

City of Avalon

Fiscal Year 2023-2024 Proposed Budget Study Session

JUNE 6, 2023

Overview

- Current **draft** of budget based on internal discussions between Finance, City Manager, and Department Leaders, as well as feedback from City Council.
- Amounts are still **subject to change** based on changes to revenue estimates, further review by Management, and feedback from Council and the public.
- Operating expenditures are grouped in the following categories:
 - Salaries and benefits
 - Maintenance and operations
 - Contract services
 - Internal services
- Labor is based on Full-Time Equivalent (FTE) units of 2,080 hours as allocated across funds

FY 2023-2024 City of Avalon Budget

Governmental Funds as proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)	(\$4,248,750)	(\$2,177,676)	(\$2,797,875)	(\$519,015)	(\$2,586,561)
<i>As previously presented</i>	12,414,750	(4,200,210)	(1,067,952)	(4,183,750)	(1,992,450)	(2,307,875)	-	(1,337,487)

FY 2023-2024 City of Avalon Budget

Governmental Funds as proposed June 6, 2023

	Operating Revenues
General Fund	\$12,407,217
TOT – Combined	7,000,000
Sales Tax (City)	1,400,000
Admission Tax	700,000
Property Tax	1,514,717
Other Taxes	280,500
Licenses, Permits, Fees	478,750
Charges for Services	593,500
Other Revenues	494,750

- Visitor-driven tax revenues account for nearly 75% of operating revenues in the General Fund
- Other taxes include Business License Tax, Franchise Fees, and Public Safety Augmentation Fund (PSAF) Tax
- Licenses permits and fees includes vehicle permits (\$200,000 budgeted) building permits (\$90,000), business license collection fees (\$45,000) and other various planning fees
- Charges for services primarily includes ambulance fees (\$475,000), as well as various Recreation fees
- Other revenues include COPS funding (\$165,000), planning grants (\$200,000) and interest income (\$40,000)

FY 2023-2024 City of Avalon Budget

Governmental Funds as proposed June 6, 2023

	Operating Revenues	Salaries & Benefits
General Fund	\$12,407,217	(\$4,200,210)
Law Enforcement	0.0 FTE	-
Fire Department	13.0 FTE	2,538,032
Public Works	7.1 FTE	707,469
Planning	2.0 FTE	220,474
Community Service	6.2 FTE	531,264
Chamber Marketing	0.0 FTE	-
Other General Fund	1.0 FTE	202,971

- Salaries & Benefits include regular wages, overtime, employer taxes, unemployment insurance, workers compensation, employer retirement contributions, including unfunded pension liability payments, health insurance and other benefits as outlined in MOUs.
- Wages, including overtime, total \$2,746,436 or 65.4% of expenditures in Salaries & Benefits.
- Unfunded accrued pension liabilities are allocated based on CalPERS plan membership, with the General Fund directly contributing \$356,970 or 39.4% of the City's overall UAL

FY 2023-2024 City of Avalon Budget

Governmental Funds as proposed June 6, 2023

	Operating Revenues	Salaries & Benefits	Maintenance & Operations
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)
Law Enforcement			-
Fire Department			254,400
Public Works			312,250
Planning			59,500
Community Service			300,102
Chamber Marketing			-
Other General Fund			124,000

- Fire Department includes Training and Travel (\$45,000 budgeted), new Personal Protection Equipment (PPE) turnouts (\$20,000), Gas (\$30,000), and increased maintenance of premises (\$46,700)
- \$186,000 (or 58.7%) of Public Works maintenance expenditures relate to utilities and gasoline.
- Community Service includes \$120,000 for 4th of July programming, including fireworks, to be partially offset by donations.

FY 2023-2024 City of Avalon Budget

Governmental Funds as proposed June 6, 2023

	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)	(\$4,248,750)
Law Enforcement				2,015,000
Fire Department				-
Public Works				60,000
Planning				457,000
Community Service				46,500
Chamber Marketing				1,540,000
Other General Fund				170,250

- Law Enforcement includes estimated contract increases of 10.0%, as well as \$165,000 from the Citizen’s Option for Public Safety utilized for additional enforcement during peak visitor season and offset by grant revenues
- Planning includes \$125,000 for consulting services, \$75,000 for legal and \$250,000 for various planning reports to be offset by grant revenues.
- Other primarily includes storm water permitting (\$60,000) and portion of WWTP contract (\$78,500)

FY 2023-2024 General Fund Budget

As proposed June 6, 2023

		Operating Expenditures			
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)	(\$4,248,750)	(\$2,177,676)
Law Enforcement (2.8%)					135,499
Fire Department (13.7%)					653,050
Public Works (8.2%)					393,474
Planning (3.7%)					174,914
Community Service (9.6%)					458,451
Chamber Marketing (0.0%)					-
Other General Fund (7.6%)					362,288

- General Administration allocated based on departmental budgets, staffing levels, and discussions with Management
- Insurance allocated based on departmental budgets, capital assets, claims history, and discussions with Management
- Vehicle Maintenance based on prior year expenditure activity and discussions with Management and Public Works

FY 2023-2024 General Fund Budget

As proposed June 6, 2023

		Operating Expenditures				
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)	(\$4,248,750)	(\$2,177,676)	(\$2,797,875)
Vehicle and Equip. Replacement – Fire						894,377
Workforce Housing						100,000
Per Capita Parks*						190,000
Crescent Ave. Stairs						400,000
Berma Trail Retaining Wall						125,000
Five Corners Pedestrian						379,478
Pebble Beach Road Repairs						220,000
Cemetery Improvements						125,000
Other Capital Outlay						364,020

- Other Capital Outlay includes final JMF loan payment, Casino Dive Park Restrooms, Bonita Way Stairs and other infrastructure improvements.

FY 2023-2024 General Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
General Fund	\$12,407,217	(\$4,200,210)	(\$1,050,252)	(\$4,248,750)	(\$2,177,676)	(\$2,797,875)	(\$519,015)	(\$2,586,561)
Traffic Safety							189,015	
Avalon Transit							330,000	

FY 2023-2024 City of Avalon Budget

Enterprise Funds as proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)	(\$1,881,000)	(\$1,539,321)	(\$3,325,219)	\$-	(\$2,408,721)
Sewer Fund	\$3,250,155	(\$287,869)	(\$501,625)	(\$1,511,650)	(\$428,340)	(\$1,330,838)	\$-	(\$810,167)
Saltwater Fund	\$895,850	(\$207,879)	(\$5,650)	(\$327,560)	(\$153,222)	(\$350,000)	\$-	(\$147,461)
Solid Waste Fund	\$2,753,755	(\$24,431)	(\$25,500)	(\$2,241,000)	(\$243,219)	(\$794,390)	-	(\$569,786)
Avalon Transit Fund	\$80,000	(\$35,323)	(\$44,000)	(\$100,000)	(\$227,991)	\$-	\$330,000	\$2,686

FY 2023-2024 City of Avalon Budget

Enterprise Funds as proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)	(\$1,893,000)	(\$1,539,321)	(\$3,325,219)	\$-	(\$2,408,721)
<i>As previously presented</i>	8,644,500	(3,294,740)	(1,051,700)	(1,881,000)	(1,413,324)	(3,325,210)	\$-	(2,321,474)

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

	Operating Revenues
Harbor Fund	\$8,704,500
Cross Channel Wharfage (Fund 103)	2,350,000
Cross Channel Wharfage (Fund 104)	1,400,000
Cruise Ship Wharfage	1,400,000
Nightly Moorings	1,875,000
Rentals	610,000
Harbor Use Fees / Admission Tax	635,000
Annual Mooring	250,000
Transfer Fees	150,000
Other Revenues	34,500

- Operating revenues budgeted to be down by approximately 3.5% from current year estimates
- Cruise ship wharfage based on current schedule of ships arrive with 90% occupancy current year occupancy averaged 94.8% through April 2023)
- Nightly mooring rates proposed to increase by 3.8% rounded to the nearest dollar
- Harbor Transfer Fees have exceeded \$275,000 each of the past three fiscal years

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

	Operating Revenues	Salaries & Benefits
Harbor Fund	\$8,594,500	(\$3,294,740)
Public Works	4.7 FTE	433,378
Administration	2.9 FTE	611,586
Operations - Patrol	13.1 FTE	1,681,247
Operations – Maintenance	5.0 FTE	495,701
Capital	0.3 FTE	72,828
Fuel Dock	0.0 FTE	-

- Salaries & Benefits include regular wages, overtime, employer taxes, unemployment insurance, workers compensation, employer retirement contributions, including unfunded pension liability payments, health insurance and other benefits as outlined in MOUs.
- Wages, including overtime, total \$2,069,571 or 62.8% of expenditures in Salaries & Benefits.
- Unfunded accrued pension liabilities are allocated based on CalPERS plan membership, with the General Fund directly contributing \$303,393 or 33.5% of the City’s overall UAL

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

	Operating Revenues	Salaries & Benefits	Maintenance & Operations
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)
Public Works			36,500
Administration			134,450
Operations			690,000
Capital			196,500
Fuel Dock			5,500

- Harbor Administration includes \$90,000 for additional Harbor insurance coverage
- \$476,000 or 69.0% of Harbor Operations maintenance accounts cover utilities in the Harbor, including \$225,000 for Sewer and \$100,000 for Saltwater services
- Other Harbor Operations maintenance accounts include \$80,000 in credit card processing fees and \$55,000 in fuel purchases
- Capital maintenance accounts include \$60,000 for vessel maintenance, \$30,000 for mooring maintenance, \$30,000 for float maintenance, and \$45,000 for maintenance of premises

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)	(\$1,893,000)
Public Works				1,509,500
Administration				75,500
Operations				292,000
Capital				16,000
Fuel Dock				-

- Harbor Public Works includes the contract with Los Angeles County Fire for lifeguard services (\$995,000), waterfront trash collection (\$192,500), restroom maintenance (\$224,500)
- Harbor Administration contracts include Harbor software contracts and the City Attorney
- Harbor Operations includes the contract for shore boat services (\$289,000)

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

		Operating Expenditures			
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)	(\$1,893,000)	(\$1,539,321)
Public Works (7.2%)					342,931
Administration (2.9%)					138,463
Operations (16.0%)					762,551
Capital (6.2%)					295,376
Fuel Dock (0.0%)					-

- General Administration allocated based on departmental budgets, staffing levels, and discussions with Management
- Insurance allocated based on departmental budgets, capital assets, claims history, and discussions with Management
- Vehicle Maintenance based on prior year expenditure activity and discussions with Management and Public Works

FY 2023-2024 Harbor Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Harbor Fund	\$8,704,500	(\$3,294,740)	(\$1,062,950)	(\$1,893,000)	(\$1,539,321)	(\$3,325,219)	\$-	(\$2,408,721)
Vehicle Replacement <i>(net of grant funding)</i>						177,333		
Club Dinghy Dock Pier Replacement						120,000		
End Float Rehabilitation						100,000		
Green Pier Repairs						450,000		
Green Pier Decking						515,000		
Cabrillo Mole Phase II <i>(net of grant funding)</i>						1,268,829		
Casino Way Improvements						100,000		
Underground Fuel Tank Replacement						218,048		
Other Harbor Capital Outlays						376,000		

FY 2023-2024 Sewer Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Sewer Fund	\$3,250,155	(\$287,869)	(\$501,625)	(\$1,511,650)	(\$428,340)	(\$1,330,838)	\$-	(\$810,167)
Full-Time Equivalent		1.9						
Utilities			306,000					
Emergency Maint.			111,000					
WWTP Contract				1,130,000				
H2S Control				125,000				
Falcon contract (portion)				53,000				
Internal Service %					9.0%			

FY 2023-2024 Saltwater Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Saltwater Fund	\$895,850	(\$207,879)	(\$5,650)	(\$327,560)	(\$153,222)	(\$350,000)	\$-	(\$147,461)
Full-Time Equivalent		1.4						
WWTP Contract				302,000				
Interfund Loan				19,006				
Internal Service %					3.2%			

FY 2023-2024 Solid Waste Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Solid Waste Fund	\$2,753,755	(\$24,431)	(\$25,500)	(\$2,241,000)	(\$243,219)	(\$794,390)	-	(\$569,786)
Full-Time Equivalent		0.2						
Rent			15,000					
Sanitation Contract				2,097,000				
Hazardous Waste				125,000				
Internal Service %					5.1%			
Landfill Closure Trust						294,390		
Landfill Expansion						500,000		

FY 2023-2024 Avalon Transit Fund Budget

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
Avalon Transit Fund	\$80,000	(\$35,323)	(\$44,000)	(\$100,000)	(\$227,991)	\$-	\$330,000	\$2,686
Fixed Route	60,000							
Dial-a-ride	20,000							
Full-Time Equivalent		0.3						
CalTIP Insurance			33,000					
Training and Travel			5,000					
TC Contract*				100,000				
Internal Service %					4.8%			
GF Subsidy							330,000	

FY 2023-2024 Internal Service Fund Budgets

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
General Administration	\$3,226,156	(\$2,047,806)	(\$413,000)	(\$590,350)	\$-	(\$175,000)	\$-	\$-
Insurance	\$927,000	\$-	(\$737,000)	(\$190,000)	\$-	\$-	\$-	\$-
Vehicle Maintenance	\$616,612	(\$218,362)	(\$190,000)	\$-	\$-	(\$205,250)	\$-	\$-

FY 2023-2024 Internal Service Fund Budgets

As proposed June 6, 2023

		Salaries & Benefits
General Administration	12.1 FTE	(\$2,047,806)
Elected	0.0 FTE	25,452
Legal	0.0 FTE	-
Administration	7.5 FTE	1,199,599
Finance	4.6 FTE	597,756
General Government	0.0 FTE	225,000
Insurance		\$-
Vehicle Maintenance	2.0 FTE	(\$218,362)

- Salaries & Benefits include regular wages, overtime, employer taxes, unemployment insurance, workers compensation, employer retirement contributions, including unfunded pension liability payments, health insurance and other benefits as outlined in MOUs.
- Wages, including overtime, total \$1,192,757 or 58.2% of expenditures in Salaries & Benefits or General Administration.
- A portion of Administration and Finance labor costs are allocated to the Successor Agency for its management and reimbursed through an administrative allowance.

FY 2023-2024 Internal Service Fund Budgets

As proposed June 6, 2023

	Operating Revenues	Salaries & Benefits	Maintenance & Operations
General Administration	\$3,226,156	(\$2,047,806)	(\$413,000)
Elected		25,452	24,000
Legal		-	3,000
Administration		1,199,599	89,600
Finance		597,756	65,000
General Government		225,000	231,400
Insurance	\$927,000	\$-	(\$737,000)
Vehicle Maintenance	\$616,612	(\$218,362)	(\$190,000)

- Elected operating expenditures include \$4,000 per official for training and travel
- Administration includes election-related expenses (\$25,000), membership dues (\$25,600), and training and travel (\$13,500)
- Finance primarily includes monthly accounting software subscription (\$50,000)
- General Government includes phone and other utilities for City Hall (\$113,900), copy and mail machine leases (\$15,000), office supplies (\$25,000) and general maintenance of City Hall premises
- Garage maintenance includes rent (\$75,000) and parts/supplies (\$100,000)

FY 2023-2024 Internal Service Fund Budgets

As proposed June 6, 2023

		Operating Expenditures		
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services
General Administration	\$3,226,156	(\$2,047,806)	(\$413,000)	(\$590,350)
Elected		25,452	24,000	-
Legal		-	3,000	155,000
Administration		1,199,599	89,600	350
Finance		597,756	65,000	80,000
General Government		225,000	231,400	355,000
Insurance	\$927,000	\$-	(\$737,000)	(\$190,000)
Vehicle Maintenance	\$616,612	(\$218,362)	(\$190,000)	\$-

- Contract services in Finance include ambulance billing, budget and financial forecasting software, and payroll services (\$80,000)
- Contract services in General Government include legislative affairs and grant writing services (\$60,000), sales and property tax consulting (\$15,000), IT consulting and related subscription services (\$160,000), vacation rental monitoring, financial statement audit, and audit support (\$90,000)
- Insurance includes legal expenses and litigation support

FY 2023-2024 Internal Service Fund Budgets

As proposed June 6, 2023

		Operating Expenditures						
	Operating Revenues	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Services	Capital Outlays (Net)	Transfers (Net)	Gain (Draw) on Fund Balance
General Administration	\$3,226,156	(\$2,047,806)	(\$413,000)	(\$590,350)	\$-	(\$175,000)	\$-	\$-
A/V System Upgrades						125,000		
MFA Implementation						50,000		
Insurance	\$927,000	\$-	(\$737,000)	(\$190,000)	\$-	\$-	\$-	\$-
Vehicle Maintenance	\$616,612	(\$218,362)	(\$190,000)	\$-	\$-	(\$205,250)	\$-	\$-
Vehicle Replacement						205,250		