

CITY OF LOS ALAMITOS
Council Chamber
3191 Katella Ave., Los Alamitos CA 90720

BUDGET STANDING COMMITTEE AGENDA
SPECIAL MEETING

Monday, April 14, 2025 – 4:30 PM

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 Budget Standing Committee at the same meeting.

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

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made.

1. CALL TO ORDER

2. ROLL CALL

Mayor Shelley Hasselbrink
Mayor Pro Tem Tanya Doby

3. ORAL COMMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the Budget Standard Committee. Remarks are to be limited to not more than five minutes per speaker.

4. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Committee Member requests separate action on a specific item.

A. Minutes of Special Meeting April 3, 2025 (Finance)

Minutes are recorded and represent the business conducted and items discussed at the Special Meeting of April 3, 2025.

Recommendation:

Approve the minutes of the Budget Standing Committee Special Meeting of April 3, 2025.

5. DISCUSSION ITEM

A. UKG Payroll Processing System (Finance)

This report provides the Budget Standing Committee with an update on the successful implementation of the UKG online payroll system.

Recommendation:

This report provides an overview of the successful implementation of the UKG payroll processing system.

B. Draft Budget for Fiscal Year 2025-26 and Fiscal Year 2026-27 (Finance)

This report provides the Budget Standing Committee with the draft budget for Fiscal Year 2025-26 and Fiscal Year 2026-27.

Recommendation:

Review and discuss the draft budget for Fiscal Years 2025-26 and 2026-27 and provide direction to staff.

6. CLOSED SESSION

A. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager

Employee Organization: Executive Management, Non-Represented

Authority: Government Code Section 54957.6

B. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager

Employee Organization: Teamsters Local 911

Authority: Government Code Section 54957.6

C. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager

Employee Organization: Police Officers Association

Employees Authority: Government Code Section 54957.6

7. ITEMS FROM STAFF AND THE COMMITTEE

At this time, Committee Members and Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

8. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the Los Alamitos City Hall, 3191 Katella Ave. and online at www.cityoflosalamitos.org not less than 72 hours prior to the meeting.

Craig Koehler, Finance Director
Dated: 4/10/25

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

SPECIAL MEETING

Thursday, April 3, 2025 – 5:30 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 5:35 p.m., Thursday, April 3, 2025, with Mayor Hasselbrink and Mayor Pro Tem Doby presiding.

2. ROLL CALL

Present: Committee Members: Mayor Hasselbrink
Mayor Pro Tem Doby

Absent: Committee Members: None

Present: Staff: Chet Simmons, City Manager
Ron Noda, Deputy City
Manager/Development Services
Director
Craig Koehler, Finance Director / City
Treasurer
Barbara Biscocho, Finance Manager
Mathew Lightner, Management Analyst

3. Oral Communications

There were none to report.

4. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Doby /Hasselbrink

Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting of February 10, 2025.

5. DISCUSSION ITEMS

A. Business License Update

Staff provided an update on Business License processing. Development Services is expanding business licenses to include one-day licenses. Staff will

continue to monitor processing and provide periodic updates to the Committee.

B. Warrant Approval Hierarchy

Staff provided the Committee with a report on the current Purchasing Authority Thresholds and Administrative Regulations, which was received and filed.

C. Draft Budget Fiscal Year 2025-26, 2026-27 (Finance)

Staff provided the Committee with an overview of the draft budget for Fiscal Years 2025-26 and 2026-27. The Committee directed staff to return to the next meeting with noted changes.

6. ITEMS FROM STAFF AND THE COMMITTEE

A. Organization Branding Project

Staff provided the Committee with an overview of the Organizational Branding Project, which was received and filed.

The Budget Standing Committee adjourned the meeting to go into Closed Session at 6:48 p.m.

7. CLOSED SESSION

A. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

B. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR (Administration)

City Negotiator Chet Simmons, City Manager
Employee Organization: Police Officers Association
Authority: Government Code Section 54957.6

The Budget Standing Committee adjourned from the Closed Session with no reportable action.

8. ADJOURNMENT

The meeting was adjourned at 7:10 p.m.

Craig Koehler, Finance Director

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 14, 2025

ITEM NUMBER: 5A

To: Budget Standing Committee Members

Presented By: Barbara Biscocho, Finance Manager

Subject: UKG Payroll Processing System

SUMMARY

This report provides the Budget Standing Committee with an update on the successful implementation of the UKG online payroll system.

RECOMMENDATION

This report provides an overview of the successful implementation of the UKG payroll processing system.

BACKGROUND

Due to a lack of staff resources, the City has faced ongoing challenges transitioning away from paper-based timesheets. Currently, a full-time Accountant is primarily responsible for processing approximately 170 paper timesheets every two weeks, with an estimated 95% of her time devoted to this task. This manual process is time-consuming and prone to clerical errors and inefficiencies.

The integration was to address these issues by digitizing the timesheet process. By implementing an online system with built-in workflow capabilities, the Finance Department anticipates a significant reduction in administrative burden. Additionally, this move is expected to enhance process efficiency, minimize human error, and streamline overall payroll operations throughout the City.

DISCUSSION

Implementation team UKG

UKG assigned a dedicated team to support the implementation of our time and attendance (timesheets) and payroll systems. This included a time-keeping specialist, a payroll process lead, and a project manager—each an expert in their field. Their responsiveness, professionalism, and attentiveness to the unique needs of each department made the implementation process smooth and efficient. The full implementation spanned three months. During the first eight weeks, the Finance team Staff Report UKG Implementation April 14, 2025 dedicated approximately six hours per week to the project. In the final weeks, meetings increased to 6 hours per week, involving group and individual sessions to finalize configurations and ensure all requirements were met. UKG consistently kept us on track, provided recorded training sessions, and successfully established customized approval hierarchies for key departments, including Recreation, Community Development, and the

Police Department. They effectively addressed the complexity of the Police Department's 24-hour operational schedules.

City Staff – Finance Department

This project was an all-hands-on-deck effort for the Finance team and included key contributions from Matthew Lightner, Management Analyst. Over the final five weeks of implementation, the team dedicated approximately 260 combined hours to rigorously test three complete payroll cycles—from timesheet entry through payroll processing. This ensured accurate replication of all components, including wages, federal and state taxes, deductions, and CalPERS-reportable earnings, among other items. The Finance team also provided individual department-specific training to ensure each team understood how the new process would operate within their workflows. Dual approval processes were implemented to reduce the risk of errors or missed entries, especially in larger departments. These streamlined procedures are expected to reduce the workload of our sole Accountant by approximately 75%, allowing for cross-training in other Finance functions and significantly minimizing data entry and review errors before they occur.

Other Considerations

Following successful implementation, the City intends to further integrate operations within the Recreation Department by transitioning to the UKG Scheduler platform. There is also potential to expand the system's use to include Human Resources and benefits administration. This phased approach supports the development of a fully unified platform, streamlining processes and improving coordination across departments citywide.

FISCAL IMPACT

Implementing the new system will deliver significant cost and time savings across departments. Positive feedback from department leaders highlights the system's value, particularly in eliminating manual timesheet submissions—a process that was especially inefficient for part-time staff not regularly on-site. We anticipate reducing our Accountant's time by 75% spent on payroll through several offerings on UKG payroll. With the enabling of remote access through a mobile app, employees can now record hours and manage time independently. At the same time, Managers and Directors can review and approve time off or compensatory time seamlessly. These approvals automatically sync with timesheets, reducing delays and potential errors.

This self-service functionality empowers employees and significantly decreases the administrative workload on payroll and HR teams. Additionally, employees can now independently update personal information such as tax withholdings and contact details, Staff Report UKG Implementation April 14, 2025 removing the need for manual updates by the Finance Staff. Improvements are expected to enhance operational effectiveness while contributing to long-term cost savings.

The Recreation & Community Services Department is evaluating a transition to UKG's Scheduler module to manage and track part-time staff. This shift would eliminate the need for the current Homebase subscription, resulting in direct cost savings.

In addition, if the Human Resources Department adopts the HR and Benefits module, the

integrated system will streamline processes and reduce administrative workload—specifically, by eliminating manual entry for benefit election changes through seamless integration to our payroll. This represents indirect cost savings through more efficient use of staff time.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 14, 2025

ITEM NUMBER: 5B

To: Budget Standing Committee Members

Presented By: Craig Koehler, Director of Finance

Subject: Draft Budget for Fiscal Year 2025-26 and Fiscal Year 2026-27

SUMMARY

This report provides the Budget Standing Committee with the draft budget for Fiscal Year 2025-26 and Fiscal Year 2026-27.

RECOMMENDATION

Review and discuss the draft budget for Fiscal Years 2025-26 and 2026-27 and provide direction to staff.

BACKGROUND

Staff presented the preliminary proposed draft budget for fiscal year 2025-26 and projection for fiscal year 2026-27 to the Budget Standing Committee at a Special Meeting held on April 3, 2025. Budget estimates for the two fiscal years were reviewed and discussed, along with proposed new staffing.

DISCUSSION

The Budget Standing Committee directed staff to return to the April 14 meeting with the noted changes. The revised draft budget is included for review. Among the changes, staff revised and separated miscellaneous revenue to distinguish categories. Variances between the adopted and the proposed budget have been included, along with explanations for larger deviations. In addition, transfers in and out of the General Fund have been included.

General Fund Revenues

The revenue estimates for FY2025-26 and 2026-27 include transfers and are \$29.1 million and \$29.4 million, respectively. The table below represents budget estimates, adopted budget, and variances:

	2024-25 Adopted	2025-26 Proposed	2026-27 Projection	Variance - Adopted to Proposed	
REVENUE SUMMARY					
Property Taxes	\$ 5,436,347	\$ 5,855,905	\$ 6,049,450	8%	
Other Taxes	11,176,715	12,063,445	12,676,223	8%	
Utility Users Tax	2,283,000	2,900,000	2,900,000	27%	
Franchise Fees	864,200	1,066,500	1,050,500	23%	
Licenses & Permits	1,123,480	1,451,783	1,476,460	29%	
Fines & Forfeitures	1,031,975	1,606,000	1,666,000	56%	Trending higher, offset to PD
Investment earnings	750,000	680,000	650,000	-9%	
Other Agencies	11,000	195,000	201,000	1673%	OCTA offset, prev netted with
Charges for Current Services	855,116	959,835	962,835	12%	
Misc. - General	100,000	100,000	100,000		
Grant Offset	-	148,000	148,000	100%	EV trans grant prog offset
TOTAL REVENUE	23,631,833	27,026,468	27,880,468	14%	
Transfers In	425,000	2,086,273	1,479,802		Incr draw from other funds offset to higher transfers out
TOTAL REVENUE & TRANSFERS IN	\$24,056,833	\$29,112,741	\$29,360,270		

General Fund Expenditures

The table below reflects the Draft General Fund Budget for department expenditures for FY25-26 and FY26-27, including additional proposed staffing positions:

	2024-25 Adopted	2025-26 Proposed	2026-27 Projection	Variance - Adopted to Proposed	
EXPENDITURE SUMMARY					
City Council	\$ 35,957	\$ 38,420	\$ 38,420	7%	
Administration - City Manager, City Clerk, HR	1,730,850	1,621,520	1,694,471	-6%	
Finance	1,134,465	1,059,017	1,139,094	-7%	
City Attorney	226,000	322,400	332,072	43%	Adj to reflect cur contract
Police	8,208,996	9,471,396	9,839,725	15%	
Development Services	5,695,456	7,436,584	7,574,253	31%	Incr staffing, oper costs
Recreation	3,279,826	4,335,590	4,422,217	32%	Incr staffing, oper costs
Non-Departmental	1,209,500	1,262,199	1,350,091	4%	
TOTAL EXPENDITURES	21,521,050	25,547,126	26,390,343	19%	
Transfers Out	1,605,000	3,160,000	2,660,000		Incr trans to Internal Svc Fun
TOTAL EXPENDITURES & TRANSFERS OUT	\$23,126,050	\$28,707,126	\$29,050,343		

The proposed expenditures represent further restructuring of the City's internal operations to meet the goals outlined in the departments and the City. Projected expenditures (including transfers out) for FY25-26 are \$28.7 million and \$29.1 million for FY26-27. In addition to maintenance and operational increases, salaries reflect the approved MOU adjustments and four new proposed positions, as shown below:

New Position Requests 2025/26

Department	Added Position	Full Burden Cost	
Public Works	Senior Maintenance	87,000	To support public works
	Maintenance 1	76,000	To support public works
		<u>163,000</u>	
Recreation	LAYB Rec Coord	89,000	To Support LAYB program
	Deputy Director (Dep Dir vs. Mgr.)	20,500	To support Recreation
		<u>109,500</u>	-
		<u>\$ 272,500</u>	

Interfund Operating Transfers In / Out

Interfund transfers into the General Fund support revenues and represent a partial offset to transfers out to other funds. Transfers from the General Fund are made to other internal service funds that do not generate revenue and are to cover Debt Service payments (Fund 31), Vehicle and Equipment Replacement (Fund 50), Technology Replacement (Fund 53), and Self-Insurance costs (Fund 54).

Capital Improvement Projects

As reflected below, the CIP comprises \$3.8 million in multi-year (carryover) projects, which will be largely funded by the prior years' surpluses and covered by investment maturities. The proposed CIP for FY2025-26 is \$10.0 million, of which \$5.4 million is the General Fund. Funding will largely come from and, for the most part, align with investment maturities. In addition, projects totaling \$2.1 million have been deferred to FY26-27.

Fiscal Year 2024-25 CIP Multi-Year (Carryover)

Project	Funding Source	Account	Amount
Labourdette Park Project	CDBG	19-570-5501-2400	\$ 300,000
	General Fund	10-570-5501-2400	\$ 400,000
	Additional Appropriation		\$ 650,000
Sorooptimist Park	Prop 68	10-570-5501-2504	\$ 185,000
	General Fund	10-570-5501-2504	\$ 55,000
	Additional Appropriation		\$ 80,000
Signage Replacement	General Fund	10-570-5501-2506	\$ 150,000
Katella Avenue Design	Measure M	26-570-5501-2402	\$ 300,000
ADA Curb Ramps	Measure M	26-570-5501-2501	\$ 25,000
ADA Sidewalks	Measure M	26-570-5501-2502	\$ 25,000
PMP	General Fund	10-570-5501-2502	\$ 35,000
Bridge Assessment	General Fund	10-570-5501-2503	\$ 15,000
ATP Project - Bloomfield	General Fund-M. Steel	10-570-5501-2507	\$ 582,410
ATP Project - Bloomfield	General Fund	10-570-5501-2507	\$ 175,000
Emergency Generator Project	Facilities (Fund 52)	52-570-5501-2308	\$ 650,000
Pine Street Design	General Fund	10-570-5501-2419	\$ 175,000
Total FY24-25 Pending			\$ 3,802,410

Fiscal Year 2025-26 CIP

Project	Funding Source	Account	Amount
Additional Appropriations	General Fund		\$ 730,000
Community Center 2 Renovation	General Fund		\$ 4,400,000
Street Slurry Project	SB-1		\$ 300,000
	Gas Tax		\$ 190,000
	Measure M		\$ 55,000
LAYB Project (Restroom & Concession)	General Fund		\$ 300,000
Street Striping	Measure M		\$ 150,000
Grid Tree Trimming	Measure M		\$ 95,000
Total FY25-26			\$ 6,220,000
Total Combined CIP			\$ 10,022,410

PD HVAC Project	Building Improvement (Fund 25)		\$ 250,000
ADA Transition Plan	General Fund		\$ 175,000
Public Works Renovation	Facilities (Fund 52)		\$ 650,000
PD Locker Rooms	General Fund		\$ 1,000,000
Deferred			\$ 2,075,000

Other Considerations

In connection with the Unfunded Accrued Liability (UAL), the Council adopted Resolution 2022-23, PERS Unfunded Accrued Liability Pay-Down Funding Policy. This resulted in additional discretionary payments (ADP) of \$260,000 annually that are being applied to reduce the UAL. In addition, the Council approved funding the trust established with PARS at \$50,000 monthly. This funding is in addition to the already approved \$260,000 annual ADP, which, combined with the trust funding, will accelerate the UAL paydown. As of March 31, 2025, a

total of \$1,270,000 has been applied toward the reduction of UAL.

FISCAL IMPACT

Proposed revenues reflect an increase of 14%, and proposed expenditures reflect an increase of 19% over the adopted budget. The budget projections for FY25-26 and estimates for FY26-27 are balanced and reflect a surplus.

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 14, 2025

ITEM NUMBER: 6A

To: Budget Standing Committee Members

Presented By: Chet Simmons, City Manager

Subject: Conference With Labor Negotiator

SUMMARY

City Negotiator: Chet Simmons, City Manager

Employee Organization: Executive Management, Non-Represented

Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 14, 2025

ITEM NUMBER: 6B

To: Budget Standing Committee Members

Presented By: Chet Simmons, City Manager

Subject: Conference With Labor Negotiator

SUMMARY

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None

City of Los Alamitos

BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: April 14, 2025

ITEM NUMBER: 6C

To: Budget Standing Committee Members

Presented By: Chet Simmons, City Manager

Subject: Conference With Labor Negotiator

SUMMARY

City Negotiator: Chet Simmons, City Manager
Employee Organization: Police Officers Association
Employees Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None