reimbursed for travel requiring overnight lodging.

- (4) Meals: IRS reimbursement amounts shall be considered reasonable per se, and expenses incurred beyond such amounts shall be reimbursed only if necessary based upon location, type of venue, nature of event, or extraordinary circumstances.
 - (5) Gratuity: Meal expenses and associated gratuities incurred should be moderate, while taking into account the prevailing restaurant costs of the area.
 - (6) Other: All items of expenses otherwise unclassified shall be considered in this category. Examples are duplicating expenses, publications, and other expenses as necessary when traveling on City business may be allowed and should be included within this classification when requesting reimbursement.
- (d) Reimbursement limitations shall not apply to the following circumstances:
- (1) A conference or meeting at which a set amount is charged for participation in a meal or activity
 - (2) A City-hosted meal or event
 - (3) A business related meal, meeting or event at which the City official or staff member is required to pay

more than his/her proportional share of the costs on a reciprocal basis with officials or staff from other cities

- (4) Expenditure authorized in advance by the City Council at a City Council meeting for officials, or by the City Manager for staff.
- (e) Submission of expense reports and audits:
- (1) All expenses must have prior approval by the City Council for officials and by the City Manager for staff. The Travel or Conference Authorization Request form is used to receive this prior authorization.
 - (2) Once the costs are incurred, the Travel Request and Expense Report form with corresponding receipts documenting each expense must be submitted for approval for the official or staff to receive reimbursement. All expenses are subject to verification that they comply with this policy.
 - (3) Expense reports and receipts documenting each expense shall be submitted for reimbursement within 30 days of being incurred.
 - (4) Each Council Member shall file a brief written report on meetings attended at City expense at the next available City Council meeting.

VISA CAL-CARD PURCHASES

To promote operational efficiency the City has initiated the City's credit card program.

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- (a) The VISA Cal-Card program is intended to allow designated City employees to pay for training and travel type expenses, and to purchase occasional services and supplies at or below \$1,000.00 per transaction using a designated bank issued credit card. The card can be used for internet, telephone or walk-in ordering. Transactions in excess of \$1,000.00 are only allowed for travel and conference related expenses and must be pre-approved by the City Manager.
- (b) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
- (c) The credit card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (d) The City Manager is the Program Manager, or his/her designee and sets policies and procedures and card limits. The Program Manager makes the final decision on any dispute or issue concerning the use of the card, and has the authority to suspend the use of any credit card for any reason.
- (e) The Director of Finance or his or her designee acts as the Program Coordinator and is responsible for the administration and implementation of the Cal Card policies and procedures.
- (f) The card will be issued to the Department Head and Department Head approved managers whose names will appear on the card as the Cardholder. The Cardholder is responsible for the proper use of the card.
- (g) The Program Coordinator will determine the contact person for the timely payment of accounts who will be authorized to make changes on the designated bank's website; such as limit increase/decrease, or adding/deleting card holders. These actions must be pre-approved by the Program Manager or his/her designee.
 - (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Credit Card" memo to the Program Manager for approval.
 - (ii) The Cardholder must sign for the card.
 - (2) Using the credit card
 - (i) Cardholder must complete an orientation course with the servicing bank and sign a Cal Card agreement form. This agreement certifies that the Cardholder understands and accepts his or her responsibilities under the program.
 - (ii) The Cardholder must instruct the vendor to include the Cardholder's name and department and the term "Cal Card" purchase or "credit card" as mode of payment on the shipping label, packing list, and invoice.

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- (iii) Each card is assigned transaction and monthly limits.
 - (iv) The Cardholder is responsible for retaining all supporting documentation (such as packing slips and sales receipts) on all card activities that are reconciled to the monthly Statement of Account. The documentation must be submitted with the Statement of Account to ensure timely payment of purchases.
 - (v) The Cardholder will receive a Statement of Account and must promptly review the statement, certify the statement's accuracy and attach all supporting documentation. The Statement of Account along with the supporting documentation must be submitted to the Program Coordinator within five (5) business days of receipt.
 - (vi) The Program Coordinator or his or her designee will review the card activities and supporting documentation prior to forwarding to the Program Manager for payment approval.
 - (vii) In case of any error in the Statement of Account, the Cardholder must immediately notify the Program Coordinator. The Program Coordinator or his or her designee will be responsible for resolving the error.
 - (viii) If the card is lost or stolen, the Cardholder must immediately notify the issuing bank customer service, at the phone number listed on the back of the card, and the Program Coordinator.
 - (ix) If the card is worn, defective or cancelled, the Cardholder must immediately return the card to the Program Coordinator.
 - (x) The Cardholder is responsible for returning merchandise to the vendor and for receiving the appropriate credit. The credit memo or equivalent must be retained by the Cardholder and submitted along with the Statement of Account to the Program Coordinator.
 - (xi) Personal use of the card is strictly prohibited and is subject to disciplinary action up to and including termination. The cardholder will be immediately required to return the goods to the vendor in full and/or to reimburse the City for the subject amount.
 - (xii) The Program Manager will decide on any issue or conflict on the above policies and procedures.
- (3) Changes to cardholder information. Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Program Coordinator who will request a new credit card if needed.
- (4) Cancellation. Should the Cardholder terminate employment with the City, the Cardholder shall

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submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Program Coordinator of the termination. The Program Coordinator or his/her designee shall notify the bank.

PURCHASING CARDS

To promote operational efficiency the City has initiated the City's purchase card program.

- (a) The Purchase Card program is intended to allow designated City employees to pay for an item that is not stocked in the purchasing warehouse and the item is needed right away.
- (b) The purchase card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (c) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
 - (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Purchase Card" memo to the Director of Finance for approval.
 - (ii) The Cardholder must sign for the card.
 - (2) Using the purchase card

- (i) Cardholder is responsible for the card in their possession and each charge on the card.
- (ii) The Cardholder must use it only for City related expenses.
- (iii) If the Purchasing Card is missing, lost or stolen, the Cardholder must immediately contact the Director of Finance or his/her designee.
- (iv) If there is an issue while trying to make a purchase transaction, the cardholder is to contact the Director of Finance.
- (v) The Cardholder must track all purchases and retain all receipts.
- (vi) If an item must be returned, the Cardholder is responsible in performing this task. The Cardholder must inform the Director of Finance to ensure that the refund/credit is in the next invoice.
- (vii) The Director of Finance or his/her designee is responsible for resolving questions and issues of Cardholders and/or from the card provider.
- (viii) The bill and register receipt must include invoice numbers for reference. Each invoice is entered into the requisition system and approval workflow.

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- (ix) The monthly card provider statements listing all transactions conducted for the month are to be reconciled with the outstanding invoices as provided by the Cardholder and ensure that all charges in the statement belong to the City.
 - (x) The Director of Finance by written request from a Department Head has the capability to increase the limit for purchasing cards.
 - (xi) The Director of Finance is responsible for updating the charge card list per store, and has the capability to issue new cards, and cancel and/or stop the card.
 - (xii) The Director of Finance is responsible for resolving disputes.
- (3) Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Director of Finance who will request a new credit card if needed.
- (4) Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Director of Finance of the termination. The Director of Finance or his/her designee shall notify the Vendor.

The City has initiated the City's purchase card program with the following vendors: Home Depot; Smart & Final; and Costco.

- (a) Home Depot, Smart & Final, and Costco do not accept purchase orders. The City's practice is to pay via a purchase order. The charge card is in lieu of the purchase order.
 - (1) Home Depot
 - (i) The Home Depot charge card has a limit of \$13,000.00 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Home Depot charge card bears the employee's name.
 - (2) Smart & Final
 - (i) The Smart & Final charge card has a limit of \$10,000.00 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Smart & Final charge card bears the City's name.
 - (3) Costco
 - (i) The Costco charge card has a limit of \$500.00 for majority of City Cardholders per month, except for three individuals. These three individuals are: the Purchasing Officer, Administrative Services Assistant Director, and

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Emergency Operations Center Coordinator (EOC).

(ii) Each Costco charge card bears both the name of the City and the Cardholder.

(iii) The pre-requisite for getting a Costco charge card is for the Cardholder to have their own personal Costco membership.

(iv) The City maintains one business membership held under the Purchasing Officer designee's name. Any staff member without a Costco membership card can arrange for purchases through the Purchasing Officer's designee.

(4) Or other Purchase Cards as approved by the Administrative Services Department

PURCHASE/ACQUISITION OF REAL PROPERTY

Land acquisition by lease or purchase shall be performed as prescribed by state and federal law.

PUBLIC WORKS PROJECTS

Public Works Projects shall be performed pursuant to State public contract code.

EXEMPTIONS

The competitive bid and request for proposal/qualifications (RFP/Q) processes are not applicable to certain purchases. The following are exempt from bid processes:

- (a) Department purchases under \$20,000.00;
- (b) Travel/expense advances;
- (c) Subscriptions;
- (d) Trade circulars, training materials or books;
- (e) Insurance premiums;
- (f) Insurance claims;
- (g) Reimbursement of expenses;
- (h) Petty cash reimbursement;
- (i) Medical payments;
- (j) Newspaper advertisements and notices;
- (k) Dues to approved organizations;
- (l) Payments to other government units;
- (m) Utility service payments, utility connection and/or installation charges;
- (n) Fuel
- (o) Attorney services;
- (p) Postage, courier/delivery messenger services;
- (q) Land;
- (r) Buildings;
- (s) Water rights;
- (t) Debt services;
- (u) Grants;
- (v) Claim settlements.

Purchases of supplies and equipment and the sale of supplies and equipment shall be by bid procedure, and the procurement of services shall be by RFP/Q procedure as provided in this policy, with the exception that the Purchasing Officer is hereby given authority to and make such purchases and sales, and procurement without further complying with the terms and provisions of this policy where:

- (a) The head of the department involved or the Purchasing Officer certifies that the supply, equipment or service can

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be obtained from only one vendor, provided first authorized by the City Council;

- (b) Purchase of supplies, equipment and services provided for and sufficiently identified in the Budget approved by the City Council for the current fiscal year not exceeding \$1,000.00. Such purchases must be approved by the Director of Finance as to availability of funds and budgetary authorization.
- (c) In case of an emergency which requires that supplies, equipment or service be obtained immediately by purchase, lease, rental or other use arrangement, the Purchasing Officer may secure the same on the open market at the lowest obtainable price without following the procedure specified in the Purchasing Policy, provided, however, that a full report of the circumstances of the emergency and of the necessity or making such an acquisition or procurement shall be filed with the City Council at its next regular meeting following such an acquisition or procurement and shall be subject to ratification by the City Council.
- (d) Emergency, shall mean those cases wherein needed supplies, equipment or services are not on hand or in place and must be procured immediately on the open market at the nearest available source of supply and there is insufficient time to follow the bid or RFP/Q procedure specified in this policy because of:
 - (1) There is a great public calamity, or
 - (2) There is immediate need to prepare for national or local defense, or

- (3) There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or equipment to protect the public health, safety or welfare, or
- (4) An essential department operation affecting the public health, safety and welfare would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of such supplies, equipment or service.

EMERGENCY PROCEDURE

In cases of great emergency as determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property the City Council, by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specification, or working details, or give notice for bids to let a contract(s). The work may be done by City forces, by contract, or by combination of the two. The City Council delegates to the City Manager, the authority to declare a public emergency subject to confirmation by the City Council by a four-fifths (4/5) vote, at its next meeting.

The City's Emergency Plan provides for effective mobilization of all the resources of this City, both public and private, to meet any condition constituting a Local Emergency, State of Emergency, or State of War Emergency. Any expenditure made in connection with Emergency activities, including mutual aid activities, shall be deemed conclusively to be for

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the direct protection and benefit of the inhabitants and property of the City. [Resolution 2011-9]

WAIVING OF PURCHASING PROCEDURES

In its discretion, the City Council may at any time, without amending this policy, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of this policy and is in the best interest of the City.

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PURPOSE

The purpose of this policy is to emulate best practices in purchasing procedures.

OBJECTIVES

The objective of this policy is to establish an efficient procedure for the purchase of supplies and equipment, and procurement of services, and references purchase/acquisition of real property and contracting for the construction of public works projects consistent with state law. These procedures shall not be overly time consuming and cumbersome, while allowing the City to obtain the best professional services, and acquire quality supplies, general services, and equipment in an overall economic manner at the lowest reasonable cost.

OVERVIEW

In accordance with the provisions of Sections 54201 and 54204 of the Government Code of the State of California, and the procedures in this policy, the authority for the purchase of supplies, equipment, and services is vested in the Purchasing Officer and such procedures and policies shall govern all purchases of supplies and equipment.

The provisions of this policy apply to the purchase of supplies, equipment, services, and references the purchase of real property as prescribed by state and federal law, and public works projects as defined by Section 37901 of the Government Code. This policy identifies binding documents such as contracts, agreements and letter agreements as “contract(s)”.

The provisions of this policy do not apply to the purchase of supplies, equipment, and professional services where the City Council has, by contract or resolution, contracted for or transferred the authority to make the purchase of supplies, equipment, and services to another governmental agency or officer and where the other governmental agency or officer, in the purchase of supplies, equipment, and services, follows to the satisfaction of the purchasing officer this policy and procedures in substantial compliance with provisions of Sections 54201 and 54204 of the Government Code of the State of California.

Duties of the Purchasing Officer

The City Manager, or his/her authorized representative(s), shall act as the City’s Purchasing Officer and be responsible for the purchase of all supplies, equipment and services for all departments and divisions of the City. The duties of the Purchasing Officer may be combined with those duties of any other officer or position in the City. The Purchasing Officer shall have the authority and duty to:

- (a) Purchase or contract for needed City supplies, equipment and services, which are not included within a construction contract or proposed specifications for a construction contract of public work being administered by any other City department;
- (b) Investigate, keep knowledgeable about, negotiate, and recommend on the execution of contracts or the purchasing of supplies, equipment and services pursuant to the procedures of this policy, and such administrative rules and regulations as prescribed by the City Council;

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- (c) Keep informed of current developments concerning purchasing, prices, market conditions, and new products and services;
- (d) Prescribe and maintain such forms and procedures as necessary for the proper operation of the purchasing and contracting system;
- (e) Operate and maintain the warehouse and designated storage facilities of the City and such control records as are necessary for the proper inventory of stocks and supplies.
- (f) Inventory and keep a record of all purchases and supplies of the City;
- (g) Maintain up-to-date bidder's list, vendor's catalogs, files, and such other records as needed to perform these duties;
- (h) Ensure that purchasing specifications are written to encourage full competition, as such, he/she shall negotiate and recommend execution of contracts for the purchase of supplies, equipment, and services and seek the needed quality at least expense to the City, and discourage collusive bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (i) Inspect supplies and equipment delivered, and contractual services performed, to determine their conformance with the specifications set forth in the order or contract. Purchasing Officer shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications;
- (j) The Purchasing Officer shall submit a report to the City Council quarterly on all such equipment and vehicle purchases over \$500.00;
- (k) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment which cannot be used by any agency or which have become unsuitable for City use;
- (l) Review and monitor service contracts to ensure adherence to contractual terms, limitations and deadlines, and that service contracts are being performed with requisite quality, on time and within budget. Maintain a positive relationship with the service providers and/or companies. Assure customers are satisfied with the service under the contract.
- (m) Perform such other tasks as may be necessary for the proper conduct of purchasing of supplies, equipment, and services.

PROCEDURES

Estimates of Requirements

All Department Heads shall file detailed estimates of their requirements in supplies, equipment and services in such a manner, at such time, and for such future periods as the City Manager shall prescribe.

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Requisitions

Department Heads or their designees shall submit requests for supplies, equipment and services to the Purchasing Officer by the standard requisition electronic entry procedure.

Purchase Orders

The purpose of a purchase order is to ensure compliance with this Purchasing Policy.

- (a) Purchases of supplies and equipment shall be made only by purchase order issued by the Purchasing Officer.
- (b) Securing of services shall be made by purchase order for an amount under \$5,000.00, purchases of services shall be made by contract if equal to or in excess of \$5,000.00.

Encumbrance of Funds

Except in cases of urgency or emergency as described in this policy, the Purchasing Officer shall not issue any purchase order or contract, for the purchase of supplies, equipment, and services unless there exists an unencumbered appropriation in the fund account against which such purchase is to be charged or City Council has authorized said purchase.

Purchases on Behalf of the City

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, provided that the government entity acquiring the supplies, equipment or service

substantially adheres to the procedures for the purchase of supplies, equipment, and professional services set forth in this policy.

AWARD OF CONTRACTS: GENERAL OR PROFESSIONAL SERVICES

Except as provided by this policy, the procurement of services not included in the construction contract or bid specification for a public works project shall be by Request for Proposal/Qualifications (RFP/Q) procedure as provided in this policy, and shall be made as follows:

- (a) Contracts, as referenced in this policy, represent all written contracts, agreements or letter agreements, rate schedules, and amendments. All written contracts, agreements or letter agreements shall be approved by City Attorney as to form.
- (b) All service contracts shall require the provider to meet the California Joint Powers Insurance Authority's insurance coverage recommendations, unless deemed inappropriate by the Risk Manager and/or City Attorney who will then determine the appropriate insurance coverage.
- (c) A Department Head may approve the contracting for services up to \$1,000.00 with qualified consultants/firms.
- (d) Services provided for an amount under \$5,000.00 may be secured by purchase order and approved by the City Manager.
- (e) A contract shall be prepared for all general or professional services for the amount of \$5,000.00 and over.

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- (f) Services secured by contract for an amount greater than \$1,000.00 and under \$20,000.00 shall be approved and/or awarded by the City Manager.
- (g) Services secured by contract with a dollar amount equal to or exceeding \$20,000.00 shall be approved and/or awarded by City Council.
- (h) Contract amendments. An Amendment shall be used to modify the contract documents regarding contract price, schedule of payments, completion date, plans and specifications, expanding scope of work due to change in conditions, and for unit price overruns and under runs, as specified in the contract. Work description and justification should relate to the original project and should be necessary to achieve original scope of project. After a determination that costs is merited by developments in a specific project, the City Manager is authorized to issue Amendments up to the contract contingency amount approved by the City Council for the individual contract as follows:
 - (1) If the contract was originally executed for an amount under \$20,000.00, the City Manager shall have the authority to issue Contract Amendments, provided that the sum of all amendments, plus original contract amount, shall not exceed \$20,000.00. If the amended contract will exceed \$20,000.00, City Council shall approve the contract amendment.
 - (2) Once the original contract plus all accumulated Amendments is in an amount that exceeds \$20,000.00, subsequent Amendments must be approved by City Council prior to commencing the work.
- (3) For a contract originally executed for an amount in excess of \$20,000.00 and originally approved by City Council, the City Manager shall have authority to issue Amendments, provided that the sum of all contract amendments for any single contract shall not exceed the limit approved by City Council. If the amended contract will exceed the limit previously approved by City Council, the contract amendment must be approved by City Council.
- (4) Any single Amendment which results in the total contract exceeding \$20,000.00 must be approved by City Council prior to commencing with the work. In urgency situations where stopping the work will result in severe repair or replacement delays and subject the City to excessive additional costs due to the delay in the project, and City Manager may approve such an Amendment and shall give notice to City Council at the next City Council meeting.

General Services Contracts

General services contracts are to be used for routine, recurring, and usual work and for services which do not require any unique skill, special background or training, and obtaining such services at the lowest cost should be the single most important factor in selection, which is to include long-term and opportunity costs.

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General Service Contracts shall be procured either through the purchasing bid process or Request for Proposal/Qualification (RFP/Q) process with the emphasis on awarding to the “lowest responsive responsible bidder”.

- (a) If it is determined by the Department Head in consultation with the City Manager that all vendors providing a service classification can equally provide the service satisfactorily, a bid process would be appropriate. However, if factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract.
- (b) General Services shall be awarded based on reasonableness of cost, plus qualifications that will impact long-term type costs and/or opportunity costs.
- (c) A Statement of Work shall identify the specific scope of work under contract.
- (d) Task Orders as listed in the Statement of Work shall be issued pursuant to the Maintenance Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.
- (e) General Services Single or Multi-year Contracts may be awarded to multiple service providers following a formal RFP/Q process using the procedures set forth in this policy.

Professional Service Contracts

For those Professional Services as defined in Government Code Section 4526 (and as otherwise amended), professional services contracts and/or multi-year contracts with several consultants with a general scope of work may be set up for a total not-to-exceed dollar amount or an unspecified dollar amount if for on-call type services as approved by City Council. For contracts approved with an unspecified do-not-exceed dollar amount, a fee schedule shall be annually submitted to the City Council for approval.

When factors other than price need to be considered in awarding the contract, this becomes a Professional Services Contract and the Request for Proposal/Qualification (RFP/Q) process may be used. Examples of areas other than price that may be important in awarding the contract include: experience level, competence, resources/equipment, staffing levels, services available/time factors, licenses and other qualifications determined by each City department responsible for recommending the service contract that may be important to consider.

- (a) A formal RFP/Q process shall be used and awarded based on qualifications.
- (b) A Statement of Work shall identify the specific scope of work under contract.
- (c) Task Orders as listed in the Statement of Work shall be issued pursuant to the Professional Service Contract and the City Manager shall have authority to execute such Task Order for individual projects.

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Award of Contracts Based Upon Competence

Factors to consider. In contracting for professional services listed in Government Code Section 4526, selection shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services and solicited through a Request for Proposal/Qualification process.

In contracting for professional services (other than those listed in Government Code Section 4526), professional services contracts should only be awarded to firms or persons who have demonstrated "adequate competence" meaning: an adequate level of experience, competence, training, credentials, character, integrity, reputation, financial responsibility, resources, equipment, staffing, and other professional qualifications necessary for more than a satisfactory performance of the service required at the time period needed and price. The cost of the service may be considered, however, the lowest cost may not be the sole factor in deciding which firm or who shall be awarded the contract. It may be in the City's best interest to award the contract to a higher priced proposal based on the scope of services, availability, unique skills, licenses, staffing levels, timing, prior experience, familiarity with the City and other factors required by the department. The information needed for determining that level of competence and other qualifications and the procedure for selecting such services shall be determined by the Department Head responsible for recommending the service contract.

(a) Request for Proposal/Qualifications. The initial acquiring of services shall be procured through negotiated contract following a Request for Proposal/Qualifications (RFP/Q) process. Contracting for services is decentralized and shall be the responsibility of the Department Head requesting the service.

(b) Contracts for an amount equal to or exceeding \$5,000.00 but under \$20,000.00. The requesting department shall meet the following requirement unless an urgency exists pursuant to this policy:

- (1) Selection Process: Prepare an informal written document and contact as many companies as necessary to receive a minimum of three (3) written responses from consultants/firms. The requirement may be waived for good cause in writing by the Department Head and Purchasing Officer as designated by the City Manager in consultation with one another and with the approval of the City Manager.
- (2) Award: The Department Head shall prepare a written recommendation to the City Manager for the firm or person to be awarded the contract. The City Manager shall award the contract.
- (3) Contract document. A written contract must be established and approved as to form by the City Attorney, and the City Manager shall sign/approve service contracts exceeding \$5,000.00 but not more than \$20,000.00.

(c) Contract for an amount equal to or exceeding \$20,000.00. Department Heads shall utilize a Sealed request for Proposal process essentially meeting the following requirements unless an urgency exists pursuant to this policy:

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- (1) Request for Proposal/Qualification (RFP/Q) solicitation process. A formal Sealed Request for Proposal/Qualification (RFP/Q) document shall be developed for solicitation of professional, management, or general and special services for an amount exceeding \$20,000.00.
- (2) Advertisement. The requesting department shall advertise in appropriate publications and/or contact the consultants/firms previously utilized by the City during the solicitation process.
- (3) Notice Contents. The notice shall include a description of general type of service needed, how the RFP/Q minimum scope of work can be obtained, any pre-proposal conferences anticipated, the requirement of a written sealed proposal, state the closing date, and place and time for submission of the RFP/Q.
- (4) Solicitation Procedure. Sealed RFP/Q should be submitted to the Purchasing Officer as identified in the RFP/Q. All proposals shall be analyzed by the requesting department for compliance with RFP/Q requirements, and value of the total scope of services. Follow-up interviews of the most qualified of those submitting a proposal should be held.

Waive Competition

Although the City prefers a competitive process for securing services, in certain circumstances, where the claim can be adequately justified, a RFP/Q Waiver or a Sole Source process may be used.

- (a) The RFP/Q process may be waived if it is determined with acceptable justification that competition is neither practical nor in the best interest of the City.
- (b) The vendor has an established business relationship with the City and has proven to adhere to contractual terms, limitations and deadlines, and the service provided is being performed with requisite quality, on time and within budget.

Franchise Agreements and Services Provided by Franchise Utilities

The City enters into multi-year agreements with utility companies that have infrastructure in the City's right-of-ways or on City facilities. City approved service and/or equipment upgrades by utility operators are exempted from the bidding and RFP/Q processes and can be approved by the City Manager or his/her designee when the increase in projected utility costs to the City is under \$20,000.00 per year. If the expected increase in utility costs is greater than \$20,000.00 per year, the upgrade shall be approved by the City Council.

BIDDING: SUPPLIES AND EQUIPMENT

Except as provided by this policy, purchases of supplies and equipment and the sale of supplies and equipment not included in the construction contract or bid specification for a public works project shall be by bid procedure as provided in this policy, and shall be made as follows:

- (a) Direct Purchase Order. The purchase of supplies and equipment with the estimated value equal to or less than \$20,000.00, or \$40,000.00 for vehicles, shall be made by the Purchasing Officer as follows:

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- (1) Procure whenever possible at least three informal bids/quotes or enter into competitive negotiation or purchase through a governmental entity as described in this policy.
 - (2) Solicit bids by written request to prospective vendors, by telephone, or by other notice.
 - (3) Award the bid and purchase said supplies and equipment provided the same is awarded to the lowest responsible bidder and within the budgeted amount therefore.
 - (4) Keep a record of all such bids received and purchases made, which shall be open to public inspection.
- (b) Formal Bid Procedures. Except as otherwise provided, purchases of equipment and supplies of an estimated value greater than \$20,000.00 or \$40,000.00 for vehicles per unit shall be awarded by the City Council to the lowest responsible bidder pursuant to the following procedure:
- (1) Notice Inviting Bids. Notices inviting bids include a general description of the articles to be purchased or sold, shall state where bid documents and specifications may be secured and the time and place for opening bids.
 - (i) Published Notice. Notice Inviting Bids shall be given at least ten (10) days before the date of opening of the bids. Notice shall be published at least once in a newspaper of general circulation, printed and published in the city, or if there is none, it shall be posted in at least three public places in the City that have been designated by ordinance as the places for posting public notices.
 - (ii) Bidders' List. The Purchasing Officer shall also solicit sealed bids from all responsible prospective suppliers whose names are on the Bidders' List or who have requested their names be added thereto.
 - (c) Bidder's Security. When deemed necessary by the Purchasing Officer, bidder's security may be prescribed in public notices inviting bids. Bidders shall be entitled to return of bid security; provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.
 - (d) Bid Opening Procedure. Sealed bids shall be submitted to the City Clerk and shall be

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identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) days after the bid opening.

- (e) Rejection of Bids. In its discretion, the City Council may reject any and all bids presented and re-advertise for bids
- (f) Award of Contracts. Contracts shall be awarded by the City Council to the lowest responsible bidder except as otherwise provided by this policy.
- (g) Tie Bids. If two or more bids received are for the same total amount or unit price, quality and service being equal, the City Council may accept the one it chooses or accept the lowest bid made by negotiation with the tie bidders at the time of the bid opening.
- (h) Performance Bonds. The City Council shall have authority to require a performance bond before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the City Council requires a performance bond, the form and amount of the bond shall be described in the Notice Inviting Bids.

Cooperative, Piggyback, and Multiple Awarded Bids Purchasing With Other Agencies

Purchases may be made on behalf of the City through any governmental entity, including, but not limited to, the State of California, the County of Los Angeles, other cities or special districts, or cooperatives, provided that the entity acquiring the supplies or equipment substantially adhere to the procedures for the purchase of supplies and equipment set forth in this policy.

Approval and award of cooperative, “piggy-back” or multiple awarded purchases shall be obtained by the Purchasing Officer for an amount equal to or less than \$20,000.00, or \$40,000.00 for vehicles, and by the City Council for purchases in an amount exceeding \$20,000.00 or \$40,000.00 for vehicles.

- (a) Cooperative Purchasing. The bidding requirements in this policy shall not apply to the purchasing of any equipment or supplies which the Purchasing Officer determines to be in the best interest of the City to obtain through a cooperative competitive bidding procedure being prepared by and processed through another local, state, or federal governmental agency.
- (b) Piggyback. If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to “piggy-back” onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.
- (c) Multiple Awarded Bids. Multiple awarded bids are generally conducted by larger government agencies. A competitive bidding process is conducted for a specified product. Several vendors whose product meets the specification are awarded the contract. Maximum item price and contract terms are established. If the

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Purchasing Officer determines it to be in the City's best interest, the Purchasing Officer is authorized to use federal, state, or other governmental agency multiple awarded contracts. The Purchasing Officer must obtain quotes from at least three vendors on the awarded contract list and award the bid to the lowest responsive and responsible bidder.

Staging of Purchases Prohibited

Purchases and contracts shall not be knowingly staged or separated into smaller units or segments solely for the purpose of evading the competitive formal or informal bidding requirements of this policy.

Recycled Supply Products Specification

If in procuring supplies, a recycled or recyclable/reusable product can achieve the necessary City performance standard, and if such recycled product is readily available, specifications should, if economically feasible, require products made with recycled materials, or products that are recyclable, be bid. Unless the Department Head determines that:

- (a) A recycled or recyclable/reusable product lacks performance capabilities or needed quality levels.
- (b) A sufficient amount of said recycled or reusable product is not currently available in the market, then a reduced percentage can be required, or the supply specification can be limited to non-recycled or virgin materials.

When recycled products are required, reasonable efforts shall be made to label the products as containing recycled materials. As used in this section, recycled product does not

mean used products, but is limited to new products made with materials which have been recycled.

Purchase Local Specification

If in procuring supplies, a locally manufactured and/or product sold within the City of Lakewood can achieve the necessary City performance standard, and if such locally manufactured and/or product sold is readily available, specifications should, if economically feasible, require products locally manufactured and/or sold be bid; unless the Department Head determines that a locally manufactured and/or product sold does not meet required performance capabilities or quality.

Disposition Of Surplus Supplies And Equipment

All Department Heads shall submit to the Purchasing Officer at such times and in such form as he/she prescribes, reports showing all supplies and equipment which are no longer used or which have become obsolete or worn out. The Purchasing Officer shall have authority to sell all supplies and equipment which cannot be used by any department or which have become unsuitable for City use, or trade in the same for new supplies and equipment, or otherwise dispose of the same for, as provided below:

- (a) Supplies and equipment certified by the Department Head as having a value of less than \$100.00 may be sold or disposed by the Purchasing Officer by current available means.
- (b) Supplies and equipment certified by the Department Head as having value over \$100.00 and under \$5,000.00 shall be sold at auction.

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- (c) Supplies and equipment certified by the Department Head as having value equal to or greater than \$5,000.00 shall be sold only by sealed bid following the giving of notice as provided in this policy for purchases greater than \$20,000.00, or \$40,000.00 for vehicles. Such sales shall be awarded by the City Council to the highest bidder, provided however, the City Council may in any notice calling for bids provide that it will receive at the time and place of public hearing before the City Council oral bids in excess of 10% of the highest sealed bid and in such case the City Council shall sell the supplies or equipment to such highest bidder.
- (d) In the event any such supplies and equipment cannot be disposed of as provided in this policy, at the discretion of the Purchasing Officer, be sold as junk or disposed of by any other means.
- (e) City employees may not purchase surplus City property directly from the City or any auction service employed by the City unless the City Manager should determine in writing that said employee was not involved in any recommendation or decision-making as to the sale of said property or the value thereof.

SOLE SOURCE PURCHASES

Sole Source Purchases. Unique commodities or services that can be obtained from only one vendor or one distributor authorized to sell in this area, with singular characteristics or performance capabilities or which have specific compatibility components with existing City products are exempt from the competitive

bidding requirements and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer.

- (a) All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the Department Head and forwarded to the Purchasing Officer. The City Manager shall approve sole source acquisitions in an amount under \$20,000.00.
- (b) Approval of any sole source acquisition shall be obtained from City Council for an award of a contract for an amount equal to or exceeding \$20,000.00.

In purchasing equipment and supplies that need to be compatible with existing equipment and supplies, or to perform complex or unique functions, the City Manager and Department Head in consultation with one another may:

- (a) Limit bidding to a specific product type, or a brand name product; or
- (b) Utilize a request for proposal approach where warranties, service and/or maintenance obligations, and product performance will be evaluated in addition to the price of the product or service. The award of the contract should be to the proposer that staff deems is in the best public interest.

PETTY CASH AND REIMBURSEMENTS

For occasional use in securing over-the-counter delivery of miscellaneous supplies which are not regular City stock and which are necessary to fulfill an immediate need of a

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department, the department head may authorize an employee to make such a purchase and be reimbursed by the City through the use of a petty cash form. Such purchases shall be limited to amounts not exceeding \$75.00. All petty cash forms must be approved by the Department Head or his/her designee and the Director of Finance, and be signed by the person receiving the reimbursement.

For miscellaneous items purchased on a regular basis from a single vendor, the Department Head will contact the Purchasing Officer who will establish a purchasing arrangement with such vendors.

Employees who incur miscellaneous expenditures for meetings on an ongoing basis must complete an Individual Expense Report on a monthly basis.

TRAVEL REQUESTS AND EXPENSES

Travel and related expenses are to only occur when there is substantial benefit to the City. The Travel or Conference Authorization Request form must be submitted to and approved by the City Council for officials and by the City Manager for staff prior to the event. For reimbursement and payment for travel expenses, the Travel Request and Expense Report form must be completed by the traveler and approved by the City Council for officials or City Manager for staff. No official or staff shall sustain personal monetary loss as a result of duties performed in the service of the City. However, all expenditures and requests for reimbursement shall logically relate to the conduct of City business and shall be “necessary” to accomplish the purpose of such business and shall be “reasonable” in amount.

(a) Authorized Expenses

City funds, equipment, supplies (including letterhead), titles, and staff time must only be used for the performance of official duties. Such duties include, but are not necessarily limited to:

- (1) Meeting and communicating with representatives of other cities, county/regional, state and national government on City adopted policy positions and discuss the communities’ concerns.
 - (i) Participating in local, county/regional, state and national organizations whose activities affect the City’s interest
 - (ii) Attending meetings and participating in activities conducted in conjunction with such meetings, of civic and governmental committees and organizations in which the city has retained membership or has provided funds for the financing thereof
- (2) Business-related meetings or trips where a benefit to the City can be defined, including meetings with staff officials from other cities, and conferences and meetings of the City’s membership organizations
 - (i) Attending City events and meetings with City service providers, both contracted service providers and other public agencies.
 - (ii) Attending meetings to implement a City-approved strategy for attracting or retaining businesses to the City

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(iii) Attending City-sponsored or co-sponsored events including those requiring an invitation from the sponsoring or co-sponsoring organization

(3) Attending educational seminars designed to improve the skill and knowledge of officials and staff

(4) Recognizing service to the city

(5) Other charity or City-related events or meetings that provide a benefit to the public or the City as authorized by the City Manager for staff or Council for officials.

(b) Non-reimbursable Expenses

(1) The personal expense portion of any trip

(2) Family expenses, including partner's expenses when accompanying City staff and/or officials on City-related business, as well as children and/or pet related expenses

(3) Entertainment expenses, including theater, movies (either in-room or at a theater), attendance at sporting events, or other cultural events that are non-conference events

(4) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or fuel

(5) Other expenses as determined by the City Manager.

(c) Cost Control

To conserve the City's resources and to keep expenses within standards for public officials and staff, travel related expenditures should adhere to the guidelines in this policy. Expenses for which staff or official receives reimbursement from another agency are not reimbursable by the City. The cost borne or reimbursed by the City shall be limited to costs that fall within the listed guidelines:

(1) Transportation: The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route.

(i) Airfare: All officials and staff shall utilize coach or economy class accommodations when traveling by commercial airlines. Reservations, where practical, should be made in sufficient advance to receive discount pricing. Increased fees related to late booking or purchasing higher priced refundable tickets may be allowed with a sound business reason such as making changes to tickets to accommodate illness or schedule changes. Officials and staff may at their own expense pay to upgrade their airline accommodations.

(ii) Baggage handling fees at the rate charged by the airline or other mass transportation line.

(iii) Automobile: The rules regarding expenses relating to the use of council members' vehicle

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in the performance of City duties are set forth in Resolution 2005-39. For appointed officials and staff members, automobile mileage is reimbursed at the Internal Revenue Service (IRS) rate presently in effect. These rates are designed to compensate the driver for fuel, insurance, maintenance, and other vehicle related expenses. The amount does not include bridge and road tolls, which are reimbursable.

- (iv) Car rental: Rental rates that are equal to or less than those available through the American Automobile Association (AAA) or other standard discount services shall be considered the most economical and reasonable for purposes of reimbursement.
- (v) Taxis/shuttles: Taxi or shuttle fares may be reimbursed, including a reasonable gratuity per fare, when the cost of such fare is equal to or less than the cost of car rentals, fuel and parking combined, or when such transportation is necessary for time-efficiency
- (vi) Garage and parking expenses: Expenses for necessary parking and storage of private, rented or City vehicles may be authorized. Receipts should be provided to obtain reimbursement (except where not available such as metered parking). Parking in lots at airports or other mass travel related lots may be reimbursed. Officials and staff are encouraged to use parking at non-premium rates unless

such parking is inappropriate due to time constraints or safety concerns.

- (2) Lodging: Lodging expenses will be reimbursed or paid when travel on official City business reasonably requires an overnight stay. Where lodging is in connection with a conference or other organized educational activity, reasonable lodging cost shall not exceed the maximum group rate published by the conference or activity sponsor, providing that lodging at the group rate is available at the time of booking. If the group rate is not available, the official or staff member shall be entitled to reimbursement for actual costs of lodging that is comparable in location and quality. Every effort shall be made to secure adequate lodgings that are conveniently located and moderately priced. In many instances, it makes sense to stay at the conference hotel for convenience and safety, and to avoid additional transportation costs. Government discounts and any discounts the official or staff is personally eligible for should always be sought at the time of reservation. The cost of lodging may be paid directly by the City or paid by the official or staff and subsequently reimbursed.
- (3) Communication and internet service: Officials and staff shall be reimbursed for actual phone, mobile, fax and internet access expenses incurred as a consequence of City business necessity.

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Personal calls to the staff or official's family of a reasonable duration may be reimbursed for travel requiring overnight lodging.

- (4) Meals: IRS reimbursement amounts shall be considered reasonable per se, and expenses incurred beyond such amounts shall be reimbursed only if necessary based upon location, type of venue, nature of event, or extraordinary circumstances.
 - (5) Gratuity: Meal expenses and associated gratuities incurred should be moderate, while taking into account the prevailing restaurant costs of the area.
 - (6) Other: All items of expenses otherwise unclassified shall be considered in this category. Examples are duplicating expenses, publications, and other expenses as necessary when traveling on City business may be allowed and should be included within this classification when requesting reimbursement.
- (d) Reimbursement limitations shall not apply to the following circumstances:
- (1) A conference or meeting at which a set amount is charged for participation in a meal or activity
 - (2) A City-hosted meal or event

- (3) A business related meal, meeting or event at which the City official or staff member is required to pay more than his/her proportional share of the costs on a reciprocal basis with officials or staff from other cities
- (4) Expenditure authorized in advance by the City Council at a City Council meeting for officials, or by the City Manager for staff.
- (e) Submission of expense reports and audits:
 - (1) All expenses must have prior approval by the City Council for officials and by the City Manager for staff. The Travel or Conference Authorization Request form is used to receive this prior authorization.
 - (2) Once the costs are incurred, the Travel Request and Expense Report form with corresponding receipts documenting each expense must be submitted for approval for the official or staff to receive reimbursement. All expenses are subject to verification that they comply with this policy.
 - (3) Expense reports and receipts documenting each expense shall be submitted for reimbursement within 30 days of being incurred.
 - (4) Each Council Member shall file a brief written report on meetings attended at City expense at the next available City Council meeting.

VISA CAL-CARD PURCHASES

To promote operational efficiency the City has initiated the City's credit card program.

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- (a) The VISA Cal-Card program is intended to allow designated City employees to pay for training and travel type expenses, and to purchase occasional services and supplies at or below \$1,000.00 per transaction using a designated bank issued credit card. The card can be used for internet, telephone or walk-in ordering. Transactions in excess of \$1,000.00 are only allowed for travel and conference related expenses and must be pre-approved by the City Manager.
- (b) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
- (c) The credit card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
- (d) The City Manager is the Program Manager, or his/her designee and sets policies and procedures and card limits. The Program Manager makes the final decision on any dispute or issue concerning the use of the card, and has the authority to suspend the use of any credit card for any reason.
- (e) The Director of Finance or his or her designee acts as the Program Coordinator and is responsible for the administration and implementation of the Cal Card policies and procedures.
- (f) The card will be issued to the Department Head and Department Head approved managers whose names will appear on the card as the Cardholder. The

Cardholder is responsible for the proper use of the card.

- (g) The Program Coordinator will determine the contact person for the timely payment of accounts who will be authorized to make changes on the designated bank's website; such as limit increase/decrease, or adding/deleting card holders. These actions must be pre-approved by the Program Manager or his/her designee.

(1) Obtaining a credit card

- (i) The Department Head must submit a "Request for Credit Card" memo to the Program Manager for approval.
- (ii) The Cardholder must sign for the card.

(2) Using the credit card

- (i) Cardholder must complete an orientation course with the servicing bank and sign a Cal Card agreement form. This agreement certifies that the Cardholder understands and accepts his or her responsibilities under the program.
- (ii) The Cardholder must instruct the vendor to include the Cardholder's name and department and the term "Cal Card" purchase or "credit card" as mode of payment on the shipping label, packing list, and invoice.

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- (iii) Each card is assigned transaction and monthly limits.
 - (iv) The Cardholder is responsible for retaining all supporting documentation (such as packing slips and sales receipts) on all card activities that are reconciled to the monthly Statement of Account. The documentation must be submitted with the Statement of Account to ensure timely payment of purchases.
 - (v) The Cardholder will receive a Statement of Account and must promptly review the statement, certify the statement's accuracy and attach all supporting documentation. The Statement of Account along with the supporting documentation must be submitted to the Program Coordinator within five (5) business days of receipt.
 - (vi) The Program Coordinator or his or her designee will review the card activities and supporting documentation prior to forwarding to the Program Manager for payment approval.
 - (vii) In case of any error in the Statement of Account, the Cardholder must immediately notify the Program Coordinator. The Program Coordinator or his or her designee will be responsible for resolving the error.
 - (viii) If the card is lost or stolen, the Cardholder must immediately notify the issuing bank customer service, at the phone number listed on the back of the card, and the Program Coordinator.
 - (ix) If the card is worn, defective or cancelled, the Cardholder must immediately return the card to the Program Coordinator.
 - (x) The Cardholder is responsible for returning merchandise to the vendor and for receiving the appropriate credit. The credit memo or equivalent must be retained by the Cardholder and submitted along with the Statement of Account to the Program Coordinator.
 - (xi) Personal use of the card is strictly prohibited and is subject to disciplinary action up to and including termination. The cardholder will be immediately required to return the goods to the vendor in full and/or to reimburse the City for the subject amount.
 - (xii) The Program Manager will decide on any issue or conflict on the above policies and procedures.
- (3) Changes to cardholder information. Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Program Coordinator who will request a new credit card if needed.

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- (4) Cancellation. Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Program Coordinator of the termination. The Program Coordinator or his/her designee shall notify the bank.

PURCHASING CARDS

To promote operational efficiency the City has initiated the City's purchase card program.

- (a) The Purchase Card program is intended to allow designated City employees to pay for an item that is not stocked in the purchasing warehouse and the item is needed right away.
 - (b) The purchase card is for official government use only subject to transaction limits, authorized vendors, and approved procedures.
 - (c) The program does not replace the Purchase Order process. The Purchasing Order process must remain the primary purchasing process for a majority of purchases.
- (1) Obtaining a credit card
 - (i) The Department Head must submit a "Request for Purchase Card" memo to the Director of Finance for approval.
 - (ii) The Cardholder must sign for the card.

(2) Using the purchase card

- (i) Cardholder is responsible for the card in their possession and each charge on the card.
- (ii) The Cardholder must use it only for City related expenses.
- (iii) If the Purchasing Card is missing, lost or stolen, the Cardholder must immediately contact the Director of Finance or his/her designee.
- (iv) If there is an issue while trying to make a purchase transaction, the cardholder is to contact the Director of Finance.
- (v) The Cardholder must track all purchases and retain all receipts.
- (vi) If an item must be returned, the Cardholder is responsible in performing this task. The Cardholder must inform the Director of Finance to ensure that the refund/credit is in the next invoice.
- (vii) The Director of Finance or his/her designee is responsible for resolving questions and issues of Cardholders and/or from the card provider.
- (viii) The bill and register receipt must include invoice numbers for reference. Each

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invoice is entered into the requisition system and approval workflow.

- (ix) The monthly card provider statements listing all transactions conducted for the month are to be reconciled with the outstanding invoices as provided by the Cardholder and ensure that all charges in the statement belong to the City.
 - (x) The Director of Finance by written request from a Department Head has the capability to increase the limit for purchasing cards.
 - (xi) The Director of Finance is responsible for updating the charge card list per store, and has the capability to issue new cards, and cancel and/or stop the card.
 - (xii) The Director of Finance is responsible for resolving disputes.
- (3) Changes to a cardholder's name, address, or Department/Division must be immediately reported by memo to the Director of Finance who will request a new credit card if needed.
- (4) Should the Cardholder terminate employment with the City, the Cardholder shall submit his/her credit card and any supporting documentation to his or her Department Head. The Human Resources Division and the Department Head shall notify the Director of Finance of the termination. The Director of Finance or his/her designee shall notify the Vendor.

The City has initiated the City's purchase card program with the following vendors: Home Depot; Smart & Final; and Costco.

- (a) Home Depot, Smart & Final, and Costco do not accept purchase orders. The City's practice is to pay via a purchase order. The charge card is in lieu of the purchase order.
- (1) Home Depot
- (i) The Home Depot charge card has a limit of \$13,000.00 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Home Depot charge card bears the employee's name.
- (2) Smart & Final
- (i) The Smart & Final charge card has a limit of \$10,000.00 per month for the whole City.
 - (ii) Each Cardholder does not have an individualized limit.
 - (iii) Each Smart & Final charge card bears the City's name.
- (3) Costco
- (i) The Costco charge card has a limit of \$500.00 for majority of City Cardholders per month, except for three individuals. These three individuals are: the Purchasing Officer, Administrative Services Assistant Director, and Emergency Operations Center Coordinator (EOC).

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- (ii) Each Costco charge card bears both the name of the City and the Cardholder.
- (iii) The pre-requisite for getting a Costco charge card is for the Cardholder to have their own personal Costco membership.
- (iv) The City maintains one business membership held under the Purchasing Officer designee's name. Any staff member without a Costco membership card can arrange for purchases through the Purchasing Officer's designee.

(4) Or other Purchase Cards as approved by the Administrative Services Department

PURCHASE/ACQUISITION OF REAL PROPERTY

Land acquisition by lease or purchase shall be performed as prescribed by state and federal law.

PUBLIC WORKS PROJECTS

Public Works Projects shall be performed pursuant to State public contract code.

EXEMPTIONS

The competitive bid and request for proposal/qualifications (RFP/Q) processes are not applicable to certain purchases. The following are exempt from bid processes:

- (a) Department purchases under \$20,000.00;
- (b) Travel/expense advances;

- (c) Subscriptions;
- (d) Trade circulars, training materials or books;
- (e) Insurance premiums;
- (f) Insurance claims;
- (g) Reimbursement of expenses;
- (h) Petty cash reimbursement;
- (i) Medical payments;
- (j) Newspaper advertisements and notices;
- (k) Dues to approved organizations;
- (l) Payments to other government units;
- (m) Utility service payments, utility connection and/or installation charges;
- (n) Fuel
- (o) Attorney services;
- (p) Postage, courier/delivery messenger services;
- (q) Land;
- (r) Buildings;
- (s) Water rights;
- (t) Debt services;
- (u) Grants;
- (v) Claim settlements.

Purchases of supplies and equipment and the sale of supplies and equipment shall be by bid procedure, and the procurement of services shall be by RFP/Q procedure as provided in this policy, with the exception that the Purchasing Officer is hereby given authority to and make such purchases and sales, and procurement without further complying with the terms and provisions of this policy where:

- (a) The head of the department involved or the Purchasing Officer certifies that the supply, equipment or service can be obtained from only one vendor,

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provided first authorized by the City Council;

- (b) Purchase of supplies, equipment and services provided for and sufficiently identified in the Budget approved by the City Council for the current fiscal year not exceeding \$1,000.00. Such purchases must be approved by the Director of Finance as to availability of funds and budgetary authorization.
- (c) In case of an emergency which requires that supplies, equipment or service be obtained immediately by purchase, lease, rental or other use arrangement, the Purchasing Officer may secure the same on the open market at the lowest obtainable price without following the procedure specified in the Purchasing Policy, provided, however, that a full report of the circumstances of the emergency and of the necessity or making such an acquisition or procurement shall be filed with the City Council at its next regular meeting following such an acquisition or procurement and shall be subject to ratification by the City Council.
- (d) Emergency, shall mean those cases wherein needed supplies, equipment or services are not on hand or in place and must be procured immediately on the open market at the nearest available source of supply and there is insufficient time to follow the bid or RFP/Q procedure specified in this policy because of:
 - (1) There is a great public calamity, or
 - (2) There is immediate need to prepare for national or local defense, or

- (3) There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies or equipment to protect the public health, safety or welfare, or
- (4) An essential department operation affecting the public health, safety and welfare would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of such supplies, equipment or service.

EMERGENCY PROCEDURE

In cases of great emergency as determined by the City Council, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation of services of the City, or to avoid danger to life or property the City Council, by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specification, or working details, or give notice for bids to let a contract(s). The work may be done by City forces, by contract, or by combination of the two. The City Council delegates to the City Manager, the authority to declare a public emergency subject to confirmation by the City Council by a four-fifths (4/5) vote, at its next meeting.

The City's Emergency Plan provides for effective mobilization of all the resources of this City, both public and private, to meet any condition constituting a Local Emergency, State of Emergency, or State of War Emergency. Any expenditure made in connection with Emergency activities, including mutual aid activities, shall be deemed conclusively to be for the direct

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protection and benefit of the inhabitants and property of the City. [Resolution 2011-9]

WAIVING OF PURCHASING PROCEDURES

In its discretion, the City Council may at any time, without amending this policy, waive the purchasing procedures or alter these proceedings to fit a specific purchase or contract, when such waiver is not in violation of state or federal law. A request for waiver should occur only when unforeseen circumstances arise that justify an exception to following the provisions of this policy and is in the best interest of the City.