

CITY OF LAKEWOOD • CALIFORNIA



ADOPTED BUDGET • 2016-2018

Diane DuBois
VICE MAYOR



Steve Croft
COUNCIL MEMBER

Todd Rogers
COUNCIL MEMBER

Jeff Wood
COUNCIL MEMBER

Ron Piazza
MAYOR

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INTRODUCTION

ORGANIZATION CHART

CITY OF LAKEWOOD

Diane DuBois
VICE MAYOR

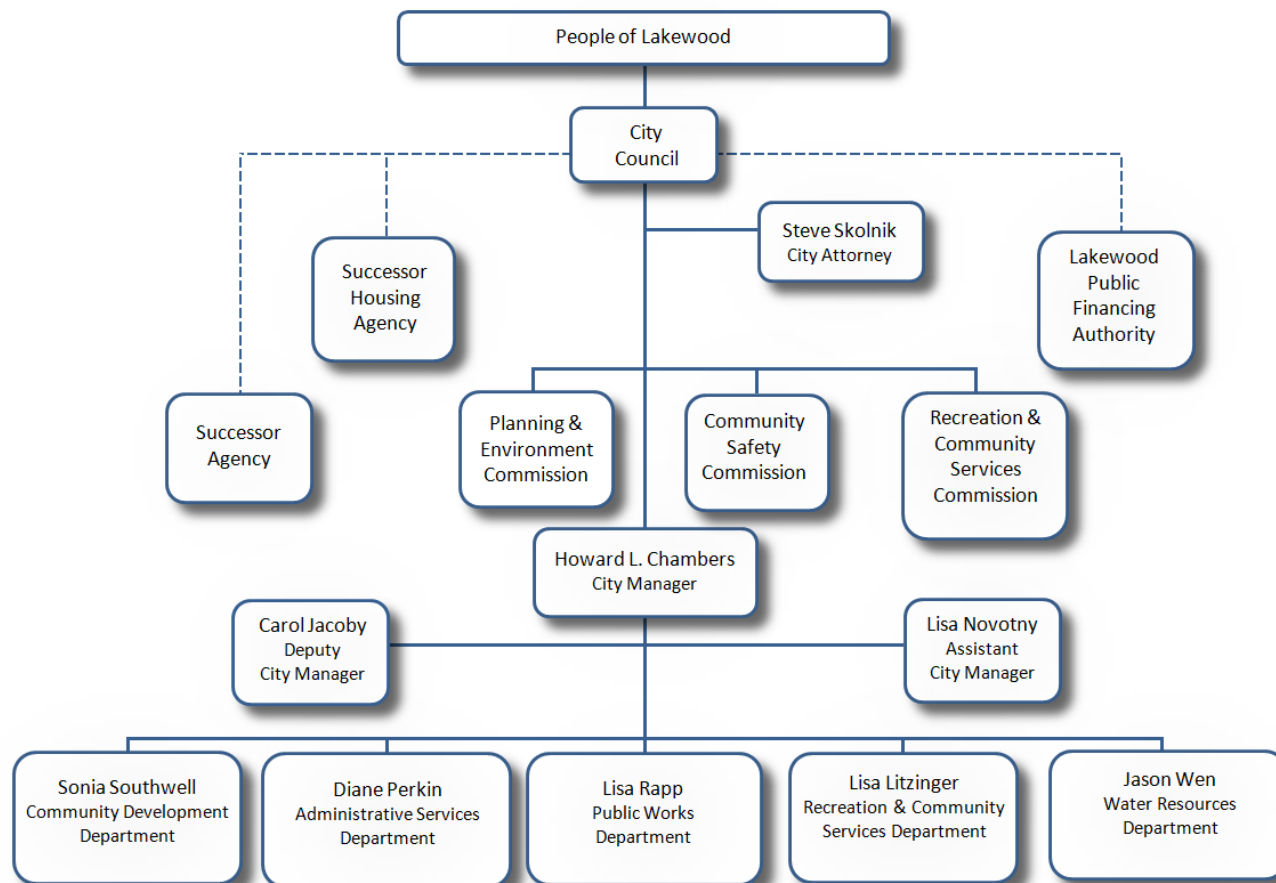


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The City of Lakewood, with a population of 78,471, is located in southern Los Angeles County, 23 miles southeast of the City of Los Angeles.

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 41 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 170 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*. KaBoom!, a national non-profit organization based in Washington, DC, has also designated Lakewood a *Playful 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.

The Veterans Memorial Plaza at Del Valle Park reopened in 2015.



The adjoining play area "Airplane Park" was installed in 2016.



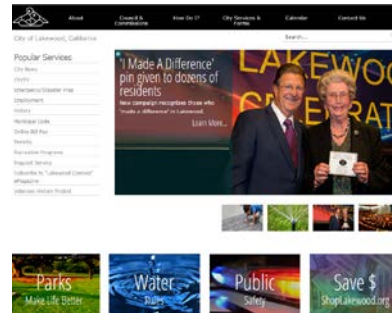
Phase III of Lakewood's West San Gabriel River Parkway Nature Trail was completed in 2015. This Trail has been recognized with an Award of Excellence from the American Public Works Association and California Park and Recreation Society.



Home Run Dog Park opened in 2014, and is located at Rynerson Park. The park includes separate fenced areas for big and small dogs. San Martin Park, also known as "Pumpkin Park" was renovated in the 2014 with new play equipment to preserve the fond memories of the pumpkin carriages.



Lakewood strives to keep its citizenry well informed. The City's website updated in 2014 added new search capabilities and links for users to easily find the information they are seeking. Visit www.lakewoodcity.org to find out what is happening in the City of Lakewood.



City TV has been providing local programming for over 30 years earning over 210 first place awards in regional and national competitions.

The City's online and "app" service request system provides residents greater access to solutions for service needs.

Lakewood community members can also subscribe to a weekly e-Magazine for City news.



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 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 City Council appoints a City Manager and a City Attorney, and the members of the Community Safety Commission, the Planning and Environment Commission and the Recreation and Community Services Commission.

The Budget Process

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 Amended 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 The Lakewood City Council Budget Focus Areas:

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

The budget sets forth proposed operations and the estimated revenues for financing them in the next two fiscal years. 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 budget and forecasting future years. The budget process for Fiscal Years 2016-2017 and 2017-2018 began in January 2016 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 budgetary issues of the upcoming Fiscal Year
- The **Summary of Funds** provides a high level review of all the funds of the City
- **Summary of Appropriations** summarizes the amended expenditures which are divided among the categories of **City Operations, Water Utility, Capital Improvement Projects, and Internal Service Funds**
- **Projected Revenues** are amended based on estimates provided by various consultants, State reports, and economic and political monitoring

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 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
 - ... **Prop A, Prop C and Measure R** – Restricted for transit purposes

- ... **AQMD** – Restricted for air quality improvement projects
- ... **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
- ... **Park Dedication Fund and Various Park Grants** – Restricted for the improvement of local parks
- **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 D.C. and Sacramento and miscellaneous training activities. Other Operating Expenses include insurance, membership dues, groundwater replenishment and 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 and are 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 contingencies known at the time, 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, 2016, and are calculated as of March 31, three months prior to year-end.



June 28, 2016

**City of Lakewood
Lakewood, California**

Honorable Mayor and Council Members:

The proposed two-year budget for Fiscal Years 2016-2017 and 2017-2018 is submitted for your consideration.

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

The City has returned to its tradition of maintaining an operational structural surplus. This structural surplus allows us to save 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), as well as increases in revenue from the City's major revenue sources: property tax, sales tax, vehicle license fees and building and safety permits and fees.

The City practices a save-then-spend capital financing schedule rather than issuing debt. Operational savings realized each fiscal year are allocated per the Fund Balance Policy. General Fund unassigned fund balance on hand for capital improvements of \$5,543,475 is allocated in the proposed Fiscal Year 2016-2017 and 2017-2018 Budget for new capital projects. Additionally, \$1,150,000 of general funds designated as assigned for capital replacement and repairs will be used for the Burns Community Center repair.

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:

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

Financial Challenges

The City continues to face financial challenges. One is from a loss of potential 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 stormwater runoff to lower and lower levels. Such mandates come with no on-going revenue stream to pay for them. The City will face a significant challenge in coming years of how to pay for those mandates.

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 2.0 to 2.5 percent through 2020, with unemployment at 5 percent and the labor participation level at 62.8 percent -- reflecting the nation's status as a mature economy. The variation in the projected growth rate being reported is tied to how individual economists assess the impact of global markets and events.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
GDP Growth	1.5%	2.4%	2.4%	1.6%	2.2%	2.0-2.5%
Personal Consumption	1.7%	2.7%	3.1%	2.4%	2.5%	
Business Investment	3.0%	6.2%	2.8%	-0.9%	3.5%	
Residential Investment	9.5%	1.8%	8.9%	10.30%	8.4%	

Lately, GDP growth has been primarily from the consumer who is busy spending and homebuilding, offset by declines in nonresidential spending largely due to reductions in energy exploration. The U.S. economy is growing steadily and continues to show resiliency – particularly in areas tied to domestic demand rather than capital intensive sectors of energy, mining and agriculture.

Real incomes climbed at a 2.9 percent pace in the first quarter of 2016 and foretells of further increases in consumer spending in the second quarter. This expected increase in consumer spending has already been seen in automobile purchases and residential investment in single family construction. Combine the increase in average hourly earnings and hours worked, and the result is an annualized 3.5 percent increase in wages and salaries for the month of April 2016.

The strengthening economy drove the nation's budget deficit in 2015 to the lowest level since 2007. However, the federal deficit is expected to grow and exceed the 50-year average of 2.8% of GDP, which will likely complicate the development of a strategic and long-term national spending plan.

The presidential election also complicates the development of a federal budget, and by the very nature of political debate renews interest and examination of the role of government given the uneven recovery in the economy. Although the economy has shown resiliency and there are notable increases in wages, the steady economic climb out of the Great Recession has left many in the nation in an unsatisfactory position of stagnate wages, higher housing costs and financial insecurity.

Inquiry on the role of government coupled with the concerns raised in recent years regarding income inequality have given rise to efforts to explain not only income disparity, but also loss of productivity and labor participation, declines in research and development and lack of infrastructure improvements. Three recent studies by economists Foroohar, Mazzucato and Janeway have given much attention to the adverse effects of financialization as it shifts funds from research and development to debt and speculation. These economists contend that this shift has created a less than efficient and productive market place.

“From the creation of a unified national bond and banking system in the U.S. through the early 1970s, finance took individual and corporate savings and funneled them into productive enterprises, creating new jobs, new wealth, and ultimately, economic growth”. Today, finance has turned away from its traditional role and only a fraction, about 15 percent, of all the money in the financial markets makes it to main street businesses. Currently, the financial sector

represents seven percent of the U.S. economy, up from four percent just 30 years ago, and takes around 25 percent of all profits and only creates four percent of all jobs. Research “shows that when finance gets big (financialization), it starts to suck the economic air out of the room.” The insidious nature of financialization is the rise of debt-fueled speculation over productive lending, shareholder value over all else, increased risk taking, and a “markets know best” ideology. The rise in debt and credit levels stoke financial instability as we saw in the Great Recession, but as the financial markets have commandeered a greater slice of the economy, debt has also become indispensable to economic growth and has displaced traditional research and development.

Economic examination has found that “both government research and entrepreneurial capital are necessary conditions for the advance of commercial innovation.” Current funding for government research programs has been cut back to the lowest level as a percent of GDP in forty years. Over 50 percent of all U.S. R&D from 1950 through 1978 was federally funded. Past innovations such as the Apple touch screen, Google’s original algorithm, discoveries made by Bell Labs, GE, Xerox, DuPont and Alcoa to name a few, and innovations such as microprocessors and memory chips, global positioning systems (GPS), voice recognition and pharmaceuticals all have their roots in federal funding and governmental labs, with collaborative private industry capital investment. Now these industries are known for creating their own financing divisions, practicing tax avoidance and buying back shares to increase short-term profits rather than invest in new product ideas or research.

Federal investment in the nation’s infrastructure has also come under scrutiny. As the National League of Cities reported, the U.S. infrastructure deficit increases daily. The

infrastructure deficit is the measurement of decline in infrastructure investment, the rapid deterioration of existing infrastructure assets and the need for significant upgrades. The partnership between the federal and other levels of government has eroded to the point where the traditional means of paying for infrastructure no longer cover the costs. The Federal Highway Administration estimates that \$170 billion in capital investment is needed annually to improve road conditions. Combining available funds from all levels of government comes up \$79 billion short of this. The American Society of Civil Engineers estimates that \$1.3 trillion is needed to bring waste and stormwater systems up to standards over the next 25 years, and the Environmental Protection Agency estimates that \$384 billion is needed to fund drinking water improvements.

“Cities need a more deliberate approach that recognizes the central role of infrastructure in the success of our nation’s economic engines.” - National League of Cities

Recently, largely due to the presidential campaign, there is a growing sense that the “financial system needs to be put back in its rightful place as a servant of business rather than its master” and that companies and the government need to invest in research and development and in real and tangible products and services. Americans are calling (albeit not in a united voice) for tax reform, job creation, poverty reduction and greater income equality.

Likewise, local governments are calling for the federal government to recognize its responsibility in creating a vibrant capitalist economy, its role of reducing risks in innovation and opening technology to new ideas, and investing in the nation’s infrastructure.

The State Economy

The California economy continues to add jobs at a faster pace than the nation. In 2015, employment in the state grew at 3.1 percent. This growth trend is unsustainable given that there are not enough people over the age of 16, and it is for this reason that employment growth in the state will slow in the next couple of years. The UCLA Anderson Forecast has California's employment growth at 1.9 percent for 2016 and 1.6 percent for both 2018 and 2019, with unemployment falling to 5 percent, or below, by 2019. UCLA economists note that slower hiring has its benefits in more work hours for workers, and greater productivity and increased income. Real personal income growth is estimated to be 3.6 percent in 2016 and forecast to be 3.2 and 3.0 percent in 2017 and 2018 respectively.

“California with its reputation as the worst place to do business in the U.S., does very well in that regard.” – UCLA-Nickelsburg

The U.S. Bureau of Economic Analysis maps economic growth by state. Growth occurs by three means: labor, capital and technology. For the fourth year in a row California out-paced the nation in growth and GDP. The UCLA Anderson Forecast notes that access to labor is muted in California due to the high cost of living, which leaves the accumulation of capital and improvement in technology as explanations for California's rapid growth as compared to the rest of the nation overall. California receives an outsized portion of capital investment as compared to other states, and economists tie this to its many reputable research institutions that attract research and development funds and produce innovations and patents. Innovation is not the only contributor to California's economic recovery, but is an important part and UCLA economists

conclude that the “critical mass developed with California's research institutions will continue to provide the state with a disproportionate amount of innovation and therefore faster growth in GDP than the average for the U.S.”

A separate report written by *Beacon* and *Next 10* shows California ranks fifth in the nation in the creation of new businesses, fourth in the nation for job creation stemming from new business creation, tenth in highest entry rate of small businesses (1-4 employees), fourth in total net job creation, and venture capital investment in California was 83 percent greater than its nearest competing state.

As reported by the Los Angeles Times in January 2016: “The study adds to existing contrarian data about the state's business climate. Less than one percent of all businesses that disappeared in California in 2013 were due to out-of-state relocations, according to data from *Youreconomy.org*, which tracks business dynamics across the country. That's in line with the average for all states. Moreover, research has shown that “business climate” rankings — which typically look at a state's corporate taxes and regulatory environment — have less to do with overall economic performance than factors such as favorable weather, geography or being home to a diverse mix of industries. That gives California, with its highly skilled workforce and strategic location on the Pacific Rim, a natural advantage over many other parts of the country.”

“The high-priced, over-regulated, fruits-and-nuts state that everyone loves to hate turned in another strong performance” – Beacon Economics

Although the state economy continues to grow, the state faces a number of challenges. As with the nation, California faces the financialization of its economy which could stifle

the innovative economy on which it thrives. Housing affordability and availability is again an issue for both renters and owners, and like the nation, the gap between the haves and have-nots is a cause for concern. California also ranks as worst in the nation for air quality and greenhouse gas emissions largely stemming from the high level of “vehicle miles traveled.” Additionally, even though the state’s fiscal situation has improved in recent years it still remains vulnerable to the inherent volatility in revenues.

The Governor’s budget as revised in May, projects that the “surging tide of revenue is beginning to turn,” as based on lower revenues received in April due to sluggish income and sales tax revenues. Added to the concern is the inherent volatility of capital gains receipts. The May revise budget foresees \$1.9 billion less in revenue than anticipated in January, and the Governor is “warning that people need to prepare ‘for a time of necessity’.”

The Governor cited Aesop’s Fables, *The Ants & the Grasshopper*, as a reminder that the state needs to plan ahead as the wise ants did. Other versions of the story depict the ant as mean and self-serving. The ant was once a man who was always busy farming. Not satisfied with the results of his own labor he plundered his neighbors’ crops. This angered the gods who turned him into an ant. Yet even as an ant he did not change his habits and still gathered the fruits of other people’s labor and stored them for himself. From a local government view, this version sounds much like the state – which has shifted millions in tax dollars from cities to the state coffers.

Although the Governor believes a recession is inevitable, his spending plan for Fiscal Year 2016-2017 assumes economic expansion in the state. The following are budget areas of local interest.

The state budget proposes a “by-right” land-use entitlement provision for multifamily infill housing developments that include affordable housing units. The by-right provision would allow developers to by-pass the community input and local development approval process that accounts for about five percent of their project costs. Opponents argue that a savings of five percent is not worth forgoing local control.

The Governor’s budget includes an additional \$3.6 billion for transportation. If adopted, half of the funding would go to cities and counties for street maintenance and new projects. Funding would come from setting the now variable gas tax adjustment to 18 cents, indexing the entire gas tax for inflation, a \$65 per-vehicle highway user fee, as well as increases in the diesel tax and use of Cap-and-Trade funds.

The Department of Finance estimates the state realized \$39.4 million in savings since the enactment of the Prop 47 Criminal Sentences - Misdemeanor Penalties - Initiative Statute. This savings is budgeted to be used in social services for at-risk adults and youths. Meanwhile, local agencies have been adversely affected by increases in crime and subsequent law enforcement costs.

The state budget also includes an additional \$11.4 million for emergency drought response, and \$5.5 million for management and preparation for future droughts.

There is a movement to extend the part of Prop 30 that increased the marginal the personal income tax on two percent of the highest California wage earners through the end of the 2030 tax year. The tax brings in an additional \$7.5 billion in annual revenues to the state. The measure, called the “The Children’s Education and Health Care Protection Act of 2016,” will likely be on the November 2016 ballot. If passed, it would provide fiscal stability for the state.

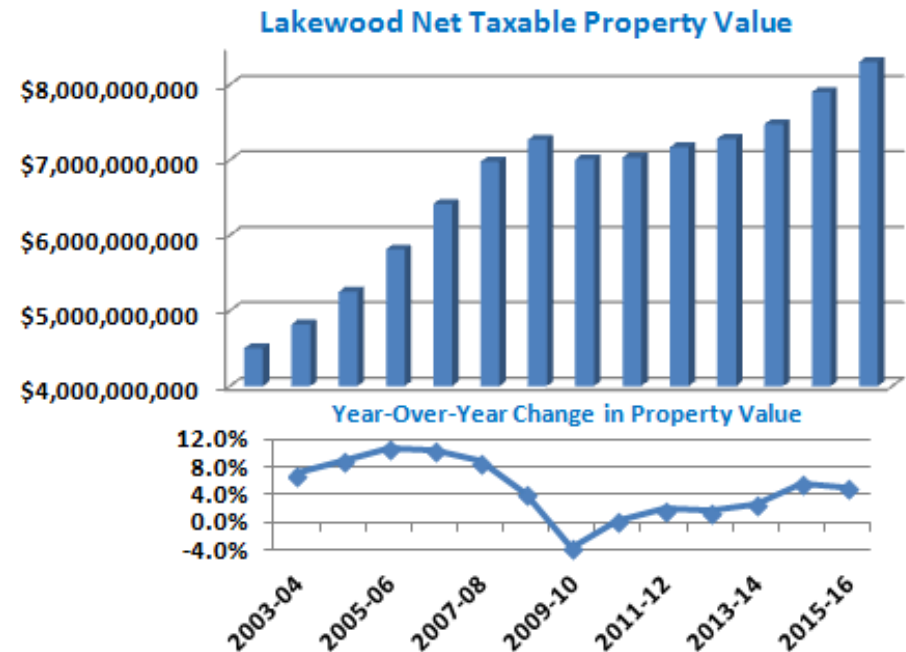
The Local Economy

Los Angeles County ranks among the world's largest economies and is well known for its diversified economic base in film, entertainment, tourism, fashion, health, bioscience, engineering and technology industries. The county is also known for its access to national and international markets sustained by six commercial airports and two major ports. Its major research universities have created a reputation for global leadership in innovation — a quality attractive to leading companies.

Employment levels in Los Angeles County returned to its pre-recession peak at the end of 2014, and since then has added about 115,000 jobs. Due to the relatively low unemployment rate, the Los Angeles County Economic Development Corporation (LAEDC) forecasts employment to grow at a pace of 0.5 percent over the next two years, the same as the area's expected population growth rate. The unemployment rate, currently 5.1 percent, is expected to continue its descent, which ought to tighten the labor market and lead to the start of measurable wage growth.

Housing construction has not kept pace with demand, driving housing prices and rents up in Los Angeles County. Because of the escalating housing costs there is growing concern that as owners and renters spend a larger share of their income on housing it leaves fewer resources for other priorities -- and will stifle economic growth in the area. This stance is countered with an equally valid concern that the Los Angeles region would not be able to deal with the strain on local infrastructure and natural resources that mass housing development would cause, and that high density housing development would alter the prized character of Los Angeles County communities.

The City of Lakewood is a bedroom community in Los Angeles County with only six percent of the city zoned for commercial use. Lakewood 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 —the fifth lowest in the county.

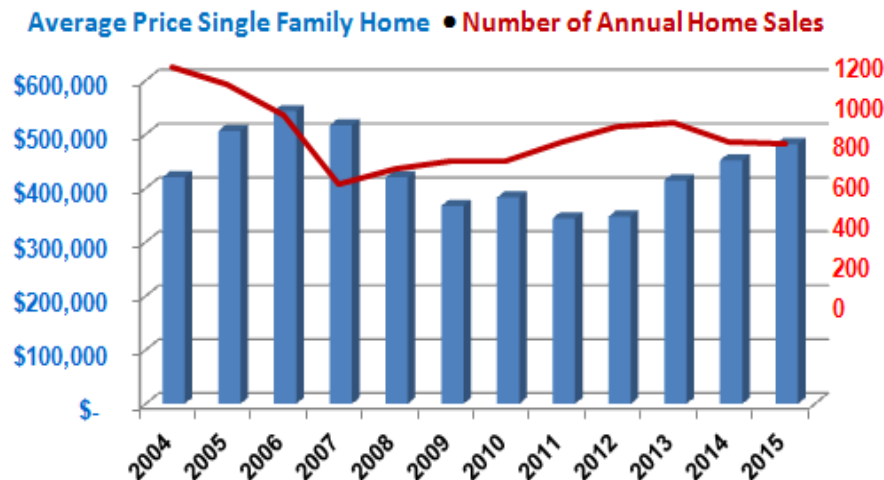


The County Assessor increased Lakewood property tax assessments by a CPI of 1.998 percent from 2013-2014 to 2014-2015. Property tax assessments were lowered in the last recession by the 1978 Prop 8 reductions, where the lesser of the adjusted base year value or market value is used for taxation. Prop 8 reductions still offset a majority of the increase by reducing the assessed valuation by \$250 million on 10 percent of the parcels in the city. However, the recapture of value on formerly designated Prop 8 parcels

was the third largest factor in increasing the property values by \$97.6 million in 2015-2016. The top two factors, transfer of ownership of \$147 million and CPI increase of \$125 million, largely accounted for the overall taxable value increase of \$399 million. The main driver of the increase was residential properties at \$371 million, followed by commercial and industrial at \$31 million.

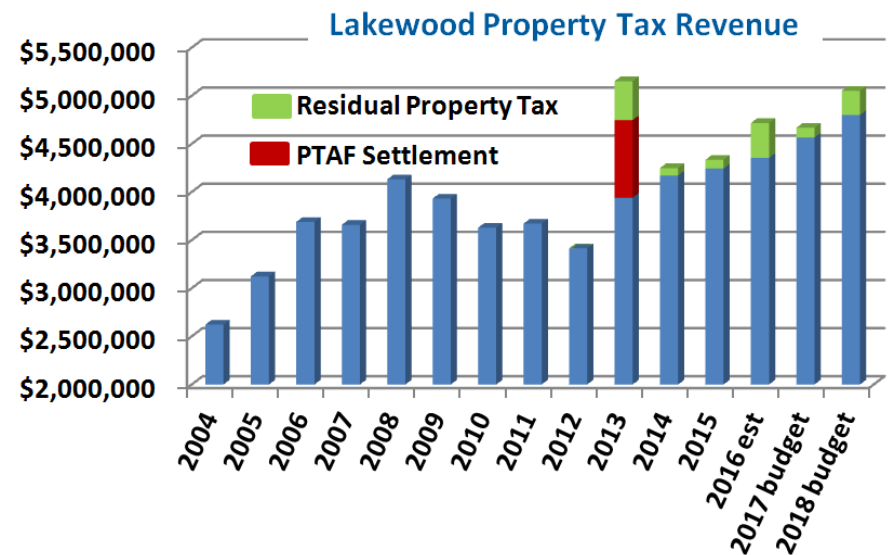
The total assessed value of real property in the City was \$8.3 billion for Fiscal Year 2015-2016, a 5.1 percent increase from the previous year. The growth in the City's assessed value of 5.1 percent was outpaced by the county which increased by 6.1 percent.

In calendar year 2015, the median single family Lakewood home sold for about \$482,000, a 40 percent increase from 2011; the number of homes sold is holding steady at an average of 860 per year over the same time period.



In Fiscal Year 2012-2013, the City of Lakewood began to receive residual property tax from the dissolution of the Lakewood Redevelopment Agency; as did all local taxing entities as the property tax increment formerly collected and

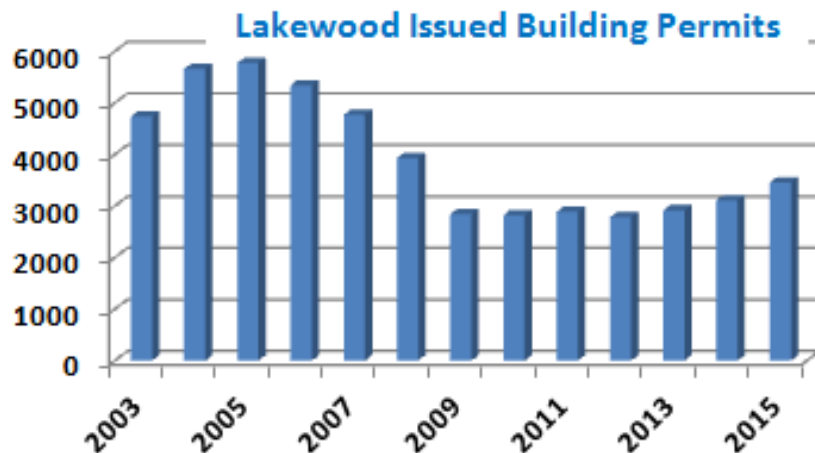
held by the Lakewood Redevelopment Agency was disbursed. The City's share of these disbursements amounted to \$404,967 in Fiscal Year 2012-2013, \$76,392 and \$90,184 in the two following fiscal years, and \$362,149 in Fiscal Year 2015-2016. The up-tick in Fiscal Year 2015-2016 was due to the \$9.4 million payment The City's Successor Agency made to the State Department of Finance. Future annual disbursements of residual property tax are expected to increase eventually reaching about \$500,000, and continuing at that level into future years.



In an effort to retain full value of local property tax receipts, in Fiscal Year 2007-2008 the City joined in a Collective Action against Los Angeles County regarding property tax administration fees (PTAF). The case was settled in Fiscal Year 2012-2013 resulting in a refund to the City of \$804,544 in excess property tax fees. The settlement also resulted in an on-going annual reduction of \$150,000 of the property tax administrative fee.

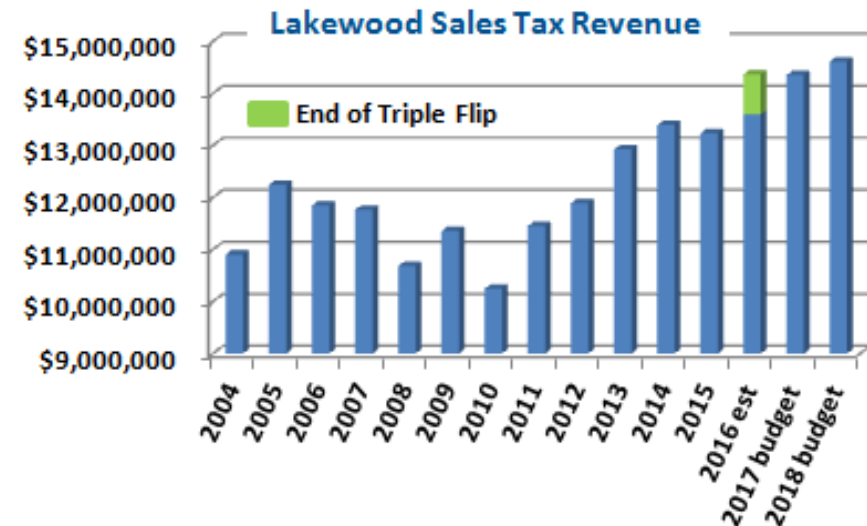
Property tax revenue accounts for 10 percent of General Fund revenues and is expected to increase by five percent for both Fiscal year 2016-2017 and Fiscal Year 2017-2018. Since the approval of the 2004 Prop 1A and subsequent implementation of the “triple-flip,” changes in property tax valuation have 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 17 percent of General Fund revenues.

Building permits issued by the City remain below the peak reached in Fiscal Year 2004-2005. However, Fiscal Year 2015-2016 brought a light of optimism as building activity is showing signs of improvement.



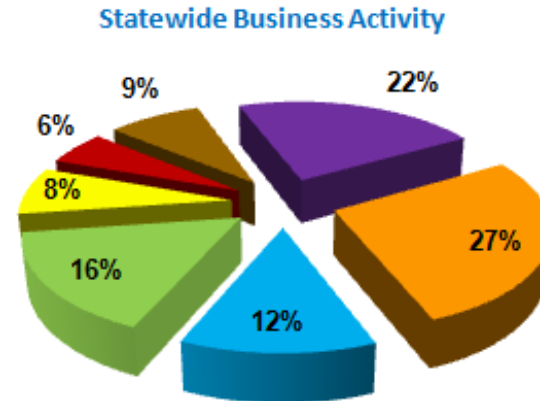
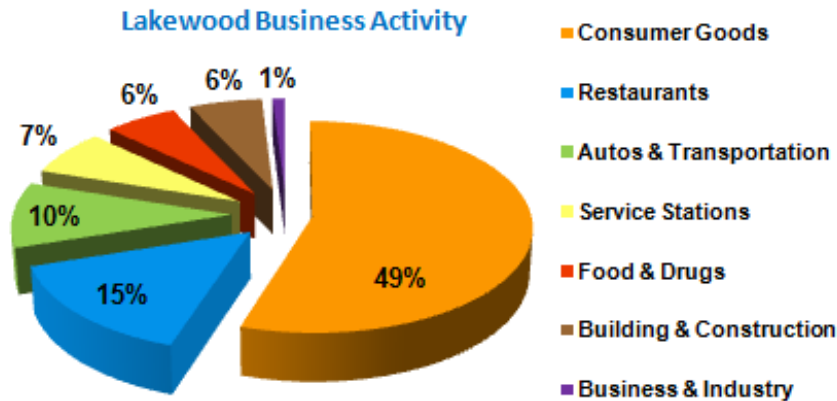
The recent increase in building permits is primarily due the number of small remodels, home improvement projects and solar installations by homeowners. Permits also included commercial projects such as the OSH Center, YMCA, Hobby Lobby and StoneFire Grill, and an increase in new housing development projects such as the nearly completed 72 unit William Lyon Homes, the forthcoming 22 units at Villa Madrid and the anticipated 21 unit Architect Group projects.

Sales tax revenues account for 30 percent of General Fund revenues. Over 3,000 businesses (including home occupations) are located in Lakewood, generating a projected \$14.5 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 57 percent of the City’s sales tax revenues.

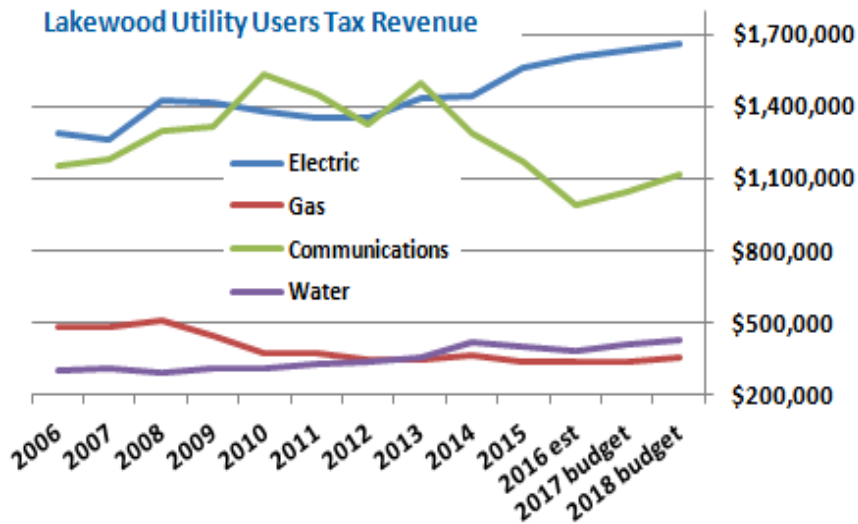


Sales tax revenues are expected to increase seven percent over the next two fiscal years. Although consumers are changing their shopping habits to buying on-line, sales generated by local retailers is still expected to grow with new business coming to Lakewood replacing businesses that have left. Fiscal Year 2016 marks the end of the “Triple Flip”. Ending the Triple Flip means that the receipt of sales tax from the state will no longer be delayed resulting in a slight bump in revenues in Fiscal Year 2015-2016.

The City’s sales tax revenue is generated largely by consumer goods, or retail, accounting for 49 percent of business activity. This is in sharp contrast to the state.



City revenues are also affected by changes in the commodity markets. The City's 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 be at low levels resulting in \$166,500 less natural gas utility users tax revenues from what was received in Fiscal Year 2007-2008.

The use of other types of communications has also reduced the amount of utility users tax collected. Over the past several years, prepaid wireless service has gone from being a small segment of the wireless market to a major share. Now, more than 50 percent of all new wireless sales are prepaid, and over 30 percent of all new smartphones are prepaid. This rapid development of the prepaid market has cut into the utility users tax collected for communications. Since Fiscal Year 2009-2010, utility users tax collected on communications has dropped by \$508,750. The proposed budget includes the implementation of AB 1717, which should reverse this trend by requiring merchants to collect the utility users tax at the point of sale to then be distributed to the City through the State Board of Equalization.

The decline in natural gas prices has also affected the City's franchise fee collections. Natural gas franchise fees remain below revenues received in Fiscal Year 2006-2007 by \$127,500.

The drought brought a whirlwind of proclamations, executive orders and emergency regulations:

- ◆ January 17, 2014 – Governor's Proclamation
State emergency due to severe drought; calls for 20% water use reduction
- ◆ April 25, 2014 - Governor's Proclamation
Suspends CEQA review for emergency regulations
- ◆ December 22, 2014 - Executive Order B-28-14
Extends CEQA review suspension through May 2016
- ◆ April 1, 2015 – Executive Order B-29-15
Calls for 25% water use reduction through Feb. 2016
- ◆ May 5, 2015: SWRCB Emergency Regulation
Sets mandatory 4% to 36% water reduction standards
- ◆ November 13, 2015 – Executive Order B-36-15
Extends Emergency Regulation through October 31, 2016
- ◆ February 2016 SWRCB Readopted Emergency Regulation
Creates conservation standard adjustments for:
 1. Climate difference throughout the State
 2. Population growth since 2013 base-year
 3. New, local, drought-resilient sources of water supplyRevises Lakewood's conservation mandate from 20% to 12% pending State Board approval May 18, 2016
- ◆ May 9, 2016 Executive Order B-37-16
Extends water use regulations through January 2017
Adjust conservation standard in recognition of local conditions
- ◆ May 18, 2016 SWRCB – NEW Conservation Regulation
A localized “stress test” approach

The May 2015 Emergency Regulation set Lakewood's mandated water conservation rate at 20 percent. Lakewood residents and businesses responded to this mandate by overachieving and conserving by 22.6 percent; some months Lakewood reached 27 to 30 percent conservation levels.

The downside to the water conservation efforts is the dramatic decline in metered water revenue for the water utility. Lakewood along with other public utilities across the state are confronted with the continued loss of revenue from water conservation mandates, while costs related to water services regulatory requirements and infrastructure maintenance remained at pre-conservation levels.

Now under the May 2016 Conservation Regulation, the Lakewood water utility will get some relief from the water conservation mandates – as will residents and businesses within the utility's boundary. The new regulation puts in place a system of case-by-case review of conservation requirements based on availability of water supplies to meet demands. The resulting, and new conservation rate for Lakewood, is now zero percent. An additional benefit for the Lakewood water utility is that the latest regulation provides for greater local control.

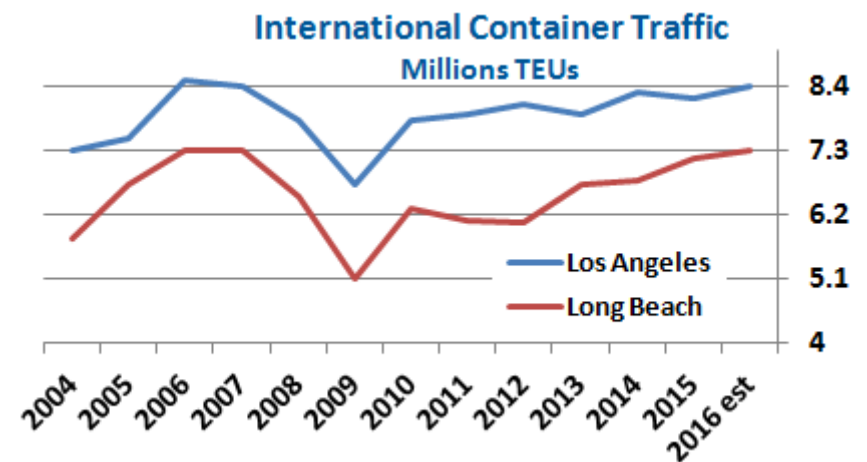
Lakewood's employment rate depends on the regional job situation. Beacon Economics reported that California's nonfarm jobs are up 2.8 percent since April 2015, a faster pace of growth than in the nation overall. The growth in jobs was statewide with the Los Angeles area leading the way. LAEDC reports that the industry sectors that will experience the greatest growth in the upcoming years in the Los Angeles area include construction, education and health services, professional and business services and information; manufacturing industries are expected to contract.

The former Boeing plant provided high paying jobs to many Lakewood residents. The plant's slowdown and eventual closure in 2015 was a loss to local employment opportunities. Because of the impact of the closure on Lakewood residents the City closely monitors new developments at the plant site. In September 2015, the U.S. Department of Defense granted \$3.9 million to help the City of Long Beach develop an economic transition plan following the closure of Boeing's facilities. Mercedes-Benz USA has established its western regional offices at the former Boeing 717 plane factory, and there are plans for Virgin Galactic, a world-renowned leader in the commercial space industry, to open in the former Boeing's C-17 plant to manufacture its new satellite launch vehicle "LauncherOne." Douglas Park, another former Long Beach Boeing site, is transforming into a mixed-use development for office, retail and industrial use, including a Courtyard by Marriott and a proposed dual hotel with Hampton Inn and Homewood Suites.

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 \$180 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; further north, the Port of Los Angeles has similarly regained losses experienced during the last recession.

For the quarter of the 2016 calendar year, Long Beach Port activity was up 6.1 percent overall, compared to the same period in 2015. Lifted by big gains in January and February, the quarter was the Port's best since 2007. March container volumes were down 26.2 percent, but this is in comparison to March 2015 when volumes soared 32 percent over the

same month in 2014 due to the recovery from cargo backlogs early last year. The "peak season" of August through October is generally the busiest time of year for the ports, largely due to imports arriving for the holiday shopping season.



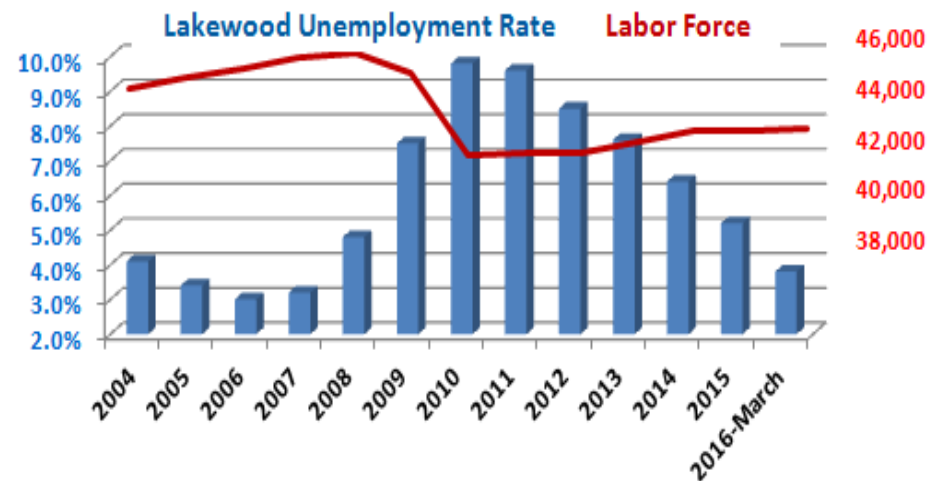
The Port of Long Beach has begun a decade-long, \$4.5 billion capital improvement program to modernize by building cleaner, more efficient terminals, roads, bridges and other infrastructure. The Port's capital improvements include: a project to build a new bridge to span the Port's Back Channel. The new bridge will be higher to allow additional clearance for larger cargo ships, and wider to ease the flow of cars and trucks that use the bridge; modernization of two shipping terminals into one state-of-the-art container terminal with on-dock rail capacity, shore power hookups and a longer wharf to move twice the cargo; renovation of the Port's Pier G and rail improvements; and the I-710 Corridor Project where Los Angeles County Metropolitan Transportation Authority (Metro) is heading a regional effort to study the potential environmental impacts of improvement projects on the corridor.

The LAEDC prepared a report based on the Otis College of Art and Design's research of the creative economy of the Los Angeles region. The creative economy is the production of cultural, artistic, and design goods and services, and related organizations such as museums, theaters and galleries, as well as activities such as manufacturing across the spectrum from apparel to aerospace. The Los Angeles region is home to 34 percent of the state's population, but hosts 56 percent of the state's total creative industry employment. The Los Angeles area was found to have 417,200 "creative jobs" accounting for 8.4 percent of total income. The largest number of jobs was in the entertainment industry, and represents 83 percent of the statewide employment in this field. Likewise fashion in the Los Angeles region represents 82 percent of the statewide employment in the sector. Several other sectors of the creative economy are also well represented in the Los Angeles area including architectural and interior design, graphic design, furniture, publishing, and visual and performing arts. Over the past five years, visual and performing arts has added the most jobs closely followed by the entertainment field; offset by employment losses in publishing.

In 2009, the Legislature passed programs 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. In 2014, Governor Jerry Brown signed the *California Film & Television Job Retention and Promotion Act* increasing funding in 2016 to \$330 million per year and granting an extension of the film and television tax credit program through July 2020. The bill had the support of the business and labor community across California because of its focus on high-wage jobs for below-the-line workers. The Southern California Association of Governments (SCAG)

released a study, which was conducted by the LAEDC's Economic & Policy Analysis Group, assessing the impact of California's Film and Television Tax Credit Program. The study found that for each \$1 of tax credit certificate issued total economic activity in the state increased by \$19.

Hospitals and related services provide for an estimated 11 percent of the Los Angeles region's economy and provide over 380,000 jobs. The area's local hospital, Lakewood Regional Medical Center, received an "A" in The Leapfrog Group's Hospital Safety Score and received awards from the American Heart Association and CIGNA Centers of Excellence.



Lakewood's unemployment rate fell to 3.8 percent in the first quarter of 2016; far better than the state as a whole, and back to the average rate Lakewood enjoyed prior to the Great Recession. 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.

Economic Outlook

“Economic prognosticators love to speculate about how many years it will be until the next dip — and that another recession is inevitable. However, inevitable does not mean impending and there is little on the current horizon in terms of economic fundamentals that would actually precipitate the next downturn. The harder part, especially for states like California that rely so heavily on high-skilled workers, is to keep the momentum going when there is no slack in the system to draw from. Not only will education be a critical area of focus, but the state’s employers will also have to recruit skilled workers from other parts of the nation and world. And, as Beacon Economics has pointed out for some time, that will require addressing the chronic under-supply of housing and keeping home price growth in check.” – Beacon Economics

As a measurement of innovation in the market and the need for high-skilled workers, Bloomberg News reported on a shift in employment away from the volatile fossil fuel sector to renewable energy. “The 58 percent slide in oil prices since June has prompted reductions in employment in the fossil fuels industry. Employment in the U.S. solar business grew 12 times faster than overall job creation.” For the first time the number of U.S. jobs in solar energy overtook those in oil and natural gas extraction, and in coal mining. The U.S. Bureau of Labor Statistics show that about 10 percent of the nation’s private sector employment in Green Goods and Services (GGS) is in California, and mostly in Southern California.

Universities are recognizing the need for innovation in the marketplace and are using commercialization as a way to disseminate knowledge by creating institutions that support

life-sciences research across campuses and to bring that research to the market by partnering with industry and promoting entrepreneurship.

“We exist on taxpayer money. We have an obligation to try to get our research out into society,” – Nature - Regis Kelly, California Institute for Quantitative Biosciences

As reported by the Los Angeles Business Journal and the Los Angeles Times, the Los Angeles-Orange Region is leading the way in innovation and business creation. In Los Angeles County, employment rose by 106,800 jobs over the past year and Orange County experienced similar changes with jobs increasing by 48,200. This positive trend is expected to continue, but at a slower pace.

The California Association of Realtors (CAR) reports that the median price of a home in the Los Angeles area rose by 7.2 percent while Orange County increased by 4.2 percent. Home sales declined by 2.9 percent in Los Angeles and 9.6 percent in Orange County, likely due to the extremely low inventories. Home values are expected to continue their ascent -- and housing affordability to continue its descent.

The economic outlook for Lakewood is positive with expected moderate increases in property values over the next two years and beyond. Homeowners are once again seeing equity in their homes. The City is home to the 17th largest mall in the United States with about 2.1 million square feet of retail space. Lakewood Center mall and other shopping centers throughout the City continue to make improvements and attract new businesses. The City is also well situated for residential and commercial access to quality education and health organizations, and a highly-skilled and diversified workforce.

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, Lakewood 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 2016-2017 and 2017-2018 takes into consideration the current fiscal situation as to what can be funded, as well as impacts into future years. 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 recurring costs.

The past ten years have been difficult. The Great Recession severely impacted local governments, which when followed by the dissolution of redevelopment agencies, was crippling. Lakewood's response was to belt-tighten in a multitude of small ways and keep core services and maintenance of City assets intact. This methodology was disparaged by the likes of the Los Angeles County Grand Jury, whose report ranked cities higher when staffing was slashed and capital investment was curtailed without any consideration of the qualitative attributes of a city. Does the City have streets without potholes, are the streets kept clean, is there an

urban forest plan, are trees and foliage well manicured, are City buildings in good condition, does the City provide open/green space, passive and active parks, is the City active in ensuring private properties are well kept and businesses respectable? The list is endless and unique for each city, and it is this qualitative data that is most important to residents, business community and visitors. The City of Lakewood understands this.

Over the past ten years, the City has invested \$65 million in its physical assets and taken great care of its equipment, buildings, streets, parks, trees and landscaping, as well as its water and storm-water infrastructure. Although difficult to quantify, there is a definite annual operational savings realized because these City assets are less likely to break, degrade or malfunction.

The City also reduced on-going operational costs by effectively managing risk and known future liabilities. Through risk management the City's general liability, property and workers' compensation exposure is further mitigated. Future liabilities include pension plans and a retiree health plan. These plans are well funded at a combined 84 percent; the retiree health plan is fully funded. This funding level was attained even with the loss of market value because of the recession, and the increase in liability from changes in the discount rate and mortality factor.

The dissolution of redevelopment agencies took its toll on the City. In December 2015, the state took an additional \$9.3 million in general funds to be disbursed among all local taxing entities. Even with this, in the past ten years the City continued to maintain an adequate reserve with funds set aside for economic uncertainties as well as other unanticipated or emergency type situations.

The proposed budget continues the process of identifying the full cost of services and savings needed for future capital improvements, and aligning these costs to revenues.

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 citywide 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:

- The City's contract with the Los Angeles County Sheriff's Department.
- Special Assignment Officers who are team leaders and work "hot spots" within the City by adjusting their schedules to meet public safety needs.

- Part-time city employees trained to 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 providing 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" – an Emergency Operations Center on wheels – that is 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 has 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, which 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. 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, 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 were recently upgraded and work will continue in the coming year.

The past two years saw lots of park construction and renovation activity in Lakewood.

Veterans Memorial Plaza at Del Valle Park was renovated and expanded in early 2015 in time for Memorial Day. The work included the full restoration of Lakewood's Korean War-era jet plane. The new memorial is a dramatic display of Lakewood's appreciation for the service and sacrifice of our nation's military veterans.

In May 2016, the new and custom designed Airplane Playground was dedicated at Del Valle Park. City Council, City staff and contractors worked diligently to design a playground that transports youth to an aviator's cockpit, while friends assign boarding passes at the ticket counter and direct take offs and landings from the air traffic control tower. The playground was a vastly successful project that is highly attended daily.

The West San Gabriel River Parkway Nature Trail located adjacent to Monte Verde Park was extended with funding from grants from the California Natural Resources Agency and Los Angeles County. The final section of the Nature Trail opened in 2014, and runs from Candlewood Street to Del Amo Boulevard, where it meets up with the existing trail that extends to Carson Street. The trail offers an accessible walking path alongside California-native trees and plants.

San Martin Park's Pumpkin Playground was renovated and opened in 2014. The custom designed playground maintained the community's strong ties to the Cinderella-themed play area with an attractive and fun new pumpkin carriage and castle-like play structure.

The City was selected as one of just a few California cities to receive a joint adult/child play and fitness space at Rynerson Park. The space encourages families to share in the fitness spectrum at all levels. The play and fitness space opened in 2016.

Home Run Dog Park, named for its close proximity to Lakewood's little league fields, opened in 2014. The two-acre facility is at the northern end of Rynerson Park. The dog park includes an off-leash canine play area featuring a double-gated entry into separate large and small dog areas.

The City also continued annual improvements to The Centre at Sycamore Plaza to keep it looking sharp and working well as Lakewood's premier meeting and banquet location.

The proposed Fiscal Year 2017-2018 budget allocates funds for the following projects.

New play areas will be installed at Bolivar Park. Los Angeles County Supervisor Don Knabe has awarded

Lakewood with \$300,000 to help with the project. The tot-lot and school-age playgrounds will be renovated to be innovative and inviting.

The Lakewood Stables Equestrian Center will receive some enhancements. The City strives to maintain an active, aesthetically pleasing and safe environment for users and visitors of the equestrian center. The City will develop a plan to update the facility starting with a new ADA accessible restroom, office facility and new fencing will be installed along Carson Street. The operator of the facility is also investing in modernizing the stables in hopes of bringing more interest, along with boarders and visitors, in the facility.

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

4. 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 Lakewood. Prop C, Measure R, TDA and general funds are

allocated in the proposed budget to continue the City's investment in its 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 citywide "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.

- 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 that will have a significant impact on stormwater run-off and water quality. The costs associated with this program are expected to be quite significant and are presently unfunded.

- Water quality and providing a reliable water supply. The City's water utility provides service to about 73 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, complete the installation of treatment facilities at Well #22 and Plant #13, the commencement of work on Well #28, and development of a Water Master Plan and a Water Rate Study.

- Lakewood Home and Garden program. Newly launched by the City to share resident ideas on how to

beautify homes and yards. The program started in the fall of 2015 with a first focus on residents who had saved over 20 percent of water usage but still kept their yards looking good. Future educational efforts will focus on topics like creative ways to use front-yard planters and exterior home painting tips.

5. FOSTER A SENSE OF COMMUNITY

Lakewood has long recognized the value that a positive sense of community has on the overall well-being of its residents, business owners and citywide 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 2016 and for the seventh year in a row, KaBoom! (a national non-profit organization based in Washington, DC) designated Lakewood a *Playful City USA*.

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

- Holiday Tree Lighting
- The Fiesta, a three-day event in May
- Lakewood Youth Sports Opening Day, and Public Safety and Bike Expo, a start-of-summer event

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.

6. 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.

Lakewood businesses added over 878 jobs in the past year. Among these positions, 492 were full-time jobs and 715 of these jobs were from 162 new firms. Additionally, there were 127 new home occupation based businesses.

These new jobs built on to the accumulation of almost 3,000 jobs that new businesses have brought to Lakewood in the past five years. These new businesses also expand opportunities for shopping and dining in Lakewood.

In Fiscal Year 2015-2016 the City saw the completion of several new commercial developments and the near completion of a 72-unit condominium complex. Among these facilities were:

- Orchard Supply Warehouse and shopping center remodel
- YMCA expansion and remodel project
- William Lyon's Homes Canvas project
- Stone Fire Grill

Lakewood was named by the LAEDC as one of six finalist cities for the Most Business-Friendly City in L.A. County award in 2015 among 88 cities in the county. Among Lakewood's strengths was having a very fast processing time for business license applications.

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.

7. 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 2016-2017 and 2017-2018 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 in 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.

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 in recent years and there is an increasing expectation that city information be readily available online. 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 was updated in 2014, and is being continually updated with new features every year.

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 AND PRESERVE LOCAL CONTROL

Lakewood has consistently been very active in Sacramento's legislative process to protect the City's interests in determining what is best for the community.

Every year, the City Council adopts a Statement of Intergovernmental Goals that establish the work program of the Council's Intergovernmental Relations Committee and the platform for City advocacy meetings. The annual goals authorize the City's active participation in the coalitions of cities and other agencies that work to affect federal and state decision-making.

Preservation of local control is one of the City Council's foundational priorities. Sacramento has threatened local control in the past by taking away local land use and redevelopment authority and siphoning local sales tax revenues to balance the state budget deficit. They have also threatened Lakewood's way of life by seeking to limit the longstanding ability of cities to contract for services. Being the City that pioneered municipal contracting, the City Council is committed to protecting what enables Lakewood to efficiently provide services to our residents.

The proposed Fiscal Year 2016-2017 and 2017-2018 proposed budget allocates funds for council members and City staff to continue engaging our state and federal legislators to defend and preserve local control and authority and to protect our traditional right to contract.

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: 2,416 tons of street sweepings, 22.6 tons of televisions, monitors, computers and other e-waste, 8,333 tons of green waste, 11,246 gallons of oil, 884 oil filters, and 15 tons of paper shredded at Lakewood Shred events.

Over the past several years, the City's Water Resources Department 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.

Calendar Year	Device Rebates	Turf Rebates	Turf Removed (sqft)
2012	5	5	3,566
2013	7	9	6,179
2014	8	24	23,745
2015	29	67	13,423
TOTAL	49	105	46,913

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 Water 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. The City also operates a second solar panel installed in 2011, which generates electricity to Arbor Yard facilities.

The City received two CalTrans grants the first is \$11 million and the second is \$15 million to fund a storm-water recapture projects. The first project is located at Bolivar Park and involves constructing an underground reservoir to infiltrate water diverted from the Del Amo Channel. A portion of the diverted water will be treated and used for irrigating the park. This project will establish a reclaimed water system for the park and will reduce potable water use. This project is scheduled to be completed by May 2017. The second project will be located at Mayfair Park and involves many of the same aspects of Bolivar Park project. This project is scheduled to be completed in 2019.

The City has joined the Gateway Cities Energy Leader Partnership Program with Southern California Edison Co. and Southern California Gas Co. As a member the City is able to obtain additional enhanced incentives for any energy saving and energy efficient projects. Through the partnership, energy audits were performed for the City's well and pumping sites and five energy saving projects were submitted. Also as part of this program, the City expects to complete a retrofit of all City-owned street lights to energy efficient LED light fixtures. The City benefits through the use of less electricity and from increased rebates.

The City's green initiatives, energy and water conservation and water rebate programs continue 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 2016-2017 and 2017-2018 budget, and makes comparisons to Fiscal Year 2015-2016 expected revenues received by year-end.

Revenues

General government operating and water utility revenues total \$64,275,563 for Fiscal Year 2016-2017 and \$65,486,205 for Fiscal Year 2017-2018.

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

- **Property taxes** – Projected at \$4,666,545 -- a five percent increase from the prior year and a subsequent five percent increase in Fiscal Year 2017-2018 to \$5,050,000.
- **Sales tax** – Lakewood's share of the uniform state sales tax is the City's largest revenue source and is expected to stay increase to \$14,354,000 and \$14,615,000 respectively.
- **Utility users' tax** – The utility users' tax is levied at three percent. The amount is also expected to remain at current levels at \$3,415,352 and \$3,561,648 respectively.
- **Franchises and business licenses** – Annual franchise and business license taxes are projected at \$2,345,636 and \$2,384,860. This includes franchise fees to support CATV.
- **Refuse collection and disposal fees** – Current service charges to customers; revenues are projected at \$5,312,734 and \$5,472,116. 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 \$251,126 and \$254,198. Other public safety services are at \$480,000 and \$490,000.

- **Recreation fees** – Fees for recreation classes, programs, and sports programs are projected at \$978,638 and \$982,786. These revenues partially offset recreation operational costs.
- **Building permit and fees** – Construction permits and plan check fees are estimated at \$1,606,909 and 1,745,550.
- **State subventions** – State-collected local taxes are estimated at \$10,145,560 and \$10,222,331. The largest subventions are motor vehicle in-lieu at \$8,154,641 and \$8,481,642, and state gas tax at \$1,670,919 and \$1,675,500 respectively.

• County and other agency grants for both fiscal years –

Metro	\$2,600,000	
Prop A Transit	\$1,495,117	\$1,519,768
Prop C Transit	\$1,240,161	\$1,255,637
Measure R	\$930,052	\$930,000
Open Space-Parks	\$300,000	
AQMD	\$100,000	\$100,000
Prop A Recreation	\$117,352	

• State grants –

CalTrans	\$15,000,000	
Prop 84	\$450,000	
COPS	\$135,000	\$140,000
Litter Reduction	\$21,580	\$22,800
TDA	\$53,129	\$53,000
Used Oil	\$22,528	\$23,000

• Federal grants –

CDBG	\$529,085	\$529,085
JAG	\$17,447	\$14,000

- **Water utility charges** – Water utility operating revenues are projected at \$11,216,067 for Fiscal Year 2016-2017 and \$11,863,473 in Fiscal Year 2017-2018. Of the total revenue, reclaimed water sales are forecast at \$337,770 and \$375,300 respectively, and leasing of water at \$1,000,000 for both years.

Appropriations

General government and water enterprise operating appropriations total \$62,296,516 for Fiscal Year 2016-2017 and \$63,848,743 for Fiscal Year 2017-2018.

- **Personnel expenses** – Personnel costs comprise 38.6 percent of the proposed operating budget over both fiscal years. Lakewood's workforce has remained fairly constant over the years and is now at 170 positions.

- **Contract services** – Approximately 41.6 percent of the operating budget over both years reflects contract services.

Major contracts for both fiscal years include: law enforcement by the Los Angeles County Sheriff's Department at \$10,743,500 and \$11,081,383, and refuse disposal and collection at \$4,699,935 and \$4,840,933.

Other contracts include: street lighting maintenance at \$1,206,000 and \$1,220,000 (includes electrical costs), street sweeping \$637,000 and \$653,000, tree maintenance \$630,160 and \$652,126, IT computer services \$495,000 for both years, animal control \$390,151 and \$413,560, building and safety inspection \$362,500 and \$369,800, engineering services at \$287,500 and \$293,300, as well as Sky Knight at \$272,853 and \$271,564

- **Supplies and expenses** – This general classification of expenses represents 18.6 percent of the operating budget over both years. The largest expenses are utilities at

\$1,594,047 and \$1,669,012, and insurance costs for liability, property, earthquake, and workers' compensation and unemployment programs at \$818,161 and \$996,948.

- **Interdepartmental services** – These are services provided by the City's Graphics and Copy Center and 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 \$441,900 and \$452,720. The fleet maintenance costs are budgeted at \$1,023,715 and \$1,028,714, and GIS costs are budgeted at \$121,733 and \$100,436 for the two fiscal years respectively.

- **Water utility services** – Water utility appropriations for operational costs are proposed at \$9,152,138 for Fiscal Year 2016-2017, and \$9,504,789 for Fiscal Year 2017-2018. Operational costs includes water replenishment of \$2,350,000 and \$2,585,000, depreciation in the amount of \$1,550,000 and \$1,575,000, debt service of \$278,013 and \$278,014, and \$540,000 for both years in electricity costs for pumping water.

- **Capital equipment** – Appropriations for equipment and vehicles are designated in the fund aligned with the operational purpose of the equipment or vehicle. Funds are appropriated on an as needed basis with the objective to replace equipment that is unsafe or no longer serviceable. The proposed biennial budget includes \$1,069,484 to cover both fiscal years for the replacement of buses, vehicles, equipment for parks, technology and office, and park facilities repair and general upkeep of City owned properties.

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, excluding water utility projects, totaling \$46,480,099 are slated for Fiscal Year 2016-2017 and Fiscal Year 2017-2018, of which \$16,853,765 are projects continuing from prior years.

Public right-of-way projects include: the continuation of the Water Recapture Project funded by CalTrans; Del Amo Boulevard Intersection funded by a Metro block grant; Lakewood Boulevard funded through a competitive Metro grant; Woodruff Avenue resurfacing funded by Prop C; local street and alley resurfacing funded by Measure R funds; and ADA improvements and hardscape repairs throughout the City.

Park and facilities projects include: a major upgrade of the Burns Community Center; installation of a new play area and irrigation at Bolivar Park partially funded by a county grant; renovation of the bathrooms and picnic shelters at Rynerson Park; refurbishments at The Centre at Sycamore Plaza; restoration of the Lakewood Equestrian Center; revamp of the Mayfair Park snack bar and patio area; building improvements at Monte Verde Park; development of a facilities master plan and assembly of a three-bay pre-fabricated building and commodity bunker for the Nixon Yard; hardscape repair at various parks, and fire, security system and fencing improvements are on-going throughout the City; and various small projects that attend to ADA, and potential health and safety matters.

The water utility capital improvement budget is \$3,274,340 for Fiscal Year 2016-2017, and \$1,933,800 in Fiscal year 2017-2018. Water utility capital projects include: Plant #13 rehabilitation; drilling a new well, Well 28; continuation of restoring Well #22 treatment facility and the annual water main replacement program; the development of a water master plan and water rate study; and various projects to improve inter-agency intertie for emergencies; and upgrade to new technologies for various systems.

Expenditure Limit

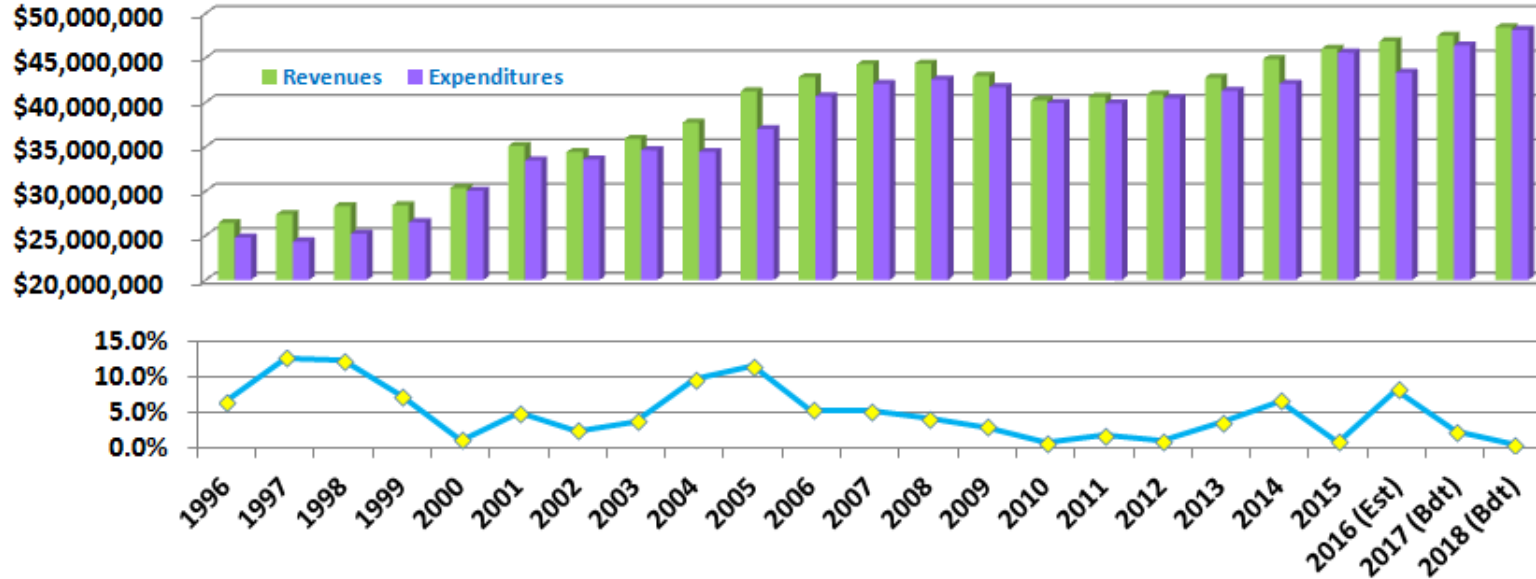
Article XIII B of the California Constitution limits the expenditures from the proceeds of taxes. These expenditures may increase over the prior year in the same percentage as inflation and population changes. Grants and non-tax revenues are exempt.

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 15 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, 2016, is determined to be \$31,744,530. Proceeds subject to the Gann limit are 60.1 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 10 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 revenues.

Historical Comparison of General Fund Revenues and Expenditures



The Fiscal Year 2017-2018 Budget calls for the use of General Fund unassigned reserves of \$3,060,080 in Fiscal Year 2016-2017 and \$2,483,395 in Fiscal Year 2017-2018 for capital projects, which includes the projected \$1,233,410 in allocations for capital improvement projects made in prior years that are continuing into Fiscal Year 2016-2017, as many of the capital projects are multi-year. Unassigned reserves, also called the unassigned fund balance, are explicitly available for capital projects. The City's annual surpluses are saved as unassigned reserves, and then allocated when enough monies are available for specified capital improvements. The proposed budget also includes the use of \$1,150,000 of General Fund assigned reserves for capital replacement and repair. These funds are for the renovation of the Burns Community Center.

The General Fund balance, or total reserves, is structured to retain the appropriate level of reserves for self-insurance,

refuse rate stabilization, economic uncertainties, emergency response, unforeseeable infrastructure and structure repair and vehicle replacement, as well as employee services obligations.

Recommendation

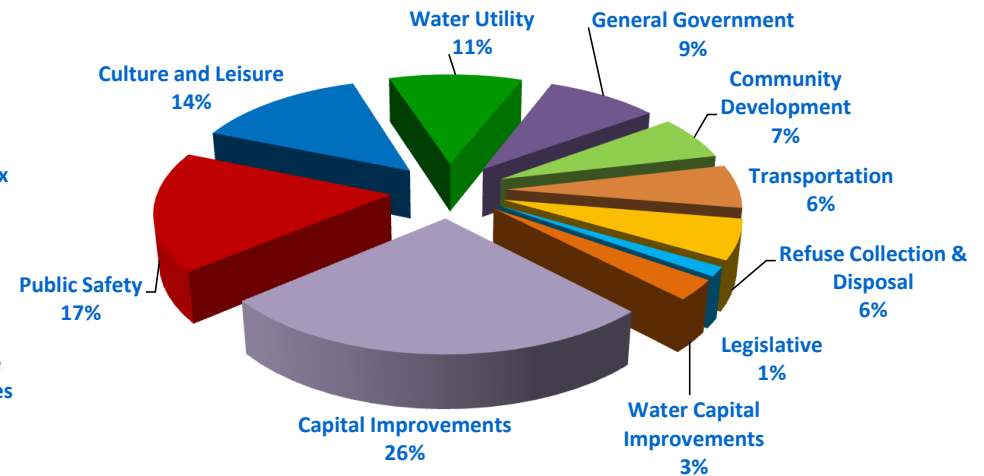
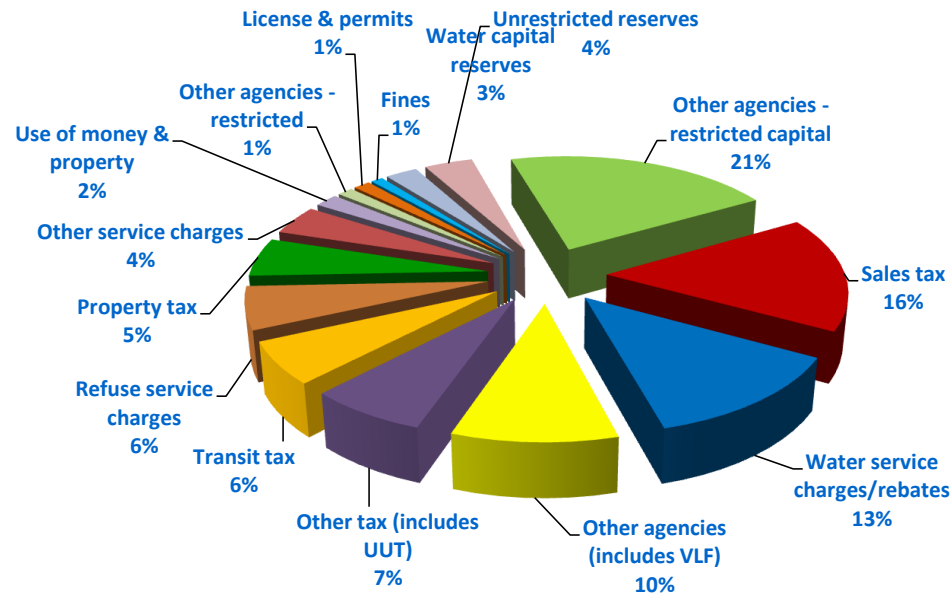
It is respectfully recommended that the City Council hold the public hearing on the budget, and adopt the presented biennial budget as the City's Financial Plan for Fiscal Year 2016-2017 and Fiscal Year 2017-2018.

Respectfully submitted,

Howard L. Chambers
City Manager

SUMMARY OF FUNDS

Two-Year Budget Sources and Uses of Funds



Fiscal Year 2016-2017

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Sales tax	\$ 14,354,000	Public Safety	\$ 15,226,300
Water service charges/rebates	11,096,243	Culture and Leisure	12,061,497
Other agencies (includes VLF)	8,469,641	Water Utility	9,430,151
Other tax (includes UUT)	6,057,988	General Government	7,859,020
Transit tax	5,769,067	Community Development	5,780,952
Refuse service charges	5,312,734	Transportation	5,600,673
Property tax	4,666,545	Refuse Collection & Disposal	5,071,988
Other service charges	3,681,608	Legislative	1,265,935
Use of money & property	1,594,037	Water Capital Improvements	3,274,340
Other agencies - restricted	1,298,361	Capital Improvements	43,257,099
License & permits	1,119,379		\$ 108,827,955
Fines	828,200		
Water capital reserves	3,028,274		
Unrestricted reserves	4,217,520		
Other agencies - restricted capital	37,334,358		
	\$ 108,827,955		

Fiscal Year 2017-2018

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
Sales tax	\$ 14,615,000	Public Safety	\$ 15,707,504
Water service charges/rebates	11,710,595	Culture and Leisure	12,454,655
Other agencies (includes VLF)	8,541,831	Water Utility	9,782,803
Other tax (includes UUT)	6,243,508	General Government	8,292,913
Transit tax	4,941,193	Community Development	5,614,753
Refuse service charges	5,472,116	Transportation	5,590,436
Property tax	5,050,000	Refuse Collection & Disposal	5,236,446
Other service charges	3,745,343	Legislative	1,169,233
Use of money & property	1,745,828	Water Capital Improvements	1,933,800
Other agencies - restricted	911,085	Capital Improvements	3,223,000
License & permits	1,216,794		\$ 69,005,543
Fines	853,200		
Water capital reserves	1,439,175		
Unrestricted reserves	2,519,875		
	\$ 69,005,543		

FISCAL YEAR 2016-2017

FUND	Estimated Fund Balance June 30, 2016	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2017
<u>General Fund</u>	\$ 6,693,599	\$ 44,784,991	\$ 2,695,820	\$ 47,125,981	\$ 3,633,519
Capital Improvements	1,150,000	-	-	4,564,910	-
Community Facility Fund	-	376,000	560,714	936,714	-
Retiree Benefit Fund	-	-	336,950	336,950	-
Cable TV Fund	-	556,018	55,103	611,121	-
Housing Successor Agency Fund	3,680	204,000	-	204,000	3,680
<u>Special Revenue Funds</u>					
CDBG Funds	702,744	529,085	-	281,071	698
CDBG-Capital	-	-	-	950,060	-
State COPS Grant	350,780	138,000	-	196,764	292,016
JAG Grant	-	17,447	-	17,447	-
Litter Reduction Grant	95,370	22,380	-	22,380	95,370
TDA Article-3-Capital	-	53,129	-	53,129	-
Measure R	895,711	931,552	-	318,629	258,634
Measure R-Capital	-	-	-	1,250,000	-
Used Oil Grant	17,069	22,528	-	22,528	17,069
PROP A Recreation	-	117,352	-	58,456	58,896
LA County Regional-Open Space	-	300,000	-	300,000	-
Air Quality Management (AQMD)	168,563	100,750	-	46,219	223,094
Capital Project Funds	1,600,500	32,303,500	-	33,904,000	-
State Gas Tax	-	2,108,737	(2,108,737)	-	-
Prop A Transit Fund	677,985	1,505,117	-	1,661,618	521,484
Prop C Transit Fund	2,016,886	1,255,161	-	1,051,593	20,454
Prop C-Capital	-	-	-	2,200,000	-
Sewer Reconstruction Fund	115,785	-	-	-	115,785
Business Development Loan Fund	565,525	4,000	-	-	569,525
CDBG Program Income Fund	100,334	33,249	-	33,894	99,689
TOTAL GOVERNMENTAL FUNDS	\$ 15,154,530	\$ 85,362,996	\$ 1,539,850	\$ 96,147,464	\$ 5,909,912

FISCAL YEAR 2016-2017

FUND	Estimated Fund Balance June 30, 2016	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2017
Water Debt Service	\$ 4,023	\$ -	\$ 278,013	\$ 278,013	\$ 4,023
Water Utility Operations ⁽¹⁾	5,591,884	11,216,067	(1,817,863)	9,152,138	2,563,610
Water Utility Capital	-	-	-	3,274,340	
TOTAL ENTERPRISE FUNDS	\$ 5,595,907	\$ 11,216,067	\$ (1,539,850)	\$ 12,704,491	\$ 2,567,633
⁽¹⁾ Less depreciation					
 GRAND TOTAL	 \$ 20,750,437	 \$ 96,579,063	 \$ -	 \$ 108,851,955	 \$ 8,477,545
 Graphics and Copy Center	 27,238	 436,498	 -	 441,900	 21,836
Fleet Maintenance Fund	115,191	994,954	-	999,715	110,430
Geographic Info. System Fund	8,561	121,733	-	121,733	8,561
TOTAL INTERNAL SERVICE FUNDS	\$ 150,990	\$ 1,553,185	\$ -	\$ 1,563,348	\$ 140,827

FISCAL YEAR 2017-2018

FUND	Estimated Fund Balance June 30, 2017	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2018
<u>General Fund</u>	\$ 3,633,519	\$ 46,118,442	\$ 2,319,172	\$ 48,451,009	\$ 1,150,124
Capital Improvements	-	-	-	2,470,000	-
Community Facility Fund	-	392,000	566,222	958,222	-
Retiree Benefit Fund	-	-	338,150	338,150	-
Cable TV Fund	-	572,623	43,001	615,624	-
Housing Successor Agency Fund	3,680	204,000	-	204,000	3,680
<u>Special Revenue Funds</u>					
CDBG Funds	698	529,085	-	296,408	233,375
State COPS Grant	292,016	143,000	-	204,634	230,382
JAG Grant	-	14,000	-	14,000	-
Litter Reduction Grant	95,370	22,800	-	22,800	95,370
TDA Article-3-Capital	-	53,000	-	53,000	-
Measure R	258,634	931,500	-	185,391	304,743
Measure R-Capital	-	-	-	700,000	-
Used Oil Grant	17,069	23,000	-	23,000	17,069
PROP A Recreation	58,896	-	-	35,736	23,160
Air Quality Management (AQMD)	223,094	100,750	-	30,399	293,445
State Gas Tax	-	1,680,500	(1,680,500)	-	-
Prop A Transit Fund	521,484	1,529,768	-	1,653,495	397,757
Prop C Transit Fund	20,454	1,270,637	-	1,006,680	284,411
Sewer Reconstruction Fund	115,785	-	-	-	115,785
Business Development Loan Fund	569,525	4,000	-	-	573,525
CDBG Program Income Fund	99,689	33,627	-	34,392	98,924
TOTAL GOVERNMENTAL FUNDS	\$ 5,909,912	\$ 53,622,732	\$ 1,586,045	\$ 57,296,940	\$ 3,821,749

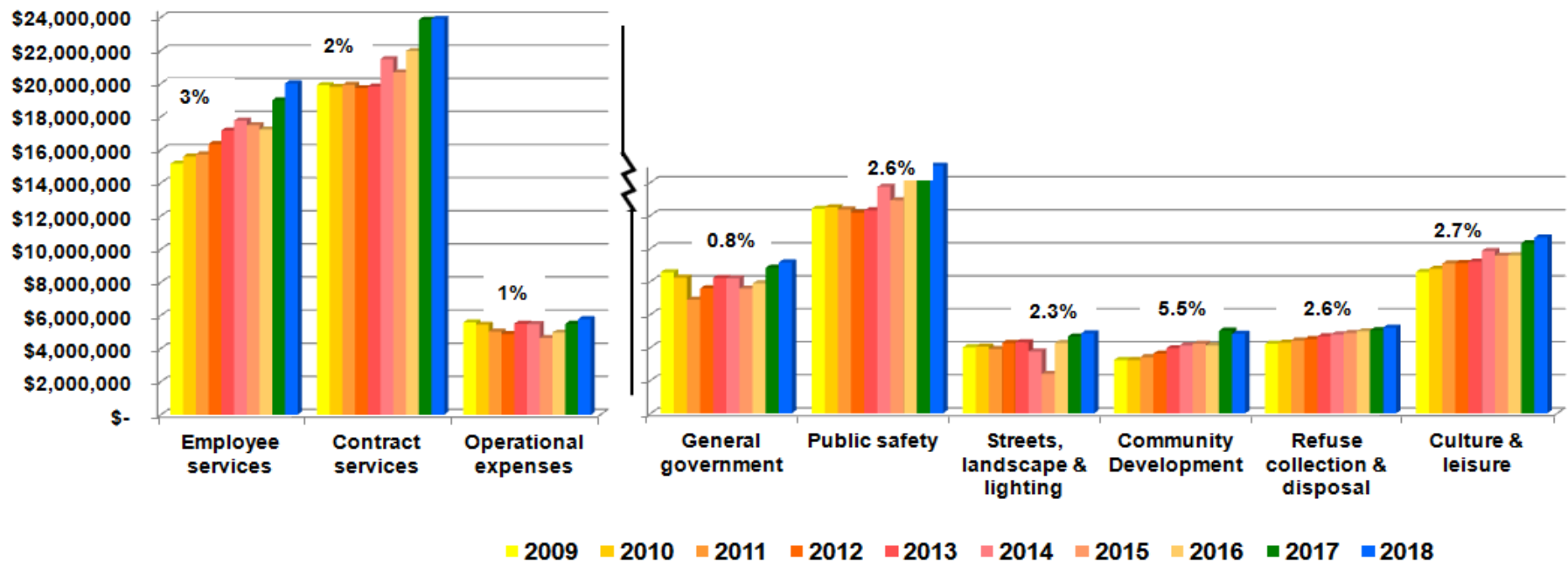
FISCAL YEAR 2017-2018

FUND	Estimated Fund Balance June 30, 2017	Estimated Revenues	Reserves & Transfers In/Out	Appropriations	Estimated Fund Balance June 30, 2018
Water Debt Service	\$ 4,023	\$ -	\$ 278,014	\$ 278,014	\$ 4,023
Water Utility Operations ⁽¹⁾	2,563,610	11,863,473	(1,864,059)	9,504,789	1,124,435
Water Utility Capital	-	-	-	1,933,800	-
TOTAL ENTERPRISE FUNDS	\$ 1,128,458	\$ 11,863,473	\$ (1,586,045)	\$ 11,716,603	\$ 1,128,458
⁽¹⁾ Less depreciation					
 GRAND TOTAL	 \$ 8,477,545	 \$ 65,486,205	 \$ -	 \$ 69,013,543	 \$ 4,950,207
 Graphics and Copy Center	 27,238	 439,835	 -	 452,720	 14,353
Fleet Maintenance Fund	115,191	1,004,212	-	1,020,714	98,689
Geographic Info. System Fund	8,561	100,436	-	100,436	8,561
TOTAL INTERNAL SERVICE FUNDS	\$ 150,990	\$ 1,544,483	\$ -	\$ 1,573,870	\$ 121,603

Lakewood General Fund actual operational expenditures have increased annually by 1.5% since 2009

The City budgets conservatively, and has kept costs in check with 2.5% average annual budgetary increases

The City budgets for full staffing and full use of all contractual agreements through-out the year .
To be expected, actual expenditures in these areas are less than budgeted by year-end.



APPROPRIATION SUMMARY

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD**FISCAL YEAR 2016-2017**

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
LEGISLATIVE							
1000 Legislative	\$ 177,340	\$ 0	\$ 39,700	\$ 0	\$ 0	\$ 0	217,040
1100 Legislative Advocacy	0	0	14,000	0	0	0	14,000
1220/40/60 Advisory Commissions	11,564	0	23,840	0	0	0	35,404
1300 Administration	336,665	0	13,730	2,162	0	0	352,557
3000 City Clerk	160,577	127,000	12,940	3,425	0	0	303,942
3100 Records Management	120,359	10,250	5,020	0	0	0	135,629
3220 City Legal Services	0	207,363	0	0	0	0	207,363
Total Legislative	806,505	344,613	109,230	5,587	0	0	1,265,935
GENERAL GOVERNMENT							
2000 Information Technology	210,761	732,179	47,923	888	8,900	0	1,000,651
2400 Public Information	260,624	77,800	19,812	65,506	0	0	423,742
2500 Customer Service	404,439	14,000	9,190	7,695	0	0	435,324
2550 Intergovernmental Relations	213,077	81,446	64,902	0	0	0	359,425
3240 Legal Services	0	0	35,000	0	0	0	35,000
3300 Internal Administration	212,182	1,850	181,430	31,050	0	0	426,512
3400 Human Resources	443,835	94,620	63,610	12,153	500	0	614,718
5000 Finance	953,156	142,340	111,938	14,866	105,600	0	1,327,900
5200 Insurance	0	33,250	1,136,361	0	0	0	1,169,611
5400 Purchasing & Stores	286,250	0	8,915	2,877	5,900	0	303,942
6300 Building Maintenance	629,689	116,777	266,769	66,528	600	0	1,080,363
7500 Facilities Maintenance	562,411	39,077	76,376	3,968	0	0	681,832
Total General Government	\$ 4,176,424	\$ 1,333,339	\$ 2,022,226	\$ 205,531	\$ 121,500	\$ 0	\$ 7,859,020

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2016-2017

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
PUBLIC SAFETY							
3600 Law Enforcement	\$ 809,887	\$ 10,839,208	\$ 29,235	\$ 48,896	\$ 0	\$ 0	11,727,226
3700 Sky Knight Program	156,920	416,497	25,575	0	0	0	598,992
3800 Safety Services - Other	336,549	0	12,185	3,963	0	0	352,697
5300 Parking Control	545,583	55,100	7,525	12,992	0	0	621,200
6200 Animal Control	211	390,151	0	0	0	0	390,362
6500 Graffiti Removal	106,702	0	10,000	11,375	0	0	128,077
6820 Street Lighting	17,238	1,242,750	353	0	0	0	1,260,341
7250 Emergency Preparedness	101,768	19,160	21,882	4,595	0	0	147,405
Total Public Safety	2,074,858	12,962,866	106,755	81,821	0	0	15,226,300
TRANSPORTATION							
4300 Transportation	326,195	1,224,064	6,185	60,866	0	0	1,617,310
6600 Hardscape Maintenance	139,030	260,000	503	0	0	0	399,533
6700 Tree Maintenance	378,046	732,160	10,278	82,974	1,200	0	1,204,658
6800 Street Maintenance	93,937	817,000	353	0	0	0	911,290
6810 Traffic Control	282,894	187,800	29,760	0	0	0	500,454
7200 DASH Program	570,200	10,923	26,397	179,908	180,000	0	967,428
Total Transportation	\$ 1,790,302	\$ 3,231,947	\$ 73,476	\$ 323,748	\$ 181,200	\$ 0	5,600,673

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2016-2017

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
COMMUNITY DEVELOPMENT							
2120 Media Services	\$ 692,482	\$ 21,000	\$ 35,734	\$ 21,446	\$ 0	\$ 0	770,662
2140 Media Production Center	0	32,540	10,660	0	40,000	0	83,200
2160 Transit CATV Program	92,412	5,000	2,306	0	0	0	99,718
2300 Economic Development	54,475	22,000	0	0	0	0	76,475
2600 Community Relations	213,504	2,300	132,251	32,370	0	0	380,425
4000 Planning	593,781	430,850	24,969	10,712	0	0	1,060,312
4100 Building & Safety	346,443	841,600	4,749	371	0	0	1,193,163
4600 Housing Program	177,116	215,240	35,472	0	7,500	0	435,328
4700 Code Enforcement	323,383	1,500	5,324	0	0	0	330,207
5100 Licensing	90,730	0	2,505	0	0	0	93,235
6000 Engineering	659,191	455,919	117,855	15,262	10,000	0	1,258,227
Total Community Dev	3,243,517	2,027,949	371,825	80,161	57,500	0	5,780,952
HEALTH							
6100 Solid Waste Collection	217,968	4,805,803	48,217	0	0	0	5,071,988
Total Health	217,968	4,805,803	48,217	0	0	0	5,071,988
CULTURE AND LEISURE							
6400 Park Maintenance	742,035	138,027	110,856	32,701	122,241	0	1,145,860
7000 RCS Administration	1,240,054	49,248	28,780	25,842	0	0	1,343,924
7050/7055 Aquatics Programs	306,960	5,000	16,000	5,002	0	0	332,962
7150 Centre Concessions	397,869	102,063	191,925	1,907	0	0	693,764
7300 Human Services Program	499,470	45,200	122,287	14,042	0	0	680,999
7350 Parks/Playground Programs	1,426,039	0	106,891	22,009	10,000	0	1,564,939
7400 Social/Cultural Programs	372,587	403,357	199,324	69,176	0	0	1,044,444
7450 Sports Programs	183,730	6,040	92,205	45,679	0	0	327,654
7550 Turf Maintenance	387,365	40,717	15,280	0	0	0	443,362
7600 RCS Park Maintenance	1,481,710	93,275	913,227	82,023	0	0	2,570,235
7720/7740 Landscape/Turf Maintenance	1,211,772	56,191	275,930	349,461	20,000	0	1,913,354
Total Culture and Leisure	\$ 8,249,591	\$ 939,118	\$ 2,072,705	\$ 647,842	\$ 152,241	\$ 0	\$ 12,061,497

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD

FISCAL YEAR 2016-2017

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
WATER UTILITY							
8000 Administration	\$ 677,915	\$ 172,870	\$ 2,128,496	\$ 66,125	\$ 0	\$ 0	\$ 3,045,406
8100-8400 Water Utility Production	670,890	162,500	3,803,178	18,835	158,600	0	4,814,003
8500-8800 Water Utility Distribution	968,990	62,500	131,557	125,004	64,000	0	1,352,051
8900 Customer Services	173,086	3,000	42,605	0	0	0	218,691
Total Water Utility	2,490,881	400,870	6,105,836	209,964	222,600	0	9,430,151
CAPITAL IMPROVEMENTS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>46,531,439</u>	<u>46,531,439</u>
Total Capital Improvements	0	0	0	0	0	46,531,439	46,531,439
GRAND TOTAL	\$ 23,050,046	\$ 26,046,505	\$ 10,910,270	\$ 1,554,654	\$ 735,041	\$ 46,531,439	\$ 108,827,955
INTERNAL SERVICE FUNDS							
2450 Graphics and Copy Center	288,400	64,300	79,200	0	10,000	0	441,900
6020 Geographic Information System	65,483	25,700	10,550	0	20,000	0	121,733
6900 Fleet Maintenance	442,688	49,000	489,333	8,694	34,000	0	1,023,715
Total Internal Service Funds	\$ 796,571	\$ 139,000	\$ 579,083	\$ 8,694	\$ 64,000	\$ 0	\$ 1,587,348

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2017-2018

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
LEGISLATIVE							
1000 Legislative	\$ 179,844	\$ 0	\$ 35,700	\$ 0	\$ 0	\$ 0	215,544
1100 Legislative Advocacy	0	0	14,000	0	0	0	14,000
1220/40/60 Advisory Commissions	11,568	0	18,590	0	0	0	30,158
1300 Administration	350,368	0	13,730	2,207	0	0	366,305
3000 City Clerk	173,286	0	12,940	3,509	0	0	189,735
3100 Records Management	130,858	10,250	5,020	0	0	0	146,128
3220 City Legal Services	0	207,363	0	0	0	0	207,363
Total Legislative	845,924	217,613	99,980	5,716	0	0	1,169,233
GENERAL GOVERNMENT							
2000 Information Technology	219,587	739,332	49,272	909	41,100	0	1,050,200
2400 Public Information	274,574	77,800	21,512	67,110	0	0	440,996
2500 Customer Service	427,828	14,000	9,190	7,883	0	0	458,901
2550 Intergovernmental Relations	221,044	81,446	64,902	0	0	0	367,392
3240 Legal Services	0	0	35,000	0	0	0	35,000
3300 Internal Administration	220,290	1,880	185,330	31,804	0	0	439,304
3400 Human Resources	461,560	95,100	63,610	12,450	500	0	633,220
5000 Finance	999,621	147,890	114,123	15,230	102,000	0	1,378,864
5200 Insurance	0	29,250	1,320,348	0	0	0	1,349,598
5400 Purchasing & Stores	296,988	0	9,015	2,943	900	0	309,846
6300 Building Maintenance	665,448	118,865	271,079	67,925	0	0	1,123,317
7500 Facilities Maintenance	582,792	39,077	80,351	4,055	0	0	706,275
Total General Government	\$ 4,369,732	\$ 1,344,640	\$ 2,223,732	\$ 210,309	\$ 144,500	\$ 0	\$ 8,292,913

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2017-2018

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
PUBLIC SAFETY							
3600 Law Enforcement	\$ 840,703	\$ 11,205,436	\$ 29,235	\$ 50,085	\$ 0	\$ 0	12,125,459
3700 Sky Knight Program	162,433	420,954	26,625	0	0	0	610,012
3800 Safety Services - Other	346,384	0	32,185	4,060	0	0	382,629
5300 Parking Control	569,643	12,600	8,112	13,265	0	0	603,620
6200 Animal Control	229	413,560	0	0	0	0	413,789
6500 Graffiti Removal	115,326	0	10,233	11,614	0	0	137,173
6820 Street Lighting	39,654	1,256,750	353	0	0	0	1,296,757
7250 Emergency Preparedness	107,586	4,160	21,617	4,702	0	0	138,065
Total Public Safety	2,181,958	13,313,460	128,360	83,726	0	0	15,707,504
TRANSPORTATION							
4300 Transportation	255,224	1,225,000	4,715	50,218	0	0	1,535,157
6600 Hardscape Maintenance	169,360	260,000	503	0	0	0	429,863
6700 Tree Maintenance	416,445	758,826	10,278	84,717	1,200	0	1,271,466
6800 Street Maintenance	124,535	833,000	353	0	0	0	957,888
6810 Traffic Control	184,768	187,800	29,648	0	0	0	402,216
7200 DASH Program	590,478	10,923	28,753	183,692	180,000	0	993,846
Total Transportation	\$ 1,740,810	\$ 3,275,549	\$ 74,250	\$ 318,627	\$ 181,200	\$ 0	5,590,436

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD
FISCAL YEAR 2017-2018

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
COMMUNITY DEVELOPMENT							
2120 Media Services	\$ 715,492	\$ 21,000	\$ 35,734	\$ 21,958	\$ 0	\$ 0	794,184
2140 Media Production Center	0	32,540	10,660	0	28,000	0	71,200
2160 Transit CATV Program	96,514	5,000	0	0	0	0	101,514
2300 Economic Development	56,937	22,000	0	0	0	0	78,937
2600 Community Relations	226,965	2,300	100,981	33,163	0	0	363,409
4000 Planning	668,565	24,900	26,471	10,963	0	0	730,899
4100 Building & Safety	361,315	858,600	4,749	380	0	0	1,225,044
4600 Housing Program	184,805	216,122	35,472	0	7,500	0	443,899
4700 Code Enforcement	339,855	1,500	5,324	0	0	0	346,679
5100 Licensing	97,223	0	3,060	0	0	0	100,283
6000 Engineering	725,801	488,022	129,275	15,607	0	0	1,358,705
Total Community Development	3,473,472	1,671,984	351,726	82,071	35,500	0	5,614,753
HEALTH							
6100 Solid Waste Collection	238,936	4,948,773	48,737	0	0	0	5,236,446
Total Health	238,936	4,948,773	48,737	0	0	0	5,236,446
CULTURE AND LEISURE							
6400 Park Maintenance	782,572	141,438	113,614	33,388	122,241	0	1,193,253
7000 RCS Administration	1,307,799	50,479	23,680	26,464	0	0	1,408,422
7050/7055 Aquatics Programs	311,281	5,000	16,000	5,124	0	0	337,405
7150 Centre Concessions	411,602	102,063	192,620	1,953	0	0	708,238
7300 Human Services Program	518,486	45,200	122,932	14,385	0	0	701,003
7350 Parks/Playground Programs	1,476,435	0	107,341	22,547	0	0	1,606,323
7400 Social/Cultural Programs	388,090	400,257	199,324	70,870	0	0	1,058,541
7450 Sports Programs	187,840	6,191	92,205	46,797	0	0	333,033
7550 Turf Maintenance	405,070	40,717	15,280	0	0	0	461,067
7600 RCS Park Maintenance	1,541,711	93,275	967,337	83,744	0	0	2,686,067
7720/7740 Landscape/Turf Maintenance	1,261,715	56,191	286,560	356,837	0	0	1,961,303
Total Culture and Leisure	\$ 8,592,601	\$ 940,811	\$ 2,136,893	\$ 662,109	\$ 122,241	\$ 0	\$ 12,454,655

APPROPRIATION SUMMARY

(by Program and Activity)

CITY OF LAKEWOOD

FISCAL YEAR 2017-2018

Program Activity	Employee Services	Contract Services	Supplies and Expenses	Interdepartmental Charges	Equipment	Capital/ Construction	Total
WATER UTILITY							
8000 Administration	\$ 719,910	\$ 164,255	\$ 2,153,696	\$ 55,616	\$ 0	\$ 0	3,093,477
8100-8400 Water Utility Production	696,809	162,500	4,038,433	19,224	158,600	0	5,075,566
8500-8800 Water Utility Distribution	1,001,617	62,500	131,557	127,630	64,000	0	1,387,304
8900 Customer Services	180,851	3,000	42,605	0	0	0	226,456
Total Water Utility	2,599,187	392,255	6,366,291	202,470	222,600	0	9,782,803
CAPITAL IMPROVEMENTS	0	0	0	0	0	5,156,800	5,156,800
Total Capital Improvements	0	0	0	0	0	5,156,800	5,156,800
GRAND TOTAL	\$ 24,042,620	\$ 26,105,085	\$ 11,429,969	\$ 1,565,028	\$ 706,041	\$ 5,156,800	\$ 69,005,543
INTERNAL SERVICE FUNDS							
2450 Graphics and Copy Center	299,220	64,300	79,200	0	10,000	0	452,720
6020 Geographic Information System	63,886	26,000	10,550	0	0	0	100,436
6900 Fleet Maintenance	461,539	49,000	489,833	8,842	19,500	0	1,028,714
Total Internal Service Funds	\$ 824,645	\$ 139,300	\$ 579,583	\$ 8,842	\$ 29,500	\$ 0	\$ 1,581,870

APPROPRIATION SUMMARY

CITY OF LAKEWOOD

CONTRACT SERVICES

Rank	Description	Projected Actual 2015-2016	% of Total	Proposed Budget 2016-2017	% of Total	Proposed Budget 2017-2018	% of Total
1	Law Enforcement	\$ 9,523,136	39.0%	\$ 10,743,500	41.0%	\$ 11,081,383	42.2%
2	Refuse Collection/Disposal Service	4,609,345	18.8%	4,699,935	17.9%	4,840,933	18.4%
3	Street Lighting	1,182,139	4.7%	1,206,000	4.6%	1,220,000	4.6%
4	Street Sweeping	622,000	2.5%	637,000	2.4%	653,000	2.5%
5	Tree Maintenance	552,000	2.2%	630,160	2.4%	652,126	2.5%
6	Computer Services	465,000	1.8%	495,000	1.9%	495,000	1.9%
8	Animal Control	368,067	1.4%	390,151	1.5%	413,560	1.6%
9	Building Inspection	348,500	1.3%	362,500	1.4%	369,800	1.4%
10	Engineering Services	287,100	1.1%	287,500	1.1%	293,300	1.1%
7	Sky Knight	353,555	1.4%	272,853	1.0%	271,564	1.0%
	Sub-total	18,310,842	74.10%	19,724,599	75.32%	20,290,666	77.20%
11	Street & Sidewalk Maintenance	260,000	1.1%	260,000	1.0%	260,000	1.0%
12	Long Beach Transit	205,738	0.8%	213,064	0.8%	214,000	0.8%
13	Legal Services	205,363	0.8%	205,363	0.8%	205,363	0.8%
14	Facility Maintenance	169,332	0.7%	169,336	0.6%	169,336	0.6%
15	Mail Processing	142,746	0.6%	146,120	0.6%	149,035	0.6%
16	Traffic Control	138,000	0.6%	138,000	0.5%	138,000	0.5%
17	Fire & Security Alarm	116,772	0.5%	127,656	0.5%	130,532	0.5%
18	Industrial Waste Inspection	80,100	0.3%	81,700	0.3%	83,400	0.3%
19	Live Scan	75,000	0.3%	75,000	0.3%	75,000	0.3%
20	Code Enforcement	63,500	0.3%	68,800	0.3%	70,200	0.3%
	Sub-total	1,456,551	5.97%	1,485,039	5.67%	1,494,866	5.69%
	All other	4,613,668	19.92%	4,979,627	19.01%	4,498,833	17.12%
	Grand total	\$ 24,381,061	100.00%	\$ 26,189,265	100.00%	\$ 26,284,365	100.00%

REVENUE SUMMARY

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
GENERAL FUND:							
Property taxes	\$ 3,661,314	\$ 5,150,561	\$ 4,333,930	\$ 4,454,380	\$ 4,716,530	\$ 4,666,545	\$ 5,050,000
Sales tax	9,097,832	9,698,725	10,084,399	12,060,327	11,826,000	14,354,000	14,615,000
ERAF - Sales tax	2,787,872	3,176,891	3,122,727	1,661,552	2,658,031	0	0
Utility users tax	3,365,149	3,626,639	3,464,047	3,751,885	3,307,902	3,415,352	3,561,648
Other taxes	1,915,726	2,046,662	2,316,754	2,341,550	2,230,365	2,265,432	2,293,340
Licenses & permits	635,099	883,337	1,222,303	1,009,007	1,301,300	1,119,379	1,216,794
Fines & forfeitures	817,093	782,011	800,988	772,200	803,200	828,200	853,200
Use of money & property	811,983	758,782	1,050,941	1,179,870	1,077,774	1,089,914	1,192,273
From other agencies	10,626,753	7,147,584	7,791,192	7,846,728	8,085,820	8,469,641	8,541,831
Current service charges	6,989,802	7,657,447	8,064,404	7,562,681	7,818,659	7,808,728	8,026,556
Other revenue	822,276	1,087,058	755,125	760,800	766,990	767,800	767,800
Total General Fund	41,530,900	42,015,696	43,006,810	43,400,980	44,592,571	44,784,991	46,118,442
COMMUNITY FACILITY FUND:							
Use of money & property	229,143	218,806	256,462	295,500	320,000	336,000	352,000
Current service charges	32,341	37,853	39,939	40,000	40,000	40,000	40,000
Total Community Facility	261,484	256,658	296,402	335,500	360,000	376,000	392,000
CABLE TV FUND:							
Other taxes	350,317	345,320	348,268	345,000	366,218	377,204	388,520
Other revenue	175,118	172,384	173,023	175,000	173,679	178,814	184,103
Total Cable TV Fund	525,435	517,704	521,291	520,000	539,897	556,018	572,623
RETIREE BENEFITS FUND:							
Other revenue	0.0	0.0	234,031.0	245,052.0	245,052.0	0.0	0.0
Total Retiree Benefits Fund	\$ 0.0	\$ 0.0	\$ 234,031.0	\$ 245,052.0	\$ 245,052.0	\$ 0.0	\$ 0.0

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
PARK DEDICATION FUND:							
Other taxes	\$ 40,760	\$ 330	\$ 0	\$ 328,337	\$ 335,130	\$ 0	\$ 0
Total Park Dedication Fund	40,760	330	0	328,337	335,130	0	0
AQMD FUND:							
Use of money & property	1,502	1,224	515	1,000	1,000	750	750
From other agencies	100,675	96,954	126,800	100,000	100,000	100,000	100,000
Total AQMD Fund	102,177	98,178	127,315	101,000	101,000	100,750	100,750
CDBG GRANT FUND:							
Current year allocation	400,720	882,620	235,184	539,459	539,459	529,085	529,085
Program income	29,183	36,163	24,457	33,000	69,000	33,249	33,627
Total CDBG Fund	429,903	918,783	259,641	572,459	608,459	562,334	562,712
STATE GAS TAX/TRAFFIC CONGESTION RELIEF FUND:							
Use of money & property	13,423	5,010	8,802	5,000	5,000	5,000	5,000
Other revenue	2,311,196	1,876,322	2,087,768	1,769,401	1,813,870	2,103,737	1,675,500
Total State Gas Tax Fund	2,324,619	1,881,332	2,096,570	1,774,401	1,818,870	2,108,737	1,680,500
HOUSING SUCCESSOR AGENCY FUND							
Current year allocation	0	690	5,231	1,000	2,200	5,000	5,000
Program income	0	248,186	188,927	199,000	197,800	199,000	199,000
Total Housing Successor Agency Fund	0	248,876	194,158	200,000	200,000	204,000	204,000
BUSINESS DEVELOPMENT LOAN FUND:							
Use of money & property	14,868	12,390	7,092	8,240	6,350	4,000	4,000
Other revenue	58,205	60,696	66,006	50,325	50,325	0	0
Total Business Dev Loan Fund	\$ 73,073	\$ 73,086	\$ 73,098	\$ 58,565	\$ 56,675	\$ 4,000	\$ 4,000

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
PROP A TRANSIT FUND:							
Other taxes	\$ 1,222,169	\$ 1,292,382	\$ 1,428,635	\$ 1,471,024	\$ 1,471,024	\$ 1,495,117	\$ 1,519,768
Use of money & property	7,601	5,146	8,710	10,000	10,000	10,000	10,000
Total Prop A Fund	1,229,770	1,297,527	1,437,345	1,481,024	1,481,024	1,505,117	1,529,768
PROP C TRANSIT FUND:							
Other taxes	1,015,865	1,074,476	1,186,714	1,220,176	1,220,176	1,240,161	1,255,637
Use of money & property	21,563	12,189	14,561	15,000	15,000	15,000	15,000
Total Prop C Fund	1,037,428	1,086,665	1,201,276	1,235,176	1,235,176	1,255,161	1,270,637
MEASURE R FUND							
Other taxes	755,399	803,033	888,963	915,143	915,143	930,052	930,000
Use of money & property	7,703	604	0	0	2,272	1,500	1,500
Total Measure R Fund	763,102	803,637	888,963	915,143	917,415	931,552	931,500
SPECIAL GRANT FUNDS:							
Drug Forfeiture Fund	0	0	33	0	0	0	0
State COPS Grant	200,102	127,599	152,816	132,000	140,000	138,000	143,000
JAG Grant	0	0	20,137	16,409	16,409	17,447	14,000
Litter Reduction	44,252	22,113	22,021	20,600	22,380	22,380	22,800
TDA Article 3 - SB821	40,292	59,513	53,312	51,756	51,756	53,129	53,000
STPL TEA-LU	1,624,502	149,520	0	0	655,874	0	0
Used Oil Grant	-2,938	33,974	14,217	22,603	22,603	22,528	23,000
Beverage Container Recycling	86,596	0	0	0	0	0	0
Prop A Recreation Funds	74,272	73,675	81,805	112,657	112,657	117,352	0
River Park Grant	95,974	0	660,158	0	205,087	300,000	0
Los Angeles County-Open Space	0	0	65,350	8,076	0	0	0
Sewer Reconstruction Fund	0	9,626	13,726	0	0	0	0
Total Special Grant Funds	\$ 2,163,053	\$ 476,021	\$ 1,083,575	\$ 364,101	\$ 1,226,766	\$ 670,836	\$ 255,800

REVENUE SUMMARY

CITY OF LAKEWOOD

Description	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
CAPITAL IMPROVEMENT PROJECT FUND	\$ 593,357	\$ 574,000	\$ 102,113	\$ 3,171,075	\$ 3,135,000	\$ 17,303,500	0
	<u>593,357</u>	<u>574,000</u>	<u>102,113</u>	<u>3,171,075</u>	<u>3,135,000</u>	<u>17,303,500</u>	<u>0</u>
TOTAL GOVERNMENTAL FUNDS:	<u>51,075,061</u>	<u>50,248,494</u>	<u>51,522,589</u>	<u>54,702,813</u>	<u>56,853,035</u>	<u>70,362,996</u>	<u>53,622,732</u>
WATER OPERATIONS FUND:							
Use of money & property	172,945	137,163	168,246	283,000	283,000	119,824	152,878
Other revenue	180,476	1,065,950	98,677	11,300	11,300	12,000	10,000
Operating revenues	8,824,236	9,429,900	10,124,749	10,651,698	10,651,698	11,084,243	11,700,595
TOTAL WATER FUND:	<u>9,177,656</u>	<u>10,633,013</u>	<u>10,391,672</u>	<u>10,945,998</u>	<u>10,945,998</u>	<u>11,216,067</u>	<u>11,863,473</u>
TOTAL GOVERNMENTAL AND WATER FUND:	<u>60,252,717</u>	<u>60,881,507</u>	<u>61,914,261</u>	<u>65,648,811</u>	<u>67,799,033</u>	<u>81,579,063</u>	<u>65,486,205</u>
INTERNAL SERVICE FUNDS:							
Graphics and Copy Center	396,468	393,681	387,676	429,163	429,163	436,498	439,835
Fleet maintenance	841,896	941,315	896,100	1,024,931	1,025,331	994,954	1,004,212
Geographic Info Systems	99,090	66,992	84,886	97,426	97,426	121,733	100,436
TOTAL INTERNAL SERVICE FUNDS:	\$ <u>1,337,454</u>	\$ <u>1,401,988</u>	\$ <u>1,368,662</u>	\$ <u>1,551,520</u>	\$ <u>1,551,920</u>	\$ <u>1,553,185</u>	\$ <u>1,544,483</u>

REVENUE ANALYSIS

CITY OF LAKEWOOD

REVENUE COMPOSITION

Rank	Description	Projected Actual 2015-2016	% of Total	Adopted Budget 2016-2017	% of Total	Adopted Budget 2017-2018	% of Total
1	Sales tax / ERAF	\$ 14,484,031	20.6%	\$ 14,354,000	17.6%	\$ 14,615,000	22.3%
2	Water utility service charges	10,651,698	15.1%	11,084,243	13.6%	11,700,595	17.9%
3	Motor vehicle in lieu / ERAF	7,840,247	11.1%	8,154,641	10.0%	8,481,642	13.0%
4	Refuse service charges	5,157,723	7.3%	5,312,734	6.5%	5,472,116	8.4%
5	Property tax	4,716,530	6.7%	4,666,545	5.7%	5,050,000	7.7%
6	Utility users tax	3,307,902	4.7%	3,415,352	4.2%	3,561,648	5.4%
7	Gas tax	1,813,870	2.6%	1,670,919	2.0%	1,675,500	2.6%
8	Franchise fees	1,710,583	2.4%	1,745,636	2.1%	1,784,860	2.7%
9	Building Permits & Fees	1,835,490	2.6%	1,606,909	2.0%	1,745,550	2.7%
10	Prop A Transit	1,471,024	2.1%	1,495,117	1.8%	1,519,768	2.3%
	Sub-total	52,989,098	75.3%	53,506,096	65.6%	55,606,679	84.9%
11	Prop C Transit	1,220,176	1.7%	1,240,161	1.5%	1,255,637	1.5%
12	Rents & Concession	1,205,774	1.7%	1,145,738	1.4%	1,197,151	1.5%
13	Recreation fees	1,053,327	1.5%	978,638	1.2%	982,786	1.2%
14	Measure R	915,143	1.3%	930,052	1.1%	930,000	1.1%
15	Fines & forfeitures	803,200	1.1%	828,200	1.0%	853,200	1.0%
16	Other Public Safety Fees	572,777	0.8%	815,914	1.0%	831,203	1.0%
17	Business licenses	935,130	1.3%	600,000	0.7%	600,000	0.7%
18	CDBG (Block Grant)	539,459	0.8%	529,085	0.6%	529,085	0.6%
19	Use of money and property	326,662	0.5%	344,299	0.4%	444,677	0.5%
20	Sky Knight	274,742	0.4%	251,126	0.3%	254,198	0.3%
	Sub-Total	7,846,390	11.2%	7,663,213	9.4%	7,877,937	9.7%
	All other	9,489,423	13.5%	20,409,754	25.0%	2,001,589	3.1%
	Grand total	\$ 70,324,911	100%	\$ 81,579,063	100%	\$ 65,486,205	98%

CITY OPERATIONS

DEPARTMENT/DIVISION 1000 - LEGISLATIVE

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
- Enhance parks and open space
- Preserve neighborhood quality of life
- Foster a sense of community
- Promote economic vitality
- Support a caring community
- Highlight governmental transparency.
- Defend and preserve local control
- Protect the environment

ADMINISTRATION - 1000 LEGISLATIVE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	168,967	176,586	173,842	175,633	167,997	177,340	179,844
Office Expense	115	176	190	800	200	800	800
Meetings Expense	6,591	5,157	7,029	15,200	10,940	15,200	11,200
Special Department	<u>22,505</u>	<u>22,883</u>	<u>23,188</u>	<u>23,700</u>	<u>21,984</u>	<u>23,700</u>	<u>23,700</u>
TOTAL EXPENDITURES	<u>198,178</u>	<u>204,802</u>	<u>204,249</u>	<u>215,333</u>	<u>201,121</u>	<u>217,040</u>	<u>215,544</u>

FUNDING SOURCES

1010 General Fund	\$ 198,178	\$ 204,802	\$ 204,249	\$ 215,333	\$ 201,121	\$ 217,040	\$ 215,544
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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 such as Community Development Block Grant, Citizens Option for Public Safety (COPS) program and Justice Assistance Grant (JAG).
- Support long-term 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.

ADMINISTRATION - 1100 LEGISLATIVE ADVOCACY

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Meetings Expense	<u>0</u>	<u>50</u>	<u>2,546</u>	<u>14,000</u>	<u>6,000</u>	<u>14,000</u>	<u>14,000</u>
TOTAL EXPENDITURES	<u>0</u>	<u>50</u>	<u>2,546</u>	<u>14,000</u>	<u>6,000</u>	<u>14,000</u>	<u>14,000</u>

FUNDING SOURCES

1010 General Fund	\$ -	\$ 50	\$ 2,546	\$ 14,000	\$ 6,000	\$ 14,000	\$ 14,000
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DEPARTMENT/DIVISION 1220/1240/1260 - ADVISORY COMMISSIONS

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>2016-2017</u>	<u>2017-2018</u>
Planning and Environment Commission	\$ 12,311	\$ 12,311
Community Safety Commission	\$ 9,598	\$ 9,598
Recreation and Community Services Commission	\$ 13,488	\$ 8,238

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	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	7,555	7,557	6,600	11,679	7,182	11,564	11,568
Office Expense	218	98	142	400	400	400	400
Meetings Expense	5,801	2,240	4,587	15,800	14,725	22,000	16,750
Special Department	199	514	394	780	837	815	815
Other Operating	<u>540</u>	<u>575</u>	<u>575</u>	<u>625</u>	<u>603</u>	<u>625</u>	<u>625</u>
TOTAL EXPENDITURES	<u>14,314</u>	<u>10,985</u>	<u>12,298</u>	<u>29,284</u>	<u>23,747</u>	<u>35,404</u>	<u>30,158</u>

FUNDING SOURCES

1010 General Fund	\$	14,314	\$	10,985	\$	12,298	\$	29,284	\$	23,747	\$	35,404	\$	30,158
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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:

- None

Proposed Activities:

- City Administration will oversee the budget focus areas:
- Budget for sustainability
 - Keep Lakewood safe
 - Enhance parks and open space
 - Preserve neighborhood quality of life
 - Foster a sense of community
 - Promote economic vitality
 - Support a caring community
 - Highlight governmental transparency.
 - Defend and preserve local control
 - Protect the environment

ADMINISTRATION - 1300 CITY ADMINISTRATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	321,862	353,305	367,207	333,870	340,679	336,665	350,368
Office Expense	921	804	854	1,600	1,200	1,600	1,600
Meetings Expense	4,735	5,639	4,000	5,000	5,000	4,000	4,000
Special Department	2,896	3,065	4,772	5,430	4,235	6,130	6,130
Other Operating	1,900	1,797	1,800	2,000	2,000	2,000	2,000
Interdepartmental	1,575	2,206	2,734	4,127	1,968	2,162	2,207
TOTAL EXPENDITURES	333,888	366,817	381,368	352,027	355,082	352,557	366,305

FUNDING SOURCES

1010 General Fund	\$	333,888	\$	366,817	\$	381,368	\$	352,027	\$	355,082	\$	352,557	\$	366,305
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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 establishment and maintenance of the appropriate levels of network and desktop security, and anti-virus protection.

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Maintenance Contracts	\$ 207,179	\$ 203,433	Software	\$ 15,500	\$ 16,849
Disaster Recovery	\$ 30,000	\$ 16,849	Capital Equipment	\$ 8,900	\$ 41,100

Changed Conditions:

- Increase in FY 2017 Maintenance Contract is due to moving the Recreation Class Scheduling and Reservation System to a cloud-based solution.
- Decrease in FY 2017 Capital Outlay is due to extending the life of six servers through extended 2-year maintenance contracts.
- Decrease in FY 2017 Disaster Recovery is due to 3-year Cloud backup storage contract renewal.
- Increase in FY 2018 Capital Outlay is due to purchase of four servers and upgrade of MS Exchange mail system.

Proposed Activities:

- Replace four obsolete servers and ten laptops.
- Upgrade MS Exchange mail system.
- Provide MS Office and security awareness training for all users.
- Assist Administrative Services department in moving parking citations system to a cloud-based solution.
- Install wireless access and two new workstations at the Youth Center.

Productivity Initiatives:

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

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Help Desk Tasks Closed	1,886	2,072	2,485	2,800	2,800	2,800
Servers Maintained	17	17	16	15	15	15
Workstations Supported	170	175	206	217	220	220
Networked Users	179	195	221	238	240	245

ADMINISTRATIVE SERVICES - 2000 INFORMATION TECHNOLOGY

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	192,217	202,448	195,887	207,255	195,353	210,761	219,587
Contract Services	699,170	669,123	651,143	698,000	672,800	732,179	739,332
Facilities Expense	12,870	23,765	23,760	25,456	25,320	23,160	23,160
Special Department	3,397	6,840	12,669	11,740	10,594	18,440	19,789
Other Operating	3,750	1,906	1,200	5,800	4,800	6,323	6,323
Interdepartmental	10	5	20	28	798	888	909
Capital Outlay	8,519	36,605	18,240	19,800	19,800	8,900	41,100
TOTAL EXPENDITURES	919,932	940,693	902,919	968,079	929,465	1,000,651	1,050,200

FUNDING SOURCES

1010 General Fund	\$ 919,932	\$ 940,693	\$ 902,919	\$ 968,079	\$ 927,465	\$ 1,000,651	\$ 1,050,200
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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. Franchise fees and contract revenue support 100 percent of these activities. 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 off The Centre property.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Contractual Services	\$ 21,000	\$ 21,000	Equipment Maintenance	\$ 5,000	\$ 5,000
Special Supplies	\$ 13,000	\$ 13,000			

- Changed Conditions:**
- Increase in Contract Services is due to additional expenses associated with Community Digest hosting and closed captioning.
 - Increase in Other Operating is due to increase in staff training.

- Proposed Activities:**
- Produce special video projects to promote recycling, senior and youth activities, public safety and current public issues.
 - Produce Proposition C funded programs to encourage and explain the use of local transit resources.
 - Provide 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 clients.
 - Promote CityTV viewership to outlets such as Time Warner Cable, Frontier Communications, YouTube, Vimeo and Facebook.

- Productivity Initiatives:**
- Produce Public Safety and Regional History programming.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Number of New Programs Per Year	90	96	97	97	100	100
Franchise Revenues	\$ 923,279	\$ 920,947	\$ 957,424	\$ 940,000	\$ 950,000	\$ 950,000
Audio Visual Fees	\$ 37,852	\$ 42,158	\$ 39,939	\$ 35,000	\$ 35,000	\$ 35,000

ADMINISTRATION - 2120 MEDIA PRODUCTION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	685,032	741,743	690,498	641,566	664,853	692,482	715,492
Contract Services	10,139	17,641	15,594	24,100	24,100	21,000	21,000
Office Expense	34	0	0	0	0	0	0
Meetings Expense	0	331	263	500	500	900	900
Special Department	20,379	21,525	20,948	26,734	26,647	26,734	26,734
Other Operating	1,430	3,020	2,692	6,505	6,505	8,100	8,100
Interdepartmental	<u>22,208</u>	<u>27,954</u>	<u>18,312</u>	<u>20,509</u>	<u>19,509</u>	<u>21,446</u>	<u>21,958</u>
TOTAL EXPENDITURES	<u>739,221</u>	<u>812,214</u>	<u>748,306</u>	<u>719,914</u>	<u>742,114</u>	<u>770,662</u>	<u>794,184</u>

FUNDING SOURCES

1020 Cable TV Fund	\$	527,973	\$	589,514	\$	514,972	\$	497,292	\$	511,275	\$	527,712	\$	544,200
1050 Community Facility	\$	211,249	\$	222,699	\$	233,334	\$	222,622	\$	230,839	\$	242,950	\$	249,984

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 Time Warner Cable, Frontier Communications and AT&T. Activities in this division are funded by access support payments by Time Warner Cable, Frontier Communications and AT&T.

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Capital Equipment	\$ 40,000	\$ 28,000	Computer Maintenance Agreements	\$ 10,200	\$ 10,200

Changed Conditions:

- Increase in Contract Services due to use of closed captioning service.
- Increase in Facilities Expense due to increased Internet streaming speed.
- Increase in Special Department due to purchase of new media management software.
- Decrease in Capital Equipment is due to reduction in equipment purchases.

Proposed Activities:

- Replace scheduling system, playback system and server due to end of life.
- Install closed captioning hardware due to mandates.

Productivity Initiatives:

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

Performance Measures:

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Number of Studio Productions	60	60	60	60	60	60
Media Service Fees	\$ 2,100	\$ 4,296	\$ 2,159	\$ 2,100	\$ 2,100	\$ 2,100
Revenue from Video Franchise-holders to Fund Studio Equipment	\$ 171,033	\$ 172,818	\$ 170,865	\$ 170,000	\$ 170,000	\$ 170,000

ADMINISTRATION - 2140 MEDIA PRODUCTION CENTER

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Contract Services	19,723	18,082	20,966	21,700	21,700	32,540	32,540
Facilities Expense	0	0	0	0	1,400	8,160	8,160
Special Department	2,057	700	1,297	1,500	1,500	2,500	2,500
Capital Outlay	<u>11,870</u>	<u>10,120</u>	<u>57,203</u>	<u>90,000</u>	<u>90,000</u>	<u>40,000</u>	<u>28,000</u>
TOTAL EXPENDITURES	<u>33,651</u>	<u>28,901</u>	<u>79,465</u>	<u>113,200</u>	<u>114,600</u>	<u>83,200</u>	<u>71,200</u>

FUNDING SOURCES

1020 Cable TV Fund	\$	33,651	\$	28,901	\$	79,465	\$	113,200	\$	114,600	\$	83,200	\$	71,200
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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 that 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>2016-2017</u>	<u>2017-2018</u>
Chamber of Commerce Contract	\$ 22,000	\$ 22,000

Changed Conditions: - Increase in online retail competition resulting in the adoption of smaller footprint for many retailers.

Proposed Activities:

- Promote full occupancy in the City's commercial centers including: Lakewood Center Mall's addition of H&M, BevMo and three new spaces in the former 24-Hour Fitness building, Lakewood Market Place to provide space for the relocation of Tokyo Hibachi restaurant and fill the former Tuesday Morning space, Lakewood Square's addition of Hobby Lobby and fill several vacancies and the newly renovated CVS/OSH center to fill several vacancies.
- To work jointly with the Chamber of Commerce to assist owners of other commercial centers fill vacancies.

Productivity Initiatives: - Conduct analysis of intergovernmental proposals impacting property tax, Redevelopment Property Tax Trust Fund (RPTTF) allocation and sales tax.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Sales Tax Revenue	\$15,461,092	\$15,792,115	\$13,207,126	\$14,638,031	\$14,354,000	\$14,615,000
Business License Receipts	\$507,770	\$542,110	\$565,441	\$600,000	\$600,000	\$600,000

ADMINISTRATION - 2300 ECONOMIC DEVELOPMENT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	52,182	55,114	53,526	53,679	50,481	54,475	56,937
Contract Services	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Meetings Expense	0	0	869	0	0	0	0
TOTAL EXPENDITURES	74,182	77,114	76,395	75,679	72,481	76,475	78,937

FUNDING SOURCES

1010 General Fund	\$ 74,182	\$ 77,114	\$ 76,395	\$ 75,679	\$ 72,481	\$ 76,475	\$ 78,937
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DEPARTMENT/DIVISION 2400 - PUBLIC INFORMATION

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 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 departments.

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

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
City Newsletter	\$ 37,000	\$ 37,000	Maintenance Agreement	\$ 10,500	\$ 10,500
Contract Services	\$ 18,000	\$ 18,000	Meeting Expenses	\$ 3,500	\$ 3,500

Changed Conditions:

- Decrease in Office Expense due to reduction in publication subscriptions.
- Increase in Meeting Expense due to increased conference costs.
- Decrease in Special Department due to reduction in promotional supplies purchases.

Proposed Activities:

- Promote communication through the City's e-media including weekly (and occasional twice-weekly) eMagazines to approximately 21,000 subscribers.
- Publish six annual editions of the City newsletter and eight annual editions of bill inserts.

Productivity Initiatives:

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

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Newsletters	7	7	7	6	6	6
eMagazines	55	55	55	55	55	55
Bill Inserts	6	6	6	8	8	8

ADMINISTRATION - 2400 PUBLIC INFORMATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	218,574	219,052	222,762	278,875	258,961	260,624	274,574
Contract Services	82,851	93,698	96,017	94,713	90,925	77,800	77,800
Office Expense	4,860	4,168	4,872	5,500	5,500	4,850	4,850
Meetings Expense	2,816	1,165	1,429	3,912	2,500	3,500	3,500
Special Department	10,186	12,249	5,718	11,494	12,337	10,637	12,337
Other Operating	225	675	600	825	825	825	825
Interdepartmental	<u>61,749</u>	<u>58,142</u>	<u>65,486</u>	<u>50,958</u>	<u>59,581</u>	<u>65,506</u>	<u>67,110</u>
TOTAL EXPENDITURES	<u>381,261</u>	<u>389,150</u>	<u>396,884</u>	<u>446,277</u>	<u>430,629</u>	<u>423,742</u>	<u>440,996</u>

FUNDING SOURCES

1010 General Fund	\$	362,141	\$	369,758	\$	377,278	\$	417,976	\$	405,624	\$	393,913	\$	410,084
3060 Transit - Prop A Fund	\$	19,120	\$	19,392	\$	19,606	\$	28,351	\$	25,005	\$	29,829	\$	30,912

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Catalog Cost	\$ 14,000	\$ 14,000	Meeting Expenses	\$ 4,000	\$ 4,000

Changed Conditions:

- Increase in Meeting Expense due to expanding Annual Service Provider Luncheon to other departments.
- Increase in Special Department due to planned mobile app upgrades.

Proposed Activities:

- Upgrade mobile apps to the next versions to enhance service provision.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Total Service Requests	7,787	8,193	8,322	8,232	8,300	8,200
Tree Trimming Requests	478	537	502	450	500	450
Total Graffiti Requests	636	955	574	436	600	650
Total Street Sweeping Requests	74	55	61	70	65	75
Total RV/Trailer Parking Requests	3,405	8,832	8,363	8,500	8,600	8,650
Total Trash/Recycling Requests	774	895	822	730	775	800
Employee Courteousness Positive Score	95.4%	94.7%	91.7%	92%	93%	94%
Employee Helpfulness Positive Score	96.6%	93.7%	90.9%	93%	94%	93%

ADMINISTRATION - 2500 CUSTOMER SERVICE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	298,552	293,292	310,588	378,145	366,050	404,439	427,828
Contract Services	13,863	13,134	13,053	13,074	13,850	14,000	14,000
Meetings Expense	5,849	5,579	2,486	3,276	3,276	4,000	4,000
Special Department	1,035	1,634	4,212	3,190	3,044	5,190	5,190
Interdepartmental	<u>29,827</u>	<u>29,977</u>	<u>17,735</u>	<u>34,347</u>	<u>6,999</u>	<u>7,695</u>	<u>7,883</u>
TOTAL EXPENDITURES	<u>349,125</u>	<u>343,616</u>	<u>348,073</u>	<u>432,032</u>	<u>393,219</u>	<u>435,324</u>	<u>458,901</u>

FUNDING SOURCES

1010 General Fund	\$	348,897	\$	343,616	\$	348,073	\$	431,834	\$	393,021	\$	435,115	\$	458,677
1020 Cable TV Fund	\$	228	\$	-	\$	-	\$	198	\$	198	\$	209	\$	224

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 Goals.

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>2016-2017</u>		<u>2017-2018</u>			<u>2016-2017</u>		<u>2017-2018</u>		
	Legislative Advocacy	\$	54,492	\$	54,492		Meeting Expenses	\$	22,500	\$	22,500

Changed Conditions: - Increase in Meeting Expenses is due to anticipated advocacy affecting City's legislative goals.

Proposed Activities: - Closely monitor the following issues during this legislative sessions: protecting the City's right to contract for services; monitoring the examination of the State's criminal justice system, specifically residual concerns with Proposition 47 and its effect on crime rates; and supporting water infrastructure funding that addresses stormwater mitigation.

Intergovernmental Priorities Include:

- Preservation and enhancement of local control.
- Funding for critical items such as Community Development Block Grant, Citizens Option for Public Safety (COPS) program and Justice Assistance Grant (JAG).
- Support long-term 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 restructure and reform sales and property taxes.
- Oppose proposals to take additional revenue from local governments or to shift responsibilities and costs to local government without providing funding.

ADMINISTRATION - 2550 INTERGOVERNMENTAL RELATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	84,596	110,795	136,180	201,102	198,908	213,077	221,044
Contract Services	73,840	73,558	74,427	80,839	80,839	81,446	81,446
Meetings Expense	10,595	11,064	26,123	13,045	22,500	24,500	24,500
Special Department	882	1,754	2,259	2,402	2,308	2,402	2,402
Other Operating	<u>34,101</u>	<u>35,262</u>	<u>35,215</u>	<u>37,000</u>	<u>37,000</u>	<u>38,000</u>	<u>38,000</u>
TOTAL EXPENDITURES	<u>204,014</u>	<u>232,434</u>	<u>274,204</u>	<u>334,388</u>	<u>341,555</u>	<u>359,425</u>	<u>367,392</u>

FUNDING SOURCES

1010 General Fund	\$	188,214	\$	216,634	\$	258,404	\$	314,193	\$	320,410	\$	338,280	\$	346,247
3000 AQMD Fund	\$	4,800	\$	4,800	\$	4,800	\$	6,427	\$	6,427	\$	6,427	\$	6,427
3060 Transit - Prop A Fund	\$	11,000	\$	11,000	\$	11,000	\$	14,718	\$	14,718	\$	14,718	\$	14,718

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

To promote community pride and identification through 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Special Supplies	\$ 25,000	\$ 25,000	Contractual Services	\$ 2,300	\$ 2,300

Changed Conditions:

- Increase in Meeting Expense due to increased costs associated with attendance.
- Increase in Special Department due to special celebratory events and increased event costs.

Proposed Activities:

- Celebrate Sky Knight's 50th anniversary.
- Celebrate a special retirement event.
- Purchase commendatory and recognition items for Award of Valor.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Special Events Revenue and Sponsorships	\$ 26,505	\$ 28,695	\$ 48,135	\$ 28,000	\$ 35,000	\$ 35,000

ADMINISTRATION - 2600 COMMUNITY RELATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	215,941	182,156	204,288	209,825	179,232	213,504	226,965
Contract Services	2,036	2,904	2,164	2,300	2,300	2,300	2,300
Meetings Expense	4,068	6,176	4,084	5,000	4,252	6,750	6,750
Special Department	66,252	134,387	104,234	82,011	77,967	124,276	93,006
Other Operating	985	1,043	275	1,225	1,225	1,225	1,225
Interdepartmental	15,562	21,957	10,216	30,640	29,442	32,370	33,163
Capital Outlay	<u>0</u>	<u>0</u>	<u>331</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>304,843</u></u>	<u><u>348,623</u></u>	<u><u>325,592</u></u>	<u><u>331,001</u></u>	<u><u>294,418</u></u>	<u><u>380,425</u></u>	<u><u>363,409</u></u>

FUNDING SOURCES

1010 General Fund	\$ 304,843	\$ 348,623	\$ 325,592	\$ 331,001	\$ 294,418	\$ 380,425	\$ 363,409
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DEPARTMENT/DIVISION 3000 - CITY CLERK

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, research and dissemination of official recorded data, and certification of the authority of that data. The City

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 pertaining to claims and litigation against the City for processing by Administrative Services.
- 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>2016-2017</u>	<u>2017-2018</u>
Municipal Election	\$ 127,000	\$ -

Changed Conditions: - Increase in Contract Services due to General Municipal Election in March, 2017.

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.
- Maintain 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: - Maintain electronic storage of the Lakewood Municipal Code to provide for immediate updates following code revisions

Performance Measures:

- Respond to information and records requests in an effective and timely manner to comply with California Public Records Act.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Damage Claims Processed	31	36	34	32	<i>Transferred to Administrative Svcs.</i>	
Claims Closed without Liability	31	38	29	28	<i>Transferred to Administrative Svcs.</i>	
Records Requests Processed	80	85	89	92	100	120

ADMINISTRATION - 3000 CITY CLERK

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	210,624	220,291	153,839	153,062	137,379	160,577	173,286
Contract Services	2,874	0	2,283	0	0	127,000	0
Office Expense	0	0	0	1,000	1,000	500	500
Meetings Expense	0	9	86	1,100	1,100	1,400	1,400
Special Department	4,060	4,892	2,692	4,640	4,994	5,140	5,140
Other Operating	2,566	3,352	5,655	4,400	4,400	5,900	5,900
Interdepartmental	3,776	3,879	3,179	4,500	3,115	3,425	3,509
Capital Outlay	0	1,303	0	0	0	0	0
TOTAL EXPENDITURES	223,899	233,726	167,734	168,702	151,988	303,942	189,735

FUNDING SOURCES

1010 General Fund	\$ 214,373	\$ 233,726	\$ 167,734	\$ 168,702	\$ 151,988	\$ 303,942	\$ 189,735
1030 CDBG Current Year	\$ 9,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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>2016-2017</u>	<u>2017-2018</u>
Document Imaging System Support	\$ 9,400	\$ 9,400

Changed Conditions:

- Increase in Other Operating is due to increase in staff training cost.

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.
- Provide training for Management Aide to become a Certified Municipal Clerk.

Productivity Initiative:

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

Performance Measures:

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

	<u>Actual 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
Types of Records Controlled by Retention Schedules	100	101	102	103	104	105
Volume of Records Available Through Document Imaging System	1,030,000	1,060,000	1,100,000	1,110,000	1,120,000	1,130,000

ADMINISTRATION - 3100 RECORDS MANAGEMENT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	132,949	134,930	119,980	119,746	113,879	120,359	130,858
Contract Services	9,135	9,280	9,180	10,200	10,200	10,250	10,250
Meetings Expense	20	0	236	250	250	250	250
Special Department	920	726	1,648	2,000	2,469	2,520	2,520
Other Operating	<u>230</u>	<u>504</u>	<u>289</u>	<u>550</u>	<u>550</u>	<u>2,250</u>	<u>2,250</u>
TOTAL EXPENDITURES	<u>143,254</u>	<u>145,441</u>	<u>131,333</u>	<u>132,746</u>	<u>127,348</u>	<u>135,629</u>	<u>146,128</u>

FUNDING SOURCES

1010 General Fund	\$	143,254	\$	145,441	\$	131,333	\$	132,746	\$	127,348	\$	135,629	\$	146,128
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DEPARTMENT/DIVISION 3220/3240 - CITY LEGAL SERVICES

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>2016-2017</u>	<u>2017-2018</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	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Contract Services	204,669	202,114	201,874	207,363	207,363	207,363	207,363
Special Department	<u>7,623</u>	<u>24,092</u>	<u>35,229</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>
TOTAL EXPENDITURES	<u>212,292</u>	<u>226,207</u>	<u>237,104</u>	<u>242,363</u>	<u>242,363</u>	<u>242,363</u>	<u>242,363</u>

FUNDING SOURCES

1010 General Fund	\$ 212,292	\$ 226,207	\$ 237,104	\$ 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Postage	\$ 131,250	\$ 134,250.00	Graphics & Copy Center	\$ 29,031	\$ 29,742
Communications	\$ 45,300	\$ 46,200.00	Mail Processing	\$ 1,850	\$ 1,880

Changed Conditions: None.

Productivity Initiative: None.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Special Event Mailers	36,446	38,160	38,840	39,360	41,000	41,000
Business Licenses & Renewals	4,713	4,925	4,265	4,749	4,970	4,970

ADMINISTRATION - 3300 INTERNAL ADMINISTRATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	213,514	260,332	259,700	208,402	202,028	212,182	220,290
Contract Services	5,676	5,681	5,208	5,910	1,806	1,850	1,880
Facilities Expense	56,388	43,423	43,436	49,050	45,245	46,300	47,200
Office Expense	109,952	110,143	124,725	141,950	130,700	131,950	134,950
Meetings Expense	1,550	2,366	1,727	2,000	2,000	2,000	2,000
Special Department	811	482	1,150	1,180	1,171	1,180	1,180
Interdepartmental	<u>27,906</u>	<u>31,566</u>	<u>29,038</u>	<u>30,315</u>	<u>28,243</u>	<u>31,050</u>	<u>31,804</u>
TOTAL EXPENDITURES	<u><u>415,797</u></u>	<u><u>453,993</u></u>	<u><u>464,983</u></u>	<u><u>438,807</u></u>	<u><u>411,193</u></u>	<u><u>426,512</u></u>	<u><u>439,304</u></u>

FUNDING SOURCES

1010 General Fund	\$ 415,797	\$ 453,993	\$ 464,983	\$ 438,807	\$ 411,193	\$ 426,512	\$ 439,304
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Training	\$ 13,600	\$ 13,600	Live scan	\$ 5,000	\$ 5,000
Medical Exams	\$ 6,000	\$ 6,000	Advertising	\$ 1,600	\$ 1,600

Changed Conditions:

- Change in Contract Services due to normalization of legal services costs.
- Change in Other Operating due to new training program.

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>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Safety and Risk Management Training Hours	3,471	3,057	3,268	3,300	3,300	3,300
Total Job Applications	1,674	3,773	3,967	3,200	3,300	3,500
New Hires/Promotions:						
Full-Time Employees	8	31	19	25	20	22
Part-Time & Seasonal Employees	101	125	155	125	125	125
Total Employment Recruitments	38	45	32	35	30	32
Online applicant tracking:						
Total Job Posting Hits	27,448	24,014	43,084	32,000	33,000	35,000
Total Online Job Applications	1,541	3,671	3,893	3,170	3,270	3,450

ADMINISTRATION - 3400 HUMAN RESOURCES

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	410,948	407,078	410,340	430,842	404,790	443,835	461,560
Contract Services	83,119	76,431	133,827	112,417	97,051	94,620	95,100
Office Expense	195	1,585	1,860	1,700	1,700	1,700	1,700
Meetings Expense	1,841	2,429	2,393	4,300	4,300	4,300	4,300
Special Department	23,837	25,626	26,225	25,960	25,764	25,960	25,960
Other Operating	7,839	8,016	8,345	11,050	11,050	31,650	31,650
Interdepartmental	5,873	5,895	9,512	13,278	11,053	12,153	12,450
Capital Outlay	0	448	600	500	500	500	500
TOTAL EXPENDITURES	533,652	527,508	593,103	600,047	556,208	614,718	633,220

FUNDING SOURCES

1010 General Fund	\$ 533,652	\$ 527,508	\$ 593,103	\$ 300,047	\$ 556,208	\$ 614,718	\$ 633,220
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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 the 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Sheriff's General Law Contract	\$ 7,116,183	\$ 7,390,192	Special Mall Patrol	\$ 590,494	\$ 613,354
Specially-Assigned Officers	\$ 993,628	\$ 1,033,372	Star Deputy Program	\$ 93,565	\$ 97,307
Liability Insurance & State Fee	\$ 822,185	\$ 854,184	Holiday Patrol	\$ 25,000	\$ 25,000

Changed Conditions:

- Increase in Contract Services provides for a 3.7% increase in Sheriff's service and 3.5% increase in liability
- Decrease in Contract Services due to reduced cost of Mobile Digital Computers (MDC) lease.
- Decrease in Other Operating due to the elimination of rental cost of the community safety center.

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 400, and 1,130 registered vehicles in the Operation LAW program by the end of this budget period.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Part I Crimes	2,307	2,110	2,075	2,618	3,100	3,485
Response Times in Minutes	3.3	3.5	3.3	3.4	3.5	3.5
Cases Handled	6,643	6,489	6,641	7,126	7,665	8,000
Calls for Service	23,434	22,236	23,028	26,750	27,000	28,000
LAW Registered Vehicles	1,107	1,118	1,124	1,127	1,130	1,130
Block Captain Participants	400	396	394	400	400	400
LAND Participants	144	131	131	129	130	132

ADMINISTRATION - 3600 PUBLIC SAFETY-LAW ENFORCEMENT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	566,287	630,914	638,563	627,139	637,015	809,887	840,703
Contract Services	8,629,095	8,717,608	9,215,983	10,238,880	9,861,565	10,839,208	11,205,436
Facilities Expense	8,059	7,540	7,433	8,780	4,952	4,705	4,705
Office Expense	211	120	71	600	600	300	300
Meetings Expense	5,328	3,045	4,505	5,000	5,000	6,000	6,000
Special Department	6,529	11,145	8,055	16,230	16,199	14,230	14,230
Other Operating	57,989	59,622	64,268	67,814	34,000	4,000	4,000
Interdepartmental	44,692	38,410	33,928	43,625	44,475	48,896	50,085
TOTAL EXPENDITURES	9,318,191	9,468,402	9,972,807	11,008,068	10,603,806	11,727,226	12,125,459

FUNDING SOURCES

1010 General Fund	\$ 9,264,295	\$ 9,320,996	\$ 9,729,820	\$ 10,807,981	\$ 10,403,885	\$ 11,513,015	\$ 11,906,825
1080 Drug Forfeiture	0		62,767	0	0	0	0
1336 STATE COPS	53,896	125,178	160,084	183,678	183,512	196,764	204,634
1371 JAG Grant	0	22,229	20,137	16,409	16,409	15,000	14,000

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 Lakewood and Cerritos 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Helicopter Maintenance Contract	\$ 272,853	\$ 271,564	Sky Knight Helicopter Insurance	\$ 16,000	\$ 17,000
Sky Knight Observers Contract	\$ 143,644	\$ 149,389	Safety Training	\$ 6,180	\$ 6,180

Changed Conditions:

- Decrease in Contract Services due to reduction costs of helicopter maintenance resulting from the replacement of Sikorsky 300C helicopters with the new Robinson R44s.
- Increase in Other Operating is due to additional training for pilots.
- Change in Capital Outlay is due to lease and purchase of two new helicopters.

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

Performance Measures:

- Respond to an estimated 4,000 calls for service each 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Calls for Service	2,139	2,610	3,130	3,530	4,025	4,500
Flight Time in Hours	988	1,002	1,014	1,027	1,040	1,040
Percent Share by City						
Cerritos	38	41	41	41	41	41
Hawaiian Gardens	9	0	0	0	0	0
Lakewood	53	59	59	59	59	59

ADMINISTRATION - 3700 PUBLIC SAFETY-SKY KNIGHT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	125,323	135,725	145,118	152,330	145,249	156,920	162,433
Contract Services	456,938	426,595	477,204	487,646	487,646	416,497	420,954
Special Department	1,525	1,701	1,495	3,395	3,344	3,345	3,395
Other Operating	17,885	19,281	19,451	21,550	18,328	22,230	23,230
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>426,546</u>	<u>426,546</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>601,671</u>	<u>583,301</u>	<u>643,268</u>	<u>1,091,467</u>	<u>1,081,113</u>	<u>598,992</u>	<u>610,012</u>

FUNDING SOURCES

1010 General Fund	\$ 601,671	\$ 583,301	\$ 643,268	\$ 1,091,467	\$ 1,081,113	\$ 598,992	\$ 610,012
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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 continue to provide programs related to traffic safety, crime prevention, substance abuse and gang diversion education in the elementary schools in Lakewood. The primary focus of the program is to reduce traffic accidents caused by 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Crossing Guards	\$ 198,355	\$ 198,355	Bike Safety Expo	\$ 3,000	\$ 3,000
Special Supplies	\$ 4,800	\$ 24,800	Uniforms	\$ 2,000	\$ 2,000

Changed Conditions:

- Increase in Special Department includes purchase of two year supply of school safety program books in FY 2017-2018.

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 based on number of children crossing.
- Update "Suggested Route to School" maps and print in four colors.

Productivity Initiatives:

- Adjust crossing guards post hours to accommodate walking students.
- Conduct enhanced training for crossing guards in safety programs.
- Partially fund the 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Crossing Guards	30	30	30	30	30	30
Classrooms Visited	288	277	270	268	273	273
Students Reached	8,630	8,307	8,108	8,051	8,200	8,200

ADMINISTRATION - 3800 PUBLIC SAFETY-SAFETY SERVICES

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	279,958	245,047	299,908	310,305	306,449	336,549	346,384
Office Expense	24	0	0	0	0	0	0
Meetings Expense	137	877	966	1,240	1,240	1,240	1,240
Special Department	4,310	12,237	4,172	29,452	30,769	10,820	30,820
Other Operating	75	0	30	125	125	125	125
Interdepartmental	1,687	984	4,661	2,825	3,604	3,963	4,060
TOTAL EXPENDITURES	286,191	259,144	309,738	343,947	342,187	352,697	382,629

FUNDING SOURCES

1010 General Fund	\$ 286,191	\$ 259,144	\$ 309,738	\$ 343,947	\$ 342,187	\$ 352,697	\$ 382,629
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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>2016-2017</u>	<u>2017-2018</u>			<u>2016-2017</u>	<u>2017-2018</u>
Assistance to Hazard Mitigation Plan	\$	5,950	0	DRB Architectural Services	\$	9,000	9,000

Changed Conditions:

- The increase in Contract Services is primarily for a consultant to provide technical assistance to staff for the General Plan update and to prepare an EIR for the General Plan in accordance with State requirements.
- The Contract Services increase includes a consultant to provide technical assistance to staff for the Hazard Mitigation Plan five-year update.

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 other in-fill housing development projects.
- Continue to participate in subregional local government groups, including the Gateway Cities COG.

Productivity Initiatives:

- Continue to provide and maintain all planning forms for access through the Internet.
- The total number of cases being heard by the Development Review Board is expected to increase.
- The increase in site plan approvals is due to solar panel installations which is expected to remain high.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Site Plan Approvals	660	680	1,052	1,316	1,340	1,365
Development Review Board Cases	138	196	147	171	174	177
Conditional Use Permit Cases	21	25	21	20	20	21

COMMUNITY DEVELOPMENT - 4000 PLANNING

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	748,693	635,527	620,552	600,659	487,169	593,781	668,565
Contract Services	152,854	25,541	19,171	27,500	21,800	430,850	24,900
Office Expense	4,481	3,753	3,649	5,206	5,206	5,207	5,227
Meetings Expense	1,530	4,787	4,864	4,895	4,895	5,300	5,600
Special Department	10,974	8,246	8,528	8,123	7,245	8,112	8,994
Other Operating	5,177	4,949	6,391	5,775	6,150	6,350	6,650
Interdepartmental	13,372	9,744	11,035	12,486	9,745	10,712	10,963
Capital Outlay	740	0	0	671	671	0	0
TOTAL EXPENDITURES	937,821	692,547	674,189	665,315	542,881	1,060,312	730,899

FUNDING SOURCES

1010 General Fund	\$	591,422	\$	535,614	\$	549,994	\$	502,658	\$	443,303	\$	908,464	\$	572,831
1030 CDBG Current Year	\$	291,063	\$	156,933	\$	124,195	\$	162,657	\$	99,578	\$	151,848	\$	158,068
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>2016-2017</u>	<u>2017-2018</u>
LA County DPWBS	\$	841,600	\$ 858,600

Changed Conditions:

- Change in Contract Services due to anticipated increase in Los Angeles County DPWBS Building and Safety contract service fees.

Proposed Activities:

- Anticipated development activities: continued improvements at Lakewood Center, construction and various in-fill housing development projects.

Productivity Initiatives:

- 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, and to increase the number of digital plan checks processed.

Performance Measures:

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Building & Safety Permits Issued	2,915	3,107	3,457	4,200	4,100	4,300
Number of Inspections	4,878	4,878	5,238	5,900	5,700	6,000
Completed Plan Checks	693	720	926	1,150	1,100	1,200
Revenue Generated:						
Plan Check	\$ 252,445	\$ 367,819	\$ 394,595	\$ 471,000	\$ 445,720	\$ 475,750
Building Permits	\$ 466,986	\$ 457,959	\$ 725,335	\$ 840,300	\$ 695,360	\$ 761,380

COMMUNITY DEVELOPMENT - 4100 BUILDING REGULATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	372,060	436,934	400,743	353,592	291,150	346,443	361,315
Contract Services	729,222	773,347	809,435	811,928	811,928	841,600	858,600
Special Department	3,394	4,046	4,583	3,339	2,974	3,849	3,849
Other Operating	200	450	399	900	900	900	900
Interdepartmental	<u>114</u>	<u>44</u>	<u>1,219</u>	<u>2,044</u>	<u>338</u>	<u>371</u>	<u>380</u>
TOTAL EXPENDITURES	<u>1,104,990</u>	<u>1,214,821</u>	<u>1,216,378</u>	<u>1,171,803</u>	<u>1,107,290</u>	<u>1,193,163</u>	<u>1,225,044</u>

FUNDING SOURCES

1010 General Fund	\$ 1,104,990	\$ 1,214,821	\$ 1,216,378	\$ 1,171,803	\$ 1,107,290	\$ 1,193,163	\$ 1,225,044
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Long Beach Transit	\$ 213,064	\$ 214,000	91-605 Freeway Study	\$ 11,000	\$ 11,000
GIS Services	\$ 60,866	\$ 50,218	Prop A Exchange	\$ 1,000,000	\$ 1,000,000

Changed Conditions:

- Change in Special Department is associated with the reallocation of personnel 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Fixed Route Ridership	1,016,395	1,037,054	1,028,645	1,043,296	1,102,591	1,062,645
Fixed Route Subsidy	\$ 70,860	\$ 71,404	\$ 77,852	\$ 85,018	\$ 93,064	\$ 91,600
Dial-A-Lift Ridership	2,253	2,348	4,150	4,800	4,771	4,680
Dial-A-Lift Subsidy	\$ 56,663	\$ 59,071	\$ 104,373	\$ 120,720	\$ 120,000	\$ 122,400

COMMUNITY DEVELOPMENT - 4300 GENERAL TRANSPORTATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	74,764	106,521	133,263	360,617	350,345	326,195	255,224
Contract Services	938,523	941,475	1,193,225	1,216,738	1,216,738	1,224,064	1,225,000
Meetings Expense	0	18	0	250	250	250	250
Special Department	855	1,471	1,692	5,110	5,018	4,375	2,905
Other Operating	85	805	0	1,560	1,560	1,560	1,560
Interdepartmental	33,496	25,832	42,443	48,713	44,432	60,866	50,218
TOTAL EXPENDITURES	1,047,723	1,076,122	1,370,624	1,632,988	1,618,343	1,617,310	1,535,157

FUNDING SOURCES

3000 AQMD Fund	\$ 15,455	\$ 15,635	\$ 15,569	\$ 15,679	\$ 15,537	\$ 15,792	\$ 15,972
3060 Transit - Prop A Fund	\$ 991,573	\$ 1,001,925	\$ 1,269,649	\$ 1,318,359	\$ 1,309,927	\$ 1,337,353	\$ 1,324,045
3070 Transit - Prop C Fund	\$ 40,696	\$ 58,562	\$ 85,406	\$ 298,950	\$ 292,879	\$ 264,165	\$ 195,140

DEPARTMENT/DIVISION 4600 - HOUSING PROGRAMS

The purpose of this activity is to utilize Community Development Block Grant (CDBG) and repayment of Lakewood Successor Agency loans to provide funds for 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, through Section 8 operated by the Housing Authority of the County of Los Angeles

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

To encourage residents to participate in property rehabilitation programs.

BUDGET SUMMARY

Changed Conditions:

- None

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 by providing informational inserts in the City's utility bills and using City newsletters including e-publications.
- Working to increase CDBG entitlement funds from HUD.

Productivity Initiatives:

- New market strategies are generating more interest in the program.
- CDBG Single-Family Rehabilitation Loan Paybacks exceeded Budget Projections.

Performance Measures:

- Fund ten Single-Family Residential Rehabilitation loans.
- Fund six Fix-Up/Paint-Up Program grants.
- Provide six neighborhood cleanup dates.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Number of Loans Funded	5	10	1	10	10	10
Number of Grants	15	4	2	6	6	6
Amount Loaned	\$ 90,000	\$ 162,000	\$ 18,000	\$ 180,000	\$ 180,000	\$ 180,000
Amount Repaid						
CDBG	\$ 36,163	\$ 56,000	\$ 24,457	\$ 64,804	\$ 33,000	\$ 33,000
RDA/LHSA	\$ 248,146	\$ 211,335	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000

COMMUNITY DEVELOPMENT - 4600 HOUSING PROGRAMS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	222,474	131,518	160,206	173,222	83,048	177,116	184,805
Contract Services	36,481	213,046	51,707	214,381	214,381	215,240	216,122
Office Expense	0	0	0	0	300	300	300
Meetings Expense	0	0	0	0	500	500	500
Special Department	4,133	22,285	9,537	29,947	24,887	31,216	31,216
Other Operating	809	2,481	2,309	4,606	3,456	3,456	3,456
Capital Outlay	0	0	0	0	0	7,500	7,500
TOTAL EXPENDITURES	263,898	369,330	223,758	422,156	326,572	435,328	443,899

FUNDING SOURCES

1010 General Fund	\$ 201,285	\$ 105,401	\$ 147,479	\$ 157,658	\$ 78,993	\$ 158,694	\$ 169,385
1030 CDBG-Fair Housing	\$ 32,240	\$ 33,046	\$ 33,707	\$ 34,381	\$ 34,381	\$ 35,240	\$ 36,122
3901 Housing Admin	\$ -	\$ 199,075	\$ 23,675	\$ 200,000	\$ 196,320	\$ 204,000	\$ 204,000
8010 CDBG Program Inc.	\$ 30,373	\$ 31,808	\$ 18,897	\$ 29,399	\$ 16,878	\$ 33,894	\$ 34,392

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:

- Other Operating increased due to the cost to maintain certification of code enforcement officers. All officers are now certified.

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 and cost recovery efforts.
- 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 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
Service Requests Received	1,423	1,374	1,237	1,125	1,290	1,419
Service Requests Cleared	1,268	1,509	1,158	1,075	1,200	1,380

COMMUNITY DEVELOPMENT - 4700 CODE ENFORCEMENT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	313,847	329,001	283,322	311,564	297,175	323,383	339,855
Contract Services	100	0	0	1,500	1,500	1,500	1,500
Meetings Expense	0	200	180	200	200	200	200
Special Department	3,159	3,015	3,079	3,525	3,468	3,599	3,599
Other Operating	<u>225</u>	<u>300</u>	<u>400</u>	<u>805</u>	<u>700</u>	<u>1,525</u>	<u>1,525</u>
TOTAL EXPENDITURES	<u>317,331</u>	<u>332,516</u>	<u>286,981</u>	<u>317,594</u>	<u>303,043</u>	<u>330,207</u>	<u>346,679</u>

FUNDING SOURCES

1010 General Fund	\$	265,151	\$	278,431	\$	251,445	\$	272,068	\$	258,274	\$	281,500	\$	294,228
1030 CDBG - Current Year	\$	52,180	\$	54,085	\$	35,537	\$	45,526	\$	44,769	\$	48,707	\$	52,451

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 and file required tax reports.
- To prepare the City's Annual Financial Report and other financial reports requested by the State Controller's Office and other agencies.
- To provide risk management services in an effort to safeguard the assets and resources of the City.
- To maintain an inventory of all City assets.
- To track grants from all sources.

BUDGET SUMMARY

Significant Detail:

	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Audits	\$ 39,740	\$ 44,590	Credit Card/Banking Services	\$ 30,000	\$ 31,000
Investment Advisory Svcs.	\$ 39,000	\$ 39,500	Graphics & Copy Center	\$ 14,866	\$ 15,230

Changed Conditions:

- Increase in Employee Services is due to the addition of one full-time equivalent (FTE).
- Decrease in Interdepartmental is due to the reduction in the use of hard copy reports and utilizing the City's website.

Proposed Activities:

- Submit financial statements to the Government Finance Officers Association (GFOA). The City has received "Outstanding Awards" every year since 1981.

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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Accounts Payable Invoices	10,260	10,640	10,745	10,179	10,548	10,600
Accounts Payable Checks	6,534	6,352	6,275	6,363	6,387	6,400
Regular Utility Bills	144,972	144,942	145,001	144,960	145,000	144,700
Investment Earnings - City	\$ 315,048	\$ 350,354	\$ 299,772	\$ 400,000	\$ 400,000	\$ 400,000

ADMINISTRATIVE SERVICES - 5000 FINANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	820,336	885,978	867,735	852,446	855,025	953,156	999,621
Contract Services	140,907	184,584	215,046	157,395	208,355	142,340	147,890
Office Expense	13,719	17,287	15,522	14,930	14,975	15,000	15,000
Meetings Expense	3,617	2,811	1,614	6,099	6,099	6,000	6,000
Special Department	1,992,114	1,674,063	525,140	77,062	77,111	88,838	91,023
Other Operating	353,474	314,352	215,177	2,000	2,500	2,100	2,100
Interdepartmental	18,784	7,449	18,884	24,560	13,521	14,866	15,230
Capital Outlay	0	0	994	13,886	1,660	105,600	102,000
TOTAL EXPENDITURES	<u>3,342,950</u>	<u>3,086,525</u>	<u>1,860,113</u>	<u>1,148,378</u>	<u>1,179,246</u>	<u>1,327,900</u>	<u>1,378,864</u>

FUNDING SOURCES

1010 General Fund	\$ 1,037,776	\$ 1,114,936	\$ 1,116,997	\$ 1,137,554	\$ 1,106,026	\$ 1,316,624	\$ 1,363,097
1030 CDBG Current Year	10,034	10,808	9,122	8,924	8,830	11,276	15,767

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 cashiering for all City activities.

PROGRAMS AND FUNCTIONS

- To maintain all records relating to over 4,000 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 cashiering for all City activities.
- To collect and record all revenues of the City.
- To process and maintain permit records on film, fireworks stands, entertainment and other special events.

BUDGET SUMMARY

- Changed Conditions:** - None.
- 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Home Occupation Licenses	801	851	811	830	830	830
Lakewood Business Locations	1,771	1,785	1,824	1,864	1,855	1,855
Contractors/Businesses Outside Lakewood	2,141	2,289	1,630	2,055	2,285	2,285
Total Business License Applications Mailed	4,713	4,925	4,265	4,749	4,970	4,970
 Total Business Licenses Issued	 3,587	 3,461	 3,148	 3,325	 3,325	 3,325
Total Annual Revenue	\$ 507,770	\$ 542,110	\$ 565,441	\$ 600,000	\$ 600,000	\$ 600,000

ADMINISTRATIVE SERVICES - 5100 LICENSING AND REVENUE COLLECTION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	93,267	52,219	63,263	85,293	81,670	90,730	97,223
Office Expense	12	74	23	205	255	255	260
Meetings Expense	50	75	75	430	430	150	650
Special Department	1,080	1,527	786	2,125	2,125	2,100	2,150
Interdepartmental	<u>89</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>94,498</u>	<u>53,895</u>	<u>64,147</u>	<u>88,053</u>	<u>84,480</u>	<u>93,235</u>	<u>100,283</u>

FUNDING SOURCES

1010 General Fund	\$	94,498	\$	53,895	\$	64,147	\$	88,053	\$	84,480	\$	93,235	\$	100,283
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Liability Insurance (CJPIA)	\$ 419,832	\$ 564,673	Property Damage Insurance (CJPIA)	\$ 35,175	\$ 35,175
Worker's Compensation (CJPIA)	\$ 170,314	\$ 204,260	Environmental Liability Insurance	\$ 10,000	\$ 10,000
Earthquake Insurance (CJPIA)	\$ 130,000	\$ 130,000	Employee Bond	\$ 5,040	\$ 5,040
Retiree Medical	\$ 77,500	\$ 80,700	Employee Assistance Program	\$ 5,000	\$ 5,000
Unemployment Insurance	\$ 35,000	\$ 35,000			

Changed Conditions:

- Increase in Other Operating is attributed to the increase in liability claims in the last two fiscal years and decrease in retroactive adjustments.
- Decrease in Contract Services due to the maintenance contract for Disability Access Consultants Assessment and Software Services implemented in FY 2015/16.

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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Liability Program Costs	\$ 965,515	\$ 566,668	\$ 75,983	\$ 210,635	\$ 419,832	\$ 564,673
Property Damage	\$ 31,194	\$ 32,429	\$ 32,633	\$ 35,163	\$ 35,175	\$ 35,175
Earthquake Insurance	\$ 122,677	\$ 126,207	\$ 129,656	\$ 128,923	\$ 130,000	\$ 130,000
Workers' Compensation*	\$ 286,838	\$ 590,598	\$ 68,097	\$ 167,174	\$ 170,314	\$ 204,260
Unemployment Insurance	\$ 37,166	\$ 50,937	\$ 29,786	\$ 22,516	\$ 35,000	\$ 35,000
Liability Claims	31	36	34	32	30	30
Workers' Compensation Claims	24	13	14	14	12	12

* Includes rebates based on actual experience

ADMINISTRATIVE SERVICES - 5200 INSURANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Contract Services	7,322	10,315	8,172	94,900	94,900	33,250	29,250
Office Expenses	2,149	1,949	2,149	2,215	2,191	2,500	2,500
Meetings Expense	658	37	1,474	1,301	1,301	2,000	2,000
Other Operating	<u>1,675,111</u>	<u>1,619,565</u>	<u>4,497,124</u>	<u>920,194</u>	<u>900,248</u>	<u>1,131,861</u>	<u>1,315,848</u>
TOTAL EXPENDITURE	<u>1,685,240</u>	<u>1,631,866</u>	<u>4,508,919</u>	<u>1,018,610</u>	<u>998,640</u>	<u>1,169,611</u>	<u>1,349,598</u>

FUNDING SOURCES

1010 General Fund	\$ 1,508,453	\$ 1,404,070	\$ 368,492	\$ 699,953	\$ 665,433	\$ 832,661	\$ 1,011,448
1070 Retiree Medical Fund	\$ 203,405	\$ 227,796	\$ 4,140,427	\$ 318,657	\$ 333,207	\$ 336,950	\$ 338,150

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 and California Vehicle Code.

To collect revenue in payment of all parking fines including outstanding citations through a collection agency.

To process citations, issue "Notices" 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Computer Services-Other	\$ 53,000	10,500	Hearing Officer	\$ 2,000	2,000
Vehicle Maintenance	\$ 14,786	14,932			

Changed Conditions:

- Increase in Contract Services due to purchase of new parking control software and equipment to enhance enforcement.

Proposed Activities:

- Clear service requests within five to seven days of receipt.

Productivity Initiatives:

- Implement a new in-house parking control program, which will improve the enforcement of the City's parking regulations and adhere to the California Vehicle Code guidelines.
- Continue aggressive follow-up on delinquent citations through DMV and collection services.
- Implement online citation appeals to improve customer service.
- Address habitual, unpaid parking accounts by enforcing CVC 22651(I).
- Adhere to ADA guidelines with Citywide effort to inform residents of CVC 22500(f)-sidewalk obstruction.
- Continue to work toward decrease in the number of street sweeping citations.
- Continue to maintain online payment system to increase revenue collection.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Amount Collected	\$ 558,201	\$ 582,450	\$ 556,515	\$ 560,000	\$ 560,000	\$ 560,000
Number of Citations Issued (Includes Warnings)	22,522	24,258	22,809	23,096	23,383	23,670
Administrative Towing Fees	\$ 33,579	\$ 46,768	\$ 27,144	\$ 20,000	\$ 23,000	\$ 23,000
Number of Service Requests Handled	1,420	1,664	1,292	1,200	1,320	1,340
Number of Vehicles Towed (By the City)	51	32	25	30	32	35

ADMINISTRATIVE SERVICES - 5300 PARKING CONTROL

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	528,532	539,001	505,363	528,607	512,693	545,583	569,643
Contract Services	10,929	11,384	10,323	11,550	11,700	55,100	12,600
Meetings Expense	603	1,590	550	1,600	1,600	1,600	2,100
Special Department	5,601	4,300	4,606	5,090	4,940	5,790	5,877
Other Operating	135	135	0	135	135	135	135
Interdepartmental	13,404	13,428	15,196	14,297	11,828	12,992	13,265
TOTAL EXPENDITURES	559,203	569,839	536,039	561,279	542,896	621,200	603,620

FUNDING SOURCES

1010 General Fund	\$ 559,203	\$ 569,839	\$ 536,039	\$ 561,279	\$ 542,896	\$ 621,200	\$ 603,620
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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:** - None.
- Changed Conditions:** - Decrease in Interdepartment is due to reduction in vehicle maintenance cost.
- 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Purchase Orders Issued	3,232	3,232	3,340	3,300	3,300	3,300
Warehouse Stock Items (On Hand)	694	694	694	694	684	684
Revenue - Surplus Property	\$ 20,221	\$ 23,836	\$ 23,086	\$ 32,209	\$ 20,000	\$ 20,000

ADMINISTRATIVE SERVICES - 5400 PURCHASING AND STORES

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	263,702	271,809	264,131	276,840	264,693	286,250	296,988
Facilities Expense	265	325	0	300	300	500	500
Office Expense	12,863	1,085	1,955	3,500	3,500	2,900	2,900
Meetings Expense	133	414	108	400	400	500	500
Special Department	3,749	3,734	4,311	4,300	4,154	4,615	4,615
Other Operating	240	55	348	340	340	400	500
Interdepartmental	2,760	1,768	4,387	5,989	2,618	2,877	2,943
Capital Outlay	312	0	6,851	200	200	5,900	900
TOTAL EXPENDITURES	284,023	279,190	282,091	291,869	276,205	303,942	309,846

FUNDING SOURCES

1010 General Fund	\$ 284,023	\$ 279,190	\$ 282,091	\$ 291,869	\$ 276,205	\$ 303,942	\$ 309,846
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Consulting Services (NPDES)	\$ 271,019	\$ 301,122	Communications	\$ 44,950	\$ 44,950
Professional Services	\$ 90,000	\$ 90,000	Contract Personnel	\$ 10,000	\$ 10,000
Permit Fees (NPDES)	\$ 43,174	\$ 53,294	Graphics & Copy Center	\$ 8,045	\$ 8,214

Changed Conditions:

- Contract Services for current municipal stormwater permit includes requirements for activities, reporting, inspecting, monitoring and outreach resulting in ever increasing expenses.
- Change in Capital Outlay is due to the purchase of a new KIP machine in partnership with GIS.
- Change in Special Department due to unfulfilled anticipated increase cost in permit fees.

Proposed Activities:

- Continue maintenance projects for the City's infrastructure, including administration of water capital improvement
- Identify alternative funding sources for public improvements and stormwater regulations.

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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Street Clean-up	2	4	4	1	2	2
Hazardous Waste Clean-up	11	20	14	21	20	20
Catch Basin Clean-up	8	12	14	16	16	16

PUBLIC WORKS - 6000 ENGINEERING AND ADMINISTRATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	558,046	575,339	704,442	767,434	825,606	659,191	725,801
Contract Services	156,789	236,377	201,680	355,989	404,079	455,919	488,022
Facilities Expense	30,228	31,269	38,588	38,847	38,847	53,000	54,200
Office Expense	1,813	1,600	1,560	2,000	2,000	2,400	2,400
Meetings Expense	7,966	8,274	13,390	13,475	11,475	11,820	11,920
Special Department	27,867	37,528	47,380	80,306	78,520	48,085	58,205
Other Operating	1,266	1,005	2,401	2,288	2,288	2,550	2,550
Interdepartmental	15,940	15,664	18,435	18,946	13,888	15,262	15,607
Capital Outlay	0	0	0	0	0	10,000	0
TOTAL EXPENDITURES	799,916	907,057	1,027,876	1,279,285	1,376,703	1,258,227	1,358,705

FUNDING SOURCES

1010 General Fund	\$ 709,572	\$ 820,817	\$ 965,307	\$ 1,053,598	\$ 1,139,969	\$ 1,258,227	\$ 1,358,705
1030 CDBG Current Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3060 Prop A	\$ 17,091	\$ 21,618	\$ 8,977	\$ 15,951	\$ 14,867	\$ -	\$ -
3070 Prop C	\$ 73,253	\$ 64,622	\$ 53,592	\$ 206,631	\$ 221,867	\$ -	\$ -

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 and AB1826 - Mandatory Commercial Organics Recycling.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Collection Services	\$ 4,699,935	\$ 4,840,933	Used Oil Program	\$ 22,528	\$ 23,000
Professional Services	\$ 25,000	\$ 25,000	Beverage Container Grant	\$ 21,580	\$ 21,590

Changed Conditions:

- Increase in Contract Services for collection and disposal contract based upon contractual blended CPI.
- New regulation AB 1826-Mandatory commercial organic recycling effective April 1, 2016.

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, multi-family, and organic recycling activities.
- Monitor compliance with AB 939, AB341 and AB1826 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Residential to SERRF	6,455	13,162	3,524	5,642	5,400	5,400
Residential Trash	15,400	10,531	19,818	17,858	18,000	18,000
Commercial Tonnage	20,500	21,553	23,203	24,445	24,350	23,800
Commercial Recycling	1,549	1,186	1,656	1,800	2,000	2,300
Residential Recycling	6,600	6,678	6,621	6,662	6,700	6,800
Residential Green Waste	9,300	8,500	8,259	8,600	8,700	8,800
Additional Trash Cart Requests	150	165	160	162	163	163
Additional Recycle Cart Requests	80	140	155	158	160	160

PUBLIC WORKS - 6100 SOLID WASTE MANAGEMENT

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	271,772	306,800	262,934	262,705	248,641	217,968	238,936
Contract Services	4,397,885	4,469,266	4,595,800	4,714,398	4,717,023	4,805,803	4,948,773
Office Expense	0	0	38	250	250	250	250
Meetings Expense	1,490	1,841	1,038	2,500	2,500	2,500	2,500
Special Department	19,691	11,439	25,103	55,691	35,845	43,652	44,172
Other Operating	0	0	16	1,815	1,815	1,815	1,815
TOTAL EXPENDITURES	<u>4,690,838</u>	<u>4,789,347</u>	<u>4,884,930</u>	<u>5,037,359</u>	<u>5,006,074</u>	<u>5,071,988</u>	<u>5,236,446</u>

FUNDING SOURCES

1010 General Fund	\$ 4,666,999	\$ 4,775,359	\$ 4,860,251	\$ 4,971,553	\$ 4,957,591	\$ 5,027,080	\$ 5,190,646
1600 Litter Reduction	\$ -	\$ -	\$ 119	\$ 20,600	\$ 22,380	\$ 22,380	\$ 22,800
1630 Used Oil Grant	\$ 23,838	\$ 13,988	\$ 24,560	\$ 45,206	\$ 26,103	\$ 22,528	\$ 23,000

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:

SEAACA

	<u>2016-2017</u>	<u>2017-2018</u>
\$	390,151	\$ 413,560

Changed Conditions:

- Increase in Contract Services due to a estimated increase of 6% 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, which offer low cost vaccinations and pet licenses.
- Propose amendments to Lakewood Municipal Code to reflect SEAACA's model animal control ordinance.
- Review license fees.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Number of Dogs Licensed	8,650	8,373	8,737	8,700	8,700	8,700
Service Calls Handled by SEAACA	3,672	3,643	3,594	3,500	3,500	3,500
Service Requests Handled by Lakewood	99	99	94	80	80	80
Dogs Returned to Their Owners	130	130	125	150	150	150
Cats Returned to Their Owners	12	10	11	11	11	11
Dogs Placed in New Homes	91	90	91	80	80	80
Cats Placed in New Homes	38	30	31	35	35	35

PUBLIC WORKS - 6200 ANIMAL CONTROL

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	5,805	5,744	4,326	278	194	211	229
Contract Services	<u>301,087</u>	<u>320,288</u>	<u>350,230</u>	<u>368,067</u>	<u>368,067</u>	<u>390,151</u>	<u>413,560</u>
TOTAL EXPENDITURES	<u>306,892</u>	<u>326,032</u>	<u>354,556</u>	<u>368,345</u>	<u>368,261</u>	<u>390,362</u>	<u>413,789</u>

FUNDING SOURCES

1010 General Fund	\$ 306,892	\$ 326,032	\$ 354,556	\$ 368,345	\$ 368,261	\$ 390,362	\$ 413,789
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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, City-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 banners 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 Annex building.

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Utilities (Electric/Gas/Water)	\$ 140,420	\$ 140,420	Contract Services	\$ 40,334	\$ 40,564
Street Banner Program	\$ 42,656	\$ 43,723	Fire/Security Alarm Contract	\$ 46,014	\$ 47,164
Vehicle/Equipment Maintenance	\$ 66,528	\$ 67,925	Building Maintenance	\$ 22,255	\$ 22,785
			HVAC Maintenance and Repair	\$ 22,512	\$ 23,074

Changed Conditions:

- Increase in Contract Services due to an anticipated 2.5% CPI increase associated with Fire/Security expenses and the installation of fire safety system in City Hall and The Centre.
- Decrease in Facilities Expense reflects projected decrease 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 database and assessment of all facilities.
- Continue to meet with The Centre staff to facilitate completion of work orders and rehabilitation of The Centre.

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Work Orders Completed	365	510	720	750	725	725

PUBLIC WORKS - 6300 BUILDING MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	532,950	595,632	574,564	625,019	554,166	629,689	665,448
Contract Services	76,066	85,842	99,538	97,576	97,576	116,777	118,865
Facilities Expense	153,256	168,985	184,825	210,096	197,221	194,670	197,395
Office Expense	478	729	496	510	510	523	536
Special Department	49,966	58,859	54,695	70,160	68,660	70,826	72,398
Other Operating	268	251	373	750	750	750	750
Interdepartmental	43,403	53,223	66,913	69,632	60,567	66,528	67,925
Capital Outlay	0	10,994	5,639	0	0	600	0
TOTAL EXPENDITURES	856,387	974,515	987,042	1,073,743	979,450	1,080,363	1,123,317

FUNDING SOURCES

1010 General Fund	\$ 856,387	\$ 974,515	\$ 987,042	\$ 1,073,743	\$ 979,450	\$ 1,080,363	\$ 1,123,317
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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 Community Center, Weingart Senior Center and Lakewood Youth Center.

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 at park and community center facilities.

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

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

BUDGET SUMMARY

Significant Detail:

	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Capital Equipment	\$ 122,241	\$ 122,241	HVAC Maintenance	\$ 27,184	\$ 27,863
Parts and Materials	\$ 97,287	\$ 99,705	Ballfield Relamping Services	\$ 27,220	\$ 27,861
Fire/Security Contract	\$ 69,042	\$ 70,768	Contract Services	\$ 10,500	\$ 10,659
			Equipment Maintenance	\$ 10,054	\$ 10,306

Changed Conditions:

- Increase in Capital Outlay due to purchase maintenance equipment.

Proposed Activities:

- Continue to update the equipment 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-owned equipment assets into computerized work order system.
- Resume ballfield relamping.

Productivity Initiatives:

- Complete 75% of work orders within five working days, excluding work orders that require long lead times.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Work Orders Completed	1,116	1,374	1,449	1,500	1,500	1,500

PUBLIC WORKS - 6400 PARK MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	842,159	777,665	729,216	725,028	704,976	742,035	782,572
Contract Services	116,448	104,682	130,052	143,564	143,611	138,027	141,438
Facilities Expense	28,878	27,333	36,802	39,400	39,400	37,789	38,720
Special Department	53,804	62,463	56,783	72,420	58,890	71,852	73,649
Other Operating	932	0	0	1,185	0	1,215	1,245
Interdepartmental	32,430	29,831	35,919	34,276	29,771	32,701	33,388
Capital Outlay	<u>54,294</u>	<u>77,745</u>	<u>130,265</u>	<u>97,955</u>	<u>72,858</u>	<u>122,241</u>	<u>122,241</u>
TOTAL EXPENDITURES	<u>1,128,945</u>	<u>1,079,719</u>	<u>1,119,037</u>	<u>1,113,828</u>	<u>1,049,506</u>	<u>1,145,860</u>	<u>1,193,253</u>

FUNDING SOURCES

1010 General Fund	\$ 1,128,945	\$ 1,079,719	\$ 1,119,037	\$ 1,113,828	\$ 1,049,506	\$ 1,145,860	\$ 1,193,253
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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 identified by 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, 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>2016-2017</u>	<u>2017-2018</u>
Paint & Equipment	\$ 10,000	\$ 10,233

Changed Conditions:

- Increase in Special Department due to upward trend in graffiti resulting in the need for more graffiti removal

Proposed Activities:

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

	<u>Actual 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
Number of Service Requests Received:						
Private Property	212	315	273	300	300	300
Rights of Way	402	612	389	500	500	500
Number of Work Orders Received:						
Graffiti Removal on City Facilities	28	24	28	25	30	30

PUBLIC WORKS - 6500 GRAFFITI REMOVAL

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	101,493	65,216	71,925	103,444	58,811	106,702	115,326
Special Department	5,261	9,514	7,112	9,759	9,759	10,000	10,233
Interdepartmental	<u>9,723</u>	<u>11,448</u>	<u>8,727</u>	<u>13,447</u>	<u>10,356</u>	<u>11,375</u>	<u>11,614</u>
TOTAL EXPENDITURES	<u>116,477</u>	<u>86,179</u>	<u>87,764</u>	<u>126,650</u>	<u>78,926</u>	<u>128,077</u>	<u>137,173</u>

FUNDING SOURCES

1010 General Fund	\$ 116,477	\$ 86,179	\$ 87,764	\$ 126,650	\$ 78,926	\$ 128,077	\$ 137,173
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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 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 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</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 the preservation of trees, where possible, such as bridging sidewalk over roots or obtaining sidewalk easements on private property.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Sidewalk Grinding	1,306	886	1,250	1,400	1,200	1,200
Sidewalk Ramping	485	300	415	400	400	400
* Sidewalk Repair – Square Footage	30,339	30,570	46,620	25,000	28,000	28,000
* Curb/Gutter – Lineal Footage	5,971	4,279	4,326	7,500	7,000	7,000
* Access Ramps Installed	2	4	3	4	4	4

**Does not include concrete repairs
 done in conjunction with street projects*

PUBLIC WORKS - 6600 HARDSCAPE MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	107,694	123,765	121,775	130,218	126,107	139,030	169,360
Contract Services	260,000	201,738	260,000	260,000	260,000	260,000	260,000
Special Department	<u>29</u>	<u>253</u>	<u>0</u>	<u>150</u>	<u>150</u>	<u>503</u>	<u>503</u>
TOTAL EXPENDITURES	<u>367,723</u>	<u>325,756</u>	<u>381,775</u>	<u>390,368</u>	<u>386,257</u>	<u>399,533</u>	<u>429,863</u>

FUNDING SOURCES

1010 General Fund	\$ 367,723	\$ 325,756	\$ 381,775	\$ 390,368	\$ 386,257	\$ 399,533	\$ 429,863
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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 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

To maintain and manage computerized tree inventory history and work order databases.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Block Trimming	\$ 574,080	\$ 597,043	Pest Control	\$ 57,000	\$ 57,000
Tree Planting Contract	\$ 94,680	\$ 99,000			

Changed Conditions:

- Increase in Contract Services includes an increase in West Coast Arborist tree maintenance contract, tree planting and pest control for treatment of Shot-Hole Borer Beetle for both budget years.

Proposed Activities:

- Continue contracting tree maintenance services to support special projects or programs.
- Apply for tree planting grants through the CALFIRE Urban & Community Forestry Program.
- Continue using private sector contracting to augment scheduled trimming and remove large tree species for hardscape improvement citywide.
- Continue tree replanting to maintain Tree City USA is designation.
- Continue to recycle greenwaste.
- Maintain easement rights-of-way.
- Continue training budget for full time staff.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Contract Trims	8,400	6,748	7,966	8,400	8,000	8,000
Tree Plantings	263	177	31	263	360	360
Tree Removals	226	176	158	220	150	150
Service Requests	606	606	744	700	500	500

PUBLIC WORKS - 6700 TREE MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	375,471	375,792	379,254	367,429	377,240	378,046	416,445
Contract Services	576,099	581,070	557,108	611,975	569,000	732,160	758,826
Office Expense	454	508	497	500	500	500	500
Meetings Expense	30	200	15	500	500	500	500
Special Department	6,118	6,264	5,892	7,250	7,250	7,953	7,953
Other Operating	225	300	615	1,225	1,225	1,325	1,325
Interdepartmental	72,401	86,030	80,683	107,744	75,539	82,974	84,717
Capital Outlay	433	948	3,790	1,200	1,200	1,200	1,200
TOTAL EXPENDITURES	<u>1,031,231</u>	<u>1,051,112</u>	<u>1,027,855</u>	<u>1,097,823</u>	<u>1,032,454</u>	<u>1,204,658</u>	<u>1,271,466</u>

FUNDING SOURCES

1010 General Fund	\$ 1,031,231	\$ 1,051,112	\$ 1,027,855	\$ 1,097,823	\$ 1,032,454	\$ 1,204,658	\$ 1,271,466
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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 County 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Street Sweeping	\$ 637,000	\$ 653,000	Traffic Control	\$ 40,000	\$ 40,000
Street Maintenance/Repair	\$ 60,000	\$ 60,000	Bridge Repair	\$ 12,000	\$ 12,000
Contract Services	\$ 50,000	\$ 50,000			

Changed Conditions:

- Increase in Contract Services due to an anticipated 2.5% CPI increase associated with the street sweeping contract in both budget years and the performance of citywide traffic counts.

Proposed Activities:

- Conduct repairs identified in the 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 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
Curb Number Addresses Painted	12,000	12,000	12,000	12,000	12,000	12,000
Streets Overlaid (Sq. Ft.)						
Major	0	0	0	267,000	1,220,000	0
Collector	0	252,000	0	0	90,000	0
Local	1,065,000	0	0	0	0	0
Paving CIP Projects	\$2,465,000	\$634,000	\$0	\$838,000	\$2,700,000	\$0

PUBLIC WORKS - 6800 STREET MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	71,562	87,768	61,365	48,792	46,651	93,937	124,535
Contract Services	837,123	844,581	765,355	793,000	802,000	817,000	833,000
Special Department	<u>100</u>	<u>102</u>	<u>78</u>	<u>0</u>	<u>0</u>	<u>353</u>	<u>353</u>
TOTAL EXPENDITURES	<u>908,784</u>	<u>932,452</u>	<u>826,798</u>	<u>841,792</u>	<u>848,651</u>	<u>911,290</u>	<u>957,888</u>

FUNDING SOURCES

1010 General Fund	\$ 908,784	\$ 932,452	\$ 826,798	\$ 841,792	\$ 848,651	\$ 911,290	\$ 957,888
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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 77 signalized intersections and three warning flashers. Thirty-one 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 maintenance and operation of intersections shared with adjacent jurisdictions.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
LA County Maintenance	\$ 138,000	\$ 138,000	Long Beach Maintenance	\$ 9,000	\$ 9,000

Changed Conditions:

- Increase in Employee Services due to staffing realignment.

Proposed Activities:

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

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Traffic Signal Maintenance Calls	172	219	195	250	250	250

PUBLIC WORKS - 6810 TRAFFIC CONTROL

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	154,181	93,787	0	129,130	0	282,894	184,768
Contract Services	134,573	164,129	138,807	199,000	197,800	187,800	187,800
Facilities Expense	32,471	36,072	37,985	46,059	30,546	29,025	29,025
Special Department	900	864	0	882	0	735	623
TOTAL EXPENDITURES	322,125	294,851	176,793	375,071	228,346	500,454	402,216

FUNDING SOURCES

1010 General Fund	\$ 169,513	\$ 294,851	\$ 176,793	\$ 245,059	\$ 228,346	\$ 216,825	\$ 216,825
1621 Measure R	\$ 155,082	\$ -	\$ -	\$ 130,012	\$ -	\$ 283,629	\$ 185,391

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
CLP Services	\$ 690,000	\$ 698,000	SCE-owned System	\$ 215,000	\$ 220,000
Electrical Energy (City-owned)	\$ 293,000	\$ 300,000	Light Repair	\$ 36,750	\$ 36,750

Changed Conditions: - None.

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.
- Conversion of street lights to energy-saving LED fixtures.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Street Lights						
SCE-owned	1,430	1,430	1,430	1,430	1,430	1,430
City-owned	5,410	5,410	5,410	5,410	5,410	5,410
Service Requests Received	270	206	337	350	350	350
Light Standards Replaced	6	10	5	8	10	10

PUBLIC WORKS - 6820 STREET LIGHTING

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	19,335	20,025	7,628	17,012	15,573	17,238	39,654
Contract Services	1,141,332	1,176,504	1,189,147	1,226,889	1,218,889	1,242,750	1,256,750
Special Department	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>353</u>	<u>353</u>
TOTAL EXPENDITURES	<u>1,160,666</u>	<u>1,196,528</u>	<u>1,196,775</u>	<u>1,243,901</u>	<u>1,234,462</u>	<u>1,260,341</u>	<u>1,296,757</u>

FUNDING SOURCES

1010 General Fund	\$ 1,160,666	\$ 1,196,528	\$ 1,196,775	\$ 1,243,901	\$ 1,234,462	\$ 1,260,341	\$ 1,296,757
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
SCE Rights-of-Way Leases	\$ 41,348	\$ 42,579	Graphics & Copy Center	\$ 22,703	\$ 23,259

Changed Conditions:

- Increase in Other Operating due to staff training opportunities.
- Increase in Interdepartmental due to reallocation of vehicle/equipment costs and print/reproduction costs.
- Decrease in Contract Services and Special Department due to reallocation of funds for program and electronic management of facilities.

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	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	1,154,904	1,150,432	1,129,304	1,148,451	1,082,522	1,240,054	1,307,799
Contract Services	51,045	53,385	54,032	56,537	56,537	49,248	50,479
Office Expense	4,768	7,202	7,374	7,500	7,500	7,500	7,500
Meetings Expense	4,898	4,096	6,168	5,000	5,000	5,000	5,000
Special Department	23,690	25,256	25,283	27,925	27,477	12,770	7,670
Other Operating	1,393	1,304	1,657	1,335	1,335	3,510	3,510
Interdepartmental	15,587	17,678	20,415	18,901	23,507	25,842	26,464
TOTAL EXPENDITURES	1,256,286	1,259,352	1,244,232	1,265,649	1,203,878	1,343,924	1,408,422

FUNDING SOURCES

1010 General Fund	\$ 1,256,286	\$ 1,259,352	\$ 1,244,232	\$ 1,265,649	\$ 1,203,878	\$ 1,343,924	\$ 1,408,422
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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 American 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Graphics & Copy Center	\$ 5,002	\$ 5,124	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 two nights per week at Mayfair Pool.
- Continue Lakewood swim card program for reduced rate admission to recreation swim sessions.
- Conduct weekly family-oriented events.

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 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
<u>Instructional Swim</u>						
Registration	4,874	3,734	3,936	3,960	4,000	4,000
<u>Recreational Swim</u>						
Sessions Offered	406	406	406	396	346	346
Attendance	26,653	25,786	27,919	27,000	27,000	27,000
Pool Rentals	97	106	107	105	105	105
Pool Rental Attendance	8,862	7,853	8,247	8,000	8,000	8,000

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

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	261,649	281,123	278,048	292,749	285,037	306,960	311,281
Contract Services	4,566	4,572	4,991	5,000	5,000	5,000	5,000
Facilities Expense	2,192	2,288	2,302	2,500	2,500	2,500	2,500
Special Department	5,963	8,961	9,946	9,855	9,780	9,600	9,600
Other Operating	2,322	4,060	3,828	3,900	3,900	3,900	3,900
Interdepartmental	<u>7,238</u>	<u>7,755</u>	<u>6,356</u>	<u>5,045</u>	<u>4,549</u>	<u>5,002</u>	<u>5,124</u>
TOTAL EXPENDITURES	<u>283,930</u>	<u>308,759</u>	<u>305,471</u>	<u>319,049</u>	<u>310,766</u>	<u>332,962</u>	<u>337,405</u>

FUNDING SOURCES

1010 General Fund	\$ 283,930	\$ 308,759	\$ 305,471	\$ 319,049	\$ 310,766	\$ 332,962	\$ 337,405
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Utilities	\$ 133,770	\$ 134,430	Building Maintenance Supplies	\$ 16,000	\$ 16,000
Custodial/Contract Services	\$ 32,321	\$ 32,321	Maintenance of Equipment	\$ 12,400	\$ 12,400
Event Supplies	\$ 16,400	\$ 16,400			

Changed Conditions:

- Decrease in Facility Expenses due to lower utility costs.

Proposed Activities:

- Coordinate with concessionaire to identify and implement marketing opportunities to keep The Centre competitive in the event venue marketplace.
- 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.
- Schedule Recreation and Community Services (RCS) instructional classes in available rooms during periods when The Centre is staffed for other events.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Catered Events	472	438	397	468	500	500
Catered Attendance	42,171	43,415	41,294	43,109	46,000	46,000
Non-catered Events	647	693	591	678	700	700
Non-catered Attendance	10,393	10,400	21,644	14,604	14,800	14,800
Gross Rent for Concessionaire	\$ 218,805	\$ 256,800	\$ 253,403	\$ 253,835	\$ 254,000	\$ 254,000

RECREATION AND CULTURAL SERVICES - 7150 CENTRE FACILITY OPERATIONS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	373,118	375,481	375,350	384,655	379,190	397,869	411,602
Contract Services	91,669	77,887	82,959	99,063	102,063	102,063	102,063
Facilities Expense	142,315	152,680	166,077	189,962	156,583	150,850	151,545
Office Expense	1,298	1,400	1,391	1,400	1,400	1,400	1,400
Meetings Expense	2,981	4,402	6,424	6,000	6,000	6,000	6,000
Special Department	32,187	31,195	27,715	33,675	33,582	33,675	33,675
Interdepartmental	<u>3,314</u>	<u>2,469</u>	<u>2,320</u>	<u>2,125</u>	<u>1,734</u>	<u>1,907</u>	<u>1,953</u>
TOTAL EXPENDITURES	<u><u>624,116</u></u>	<u><u>645,514</u></u>	<u><u>662,235</u></u>	<u><u>716,880</u></u>	<u><u>680,552</u></u>	<u><u>693,764</u></u>	<u><u>708,238</u></u>

FUNDING SOURCES

1050 Community Facility	\$ 624,116	\$ 645,514	\$ 662,235	\$ 716,880	\$ 680,552	\$ 693,764	\$ 708,238
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DEPARTMENT/DIVISION 7200/2160 - TRANSIT

The purpose of this activity is to plan, manage and operate a modified demand-responsive paratransit system for elderly and disabled residents who lack 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Vehicle/Equipment Maintenance	\$ 179,908	\$ 183,692	Maintenance of Equipment	\$ 7,000	\$ 7,000
Capital Outlay-Machinery	\$ 180,000	\$ 180,000			

Changed Conditions:

- Increase in Employee Services is due to increase in part-time staffing needs to cover anticipated increase in ridership.
- Increase in Capital Outlay for the purchase of two new buses for each fiscal year.
- Decrease in Facilities Expenses due to reduction in utility costs.

Proposed Activities:

- Continue to provide shuttle service to Mayfair Park for The 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.

Productivity Initiatives:

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

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Clients Transported per Mile	8.75	8.3	9.5	9.75	9.85	10
Individual Rides	12,750	11,042	10,834	10,940	11,035	11,150
Active Participants	1,150	930	905	915	926	930
Round Trip Rides	20,120	17,505	17,630	18,300	18,970	19,020

RECREATION AND CULTURAL SERVICES - 7200/2160 TRANSIT PROGRAMS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	487,256	499,717	523,955	570,929	632,569	662,612	686,992
Contract Services	48,292	6,330	8,743	15,923	15,923	15,923	15,923
Facilities Expense	5,286	5,552	6,164	7,005	6,090	5,919	5,944
Special Department	12,290	12,901	11,843	14,611	14,568	14,611	14,611
Other Operating	2,255	7,095	6,533	8,148	8,158	8,173	8,198
Interdepartmental	172,105	200,539	143,955	176,383	164,215	179,908	183,692
Capital Outlay	<u>0</u>	<u>276,532</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>180,000</u>	<u>180,000</u>
TOTAL EXPENDITURES	<u>727,484</u>	<u>1,008,667</u>	<u>701,193</u>	<u>792,999</u>	<u>841,523</u>	<u>1,067,146</u>	<u>1,095,360</u>

FUNDING SOURCES

3060 Transit - Prop A Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 180,000	\$ 180,000
3070 Transit - Prop C Fund	\$ 680,389	\$ 958,581	\$ 658,113	\$ 697,208	\$ 747,293	\$ 789,726	\$ 811,540
3060 Transit - Prop A Fund-2160	\$ 47,095	\$ 50,086	\$ 43,080	\$ 95,791	\$ 84,143	\$ 99,718	\$ 103,820

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 Disaster Management Area E of Los Angeles County Operational Area.

To continue coordination and integration of City forces into the resources available 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 City staff awareness 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Emergency Operation Plan	\$ 15,000	0	Special Supplies	\$ 9,108	\$ 8,703
Communication	\$ 9,330	\$ 9,470			

- Changed Conditions:**
- Increase in Contractual Services due to cost associated with a consultant to prepare an Emergency Operation Plan.
 - Decrease in Special Department due to prior year purchase of emergency supplies.

- Proposed Activities:**
- Provide National Incident Management System (NIMS) 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 the Long Beach Chapter of the ARC.
 - Promote emergency preparedness program for City employees and community volunteers, including training on Emergency Operation Center (EOC) set up and function 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.

Number of Participants:	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Emergency Preparedness/ Disaster Response Training	176	176	176	176	176	176
CPR	194	125	133	145	154	139
Survive for 7	109	99	57	65	65	65
CERT	34	52	37	28	35	35

RECREATION AND CULTURAL SERVICES - 7250 EMERGENCY PREPAREDNESS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	90,613	98,203	99,027	96,047	112,097	101,768	107,586
Contract Services	4,003	4,019	4,061	4,160	4,160	19,160	4,160
Facilities Expense	8,358	8,255	8,698	8,722	8,316	9,330	9,470
Special Department	8,265	7,663	10,032	20,160	20,263	10,128	9,723
Other Operating	1,489	2,409	2,260	2,424	2,424	2,424	2,424
Interdepartmental	2,630	3,446	2,560	3,624	4,180	4,595	4,702
Capital Outlay	<u>0</u>	<u>14,247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>115,359</u>	<u>138,241</u>	<u>126,637</u>	<u>135,137</u>	<u>151,440</u>	<u>147,405</u>	<u>138,065</u>

FUNDING SOURCES

1010 General Fund	\$ 115,359	\$ 138,241	\$ 126,637	\$ 135,137	\$ 151,440	\$ 147,405	\$ 138,065
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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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Utilities	\$ 81,145	\$ 81,685	Pathways Volunteer Hospice	\$ 9,000	\$ 9,000
Graphics & Copy Center	\$ 11,790	\$ 11,880	Community Family Guidance	\$ 9,000	\$ 9,000
Meals on Wheels	\$ 10,500	\$ 10,500	Human Services Association	\$ 5,500	\$ 5,500

Changed Conditions: - Increase in Facilities Expense due to utility costs and addition of wireless Internet.

Proposed Activities:

- Create new recreational and educational programs at the Weingart Senior Center utilizing the WiFi now available at the facility.
- Expand recreational and educational opportunities at the Burns Community Center specifically targeted to active older adults.

Productivity Initiatives:

- Disperse Community Development Block Grant (CDBG) funding 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 approximately 400 families.
- Provide in-kind services to Meals on Wheels and Human Service Association that serve over 13,900 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 23,500 active seniors through the Weingart Fitness Program.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Visitors and Clients						
Burns Community Center	65,726	68,108	68,528	68,575	69,000	69,000
Weingart Senior Center	53,742	55,982	59,648	59,700	60,000	60,000
Volunteer Hours	45,970	20,590	19,158	20,000	20,000	20,000

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

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	862,910	437,693	442,611	463,923	470,999	499,470	518,486
Contract Services	55,108	44,324	44,106	44,200	44,200	45,200	45,200
Facilities Expense	168,543	89,794	99,837	113,216	99,732	99,802	100,447
Office Expense	6,072	3,060	2,875	3,110	3,110	3,110	3,110
Meetings Expense	1,831	1,229	713	745	1,545	1,545	1,545
Special Department	49,064	17,458	13,882	17,407	17,222	16,950	16,950
Other Operating	936	809	831	880	880	880	880
Interdepartmental	10,492	9,245	11,253	13,294	12,771	14,042	14,385
Capital Outlay	0	16,826	7,889	0	4,465	0	0
TOTAL EXPENDITURES	1,154,955	620,439	623,996	656,775	654,924	680,999	701,003

FUNDING SOURCES

1010 General Fund	\$	621,615	\$	587,439	\$	590,996	\$	622,041	\$	621,924	\$	646,999	\$	667,003
1030 CDBG	\$	33,000	\$	33,000	\$	33,000	\$	33,000	\$	33,000	\$	34,000	\$	34,000

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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Park Program Supplies	\$ 48,396	\$ 48,396	Graphics & Copy Center	\$ 22,009	\$ 22,547
Communications/Cable	\$ 33,241	\$ 33,691			

Changed Conditions:

- Increase in Facilities Expense due to addition of wireless Internet service and increase in utility costs.
- Increase in Other Operating costs due to reallocation of training opportunities for part-time personnel.
- Increase in Capital Outlay due to purchase of interior furnishings for City-owned parks.

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 over 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
After-School Program Participants	47,091	41,422	42,366	44,464	45,000	46,000
Picnic Shelter Reservations	1,059	1,147	1,153	1,050	1,100	1,100
Facility Rentals-Buildings	2,677	3,046	3,124	3,200	3,300	3,300
Facility Rentals-Fields	4,546	4,321	5,028	5,100	5,100	5,100

RECREATION AND CULTURAL SERVICES - 7350 PARKS PROGRAMS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	1,296,506	1,321,836	1,302,837	1,300,978	1,320,076	1,426,039	1,476,435
Facilities Expense	21,391	23,755	25,484	27,534	26,498	33,241	33,691
Special Department	65,579	69,084	68,797	73,757	73,250	70,900	70,900
Other Operating	1,844	1,761	1,574	2,020	2,020	2,750	2,750
Interdepartmental	22,105	25,703	14,319	21,634	20,018	22,009	22,547
Capital Outlay	10,562	2,940	3,500	0	0	10,000	0
TOTAL EXPENDITURES	1,417,987	1,445,080	1,416,511	1,425,923	1,441,862	1,564,939	1,606,323

FUNDING SOURCES

1010 General Fund	\$ 1,298,021	\$ 1,331,709	\$ 1,329,140	\$ 1,380,135	\$ 1,397,106	\$ 1,564,939	\$ 1,606,323
1030 CDBG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1710 Prop A-Recreation	\$ 119,965	\$ 113,370	\$ 87,371	\$ 45,788	\$ 44,756	\$ -	\$ -

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, The 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Program Supplies	\$ 139,869	\$ 139,869	Recreation Catalog	\$ 62,500	\$ 62,500
Youth Activities	\$ 120,750	\$ 120,750	Preschool	\$ 34,500	\$ 34,500
Summer Day Camp	\$ 85,200	\$ 85,200	The Fiesta	\$ 29,210	\$ 29,210
Adult Activities	\$ 80,100	\$ 80,100	Family Programs	\$ 25,730	\$ 25,730
Civic Center Block Party	\$ 71,227	\$ 71,227	Concerts in the Park	\$ 16,900	\$ 16,900
Graphics & Copy Center	\$ 67,212	\$ 67,725			

Changed Conditions: - Decrease in Other Operating costs due to reallocation of training opportunities for part-time personnel.

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.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Contract Classes						
Number of Classes Offered	1,787	1,882	1,769	1,800	1,800	1,800
Number of Participants	8,578	9,769	10,176	10,000	10,000	10,000
The Fiesta - Attendance	12,500	12,500	12,500	14,000	15,000	15,000
Block Party - Attendance	23,000	25,000	25,000	26,000	26,000	26,000

RECREATION AND CULTURAL SERVICES - 7400 SOCIAL AND CULTURAL PROGRAMS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	310,904	326,161	332,861	353,954	356,788	372,587	388,090
Contract Services	295,297	372,787	385,204	373,350	385,850	403,357	400,257
Special Department	166,468	171,982	171,638	191,096	183,767	193,939	193,939
Other Operating	2,131	1,895	2,153	6,085	6,085	5,385	5,385
Interdepartmental	<u>50,199</u>	<u>72,250</u>	<u>54,751</u>	<u>66,463</u>	<u>62,918</u>	<u>69,176</u>	<u>70,870</u>
TOTAL EXPENDITURES	<u>824,998</u>	<u>945,074</u>	<u>946,607</u>	<u>990,948</u>	<u>995,408</u>	<u>1,044,444</u>	<u>1,058,541</u>

FUNDING SOURCES

1010 General Fund	\$ 824,998	\$ 945,074	\$ 946,607	\$ 990,948	\$ 995,408	\$ 1,044,444	\$ 1,058,541
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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, 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Sports Supplies	\$ 65,610	\$ 65,610	Hall of Fame	\$ 20,570	\$ 20,570
Graphics & Copy Center	\$ 45,679	\$ 46,797			

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

Proposed Activities:

- Emphasize sportsmanship principles to LYS participants.
- Continue standardized LYS coach presentation for all parks.
- Continue training program for LYS sports officials.

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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Youth - Number of Teams	210	232	218	218	220	220
Youth - Number of Participants	2,294	2,604	2,530	2,465	2,500	2,500
Youth - Lakewood Resident %	76%	78%	77%	76%	76%	76%
Adult - Number of Teams	103	89	103	100	100	100
Adult - Number of Participants	1,294	1,078	1,044	1,000	1,000	1,000

RECREATION AND CULTURAL SERVICES - 7450 SPORTS PROGRAMS

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	154,390	152,688	161,220	172,329	165,952	183,730	187,840
Contract Services	0	4,928	5,309	5,800	5,800	6,040	6,191
Special Department	70,124	67,339	67,575	91,290	88,547	91,180	91,180
Other Operating	760	1,095	1,996	1,170	1,170	1,025	1,025
Interdepartmental	<u>32,468</u>	<u>27,247</u>	<u>35,208</u>	<u>28,234</u>	<u>41,547</u>	<u>45,679</u>	<u>46,797</u>
TOTAL EXPENDITURES	<u>257,742</u>	<u>253,297</u>	<u>271,309</u>	<u>298,823</u>	<u>303,016</u>	<u>327,654</u>	<u>333,033</u>

FUNDING SOURCES

1010 General Fund	\$	247,513	\$	243,032	\$	261,214	\$	285,185	\$	298,016	\$	322,654	\$	328,033
1015 Special Olympics	\$	3,650	\$	3,704	\$	3,146	\$	5,000	\$	5,000	\$	5,000	\$	5,000
1710 Prop A Recreation	\$	6,578	\$	6,561	\$	6,948	\$	8,638	\$	-	\$	-	\$	-

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 of equipment 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, Burns Community 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, City Council Chambers, Burns Community 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 Street, Los Coyotes Diagonal and 45 City alleyways.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Utilities	\$ 44,520	\$ 48,495	Building Maintenance Supplies	\$ 11,966	\$ 11,966
Custodial Contract	\$ 19,045	\$ 19,045	Window Cleaning	\$ 10,500	\$ 10,500
Landscape Supplies	\$ 15,740	\$ 15,740			

Changed Conditions:

- Decrease in Facilities Expense due to reduced utility costs.
- Decrease in Interdepartmental due to lower vehicle maintenance costs.

Proposed Activities:

- Increase the use of eco-friendly cleaners and recycled paper products throughout City facilities.
- Renovate and reseed the wildflower meadow at Rynerson Park.
- Maintain an additional 12,000 square feet of planted areas on Lakewood Boulevard, Pioneer Boulevard, Hawaiian Avenue and the Arbor Maintenance Yard.

Productivity Initiatives:

- Implement a landscape and beautification projects in conjunction with Lakewood Volunteer Day, 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 square feet of rights-of way landscape no longer maintained by The Los Angeles County Department of Public Works.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Number of Plantings by Square Footage for Parks and Facilities	34,629	31,079	29,179	28,079	31,979	25,979

RECREATION AND CULTURAL SERVICES - 7500 FACILITIES MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	408,665	459,633	516,688	545,290	528,965	562,411	582,792
Contract Services	32,515	27,834	35,051	39,077	39,077	39,077	39,077
Facilities Expense	70,043	81,364	73,504	69,246	50,167	56,486	60,461
Office Expense	359	463	473	475	475	475	475
Meetings Expense	127	95	165	135	135	135	135
Special Department	16,504	16,943	17,252	16,940	16,940	16,940	16,940
Other Operating	2,140	2,250	2,297	2,340	2,340	2,340	2,340
Interdepartmental	<u>3,619</u>	<u>3,164</u>	<u>4,112</u>	<u>4,920</u>	<u>3,612</u>	<u>3,968</u>	<u>4,055</u>
TOTAL EXPENDITURES	<u>533,971</u>	<u>591,746</u>	<u>649,543</u>	<u>678,423</u>	<u>641,711</u>	<u>681,832</u>	<u>706,275</u>

FUNDING SOURCES

1010 General Fund	\$ 533,971	\$ 591,746	\$ 649,543	\$ 678,423	\$ 641,711	\$ 681,832	\$ 706,275
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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 training and job skill improvement activities.

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

To monitor and assess mowing contract of City parks.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</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 Bolivar Park Diamond #1 and #2 and Nye Library.
- Increase aeration on sports turf grass areas in City parks.
- Renovate turf at City Hall and 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 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, inspect and maintain 150 of the 638 automatic controller valves.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Acres of Parks & Other Facilities Maintained	190.0	190.0	197.5	197.5	197.5	197.5
Acres of Turf Renovated	8.5	12.5	10.0	9.5	10.0	10.0

RECREATION AND CULTURAL SERVICES - 7550 PARKS AND FACILITIES TURF MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	409,013	379,127	369,044	380,657	339,672	387,365	405,070
Contract Services	40,713	40,713	40,713	40,717	40,717	40,717	40,717
Office Expense	677	605	673	700	700	700	700
Meetings Expense	314	133	153	160	160	160	160
Special Department	13,204	13,258	12,172	13,730	13,730	13,730	13,730
Other Operating	<u>620</u>	<u>690</u>	<u>443</u>	<u>690</u>	<u>690</u>	<u>690</u>	<u>690</u>
TOTAL EXPENDITURES	<u>464,541</u>	<u>434,526</u>	<u>423,199</u>	<u>436,654</u>	<u>395,669</u>	<u>443,362</u>	<u>461,067</u>

FUNDING SOURCES

1010 General Fund	\$ 429,326	\$ 434,526	\$ 423,199	\$ 436,654	\$ 395,669	\$ 443,362	\$ 461,067
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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 custodial services 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, maintenance of shrubs and trees, pest control and inspection, repair and routine maintenance of irrigation systems.

To plan and schedule park personnel and equipment, maintain records and field preparation 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Vehicle Maintenance	\$ 82,023	\$ 83,744	Park Maintenance Supplies	\$ 50,260	\$ 50,260
Custodial Maintenance	\$ 69,274	\$ 69,274	Building Maintenance Supplies	\$ 40,679	\$ 40,679

Changed Conditions: - Decrease in Capital Outlay due to a one-time purchase of equipment in prior year budget.

Proposed Activities:

- Add infield mix at Palms Park Diamond #1 and Del Valle Park Diamond #1.
- 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 Bolivar, Biscailuz and Cherry Cove Parks.

Productivity Initiatives:

- Removal of graffiti in City parks by Park maintenance workers.
- Continue ball field and playground preventative maintenance program.
- Train and equip park maintenance staff to implement irrigation and weed abatement program.
- Utilize "All Hands" projects to assist with landscape and maintenance projects to improve safety and aesthetics.

Performance Measures: - Review all park facility projects, work orders and priorities with Public Works Department.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Work Orders Generated on Parks and Facilities	689	568	654	575	622	622
Acres of Park Maintained	178.0	178.0	185.5	185.5	185.5	185.5
Landscape Plantings (Sq Ft)	34,536	30,110	28,410	30,310	37,860	37,860

RECREATION AND CULTURAL SERVICES - 7600 PARK MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	1,324,242	1,425,127	1,484,306	1,424,692	1,368,208	1,481,710	1,541,711
Contract Services	92,451	59,378	85,378	93,275	93,275	93,275	93,275
Facilities Expense	747,321	786,990	746,396	873,920	792,660	856,714	910,824
Meetings Expense	313	281	200	320	320	320	320
Special Department	44,821	45,174	56,667	55,514	55,514	55,514	55,514
Other Operating	135	389	360	679	679	679	679
Interdepartmental	73,491	70,882	73,743	90,587	74,673	82,023	83,744
Capital Outlay	2,196	0	50,185	12,119	56,000	0	0
TOTAL EXPENDITURES	2,284,970	2,388,221	2,497,235	2,551,106	2,441,329	2,570,235	2,686,067

FUNDING SOURCES

1010 General Fund	\$ 2,221,524	\$ 2,334,301	\$ 2,441,994	\$ 2,492,875	\$ 2,384,320	\$ 2,511,779	\$ 2,650,331
1710 Prop A-Recreation	\$ 63,446	\$ 53,920	\$ 55,241	\$ 58,231	\$ 57,009	\$ 58,456	\$ 35,736

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 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>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Vehicle Maintenance	\$ 349,461	\$ 356,837	Contract Median Maintenance	\$ 45,499	\$ 45,499
Maintenance Supplies	\$ 151,230	\$ 151,230	Capital Outlay	\$ 20,000	\$ -
Utilities	\$ 119,250	\$ 129,880	Cerritos Maintenance Agreement	\$ 10,692	\$ 10,692

Changed Conditions:

- Decrease in Facilities Expense due to change in utilities costs.
- Increase in Special Department due to additional chemical for treatment of trees infected with Shot-Hole Borer Beetle.
- Increase in Interdepartmental due to reallocation of vehicle maintenance costs.
- Increase in Capital Outlay includes purchase of a new mower.

Proposed Activities:

- Evaluate water usage and synthetic turf on parkways and medians to achieve water conservation.
- Implement soil and tree injections to help control insect pests on City street trees.
- Renovate Lakewood Boulevard ivy beds to reduce costs and provide alternative landscape.
- Injection of approximately 170 trees that are infected with the Shot-Hole Borer Beetle.

Productivity Initiatives:

- Conduct parkway panel de-thatching program to improve the turf on sections of South Street, Del Amo Boulevard and Candlewood Street.
- 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>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Acres of Turf Renovated	4	8	6	7	6	6
Irrigation Maintenance Requests	280	316	395	386	366	366
Bee Removal Requests	182	71	46	50	56	56

RECREATION AND CULTURAL SERVICES - 7650/7720/7740 PARKWAYS AND MEDIAN MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	1,069,501	1,032,100	908,011	1,166,957	1,113,645	1,211,772	1,261,715
Contract Services	55,222	55,222	55,222	56,191	56,191	56,191	56,191
Facilities Expense	273,443	309,587	246,723	181,925	105,267	119,250	129,880
Office Expense	678	519	249	700	700	700	700
Meetings Expense	194	129	0	260	260	260	260
Special Department	50,480	49,347	44,929	123,730	123,730	153,730	153,730
Other Operating	1,950	1,980	1,745	1,990	1,990	1,990	1,990
Interdepartmental	351,691	283,177	286,019	313,801	318,180	349,461	356,837
Capital Outlay	8,084	26,119	23,093	6,738	32,408	20,000	0
TOTAL EXPENDITURES	<u>1,811,243</u>	<u>1,758,181</u>	<u>1,565,990</u>	<u>1,852,292</u>	<u>1,752,371</u>	<u>1,913,354</u>	<u>1,961,303</u>

FUNDING SOURCES

1010 General Fund	\$ 1,811,243	\$ 1,758,181	\$ 1,565,990	\$ 1,852,292	\$ 1,752,371	\$ 1,913,354	\$ 1,961,303
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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 and healthful water supplies.

PROGRAMS AND FUNCTIONS

To monitor laws and regulations, and respond proactively to proposed and enacted rules, regulations and legislation affecting water operations.

To oversee and manage water capital improvement projects.

To oversee water production, distribution, maintenance and customer service activities.

To manage the department's water utility personnel, and conduct safety and technical trainings.

To improve water efficiency, water conservation and education programs.

To improve water infrastructure and protect assets of water system.

To work collaboratively with other agencies to protect the local groundwater basin and improve its operating efficiency.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Depreciation/Amortization	\$ 1,550,000	\$ 1,575,000	Turf and Device Rebate Program	\$ 25,000	\$ 25,000
Governmental Internal Svcs.	\$ 1,539,850	\$ 1,586,045	Special Supplies	\$ 14,800	\$ 14,800
Debt Service on Water Revenue Bonds	\$ 278,013	\$ 278,013	Legal Services	\$ 10,000	\$ 10,000

Changed Conditions:

- Decrease in Capital Outlay due to one-time purchase of service trucks in prior year budget.

Proposed Activities:

- Encourage water conservation through community outreach programs to meet the 20% per capita reduction in water use by the year 2020 as required by the state.
- Prepare various monthly, quarterly and annual reports to meet the federal and state regulatory requirements.
- Communicate water quality information through the Annual Water Quality Report and Public Health Goals Report.
- Conduct operator continuing education classes to meet State Drinking Water Certification Program requirements.
- Apply for State and Federal Grant Funding to offset the cost of capital improvement projects.

Productivity Initiatives:

- Prepare water master plan, evaluate system operations and propose the plan for future improvements.
- Initiate an asset management process and database to more efficiently manage and protect system assets.
- Create water system Operation Maintenance and Procedure Manual to retain institutional knowledge and standardization of Department of Water Resources (DWR) activities.

Performance Measures:

- Conduct monthly safety training sessions and quarterly safety inspections.
- Track number of customers that participate in the turf and device rebate program.

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Water Revenue Bond Debt Service	\$ 809,813	\$ 542,519	\$ 817,500	\$ 818,207	\$ 278,013	\$ 278,014
Water Conservation Rebates:						
Water Conservation Devices	17	29	4	29	30	30
Turf Removal Projects	2	34	50	34	30	30
Sub-surface	N/A	N/A	3	4	5	5
Total Rebate Costs	\$ 2,565	\$ 6,838	\$ 21,592	\$ 36,000	\$ 25,000	\$ 25,000

WATER RESOURCES DEPARTMENT - 8000 ADMINISTRATION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	289,861	246,871	254,983	251,191	240,247	677,915	719,910
Contract Services	167,737	205,368	171,193	263,883	222,151	172,870	164,255
Facilities Expense	1,478,817	1,496,525	1,597,799	1,532,143	1,533,514	1,564,715	1,589,865
Office Expense	1,764	1,753	2,302	3,000	2,500	3,000	3,000
Meetings Expense	2,494	2,882	2,255	6,300	7,000	9,000	9,000
Special Department	635,861	663,061	717,108	751,307	765,994	292,302	298,227
Other Operating	225,388	202,727	216,720	321,606	321,606	259,479	253,604
Interdepartmental	42,341	32,923	53,002	59,013	49,781	66,125	55,616
Capital Outlay	1,474	0	0	255,000	250,000	0	0
TOTAL EXPENDITURES	2,845,736	2,852,110	3,015,362	3,443,443	3,392,793	3,045,406	3,093,477

FUNDING SOURCES

7000 Water Rev Bond Debt Svc.	\$ 813,225	\$ 812,058	\$ 785,179	\$ 817,500	\$ 817,500	\$ 278,013	\$ 278,014
7500 Water Utility Fund	\$ 1,760,032	\$ 1,935,752	\$ 2,230,183	\$ 2,625,943	\$ 2,575,293	\$ 2,767,393	\$ 2,815,463
8060 SEWC	\$ 79,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

DEPARTMENT/DIVISION 8100/8200 - 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, three pump stations and a water treatment plant.

To treat and test water to assure drinking water quality to comply with all federal and state drinking water standards and regulations.

To maintain the City's seven steel water storage tanks and two concrete reservoirs.

To manage the City's water quality by taking over 5,000 samples annually and through the cross connection control program.

To manage the City's recycled water supply.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Water Replenishment District	\$ 2,500,000	\$ 2,735,000	Hazardous Materials Disposal	\$ 76,000	\$ 76,000
Pumping Electric Power	\$ 540,000	\$ 560,000	Water Analysis	\$ 48,000	\$ 48,000
Equipment Maintenance	\$ 275,000	\$ 275,000	Vehicle Maintenance	\$ 39,285	\$ 39,650
Recycled Water Purchase	\$ 297,500	\$ 297,500	Central Basin MWD Availability	\$ 28,000	\$ 28,000
Water Production Chemicals	\$ 185,000	\$ 185,000	Central Basin Watermaster Services	\$ 17,600	\$ 17,900

- Changed Conditions:**
- Increase in Water Replenishment District expense reflects the District's proposed increase in replenishment costs while taking Lakewood water conservation into consideration.
 - Increase in Recycled Water Purchase reflects the increase in water purchased through the City's agreement with the City of Cerritos.
 - Increase in Employee Services due to staffing realignment.
 - Decrease in Other Operating due to water conservation.
 - Increase in Special Department and Capital Outlay due to costs moved from Water Administration Division.

- Proposed Activities:**
- Purchase 500 acre feet of recycled water from the City of Cerritos.
 - Pump up to 8,100 acre feet of groundwater from the Central Groundwater Basin.
 - Continue to rehabilitate motors and pumps to increase water production capacity.

- Productivity Initiatives:**
- Evaluate water well productivity through an efficiency testing program through Southern California Edison.
 - Optimize Supervisory Control And Data Acquisition (SCADA) control to effectively utilize all well and pumping facilities.

- Performance Measures:**
- Monitor energy cost monthly for each pumping facility.

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Lakewood Production Acre Feet (AF)	9,821	8,456	7,208	6,174	6,791	7,131
Transfer to Other Agencies (AF)	1,610	1,696	1,462	1,157	1,300	1,300
Total Potable Water Production (AF)	11,432	10,152	8,670	7,234	8,091	8,431
Recycled Water (AF)	524	580	498	428	501	506
Groundwater Storage (AF)	0	0	0	0	300	300

WATER RESOURCES DEPARTMENT - 8100/8200 WATER UTILITY PRODUCTION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	534,848	574,974	603,143	554,195	564,055	670,890	696,809
Contract Services	70,444	75,218	52,852	125,385	150,372	162,500	162,500
Facilities Expense	20,392	20,708	22,103	35,268	16,746	29,570	29,825
Special Department	277,687	244,432	344,680	584,184	584,797	586,108	586,108
Other Operating	2,923,329	3,367,541	2,500,993	3,347,913	3,461,839	3,187,500	3,422,500
Interdepartment	33,824	44,545	31,375	44,640	17,147	18,835	19,224
Capital Outlay	<u>4,057</u>	<u>1,998</u>	<u>0</u>	<u>10,200</u>	<u>10,200</u>	<u>158,600</u>	<u>158,600</u>
TOTAL EXPENDITURES	<u>3,864,581</u>	<u>4,329,416</u>	<u>3,555,145</u>	<u>4,701,785</u>	<u>4,805,156</u>	<u>4,814,003</u>	<u>5,075,566</u>

FUNDING SOURCES

7500 Water Utility Fund	\$ 3,864,581	\$ 4,329,416	\$ 3,555,145	\$ 4,701,785	\$ 4,805,156	\$ 4,814,003	\$ 5,075,566
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DEPARTMENT/DIVISION 8600 - WATER UTILITY DISTRIBUTION

The purpose of this activity is to furnish manpower and materials to maintain and when necessary, repair over 195 miles of distribution lines, read 10,000 meters monthly. Maintain and ensure delivery of 2 billion gallons of water annually to over 59,000 residential, commercial and industrial customers via 20,339 meter connections.

PROGRAMS AND FUNCTIONS

To maintain and operate the City's water distribution system to deliver adequate quantities of safe drinking water to consumers.

To maintain, repair and install distribution pipelines, valves, water meters and other components in the water distribution system.

To maintain and operate the City's fire hydrants that are used to provide water for fire fighting.

To perform regular flushing activities to improve distribution system efficiency and water quality.

To perform field inspection for new pipeline and service installation, and oversee contractors' activities.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Special Supplies	\$ 100,000	\$ 110,000	Paving of Street Cut for Leak Repair	\$ 50,000	\$ 50,000

- Changed Conditions:**
- Increase in Employee Services due to staffing realignment.
 - Increase in Contract Services due to an increase in preventative maintenance program.
 - Decrease in Other Operating due to costs moved to Water Utility Production Division.

- Proposed Activities:**
- Continue a routine valve exercising and flushing program.
 - Continue routine fire hydrant upgrade and maintenance program.
 - Continue a meter replacement program to ensure accurate meter readings and improve reading efficiency.
 - Continue to implement a smart meter pilot project to utilize advanced technology and increase reading efficiency.
 - Enhance water loss documentation in various field activities to reduce system water loss.

- Productivity Initiatives:**
- Upgrade water meters in a subsurface vault to increase productivity and reduce potential safety hazards.
 - Initiate a large meter evaluation and replacement program.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
New Water Meter Installations	7	383	8	300	250	250
Fire Hydrants Replaced	7	8	5	7	6	6
Water Main Leaks Repaired	13	9	12	13	10	10

WATER RESOURCES DEPARTMENT -8500/8600/8700/8800 WATER DISTRIBUTION

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	785,249	864,191	853,677	830,094	816,047	968,990	1,001,617
Contract Services	20,670	3,698	13,590	64,800	58,800	62,500	62,500
Special Department	44,549	53,710	111,622	109,368	109,944	131,557	131,557
Other Operating	254,398	311,143	269,597	297,500	297,500	0	0
Interdepartmental	82,021	99,169	102,238	104,128	113,804	125,004	127,630
Capital Outlay	<u>39,744</u>	<u>40,074</u>	<u>237,865</u>	<u>58,500</u>	<u>58,500</u>	<u>64,000</u>	<u>64,000</u>
TOTAL EXPENDITURES	<u>1,226,631</u>	<u>1,371,984</u>	<u>889,616</u>	<u>1,464,390</u>	<u>1,454,595</u>	<u>1,352,051</u>	<u>1,387,304</u>

FUNDING SOURCES

7500 Water Utility Fund	\$ 1,226,631	\$ 1,371,984	\$ 889,616	\$ 1,464,390	\$ 1,454,595	\$ 1,352,051	\$ 1,387,304
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DEPARTMENT/DIVISION 8900 - WATER UTILITY CUSTOMER SERVICES

The purpose of this activity is to read over 20,000 water meters six times annually, timely respond to customer service requests and complaints, advise and educate customers about service leaks, water use efficiency and promote the City's water conservation program.

PROGRAMS AND FUNCTIONS

To read and maintain water meters, meter boxes and service connections.

To process and respond in a timely manner to customer service requests.

To provide various end-user services such as turn on/off water service for internal repair and delivery of notices.

To inspect turf removal and device rebate installations for the water conservation program.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Communications	\$ 8,000	\$ 8,000	Special Supplies	\$ 30,000	\$ 30,000

- Changed Conditions:**
- Decrease in Employee Services due to staffing realignment.
 - Decrease in Special Department and Capital Outlay due to streamlining of customer service costs.

- Proposed Activities:**
- Respond to water conservation customer inquiries.
 - Monitor and track water waste reports as required by the State Water Resources Control Board.
 - Continue to utilize cell-based electronic system in field to improve operations efficiency.
 - Use an electronic system to monitor customer service support and functions.

- Productivity Initiatives:**
- Reduce shut-offs by notifying customer's of a past due account via the department's broadcast system.
 - Implement a pilot project to install auto shut-off valves capable of operating remotely controlled to reduce staff travel time.
 - Work with Administrative Services Department to improve meter reading and meter related service scheduling to reduce after hours response.

Performance Measures:

	<u>Actual 2012-2013</u>	<u>Actual 2013-2014</u>	<u>Actual 2014-2015</u>	<u>Projected 2015-2016</u>	<u>Estimated 2016-2017</u>	<u>Estimated 2017-2018</u>
Re-reads	2,352	2,521	2,477	2,100	2,000	2,000
Shut offs	not determined	4,049	4,019	2,530	2,500	2,400
Open/Close Orders	2,599	2,473	2,283	2,000	2,000	2,000
Water Waste Complaints	N/A	N/A	N/A	300	200	200

WATER RESOURCES DEPARTMENT - 8900 WATER METER/CUSTOMER SERVICES

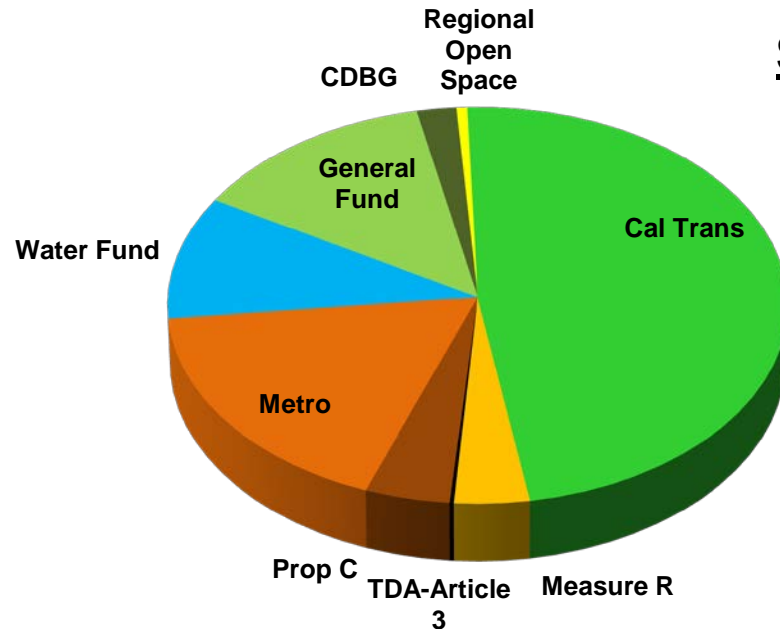
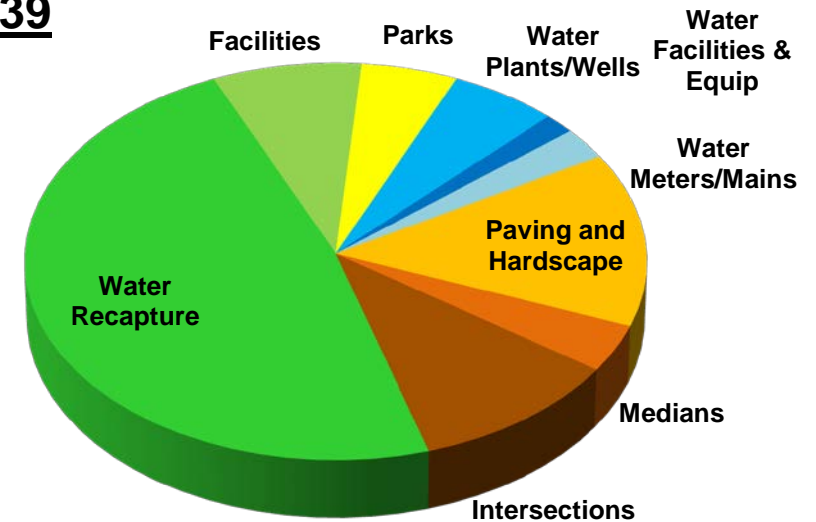
DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	662,699	658,054	662,610	623,797	632,687	173,086	180,851
Contract Services	0	0	0	0	3,000	3,000	3,000
Special Department	36,163	41,674	17,356	51,840	53,342	42,605	42,605
Capital Outlay	<u>0</u>	<u>0</u>	<u>2,626</u>	<u>400</u>	<u>400</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>700,062</u>	<u>699,728</u>	<u>647,880</u>	<u>676,037</u>	<u>689,429</u>	<u>218,691</u>	<u>226,456</u>

FUNDING SOURCES

7500 Water Utility Fund	\$	700,062	\$	699,728	\$	647,880	\$	676,037	\$	689,429	\$	218,691	\$	226,456
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CAPITAL IMPROVEMENTS

SOURCES OF FUNDS**USES OF FUNDS**

	2016-2017	2017-2018
General Fund	\$ 4,599,910	\$ 2,320,000
CDBG	950,060	150,000
Regional Open Space	300,000	-
Cal Trans	24,800,000	-
Measure R	1,250,000	700,000
TDA-Article 3	53,129	53,000
Prop C	2,200,000	-
Metro	9,104,000	-
Water Fund	3,274,340	1,933,800
TOTAL FUNDING SOURCES	46,531,439	5,156,800

	2016-2017	2017-2018
Paving and Hardscape	6,388,129	953,000
Medians	1,984,000	-
Intersections	5,504,000	-
Water Recapture	24,800,000	-
Facilities	3,076,908	1,085,000
Parks	1,504,062	1,185,000
Water Plants/Wells	2,005,040	1,000,000
Water Meters/Mains	263,800	593,800
Water Facilities & Equip	1,005,500	340,000
TOTAL FUNDING USES	46,531,439	5,156,800

APPROPRIATION SUMMARY
CAPITAL IMPROVEMENTS

STREETS & TRANSIT PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
40021 ADA Public Right of Way	51,756	51,756	0	0	53,129	53,129	53,000
60016 Hardscape (Streets)	200,000	200,000	0	0	200,000	200,000	200,000
60020 Civic Center Slurry Seal	50,000	0	50,000	50,000	0	50,000	0
60021 Local Street/Alley Resurfacing	650,000	0	650,000	650,000	600,000	1,250,000	700,000
60026 Woodruff Ave. Resurfacing	1,600,000	0	1,600,000	1,600,000	600,000	2,200,000	0
60035 Del Amo Rehab-Between Clark & Downey	1,188,388	913,388	275,000	0	0	0	0
60045 Lakewood Blvd. Design and Environmental	2,600,000	0	2,600,000	2,600,000	0	2,600,000	0
60047 Del Amo Median East of Studebaker	450,000	0	450,000	0	0	0	0
60048 Del Amo Median at Pioneer/Conservation	1,513	1,000	513	0	0	0	0
60049 Bridge Repair Studebaker Road	35,000	0	35,000	35,000	0	35,000	0
SUBTOTAL STREET & TRANSIT PROJECTS	\$ 6,826,657	\$ 1,166,144	\$ 5,660,513	\$ 4,935,000	\$ 1,453,129	\$ 6,388,129	\$ 953,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

STREETS & TRANSIT PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
60051 Overlay 215th Street/Hawaiian Gardens	35,000	0	35,000	35,000	0	35,000	0
60053 Del Amo Intersection Improvement	298,400	298,400	0	0	5,504,000	5,504,000	0
60054 Lakewood Blvd. Corridor	29,000	0	29,000	0	0	0	0
60055 Median Landscape Plan	75,000	41,000	34,000	34,000	0	34,000	0
60056 Paramount Median Plan	1,000,000	0	1,000,000	1,000,000	950,000	1,950,000	0
60057 Water Recapture Project-Bolivar	11,000,000	1,200,000	9,800,000	9,800,000	0	9,800,000	0
60058 Water Recapture Project-Mayfair	0	0	0	0	15,000,000	15,000,000	0
TOTAL STREET & TRANSIT PROJECTS	\$ 19,264,057	\$ 2,705,544	\$ 16,558,513	\$ 15,804,000	\$ 22,907,129	\$ 38,711,129	\$ 953,000

FUNDING SOURCES

1010 General Fund	1,340,513	242,000	1,098,513	619,000	650,000	1,269,000	200,000
1611 STPL-TEALU	856,000	693,000	163,000	0	0	0	0
1610 TDA-Article 3	51,756	51,756	0	0	53,129	53,129	53,000
1621 Los Angeles County Measure R	685,000	0	685,000	685,000	600,000	1,285,000	700,000
3001 Capital Improv Project Fund	14,398,400	1,498,400	12,900,000	12,900,000	21,004,000	33,904,000	0
3060 Proposition A	0	0	0	0	0	0	0
3070 Proposition C	1,932,388	220,388	1,712,000	1,600,000	600,000	2,200,000	0
TOTAL FUNDING SOURCES	\$ 19,264,057	\$ 2,705,544	\$ 16,558,513	\$ 15,804,000	\$ 22,907,129	\$ 38,711,129	\$ 953,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

PARKS & FACILITIES PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
40041 West San Gabriel River Phs III	253,938	15,878	238,060	0	0	0	0
60018 Hardscape-Parks	67,113	40,000	27,113	27,113	50,000	77,113	50,000
70001 Centre: Refurbishments	491,848	200,000	291,848	291,848	350,000	641,848	100,000
70003 Civic Center Development	80,000	72,174	7,826	0	0	0	0
70005 Fence Replacement - Parks	30,165	1,800	28,365	28,365	20,000	48,365	20,000
70006 Fire/Security Systems	46,650	5,000	41,650	41,650	25,000	66,650	25,000
70021 Nixon Yard-Metal Bldg Roofs	30,000	0	30,000	0	0	0	0
70022 Nixon Yard-Paint Metal Bldg	10,000	0	10,000	0	0	0	0
70058 Palms Park Improvement	266,100	266,100	0	0	0	0	0
70059 Palms Park DASH Office	168,705	168,705	0	0	0	0	0
70064 Park Restrooms Improvement	42,705	12,000	30,705	30,705	23,000	53,705	0
70066 Burns Center Improvement	621,355	186,000	435,355	435,355	1,664,705	2,100,060	0
70067 Del Valle Memorial Plaza	33,740	33,740	0	0	0	0	0
70068 Douglas F3D-2 Skyknight Airplane	527	527	0	0	0	0	0
SUBTOTAL PARKS & FACILITIES PROJECTS	\$ 2,142,846	\$ 1,001,924	\$ 1,140,922	\$ 855,036	\$ 2,132,705	\$ 2,987,741	\$ 195,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

PARKS & FACILITIES PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
70069 HVAC City Hall	25,000	25,000	0	0	0	0	0
70070 Del Valle Playground & Site Work	737,000	737,000	0	0	0	0	0
70071 San Martin Park Resurfacing	6,650	6,650	0	0	0	0	0
70072 Resurfacing & Restriping	49,350	49,350	0	0	0	0	0
70073 Nye Library Parking Lot	72,200	72,200	0	0	0	0	0
70074 Bricks-Del Valle Memorial	174,283	19,935	154,348	154,348	0	154,348	0
70075 Rynerson Park Playground	600,690	600,690	0	0	0	0	0
70076 Mayfair Slide & Bloomfield Carpet	8,076	8,076	0	0	0	0	0
70079 Bolivar Park Play Area	43,881	3,500	40,381	40,381	550,000	590,381	0
70080 Electric Arc Flash Mitigation	0	0	0	0	50,000	50,000	50,000
70081 ADA Improvements	0	0	0	0	0	0	100,000
70082 Bolivar Park Irrigation	0	0	0	0	0	0	240,000
70083 Bolivar Park Replace Shelter #3	0	0	0	0	0	0	225,000
70084 Nixon Yard Master Plan	0	0	0	0	75,000	75,000	0
70085 Nixon Yard 3-Bay Prefab Building	0	0	0	0	60,000	60,000	0
SUBTOTAL PARKS & FACILITIES PROJECTS	\$ 1,717,130	\$ 1,522,401	\$ 194,729	\$ 194,729	\$ 735,000	\$ 929,729	\$ 615,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

PARKS & FACILITIES PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
70086 Nixon Yard Commodity Bunker Prefab	0	0	0	0	50,000	50,000	0
70087 Mayfair Snack Bar and Patio	0	0	0	0	50,000	50,000	150,000
70088 Park Monument Signs	0	0	0	0	28,500	28,500	0
70089 Rynerson Park 2 - Picnic Shelters	0	0	0	0	25,000	25,000	300,000
70090 Rynerson Park 2 - Bathrooms	0	0	0	0	50,000	50,000	500,000
70091 Monte Verde Park - Building Improvement	0	0	0	0	50,000	50,000	150,000
70092 Equestrian Center Renovation	0	0	0	0	300,000	300,000	200,000
70093 Weingart Senior Center Carpet/Furniture	0	0	0	0	25,000	25,000	150,000
70094 Mayfair Pavillion Carpet	0	0	0	0	0	0	10,000
70095 City Hall Interior Preservation	0	0	0	0	50,000	50,000	0
TOTAL PARKS & FACILITIES PROJECTS	\$ 3,859,976	\$ 2,524,325	\$ 1,335,651	\$ 1,049,765	\$ 3,496,205	\$ 4,545,970	\$ 2,270,000

FUNDING SOURCES

1010 General Fund	2,295,832	1,925,444	370,388	322,562	2,331,500	2,654,062	2,170,000
1030 Community Dev Block Grant	621,355	186,000	435,355	435,355	514,705	950,060	0
1050 Community Facility Fund	491,848	200,000	291,848	291,848	350,000	641,848	100,000
1720 River Park Grant	108,403	0	108,403	0	0	0	0
1744 LA County Regional Open Space Grant	137,733	8,076	129,657	0	300,000	300,000	0
3001 Capital Improvement Project Fund	36,100	36,100	0	0	0	0	0
3060 Proposition A	168,705	168,705	0	0	0	0	0
TOTAL FUNDING SOURCES	3,859,976	2,524,325	1,335,651	1,049,765	3,496,205	4,545,970	2,270,000

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

WATER RESOURCES PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
50004 Well #22 Treatment Facility	3,513	3,513	0	0	800,000	800,000	0
50012 Water Main Replacement Program	0	0	0	0	0	0	500,000
50021 Plant #13 Rehabilitation Project	1,869,191	754,151	1,115,040	1,115,040	0	1,115,040	0
50032 Arbor Yard Roofing & HVAC	0	0	0	0	100,000	100,000	0
50033 Watermain Replacement-Design	227,795	227,795	0	0	43,800	43,800	43,800
50034 FY 2014 Water Main Replacement	1,159,013	1,159,013	0	0	0	0	0
50035 Meter Rotation Program/Technology	348,898	348,898	0	0	50,000	50,000	50,000
50038 Well 28 Drilling	134,813	134,813	0	0	0	0	1,000,000
50039 Emergency-Intertie	50,000	4,500	45,500	45,500	60,000	105,500	50,000
50043 AMI Water Meter Program	80,786	80,786	0	0	60,000	60,000	0
SUBTOTAL WATER RESOURCES PROJECTS	\$ 3,874,009	\$ 2,713,469	\$ 1,160,540	\$ 1,160,540	\$ 1,113,800	\$ 2,274,340	\$ 1,643,800

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

WATER RESOURCES PROJECTS	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
50044 Upgrade MWD Connection	0	0	0	0	110,000	110,000	0
50045 Upgrade Disinfection System/Control	0	0	0	0	190,000	190,000	0
50046 Water Master Plan	0	0	0	0	400,000	400,000	0
50047 Water Rate Study	0	0	0	0	90,000	90,000	0
50048 Equipment Replacement	0	0	0	0	120,000	120,000	90,000
50049 SCADA Improvements	0	0	0	0	0	0	200,000
50050 Plant 13/Well 17 Variable Frequency Drives (VFD)		0	0	0	90,000	90,000	0
TOTAL WATER RESOURCES PROJECTS	\$ 3,874,009	\$ 2,713,469	\$ 1,160,540	\$ 1,160,540	\$ 2,113,800	\$ 3,274,340	\$ 1,933,800

WATER RESOURCES PROJECT FUNDING

Water Operations Fund	3,874,009	2,713,469	1,160,540	1,160,540	2,113,800	3,274,340	1,933,800
TOTAL FUNDING SOURCES	\$ 3,874,009	\$ 2,713,469	\$ 1,160,540	\$ 1,160,540	\$ 2,113,800	\$ 3,274,340	\$ 1,933,800

APPROPRIATION SUMMARY

CAPITAL IMPROVEMENTS

ALL PROJECTS BY FUNDING SOURCE	FY 2015-2016			FY 2016-2017			FY 2017-2018
	Revised Budget	Projection	Balance	Re-allocated	New Allocation	Adopted Budget	Adopted Budget
1010 General Fund	3,636,345	2,167,444	1,468,901	941,562	2,981,500	3,923,062	2,370,000
1050 General Fund - Centre	491,848	200,000	291,848	291,848	350,000	641,848	100,000
1030 CDBG	621,355	186,000	435,355	435,355	514,705	950,060	0
1610 TDA-Article 3	51,756	51,756	0	0	53,129	53,129	53,000
1611 STPL-TEALU	856,000	693,000	163,000	0	0	0	0
1621 Measure R	685,000	0	685,000	685,000	600,000	1,285,000	700,000
1720 River Park Grant	108,403	0	108,403	0	0	0	0
1744 LA County Regional Open Space Grant	137,733	8,076	129,657	0	300,000	300,000	0
3001 Capital Improv Project Fund	14,434,500	1,534,500	12,900,000	12,900,000	21,004,000	33,904,000	0
3060 Prop A	168,705	168,705	0	0	0	0	0
3070 Prop C	1,932,388	220,388	1,712,000	1,600,000	600,000	2,200,000	0
7500 Water Operations Fund	3,874,009	2,713,469	1,160,540	1,160,540	2,113,800	3,274,340	1,933,800
TOTAL FUNDING SOURCES	\$ 26,998,042	\$ 7,943,338	\$ 19,054,704	\$ 18,014,305	\$ 28,517,134	\$ 46,531,439	\$ 5,156,800

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 #1and 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.

PROJECT**PUBLIC RIGHT-OF-WAY PROJECTS**

Del Amo Median Landscape Water Conservation

Install artificial turf and modify irrigation systems to reduce water usage by 90%. Applied for Water Smart Grant through the Gateway Water Management Authority.

Irrigation System-Paramount Boulevard

For turf panels from Greenmeadow to Dollar. Poor condition. Original clocks and hydraulic tubing no longer functional, presently operating with multiple battery operated controllers which are beyond warranty.

WATER RESOURCES PROJECTS

Meter Replacement

Replace 5,000 5/8" x 3/4" Meters @ \$50 each. Work to be done by DWR staff. (5 Year Program)

Water Main Replacement

Replace 16,000 linear feet of 4" Cast Iron water mains in the area south of Del Amo to Arbor Rd. between Downey and Coke Ave.

Meter Replacement

Replace 5,000 5/8" x 3/4" Meters @ \$50 each. Work to be done by DWR staff. (5 Year Program)

Water Main Replacement

Replace 9,641 linear feet of 4" Cast Iron water mains on Briercrest and Coldbrook Avenues between South St. and Del Amo Blvd.

Meter Replacement

Replace 5,000 5/8" x 3/4" Meters @ \$50 each. Work to be done by DWR staff. (5 Year Program)

Water Main Replacement

Replace 10,588 linear feet of 4" and 6" Cast Iron water mains on Autry and Montair Avenues between South St. and Del Amo Blvd. and Michelson and Hardwick Streets between Autry Ave. and Bellflower Blvd.

INTERNAL SERVICE FUNDS

DEPARTMENT/DIVISION 2450 - GRAPHICS AND COPY CENTER

The purpose of this activity is to facilitate the efficient and economical production of brochures, flyers, newsletters and forms for all City departments at the lowest possible cost.

PROGRAMS AND FUNCTIONS

To assist City departments with the design and production of electronic and printed publications.

To select proper paper stocks, inks and binding process.

To fill all printing requests from internal customers.

To maintain all printing, binding related printing equipment and computer systems.

To code and store all City forms in Central Stores for available upon request.

To maintain record of materials and employee costs used for each work order for internal service charge cost accounting.

To maintain record of materials used by the City's main copier.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Machine Rental	\$ 52,300	\$ 52,300	Contractual Services	\$ 12,000	\$ 12,000
Equipment Maintenance	\$ 35,700	\$ 35,700			

- Changed Conditions:**
- Change in Contract Services and Office Expense due to the consolidation of machine rental and maintenance costs under respective accounts.
 - Increase in Special Department due to planned software upgrade.

- Proposed Activities:**
- Design and compose six editions of the City newsletter, eight editions of the City's utility billing insert, three editions of the City recreation catalog, City recreation brochures and flyers for the parks and other City publications.

- Productivity Initiatives:**
- Continue to improve the use of new digital applications in the fiscal year to increase productivity and reduce output over time.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
Printing Requests	1,300	1,325	1,400	1,400	1,400	1,400
Printing Impressions	2,100,000	2,200,000	2,500,000	2,500,000	2,500,000	2,500,000

ADMINISTRATION - 2450 GRAPHICS AND COPY CENTER

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	270,871	278,404	275,008	283,963	277,663	288,400	299,220
Contract Services	65,474	69,705	69,661	78,700	78,700	64,300	64,300
Office Expense	9,551	9,300	10,676	9,300	9,300	35,700	35,700
Special Department	44,812	44,937	25,140	47,200	32,425	43,500	43,500
Capital Outlay	<u>6,853</u>	<u>2,363</u>	<u>7,493</u>	<u>10,000</u>	<u>3,837</u>	<u>10,000</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>397,560</u>	<u>404,710</u>	<u>387,978</u>	<u>429,163</u>	<u>401,925</u>	<u>441,900</u>	<u>452,720</u>

SUMMARY OF GRAPHICS AND COPY CENTER BY SOURCE OF FUNDS

5010 Graphics & Copy Center Fund	\$	397,560	\$	404,710	\$	387,978	\$	429,163	401,925	\$	441,900	\$	452,720
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DEPARTMENT/DIVISION 4200 - GEOGRAPHIC INFORMATION SYSTEM

The purpose of this activity is to plan and supervise the implementation of the Geographic Information System (GIS) projects. GIS is a computer-based tool for mapping and analyzing information. GIS technology integrates common database information with the unique visualization and geographic analysis benefits offered by maps.

PROGRAMS AND FUNCTIONS

To provide GIS products and services, and to coordinate GIS needs for all City departments.

To set priorities for data acquisition and development.

To provide GIS technical support and to inform, advise and assist the departments in the training of staff.

To assure that GIS data is organized in an efficient manner to optimize its use and the effectiveness of the GIS system.

To coordinate and provide City contract service providers with GIS products and services.

To keep City GIS technologies current with industry standards and to plan for future GIS technological developments and implementations.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Software Maintenance	\$ 15,700	\$ 16,000	Aerial Photography	\$ 10,000	\$ 10,000
Equipment Maintenance	\$ 3,000	\$ 3,000	Printing Supplies	\$ 3,000	\$ 3,000
Capital Outlay	\$ 20,000	\$ -			

Changed Conditions: - Increase in Capital Outlay is associated with the replacement of 9-year-old engineering scanner/copier and provides for

Proposed Activities:

- Prepare data, maps and graphics using the GIS system.
- Assist other departments with creation, printing or publishing of GIS data, maps and graphics.
- Continue to provide technical support and training for GIS data, maps and graphics.
- Continue to develop, manage and maintain the City's GIS database.
- Provide graphic art support for other City departments.
- Continue to work with the Los Angeles Regional Imagery Acquisition Consortium (LARIAC) to reduce GIS costs.

Productivity Initiatives:

- Continue to convert antiquated paper map information into GIS databases.
- Provide GIS software training and support to key personnel in all City departments.

Performance Measures:

	<u>Actual</u> <u>2012-2013</u>	<u>Actual</u> <u>2013-2014</u>	<u>Actual</u> <u>2014-2015</u>	<u>Projected</u> <u>2015-2016</u>	<u>Estimated</u> <u>2016-2017</u>	<u>Estimated</u> <u>2017-2018</u>
GIS Goods and Services Provided	5,811	5,693	7,044	13,000	10,000	9,000

COMMUNITY DEVELOPMENT - 4200 GEOGRAPHIC INFORMATION SYSTEM

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	36,492	29,603	38,807	61,793	53,232	65,483	63,886
Contract Services	23,322	15,375	20,778	25,375	25,375	25,700	26,000
Office Expense	2,364	2,105	1,945	2,708	2,708	3,000	3,000
Meetings Expense	764	755	930	2,300	2,300	2,300	2,300
Special Department	4,057	3,676	4,621	5,100	5,100	5,100	5,100
Other Operating	0	150	0	150	150	150	150
Capital Outlay	<u>0</u>	<u>0</u>	<u>9,173</u>	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>67,000</u>	<u>51,664</u>	<u>76,255</u>	<u>97,426</u>	<u>88,865</u>	<u>121,733</u>	<u>100,436</u>

SUMMARY OF GEOGRAPHIC INFORMATION SYSTEM BY SOURCE OF FUNDS

6020 Geographic Info. Systems	\$	67,000	\$	51,664	\$	76,255	\$	97,426	\$	88,865	\$	121,733	\$	100,436
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DEPARTMENT/DIVISION 6900 - FLEET MAINTENANCE

The purpose of this activity is to perform preventive maintenance and repair of all City vehicles, equipment and standby generators.

PROGRAMS AND FUNCTIONS

- To repair vehicles and equipment as required.
- To prepare specifications for new vehicles and equipment.
- To monitor the City's Biennial Inspection of Terminals (BIT) program.
- To operate a preventive maintenance program for vehicles and equipment.
- To train equipment operators on proper preventive maintenance and operation of assigned equipment.
- To smog test vehicles as required by state law.
- To manage the City's fuel system which consists of gasoline, diesel and compressed natural gas.

BUDGET SUMMARY

Significant Detail:	<u>2016-2017</u>	<u>2017-2018</u>		<u>2016-2017</u>	<u>2017-2018</u>
Gasoline and Natural Gas	\$ 272,000	\$ 272,000	Contract Services	\$ 45,000	\$ 45,000
Special Supplies	\$ 110,000	\$ 110,000	Body and Paint Repairs	\$ 15,000	\$ 15,000
Maintenance of Equipment	\$ 45,000	\$ 45,000	Vehicle/Equipment Maintenance	\$ 11,807	\$ 11,917

- Changed Conditions:**
- Increase in Contract Services to assure full maintenance of all vehicles.
 - Increase in Special Department due to estimated increase in permit fees and increase in maintenance costs associated with an aging fleet and increase in cost.
 - Increase in Other Operating due to increase training attendance.
 - Decrease in Interdepartmental due to allocation realignment.
 - Decrease in Capital Outlay due to purchase of equipment and scan tool upgrade in prior budget year.

- Proposed Activities:**
- Administer vehicle and equipment replacement program.
 - Conduct annual vehicle inspections to comply with state-mandated emission standards.
 - Conduct routine preventive maintenance inspection on all equipment.

Performance Measures:

	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>
Preventative Maintenance	806	1,049	1,052	1,050	1,050	1,050
Unscheduled Repairs	985	1,002	970	900	900	900
Scheduled Repairs	1,135	1,173	1,220	1,200	1,200	1,200
Road Calls	38	30	26	30	30	30
Vehicle Emission Reports	37	36	38	38	38	38

PUBLIC WORKS - 6900 FLEET MAINTENANCE

DESCRIPTION	2012-2013 Actual	2013-2014 Actual	2014-2015 Actual	2015-2016 Revised Budget	2015-2016 Projected Actual	2016-2017 Adopted Budget	2017-2018 Adopted Budget
Employee Services	383,338	424,863	420,900	424,874	403,426	442,688	461,539
Contract Services	34,507	33,044	39,033	42,500	57,400	49,000	49,000
Facilities Expense	7,388	11,507	12,407	5,215	3,680	3,480	3,480
Office Expense	2,250	2,457	2,565	3,250	2,796	3,250	3,250
Special Department	444,498	445,133	388,228	475,500	334,562	476,853	477,353
Other Operating	3,769	866	1,211	1,750	684	5,750	5,750
Interdepartmental	15,699	9,762	9,604	11,842	6,895	8,694	8,842
Capital Outlay	144,620	104,913	63,095	139,565	129,697	34,000	19,500
TOTAL EXPENDITURES	1,036,068	1,032,545	937,043	1,104,496	939,140	1,023,715	1,028,714

SUMMARY OF FLEET MAINTENANCE BY SOURCE OF FUNDS

5030 Fleet Maintenance	\$ 901,252	\$ 849,581	\$ 910,334	\$ 1,069,496	\$ 910,140	\$ 999,715	\$ 1,020,714
3000 AQMD Fund	\$ 134,816	\$ 105,819	\$ 26,709	\$ 35,000	\$ 29,000	\$ 24,000	\$ 8,000



POLICIES

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.

CITY OF LAKEWOOD

Capital Financing and Debt Management Policy

2. The City will consider retaining the services of an independent disclosure counsel when one or more of 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. Refinancings

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

**CITY OF LAKEWOOD
SUCCESSOR HOUSING AGENCY
Investment Policy**

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.

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

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.

CITY OF LAKEWOOD SUCCESSOR HOUSING AGENCY Investment Policy

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 of 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.

**CITY OF LAKEWOOD
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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. The Council 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; as well as compensated absences.

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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 amount in part or in full is then held as a Committed fund balance in the General Fund. This plan is scheduled to be fully funded by 2043.

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 in part or full is held in the General Fund as a Committed Fund Balance to be paid to the Trust in the following year per the actuarial. This plan is to be maintained at a minimum of 90% funded.

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 in part or in full as a Committed fund balance in the General Fund. The PARS is closed to new members and is scheduled to reach full funding by 2036.

Annually, the value of compensated absences, which is the liability of accrued sick and vacation leave, is computed. This computed amount in full is held as a Committed fund balance in the General Fund.

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 independent of other costs, easily identifiable and one-time in nature.

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Governmental Fund Balance Policy

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

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

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- 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
- 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

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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 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

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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Purchasing Policy

- (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.

CITY OF LAKEWOOD Purchasing Policy

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

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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.

- (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.

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

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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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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	» 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	» Item must be budgeted » No Bids required
	\$1,000 TO \$20,000 (\$40,000 for vehicles)	CITY MANAGER	» 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	» 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

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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.