City of Rolling Hills INCORPORATED JANUARY 24, 1957

NO. 2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
FAX (310) 377-7288

AGENDA
Finance/Budget/Audit Meeting

FINANCE/BUDGET/AUDIT COMMITTEE
Wednesday, May 19, 2021

CITY OF ROLLING HILLS
4:30 PM

This meeting is held pursuant to Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020.

All Finance Committee Members will participate by teleconference. The meeting agenda is available on the City's website.
Members of the public may observe and orally participate in the meeting via Zoom and or submit written comments in real- time by emailing the City Clerk's office at cityclerk@cityofrh.net. Your comments will become part of the official meeting record. You must provide your full name, but please do not provide any other personal information that you do not want to be published.
Join Zoom Meeting

https://us02web.zoom.us/j/81645083903?pwd=MmEzR21hNU50MDZoNGlrSkNzKzVBdz09 or

Call (669) 900-9128
Meeting ID: 816 4508 3903 Passcode: 589441
Please contact the City Clerk at 310 377-1521 or email at cityclerk@cityofrh.net for assistance.

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1. ITEMS FOR DISCUSSION

1.A. FEES/CHARGES
RECOMMENDATION: It is requested that members of the City Council Finance/Budget Committee consider recommended changes to the City's Consolidated Tax and Fee Schedule. A change in the Schedule will require an update to Resolution 1241.

2019-2020_Consolidated_Tax_and_Fee_Schedule.pdf

1.B. INVESTMENT POLICY, FINANCIAL, BUDGET AND DEBT POLICIES AND RESOLUTION NO. 953 - ASSET CAPITALIZATION POLICY.
RECOMMENDATION:

It is recommended the City Council Finance/Budget Committee review and confirm

the Investment Policy, the Financial, Budget and Debt Policies, with changes as recommended and Resolution No. 953 – Asset Capitalization Policies as presented.

AssetCapitalization_Policy_Resolution No. 953.pdf
Financial_Policies.pdf
Investment_Policy.pdf
Rolling Hills 1 year extension FY 2021.pdf

1.C. FY21-22 PROPOSED BUDGET.
RECOMMENDATION:

It is recommended that the City Council Finance/Budget/Audit Committee review the draft proposed Fiscal Year 2021/22 Budget for the General Fund and provide staff with comments and direction. With the Committee's input, the budget documents will be finalized for presentation to the City Council at its Budget Workshop meeting on May 24, 2021.

CIP_3Years_2021-May-16.pdf
FY_21-22_Proposed_Budget-1.pdf

2. PUBLIC COMMENT

3. ADJOURNMENT

Notice:

Pursuant to the Brown Act, no action will take place on any items not on the agenda. This is the appropriate time for members of the public to make comments regarding items listed on this agenda.

Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for your review of this agenda and attendance at this meeting.

Agenda Item No.: 1.A
Mtg. Date: 05/19/2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: TERRY SHEA, FINANCE DIRECTOR

THRU: ELAINE JENG P.E., CITY MANAGER

SUBJECT: FEES/CHARGES

DATE: May 19, 2021

BACKGROUND:

Annually, staff provides the Finance/Budget Committee and City Council with information for consideration to adjust City's current fees and charges. As such, staff is proposing the following changes to the Consolidated Tax and Fee Schedule for FY 2021/22.

- Increase Construction and Demolition permit fee from $100 (single project permit) to $150 and collect a deposit of $1,000 from applicant at the time of permit issuance, up from the current deposit amount of $750. The deposit will be returned to applicant upon the submittal of waste diversion report from applicant.
- Wireless application Fee of $1,000. There is no current fee associated with the Wireless Application, however between staff time, advertising and mailings there is approximately $1,000 of City costs.

No other fees and charges are proposed for next fiscal year.

DISCUSSION:
See above.

FISCAL IMPACT:
Depending on changes and level of activity for proposed Fee increases.

RECOMMENDATION:

The Committee's recommendations will be forwarded to the City Council for review. The Implementation of new fees or an adjustment to any existing fees will require public hearing. If a public hearing for modifications to the Schedule of Fees and Charges is desired by the City Council, staff will proceed to schedule the public hearing.

ATTACHMENTS:
2019-2020_Consolidated_Tax_and_Fee_Schedule.pdf

CITY OF ROLLING HILLS
CONSOLIDATED TAX, FEE AND FINE SCHEDULE
for FISCAL YEAR 2019/20

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
TAXES			
Real Property Transfer Tax	Property value exceeds $100,000 - a tax at the rate of 27.5 cents for each five hundred dollars or fractional part thereof.	Ordinance No. 72	December 11, 1967
Cable Television Franchise	2.50% of gross annual receipts	Resolution No. 823	July 28, 1997
BUILDING AND SAFETY PERMITS			
BUILDING, PLUMBING, MECHANICAL, AND ELECTRICAL PERMITS (LA COUNTY)		Resolution No. 496	August 23, 1982
Building Permit	Two and one quarter the amount set forth in the LA County Building Code for each fee.	Resolution No. 1226	July 9, 2018
Plumbing Permit	Two and one quarter times the amount set forth in the LA County Plumbing Code for each fee.		
Mechanical Permit	Two and one quarter times the amount set forth in the LA County Mechanical Code for each fee.		
Electrical Permit	Two and one quarter times the amount set forth in the LA County Electrical Code for each fee.		
Park & Recreation Fund Fee	New residential dwelling - 2% of the first $100,00 of construction valuation, plus 0.25% of such valuation over $100,000	Resolution No. 1206	May 22, 2017
Solar and Photovoltaic Systems and Appurtenant Equipment	The amount set forth in the Los Angeles Cour Bulding and Electrical Codes for each fee, table and schedule therein, plus $60.11 City administrative fee.	Resolution No. 1064	July 13, 2009
GEOTECHNICAL FEES	0.42% of the valuation of the proposed structu Minimum charge - $535 Maximum charge - $3,588	Resolution No. 931	April 14, 2003
PERMITTING PROCESS THROUGH A CITY APPROVED CONSULTANT			
Building, Plumbing, Mechanical, and Electrical	25% surcharge on Los Angeles County Department of Building and Safety fees	Resolution No. 1034	February 11, 2008
Solar and Photovoltaic Systems and Appurtenant Equipment	25% surcharge on Los Angeles County Department of Building and Safety fees, plus $60.11 City administrative fee	Resolution No. 1064	July 13, 2009
PLANNING, ZONING AND SUBDIVISIONS		Resolution No. 691	September 28, 1992
Conditional Use Permits	$1,500		
Site Plan Review	$1,500		
Variance	$1,250		
Variance, Minor	$750		
Discretionary Approval Modification	2/3 of original application fee		
Zone Change	$2,000		
Zoning Amendment	$2,000		
General Plan Amendment	$2,000		
Lot Line Adjustment	$1,500, plus county fee		
Tentative Parcel Map	$1,500 and county fees plus 20%		
Tentative Tract Map	$1,500 and county fees plus 20%		

CITY OF ROLLING HILLS
CONSOLIDATED TAX, FEE AND FINE SCHEDULE
for FISCAL YEAR 2019/20

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
Appeal Fee	2/3 of original application fee		
Appeal of Zone Clerance	$375	Resolution No. 1149	July 22, 2013
Environmental Impact Report	City consultant fee plus 10%	Resolution No. 1206	May 22,2017
Extension of Time	$200	Resolution No. 1149	July 22, 2013
Final Parcel or Tract Map	County fees	Resolution No. 1206	May 22, 2017
County Clerk Processing Fee	County fee	Resolution No. 1149	July 22, 2013
Multiple Discretionary Reviews	Most expensive fee for the first review and 1/2 of the fee for the second review. No fee for third or more reviews	Resolution No. 1060	May 11, 2009
Accessory Dwelling Unit Appl. Processing Fee	$375	Resolution No. 2120	February 12, 2018
Stable Use Permit	$375	Resolution No. 1149	July 22, 2013
Major Remodel Review	$375	Resolution No. 1149	July 22, 2013
Lighting Ordinance Modification	$375	Resolution No. 1206	May 22, 2017
Outdoor Lighting Audit	$150	Resolution No. 1149	July 22, 2013
City Council and Planning Commission Intrepretation and Misc. Reviews	$375 - fee to be credited if results in filing of forml application to the Citry Council or Planning Commission	Resolution No. 1149	July 22, 2013
Environmental Review fees for Discretionary Permits			
Preparation and Staff Review of Initial Study	$200	Resolution No. 1119	April 23, 2012
Preparation of Negative Declaration or Mitigated Negative Declaration	$50 plus fee charged by the CA Dept. of Fish and Game, if applicable, as adjusted annually	Resolution No. 1206	May 22, 2017
Service Request	County fees plus 20%	Resolution No. 1119	April 23, 2012
Construction and Demolition Waste Permit	$100 single project permit/ $750 deposit, refundable upon submittal of Certificate of Compliance	Resolution No. 1060	June 24, 2019
ADDITIONAL PROCESSING FEE		Resolution No. 854	January 25, 1999
Planning & Zoning Applications involving illega	Administrative Fee $1,500	Resolution No. 1206	May 22, 2017
or "as built" structures or grading that require	Stop Work Order $200	Resolution No. 1060	May 11, 2009
Planning Commission review.			
TRAFFIC COMMISSION REVIEW		Resolution No. 691	September 28, 1992
New driveways or other traffic related items	$300		
VIEW IMPAIRMENT		Resolution No. 1119	April 23, 2012
Review by Committee on Trees and Views Processing fee	$2,000		
Environmental Review Fees			
Preparation and Staff Review of Initial Study	$200		
Preparation of Negative Declaration or Mitigated Negative Declaration	$50 plus fee charged by the CA Dept. of Fish and Game, if applicable, as adjusted annually		
GENERAL ADMINISTRATION - PROCESSING FEES		Resolution No. 691	September 28, 1992
General Plan	$30		
Zoning Code	$25		
Budget	$30		
Zoning Map	$3		
Xeroxed Copies, each page	$0.25		

CITY OF ROLLING HILLS
CONSOLIDATED TAX, FEE AND FINE SCHEDULE
for FISCAL YEAR 2019/20

ITEM	FEES	CODE/RESO NO.	DATE ADOPTED
Subdivision Code	$25		
FALSE ALARM		Resolution No. 1119	April 23, 2012
Fee for 1st incident involving a false alarm is waived			
2nd	$50		
3rd	$100		
4th	$150		
5th	$200		
6th	$250		
BAIL/FINE SCHEDULE FOR VEHICLE AND TRAFFIC VIOLATIONS		Resolution No. 791	August 12, 1996
	As set forth in Bail/Fine Schedule for	Resolution No. 799	October 28, 1996
	Title 10 Violations,.	Resolution No. 824	July 28, 1997
		Resolution No. 1072	September 14, 2009
		Resolution No. 1101	January 10, 2011
PARKING VIOLATION/CITATION PENALTY SCHEDULE		Resolution No. 717	November 22, 1993
	Pursuant to California Vehicle Code Section	Resolution No. 740	May 9, 1994
	40203.5 and 40225	Resolution No. 824	July 28, 1997
FINE SCHEDLE FOR ADMINISTRATIVE CITATIONS			
Social Host Liability (RHMC Chapter 9.58)		Resolution No. 1206	May 22,2017
1st Volation	$2,500		
2nd Violation within one year of first	$5,000		
Each add'l violation within one year of first	$7,500		
DOG/CAT LICENSE FEES		Resolution No. 527	April 23, 1984
Dog, unaltered	$18		
Dog, spayed/neutered with Certificate of Sterility	$9		
Metallic dog tag	$5		
Penalty for not renewing license	$25		
Duplicate dog tag	$5		
Transfer fee	$3		
Appeal fee	$40		
Cat, unaltered, lifetime (optional)	$10		
Cat, spayed/neutered, lifetime (optional) with Certificate of Sterility	$5		
QUIMBY ACT FEES FOR SUBDIVISIONS	Park in-lieu fees and/or dedication of land when subdividing property.	Municipal Code Section 16.28.150	March 2005
SOLID WASTE COLLECTION FEES	FY 2017/18 Annual Fee - $1,100 *	Resolution No. 1051	January 12, 2009
PERMITS RELATIVE TO EXTRA LARGE VEHICLES ACCESSING THE CITY		Resolution No. 637	March 25, 1991
	$75 per vehicle (The City does not collect this fee.)		

** Solid Waste Collection Fee last updated 7/1/14 for FY 14/15 (City absorbed CPI increase for FY15/16, FY16/17, FY17/18, FY 18/19 and FY 19/20)*

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 1.B
Mtg. Date: 05/19/2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CONNIE VIRAMONTES , ADMINISTRATIVE ASSISTANT

THRU: ELAINE JENG P.E., CITY MANAGER

SUBJECT: INVESTMENT POLICY, FINANCIAL, BUDGET AND DEBT POLICIES AND RESOLUTION NO. 953 - ASSET CAPITALIZATION POLICY.

DATE: May 19, 2021

BACKGROUND:
As a component of the City's annual financial audit, the City auditor is asked to review the City's financial policies consisting of the Investment Policy, the Financial, Budget and Debt Policies and Asset Capitalization Policy. By law, according to the auditor, and as a best management practice the City Council is also required to annually review the City's Investment Policy.

DISCUSSION:

The City's auditors reviewed the Policies as listed above during the FY 2019/20 audit and did not recommend any changes. Staff has reviewed the City's Investment Policy and we are in compliance with the California Government Code Section 53600, and we are not recommending any changes to the Investment Policy at this time.

Staff has reviewed the Financial, Budget and Debt Policies and we are not recommending any changes at this time to the Financial, Budget, and Debt Policies.

In 2019 the Policy was amended for the selection of independent external auditors requiring the City to go out for competitive bidding every six years beginning with the Fiscal Year 2021-22. However, out current contract with Lance, Soll & Lunghard, LLC expired with the Fiscal Year 2019-20 audit. Staff would like to extend the Contract for one year for the Fiscal Year 2020-21 audit and then go out for competitive bid.

Staff is not recommending any changes to the Asset Capitalization Policy for FY 2020-21 currently.

FISCAL IMPACT:

There is no fiscal impact upon the City with review and confirmation of the City's financial policies as presented. The Fiscal Year 2019-20 Audit Fees were $17,120 and LSL has proposed a fee of $17,623 for the FY 2020-21 Audit.

RECOMMENDATION:

It is recommended the City Council Finance/Budget Committee confirm the Investment Policy, the Financial, Budget and Debt Policies, and Resolution No 953 – Asset Capitalization Policy as presented or direct staff accordingly. In addition authorize staff to enter into a one year contract with Lance Soll Lunghard, LLC for the FY 2020-21 Audit for $17,623.

ATTACHMENTS:
AssetCapitalization_Policy_Resolution No. 953.pdf
Financial_Policies.pdf
Investment_Policy.pdf
Rolling Hills 1 year extension FY 2021.pdf

RESOLUTION NO. 953

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTABLISHING AN ASSET CAPITALIZATION POLICY

WHEREAS, Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, requires State and Local Government to include the original cost of fixed assets in the statement of net assets as part of the government-wide financial statements; and

WHEREAS, an asset capitalization policy is necessary to establish a reasonable capitalization threshold for all types of assets and this policy should facilitate depreciating those assets over their estimated useful lives; and

WHEREAS, a capitalization threshold is the monetary part of the criteria by which an organization determines whether an asset should be reported on the balance sheet; and

WHEREAS, the Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local and Indian Tribal Governments, Attachment B, section 19(a)(2) and 19(d) allows property costing up to $5,000 to be charged to federal grants as supplies, rather than capital outlay without specific awarding agency approval; and

WHEREAS, depreciation represents the recognition of the cost of an asset over time, by calculating its estimated loss in value during each accounting period; and

WHEREAS, GASB Statement No. 34 allows local government to use any established depreciation method;

NOW, THEREFORE, BE IT RESOLVED that in accordance with GASB Statement No. 34, the City of Rolling Hills Finance Department will:

- Capitalize all assets purchased which have a normal life of at least one year with a per-unit cost of $5,000 or more; and
- Capitalize all site and building improvements with a cost of $5,000 or more; and
- Utilize the straight-line method of depreciation over the estimated useful life for all classes of assets.

PASSED, APPROVED AND ADOPTED THIS 28th DAY OF JUNE, 2004.

THOMAS HEINSHEIMER
MAYOR

ATTEST:

Marilyn Kern
MARILYN KERN, DEPUTY CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §§
CITY OF ROLLING HILLS))

I certify that the foregoing Resolution No. 953 entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ESTABLISHING AN ASSET CAPITALIZATION POLICY

was approved and adopted at a regular meeting of the City Council on June 28, 2004, by the following roll call vote:

AYES: Councilmembers Black, Hill, Lay, Mayor Pro Tem Pernell and Mayor Heinsheimer.

NOES: None.

ABSENT: None.

ABSTAIN: None.

and in compliance with the laws of California was posted at the following:

Administrative Offices

DEPUTY CITY CLERK

CITY OF ROLLING HILLS	ADMINISTRATIVE POLICY/PROCEDURES
FINANCIAL, BUDGET AND DEBT POLICIES	
Original Version Effective: 09/24/2007	*See end of document for complete policy history.*
Current Version Effective: 05/11/2020	

Policy Framework:

The purpose of the Financial, Budget and Debt Policies is to guide the City Council and other City officials in developing sustainable, balanced budgets and managing the City's finances in a prudent manner consistent with best practices. The City's commitment to adopting and operating within a balanced budget is a core financial value and policy of the City.

The City of Rolling Hills Financial Policies represents the City's framework for planning and management of the City's fiscal resources. Adherence to the Financial Policies promote sound financial management which can lead to unqualified annual audits, provide assurance to the taxpayers that tax dollars are being collected and spent per City Council direction and provide a minimum of unexpected impacts upon taxpayers and users of public services.

The City Council Finance / Budget Committee shall serve as the City's audit committee for the purpose of recommending the selection of an auditor to the City Council, meeting with the City Auditor, reviewing the annual audit and necessary financial statements, responding to conflicts between management and the auditor and responding to fraudulent activities. The City Council will conduct a competitive process for the selection of the independent external auditor every 6 years to be in conformance with California Government Code Section 12410.6. (b). commencing for Fiscal Year 2021-22. Any non- audit work performed by the independent external auditor, if allowed, will be done under a separate contract approved by the City Council.

The City Manager shall be responsible for developing and, as appropriate, implementing and managing these policies as well as subsidiary policies that execute the City's Financial Policies.

The City's Financial Policies shall be in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

1. Financial Reporting Entity:

The City of Rolling Hills was incorporated in 1957 under the general laws of the State of California. The City operates under the Council-Manager form of government. The City Council consists of five members elected at large for overlapping four-year terms. The Mayor and Mayor Pro-Tem are selected from the City Council members and serve a one-year term. The City Council appoints a City Manager, City Attorney and City Treasurer. In addition, the City Council appoints the members of advisory Commissions and Committees.

The City, directly or by contract, provides municipal services as authorized by statute. Services provided include:

- Public safety through the Los Angeles County Sheriff and Fire Department
- Refuse collection by contract with a private hauler
- Water through California Water Service Company

- Sewer through Los Angeles County Sanitation Districts
- Recreation
- Public improvements
- Planning and zoning
- General administrative and support services

2. <u>Financial Reporting Policies</u>:

The City's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). Further, the City will make every attempt to implement all changes to governmental accounting practices at the earliest practical time.

- The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughly with detail sufficient to minimize ambiguity and potential for misleading interferences.

- An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the City's published Comprehensive Annual Financial Report.

- The City's budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends, and resource choices.

- The City shall evaluate the fiscal impact of proposed changes in employee benefits to be provided. Prior to assuming liability for expanded benefits, a viable funding plan with estimates of long term impacts shall be incorporated into the analysis.

- The City shall endeavor to avoid committing to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications is completed.

- The City shall endeavor to maintain cash reserves sufficient to fully fund the next present value of accruing liabilities, obligations to employees for vested payroll and benefits and similar obligations as they are incurred.

- The City shall prepare and present to the City Council monthly interim revenue and expenditure reports and a Mid-Year Review to allow evaluation of potential discrepancies from budget assumptions.

3. <u>Internal Control Accounting Policies:</u>

To provide a reasonable basis for making management's required representations concerning the finances of the City.

- Accounting Records – Maintain accounting records in accordance with Generally Accepted Accounting Principles (GAAP).

- Monthly Posting – Post a monthly record, which maintains each month's activities separate and distinct from another month's work. This provides visibility in locating errors and fixing corrections. Accounting ledgers will be reviewed and reconciled on a monthly basis to supporting documentation – Cash Receipts, Accounts Payable, Payroll and Monthly Journal Entries.

- Sequential Number – Sequentially numbered instruments will be used for checks and cash receipts. Pre-numbered receipts are controlled and accounted for by an individual with no accounting handling responsibilities. The City's pre-numbered checks and pre-numbered cash receipts should be safeguarded in the Vault. All copies of voided receipt forms are retained, accounted for, and documented.

- Audit Trail – The City's accounting records and systems shall provide an audit trail (e.g. paper document) that allows for the tracing of each transaction from its original document to completion.

4. <u>Operating Management Policies</u>:

The budget process is intended to weigh all competing requests for City resources within expected fiscal constraints. Requests for new, on-going programs made outside the budget process will be discouraged.

- Budget development will consider multi-year implications of current decisions and allocations and use conservative revenue forecasts.

- Revenues will not be dedicated for specific purposes, unless required by law or Generally Accepted Accounting Practices (GAAP). All non-restricted revenues will be deposited in the General Fund (or other designated fund as approved by the City Manager) and appropriated by the City Council.

- Current revenues will fund current expenditures. City revenues will be managed to protect programs from short-term fluctuations that impact expenditures.

- The City will endeavor to identify entrepreneurial solutions to cover or recover costs of operating program.

- The City shall strive to avoid returning to the City Council for new or expanded appropriations during the fiscal year. Exceptions may include emergencies, unforeseen impacts, mid-year adjustments or new opportunities.

- Additional personnel will be requested after service needs have been thoroughly examined and is substantiated for new program initiatives or policy directives.

- All non-Enterprise user fees and charges will be evaluated at least every three years to determine the direct and indirect cost recovery rate. The analysis will be presented to the City Council.

- The City shall endeavor to maintain adequate cash reserves to fund 100% replacement of capital equipment. Replacement costs will be based upon equipment lifecycle financial analysis developed by the Finance Director and approved by the City Manager.

- Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually and include a four-year outlook.

- Cash and investment programs will be maintained in accordance with the Government Code and the adopted investment policy will ensure that proper controls and safeguards are maintained. City funds will be managed in a prudent and diligent manner with an emphasis on safety of principal, liquidity, and financial return on principal, in that order. Pursuant to State law, the City, at least annually, revises and the City Council affirms a detailed investment policy.

5. Capital Management Policies:

- Capital improvement projects are defined as infrastructure or equipment purchases or construction which results in a capitalized asset and having a useful (depreciable) life of at least one year with a cost of $5,000 or more per the City's resolution Number 953.

- The Finance Department shall utilize the straight-line method of calculating depreciation over the estimated useful life for all classes of assets.

- The capital improvement plan will attempt to include, in addition to current operating maintenance expenditures, adequate funding to support, repair and replace deteriorating infrastructure and avoid a significant unfunded liability.

- Capital improvement lifecycle costs will be coordinated with the development of the City's operating budget. Future operating, maintenance, and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and be included in the operating budget. Capital project contract awards or purchases will include a fiscal impact statement disclosing the expected operating impact of the project or acquisition and when such cost is expected to occur.

6. Reserve Policies:

It is the goal of the City to obtain and maintain a General Fund operating reserve (Rainy day fund) in the form of cash, of at least 40% of prior year audited annual General Fund revenues to cover normal seasonal cash flow variations, as well as unforeseen emergency or catastrophic impacts upon the City.

- One-time revenue windfalls should be designated as a reserve or used for one-time expenditures. The funds should not be used for on-going operations. For purposes of this policy, one-time revenue windfalls shall include:

  CalPERS rebates
  Tax revenue growth in excess of 10% in a single year
  Unexpected revenues (e.g., litigation settlement)
  Any other revenues the City Council may elect to designate as extraordinary

- All unexpended General Funds from the prior fiscal year will be deposited in the General Fund Reserve Fund (Rainy Day Fund.)

- The City will strive to maintain the Municipal Self-Insurance Fund with a July 1 balance of $500,000.

- The City will strive to transfer $250,000 annually into the Utilities Fund for the purpose of building up the necessary balance for underground projects.

- Enterprise Fund (e.g., for refuse collection) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of the service, provide for capital improvements and maintenance and maintain adequate reserves. Moreover, maintenance of cash reserves will provide a de facto rate stabilization plan. Rate increases shall be approved by the City Council following formal noticing and public hearing. Rate adjustments for enterprise operations will be based on five-year financial plans unless a conscious decision is made to the contrary. The current cash reserves shall be adjusted annually and will be equal to the proposed annual General Fund subsidy to the Refuse Fund and will be budgeted as a Transfer into the Refuse Fund.

- The City has established a PARS Pension Rate Stabilization Program Section 115 Trust. The Trust was created to fund the City's unfunded PERS Pension Liability and as funds are available they would be deposited into the Trust in order to maintain adequate reserves.

7. <u>Budget Policies:</u>

The function of the City of Rolling Hills is primarily administrative.

A. Categories of Funds

- The City's annual budget contains fifteen different funds managed in conformance with the City's Fund Balance Policy:

  General Fund
  Community Facility Fund
  Self-Insurance Fund
  Refuse Fund
  Traffic Fund
  Transit Fund - Proposition A
  Transit Fund - Proposition C
  Transit Fund – Measure R
  Transit Fund – Measure M
  LA County Measure W
  Capital Projects Fund
  Citizens Options for Public Safety Fund (COPS) Fund
  California Law Enforcement Equipment Program (CLEEP) Fund.
  Utility Fund
  OPEB (Post-Employment Benefits Other Than Pensions) Fund

- Each fund is considered to be a separate accounting entity for budgeting and financial reporting purposes.

- The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues and expenditures, as appropriate.

- The City resources are allocated to and for individual funds based upon the purpose of the spending activities.

- All funds and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the City's long-term budget assumptions.

- For approved capital projects unexpended budget appropriations would be reviewed annually by the Finance/Budget/Audit Committee for recommendation for carryover to the following fiscal year.

B. Operating Budget Guidelines

- The Budget is detailed - Expenditures are authorized line by line, item by item. Line items are used to limit precisely the amount and narrowly define what can be spent.

- The Budget is annual - The annual budget period is from July 1 to June 30. The time span of the authority to spend is restricted to one year. Each year the regular cycle of budgeting is repeated.

- The budget is comprehensive – The budget is prepared for all funds expended by the City.

- The City adopts a budget by June 30 of each year.

- Comparative Data - Comparative data from the prior year is presented in the annual budget in order to provide an understanding of changes in the City's financial position and operation.

- Public Hearing - The City Council reviews a tentative budget and adopts the final budget. A public hearing is conducted to receive comments prior to adoption.

C. Financial Review

Throughout the fiscal year, monthly financial reports comparing actual amounts with budgeted amounts are prepared by the Finance Director and submitted to the City Manager and members of the City Council. As these reports are reviewed, attention is drawn to variances between budgeted amounts and actual amounts.

D. Budgeted Revenues & Expenditures

The City reviews fees and charges to keep pace with the cost of providing the service.

8. <u>Debt Management Policies</u>:

The City will seek to avoid incurring debt. While the City is disposed to funding capital improvements and expenditures on a cash basis, the City will consider, and when necessary, enter into debt financing for citywide public improvement projects such as sewers and utility undergrounding.

- Lease Equipment - Office Equipment has been leased on a monthly basis with the expense incurred at the time of payment.

Policy Administrative History:

Adopted September 24, 2007
Revised and Adopted March 24, 2008
Revised and Adopted February 23, 2009
Revised and Adopted March 8, 2010

Reviewed and Adopted February 28, 2011
Revised and Adopted May 23, 2011
Reviewed and Adopted May 14, 2012
Reviewed and Adopted April 22, 2013
Revised and Adopted September 9, 2013
Reviewed and Adopted March 24, 2014
Reviewed and Adopted April 27, 2015
Reviewed and Revised April 25, 2016
Reviewed and Adopted April 24, 2017
Reviewed and Adopted April 22, 2019
Reviewed and Adopted May 11, 2020

CITY OF ROLLING HILLS	ADMINISTRATIVE POLICY/PROCEDURES
INVESTMENT POLICY	
Original Version Effective: 09/24/2007	*See end of document for complete policy history.*
Current Version Effective: 04/09/2018	

1.0 Policy

It is the policy of the City of Rolling Hills to protect, preserve and maintain the assets of the City. It shall invest public funds in a manner that will provide the highest investment return commensurate with maximum security while meeting the cash flow demands of the City and conforming to all State and Local statutes governing the investment of public funds.

2.0 Scope

The City follows the practice of pooling cash and investments of all funds, except for funds in the City's employee deferred compensation plan. Funds contained in the City's pool are designated the "General Portfolio." These funds are accounted for in the Financial Statements of the City and include:

The General Fund
All Special Revenue Funds
All Capital Projects Funds
All Enterprise Funds
All Internal Service Funds
All Trust and Agency Funds

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's deferred compensation plans assets are with Nationwide Retirement Solutions and ICMA Retirement Corporation. The Nationwide Retirement Solutions and ICMA Retirement Corporation invests employee account assets in various investment options as directed by the individual employee. Accordingly, these assets are neither controlled by the City nor subject to this investment policy.

3.0 Prudence

The City holds to the "prudent investor standard" in that all investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived and acting as a fiduciary of the public trust. The prudent investor standard set forth in Section 53600.3 of the Government Code states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skills, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with the like aims to safeguard the principle and maintain the liquidity needs of the agency."

4.0 Objectives

The primary objectives, in priority order, of the City of Rolling Hills' investment activities shall be:

4.1. Safety: Safety of principal is the foremost objective of the investment program. "Safety" means that the overall value of City funds shall not be diminished in the process of securing and investing those funds or over the duration of the investments.

4.2. Liquidity: The City of Rolling Hills' investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

The liquidity of each type of investment is included in its description in the "Authorized Investments" section of this policy.

4.3. Return on Investment (Yield): The City of Rolling Hills investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

In general, the California Government Code limits authorized investments to those classes of securities which have lower risk (and therefore lower yields) than other higher risk investment choices. In each investment transaction, the anticipated return on investment is subordinate to the preceding requirement of credit and investment risk.

5.0 Delegation of Authority

The City Council has the authority to select financial institutions for the City' investment and bank accounts. The City Council has designated the City Council Finance / Budget Committee, the City Manager, and the City Finance Director with the responsibility for decisions and operations for the following investment and operating bank accounts:

<u>Operating Bank Accounts</u>

- Local Agency Fund administered by the Treasurer of the State of California
- Money market savings accounts
- Checking accounts

<u>Certificates of Deposits/Negotiable Certificates of Deposits or Time Deposits</u>

Certificates of Deposits, Negotiable Certificates of Deposit or Time Deposits with commercial banks and /or savings and loan associations issued by a nationally or state-chartered bank, a savings association, or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union with maturities ranging from 30 days to three years.

6.0 Ethics and Conflicts of Interest:

Officers and employees involved in the investment process are required by the City of Rolling Hills' and State Government Code Section 81000 to disclose annually to the City Council any material financial interests in financial institutions that conduct business with the City and further to disclose any large personal financial / investment positions that could be related to the performance of the City, particularly with regard to the time of purchase and sales, as part of the City's conflict of interest reporting requirements. Said employees are also prohibited from accepting gifts proffered as a direct result of being employees of the City.

7.0 Authorized Financial Dealers, Institutions and Portfolio Managers:

The Finance Director will maintain a list of financial institutions authorized to provide investment services, including portfolio management. No public deposit shall be made except in a qualified public depository as established by State law. Financial institutions authorized to provide investment services to the City, including portfolio management, shall utilize security broker / dealers who are duly licensed and authorized to provide investment services in the State of California.

Anyone providing financial services to the City, including portfolio management must adhere to the City's investment policies as adopted by the City Council.

8.0 Authorized and Suitable Investments:

The surplus funds of the City may be invested in any of the following list of eligible securities.

Surplus funds are defined as those funds not immediately needed for City operations excepting those minimum balances required by the City's banks as compensation for services rendered to the City, or such other funds as otherwise determined by the Finance Director or City Manager.

The list of eligible securities is drawn from the approved investments contained in the California Government Code Sections 53600 et seq., limited further by the provisions of this policy.

For eligibility as a City investment, the following restrictions should be added to those contained in the California Government Code Sections 53601 et seq. They are:

8.1 U.S. Treasury Bonds, Notes & Bills – "Strips" and "Cubes"
The principal and interest portions of U.S. Treasury securities are issued by the Federal Government. Frequently, broker / dealers make a market in these securities by separating the principal and interest components and marketing them separately. The principal portions of their "stripped" securities are marketed at deep discounts. "Strips" and "Cubes" do not provide income streams during the term of the investment, but rather pay a "par" amount at maturity. This makes these investments somewhat more volatile than standard U.S. Treasury securities.

The City will not invest in "strips" or "cubes."

8.2 U.S. Government Agencies
There are numerous government agencies listed which issue debt instruments but many lack the liquidity necessary to fit the City's portfolio requirements possibly including, for example, the issues of Federal Farm Credit Bank, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, and the Student Loan Mortgage Corporation.

The City will not purchase these government agency securities.

8.3 Repurchase Agreements

A repurchase agreement is a contractual agreement between a financial institution or dealer and the City in which the City lends its funds to the financial institution or dealer for a certain number of days at a stated rate of interest. In return, the City takes title to securities as collateral until the funds and interest are repaid.

The City will not enter into repurchase agreements.

8.4 Medium Term Corporate Notes

The City will not purchase medium term corporate notes.

8.5 Commercial Paper and Corporate Bonds

The City will not purchase commercial paper or corporate bonds.

8.6 Prohibited Investments

The list of eligible securities contained in the California Government Code is extensive and includes a number of categories which are not suitable investments for City funds because of limitations in the liquidity of the instruments or the interest rates obtainable thereon. The categories in the list which have such limitations are:

The notes or bonds or any obligations of the State of California or of any local agency or district of the State of California.

Notes, bonds or other obligations issued by any other state or the Commonwealth of Puerto Rico.

The city shall not invest any funds pursuant to Section 53600, et. Seq., in any security that could result in zero interest accrual if held to maturity.

9.0 Collateralization:

All City of Rolling Hills' investments shall be collateralized as required by the State Government Code.

10.0 Maximum Maturities:

To the extent possible, the City of Rolling Hills will match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than one (3) years from the date of purchase.

11.0 Internal Control:

The City's external auditor with the support from the Finance Director shall annually conduct an independent review of the internal controls. Additionally, the City's external auditor with support from the Finance Director will annually perform a financial audit. Both may be conducted at the same time, when the City's annual financial audit performed. The external auditor will be an independent certified public accountant who performs his work under generally accepted auditing standards as adopted by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants.

12.0 Performance Standards:

The investment portfolio shall be designated with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the City.

13.0 Investment Policy Adoption:

The City Council shall consider and adopt a written Investment Policy annually and accept quarterly Investment Reports as provided in Government Code Section 53646 et al.

Policy Administrative History:

Adopted September 24, 2007
Revised and Adopted February 23, 2009
Revised and Adopted March 8, 2010
Reviewed and Adopted February 28, 2011
Reviewed and Adopted May 14, 2012
Reviewed and Adopted April 22, 2013
Reviewed and Adopted March 24, 2014
Reviewed and Adopted April 27, 2015
Reviewed and Revised April 25, 2016
Reviewed and Adopted April 24, 2017
Reviewed and Adopted April 09, 2018

CPAs AND ADVISORS

May 12, 2021

City of Rolling Hills
Terry Shea
2 Portuguese Bend Road
Rolling Hills, CA 90274

Lance, Soll & Lunghard, LLP is pleased to respond to your request for an one year extension. As a leader in the field of governmental accounting and auditing, we appreciate this opportunity given to us to present to continue our services. For the one-year extension, we will continue to provide our services with the standard 3% increase to the existing contract. The services and fees of **$17,623** for fiscal year ending June 30, 2021 would be as follows:

- Perform a financial audit of the City of Rolling Hills in accordance with Generally Accepted Government Auditing Standards. A CAFR will be prepared and word processed by LSL. The CAFR will be in full compliance with all current GASB pronouncements. LSL will render its auditors' report on the basic financial statements, which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis and required supplementary information. LSL understands that we will prepare the financial section of the City's CAFR. **Price: $15,965** (PY price was $15,500)

- Perform agreed-upon audit procedures pertaining to the City's Appropriations Limit Worksheet and render a letter, annually, to the City regarding compliance. **Price: $556** (PY price was $540)

- Prepare the City's State Controller's Report annually. **Price: $1,102** (PY price was $1,070)

- Issue a separate "management letter" that includes a report on the City's internal control over financial reporting in addition to recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. **Price: included with financial audit**

- LSL will be available for occasional consultation throughout the year as a financial resource for the City of Rolling Hills and will be available for additional work as required.

This proposal describes the benefits your organization would receive from Lance, Soll & Lunghard, LLP. **We are committed to provide the services presented in our proposal in accordance with the timetable specified in your request for proposal.** This proposal is a firm and irrevocable offer for a period no less than 90 calendar days from the date of submittal. For purposes of this proposal, Deborah A. Harper, Partner is authorized to make representations for our firm. I can be reached at the address below, by phone at (714) 672-0022 or by email at Deborah.Harper@lslcpas.com.

Debbie A. Harper

Deborah. A. Harper, Partner
LANCE, SOLL & LUNGHARD, LLP
203 N. Brea Blvd., Suite 203
Brea, CA 92821

Agenda Item No.: 1.C
Mtg. Date: 05/19/2021

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: TERRY SHEA, FINANCE DIRECTOR

THRU: ELAINE JENG P.E., CITY MANAGER

SUBJECT: FY21-22 PROPOSED BUDGET.

DATE: May 19, 2021

BACKGROUND:

The City Manager in putting this budget together had the objective of maintaining Rolling Hills' history of financial stability with the need for changing the way services are delivered while upgrading systems and resources necessary to maintain service delivery excellence.

In projecting revenues for fiscal year FY 2021/22 using conservative revenue forecasting, staff anticipates the continued resurgence of property values and is proposing a 4% increase in Property Taxes and Motor Vehicle in Lieu Taxes. Staff are projecting an increase in building permit and other fees of $18,750 over the Fiscal Year 2020-21 Budget. Total projected revenues are down $22,000 from the Fiscal Year 2020-21 Budget. The increase in Property Tax and Motor Vehicle In-Lieu Revenues is being offset by the decrease of $56,250 of Proposition A Exchange, Interest Income decrease of $20,000 and CARES Act Revenue of $50,000.

Concurrently, FY 2021/22 proposed expenditures are projected to be $593,363 higher than the Fiscal Year 2020/21 Adjusted Budget, as a result of increased costs and one-time expenses for a new generator of $250,000, an off-road vehicle of $20,000 and proposed increases of $128,000 in Storm Water Management costs.

DISCUSSION:

GENERAL FUND

The FY 2021/22 proposed budget projects $2,088,400 in revenues in relation to $2,979,081 in expenditures resulting in a deficit of ($890,681) before transfers and a deficit of ($1,963,881) after transfers in and out. FY 2021/22 revenues are based on the following assumptions.

FY 2021/22 property taxes are projected to be $47,600 or 4.0% higher and building activity will be

$300,000 which is approximately $20,000 more than FY 2020/21. The City will also be providing its residents a reprieve from the annual increase it imposes each July 1st for its Refuse Collection. This will equate to a $232.41 savings for each resident in its annual rate and cost the City $159,199 from its Refuse Collection Fund. The City will include a transfer to the Refuse Fund for the General Fund to offset this absorbed increase.

FY 2021/22 proposed expenditures before transfers are $593,363 or 24.50% higher than the FY 2020/21 adjusted budget. The highlights of each Department are listed below:

- The differences in the City Administration Department is an increase in benefits and a change in where the annual PERS unfunded Liability is charged.
- For the Finance Department there is a projected decrease of $5,753.
- For Planning and Development, the main differences are an increase of $128,000 for Storm Water Management and $53,000 in legal costs.
- For Law Enforcement there is a projected increase of 4%, but an overall decrease of $12,405 to the General Fund as the additional costs will be offset by the COPS Fund.
- For the Non-Department Fund there is an increase in proposed expenditures of $54,660.
- For the City Properties Department there is an increase in proposed expenditures of $298,227. This is made up of $250,000 for a new generator, $16,963 in Repairs and Maintenance costs and $15,000 Area Landscaping.

FISCAL IMPACT:

The Fiscal Impact will be determined when the Fiscal Year 2021/22 Budget has been prepared after the Finance/Budget Committee review of these projections.

RECOMMENDATION:

The overall financial position of the City's General Fund remains strong with a projected year-end Fund Balance of $5,484,000 at June 30, 2021. With the preliminary Proposed Budget, the estimated General Fund Fund Balance at June 30, 2022 is projected to be $3,520,000. The City staff works diligently on providing outstanding government services that will keep the quality of life good for the residents of Rolling Hills. With the Committee's direction, staff will bring the FY 2021/22 Budget to the City Council Budget Workshop for review on May 24, 2021.

ATTACHMENTS:
CIP_3Years_2021-May-16.pdf
FY_21-22_Proposed_Budget-1.pdf

PROPOSED 3-YEAR CAPITAL IMPROVEMENT PLAN
CITY OF ROLLING HILLS
FY2020-2021 TO FY 2022-2023

				Year 0		Current Year		Year 2		Year 3	
	Project Description	FY 2018-2019		FY 2019-2020		FY 2020-2021		FY 2021-2022		FY 2022-2023	
		Phase	Cost	Phase	Cost	Phase	Cost	Phase	Cost	Phase	Cost
1	8" Sewer Main along Rolling Hills Road [1]	Feasibility Study Phase I	$11,391	Feasibility Study Phase II	$30,000	Design	$81,196	Construction	$1,700,000		
2	Tennis Courts ADA Improvements	Design	$8,000					Construction	**$300,000**		
3	City Hall ADA Improvements [2]					Design	$37,000	Construction	**$850,000**		
4	Crest Road East Utility Undergrounding Grant Project [3]					Design		Design/Construction	$763,638	Construction	$763,638
5	Vegetation/Fire Fuel Management Grant Project [4]					Design [6]	$0	Environmental/ Construction	$975,144		
6	City Hall campus parking lot improvements [5]									Design	$50,000
	Total		$19,391		$30,000		$118,196		$4,588,782		$813,638

[1] Off-set of general fund ($350,000) using American Rescue Fund
[2] Low interest rate financing secured ($300,000) through CJPIA for ADA projects with 5 year repay plan.
[3] Grant requires 25% local match. City will use Rule 20A credit for local match.
[4] Only phase 1 has been awarded. Phase 2 approval will depend on the completion of phase 1.
[5] Eligible to be funded using a combination of accumulated local returns from Measures R and M transportation funds, Measure A County Park fund, and Measure W Clean Water fund.
[6] No cost to the City; contribution by the Los Angeles County Fire Department

SCHEDULE

	Project Description	FY 2018-2019		FY 2019-2020		FY 2020-2021		FY 2021-2022		FY 2022-2023	
		Phase	Timeframe	Phase	Timeframe	Phase	Timeframe	Phase	Timeframe	Phase	Timeframe
1	8" Sewer Main along Rolling Hills Road [1]	Feasibility Study Phase I	Feb 18 - Oct 18	Feasibility Study Phase II	May 19- May 20	Design	Sept '20 - Jun '21	Construction	Jul '21 - Nov '21		
2	Tennis Courts ADA Improvements	Design						Construction	Nov '21 - Apr '22		
3	City Hall ADA Improvements [2]					Design	Mar '20 - May '21	Construction	Oct '21 - Feb '22		
4	Crest Road East Utility Undergrounding Grant Project [3]					Design	Jan '21 - Jun '22	Design/Construction	Jul '21 -Jun '22	Construction	Jul'22 - Sept '22
5	Vegetation/Fire Fuel Management Grant Project [4]					Design	Dec '20 - Mar '21	Environmental/ Construction	May '21 - Nov '21; Jan '22 - Apr '22		
6	City Hall campus parking lot improvements [5]									Design	Jun '22 - Dec '22

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
01		**CITY ADMINISTRATION**			
	EMPLOYEE SALARIES				
7001	**Salaries Full Time - CITY ADMINISTRATION**				
	Annual Salary				
	Jeng	$ 214,600			
	Sandoval	72,200			
	Ball	73,500			
	Viramontes	58,300			
	Exceptional Pay	-			
	Salaries Full Time	**418,600**	**01-01-702.0**	**CA**	Salaries Full Time
	Salaries Part-Time	**10,500**	**01-01-703.0**	**PD**	Salaries Part-Time
	Total Salaries	**429,100**			
7005	**EMPLOYEE BENEFITS**				
	Retirement CalPERS - Employer	29,000	**01-01-710.0**	**CA**	Retirement CalPERS - Employer
	Retirement CalPERS - Employer Unfunded Liability PERS POOL	59,026	**01-01-710.0**	**CA**	Retirement CalPERS - Employer Unfunded Liability FY 17/18
	Retirement CalPERS - Employer Unfunded Liability PERS POOL	-	**01-01-710.0**	**CA**	Retirement CalPERS - Employer Unfunded Liability PERS POOL
	Total Retirement CalPERS - Employer	**88,026**			
	Worker's Compensation Insurance	7,700	**01-01-715.0**	**CA**	Worker's Compensation Insurance
	Group Insurance	55,000	**01-01-716.0**	**CA**	Group Insurance
	Retiree Medical	30,300	**01-01-717.0**	**CA**	Retiree Medical
	Employer Payroll Taxes	28,400	**01-01-718.0**	**CA**	Employer Payroll Taxes
	Deferred Compensation	4,300	**01-01-719.0**	**CA**	Deferred Compensation
	Phone Allowance	1,300	**XXXXXXX**	**CA**	Phone Allowance
	Auto Allowance	4,800	**01-01-720.0**	**CA**	Auto Allowance
	Employee Benefits	**219,826**			
7500	**MATERIALS & SUPPLIES**				
	Office Supplies & Expenses				
	Computer/Hardware support Fund	5,000			
	Race Communication- Broadband Southbay Fiber Network	12,240			
	Konica Maintenance Fee $400 per month	4,800			
	Pitney Bowes Postage $1,500 per month	20,000			
	Petty Cash	4,000			
	First Bankcard Center - Credit Card - Office Supplies	6,000			
	Misc. Items	5,000			
	Misc. Subscriptions - LA Times, Daily Breeze & Misc.	1,000			
	Office Supplies & Expenses	**58,040**	**01-01-740.0**	**CA**	Office Supplies & Expense
	Equipment Leasing Costs				
	Konica Minolta Copier Lease	4,250			
	Pitney Bowes $600 per month	2,400			
	Granicus	7,100			
	Neopost	1,100			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
Equipment Leasing Costs	**14,850**	**01-01-745.0**	**CA**	Equipment Leasing Costs
Dues & Subscriptions				
CCMF - City Manager	400			
ICMA- City Manager	1,400			
Municipal Management Association of Southern California	100			
City Clerk's Association of California - City Clerk	90			
International Institute of Municipal City Clerks	150			
PV Coordinating Council - City	100			
League of California Cities - City	1,000			
Southern Cal Association of Govern - City	500			
League of California Cities - City	1,500			
California Contract Cities Association - City	1,500			
Southern Calif Assoc - City	500			
South Bay Cities Council of Government - City	7,000			
Misc. Items	1,000			
Dues	**15,240**	**01-01-750.0**	**CA**	Dues & Subscriptions
Conferences				
City Manager	5,000	**01-01-755.0**	**CA**	Conference Expense
City Clerk	2,500	**01-01-755.0**	**CA**	Conference Expense
Senior Management Analyst	2,500	**01-01-755.0**	**CA**	Conference Expense
Conferences	**10,000**			
Meeting Expense				
City Manager	**2,000**	**01-01-757.0**	**CA**	Meetings Expense
Training & Education				
City Manager	1,000	**01-01-759.0**	**CA**	Training & Education
City Clerk	2,000	**01-01-759.0**	**CA**	Training & Education
Senior Management Analyst	2,000	**01-01-759.0**	**CA**	Training & Education
Training & Education	**5,000**			
Auto Mileage Employee (56. cents per mile)	**500**	**01-01-761.0**	**CA**	Auto Mileage
Telephone				
Nextiva $350 per month	4,200			
Remote Satellite	1,500			
Other	-			
Telephone	**5,700**	**01-01-770.0**	**CA**	Telephone
City Council Expense				
City Council Expense	$ 10,000			
City Council Expense	**10,000**	**01-01-775.0**	**CA**	City Council Expense

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
	Minutes Clerk Meetings	6,000	01-01-780.0	CA	Minutes Clerk Meetings
	Hourly Rate: $43.33 per hour (31 hours - .75 hrs x 22 meetings $				
	Codification				
	Municode	4,450			
	On-Line Hosting	550			
	Codification	5,000	01-01-785.0	CA	Codification
	Advertising - Personnel & Misc.	1,000	01-01-790.0	CA	Advertising
	Other Gen Admin Expense				
	Digitizing Records - File Keeper	1,700			
	Complete Fire Service	150			
	ADP Processing	2,000			
	Administration Unfunded Pension Liability Trust	-			
	Other	1,050			
	Other Gen Admin Expense - NON-DEPARTMENT	4,900	01-01-795.0	CA	Other Gen Admin Expense
	Total Materials & Supplies	138,230			
8000	**CONTRACTUAL SERVICES**				
	City Attorney, Legal ($190 per hour)	91,000	01-01-801.0	CA	General Legal - City Attorney
	Litigation from $244 to $250 per hour				
	20 hours per month				
	Legal Expenses - Other	3,000	01-01-802.0	CA	Legal Expenses Other
	Revize LLC Annual Fee Web Design	6,000			
		-			
	Website	6,000	01-01-820.0	CA	Website
	Election, City Council	-	01-01-850.0	CA	Election Expense City Council
	Consulting Fees				
	Forum Info-Tech $3,700 per month	44,400			
	Alert Southbay: Social Media	10,000			
	Records Management	45,000			
	DAC TRAK Annual Maintenance	2,000			
	Project Management (CIP Coordination)	45,000			
	Special Project - Caspio, website database support	15,000			
	Consulting Fees	161,400	01-01-890.0	CA	Consulting Fees
	Total Contractual Services	261,400			
8000	**CAPITAL OUTLAY**				
	Capital Outlay - Equipment - Disaster Emergency	-	01-01-950.0	CA	Capital Outlay - Equipment
	Capital Outlay - City Hall Improvements	-	01-01-950.0	CA	Capital Outlay - City Hall Improvements
	Total City Administration Capital Improvements	-			
	TOTAL CITY ADMINISTRATION	$ 1,048,556			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
05		**FINANCE**			
7500	**MATERIALS & SUPPLIES**				
	Dues & Subscriptions - GFOA	**$ 200**	**01-05-750.0**	**FD**	**Dues & Subscriptions**
8000	**CONTRACTUAL SERVICES**				
	Annual Audit	**17,630**			
	Consulting Fees				
	RAMS (7,708.33 x 12= 92,500)	92,500			
	GovInvest - pension projections	1,750			
	Total Compensation - OPEB Actuary	2,850			
	Abila MIP GL Software $200 per month	2,400			
		99,500			
	Total Contractual Services	**117,130**	**01-05-890.0**	**FD**	**Contractual Services**
8000	**CAPITAL OUTLAY**				
	Capital Outlay - Equipment	**-**	**01-05-950.0**	**FD**	**Capital Outlay - Equipment**
	TOTAL FINANCE	**$ 117,330**			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
15		**PLANNING & DEVELOPMENT**			
	EMPLOYEE SALARIES				
7001	**Salaries Full Time**				
	Annual Salary				
	Alguira	$ 142,200			
	Stephanie Grant	56,000			
	Salaries Full Time	**198,200**	**01-15-702.0**	**PD**	Salaries Full Time
	Salaries Part-Time	**35,000**	**01-15-703.0**	**PD**	Salaries Part-Time
	Total Salaries	**233,200**			
7005	**EMPLOYEE BENEFITS**				
	Retirement CalPERS - Employer	17,750	**01-15-710.0**	**PD**	Retirement CalPERS - Employer
	Retirement CalPERS - Employer Unfunded Liability FY 19/20	-	**01-15-711.0**	**PD**	Retirement CalPERS - Employer Unfunded Liability FY 17/18
	Total Retirement CalPERS - Employer	**17,750**			
	Worker's Compensation Insurance	3,800	**01-15-715.0**	**PD**	Worker's Compensation Insurance
	Group Insurance	30,900	**01-15-716.0**	**PD**	Group Insurance
	Employer Payroll Taxes	18,790	**01-15-718.0**	**PD**	Employer Payroll Taxes
	Deferred Compensation	1,200	**01-15-719.0**	**PD**	Deferred Compensation
	Phone Allowance	600			
	Auto Allowance	2,400	**01-15-720.0**	**PD**	Auto Allowance
	Employee Benefits	**75,440**			
7500	**MATERIALS & SUPPLIES**				
	Dues & Subscriptions				
	American Planning Associaation (APA) Membership	**850**	**01-15-750.0**	**PD**	Dues & Subscriptions
	Conferences				
	Meredith Elguira - APA & UCLA Extension	5,000			
		5,000	**01-15-755.0**	**PD**	Conference Expense
	Training & Education				
	Planning & Code Enforcement (Code Enf - Measure W Funds)	1,000			
		1,000	**01-15-759.0**	**PD**	Training & Education
	Planning Commission Meetings	**-**	**01-15-758.0**	**PD**	Planning Commission Meeting
	Planning - Misc Expenses				
	Mapping/APN Infor/Radius/Labels	1,000			
	Reference Materiasl (CEQA/CELSOC/Municipal Code Book)	-			
	Lomita Blueprint Service	500			
	LA County Clerk	500			
		2,000	**01-15-776.0**	**PD**	Planning - Misc Expenses
	Total Materials & Supplies	**8,850**			
8000	**CONTRACTUAL SERVICES**				

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
	Legal Expenses Other	-	01-15-802.0	PD	Legal Expenses Other
	Property Develop - Legal Exp				
	Legal Expense Land Use	75,000			
	Code Violation/View Dispute	25,000			
		100,000	01-15-872.0	PD	Property Develop - Legal Exp
	Building Inspection LA County/Willdan	**150,000**	01-15-878.0	PD	Building Inspection LA County/Willdan
	Storm Water Management				
	CIMP Monitoring (MOU with RPV as lead)	66,146			
	Monitoring of SepulvedaCanyon	20,000			
	Trash Monitoring	7,000			
	Greater Harbor Toxics Coordinated Monitoring (MOU)	7,696			
	NPDES Permit Fee	5,800			
	MS 4 Permit, Time Schedule Order and OWTS Support	75,000			
	Machado Lake and Harbor Toxics TMDL's Special Study (option 1)	70,000			
	PW Project - Storm water	**251,642**	01-15-881.0	PD	Storm Water Management
	Variance & CUP Expense	**7,000**	01-15-882.0	PD	Variance & CUP Expense
	Special Project Study & Consultant		01-15-884.0		
	Update Safety Element - Rincon Consultant (Cal OES Grant)	20,000			
	Consultant to Apply for Grants - (Update General Plan Elements)	5,000			
	Planning Consultant (Plan Rev/Inspect/CEQA Housing Element/Code Update)	75,000			
	Landscape Review WELO Compliance	3,000			
	Professional Engineering Services Monitor/Follow up Various PW Projects	2,000			
	Update 6th Cylce Housing Element - Barry Miller Consultant	50,000			
	Arborist	10,000			
	Contingency	15,000			
		180,000	01-15-884.0	PD	Special Project Study & Consultant
	Total Contractual Services	**688,642**			
8000	**CAPITAL OUTLAY**				
	Capital Outlay - Equipment				
	Off-Road Vehicle	20,000			
	iWorq Annual Maintenance Fee	4,000			
	GIS Subscription	2,400			
	Total Equipment	**26,400**	01-15-950.0	FD	Capital Outlay - Equipment
	TOTAL PLANNING & DEVELOPMENT	**$ 1,032,532**			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
25 LAW ENFORCEMENT				
8200 LAW ENFORCEMENT				
Law Enforcement - LA County Sheriff ($18475 x 12)	$ 220,380	01-25-830.0	PS	Law Enforcement
Traffic Enforcement	-	01-25-831.0	PS	Traffic Enforcement (Fund 10)
Parking Citation				
City of Rancho Palos Verdes	-	01-25-832.0	PS	Parking Citation
Other Law Enforcement Expenses	3,000	01-25-833.0	PS	Other
Grant Deputies	-	01-25-834	PS	Grant Deputies
Wild Life Mgmt & Pest Control - LA County	42,000		PS	Wild Life Mgmt & Pest Control
Pea Fowl Control	8,000			
Supplemental Coyote Control Management	-		PS	Supplemental Coyote Control Management
Total Wild Life, Pest & Coyote Management	50,000	01-25-837.0		
Animal Control Expense - LA County	6,000	01-25-838.0	PS	Animal Control Expense
TOTAL LAW ENFORCEMENT	$ 279,380			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
		NON-DEPARTMENT			
65					
7500	**MATERIALS & SUPPLIES**				
	South Bay Community Organizations				
	Chamber Orchestra of the South Bay	$ 500			
	Peninsula Seniors	2,000			
	Peninsula Symphony	2,000			
	South Bay Chamber Music Society	600			
	Caballeros	5,000			
	Tennis Club	5,000			
	Women's Club	5,000			
		20,100	**01-65-901.0**	**ND**	South Bay Community Organizations
	Contingency	**25,000**	**01-65-985.0**	**ND**	Contingency
	Total Materials & Supplies	**45,100**			
8000	**CONTRACTUAL SERVICES**				
	Insurance & Bond Expense				
	CJPIA - General Liability Ins.	21,350			
	CJPIA - Earth Quake Insurance Ins.	4,840			
	CJPIA - Property Insurance - less Earthquake	1,810			
	Alliant Crime Insurance	830			
	Alliant Special Events	100			
	CJPIA - Pollution	330			
	Hartford Insurance-Elaine Jeng	400			
	Other	600			
	Insurance & Bond Expense	**30,260**	**01-65-895.0**	**ND**	Insurance & Bond Expense
8500	**COMMUNITY PROMOTIONS**				
	Community Recognition				
	Open House & Miscellaneous	15,000			
	Appreciation Lunch & BC Items & Events	10,000			
	H & H Industries	500			
	Miscellaneous Items	500			
	Community Recognition	**26,000**	**01-65-915.0**	**ND**	Community Recognition
	Civil Defense Expense	**650**	**01-65-916.0**	**ND**	Civil Defense Expense
	Area G Disaster Services $1,500				
	Emergency Preparedness				
	Events & Block Captain Training	35,000			
	Peninsula Wide Preparedness Staff Member	15,000			
		50,000	**01-65-917.0**	**ND**	Emergency Preparedness
	Total Community Promotions	**76,650**			
	TOTAL NON-DEPARTMENT	**$ 152,010**			

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

	Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
75		CITY PROPERTIES			
8000	CONTRACTUAL SERVICES				
	Utilities				
	So. Calif. Edison:				
	Office	$ 20,000			
	Calif. Water Svc.				
	City Hall	12,110			
	Area Maintenance				
	The Gas Co.	1,700			
	City Hall				
	Utilities in CITY PROPERTIES	**33,810**	**01-75-925.0**	**CP**	Utilities
	Repair & Maintenance in CITY PROPERTIES				
	Executive Suite Services - Monthly Cleaning Charges $1,360 per month	16,320			
	GCS - Extra Cleaning Charges	700			
	Palos Verdes Security	4,320			
	Septic Tank Yearly Maintenance	600			
	Edwards Termit/Pest Management ($225x12=$2,700 & $95x12=$1,140)	3,840			
	File Keepers/Laser fiche Maintenance Contract	1,683			
	Generator	2,400			
	Electrical Repairs & Chandlers	3,000			
	Plumbing Repairs	3,000			
	Repair Front Door Hinge/Paint	1,100			
	Repair & Maintenance in CITY PROPERTIES	**36,963**	**01-75-930.0**	**CP**	Repairs & Maintenance
	Area Landscaping				
	Bennett Landscaping - Monthly $1,000	12,000			
	Bennett Landscaping - Additional Work	3,500			
	Tree Trimming	3,000			
	Tree Trimming & Special Projects	10,000			
	Area Landscaping	**28,500**	**01-75-932.0**	**ND**	Area Landscaping
	Total Contractual Services	**99,273**			
8000	CAPITAL OUTLAY				
	Building & Equipment - Generator	**250,000**	**01-75-946.0**	**FD**	Building & Equipment
	TOTAL CITY PROPERTIES	**349,273**			
	Total Revenues	**2,088,400**			
	Total Expenditures	**2,979,081**			
	Net Revenues Before Transfers	**(890,681)**	**325,318**		

CITY OF ROLLING HILLS
EXPENDITURE ACCOUNT DETAIL - GENERAL FUND
BUDGET WORKSHEET FY 2021/2022

Items	Budget Backup Information	MIP Account Number	DEPT	FUNDBALANCE Account Description
FUND TRANSFER IN/OUT:				
Traffic Safety Fund		01-00-999.0		Operating Transfer Out
Community Facilities Fund		01-00-999.0		Operating Transfer Out
Underground Utility Fund		01-00-999.0		Operating Transfer Out
Refuse Collection Fund	24,000	01-00-699.0		Operating Transfer In
Refuse Collection Fund - Subsidy	(159,200)	01-00-999.0		Operating Transfer Out
Capital Projects Fund - Tennis Courts	(88,000)	01-00-999.0		Operating Transfer Out
Capital Projects Fund - City Hall ADA Improvements	(850,000)	01-00-699.0		Operating Transfer In
Total Transfers	(1,073,200)			
Net Revenue (Deficit) After Transfers	(1,963,881)			

		FY 21/22 LA Sheriff's Contract
General Fund	01 Law Enforcement	$ 220,380
COPS	10	
	Law Enforcement	146,800
	Rolling Hills Portion	$ 367,180
	Traffic Enforcement	13,200
	Total Rolling Hills Portion	380,380
	Total COPS	$ 160,000