

CITY OF RANCHO PALOS VERDES



FINANCE DEPARTMENT COMMUNITY PRESENTATION

Revised July 2014

Overview

- ▶ Governed by 5-Member City Council
- ▶ City Manager – carries out City Council policy and manages operations
- ▶ Contract City – outsource core services
- ▶ \$34 million annual budget



Information on the Web



- Budget – Full & Brief
- Audited Financial Statements
- Financial Management Policies
- Employee Compensation
- Long-Term Financial Plans
- Monthly Cash Reports
- Business License
- Fee Schedules
- Midyear Budget Status
- Bi-monthly Check Registers

Reporting to the Public

- ▶ Annual Budget
- ▶ Financial Statements
- ▶ Use of Storm Drain Fees
- ▶ Five-Year Modeling
- ▶ Biannual Budget Status
- ▶ Monthly Cash & Investments
- ▶ Weekly Current Issues
- ▶ Upon Request

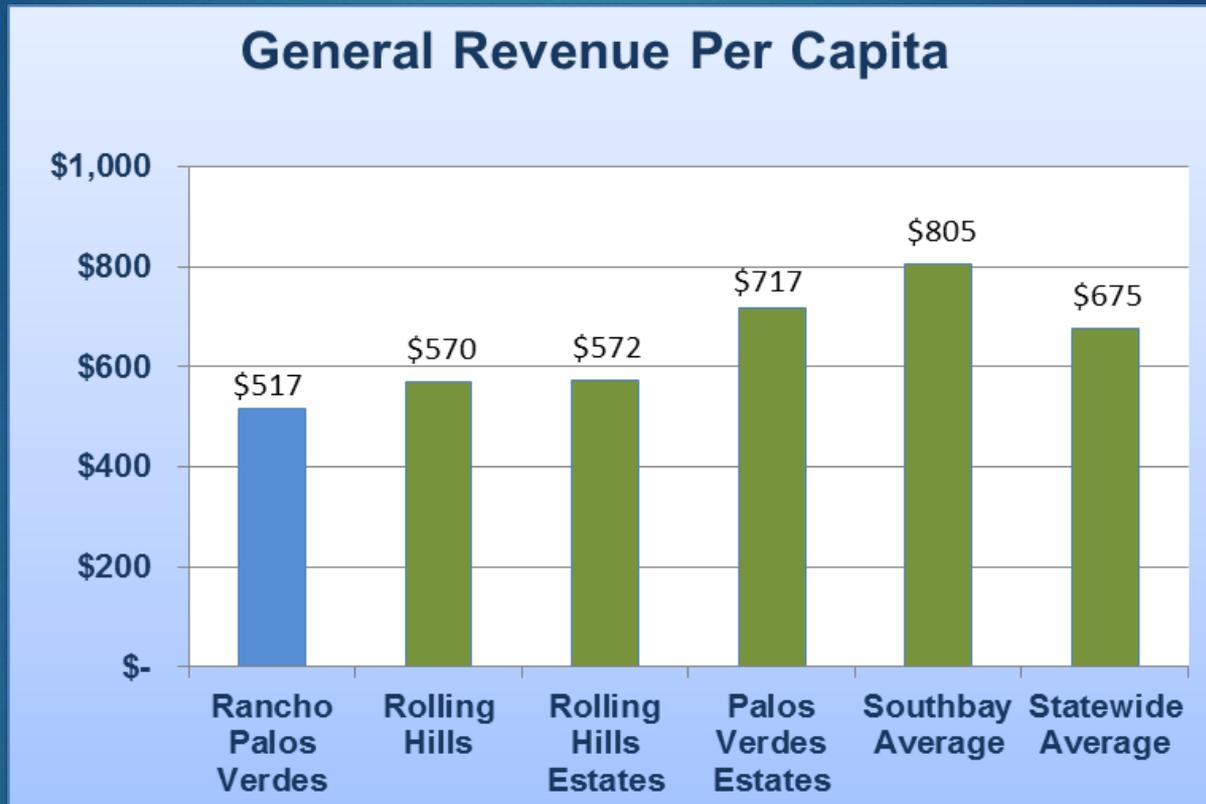




Civic Engagement

- ▶ Citizen Committees appointed by the City Council
 - ▶ Finance Advisory Committee
 - Reviews annual Five-Year Financial Model, studies employee pension plan and infrastructure funding, makes recommendations to City Council
 - ▶ Storm Drain Oversight Committee
 - Reviews use of storm drain user fees & annual five-year spending plan, and makes recommendation to City Council for annual user fee rate
- ▶ Public Comment at all public meetings
- ▶ Email us with your thoughts and ideas anytime!

Benchmarking

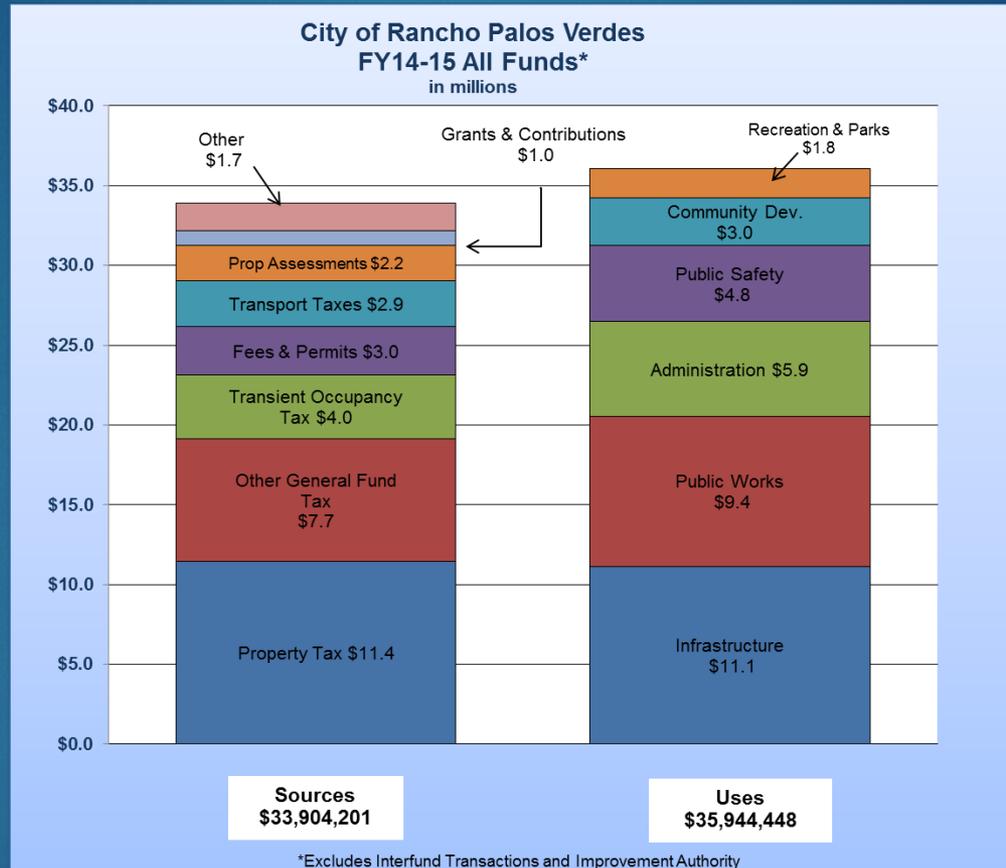


comparable information published by California State Controller
most recent data 2011-12

Financial Planning



City Resources & Uses



Balanced Budget

Includes \$2 million planned spending from accumulated balances for infrastructure

Property Tax

- ▶ Property tax bill includes 1% general levy, plus special assessments
- ▶ City receives
 - ▶ About 6% of the 1% general levy
 - ▶ \$51 average per parcel for landscaping & lighting maintenance districts
 - ▶ \$97 per equivalent residential unit for storm drain user fee



Other Taxes



\$1 of sales tax for a
\$100 meal in RPV



10% TOT for hotel room charges



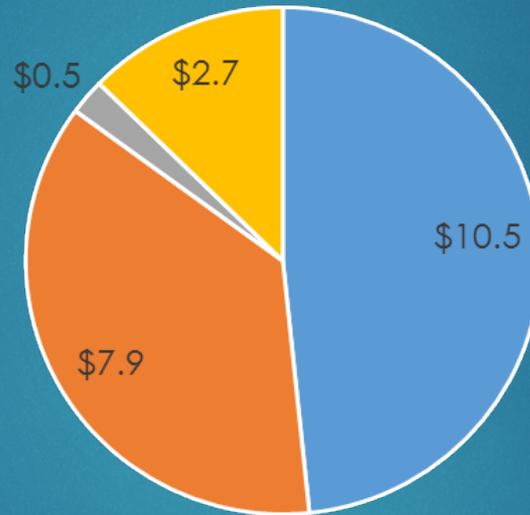
7 cents of tax for
each \$4 gallon



Average \$176 annually per
household for utility users' tax

Reserves

Total of \$21.6 million not legally mandated
(complies with City Council Policy)



□ General Fund Rainy Day

□ Capital Improvement Projects

□ Street Maintenance

□ Equipment & Building Replacement

Challenges

- ▶ Public confidence in government is low
- ▶ Significant infrastructure needs
 - ▶ Dedicated fee for storm drain repairs sunsets in 2016
 - ▶ Insufficient dedicated funding for street repair, subsidies compete with other services for General Fund money
 - ▶ Landslide stabilization
 - ▶ Aged public facilities
 - ▶ At least \$28 million of infrastructure projects not funded
- ▶ Unfunded employee pension obligation
 - ▶ \$7.9 million market value at June 30, 2012

Solutions

- ▶ Public outreach
- ▶ Smart infrastructure planning
 - ▶ Obtain input from newly formed Infrastructure Management Advisory Committee
 - ▶ Prepare long-term Infrastructure Management Plan
 - Proactive projects are less expensive than Reactive projects
 - Looks for ways to bundle projects to improve economies of scale
 - ▶ Ask voters to extend storm drain user fee?





Fiscal Health

"Compared with other cities, both locally and across the state, the City of Rancho Palos Verdes has a stable economy and an efficient government which have largely been unaffected by the state's budget problems or the recent dissolution of redevelopment agencies. The establishment of the Terranea resort has added an important element to our tax base and the City's conservative financial philosophy has produced healthy reserve levels, a balanced budget and no debt. These are strong indicators of fiscal health."

– Rancho Palos Verdes Finance Advisory Committee

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Questions?

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