

CITY OF BEVERLY HILLS, CA



BUDGET IN BRIEF

**FY 2016/17 PROPOSED
OPERATING BUDGET**

PROFILE OF BEVERLY HILLS, CA

John A. Mirisch

Mayor

Nancy Krasne

Vice Mayor

William W. Brien, M.D.

Councilmember

Lili Bosse

Councilmember

Julian A. Gold, M.D.

Mayor

Eliot Finkel

City Treasurer

Mahdi M. Aluzri

City Manager

Don Rhoads

Director of Administrative
Services/CFO

The City of Beverly Hills, a long-established residential city and commercial center is located within Los Angeles County in Southern California. The City, incorporated in 1914, had a population of 34,833 as of January 1, 2015, per the California Department of Finance. From the beginning, when it was planned as a subdivision in 1906, Beverly Hills was designed as a special place. In subsequent years, much has changed, but not the desire to keep it special. As a result, the City of Beverly Hills has established a tradition of providing residents, businesses, and visitors with a superior level of public safety services, premium life enrichment opportunities, and a renowned physical environment. From rolling hillside estate homes, to charming family bungalows and apartments, to a world renowned business community, Beverly Hills provides its residents, visitors, and business partners a community often sought but rarely found in modern urban centers.

Beverly Hills is blessed by a healthy business community. Revenues generated from the business sector represent about 65-80% of total General Fund revenues. This allows the City to provide residents with the finest of residential living environments: clearly the City Council's first objective. Over the last few years, Beverly Hills has become the home of many entertainment industry headquarters, especially in the music recording field. The City has also attracted the most prestigious art galleries in the country, and some of the major talent agencies. In the retail field, Beverly Hills has enjoyed remarkable reinvestment in all geographical and market areas.

City of Beverly Hills



Proposed, April 2016

Don Rhoads, Director of Administrative Services/CFO
Noel Marquis, Assistant Director of Administrative Services, Finance
Don Harrison, Budget and Revenue Officer
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City of Beverly Hills
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Table of Contents

BUDGET MESSAGE	7
CITYWIDE ORGANIZATIONAL CHART	16
BUDGET SUMMARIES	17
FIVE YEAR FORECAST.....	21
BREAKDOWN OF SALARY AND BENEFIT EXPENSE.....	23
POSITION SUMMARY	24
POLICY AND MANAGEMENT.....	25
CITY ATTORNEY	26
CITY CLERK	27
ADMINISTRATIVE SERVICES	28
POLICE DEPARTMENT	29
FIRE DEPARTMENT	30
COMMUNITY DEVELOPMENT	31
INFORMATION TECHNOLOGY	32
PUBLIC WORKS SERVICES	33
CAPITAL ASSETS DEPARTMENT.....	34
COMMUNITY SERVICES	35
NON-DEPARTMENTAL	36





Mahdi Aluzri, City Manager

Honorable Mayor, City Council Members, and Citizens of Beverly Hills:

It is my pleasure to present the FY 2016/17 Proposed Budget and advise the City Council and community that the City of Beverly Hills continues to enjoy a good economic climate, and a prosperous business sector, resulting in healthy revenue growth over the past five years. This budget provides for the continuation of current service levels. In addition, City staff is intently focused on public safety, development of greater self-reliance for water; maintaining facilities infrastructure; and, furthering the Water Enterprise Plan and water conservation.

Major Projects/ Initiatives

The City’s budget savings and higher actual than budgeted revenues in recent years have allowed for the funding and initiation of various projects of importance to the City, some of longstanding need. Among the major projects that are underway or imminent are: development of a Dog Park; reconstruction of Santa Monica Boulevard; refurbishment of Beverly Gardens Park; the City’s Water Enterprise Plan to ensure continued system reliability; citywide Fiber-optics to premises; and, storm water treatment.

Bond Rating Confirmation / Cautions

For over nine years the City has maintained a AAA bonding rating on its underlying credit worthiness. This has allowed the City to borrow for capital projects at extremely low rates. Over the past six years in particular, the City has been able to enjoy great savings in current and future interest costs due to the coupling of the City’s excellent bond rating and the interest rate environment over that period. In March, the bond rating agency, Fitch Ratings affirmed AAA rating for the City’s water revenue bonds issued in 2008 and 2012. Among the factors that Fitch noted as giving strength to the water revenue bonds was: “disciplined rate setting,” adjusting rates as needed to provide strong financial results; “strong financial performance” – strong debt coverage and liquidity; and, the improvements to the aging system as the reason for the water systems high debt burden. Fitch cautioned that the financial performance is expected

to soften over the next couple of years due to State-imposed drought conservation but is unlikely to pressure the rating if the utility continues to adjust rates as needed. It also cautioned that significant additional borrowing that increases an already elevated debt burden could also put downward pressure on the rating.

Fiscal Year 2014/15 Year-End Summary

At the end of the 2014/15 fiscal year, the City's General Fund had available fund balance of \$33 million, after adjusting for necessary reserves, including the 40% reserve required by the City's financial policies. Staff previously submitted recommendations for use of these funds, some of which were earmarked. The remaining recommendations will be revisited in the budget study session to give the City Council an opportunity to determine whether and how these funds should be allocated.

Fiscal Year 2015/16 Summary

Once again, the City's revenues are performing quite well and expenditures are expected to end the fiscal year under budget. We are projecting that, at year-end, General Fund revenues will total \$217.8 million, expenditures will be \$181.4 million, and net transfers out will be \$12.9 million, for a projected excess of revenues over expenditures of about \$23.5 million. Given the City Council's Reserve Policy, this increase in revenues would require an increase of \$1.8 million in General Fund economic contingency reserve, leaving net funds available of \$21.7 million at the end of FY 2015/16.

At the conclusion of this fiscal year, the City will have many accomplishments. The following are notable examples that I wish to highlight for fiscal year 2015/16:

- Completed environmental review, received approval for and commenced with construction process for the City's Dog Park in the 300 block of north Foothill Road
- Converted to new software module to manage business tax accounts and revenue, providing taxpayers with the ability to renew, pay, and confirm compliance online and via email
- Completed the Fiber optics to the Premises Feasibility Study, received approval to conduct the next phases and commenced design work
- Maintained lowest FBI Part I Crime rate in the Westside sub-region
- Launched Next Beverly Committee to benefit from the ideas of "Next Generation Leaders" to retain the City's excellent standing in the future
- Completed development of a ten-year Water Enterprise Plan to improve the City's water system reliability
- Completed design and award of contract for Santa Monica Boulevard reconstruction
- Applied for and received supplemental reimbursement for emergency medical transport of Medicaid participants through new State/Federal program
- Created and implemented online legislative advocacy form

- Completed and rededicated the historic Electric Fountain at the northeast corner of Wilshire and Santa Monica Boulevards as part of the ongoing citizen-driven renovation of Beverly Gardens Park
- Rolled-out Bicycle Share Program
- Established building inspector ride-along program to educate interested members of the public in the types and level of review/inspection that is involved in the approval of construction in the City
- Adopted a Joint Declaration with the State of Israel on joint innovation, exchanges and cooperation, and coordinated a water summit
- Developed and implemented new financial trend analysis and budget monitoring tools and program to increase efficiencies during the monthly accounting closing and reconciliation process
- Implemented pilot program to capture natural spring water to replace potable water use for street sweeping, sidewalk cleaning, sewer cleaning, and filling the Electric Fountain, reducing potable water use by the City
- Expanded CCTV security system with the addition of 58 cameras at various intersections and city facilities for a new total of 443 cameras, and improved various components of the system
- Deployed twelve new defibrillators on Fire and Paramedic vehicles
- Maintained a less than three minute average response time for police emergency calls and answered 97% of 911 calls in ten seconds or less
- Received conceptual design approval and developed traffic mitigation plan for Santa Monica Boulevard reconstruction project
- Completed environmental review of two shallow groundwater wells and completed drilling one, the second is currently being tested
- Completed negotiations and implemented the terms of new memoranda of understanding (MOU) for seven of the City's nine employee associations
- Created and implemented the Beverly Hills Police Department's first Summer Camp for Kids
- Completed an update of Fire Department Strategic Plan
- The Human Relations Commission updated the Tenant landlord Rights and Responsibilities guide
- Identified and prioritized infrastructure needs and funding through the Mayor's Infrastructure and Finance Task Forces
- Completed a facilities asset inventory and life-cycle assessment to better manage and plan future building improvements
- Received Google eCity Award in recognition of the City's extensive online presence and technology initiatives
- Completed the city's Annual Holiday Décor and Lighting Event, which promoted the city as a destination for shopping and dining during the holiday season.
- Expanded and improved the City's water conservation program

Economic Outlook

The City has enjoyed strong economic growth over the last several years. Though the national economy continues its slow and steady growth, the Beverly Hills economy has taken off with strong growth. This growth is driven by tourism, retail shopping attraction, strong commercial leasing and low vacancies, and home value appreciation.

There remain risks and uncertainties that could cause our local economy or at least our revenue base to contract. Among these are:

- National economic decline - potential slowing if the post-recession economic peak is reached
- Foreign economies – Europe has struggled in recent years and China’s growth has slowed considerably
- The effect of a strong dollar on tourism attraction and retail spending in the city
- Traffic impacts from various public and private construction projects which could impact visits and retail sales in the city
- Geopolitical, terrorism and economic events which might impact tourism or spending

Construction activity in the city remains active with major projects now moving forward. This construction activity should add more strength to the City’s revenue flow.

City Council Priorities

On December 15, 2015, the City Council met to establish its priorities for FY 2016/17 which guided the preparation of the Proposed Budget for next fiscal year. A substantial portion of the budget enhancement requests each year are presented to address City Council priorities: either new priorities, or full implementation of programs established in prior years. A complete list of the City Council priorities for FY 2016/17 is included in the Supplemental Information Section of this budget. Below are City Council “A” priorities for FY 2016/17:

- Support for Beverly Gardens Park Restoration Project
- Expand use of technology to improve efficiency in all initiatives
- Santa Monica Blvd. Reconstruction and Traffic Mitigation Plan
- Small Business Task Force
- Southeast Task Force Implementation
- Update City’s 5-Year Economic Sustainability Plan
- Bicycle Master Plan Update
- Public Safety
- Explore options to increase the City’s green space
- Subway Coordination
- Advance Capital Investment in the Community
- Master Plan City Needs at La Cienega Park and Tennis Center Site
- Property Acquisition for parking, open space and other civic uses
- Water Enterprise Plan to ensure continued system reliability
- L.E.D. Streetlight Program

- R-1 Hillside Development Standards
- Reservoir Reconstruction and Water Storage Capacity
- La Cienega Regional Treatment Plant
- Study Options to improve the pedestrian and cyclist experience on South Santa Monica Boulevard
- Coldwater/Cabrillo Reservoirs and Purple Pipe (reclaimed water) distribution

Revenues

Revenue continues to grow for the City. In this current fiscal year, we have seen some periods of reduction or slower growth in transient occupancy tax (TOT), but these were specifically related to hotels performing major renovations which removed rooms from availability. Upon completion of these renovations, we have seen the TOT recover and resume growth. Overall, we are seeing improvement in all major funds except the Water and Storm Water Funds. The Water Fund is burdened with drought-related sales reductions. The Storm Water Fund remains plagued by its classification in State law as a non-utility, without the ability to raise rates except through a citywide vote. Despite this, it is burdened with Federal and State mandates to clean storm water flows before they reach waterways. There appears to be greater movement in Sacramento this year to reclassify storm water utilities similar to water and wastewater utilities, allowing better fiscal management.

For FY 2016/17 General Fund revenues are projected to be \$222.2 million, which amounts to an increase of about 4.1% over the Adopted FY 2015/16 budget. This is largely the result of increases over the FY 2015/16 budget of 9.7% in fees for services, 8.4% in property tax, 4.9% in sales tax, and 3.4% in business tax. Below we address how each revenue is forecast to perform for FY 2016/17.

Property Tax

For secured and unsecured property tax, the 2015 County Assessor's roll provided the City with a 9.1% increase in valuation. Given the increases in property values in the city and the continued construction activity, it is reasonable to project that total property tax revenue will increase by 3.5%, before switching the property tax in lieu of vehicle license fees to the property tax category. Together the revenue for this category is projected to total \$58 million.

Sales Tax

Though we have seen a slowing of the growth of sales tax revenue, we are still seeing growth. Sales tax for FY 2016/17 is projected to be \$34.1 million or 4.9% higher than FY 2015/16 budget. This projection is only about \$100,000 over the projected year-end amount for FY 2015/16. This is due to a one-time payment related to the "wind-down" of the Triple Flip, which will result in the City's receiving about \$2 million in sales tax in lieu revenue for FY 2015/16 that is not ongoing revenue. Sales tax revenue estimates for FY 2016/17 project revenue of \$34.1 million.

Transient Occupancy Tax (TOT)

Major hospitality consultants forecast that hotel room demand increase will exceed the supply growth in 2016 and 2017. Looking at hospitality forecasts, Smith Travel Research is forecasting that revenue per available room (RevPAR) will increase 5% in 2016 and 4.5% in 2017. PKF Hospitality Research (PKF-HR) forecasts growth in average daily rates (ADR) of 5.5% in 2016 and 5.8% in 2017. Pricewaterhouse Coopers forecasts RevPAR growth of 4.8% for the luxury scale in 2016. This information was weighed against expected construction and traffic impacts over the next year. We conservatively forecast that TOT revenue will be flat next fiscal year compared to the FY 2015/16 budget. In comparison to projected year-end 2015/16 revenue this would be \$1.1 million or 3% increase. We expect TOT to increase significantly when the new Waldorf Astoria Hotel opens in 2017, but have not assumed any of that growth in the FY 2016/17 budget. It is projected that TOT will provide \$39.1 million in revenue in FY 2016/17.

Business Tax

Business tax revenue will increase by 5.7% in FY 2015/16 to \$45 million. This revenue is substantially dependent on growth of the economy and particularly associated with commercial leasing income in the city. Office vacancy rate for Beverly Hills decreased by 13% between the fourth quarter of 2014 and the fourth quarter of 2015. During this same period, leasing rates for Beverly Hills office space increased by 8.1%. Such indicators would normally result in a robust revenue projection, however, given all of the construction and traffic impacts expected in the city over the next year, we have taken an even more conservative approach to projecting this revenue for FY 2016/17. We project that the business tax will produce about \$45.5 million in revenue for FY 2016/17, an increase of 3.4% over FY 2014/15 budget.

The table below shows the growth that is projected for each General Fund revenue source in FY 2016/17.

Major General Fund Revenues

Revenue Source	Projected Revenue for FY 2016/17	% Change from FY 2015/16 Adopted
Property Tax *	\$ 58,015,000	16.9%
Sales and Use Tax	34,100,000	4.9%
Transient Occupancy Tax	39,140,000	0.0%
Business Tax	45,500,000	3.4%
Other Revenue *	45,429,576	-5.3%
Total Operating Revenue	222,184,576	4.2%
Transfers In	18,000	-83.0%
Total Inflows	\$ 222,202,576	4.1%

* Property In-Lieu of Vehicle License Fees is being moved from the Other Revenue category to Property Tax, causing a larger percentage increase in Property Tax and a decrease in Other Revenue.

Expenditures

At the close of fiscal year 2015/16, General Fund expenditures are expected to total \$181.4 million. This is approximately \$3.4 million, or 1.8%, below the funds appropriated by the City Council last June. The FY 2015/16 operating expenditures for all funds are projected to be about \$379.2 million, which represents a savings of \$5 million, or 1.2%, when compared to appropriations. Much of the expenditure savings is the result of job vacancies, which generates salary and benefits savings.

The Proposed General Fund budget for FY 2016/17 provides for expenditures of \$188.2 million, which amounts to an increase of \$3.4 million, or 1.9%, over the FY 2015/16 budget. The operating budget for all funds includes expenditures of \$358.3 million, which represents a decrease of \$25.9 million or 6.7% compared to FY 2015/16 operating expenditures. However, because depreciation is not being budgeted this year, if you removed the depreciation from the FY 2015/16 budget, the operating expenditures budgeted increase by \$1 million or 0.3%. Proposed Capital improvement expenditures for all funds total \$66.2 million, an increase of \$10.7 million over FY 2015/16 and transfers out for all funds total \$14.8 million.

InterFund Transfers

In this proposed budget, the interfund transfers increased by about \$1.4 million due to the new annual transfer of \$1.5 million from the General Fund to pay for use of Water Fund-owned property. Overall, the General Fund will provide net transfers of about \$15.5 million to fund: the payment of \$1.6 million for infrastructure fund debt service; \$7 million for Capital Improvement Program; a \$5.3 million subsidy for the Storm Water Fund; and, the aforementioned \$1.5 million for use of Water Fund property.

Transfers into the General Fund include \$12,000 from Fund 160 (Parks and Recreation Fund) for maintenance of water features in parks, and \$6,000 from Fund 120 (Gas Tax) for City administrative expenses.

Budget Enhancements

This year departments submitted 86 requests for budget enhancements. The amount requested was \$8.9 million. After reviewing the requests I am recommending 69 of them. The recommended enhancements have a total cost for all funds of \$7.6 million and a net cost, after revenue and cost cutting offsets, of \$6 million. These requests are included in the Budget modifications sections of your Proposed Budget. This section includes a summary of all budget enhancement requests by department, with notations indicating which enhancements are recommended and which are not. In addition, the request forms are all included and placed in department order.

Enhancement requests will be presented to the City Council during the Budget Study Sessions along with the overall department presentations.

Storm Water Fund

The Storm Water Fund continues to be a troubled enterprise fund for the City. For FY 2015/16, the Storm Water Fund will require a General Fund subsidy of \$5.3 million. This is down about \$200,000 from last year but is expected to increase in coming years as operations deficits increase annually. The General Fund will continue to subsidize the Storm Water Fund at ever increasing levels for the foreseeable future. State legislative changes are required to allow the Storm Water enterprise to be operated as a utility with rates set by the City Council. Under current State law, any increases in revenue for this fund would be considered a “special tax” and would require the approval by two-thirds of the voters in an election to become effective.

Capital Improvement Plan (CIP)

The Capital Improvement Plan is a part of the proposed budget and designated as Volume 2. Recognizing the need to continue to provide for maintenance and repairs to prolong the lives of City facilities and infrastructure, the City continues its spending program for CIP. The proposed budget includes \$10 million combined contributions of \$7 million to the Infrastructure (Fund 600) and \$3 million to the Capital Assets (Fund 405) from the General Fund and from ISF charges for facility replacement. Proposed Capital Improvement investments this year total over \$66.2 million, versus \$55.4 million in FY 2015/16. Capital initiatives for the coming year include reconstruction of Santa Monica Boulevard, a non-potable water system to irrigate parks, Fiber to the Premises, Police Facility upgrades, and a chlorine injection point into the City’s water system at Greystone. The CIP has been separated into a second volume of the Budget, as it has been for the past several years, so that the project descriptions, budgets, and timelines can be easily referenced during budget discussions and throughout the year.

General Fund Budget Excess of Revenues over Expenditures

The proposed budget as presented is projected to result in a General Fund budget excess of revenues over expenditures of approximately \$18.5 million prior to funding any budget enhancements. The required increase in the General Fund reserve, in accordance with the City Council’s Reserve Policy, would be about \$3.5 million, leaving available funds of \$15 million. The General Fund portion of all recommended budget enhancement requests is about \$4.7 million. As the City Council is aware, the City has been working to identify means in recent years to address unfunded liabilities and fund significant capital improvements. These efforts benefit the City by complying with mandates, providing for future cost savings or address much needed improvements to the community. Examples of these include funding Storm Water requirements, sidewalk repairs, and reducing unfunded liabilities. The projected excess of revenue over expenditures will greatly assist such efforts. In addition, to these funds, the current forecast for the remainder of this fiscal year indicates end of year available funds of about \$14.7 million.

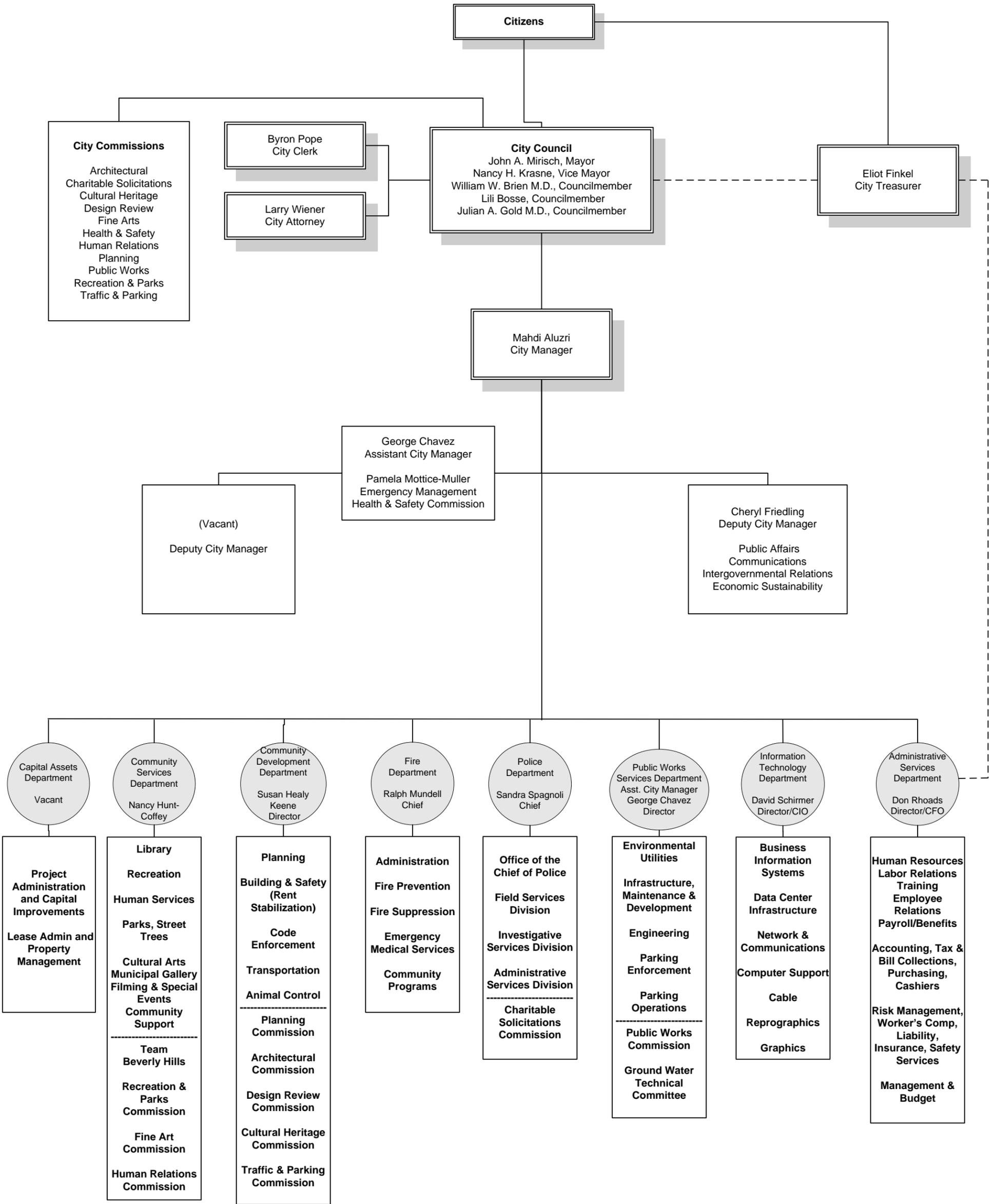
Conclusion

In conclusion, I am pleased to present this budget to the City Council for its consideration and action. I believe that this budget and the available funds will allow the City Council to take actions that will greatly benefit the City and improve its fiscal position for many years to come.

Respectfully submitted,



Mahdi Aluzri
City Manager

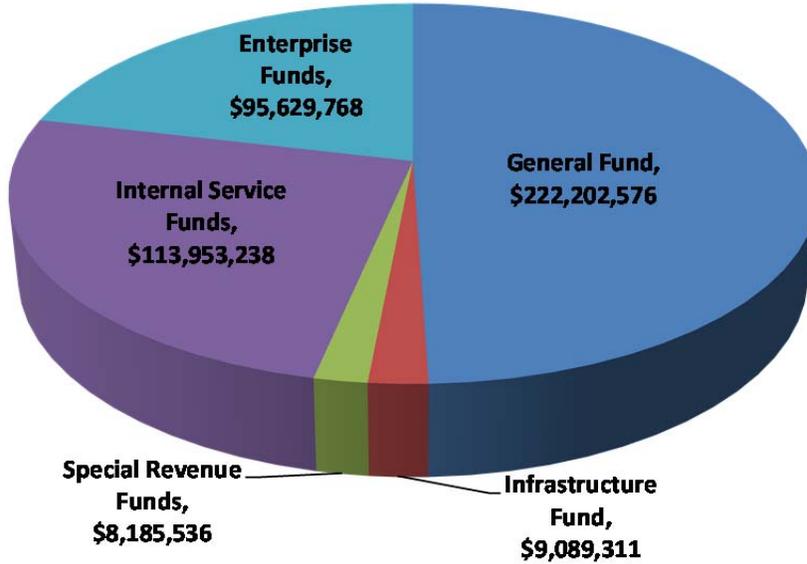


FY 2016/17 Revenue and Expenditure Summary by Category (All Funds)

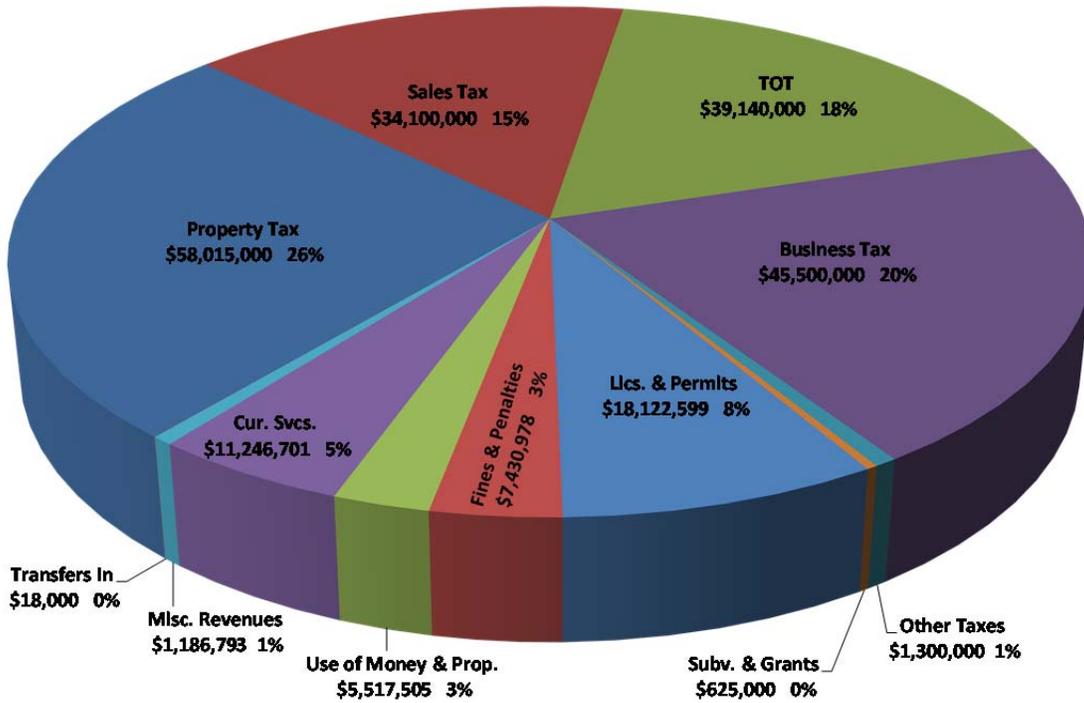
Category	2013/14 Year-End Actual	2014/15 Year-End Actual	2015/16 Adopted Budget	2015/16 Year-End Projection	2016/17 Proposed Budget
Revenues					
Property Tax	46,302,975	48,072,936	49,610,000	52,000,000	58,015,000
Sales Tax	29,874,256	31,338,894	32,500,000	34,000,000	34,100,000
Transient Occupancy Tax (TOT)	35,397,159	36,658,589	39,140,000	38,000,000	39,140,000
Business Tax	40,563,116	42,549,722	44,000,000	45,000,000	45,500,000
Other Taxes	7,646,869	6,269,958	4,820,000	5,860,000	4,900,000
Subventions and Grants	9,693,189	11,880,305	7,584,300	8,119,959	3,736,982
Licenses and Permits	17,422,924	18,135,200	17,906,647	17,912,800	18,180,039
Fines and Penalties	7,379,590	6,899,619	7,435,952	7,400,000	7,434,192
Use of Money and Property	16,513,347	14,979,528	14,745,093	15,334,600	14,591,654
Current Services	104,282,250	101,580,963	100,957,999	102,431,282	109,521,391
Internal Service Charges	104,446,660	102,254,389	108,747,462	108,747,461	96,563,076
Miscellaneous Revenues	6,665,274	13,788,743	1,348,961	2,265,400	1,602,186
Transfers In	21,780,042	34,660,769	12,521,759	13,381,759	15,775,909
ALL FUNDS	447,967,651	469,069,614	441,318,173	450,453,261	449,060,429
Expenditures					
Salaries and Benefits	122,722,885	130,632,747	133,887,080	128,678,000	141,722,872
Supplies	16,652,598	16,521,314	17,845,865	16,556,500	17,431,682
Services	51,067,705	53,973,177	61,500,304	60,794,805	61,386,005
Capital Outlay	679,674	2,161,421	2,971,830	2,200,900	1,590,313
Internal Service Charges	99,830,499	95,800,072	101,030,903	101,030,903	88,802,406
Other Expenses	67,263,826	77,141,329	66,935,465	69,918,794	47,370,232
Capital Projects	52,047,032	33,975,561	55,491,521	35,760,000	66,216,794
Grant Activities	1,824,783	-	-	-	-
Transfers Out	26,056,297	38,477,470	12,521,759	13,381,759	15,775,909
ALL FUNDS	438,145,299	448,683,092	452,184,727	428,321,661	440,296,213

BUDGET SUMMARIES

Revenue and Transfers In By Fund Type FY 2016/17 Proposed Budget \$449,060,429

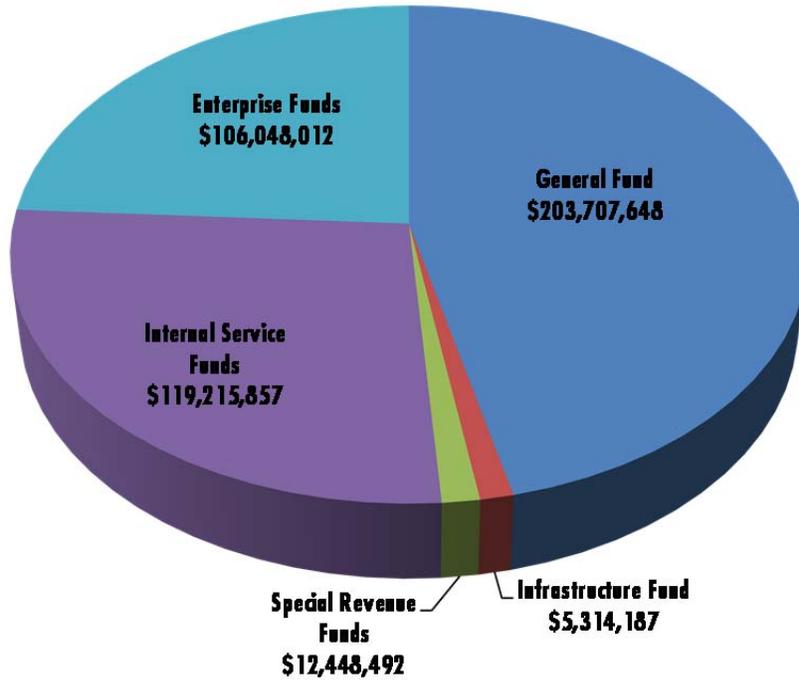


General Fund Revenues and Transfers In FY2016/17 Proposed Budget \$222,202,576

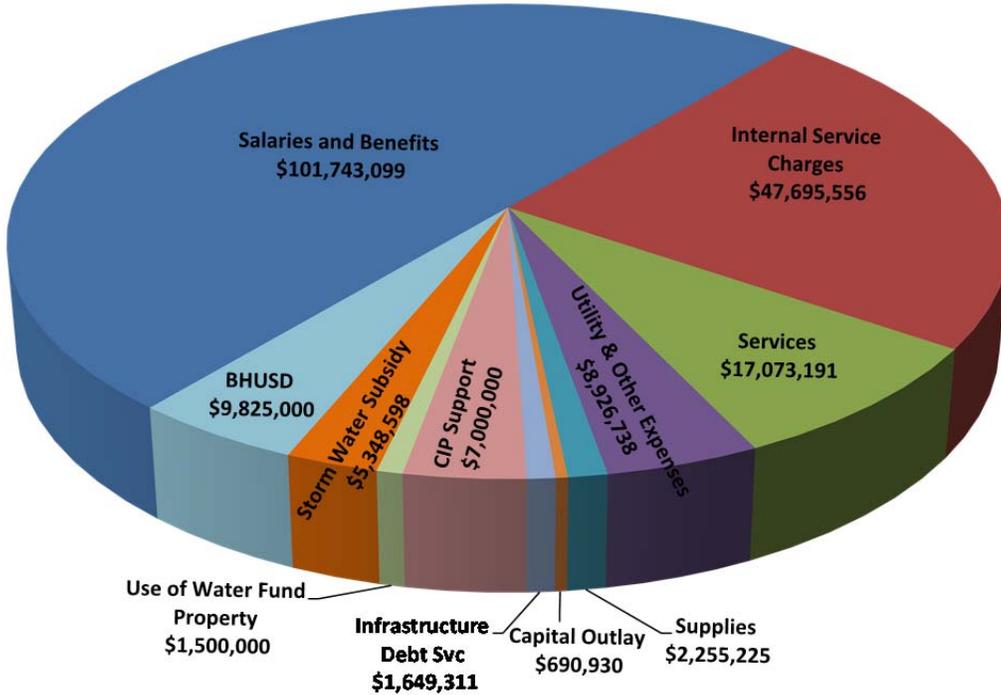


BUDGET SUMMARIES

Expenditures and Transfers Out By Fund Type FY 2016/17 Proposed Budget \$440,296,213

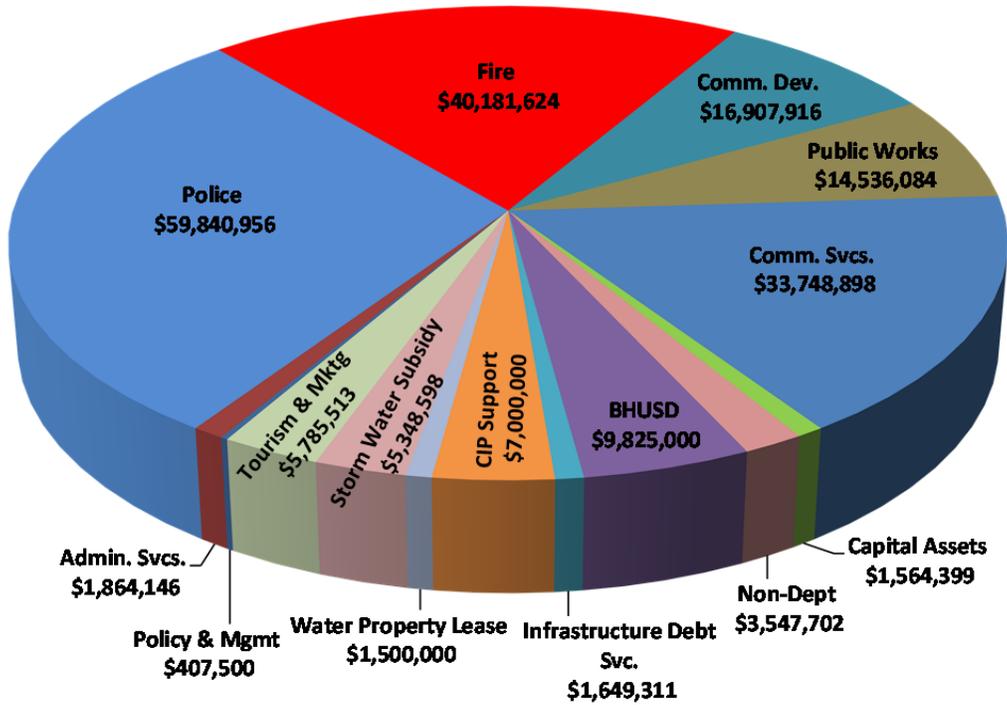


General Fund Expenditures and Transfers Out By Category FY2016/17 Proposed Budget \$203,707,648



BUDGET SUMMARIES

General Fund Expenditures and Transfers By Department FY2016/17 Proposed Budget \$203,707,647

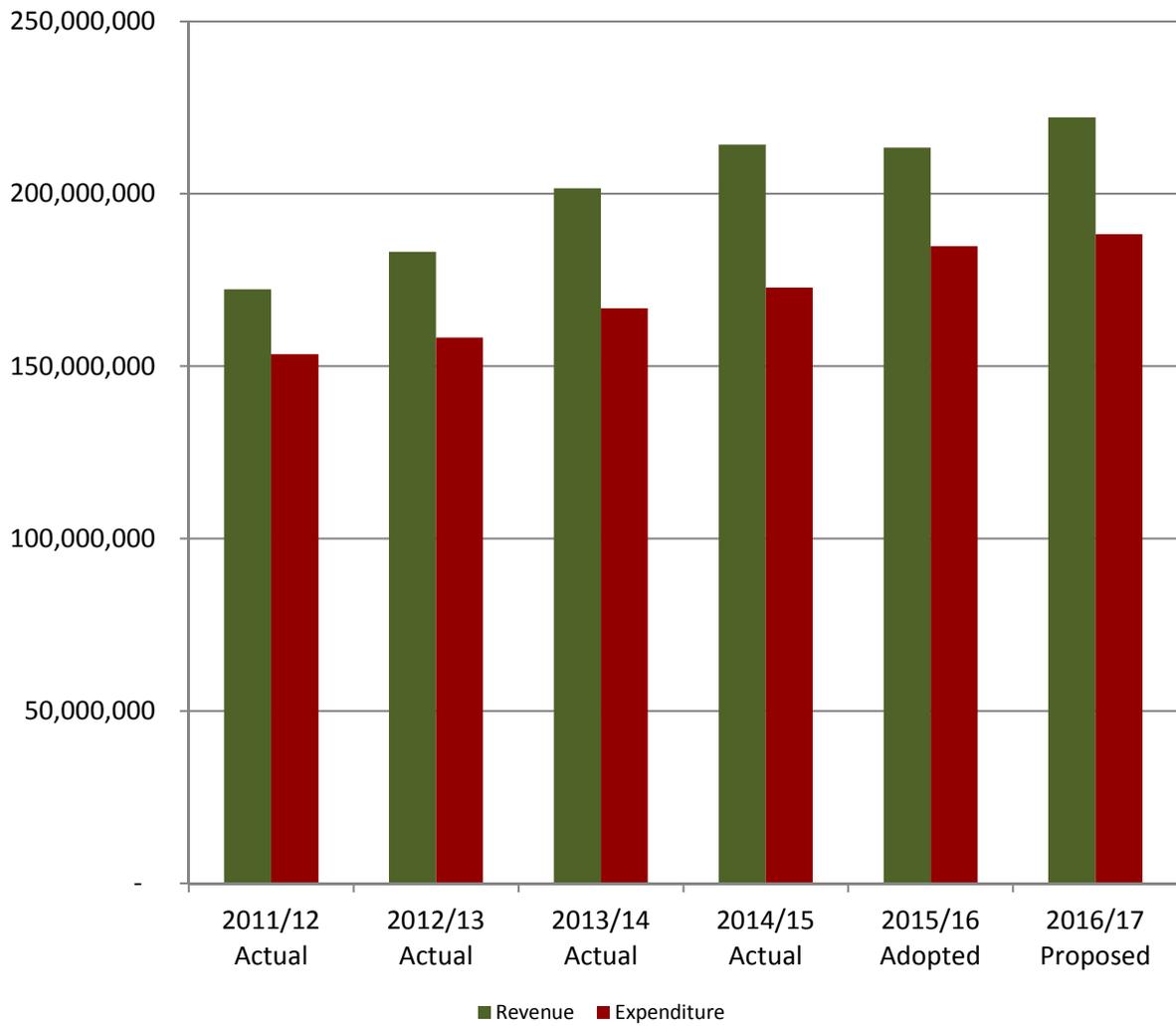


Five Year General Fund Forecast

	2015/16 Year-End Projection	2016/17 Proposed Budget	2017 / 2018 Forecast	2018 / 2019 Forecast	2019 / 2020 Forecast	2020 / 2021 Forecast
Revenues						
Property Tax	52,000,000	58,015,000	59,755,500	61,846,900	63,702,300	65,486,000
Sales Tax	34,000,000	34,100,000	34,100,000	35,395,800	36,634,700	37,916,900
Transient Occupancy Tax (TOT)	38,000,000	39,140,000	39,140,000	41,488,400	43,562,800	45,305,300
Business Tax	45,000,000	45,500,000	47,229,000	49,023,700	50,739,500	52,515,400
Other Taxes	1,470,000	1,300,000	1,339,000	1,385,900	1,427,500	1,467,500
Subventions and Grants	4,383,000	625,000	631,300	637,600	644,000	650,400
Licenses and Permits	17,860,000	18,122,599	18,448,800	18,817,800	19,194,200	19,578,100
Fines and Penalties	7,400,000	7,430,978	7,564,700	7,716,000	7,870,300	8,027,700
Use of Money and Property	5,300,000	5,517,505	5,627,900	5,751,700	5,889,700	6,042,800
Charges for Current Services	11,500,000	11,246,701	11,449,100	11,678,100	11,911,700	12,149,900
Internal Service Fund Receipts	-	-	-	-	-	-
Miscellaneous Revenues	960,000	1,186,793	1,186,800	1,231,900	1,275,000	1,319,600
	<u>217,873,000</u>	<u>222,184,576</u>	<u>226,472,100</u>	<u>234,973,800</u>	<u>242,851,700</u>	<u>250,459,600</u>
Expenditures						
Salaries and Benefits	92,575,000	101,743,099	104,795,392	108,253,600	112,042,500	116,300,100
Materials and Supplies	2,200,000	2,255,225	2,295,819	2,341,700	2,395,600	2,460,300
Services (less Tourism)	20,727,763	21,112,678	21,492,706	21,922,600	22,426,800	23,032,300
Capital Outlay	500,000	690,930	703,367	717,400	733,900	753,700
Internal Services	55,236,504	47,695,556	49,269,509	51,092,500	52,778,600	54,520,300
Other Expenses	3,900,000	8,926,738	9,328,441	9,794,900	10,284,600	10,798,800
Tourism & Economic Development	6,282,737	5,785,513	5,591,429	5,926,914	6,223,257	6,472,186
Total	<u>181,422,004</u>	<u>188,209,739</u>	<u>193,476,663</u>	<u>200,049,614</u>	<u>206,885,257</u>	<u>214,337,686</u>
Budget Surplus/(Deficit)	36,450,996	33,974,837	32,995,437	34,924,186	35,966,443	36,121,914
Transfer In	106,000	18,000	6,000	6,000	6,000	6,000
Transfers Out	13,015,759	15,497,909	16,827,867	18,184,425	19,568,113	19,959,475
Change in Fund Balance	<u>23,541,237</u>	<u>18,494,928</u>	<u>16,173,570</u>	<u>16,745,761</u>	<u>16,404,330</u>	<u>16,168,439</u>

Five Year Historical General Fund Revenues and Expenditures

FY 2011/12 through FY 2016/17 (Proposed)



FY 2016/17 Proposed Budget

Breakdown of Citywide Salaries and Benefits Expense

	<i>Miscellaneous</i>	<i>Safety</i>	<i>Total</i>
<i>Base Salary</i>	52,072,507.42	25,902,655.70	77,975,163.12
<i>Differential / Special Pays</i>	319,366.00	3,407,025.00	3,726,391.00
<i>Bonus / Pay for Performance</i>	500,200.00	-	500,200.00
<i>Overtime</i>	1,061,469.00	7,075,647.00	8,137,116.00
<i>Other</i>	3,917,456.88	5,291,099.29	9,208,556.17
<i>Retirement</i>	10,069,230.00	12,557,290.00	22,626,520.00
<i>Benefits</i>	14,179,515.00	5,369,411.00	19,548,926.00
 <i>Total</i>	 82,119,744.30	 59,603,127.99	 141,722,872.29

	<i>Miscellaneous</i>	<i>Safety</i>	
<i>Full Time FTEs</i>	535	218	753
<i>Part Time FTEs</i>	182	0	182
<i>Total</i>	<u>717</u>	<u>218</u>	<u>935</u>

Descriptions

Base salary is normal salary or hourly pay without differentials, special pay, bonuses or other additions.

Differential / Special pay is additional pay for particular knowledge, experience, credentials or assignments. Examples include: college degree pay, emergency medical technician pay, SWAT pay, urban search & rescue pay, motorcycle pay, canine pay, shift differential pay, and special certification pay.

Bonus / Pay for Performance is for high performing executive, management and professional employees.

Overtime is pay for nonexempt employees exceeding 80 hours of work in a two week pay period.

Other includes workers compensation insurance, Medicare payments, unemployment insurance and unused leave cash outs.

Retirement includes Public Employees retirement System payments, Public Agency Retirement Service payments in lieu of social security payments for part-time employees.

Benefits includes medical, dental, vision and life insurances, deferred compensation, and cash out in lieu of benefits.

**FY 2016/17 Adopted Budget
Position Summary by Department**

DEPARTMENT	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>
	Full-Time Equivalents (FTE)	Full-Time Equivalents (FTE)	Full-Time Equivalents (FTE)
010 - Policy and Management	18.7	18.7	18.2
070 - City Clerk	5	5	5
110 - Administrative Services	50.2	50.1	49.9
170 - Police Department			
Sworn	127.00	132.00	133.00
Non-Sworn	<u>72.8</u>	<u>68.3</u>	<u>69.3</u>
	199.8	200.3	202.3
200 - Fire Department			
Sworn	85.00	85.00	85.00
Non-Sworn	<u>10.8</u>	<u>11.8</u>	<u>11.8</u>
	95.8	96.8	96.8
270 - Community Development	58	66	65
310 - Information Technology	32.1	35.4	35.4
350 - Public Works Services	259.4	264.7	265.3
360 - Capital Assets	18	21	21
400 - Community Services	<u>173.8</u>	<u>177.6</u>	<u>175.8</u>
TOTAL POSITIONS	<u>910.6</u>	<u>935.3</u>	<u>934.6</u>

Policy and Management

Department Mission

Policy and Management provides overall direction and support to eight City departments for the implementation of City Council policy. Through strong leadership, strategic vision and professional management, the Department ensures that City initiatives and operations are cost efficient and effective. The Department sets the highest standard for the development, coordination, and implementation of municipal programs to meet the short and long-term needs of the community.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	18.20	18.20	18.20

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	7,020,900	7,332,029	7,135,456	-2.7%
Total Expenses	6,428,413	7,042,612	7,098,572	0.8%

Policy and Management Programs

City Council and Administrative Support

Economic Sustainability

Emergency Management

Communications and Marketing

Equipment Replacement

City Attorney

Department Mission

The mission of the City Attorney's Office is to provide high quality legal services for the City Council, City officials, departments, boards, and commissions in the conduct of City business; to represent the City before judicial and administrative proceedings; and to prosecute Municipal Code violations occurring in the City.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	0.00*	0.00*	0.00*

*Employees of contracted legal firms staff the City Attorney's Office.

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	3,205,778	2,650,635	2,640,850	-0.4%
Total Expenses	2,523,077	2,644,617	2,634,246	-0.4%

City Attorney Program

Legal Services

Equipment Replacement

City Clerk

Department Mission

The mission of the City Clerk's office is to administer the democratic processes of the City of Beverly Hills such as the municipal elections, City Council meetings, City records and all legislative actions ensuring transparency to the public in an ethical, professional and impartial manner.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	5.00	5.00	5.00

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	1,783,645	1,889,288	1,721,943	-8.8%
Total Expenses	1,672,241	1,879,357	1,773,865	-5.6%

City Clerk Programs

Administration

Records Management

Municipal Elections

Public Records Requests

Public Meetings and Hearings

Equipment Replacement

Administrative Services

Department Mission

The Administrative Services Department consists of Budget, Finance, Human Resources, and Risk Management. The mission of Administrative Services is to provide efficient and professional services of the highest quality to all City departments, employees, and members of the general public.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	50.22	50.22	49.94

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	21,232,801	21,543,007	21,521,887	-0.1%
Total Expenses	24,040,510	23,068,160	22,880,412	-0.8%

Administrative Services Programs

ASD Administration

General Accounting

Human Resources

Purchasing

Risk Management

Equipment Replacement

Office of Management, Budget, and Revenue

Police Department

Department Mission

It is the mission of the Beverly Hills Police Department to provide superior law enforcement service, while making our community the safest place for all people to live, work and visit.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	189.83	200.33	202.33

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	5,930,917	2,890,877	2,814,977	-2.6%
Total Expenses	56,584,809	59,322,700	60,137,895	1.4%

Police Department Programs

Police Administration

Traffic Bureau

Community Relations

Emergency Services Bureau

Patrol Bureau

Police Personnel and Training

Police Support Services

Law Enforcement Grants and Special Revenues

Investigations

Equipment Replacement

Fire Department

Department Mission

Our Mission Statement: "The Beverly Hills Fire Department is dedicated to providing service with excellence for the preservation of life, property and environment."

The Fire Department strives to provide the highest quality all-risk emergency response to the Beverly Hills Community and its visitors at all times. From state-of-the-art pre-hospital emergency medical services, to fire suppression and prevention, to disaster response, whether man-made or environmental, the Beverly Hills Fire Department is staffed, trained, and equipped to mitigate all emergencies. Through pro-active inspections and safety education services, we work to make the community safe and avoid preventable loss.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	95.81	96.81	96.81

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	3,710,872	4,239,236	5,012,8221	18.2%
Total Expenses	35,854,203	37,630,285	40,410,600	7.4%

Fire Department Programs

Fire Administration

Emergency Medical Services - EMS

Fire Prevention

Fire Community Programs

Emergency Response Services

Equipment Replacement

Community Development

Department Mission

We guide development of the built environment to enhance and maintain quality of life.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	61.00	66.00	65.00

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	21,205,867	19,333,572	20,102,022	4.0%
Total Expense	15,646,135	18,736,183	18,581,644	-0.8%

Community Development Programs

CD Administration

Transportation Planning and Traffic Engineering

Planning

Community Preservation Services

Development Services

Equipment Replacement

Information Technology

Department Mission

The Information Technology Department will be recognized among municipalities as a premier provider of technology infrastructure and services. Our mission is to make information available anytime and anywhere.

The Department will be a leader among municipal information technology service providers. In partnership with City departments, the Information Technology Department will provide strategic vision for effective information systems. Accomplishment of this mission will facilitate knowledge sharing and will result in satisfied customers.

The Information Technology Department consists of three divisions: Information Technology, Cable Television, and Reprographics / Graphic Services.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	32.10	35.39	35.35

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	16,380,374	17,164,721	17,444,781	1.6%
Total Expenses	15,551,194	17,060,707	11,882,874	-30.3%

Information Technology Programs

Cable Television

Graphics / Reprographics

Information Technology

Equipment Replacement

Public Works Services

Department Mission

Our Mission Statement: We provide quality public works services for all who experience the world class City of Beverly Hills.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	259.35	264.74	265.34

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	124,551,493	124,161,926	120,093,568	-3.3%
Total Expenses	110,562,996	119,664,973	103,945,950	-13.1%

Public Works Services Programs

PW Administration

Fleet Services

Solid Waste

Parking Enforcement

Wastewater Disposal Services

Central Stores

Facilities Services

Street Maintenance

Clean Water Utility

Parking Meters

Water Supply & Distribution

Customer Service

Off-Street Parking Operations

Equipment Replacement

Capital Assets

Department Mission

The department's mission is to serve the City's residential and commercial communities by providing quality management of the City's Capital Assets with fiscal and environmental responsibility.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	17.80	20.80	20.80

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	6,406,650	8,023,282	7,953,222	-0.9%
Total Expense	5,932,700	7,684,058	7,817,707	1.7%

Capital Assets Programs

Capital Assets Administration

Real Estate and Property Management

Project Administration

Civil Engineering

Equipment Replacement

Community Services

Department Mission

The Community Services Department provides exceptional cultural, educational, recreational, and social services to enhance and maintain a high quality of life and attractive physical environment in the Beverly Hills community.

Department Personnel	FY 2014/15 Budget	FY 2015/16 Budget	FY 2016/17 Budget
Total Full Time Equivalents	173.83	177.56	175.84

Department Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	11,496,408	10,111,994	10,512,095	3.9%
Total Expenses	42,064,290	44,104,321	44,169,724	0.1%

Community Services Programs

Community Filming and Event Permits

Library

Urban Forest - Tree Maintenance

Community Services Administrative Support

Recreation

Human Services

Park Rangers

Equipment Replacement

Park Operations

Non-Departmental

The Non-Departmental budget unit exists to capture budgeted expenditures and revenues which do not belong to any one department. This area is used to provide for such expenditures as interns, bad debt, debt service, subway monitoring, City cost of City provided utilities, and depreciation expense. Salary provision is used in this area to provide funding for expected expense under the City's various labor agreements but for which the specific department is unknown at the time of budget adoption, such as retroactive pay and pay for performance.

Non-Departmental Budget	FY 2014/15 Actual	FY 2015/16 Adopted	FY 2016/17 Proposed	Percent Change
Total Revenues	210,930,212	209,436,347	216,330,897	3.3%
Total Expenses	52,846,376	38,488,235	36,082,752	-6.2%