CITY OF LOS ALAMITOS

3191 Katella Avenue
Los Alamitos, CA 90270

AGENDA
BUDGET STANDING COMMITTEE
SPECIAL MEETING

April 10, 2023 – 5:00 p.m.

SAFETY ALERT – NOTICE REGARDING COVID-19

If you wish to attend the City Council meeting in person, the Council Chamber located at 3191 Katella Ave., Los Alamitos, California 90720, will have seating for this meeting and the public shall have the right to observe and offer public comment at this location. The City of Los Alamitos continues to follow the Centers for Disease Control and Prevention (CDC) guidelines and these provisions are subject change with short notice.

While you may attend this meeting in person, given the health risks associated with COVID-19, please be advised that you may submit comments on any agenda item or on any item not on the agenda by email to cityclerk@cityoflosalamitos.org with the subject line "PUBLIC COMMENT". Comments **received by 3:00 p.m.** will be compiled, provided to the City Council, and made available to the public before the start of the meeting. Staff will not read email comments at the meeting but the official record will include all email comments received until the close of the meeting.

Please consider carefully before attending this meeting in person and do not attend this meeting in person if you have had direct contact with someone who has tested positive for Coronavirus (COVID- 19), or you are experiencing symptoms such as coughing, sneezing, fever, difficulty breathing or other flu-like symptoms.

NOTICE TO THE PUBLIC – This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the City Council at the same meeting.

Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection online at www.cityoflosalamitos.org.

1. **CALL TO ORDER**

2. **ROLL CALL**
Mayor Doby
Council Member Hasselbrink

3. **CONSENT CALENDAR**

A. **Approval of Minutes**

Approve the Minutes of the Special Meeting of March 9, 2023.

4. **DISCUSSION ITEMS**

A. **Review and Discuss the Proposed Draft Budget for FY 23-24 and FY24-25.**

This report provides the Budget Standing Committee with the initial review of the proposed draft budget for FY23-24 and FY24-25.

Recommendation: Review the proposed draft budget for FY23-24 and FY24-25. Provide direction and comments.

B. **Review and Discuss Status of FY21-22 Audit and ACFR Report.**

Recommendation: Review and Discuss status of FY21-22 audit and issuance of the ACFR.

C. **Discuss Potential Employee Retention Strategies.**

Recommendation: Discuss Potential Employee Retention Strategies.

5. **ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at Los Alamitos City Hall, 3191 Katella Ave. and available on the City's website, www.cityoflosalamitos.org, not less than 24 hours prior to the meeting.

Craig Koehler
Craig Koehler, Finance Director

4/5/23
Date

MINUTES OF THE BUDGET STANDING COMMITTEE OF THE CITY OF LOS ALAMITOS

SPECIAL MEETING

Thursday March 9, 2023 – 5:00 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:00 p.m., Thursday March 9, 2023, Mayor Doby and Council Member Hasselbrink presiding.

2. ROLL CALL

Present:	Committee Members:	Mayor Doby Council Member Hasselbrink
Absent:	Committee Members:	None
Present:	Staff:	Chet Simmons, City Manager Craig Koehler, Finance Director Ron Noda, Development Services Director Irving Montenegro, Development Services Manager

3. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Hasselbrink/Doby

Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting of February 16, 2023.

4. DISCUSSION ITEMS

A. Mid-Year General Fund Budget Review and Financial Update for Fiscal Year 2022-23

The Budget Standing Committee received an update for the Mid-Year General Fund and projection for Fiscal Year 2022-23.

Additional appropriations were discussed and recommended for approval. The report will be provided to Council on March 20, 2023.

B. Potential Public Safety Enhancements

The City Manager provided the Budget Standing Committee with a brief report on potential Public Safety enhancements.

C. Potential Community and Recreation Services Realignment

The City Manager provided a brief report to the Budget Standing Committee on potential Recreation and Community Services realignment.

D. Potential Finance Department Realignment

The City Manager provided the Budget Standing Committee with a brief report on potential Finance Department realignment.

E. Review and discuss proposed revisions to the Purchasing Policy.

The Budget Standing Committee received a report on proposed revisions to the Purchasing Policy, and recommended approval with additional notification and reporting by the City Manager for purchases exceeding $75,000.

F. Economic Development: Business Façade Improvement Program.

The Budget Standing Committee received a report from Development Services on Economic Development and the Business Façade Improvement Program.

5. ADJOURNMENT

The meeting adjourned at 7:00 p.m.

Craig Koehler, Finance Director

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 10, 2023 ITEM NUMBER: 4A

To: **Budget Standing Committee Members**

Presented By: **Craig Koehler, Finance Director**

Subject: **Preliminary Draft Budget for Fiscal Year 2023-24 and Fiscal Year 2024-25**

SUMMARY

This report provides for a review of the preliminary draft budget for the Fiscal Year 2023-24 and Fiscal Year 2024-25.

RECOMMENDATION

Review and discuss the preliminary budget for Fiscal Year 2023-24 and Fiscal Year 2024-25 and provide direction to staff.

BACKGROUND

It is customary to conduct a preliminary analysis of all appropriations for the upcoming fiscal year. This process updates the Budget Standing Committee on the forecasted fiscal status of the City's General Fund and Other Funds. Los Alamitos implemented a two-year budget cycle beginning with the Fiscal Year 2021-22 Budget. This budget cycle will include budget projections for Fiscal Year 2023-24, and an estimate for Fiscal Year 2024-25, that will aid with future planning.

DISCUSSION

The Mid-Year Budget review and projection for the Fiscal Year ending June 30, 2023, was presented to Council on March 17, 2023. Finance staff has conducted meetings with the departments and the City Manager, to review preliminary budget projections for Fiscal Year 2023-24 and Fiscal Year 2024-25. HdL and Beacon Economics have released new information and their latest forecasts are included.

Economic Update

Indicators of economic activity and employment continue to grow in recent months and the unemployment rate has declined substantially. The recession forecasted by many has not appeared as projected and is less likely anytime soon. The forecast is expecting slow growth and no recession in the near-term future according to a recent publication by Beacon Economics (March 23, 2023).

In terms of the macro economy, the new outlook points to solid evidence of a healthy economy, as unemployment numbers are low, consumer spending continues despite inflation, earnings growth is still running above 6% for the median worker, banks are not experiencing any increase in problematic loans, and interest rates have started to stabilize causing asset markets to do the same.

However, for California, a declining workforce continues to hamper economic growth. According to Beacon Economics, "California's labor force contracted during the pandemic and there are well over 300,000 fewer workers in the state today than there were before COVID hit; there are simply not enough workers to fill the number of job openings."

The U.S. Treasury has made recent moves to counter the growth of inflation. This represents the most aggressive hike campaign by the Federal government in seventeen years (since 2005). Additional rate hikes are projected in 2023, and Fed policymakers have projected rates would end 2023 at about 5.1%, and at 4.3% for 2024.

According to Bloomberg market analysts, the recent quarter percentage point hike on March 22, 2023, suggests that policymakers remain firmly focused on bringing down inflation to their 2% goal, indicating they see rising prices as a larger threat than bank turmoil. It also projects confidence that the economy and financial system remain healthy enough to withstand the string of recent bank failures.

Bond Market Indicators

The bond yield curve is currently in an inverse relationship. Yield inversion occurs when the yield on a longer tenure maturity becomes less than the yield for a shorter tenure maturities. According to the latest outlook by Beacon Economics, the U. S. banking system is the victim of rapid changes in Fed policy that have occurred over the last three years, as they have tried to maintain both full employment and price stability, which can be mutually exclusive. They attempted to destabilize prices by injecting cash into the economy, and thereby destabilized the banking system through interest rate increases.

The new outlook recognizes that the recent bank failures have made the forecast more unclear because stress in the banking system will eventually materialize in the broader economy in the form of tightening credit. These stressors will not on their own rise to the level of a recession. However, as the Fed continues to raise interest rates in the quest to curb inflation, it will likely do more damage to the bank credit industry that may trigger negative consequences for the overall economy.

Housing

Housing prices have surged an astounding 41% during the early days of the pandemic. Today, higher interest rates have led to a collapse in demand and home sales have returned to their pre-pandemic lows.

However, home prices remain 27% above where they were prior to the pandemic and the new forecast expects them to fall by 6.3% in 2023, according to Beacon Economics. However, this will not have an impact on the City's property tax revenue. According to the latest forecast received from HdL (March 29, 2023), FY23-24 is expected to show 6.21% growth over FY22-23 and then lowering to 3.31% for FY24-25.

Fiscal Year 2023-24 and Fiscal Year 2024-25 Budget Overview

The new draft budget again reflects 2 fiscal years. As shown below, projected revenues (including transfers in) for FY23-24 and FY22-25 are $22.5 million and $23.0 million, respectively.

General Fund Projected Revenues

Fiscal Year 2023-24 and 2024-25 projections by category are presented as follows:

	2021-22 Estimate	2022-23 Adopted Budget	2022-23 Estimate	2023-24 Propopsed	2024-25 Projection
Revenue Summary					
Property Taxes	4,713,161	4,899,967	4,939,763	5,085,144	5,237,990
Sales Tax	3,481,223	3,403,270	3,935,420	3,930,098	4,064,229
Sales Tax - Local (Measure Y)	5,594,808	5,371,740	6,354,000	6,494,000	6,715,000
Transit Occupancy Tax (TOT)	522,187	325,340	488,000	530,000	540,000
Business Licenses	736,682	819,000	892,400	824,000	824,000
Utility Users Tax	2,122,766	2,052,487	1,975,889	1,799,000	1,670,000
Franchise Fees	1,052,199	671,300	621,600	655,300	629,300
Licenses & Permits	1,043,588	958,200	1,083,880	1,075,300	1,080,300
Fines & Forfeitures	382,498	669,000	405,400	696,000	746,000
Use of Money & Property	114,822	180,000	248,228	260,000	270,000
Other Agencies	45,724	12,200	5,000	12,200	12,200
Charges for Current Services	904,074	702,278	628,689	764,818	780,423
Misc.	56,318	68,000	10,000	50,000	50,000
Total Revenue	**20,770,050**	**20,132,782**	**21,588,269**	**22,175,860**	**22,619,442**
Transfers In	375,000	1,216,043	1,416,043	370,000	370,000
Total	**21,145,050**	**21,348,825**	**23,004,312**	**22,545,860**	**22,989,442**

Property Taxes

The most recent report received from HdL (dated March 29, 2023) , indicates that property taxes are continuing an upward trend. The projections for secured property taxes for FY23-24 and FY 24-25 are $2.9 million and $3.0 million, respectfully. This revenue category encompasses unsecured property taxes, lighting district, and property tax in lieu of VLF. The revenue projection for total property tax revenue for FY23-24 is $5.1 million and estimated to be $5.2 million for FY24-25.

Sales & Use Taxes

A report from HdI, dated February 22, 2023, reported data for the quarter ending September 2022. Sales were up 13.3% for the 3rd quarter 2022 compared to the same time frame for 2021 and reflected increases for most of the major business groups. The projection and estimate for Sales & Use Taxes for Fiscal Year 2023-24 is $3.9M, and FY 2024-25 $4.1M. The next report from HdL will be on April 5, and any updates will be included in the next draft budget version.

Measure Y Local Sales Tax

FY21-22 represents the first full fiscal year of collected data since the adoption of Measure Y local sales tax. According to the latest report from HdL dated February 22, 2023, estimates for FY23-24 are $6.5M, and FY24-25 $6.7M. Updates from the next scheduled HdL report will be included the next version of the draft budget.

Transient Occupancy Tax

Transit Occupancy Tax (TOT) includes tax from three hotels. The estimate for FY23-24 is $530 thousand, and $540 thousand for FY24-25. A study is planned to review the TOT rate and consider a proposal for an increase that will include a portion of the increase to be used for marketing efforts, and a resulting tax rate that will be comparable with surrounding cities.

Licenses & Permits

Licenses & Permits are expected to reflect continued strong activity for building and construction. Estimates for FY23-24 and FY24-25 are $1.1 million.

Fines & Forfeitures

Fines & Forfeitures revenue include red light camera and parking fines, and other moving violations. Revenue is expected to return to a normalized level in the next fiscal year.

Charges for Services

The majority of revenue for this category is generated by the Recreation Department's various programs, classes, and special events, and addition of the Aquatics Program added back to Recreation's full menu of programs. Estimated revenues for FY23-24 and FY24-25 are $765 thousand and $780 thousand, respectively, and are expected to exceed FY22-23 revenues.

General Fund Proposed Expenditures

The proposed expenditures represent further restructuring of the City's internal operations in order to meet the goals set forth in the departments and the City. Projected expenditures (including transfers out) for FY23-24 are $19.9 million, and $20.1 million for FY24-25.

The table below reflects the Preliminary General Fund Budget for department expenditures for FY23-24 and FY24-25, including additional proposed staffing positions.

	2021-22 Estimate	2022-23 Adopted Budget	2022-23 Estimate	2023-24 Proposed	2024-25 Projection
Expenditure Summary					
City Council	70,020	66,895	80,595	102,632	109,631
Administration	917,014	1,053,023	1,042,657	1,372,147	1,414,503
Finance	662,261	835,327	758,830	998,979	1,034,997
City Attorney	210,871	196,000	196,000	196,000	196,000
Police	6,617,305	8,005,752	7,735,531	8,311,221	8,722,503
Development Services	4,093,460	4,446,404	4,939,120	4,829,039	4,996,407
Recreation	1,911,542	2,003,743	2,189,784	2,372,053	2,467,301
Non-Departmental	1,185,732	2,443,181	615,894	615,894	617,894
Total Expenditures	**15,668,205**	**19,050,325**	**17,558,411**	**18,797,965**	**19,559,236**
Transfers Out	1,303,500	1,725,500	1,625,500	1,021,500	1,082,500
Total Expenditures & Transfers Out	**16,971,705**	**20,775,825**	**19,183,911**	**19,819,465**	**20,641,736**

In addition to maintenance and operational increases, below is a breakdown of the individual departmental expenditures, including additional proposed staffing. Salaries reflect the second year of the two-year COLA adjustments as approved in the recently negotiated MOU agreements. For FY24-25, an estimate of 3% COLA has been used.

Administration (City Manager, City Clerk, Human Resources)

Administration includes City Manager, City Clerk, Administrative Manager and a Management Analyst. In addition, a Deputy City Clerk has been proposed to assist the City Clerk's department with added workload. Total department expenditures for Administration for FY23-24 and FY24-25 are projected to be approximately $1.4 million, respectfully.

Finance

The Finance Department now consists of four full-time staff, including Finance Director, Finance Manager, Accountant, and Senior Finance Assistant, and a Part Time Clerical Assistant has been added for additional support. The Finance Manager reflects a salary change adding Tier 1 to enhance recruiting and retention for the position, which is currently vacant. Total department expenditures for Finance for FY23-24 and FY24-25 are projected to be $1 million, respectively.

Police

The Police budget consists of nine divisions, Administration, Patrol, Investigation, Records, Communication, Community Outreach, Youth Programs, Traffic, and Emergency Preparedness. Salaries reflect the recently negotiated cost of living adjustments for FY22-23 and FY23-24, and assumes the full complement of sworn personnel at 24 sworn officers.

In addition, an additional sworn officer is being added that will be offset by OCAT through the California Department of Motor Vehicles for a period of three years. The additional position will allow for critical backfill, and will enhance overall retention. The total department expenditures for FY23-24 are projected to be $8.3 million, and $8.7 million for FY24-25.

Development Services

Development Services consists of Administration, Planning, Neighborhood Preservation, Building Inspection, NPDES, Street, Park, and Facility Maintenance, and City Engineer. The total department expenditures for FY23-24 and FY24-25 are projected to be $4.8 million and $4.9 million, respectively. Costs reflect the proposed positions of an additional Department Secretary, that will provide additional administrative support, and six additional maintenance positions. The additional maintenance positions are necessary to cover needed repairs, maintenance of the new parks coming online, provide setup and takedown for special events, and full seven-day coverage of the City's facilities.

For the Economic Development division, the Economic Development will continue to be funded and offset by ARPA. This position will be responsible for Business Licensing and additional oversight of HdL's Business License processing, the Banner Program, Economic Development initiatives, Outdoor Dining, Employment, and New Business Programs.

Recreation and Community Services

Recreation and Community Services include divisions for Administration, Community Services, Day Camp, Playgrounds, Sports, Special Classes and Special Events. Salaries reflect an adjustment of Tier 1 to the Recreation Manager. The proposed change will better align salaries with market and add retention.

Part-Time Salaries are being increased for Aquatics, and Special Classes with the expansion of programs. Total department expenditures for Recreation and Community Services are projected to be $2.4 million for FY23-24, and $2.5 million for FY24-25.

Staffing Changes

A revision to the Executive Management & Non-Represented Salary Schedule has been made to add Tier 1 for the Finance Manager, Administrative Services Manager, and Development Services Manager.

In addition, the Recreation Manager is also included in this same category. A Deputy City Clerk has been added to the supervisor section (see attached schedule). Salary scales for these positions were pegged at Tier 2. This change will allow the City to be more marketable with surrounding cities and enhance recruiting efforts. The fiscal impact of this change is 8% higher with the addition of Tier 1.

Non-Departmental

Non-Departmental includes contractual services not associated with other departments, retiree health insurance costs, credit card processing fees, contributions to North SPA, and capital projects funded by Measure Y and General Fund.

Interfund Operating Transfers Out

Interfund transfers out from the General Fund are to other funds to cover Debt Service payments (Fund 31), capital improvement projects funded by the General Fund (Building Improvement Fund 25), transfer to cover facility improvements (Fund 52), and transfers to cover self-insurance costs (Fund 54).

Internal Service Charges

There are no changes being proposed to the Internal Service Charges for FY23-24, as a review was conducted during the prior budget. The Internal Service Charges will be reviewed in connection with the Cost Recovery Study to determine proper levels of cost recovery and allocation methodology.

<u>Other Considerations</u>

In connection with the UAL, a report was taken to Council in November for a plan to pay down the unfunded liability. Council adopted Resolution 2022-23, adopting the PERS Unfunded Accrued Liability Pay-Down Funding Policy. The policy establishes the following directives:

- Starting with the 2022/2023 Budget cycle, The Los Alamitos City Council directs the City Manager to incorporate within the annual budget an Additional Discretionary Payment (ADP) of at least $260,000 in order to address the City's current PERS Unfunded Actuarial (UAL). The City Manager is further directed to include the same $260,000 in subsequent budgets, with the goal of achieving a 100% funding within 12 years of adoption of this policy.

- Additionally, upon completion of the City's annual independent financial audit, should a surplus be identified and verified, at least 25% of the identified and verified surplus will be used to make an additional ADP payment. This payment is in addition to and does not supplant the already directed $260,000 annual payment.

- Any change to or rescission of this policy would require an action approved by the City Council during a public hearing and requiring a finding of extreme financial danger to the City's infrastructure or public safety.

Fiscal Impact

The fiscal impact associated with the various personnel changes that are recommended are incorporated in the FY23-24 and FY24-25 Budget. This report presents the preliminary projections for the budget for Fiscal Year 2023-24 and Fiscal Year 2024-25.

The estimates for FY23-24 are not reflective of any capital improvement projects. Staff is working with the City Engineer to develop estimates for the CIP program, to be provided in the next draft budget version, along with any other changes recommended by the Budget Standing Committee.

Attachment: Salary Schedule Executive Management & Non-Represented Employees

Submitted By: Craig Koehler, Finance Director
Approved By: Chet Simmons, City Manager

EXHIBIT A

CITY OF LOS ALAMITOS EXECUTIVE MANAGEMENT & NON-REPRESENTED EMPLOYEES

SALARY SCHEDULE

EFFECTIVE NOVEMBER 6, 2022

CODE	CLASSIFICATION TITLE	TIER	CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
310	Benefits Coordinator / Executive Asst.	2	C-E	HOURLY	32.98	34.78	36.55	38.47	40.50
				MONTHLY	5,716.53	6,028.53	6,335.33	6,668.13	7,020.00
				ANNUAL	68,598.40	72,342.40	76,024.00	80,017.60	84,240.00
324	Recreation Supervisor	1	C - E	HOURLY	36.63	38.63	40.76	42.99	45.36
326	Economic Development Supervisor			MONTHLY	6,349.82	6,696.14	7,064.93	7,452.43	7,862.40
328	Public Works Supervisor			ANNUAL	76,197.89	80,353.73	84,779.14	89,429.18	94,348.80
951	Deputy City Clerk								
		2		HOURLY	33.92	35.77	37.74	39.81	42.00
				MONTHLY	5,879.47	6,200.13	6,541.60	6,900.40	7,280.00
				ANNUAL	70,553.60	74,401.60	78,499.20	82,804.80	87,360.00
330	Assistant to the City Manager	1	C - E	HOURLY	42.22	44.33	46.54	48.88	51.33
				MONTHLY	7,318.13	7,683.87	8,066.93	8,472.53	8,897.20
				ANNUAL	87,817.60	92,206.40	96,803.20	101,670.40	106,766.40
		2		HOURLY	39.14	41.09	43.14	45.29	47.57
				MONTHLY	6,784.27	7,122.27	7,477.60	7,850.27	8,245.47
				ANNUAL	81,411.20	85,467.20	89,731.20	94,203.20	98,945.60
340	Finance Manager	1	MM - E	HOURLY	48.56	50.99	53.54	56.20	59.01
355	Recreation Manager		MM-E	MONTHLY	8,416.51	8,837.71	9,279.50	9,741.89	10,228.61
362	Administrative Services Manager		A - E	ANNUAL	100,998.14	106,052.54	111,354.05	116,902.66	122,743.30
365	Development Services Manager		MM - E						
		2		HOURLY	44.96	47.21	49.57	52.04	54.64
				MONTHLY	7,793.07	8,183.07	8,592.13	9,020.27	9,470.93
				ANNUAL	93,516.80	98,196.80	103,105.60	108,243.20	113,651.20
370	City Clerk	1	A - E	HOURLY	43.20	45.36	47.64	50.02	52.52
				MONTHLY	7,488.00	7,862.40	8,257.60	8,670.13	9,103.47
				ANNUAL	89,856.00	94,348.80	99,091.20	104,041.60	109,241.60
		2		HOURLY	40.02	42.04	44.14	46.34	48.64
				MONTHLY	6,936.80	7,286.93	7,650.93	8,032.27	8,430.93
				ANNUAL	83,241.60	87,443.20	91,811.20	96,387.20	101,171.20
373	City Clerk/ Director of Communication	1	A - E	HOURLY	45.36	47.64	50.02	52.52	55.14
				MONTHLY	7,862.40	8,257.60	8,670.13	9,103.47	9,557.60
				ANNUAL	94,348.80	99,091.20	104,041.60	109,241.60	114,691.20
		2		HOURLY	42.04	44.14	46.34	48.64	51.08
				MONTHLY	7,286.93	7,650.93	8,032.27	8,430.93	8,853.87
				ANNUAL	87,443.20	91,811.20	96,387.20	101,171.20	106,246.40
380	Support Services Manager	1	MM - E	HOURLY	51.34	53.91	56.60	59.43	62.39
				MONTHLY	8,898.93	9,344.40	9,810.67	10,301.20	10,814.27
				ANNUAL	106,787.20	112,132.80	117,728.00	123,614.40	129,771.20
		2		HOURLY	47.57	49.94	52.44	55.07	57.82
				MONTHLY	8,245.47	8,656.27	9,089.60	9,545.47	10,022.13
				ANNUAL	98,945.60	103,875.20	109,075.20	114,545.60	120,265.60

EXHIBIT A

CITY OF LOS ALAMITOS EXECUTIVE MANAGEMENT & NON-REPRESENTED EMPLOYEES

SALARY SCHEDULE

EFFECTIVE NOVEMBER 6, 2022

CODE	CLASSIFICATION TITLE	TIER	CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
CODE	CLASSIFICATION TITLE	TIER	CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
405	Finance Director	1	A - E	HOURLY	55.70	61.25	66.84	71.64	77.97
				MONTHLY	9,654.67	10,616.67	11,585.60	12,417.60	13,514.80
				ANNUAL	115,856.00	127,400.00	139,027.20	149,011.20	162,177.60
		2		HOURLY	51.60	56.76	61.91	66.40	72.25
				MONTHLY	8,944.00	9,838.40	10,731.07	11,509.33	12,523.33
				ANNUAL	107,328.00	118,060.80	128,772.80	138,112.00	150,280.00
390	Police Captain	1	MM - E	HOURLY	64.16	67.37	70.75	74.28	78.00
				MONTHLY	11,121.07	11,677.47	12,263.33	12,875.20	13,520.00
				ANNUAL	133,452.80	140,129.60	147,160.00	154,502.40	162,240.00
		2		HOURLY	58.92	61.86	64.95	68.21	71.62
				MONTHLY	10,212.80	10,722.40	11,258.00	11,823.07	12,414.13
				ANNUAL	122,553.60	128,668.80	135,096.00	141,876.80	148,969.60
400	Administrative Services Director	1	A - E	HOURLY	58.49	64.33	70.19	75.24	81.87
430	Recreation & Community Svcs Director			MONTHLY	10,138.27	11,150.53	12,166.27	13,041.60	14,190.80
				ANNUAL	121,659.20	133,806.40	145,995.20	156,499.20	170,289.60
		2		HOURLY	54.19	59.61	65.04	69.72	75.85
				MONTHLY	9,392.93	10,332.40	11,273.60	12,084.80	13,147.33
				ANNUAL	112,715.20	123,988.80	135,283.20	145,017.60	157,768.00
410	Development Services Director	1	A - E	HOURLY	61.41	67.54	73.70	78.99	85.96
				MONTHLY	10,644.40	11,706.93	12,774.67	13,691.60	14,899.73
				ANNUAL	127,732.80	140,483.20	153,296.00	164,299.20	178,796.80
		2		HOURLY	56.90	62.59	68.26	73.21	79.64
				MONTHLY	9,862.67	10,848.93	11,831.73	12,689.73	13,804.27
				ANNUAL	118,352.00	130,187.20	141,980.80	152,276.80	165,651.20
440	Police Chief	1	A - E	HOURLY	68.04	74.83	81.64	88.43	95.25
				MONTHLY	11,793.60	12,970.53	14,150.93	15,327.87	16,510.00
				ANNUAL	141,523.20	155,646.40	169,811.20	183,934.40	198,120.00
		2		HOURLY	62.46	68.71	74.95	81.20	87.45
				MONTHLY	10,826.40	11,909.73	12,991.33	14,074.67	15,158.00
				ANNUAL	129,916.80	142,916.80	155,896.00	168,896.00	181,896.00
500	City Manager	n/a	A - E	City Manager salary is set by contract with the City Council.					

Employment Category

A = At Will

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MM = Mid-management

Fair Labor Standards Act Classification

E = Exempt from overtime

Tier 1 represents the salary ranges for non-represented employees appointed **before** December 16, 2013.

Tier 2 represent the salary ranges for non-represented employees appointed **after** December 16, 2013.

EXHIBIT A

CITY OF LOS ALAMITOS EXECUTIVE MANAGEMENT & NON-REPRESENTED EMPLOYEES

SALARY SCHEDULE

EFFECTIVE NOVEMBER 5, 2023

CODE	CLASSIFICATION TITLE	TIER	CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
310	Benefits Coordinator/Executive Asst	2	C - E	HOURLY	33.64	35.42	37.28	39.24	41.31
				MONTHLY	5,830.93	6,139.47	6,461.87	6,801.60	7,160.40
				ANNUAL	69,971.20	73,673.60	77,542.40	81,619.20	85,924.80
324	Recreation Supervisor	1	C - E	HOURLY	37.37	39.41	41.57	43.86	46.27
326	Economic Development Supervisor			MONTHLY	6,477.12	6,830.93	7,205.33	7,602.19	8,019.65
328	Public Works Supervisor			ANNUAL	77,725.44	81,971.14	86,463.94	91,226.30	96,235.78
951	Deputy City Clerk								
		2		HOURLY	34.60	36.49	38.49	40.61	42.84
				MONTHLY	5,997.33	6,324.93	6,671.60	7,039.07	7,425.60
				ANNUAL	71,968.00	75,899.20	80,059.20	84,468.80	89,107.20
330	Assistant to the City Manager	1	C - E	HOURLY	43.06	45.22	47.47	49.86	52.36
				MONTHLY	7,463.73	7,838.13	8,228.13	8,642.40	9,075.73
				ANNUAL	89,564.80	94,057.60	98,737.60	103,708.80	108,908.80
		2		HOURLY	39.92	41.91	44.00	46.20	48.52
				MONTHLY	6,919.47	7,264.40	7,626.67	8,008.00	8,410.13
				ANNUAL	83,033.60	87,172.80	91,520.00	96,096.00	100,921.60
340	Finance Manager	1	MM - E	HOURLY	49.53	52.00	54.60	57.33	60.20
355	Recreation Manager		MM-E	MONTHLY	8,584.84	9,014.08	9,464.79	9,938.03	10,434.93
362	Administrative Services Manager		A - E	ANNUAL	103,018.11	108,169.01	113,577.46	119,256.34	125,219.15
365	Development Services Manager		MM - E						
		2		HOURLY	45.86	48.15	50.56	53.09	55.74
				MONTHLY	7,948.93	8,346.37	8,763.69	9,201.88	9,661.97
				ANNUAL	95,387.14	100,156.49	105,164.32	110,422.53	115,943.66
370	City Clerk	1	A - E	HOURLY	44.06	46.27	48.59	51.02	53.57
				MONTHLY	7,637.07	8,020.13	8,422.27	8,843.47	9,285.47
				ANNUAL	91,644.80	96,241.60	101,067.20	106,121.60	111,425.60
		2		HOURLY	40.82	42.88	45.02	47.27	49.61
				MONTHLY	7,075.47	7,432.53	7,803.47	8,193.47	8,599.07
				ANNUAL	84,905.60	89,190.40	93,641.60	98,321.60	103,188.80
373	City Clerk/ Director of Communication	1	A - E	HOURLY	46.27	48.59	51.02	53.57	56.24
				MONTHLY	8,020.13	8,422.27	8,843.47	9,285.47	9,748.27
				ANNUAL	96,241.60	101,067.20	106,121.60	111,425.60	116,979.20
		2		HOURLY	42.88	45.02	47.27	49.61	52.10
				MONTHLY	7,432.53	7,803.47	8,193.47	8,599.07	9,030.67
				ANNUAL	89,190.40	93,641.60	98,321.60	103,188.80	108,368.00
380	Support Services Manager	1	MM - E	HOURLY	52.37	54.99	57.73	60.62	63.64
				MONTHLY	9,077.47	9,531.60	10,006.53	10,507.47	11,030.93
				ANNUAL	108,929.60	114,379.20	120,078.40	126,089.60	132,371.20
		2		HOURLY	48.52	50.94	53.49	56.17	58.98
				MONTHLY	8,410.13	8,829.60	9,271.60	9,736.13	10,223.20
				ANNUAL	100,921.60	105,955.20	111,259.20	116,833.60	122,678.40

EXHIBIT A

CODE	CLASSIFICATION TITLE	TIER	CATGY/FLSA		STEP A	STEP B	STEP C	STEP D	STEP E
405	Finance Director	1	A - E	HOURLY	56.81	62.48	68.18	73.07	79.53
				MONTHLY	9,847.07	10,829.87	11,817.87	12,665.47	13,785.20
				ANNUAL	118,164.80	129,958.40	141,814.40	151,985.60	165,422.40
		2		HOURLY	52.63	57.90	63.15	67.73	73.70
				MONTHLY	9,122.53	10,036.00	10,946.00	11,739.87	12,774.67
				ANNUAL	109,470.40	120,432.00	131,352.00	140,878.40	153,296.00
390	Police Captain	1	MM - E	HOURLY	65.44	68.72	72.17	75.77	79.56
				MONTHLY	11,342.93	11,911.47	12,509.47	13,133.47	13,790.40
				ANNUAL	136,115.20	142,937.60	150,113.60	157,601.60	165,484.80
		2		HOURLY	60.10	63.10	66.25	69.57	73.05
				MONTHLY	10,417.33	10,937.33	11,483.33	12,058.80	12,662.00
				ANNUAL	125,008.00	131,248.00	137,800.00	144,705.60	151,944.00
400	Administrative Services Director	1	A - E	HOURLY	59.66	65.62	71.59	76.74	83.51
430	Recreation & Community Svcs Director			MONTHLY	10,341.07	11,374.13	12,408.93	13,301.60	14,475.07
				ANNUAL	124,092.80	136,489.60	148,907.20	159,619.20	173,700.80
		2		HOURLY	55.27	60.80	66.34	71.11	77.37
				MONTHLY	9,580.13	10,538.67	11,498.93	12,325.73	13,410.80
				ANNUAL	114,961.60	126,464.00	137,987.20	147,908.80	160,929.60
410	Development Services Director	1	A - E	HOURLY	62.64	68.89	75.17	80.57	87.68
				MONTHLY	10,857.60	11,940.93	13,029.47	13,965.47	15,197.87
				ANNUAL	130,291.20	143,291.20	156,353.60	167,585.60	182,374.40
		2		HOURLY	58.04	63.84	69.63	74.67	81.23
				MONTHLY	10,060.27	11,065.60	12,069.20	12,942.80	14,079.87
				ANNUAL	120,723.20	132,787.20	144,830.40	155,313.60	168,958.40
440	Police Chief	1	A - E	HOURLY	69.40	76.33	83.27	90.20	97.16
				MONTHLY	12,029.33	13,230.53	14,433.47	15,634.67	16,841.07
				ANNUAL	144,352.00	158,766.40	173,201.60	187,616.00	202,092.80
		2		HOURLY	63.71	70.08	76.45	82.82	89.20
				MONTHLY	11,043.07	12,147.20	13,251.33	14,355.47	15,461.33
				ANNUAL	132,516.80	145,766.40	159,016.00	172,265.60	185,536.00
500	City Manager	n/a	A - E	City Manager salary is set by contract with the City Council.					

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City of Los Alamitos
CITY COUNCIL AGENDA REPORT

MEETING DATE: April 10, 2023 ITEM NUMBER: 4B

To: **Budget Standing Committee Members**

Presented By: **Craig Koehler, Finance Director**

Subject: **Annual Comprehensive Financial Report for June 30, 2022**

SUMMARY

For Budget Standing Committee review and consideration is the receipt of the fiscal year 2021-22 audit reports.

RECOMMENDATION

Receive an update on the fiscal year 2021-22, audit and Annual Comprehensive Financial Report (ACFR).

BACKGROUND

Each year an independent audit of the City is conducted in conformity with *generally accepted auditing standards* (GAAS). Those standards require that an independent Certified Public Accountant plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The auditor also expresses an opinion on the fairness of the presentation of the financial position and the results of operations of the government's basic financial statements in conformity with *generally accepted accounting principles* (GAAP).

DISCUSSION

This item was pulled from the March 17, 2023 Council Meeting because an error had been detected and brought to the City's attention. The error was in the narrative section of the report in table 2 on page 8 that had a typographical error which overstated one of the numbers. The error does not have any impact on the audited portion of the financial statements.

Considering the impact of this, Finance contacted one of the auditing firms that had responded to the RFP for auditing services that was issued in 2020 and requested that they perform a peer review of the report to provide a certification as to the report's accuracy and completeness.

The firm providing the review and certification and certification is Rogers, Anderson, Malody & Scott, LLP (RAMS). Once the review has been completed, the report will be brought back to the Budget Standing Committee at the next meeting in May.

FISCAL IMPACT

None.

Submitted By: Craig Koehler, Finance Director
Approved By: Chet Simmons, City Manager