

City of  
**HUNTINGTON PARK** California

**NOTICE OF A SPECIAL MEETING  
OF THE CITY COUNCIL OF THE  
CITY OF HUNTINGTON PARK  
CALLED BY MAYOR MARIO GOMEZ**

NOTICE IS HEREBY GIVEN THAT a special meeting of the City Council of the City of Huntington Park is hereby called to be held on Tuesday, September 10, 2013 at 6:00 p.m. in the Council Chambers located on the 2<sup>nd</sup> Floor of City Hall at 6550 Miles Avenue, Huntington Park, for the purpose of considering and/or taking action on the following:

**1. REGULAR AGENDA**

**FINANCE DEPARTMENT**

**1.1 Approval of Fiscal Year 2013-2014 Budget Phase I for the departments of Parks and Recreation, Police, and Public Works.**

**RECOMMENDATION OF ITEM UNDER CONSIDERATION:**

1. Approve Phase I General Fund Budget Adjustments for Fiscal Year ending June 30, 2014 for the departments of Parks and Recreation, Police, and Public Works.

Per Ordinance No. 544-NS, the public has (3) three minutes to address the City Council on any item described on this notice before or during consideration of the item.

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting. Dated this 9<sup>th</sup> day of September, 2013.

By Rocio Martinez  
Rocio Martinez, Acting City Clerk



# CITY OF HUNTINGTON PARK

Finance Department  
City Council Agenda Report

September 10, 2013

Honorable Mayor and Members of the City Council  
City of Huntington Park  
6550 Miles Avenue  
Huntington Park, CA 90255

Dear Mayor and Members of the City Council:

## **APPROVAL OF FISCAL YEAR 2013-14 BUDGET PHASE I FOR THE DEPARTMENTS OF PARKS AND RECREATION, POLICE, AND PUBLIC WORKS**

### **IT IS RECOMMENDED THAT THE CITY COUNCIL:**

1. Approve Phase I General Fund Budget Adjustments for Fiscal Year Ending June 30, 2014 for the Departments of Parks and Recreation, Police, and Public Works.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On August 13, 2013, staff presented a number of recommended "Phase I" changes to the adopted Fiscal Year 2013-2014 Continuation Budget. These are recommendations to address the City's General Fund structural deficit.

**General Fund Structural Deficit** – City staff previously projected a \$3.4 million General Fund deficit, based on 10-month revenue and expense projections. Although the City has not received all revenues and recorded all expenses for the prior Fiscal Year 2012-2013, we now have a more complete financial picture. Finance staff expects to end the fiscal year with \$22 million in revenues against \$26 million in expenses.

Moreover, we are projecting \$400,000 in increased costs for Fiscal Year 2013-2014, which includes medical insurance, Other Post-Employment Benefits (OPEB), and Business Improvement District (BID) expenses. These cost increases are offset by the elimination of \$400,000 in one-time expenses incurred in Fiscal Year 2012-2013. Therefore, the Fiscal Year 2013-2014 General Fund Budget will start with a \$4.0 million structural deficit (\$22 million revenues / \$26 million expenses).

**APPROVAL OF FISCAL YEAR 2013-14 BUDGET PHASE I FOR THE DEPARTMENTS OF PARKS AND RECREATION, POLICE, AND PUBLIC WORKS**

September 10, 2013

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**FISCAL IMPACT/FINANCING**

Staff's plan is to bridge the \$4.0 million budget gap in five parts:

1. 5% operating cost reduction: \$1,300,000
  2. Contract savings: \$800,000
  3. Settlement of revenue distribution dispute with LA County: \$1,000,000
  4. Additional revenues: \$500,000
    - 4.1. Waste franchise fees \$300,000
    - 4.2. County fees \$200,000
  5. Other savings (TBD): \$500,000
- Total: \$4,100,000

**Phase I Recommendations** - We have asked each Department Head to recommend a 5% reduction in their General Fund for Fiscal Year 2013-2014. We have requested that each department provide "Phase I" recommendations that do not require any staff reductions and that impact operational efficiency and can be implemented immediately.

Phase I changes were initially presented to the City Council on August 13, 2013, and are outlined in detail in the attached memoranda (Attachment A). The recommended Phase I adjustments which equal approximately \$1.1 million in savings to the General Fund are summarized below:

**Parks and Recreation**

1. Replace funding for Recreation Coordinator with Management Analyst
2. Reclassify Jr. Deputy Clerk Position to Secretary
3. Replace Park Ranger service with part-time staffing

**Net Financial Impact - Parks & Recreation: \$54,100 General Fund Savings**

**Police**

1. Additional / New Revenues: + \$259,000:
  - a. AB 109 \$150,000
  - b. Jail Service to Vernon \$22,000
  - c. LA Impact Grant \$87,000

**APPROVAL OF FISCAL YEAR 2013-14 BUDGET PHASE I FOR THE DEPARTMENTS OF PARKS AND RECREATION, POLICE, AND PUBLIC WORKS**

September 10, 2013

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2. Revenue Enhancement – 2 motorcycle officers + \$154,000

- a. Projected Revenue \$384,000
- b. Salaries & Benefits 2 officers (\$230,000)  
**\$154,000**

3. Position Re-Allocation - \$211,000

3.1 Replace current Lieutenant position with a Captain position (*promotional*) & Remove current vacant Lieutenant position.

- a. Captain \$220,000
- b. Lieutenant (\$196,000)
- c. Lieutenant (\$196,000)  
**(\$182,000)**

3.2 Replace an unfilled full-time Dispatch position with two part-time positions

- a. Full-time (\$90,000)
- b. 2 part-time \$50,000  
**(\$40,000)**

3.3 Replace an unfilled full-time Parking Enforcement Officer (PEO) position with a Cadet

- a. Full-time (\$73,000)
- b. part-time \$14,000  
**(\$59,000)**

3.4 Add a Management Analyst (contract) position + \$50,000

3.5 Add an intern position + \$20,000

4. Expense Reduction - \$105,000

- a. Overtime (\$75,000)
- b. Supplies (\$30,000)  
**(\$105,000)**

**Net Financial Impact - Police: \$729,000 General Fund Savings**

**APPROVAL OF FISCAL YEAR 2013-14 BUDGET PHASE I FOR THE DEPARTMENTS OF PARKS AND RECREATION, POLICE, AND PUBLIC WORKS**

September 10, 2013

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In addition, the Police Department will also hire an additional officer under the auspices of Asset Forfeiture Program, which is expected to cost \$115,000 in salaries and benefits but generate approximately \$425,000 in revenue. The net \$310,000 gain will be retained in the Asset Forfeiture fund.

**Public Works**

**New Position – Assistant City Engineer/ Building Official**

This new position will serve two roles as an Assistant City Engineer and Building Official. This position will have a base salary of \$110,000 with a total cost of \$145,000 including benefits.

This position will be funded by allocating salaries from two vacant (budget) full-time positions that will be paid by HUTA (Fund 221), and two part-time General Fund positions:

1. 100% Maintenance Worker	= \$68,000
2. 40% Journeyman Electrician (\$85,000)	= \$34,000
3. 2 part-time	= <u>\$42,500</u>
	<b>\$145,000</b>

Staff recommends allocating \$335,000 from the Public Works General Fund Street Operations Budget into the Highway Users (Gas) Tax Fund for Fiscal Year 2013-2014:

1. Salaries & Benefits

	<u>Salary &amp; Benefits</u>	<u>%</u>	<u>Transfer Amt.</u>
a. Public Works Director	\$189,295	10%	\$19,000
b. Maintenance Worker (1119-Rivera)	\$75,138	25%	\$19,000
c. Maintenance Worker (1126-Encarnacion)	\$75,138	100%	\$19,000
d. Maintenance Worker (1142-Gonzalez)	\$65,764	100%	\$66,000
e. Public Works Supervisor (1131-Preciado)	\$105,915	100%	\$106,000

2. Departmental Supplies & Expenses \$ 20,000

3. Indirect Costs (OPEB, Workers Comp and General Liability) \$ 30,000

**Grand Total \$335,000**

**APPROVAL OF FISCAL YEAR 2013-14 BUDGET PHASE I FOR THE DEPARTMENTS OF PARKS AND RECREATION, POLICE, AND PUBLIC WORKS**

September 10, 2013

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**Landscape & Lighting Fund Transfer**

The recommended changes to the Public Works Budget also require a change to the Landscape and Lighting Fund (Fund 535) for Fiscal Year 2013-2014. In order to eliminate an estimated structural deficit of \$396,000, staff recommends transferring the following expenditures into the Highway User Tax Fund (Fund 221).

1. \$316,320 salary and benefits
2. \$53,613 indirect charges
3. \$20,000 in contract service charges (TruGreen)

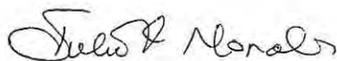
**CONCLUSION**

Staff to address additional "Phase I" budget adjustments to the Community Development, Finance, and City Manager/Administration Budget at the next scheduled budget workshop/City Council Meeting.

Respectfully submitted,



RENÉ BOBADILLA  
City Manager, P.E.



JULIO F. MORALES  
Director of Finance

**ATTACHMENTS:**

- A Memoranda
- B Fiscal Year 2013-2014 Continuation Budget Presentation

# ATTACHMENT "A"

**CITY OF HUNTINGTON PARK**  
Finance Department

To: Rene Bobadilla, City Manager  
From: Julio F. Morales, Finance Director  
Subject: FY 13-14 Continuation Budget Process  
Date: June 17, 2013

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This memo will outline how the continuation budget process is expected to work. In July, City staff requested that the City Council approve a "continuation budget", based on the FY 12-13 budget figures, in order to obtain additional time to identify solutions to solve a \$3.0 million structural deficit in the City's General Fund.

**General Fund Structural Deficit** – Currently, we project that the General Fund will have a \$3.4 million structural deficit based on year-end actuals for FY 12-13. In FY 13-14, The General Fund should generate \$22.0 million in revenues against \$25.4 million in expenses.

Staff will bridge the \$3.4 million budget gap in three parts:

1. 5% reduction in operating costs (~\$1.2 million)
2. \$1.0 million in contract savings
3. \$1.0 million settlement of revenue distribution dispute with LA County

**Reduction in Operating Costs** - We have asked each department head to recommend a 5% reduction in their General Fund for FY 13-14. These budget adjustments will require reductions in staff. To the extent possible, staff would like to achieve these staff reductions through retirement and attrition (and not refill vacant positions), in order to minimize layoffs.

Given that these budget cuts will have a significant human component, we have requested that each department provide "Phase 1" recommendations that do not require any staff reductions and that can be implemented with the adoption of a General Fund continuation budget. We have attached memos that address proposed "Phase 1" changes to the Parks and Recreation and Police Department budget, as well as memorandums that address the Highway Users Tax (HUTA) budget and outsourcing parking ticket citations. Collectively, these recommended changes represent "Phase 1" changes that staff would like to approve as part of the continuation budget.

Staff will provide a working budget in the next following budget workshop, which integrate these Phase 1 recommendations.

“Phase 2” recommendations will involve direct staff cuts and reductions in service. Staff would like the opportunity to present these recommendations and discuss with the City Council over the subsequent 60-90 days.

**Contract Savings** – The City will evaluate all of its existing contracts. If contract has expired or is near expiration date, we will rebid via RFP. We will examine the cost effectiveness of “in-house” services, outsourcing, and/or a hybrid structure. Each contract will require careful analysis and will be evaluated on a case-by-case basis. Please find attached a summary of the City’s existing contracts with their expiration dates (term), and contract amounts.

**LA County Revenue Distribution Dispute** – The City of Huntington Park and County of Los Angeles are currently in dispute regarding the distribution of pension tax revenues. Given this is a litigation matter we are limited in our discussion. The City has engaged legal counsel to represent us on this matter, which will have \$1.0 million annual impact on the General Fund.

**CITY OF HUNTINGTON PARK**  
Finance Department

To: Rene Bobadilla, City Manager  
From: Julio F. Morales, Finance Director  
Subject: General Fund – Financial Position FY 13-14  
Date: June 20, 2013

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**FY 11-12 Year-Ending Fund Balance Adjustments**

The City's audited financial statement for FY 11-12 reported a General Fund Reserve balance of \$16,022,823. On May 6, 2013, council approved the adjustment of negative equity fund balance in the following funds:

(3,098,312)	Employees' Retirement Fund (CalPERS / Pension Tax)
(1,804,465)	Landscape & Lighting Fund
(732,576)	Loan to Water Fund - 7 years @ 3.0% with a 5-year amortization
(40,121)	Waste Management Fund (AB 939)
(39,232)	Parking Systems Fund

These funds had run negative balances for prior year's excess expenditures. These adjustments formally recorded the "cash advances" made by the General Fund to each respective fund, which required an aggregate transfer of **\$5,714,706** from General Fund Reserves. As a result, each of these funds has a \$0 ending fund balance for fiscal year FY 11-12 (June 30, 2012).

It is important to note that any excess monies received by one of these funds in the future can be used to reverse the "cash advances" made by the General Fund.

These adjustments to General Fund's cash position reduced its year-ending fund balance (reserves) for fiscal year FY 11-12:

\$ 16,022,823	General Fund Reserve Balance FY 11-12
(5,714,706)	Negative Fund Equity Adjustments
<b>\$ 10,308,117</b>	<b>Adjusted Year-End Reserve Balance FY 11-12</b>

Of this amount, \$3.4 million has been set-aside for an Arbitrage Rebate payment due to the IRS for the 2004 Tax Allocation Bonds on April 2014. Thus, the City began the current fiscal year (FY 12-13) with a reserve balance of \$6.9 million available to serve as a working capital reserve.

*Based on prior revenue and expense patterns, the Finance Department estimates that the City requires a minimum of \$5.0 - \$6.0 million for its working capital needs.*

### **FY 12-13 Projected Year-End Financial Position**

At the end of May, the City reports \$22.3 million in expenses and \$20 million in revenues. Finance staff projects that the City's General Fund will end the fiscal year with approximately \$22 million in revenues and \$25 million in expenses. These figures will serve as the baseline for fiscal year FY 13-14 General Fund Continuation budget.

**Revenues** - The FY 13-14 revenue budget has been adjusted downward by \$300,000, from \$22.3 million to \$22.0 million.

**Expenses** - The FY 12-13 budget did not include employee paid CalPERS contribution, which reduced expenditures by \$600,000. In addition, the budget over-estimated CalPERS costs in the General Fund by an additional \$1.1 million. These adjustments reduce the General Fund expense budget from \$26.7 million to \$25.0 million.

### **FY 13-14 Projected Structural Deficit**

The proposed budget will have approximately \$22.0 million in revenues and \$25.0 million in expenses, plus an additional \$400,000 for increased OPEB, medical insurance, and PARS costs as well as the assumption of BID expenses. City staff expects to realize \$1.0 million in contract savings by year-end, which provides the City with an aggregate \$2.4 million savings target by the end of the fiscal year.

### **FY 13-14 Continuation Budget**

City staff is proposing a "continuation budget", which will allow City Council and staff to continue to work systematically toward solving our budget shortfall. This will serve as a working budget that will enable City staff to operate day-to-day operations, yet provide the time needed to negotiate new contracts and to evaluate and implement a number of changes and improvements to our operations.

The \$2.4 million deficit represents approximately 9.4% of the \$25.4 million General Fund Budget. We have tasked each Department Head with identifying 5.0% in budgetary savings for the upcoming fiscal year, which should address a significant portion of the remaining structural deficit. A number of these changes are recommended to place over the next 6-9 months, which will provide the City Council, staff, and employees sufficient time to analyze potential options and make necessary staffing adjustments.

### **FY 13-14 Fund Balance Reserves**

We expect the General Fund will have approximately \$7.4 million in reserves at the end of this fiscal year (June 30, 2013). The City's level of reserves provide a 1 year cushion to address the \$2.4 million structural deficit for FY 13-14, which should leave the City with approximately \$5.0 million in reserves at year-end – the minimum required level to provide internal working capital.

**CITY OF HUNTINGTON PARK**  
**Department of Parks and Recreation**

To: René Bobadilla, City Manager

From: Josette Espinosa, Director of Parks and Recreation

Subject: Department of Parks and Recreation Reorganization

Date: August 7, 2013

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The Department of Parks and Recreation is in the process of reorganizing its current staffing structure and would also like to eliminate its contract with Alltech Protective Services for park security services and replace with part-time employees. These changes in personnel and contractual services require adjustments to the current roles and responsibilities of both full-time and part-time employees to ensure the long-term viability of the department and its important function in the Huntington Park community.

**Staff Restructure**

The Parks and Recreation department would like to make two adjustments to its current staffing structure:

1. Replace funding for Recreation Coordinator with Management Analyst position
2. Reclassify Jr. Deputy Clerk Position to Secretary

*Management Analyst* - The Department's prior Management Analyst, Danny Bueno, has been reassigned to the City Manager's Office, including the funding for the position. In order to maintain effective management of the department's finances and grant administration, the department requests to retain a Management Analyst position.

It is expected that a current Recreation Supervisor will fill the Management Analyst position, and a current Recreation Coordinator will fill the vacated Supervisor position. This will leave a vacant Recreation Coordinator position. The majority of the cost for the Management Analyst position will be offset by the elimination of the vacant Recreation Coordinator position (\$71,000); the net balance (\$21,000) will be offset through savings in park ranger services, outlined in the next section.

*Secretary* - The Jr. Deputy City Clerk was reassigned to the Department of Parks and Recreation during the prior fiscal year (FY 12-13). In order to maintain consistency in job titles, we would like to simply reclassify the Jr. Deputy Clerk position to a Secretary position. Funding for the Secretary position will be transferred from the City Clerk's budget. Since the salary ranges are the same for the two titles, there will not be a net financial impact for this adjustment.

### Full-Time Staff Costs

Current		Proposed	
Position	Annual cost	Position	Annual cost
Recreation Coordinator	\$71,000	Management Analyst	\$92,000
Jr. Deputy City Clerk	\$80,000	Secretary	\$80,000
<b>Total:</b>	<b>\$151,000</b>	<b>Total:</b>	<b>\$172,000</b>

Cost increase: \$21,000

### Park Ranger Services

Staff has reviewed its park security service needs and has developed a plan using part-time employees to provide an alternative solution to the Park Ranger contract with Alltech. Currently, Alltech provides 130 hours of staffing as follows:

- Salt Lake Park
  - 1 Ranger from 3-10:30 p.m., seven days per week
  - 1 Ranger from 3-5 p.m. and 8-10:30 p.m., seven days per week
- Raul R. Perez Memorial Park
  - 1 Ranger from 5-8 p.m., seven days per week
- Freedom Park
  - 1 Ranger from 9:30-10 p.m., seven days per week (to lock restrooms)
- Keller Park
  - 1 Ranger from 2-7 p.m., Monday through Friday
  - 1 Ranger from 9:30-10 p.m., seven days per week (to lock restrooms)

We have assessed the appropriate staffing levels and service hours for park security services, in conjunction with Alltech. Staff has identified and developed an effective cost-saving plan, with two component parts:

1. Reduced Hours of Service
2. Lower Hourly Rate

*Reduced Hours of Service* - The proposed plan will reduce the hours of service by 28.5 hours per week. However, existing park security reports confirm that the proposed staffing levels and hours of service are sufficient for park supervision at each of the noted park sites

*Lower Hourly Rate* – Average hourly rate of \$10.25 for part-time Recreation Leader to provide park supervision services in lieu of contracting this service. This will result in an average weekly rate of approximately \$1,040.

The Department of Parks and Recreation will work closely with the Police Department to evaluate the effectiveness of using part-time personnel in lieu of contracting this service

by tracking and documenting the activity of each park site for a six-month trial period. If at the end of this period, the Police Department feels that added support is necessary to supervise each park site, then a subsequent plan will be developed to address any deficiencies.

### Park Security Service Hours

<b>Current Park Supervision Hours</b>
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<b>Proposed Park Supervision Hours</b>
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Service provider	Hours per week	Hourly rate	Weekly rate
Alltech	105	\$16.25	\$1,706
Alltech	25	\$16.63	\$416
<b>Total:</b>	<b>130</b>		<b>\$2,122</b>

Service provider	Hours per week	Hourly rate	Weekly rate
City Employee	101.5	\$10.25	\$1,040
<b>Total:</b>	<b>101.5</b>		<b>\$1,040</b>

<b>Average Weekly Savings:</b>	\$1,040
<i>Weeks per Year:</i>	x 52
<b>Expected Fiscal Year Savings:</b>	<b>\$54,100</b>

If approved, the proposed plan will result in an annual savings of approximately \$54,100. A portion of these savings (approximately \$21,000) will be used to fund the full-time position restructuring described in the previous section. Therefore the net cost savings will be \$33,100.

These changes comprise nearly half of the department's targeted budget reduction of 5% (\$71,000). Additional savings will be presented in Phase 2 recommendations.

**CITY OF HUNTINGTON PARK**  
Finance Department

To: Rene Bobadilla, City Manager  
From: Julio F. Morales, Finance Director  
Subject: FY 13-14 Continuation General Fund Budget – Police Department  
Date: July 17, 2013

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We have reviewed the spreadsheet with your proposed budget adjustments for FY 13-14. The Police Department has a \$17,700,000 annual budget: a 5% reduction totals approximately \$885,000. We have provided below our analysis of the net financial impact of these proposed changes:

**Additional / New Revenues**

You have listed three new sources of revenue totaling **\$259,000**:

1. AB 109 \$150,000
2. Jail Service to Vernon \$22,000
3. LA Impact Grant \$87,000

The FY 12-13 budget did not incorporate these revenue sources; they will be added to the FY 13-14 General Fund Revenue budget.

**Revenue Enhancement**

You have proposed adding two new motorcycle police officers in order to enhance motor vehicle citation revenues. The net financial impact of this change is \$154,000:

- |                                  |                  |
|----------------------------------|------------------|
| • Projected Revenue              | \$384,000        |
| • Salaries & Benefits 2 officers | <u>\$230,000</u> |
| <b>Net Revenue Impact</b>        | <b>\$154,000</b> |

**Position Re-Allocation**

The following five changes to staff positions have been suggested:

1. Replace current Lieutenant position with a Captain position (*promotional*) + Remove current vacant Lieutenant position.

• Captain	\$220,000
• Lieutenant	(\$196,000)
• Lieutenant	<u>(\$196,000)</u>
	<b>(\$182,000)</b>

2. Replace an unfilled full-time Dispatch position with two part-time positions

- Full-time (\$90,000)
  - 2 part-time \$50,000
- (\$40,000)**

3. Replace an unfilled full-time PEO position with a Cadet

- Full-time (\$73,000)
  - part-time \$14,000
- (\$59,000)**

4. Add a Management Analyst (contract) position

- Full-time **+ \$50,000**

5. Add an intern position

- part-time **+ \$20,000**

The net financial impact of these position changes is a \$211,000 budget decrease:

1. (\$182,000)
  2. (\$40,000)
  3. (\$59,000)
  4. \$50,000
  5. \$20,000
- (\$211,000)**

### **Expense Reduction**

You have proposed non-staff reductions to your operating budget:

- Overtime (\$75,000)
  - Supplies (\$30,000)
- (\$105,000)**

These changes have a net **\$469,000** impact on the General Fund budget. Since they do not represent significant operational changes, we expect that they will be incorporated into the "continuation budget" to be approved this August.

The Police Department will also hire an additional officer under the auspices of Asset Forfeiture Program, which is expected to cost \$115,000 in salaries and benefits but generate approximately \$425,000 in revenue. The net \$310,000 gain will be retained in the Asset Forfeiture fund.

**CITY OF HUNTINGTON PARK**  
Finance Department

To: Rene Bobadilla, City Manager  
From: Julio F. Morales, Finance Director  
Subject: FY 13-14 Highway Users (Gas) Tax Fund Budget  
Date: July 11, 2013

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The Highway Users (Gas) Tax, "HUTA", represents a series of special imposed taxes on gasoline consumption. The taxes are imposed as a per gallon charge, and are distributed to cities based on certain formula allocations (e.g. 1.2 cents per gallon) and population-based distribution formulas.

The City receives approximately \$1.7 million in annual State Gas Tax revenues, which are accounted for as special revenue in Fund 221.

*The City also segregates Proposition 1B monies in Fund 221, under a separate subaccount. There is a \$965,000 fund balance of Proposition 1B monies. These monies are earmarked as "matching" funds for the \$4.5 million Metro Call for Project along Pacific Blvd.*

**Landscape & Lighting Fund Transfer**

The FY 12-13 expense budget for Fund 221 totaled \$1.9 million; however, this amount included \$965,000 in Proposition 1B monies. The FY 12-13 Budget only designated \$970,000 in annual HUTA expenses, which leaves \$965,000 of unallocated expenses for FY 12-13. HUTA regulations allow the City to "roll over" unspent gas tax monies for up to 3 years. In order to eliminate the structural deficit in the Landscape and Lighting Assessment District Budget – Fund 535, the City has proposed to transfer eligible street maintenance costs into the Highway Users Tax – Fund 221 to FY 12-13.

For FY 13-14, the City will budget \$389,933 in budgeted expenses from Fund 535 into Fund 221. The following provides a summary (see Exhibit A for a detailed breakdown):

- \$316,320 salary and benefits
- \$53,613 indirect charges
- \$20,000 in contract service charges (TruGreen)

Assuming that the City will receive \$1.7 million in annual HUTA revenues, and the \$390,000 in Fund 535 expenses transfers are added to the \$970,000 in existing budgeted expenses, then there are approximately \$335,000 in additional expenses that can be allocated to Fund 221 for FY 13-14.

### **General Fund Transfer**

The City will allocate from the Public Works Street Operations Budget in the General Fund into the Highway Users (Gas) Tax Fund the following 3 expenses:

#### 1. Salaries & Benefits

	<u>Salary &amp; Benefits</u>	<u>%</u>	<u>Transfer Amt</u>
• Public Works Director	189,295	10%	\$ 19,000
• Maintenance Worker (1119 - Rivera)	75,138	25%	\$ 19,000
• Maintenance Worker (1126 - Encarnacion)	75,138	100%	\$ 75,000
• Maintenance Worker (1142 - Gonzalez)	65,764	100%	\$ 66,000
• Public Works Supervisor (1131 - Preciado)	105,915	100%	<u>\$106,000</u>
			\$285,000

2. Departmental Supplies & Expenses \$ 20,000

3. Indirect Costs (OPEB, Workers Comp and General Liability) \$ 30,000

**Grand Total \$335,000**

A commensurate portion of indirect costs (OPEB, Workers Comp and General Liability) will also be allocated to Fund 221. In addition, approximately \$20,000 in Department Supplies and Expenses (111-8010-431.56-41) will be moved into the FY 13-14 budget for Fund 221.

### **General Fund Budget**

These General Fund transfers should total approximately \$335,000 or 10.8% of the Public Works General Fund Budget (\$3.1 million), which addresses the Public Works Department's 5.0% reduction target for the FY 13-14 budget.

### **New Position – Assistant City Engineer/ Building Official**

Two of the budgeted positions that have been transferred from Fund 535 to Fund 221 are currently vacant:

100% Maintenance Worker = \$68,000  
40% Journeyman Electrician (\$85,000) = \$34,000

In addition, the Public Works Department has two unfilled part-time positions which total approximately \$42,500 in salary costs.

These four positions will remain unfilled and unbudgeted. The cost previously allocated to each, however, will be reassigned to a new Assistant City Engineer / Building Official position. This position will have a base salary of \$110,000 with a total cost of \$145,000 including benefits.

The attachment provides a detailed summary of the line-item transfers that will take place.

# ATTACHMENT "B"

HUNTINGTON PARK  
*California*

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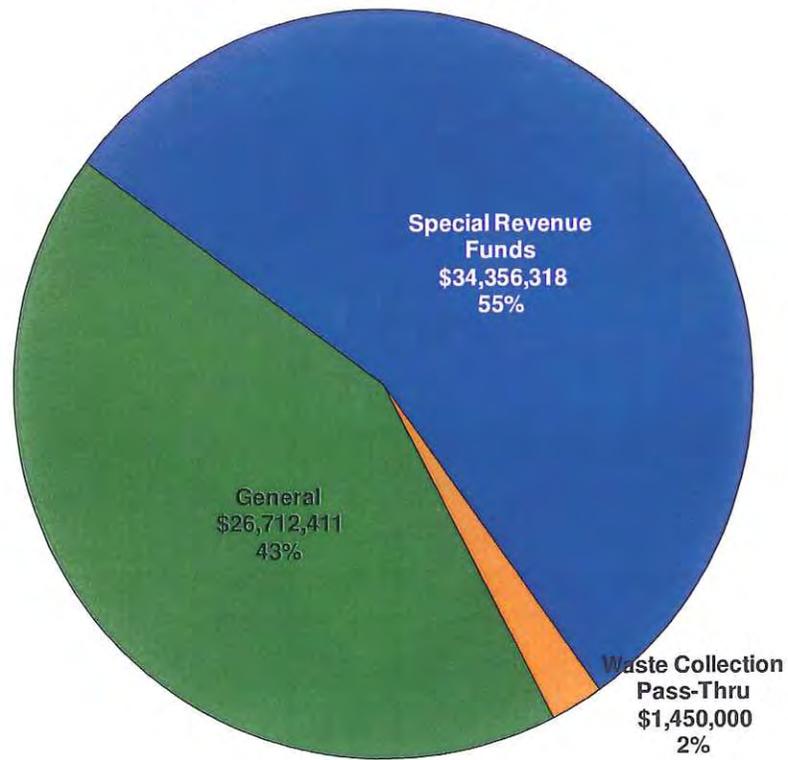
# FY 13-14 CONTINUATION BUDGET PRESENTATION

August 13, 2013

# FY 12-13 Total Budget

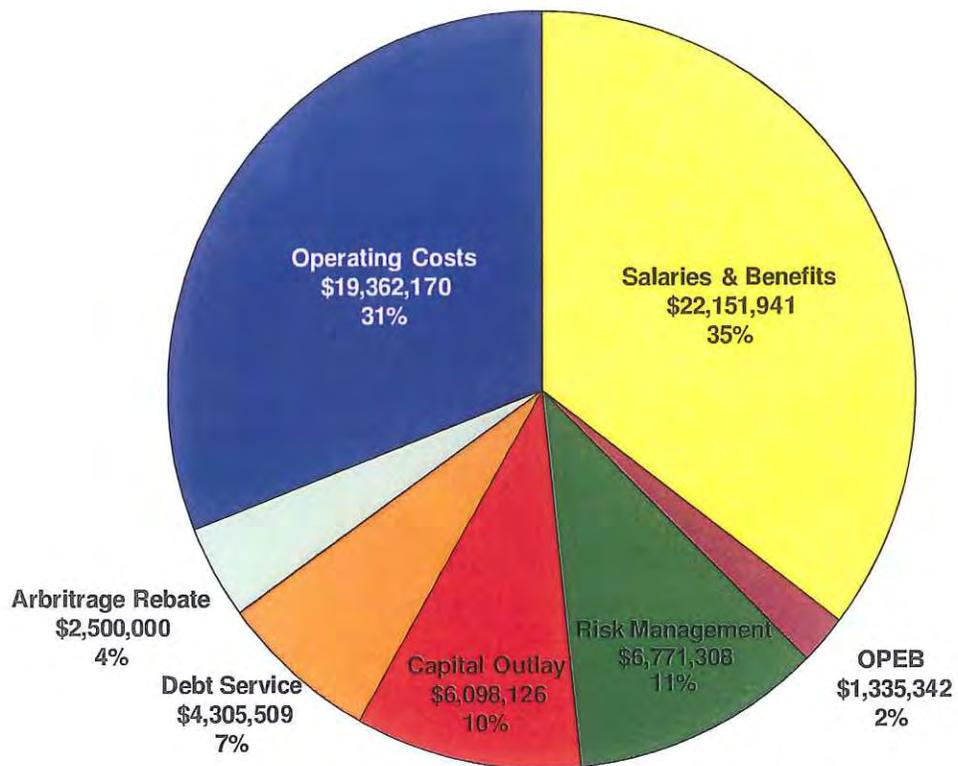
HUNTINGTON PARK  
*California*

Expenditures \$62.52 Million



# FY 12-13 Budget by Category

HUNTINGTON PARK  
California



# Salary & Benefit Detail w/out OT

HUNTINGTON PARK  
California

Total Employee		
Salaries/Benefits Detail	Amount	%
1 Base Salaries	\$13,200,365	64.1%
2 PERS	3,429,267	16.6%
3 Medical / Dental / Vision	2,371,960	11.5%
4 PARS	310,713	1.5%
5 Holiday Pay	301,762	1.5%
6 Sick Leave Buy Back	219,928	1.1%
7 Medicare	214,490	1.0%
8 Biligual Pay	204,274	1.0%
9 Longevity Pay	193,501	0.9%
10 Uniform Allowance	105,000	0.5%
11 On Call	30,400	0.1%
12 Field Training Officer Pay	10,000	0.0%
13 Car Allowance	5,000	0.0%
14 Tool Allowance	3,200	0.0%
15 Car Pool	2,000	0.0%
<b>Subtotal</b>	<b>\$20,601,860</b>	<b>100%</b>
<b>Overhead Ratio</b>		<b>1.56X</b>
16 Overtime	916,998	
17 Part Time	618,433	
18 Commission Stipend	14,650	
<b>Subtotal</b>	<b>\$ 1,550,081</b>	
<b>TOTAL</b>		<b>\$22,151,941</b>

# Salary & Benefit Detail w/out OT

HUNTINGTON PARK  
California

Sworn Employees			Non-Sworn		
Salaries/Benefits Detail	Amount	%	Salaries/Benefits Detail	Amount	%
1 Base Salaries	\$ 7,940,076	61.5%	1 Base Salaries	\$ 5,260,289	68.5%
2 PERS	2,677,450	20.7%	2 PERS	751,817	9.8%
3 Medical / Dental / Vision	1,475,119	11.4%	3 Medical / Dental / Vision	896,841	11.7%
4 PARS	-	0.0%	4 PARS	310,713	4.0%
5 Holiday Pay	301,462	2.3%	5 Holiday Pay	300	0.0%
6 Sick Leave Buy Back	143,744	1.1%	6 Sick Leave Buy Back	76,184	1.0%
7 Medicare	137,415	1.1%	7 Medicare	77,075	1.0%
8 Biligual Pay	114,660	0.9%	8 Biligual Pay	89,614	1.2%
9 Longevity Pay	-	0.0%	9 Longevity Pay	193,501	2.5%
10 Uniform Allowance	90,045	0.7%	10 Uniform Allowance	14,955	0.2%
11 On Call	30,400	0.2%	11 On Call	-	0.0%
12 Field Training Officer Pay	10,000	0.1%	12 Field Training Officer Pay	-	0.0%
13 Car Allowance	-	0.0%	13 Car Allowance	5,000	0.1%
14 Tool Allowance	-	0.0%	14 Tool Allowance	3,200	0.0%
15 Car Pool	-	0.0%	15 Car Pool	2,000	0.0%
<b>Subtotal</b>	<b>\$12,920,371</b>	<b>100%</b>	<b>Subtotal</b>	<b>\$ 7,681,489</b>	<b>100%</b>
<b>Overhead Ratio</b>	<b>1.63X</b>		<b>Overhead Ratio</b>	<b>1.46X</b>	
16 Overtime	741,768		16 Overtime	175,230	
17 Part Time	281,827		17 Part Time	336,606	
18 Commission Stipend	-		18 Commission Stipend	14,650	
<b>Subtotal</b>	<b>\$ 1,023,595</b>		<b>Subtotal</b>	<b>\$ 526,486</b>	
<b>TOTAL</b>	<b>\$13,943,966</b>		<b>TOTAL</b>	<b>\$ 8,207,975</b>	

# Salary & Benefit Detail w/OT

HUNTINGTON PARK  
California

Total Employee		
Salaries/Benefits Detail	Amount	%
1 Base Salaries	\$13,200,365	61.3%
2 PERS	3,429,267	15.9%
3 Medical / Dental / Vision	2,371,960	11.0%
4 Overtime	916,998	4.3%
5 PARS	310,713	1.4%
6 Holiday Pay	301,762	1.4%
7 Sick Leave Buy Back	219,928	1.0%
8 Medicare	214,490	1.0%
9 Biligual Pay	204,274	0.9%
10 Longevity Pay	193,501	0.9%
11 Uniform Allowance	105,000	0.5%
12 On Call	30,400	0.1%
13 Field Training Officer Pay	10,000	0.0%
14 Car Allowance	5,000	0.0%
15 Tool Allowance	3,200	0.0%
16 Car Pool	2,000	0.0%
<b>Subtotal</b>	<b>\$21,518,858</b>	<b>100%</b>
<b>Overhead Ratio</b>	<b>1.63X</b>	
17 Part Time	618,433	
18 Commission Stipend	14,650	
<b>Subtotal \$</b>	<b>633,083</b>	
<b>TOTAL</b>	<b>\$22,151,941</b>	

# Salary & Benefit Detail w/OT

HUNTINGTON PARK  
California

Sworn Employees			Non-Sworn		
Salaries/Benefits Detail	Amount	%	Salaries/Benefits Detail	Amount	%
1 Base Salaries	\$ 7,940,076	58.1%	1 Base Salaries	\$ 5,260,289	67.0%
2 PERS	2,677,450	19.6%	2 PERS	751,817	9.6%
3 Medical / Dental / Vision	1,475,119	10.8%	3 Medical / Dental / Vision	896,841	11.4%
4 Overtime	741,768	5.4%	4 Overtime	175,230	2.2%
5 PARS	-	0.0%	5 PARS	310,713	4.0%
6 Holiday Pay	301,462	2.2%	6 Holiday Pay	300	0.0%
7 Sick Leave Buy Back	143,744	1.1%	7 Sick Leave Buy Back	76,184	1.0%
8 Medicare	137,415	1.0%	8 Medicare	77,075	1.0%
9 Biligual Pay	114,660	0.8%	9 Biligual Pay	89,614	1.1%
10 Longevity Pay	-	0.0%	10 Longevity Pay	193,501	2.5%
11 Uniform Allowance	90,045	0.7%	11 Uniform Allowance	14,955	0.2%
12 On Call	30,400	0.2%	12 On Call	-	0.0%
13 Field Training Officer Pay	10,000	0.1%	13 Field Training Officer Pay	-	0.0%
14 Car Allowance	-	0.0%	14 Car Allowance	5,000	0.1%
15 Tool Allowance	-	0.0%	15 Tool Allowance	3,200	0.0%
16 Car Pool	-	0.0%	16 Car Pool	2,000	0.0%
<b>Subtotal</b>	<b>\$13,662,139</b>	<b>100%</b>	<b>Subtotal</b>	<b>\$ 7,856,719</b>	<b>100%</b>
<b>Overhead Ratio</b>	<b>1.72X</b>		<b>Overhead Ratio</b>	<b>1.49X</b>	
17 Part Time	281,827		17 Part Time	336,606	
18 Commission Stipend	-		18 Commission Stipend	14,650	
<b>Subtotal</b>	<b>\$ 281,827</b>		<b>Subtotal</b>	<b>\$ 351,256</b>	
<b>TOTAL</b>	<b>\$13,943,966</b>		<b>TOTAL</b>	<b>\$ 8,207,975</b>	

# FY 12-13 Operating Detail

HUNTINGTON PARK  
California

Operating Costs Detail	Amount	%
1 Contractual Services	\$ 9,763,715	50.4%
2 Cost of Water	2,371,000	12.2%
3 Repair & Maintenance	1,631,239	8.4%
4 Heat/light/water/power	909,900	4.7%
5 Legal Services	809,837	4.2%
6 HUD Programs	795,261	4.1%
6 Departmental Supplies	758,538	3.9%
7 Fund Transfers	550,000	2.8%
8 Miscellaneous	542,000	2.8%
9 Fuel & Oil	295,000	1.5%
10 Telephone/Wireless	192,966	1.0%
11 Tuition & Training	188,979	1.0%
12 Memberships/ Meetings	124,259	0.6%
13 Rental & Leases	90,300	0.5%
14 Advertising/Publications	89,725	0.5%
15 Postage	68,000	0.4%
16 Travel/Bus Passes	55,000	0.3%
17 Bank Services	53,466	0.3%
18 Special Events	40,000	0.2%
19 Audit Fees	32,985	0.2%
<b>TOTAL</b>	<b>\$19,362,170</b>	<b>100.0%</b>

# Contracts

HUNTINGTON PARK  
California

	Contractor name	Expiration Date	Term	Description of services provided	Funding Source	Amount FY 2013
1	Vasquez and Co., LLP	6/30/12	4	Professional auditing services	General/Water Dept Fund/RDA	\$50,000
2	TransTech	3/5/12	N/A	Building & Safety Services	General	\$564,000
3	Vision Software	7/14/12	1	Police Department software services, dispatch CAD system, record management system	General/ JAG	\$50,000
4	Honeywell	1/1/13	17	Central air conditioning and heating services	General	\$215,397
5	Graffiti Protective Coatings, Inc.	5/1/13	5	Graffiti removal services	General/CDBG	\$376,353
6	Unified Nutrimeals	6/30/13	5	Provision of snacks and meals for City's free youth nutrition program	General	\$56,979
7	TruGreen Landcare, Inc.	11/30/13	18	City trees and ground maintenance	General/Parking/St Light/Landscape	\$379,174
8	AT&T Global	1/30/14	6	Telecommunication services	General/ Prop A/ Water Dept. Fund	\$98,553
9	LA County Department of Animal Control	6/30/14	4	Kennel services, dead animal disposal, health inspection, field services as	General	\$100,000
10	Sungard Public Sector, Inc.	10/1/14	5	Financial management software system	General/ Water Dept Fund	\$102,971
11	All City Management Services, Inc.	3/22/15	3	Crossing guard services	General	\$110,000
12	Pips Technology (3M)	10/1/15	3	Automatic License Plate Recognition (ALPR) cameras for Police Department (grant funded)	General	\$98,514

# Contracts

HUNTINGTON PARK  
California

Contractor name	Expiration Date	Term	Description of services provided	Funding Source	Amount FY 2013
13 Mag Sweeping	1/20/18	28	Street Sweeping	General/ Prop C/ Parking System Fund/ BID	\$886,402
14 Alltech Protective Services	Month-to-mc	N/A	Park security guard services (Salt Lake Park, Keller Park, Raul R. Perez Memorial Park)	General	\$108,348
15 Dapeer, Rosenblit & Litvak, LLP	Month-to-mc	N/A	City prosecutor services, as needed	General/ CDBG	\$40,837
16 USA Waste of California	Ongoing	N/A	Trash Collection	General	\$1,450,000
17 KJC Latent Print Services	Month-to-mc	N/A	Latent print services, finger print analysis	General	\$21,000
18 Advanced Inc. dba Progreen Building Maintenance	Ongoing	N/A	Building maintenance services of all City-owned buildings	General	\$133,315
19 Alvaka Networks	Ongoing	N/A	Information technology services and maintenance (Police Department)	General	\$129,000
20 Alvaka Networks	Ongoing	N/A	Information technology services and maintenance (non-Police Department)	General	\$78,000
21 ADT Security Services/ Tyco Intergrated Security	Ongoing	N/A	Public facility security services	General	\$29,000
22 Wells Fargo Bank	Ongoing	N/A	Banking services	General/Prop A/Parking/BID/ Water	\$25,000
23 MBIA MuniServices Company	Ongoing	N/A	UUT/Franchise compliance and revenue services	General	\$21,475

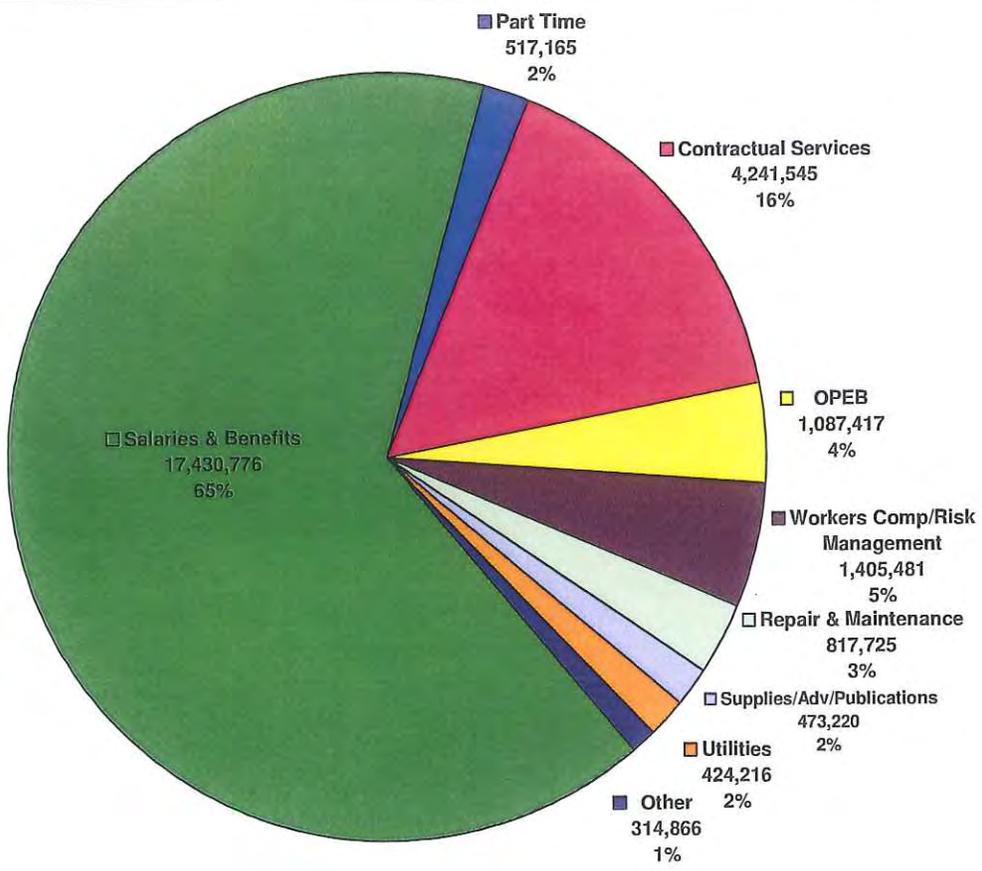
# Contracts

HUNTINGTON PARK  
California

Contractor name	Expiration Date	Term	Description of services provided	Funding Source	Amount FY 2013
Karen Warner & Associates	12/31/12	2	Administrative Services for Federal HUD programs	CDBG/HOME/Lead Grants	\$153,800
Graffiti Protective Coatings, Inc.	12/31/12	3	Bus stop and shelter maintenance	Prop C	\$73,822
Oldtimers Foundation	4/3/13	9	Fixed route transportation services (COMBI)	Prop C	\$761,000
Southern County Fuels	6/30/13	1	Open purchase order for gasoline and diesel fuel	Fleet Maint.	\$269,000
Administrative Services Cooperative, Inc. (Fiesta Taxi)	7/20/13	4	Demand response transportation service	Prop A	\$780,000
Primestor	1/31/14	1	Services to prepare revitalization strategy for the downtown	CDBG	\$234,000
Southwest Water Company	6/30/15	25	Operation and maintenance of potable water facilities; sewer collection system; repair and maintenance	Water Dept Fund/Sewer Maint. Fund	\$1,225,509
Motorola	9/4/15	3	Police Department interoperable radios (grant funded)	JAG/ Homeland Security	\$70,000
Oldtimers Foundation	Ongoing	N/A	Coordinated transportation service	Prop A	\$360,000
Rutan & Tucker LLP	Ongoing	N/A	General legal services (City Attorney)	General/Water/Trash/Sewer	\$194,337
Leal & Trejo	11/16/12	N/A	General legal services (City Attorney)	General	\$152,480
JWA Urban Consultants	7/1/13	N/A	Community Development	General	\$241,260
Dataprose Billing/CSG	Ongoing	N/A	Water billing printing services	Water Dept Fund	\$39,415
Other Misc Contracts	Ongoing	N/A	Various		\$84,810
<b>Subtotal</b>					<b>\$4,639,433</b>
<b>TOTAL</b>					<b>\$9,763,752</b>

# FY 12-13 General Fund Overview

HUNTINGTON PARK  
California



## FY 12-13 General Fund Overview

HUNTINGTON PARK  
*California*

### General Fund

#### Cost Allocation

Amount

%

Salaries & Benefits	17,430,776	65%
Part Time	517,165	2%
Contractual Services	4,241,545	16%
OPEB	1,087,417	4%
Workers Comp/Risk Management	1,405,481	5%
Repair & Maintenance	817,725	3%
Supplies/Advertising/Publications	473,220	2%
Utilities	424,216	2%
Other	314,866	1%
	<u>\$ 26,712,411</u>	

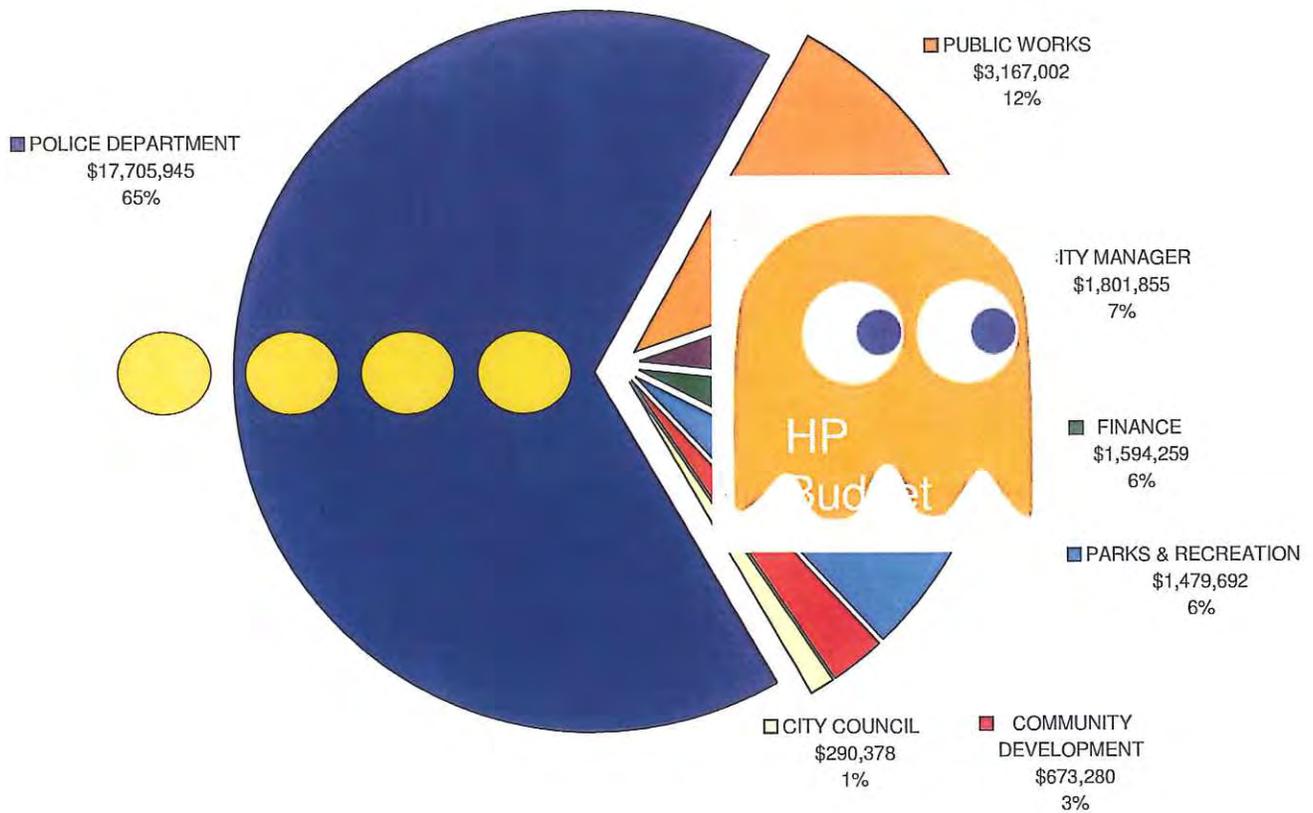
HUNTINGTON PARK  
*California*

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# FY 12-13 General Fund by Dept.

HUNTINGTON PARK  
California



HUNTINGTON PARK  
*California*

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## FY 13-14 Continuation Budget

## FY 12-13 Year-End Position

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HUNTINGTON PARK  
California

### *11-month Update (actuals)*

\$22.0 Million Revenues

\$26.0 Million Expenses

\$4.0 Million Shortfall

- *Est. General Fund Reserves =  
\$6.4 Million (June 30, 2013)*

## FY 13-14 Continuation Budget

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HUNTINGTON PARK  
California

- FY 13-14 Continuation Budget based on FY 12-13
  - \$400,000 increase in medical / PARS / BID
  - \$400,000 reduction in excess contract costs
- FY 13-14 General Fund Budget
  - \$22.0 Million Revenues
  - \$26.0 Million Expenses

***\$4.0 million General Fund Deficit\****

*(\*updated from \$3.4 million based on FY 12-13 11-month actuals)*

# FY 13-14 Continuation Budget

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HUNTINGTON PARK  
*California*

## 3-Part Solution:

1. \$1.2 Million - 5.0% cut in General Fund
2. \$1.0 Million in contract savings
3. \$1.0 Million + LA County revenue distribution
4. \$700,000 Additional revenues
  - Franchise fees: waste hauler contract (\$500K)
  - Parking surcharge (\$200K)

# Continuation Budget Process

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HUNTINGTON PARK  
*California*

## Phase 1

- Department Head Recommendations
- \$800,000 General Fund Savings
- Cost savings solutions
  - Staff realignments
  - Replace vacant positions
  - Funding Allocations

## Phase 2

- City Council Policy Direction
- Additional reductions
  - Attrition and retirement
  - Levels of service

Goal:  
Maintain staffing  
levels

No staff  
reductions

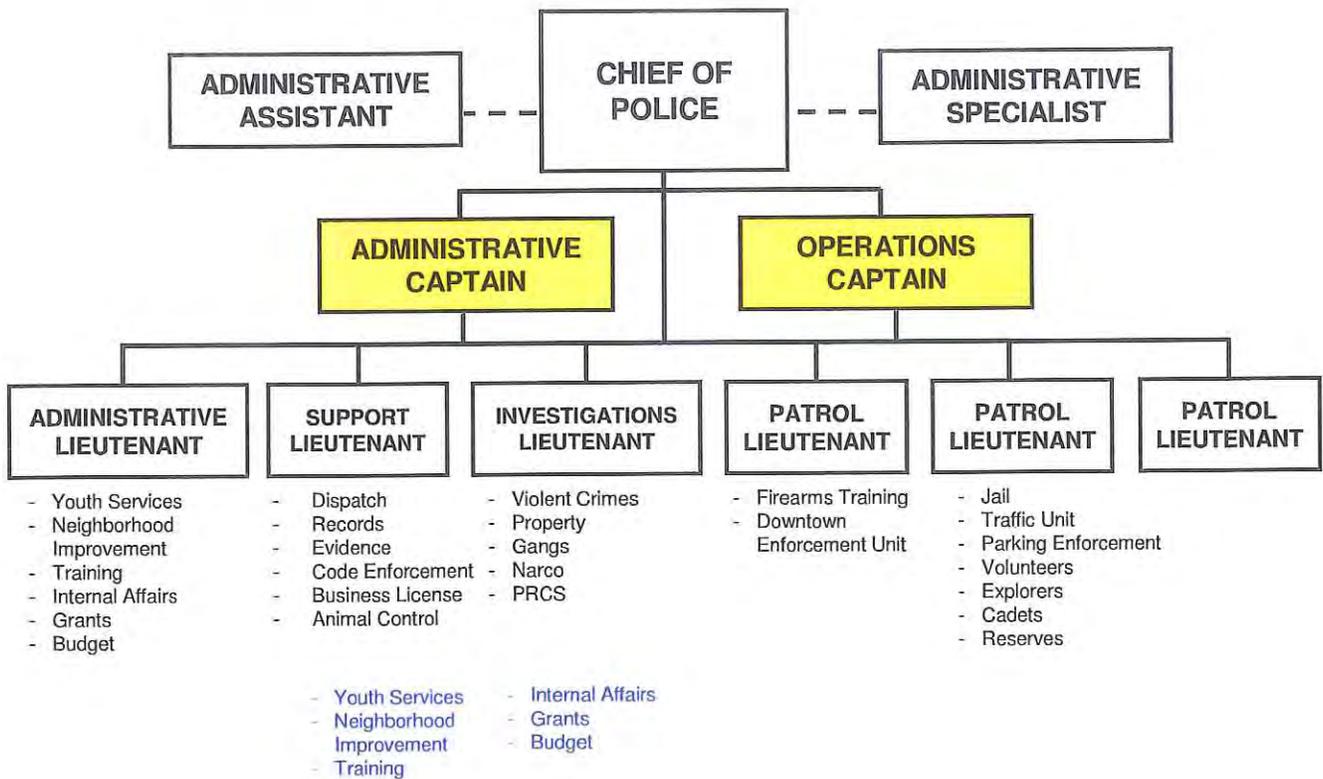
HUNTINGTON PARK  
*California*

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# **Police Department Organization Chart**

# Police Department

HUNTINGTON PARK  
California



# Phase 1 – Police Departments

HUNTINGTON PARK  
California

## 1. New Revenues = \$259,000

- AB 109 \$150,000
- Jail service to Vernon \$22,000
- LA Impact Grant \$87,000

## 2. Revenue Enhancement = \$154,000

- 2 motorcycle officers
- \$384,000 revenue
- \$230,000 expense

## 3. Position Re-Allocation

- 2 vacant Lieutenants / 1 new Captain (\$182,000)
- 1 FT Dispatch / 2 PT (\$40,000)
- 1 FT PEO / 1 Cadet (\$59,000)
- Add Management Analyst +\$50,000 / Intern +\$20,000

## 4. Expense Reduction

- Overtime (\$75,000)
- Supplies (\$30,000)

**Est.  
\$469,000  
General  
Fund  
Savings**

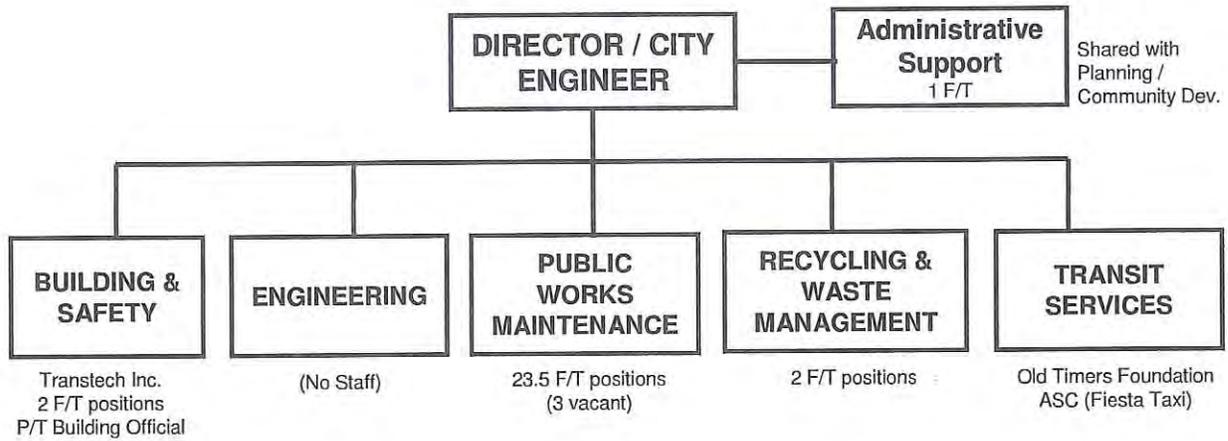
HUNTINGTON PARK  
*California*

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# Department of Public Works Organization Chart

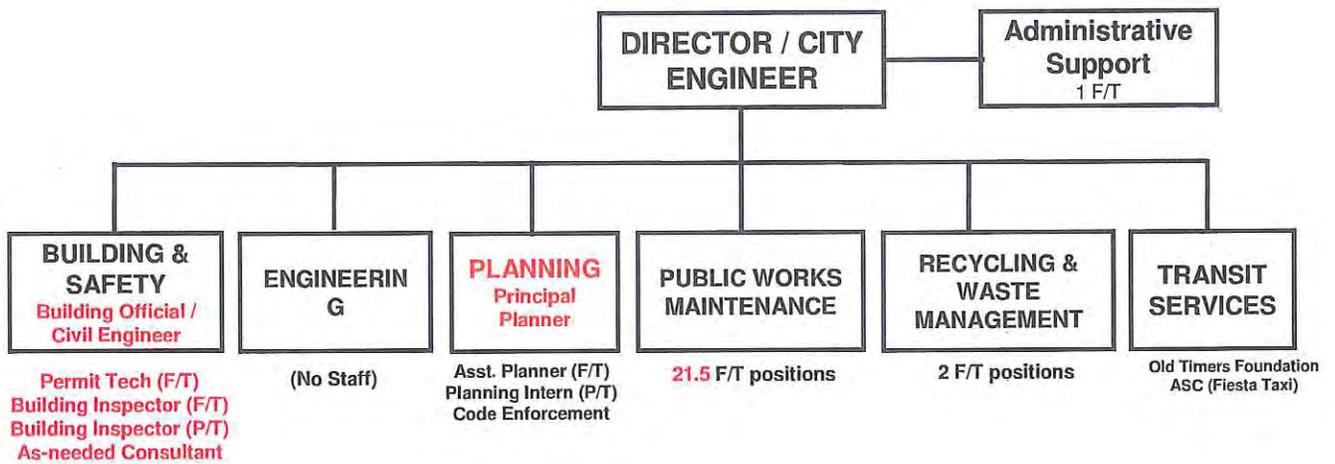
# Public Works

HUNTINGTON PARK  
California



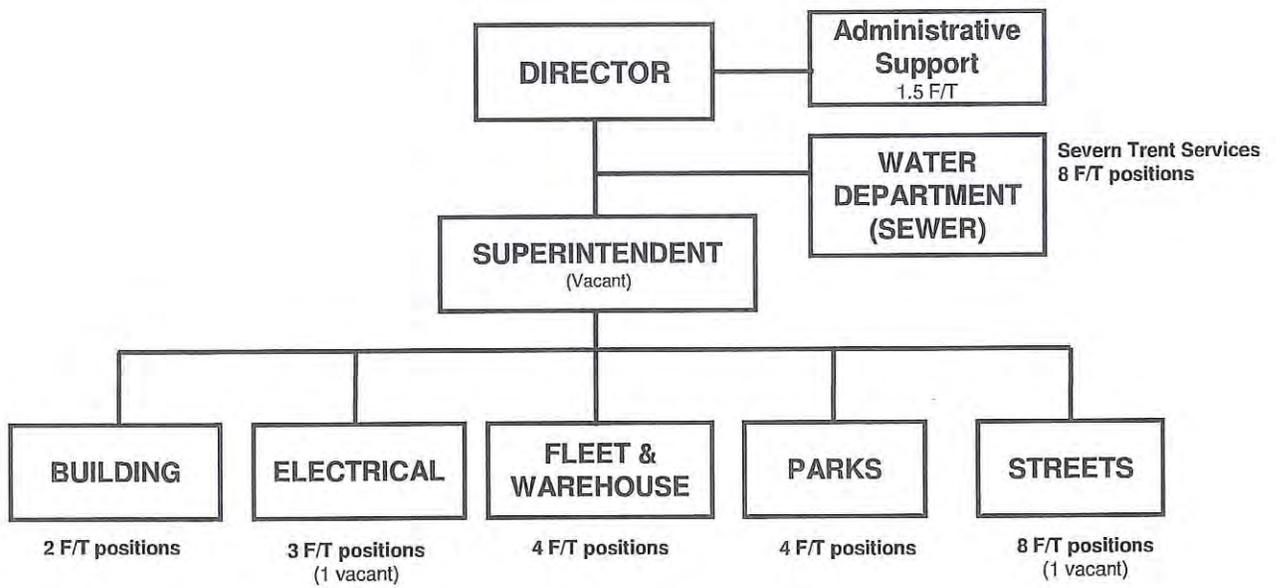
# Public Works

HUNTINGTON PARK  
California



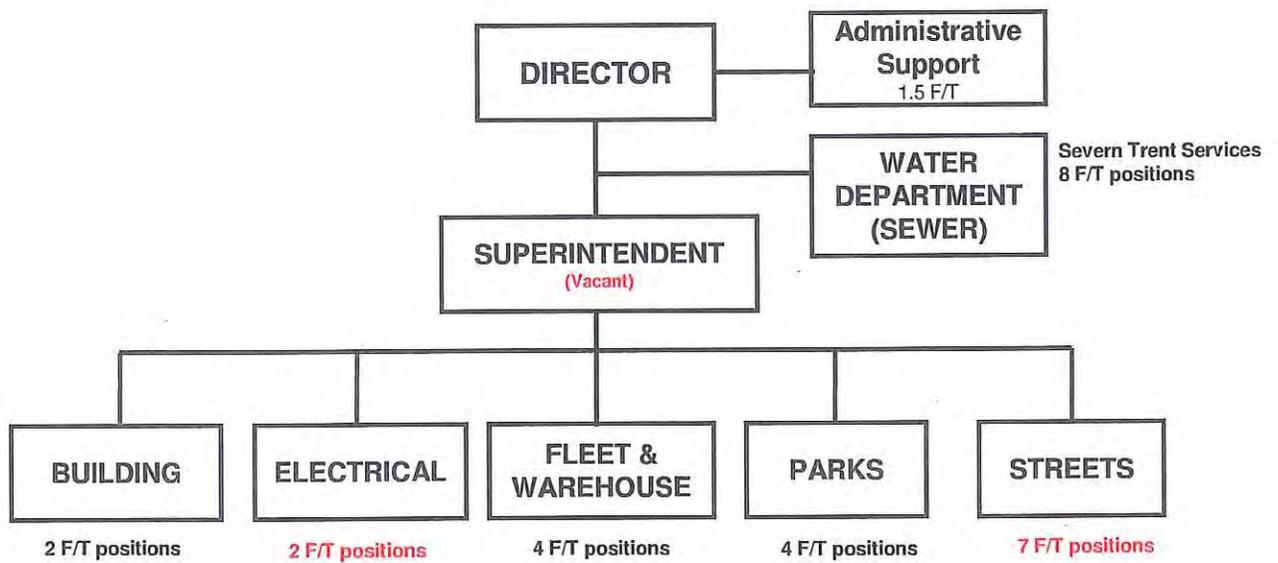
# Public Works Maintenance

HUNTINGTON PARK  
California



# Public Works Maintenance

HUNTINGTON PARK  
California



# Highway Users Tax

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HUNTINGTON PARK  
*California*

- Excess Highway Users Tax (HUTA)
  - \$1.9 million FY 12-13 budget
- \$965,000 capital expense – not committed
- HUTA used to solve:
  - \$390,000 deficit in Landscape and Lighting Fund
  - \$335,000 transfer in General Fund (street maintenance salaries)
  - Funding for new Assistant City Engineer / Building Official by reallocation of following positions:
    - 2 vacant full-time positions
    - Maintenance Worker (\$68,000)
    - Journeyman Electrician (\$34,000)
    - 2 vacant part-time positions (\$42,500)
    - Total vacant positions = \$144,500

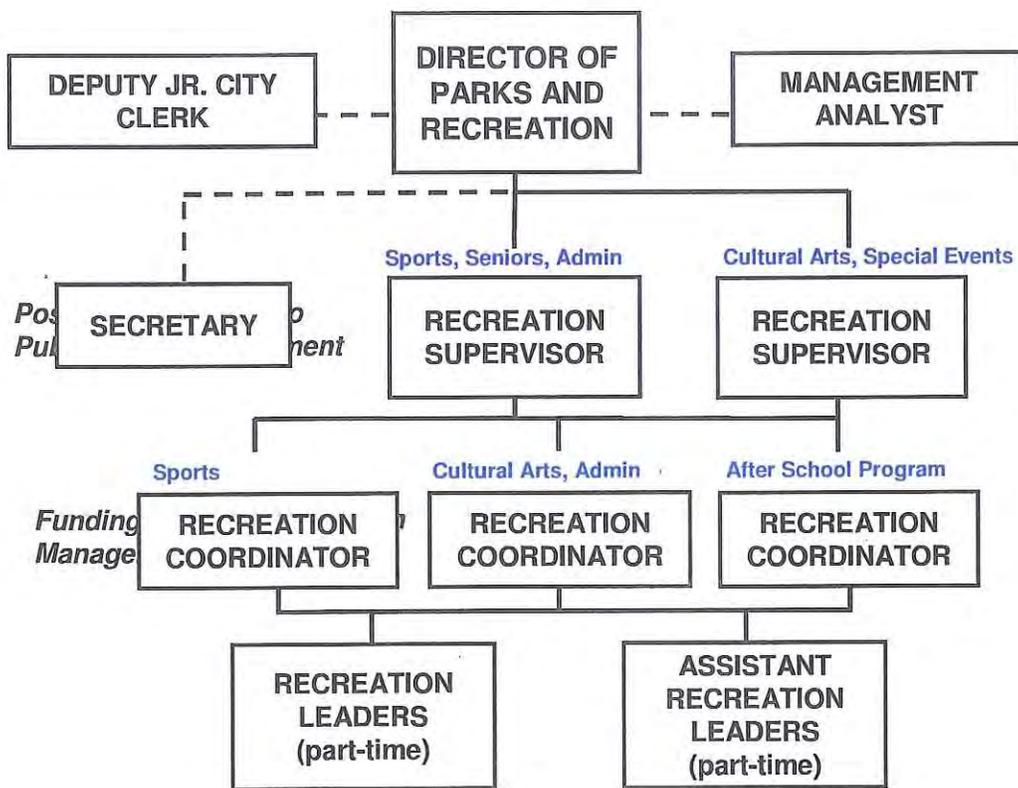
HUNTINGTON PARK  
*California*

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# Department of Parks & Recreation Organization Chart

# Parks & Recreation

HUNTINGTON PARK  
California



## Phase 1 – Parks & Recreation

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HUNTINGTON PARK  
*California*

1. Contract Savings = (\$110,344)

- Eliminate park rangers \$110,344

2. Staff Restructure = +\$75,080

- 1 vacant Recreation Coordinator /  
1 new Management Analyst +\$21,000
- Reclassify Jr. Deputy City Clerk to Secretary
- Add part-time staff  
to replace park rangers +\$54,080

**Est.  
\$35,264  
General  
Fund  
Savings**