

Case Study

Los Alamitos
Seal Beach
Rossmoor

Administrative Draft Fiscal Analysis

June 18, 2011

Submitted to:

**Orange Local Agency Formation Commission
12 Civic Center Plaza, Room 235
Santa Ana, CA 92701**

Prepared by:

GST CONSULTING
Municipal Government Organizational & Financial Management

Table of Contents

EXECUTIVE SUMMARY.....	1
BACKGROUND.....	2
ASSUMPTIONS.....	4
FISCAL ANALYSIS.....	5
STAFFING ANALYSIS.....	9
CONCLUSIONS.....	11

Appendix

Table 1- General Fund Comparison

Table 2- Restricted Funds Comparison

Table 3- Staffing Comparison

Table 4- Debt & Long Term Liability Obligation Comparison

Table 5- Demographic Data

EXECUTIVE SUMMARY

This case study is designed to provide a 50,000 foot level “snapshot” of the opportunities and constraints involved in a theoretical consolidation of:

1. Services provided by or of the Cities of Los Alamitos and Seal Beach, the Rossmoor Community Services District (RCSD) and the unincorporated community of Rossmoor; and
2. The Cities of Los Alamitos and Seal Beach, the Rossmoor Community Services District (RCSD) and the unincorporated community of Rossmoor into one city.

The intent of this analysis is to identify where consolidation may eliminate duplication of service or staffing as well as identifying where potential economies of scale might be gained. The analysis also discusses potential constraints to consolidation.

This analysis is intended to be used by the agencies to guide decisions about sharing services/staff or to determine if further detailed studies and discussions should occur. The General Fund for each agency is analyzed individually since this fund could see the most significant impact. All other Restricted Funds were combined since these funds will remain restricted. All data is from each agency’s Fiscal Year 2010/2011 budget, Fiscal Year 2009/2010 audited financial statements, and other public documents.

Projecting future savings is not included since significant further analysis would be required. The staffing analysis only considers administrative reductions and assumes that direct service delivery staff will remain the same in order to maintain the current level of services. Additionally, as a single purpose special district serving areas outside the boundary of the study area, the Rossmoor/Los Alamitos Area Sewer District was not included as part of this initial study.

The financial savings depicted are based on the maximum potential savings found through a LAFCO consolidation and are likely to decrease if there were to be functional consolidation through contractual arrangements for shared services. The following chart depicts a summary of current budgets and staff and the potential changes.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Rossmoor County</u>	<u>Total</u>	<u>Case Study</u>
Revenues	27,277,800	10,407,495	1,221,700	1,337,000	40,243,995	40,735,720
Expenditures	27,121,400	10,474,495	1,101,545	1,461,000	40,158,440	37,979,265
Net Surplus/(Deficit)	156,400	(67,000)	120,155	(124,000)	(85,555)	2,756,455
Full Time Staffing	100.0	61.0	11.0	7.0	164.0	148.0

As indicated in the chart above, the potential savings could be approximately \$2.5 million with a reduction of 16 full time positions, primarily in management and administration. Based on the information available it is concluded that potential benefits for achieving efficiencies in providing municipal services to the region, and reducing taxpayer costs might be achieved without reducing current levels of services.

The inclusion of the Rossmoor community as part of a city consolidation also provides opportunities to enhance certain revenues from the state currently not being received, based on the added population of the Rossmoor community to the Case Study city.

BACKGROUND

General Demographics

The City of Los Alamitos has a population of 11,449 and encompasses approximately 4.3 square miles. The City is a Charter City with 61 full-time employees and over 25 part time employees. The City is a “full-service” City with its own police force.

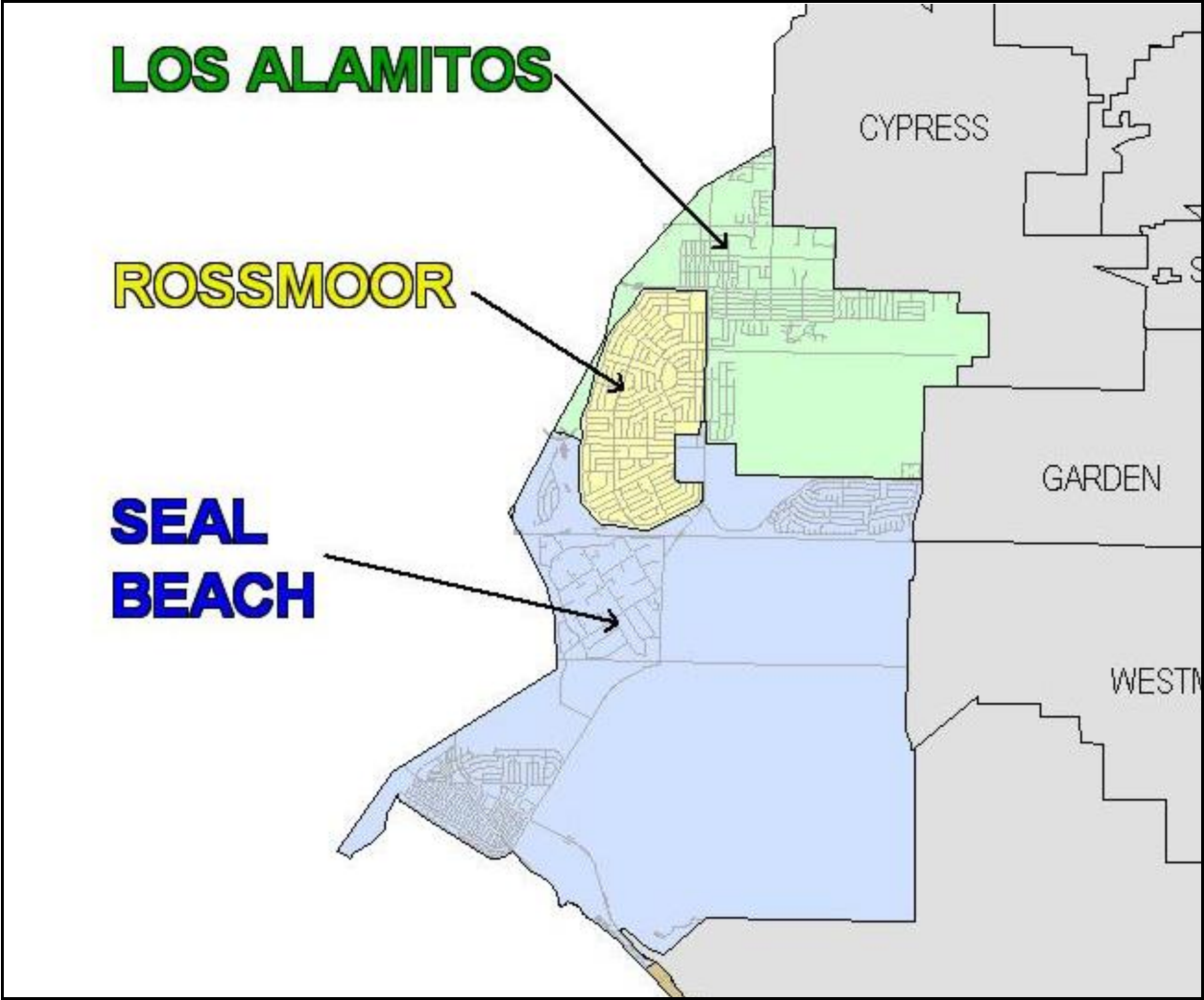
The City of Seal Beach has a population of 24,168 and encompasses approximately 13.2 square miles. The City of Seal Beach is a Charter City with 100 full-time employees and over 200 part-time and seasonal staff. The City is also a “full-service” City with its own police and fire departments.

The unincorporated community of Rossmoor is located between the Cities of Seal Beach and Los Alamitos. Rossmoor has a population of 10,244 and encompasses approximately 1.6 square miles. The County of Orange provides governance and some municipal service provision such as public safety, road maintenance and planning & building services. However, the Rossmoor Community Services District (RCSD) with a staff of 7 full time employees and several various part time employees provides parks & recreation, tree and landscape maintenance services, and street sweeping.

Local sewer service to the City of Los Alamitos, the northern portion of Seal Beach and the community of Rossmoor are provided by the Rossmoor/Los Alamitos Sewer District.

Table 5 in the Appendix at the end of this analysis depicts additional demographic data.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor</u>	<u>Case Study</u>
Population	24,168	11,449	10,244	45,861
Housing Units	14,558	4,355	3,710	22,623
Size (Sq. Mi.)	13.2	4.3	1.6	19.1
Assessed Valuation	\$4,282,031,841	\$1,616,119,763	\$1,570,059,989	\$7,468,211,593
Centerline Road Miles	43	33	17	93
Park Acreage	57	28	17	102



Area Map (From OC LAFCO)

ASSUMPTIONS

General Assumptions

This analysis used each agency's Fiscal Year 2010/2011 budget, Fiscal Year 2009/2010 audited financial statements, and other readily available public documents. The analysis projects a "base year" financial picture of each agency, combined total financial picture, and then a consolidated financial picture. The analysis assumes that direct service delivery levels would remain at existing levels. While this analysis focuses primarily on the Cities of Seal Beach and Los Alamitos, and the RCSD, the County of Orange could also see a savings. The Appendix shows the potential savings to the County.

Staffing

The staffing levels in this analysis are derived from the staffing in place at each agency. This case study only includes reduction of administrative staff. The analysis assumes that direct service delivery and staff would remain the same in order to maintain the current level of services. Part-time staff costs are included in the budgetary portion of the analysis; however, the staffing analysis only reflects full time employees. The analysis assumes that existing part-time staff would remain the same as most of these staff personnel perform direct service delivery functions.

Capital Improvements

This analysis does not include current or future capital improvement projects.

Proposition 218

No assumptions are made concerning any Proposition 218 impacts. There are no new or increased taxes, fees, charges, or assessments projected in the analysis.

FISCAL ANALYSIS

Introduction

Local government revenues come from a variety of sources. Some revenues are restricted, i.e., they can only be used for specific purposes. A majority of city revenue is designated as General Fund revenue, which is generally unrestricted, and used to provide municipal services such as general government, law enforcement, fire protection, planning and land use, building inspection, animal control, parks and recreation, and public works/engineering.

General Fund

General Fund revenues typically come from property taxes, sales taxes, transient occupancy taxes, business license taxes, state motor vehicle license fees, franchise fees and other fees for services. The General Fund is considered an “unrestricted fund” therefore revenues may be spent on any governmental activity. General Fund revenues may also be used to augment services or obligations that are also funded by Restricted Fund revenues discussed later in this analysis.

The following is a summary of total General Fund revenues and expenditures for Fiscal Year 2010/2011 for the Cities of Seal Beach and Los Alamitos, the RCSD, and estimated County revenues and expenditures for the Rossmoor community. Revenues and expenditures that would be absorbed and/or eliminated under consolidation are reflected as part of the Case Study.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Rossmoor County</u>	<u>Total</u>	<u>Case Study</u>
Revenues	27,277,800	10,407,495	1,221,700	1,337,000	40,243,995	40,735,720
Expenditures	27,121,400	10,474,495	1,101,545	1,461,000	40,158,440	37,979,265
Net Surplus/(Deficit)	156,400	(67,000)	120,155	(124,000)	(85,555)	2,756,455

As indicated in the chart above, the result is a projected Fiscal Year 2010/2011 surplus of up to \$2,756,455 which is \$2,670,900 higher than the combined cities and RCSD surplus (exclusive of the county deficit). Two primary factors account for this difference.

The revenue increase can be attributed to the Motor Vehicle Licenses Fee (MVLFF) allocation for the Rossmoor community if included under consolidation. The expenditure decrease is attributed to the significant salary and benefit savings that would be achieved through consolidation and the elimination of duplicate functions and staff positions. This differential results in a projected reduction of up to \$1,700,130 in salary and benefit costs, and is discussed in further detail later in this analysis.

Table 1 in the Appendix at the end of this analysis depicts a detailed comparison of total General Fund revenues and expenditures budgeted for Fiscal Year 2010/2011 for the Cities of Seal Beach and Los Alamitos, the RCSD, and estimated County revenues and expenditures for the Rossmoor community.

Assessed Valuation

Assessed Valuation of all secured and unsecured property is calculated annually by the Orange County Assessor's Office to establish annual Property Tax assessments. As indicated in the chart, the Assessed Valuation of all the local government entities is approximately \$7,468,211,593, with the significant portion of that Assessed Valuation attributable to the City of Seal Beach. This combined Assessed Valuation compares favorably to other Orange

County cities with comparable populations, and provides a benchmark comparison for assessing property tax revenue generation.

MVLF

One area of note with respect to the allocation of MVLF is that currently, the Cities of Seal Beach and Los Alamitos receive a small allocation of MVLF directly from the state, and a significant amount of Property Tax in lieu of MVLF. The County receives a similar allocation although not directly attributed to Rossmoor. However, if the Rossmoor community is annexed under consolidation to a city, then that city will receive MVLF funds. For purposes of this analysis, an assumption has been made that the existing Property Tax in lieu of MVLF currently allocated to the existing cities will be maintained, and the AB 1602 population allocation is applied for the Rossmoor community.

General Fund Expenditures

The most significant savings for the General Fund is through salary and benefit reductions. Several key management and administrative positions could be eliminated. The analysis assumes that direct delivery of services would be maintained at current levels; therefore direct service delivery, such as public safety, would realize lesser savings.

The following chart depicts a summary of total General Fund salary and benefit expenditures budgeted for Fiscal Year 2010/2011.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Rossmoor-- County</u>	<u>Total</u>	<u>Case Study</u>
Salary/Benefit Exp	11,958,200	6,713,465	343,900	1,458,500	20,474,065	18,773,935
% of Total GF Exp	44%	64%	28%	99%	51%	49%

As indicated in the chart above, the cost savings in salaries and benefits is estimated to be up to \$1,700,130. The salary and benefit savings were based on a comparison of the lowest salary from current salary/wage schedules for a specific position. An overall average benefit rate was applied. It is noted that the RCSD General Manager is a contracted position and is not reflected in the chart above as a salary/benefit reduction. Long term retirement/and OPEB savings would also be realized commensurate with the elimination of staffing positions. Further detail analysis of those savings would be required.

General Government

The most significant area of potential cost reductions and elimination of duplication of effort are in General Government services which includes legislative and administrative duties for the City Council, City Manager, City Clerk, City Attorney, and Administrative Services (Finance, Personnel, Risk Management, Information Technology, Non-Departmental). Most of these services are duplicated levels of staffing within the various categories and can be subject to efficient consolidation.

Law Enforcement

The analysis assumes that the current level of service for patrol, investigative and other services will remain the same. As such, reductions in staffing are limited to management and administrative positions. Current costs and staffing levels for the Rossmoor community were not available from the county therefore an estimated cost has been developed for the Rossmoor community. The estimated cost was derived from available Fiscal Year 2007/2008 data and applying an annual 4% cost escalation factor to Fiscal Year 2010/2011.

However, it should be noted that further detailed analysis may reveal that the law enforcement services for the Rossmoor community could be absorbed by either Cities' current police departments, with probable significant savings.

Fire Protection

The City of Seal Beach contracts with the Orange County Fire Authority (OCFA) for Fire Protection services. The City of Los Alamitos, as a member agency, and the Rossmoor community through the county, are also serviced by OCFA. This case study assumes that all fire service will continue to be provided by OCFA and that all Structural Fire Property Tax will be allocated directly to OCFA. This is already occurring for City of Los Alamitos and the Rossmoor community. The City of Seal Beach's current General Fund contribution is assumed to continue as the same as the contract amount for purpose of this analysis.

Other Governmental Services

Other governmental services include Community Development (Planning, Building & Safety, and Code Enforcement), Engineering/Public Works and Community Services (Parks & Recreation). Some of these services could be consolidated and for savings in overall salary and benefits. However, the direct service delivery staff functions would remain in order to maintain service levels. Further detail analysis would be required to better identify any potential cost reductions that could be achieved at the direct service delivery level.

Restricted Funds

Restricted Funds typically are funds dedicated for specific purposes. Revenues typically come from allocations made by federal, state and local agency grants and taxes that are restricted for use for certain expenditure. Some of the most common are Motor Vehicle Fuel Taxes (Gas Taxes) and Measure A Taxes that are dedicated to transportation and road maintenance, AQMD revenues that are for air quality enhancement projects, and Community Development Block Grants (CDBG) for rehabilitation of deteriorated infrastructure and some community services. Other Restricted Funds are revenues derived from assessment districts, community facilities districts and other funds specifically established for dedicated expenditure for a specific service or project. For purposes of the analysis, all Restricted Funds have been consolidated for summarization as they are assumed to be unaffected for the most part by consolidation. The following chart depicts a summary of total Restricted Funds revenues and expenditures for Fiscal Year 2010/2011.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Rossmoor County</u>	<u>Total</u>	<u>Case Study</u>
Revenues	19,033,100	2,992,865	782,714	320,000	23,128,679	23,188,064
Expenditures	13,559,100	4,146,605	746,743	320,000	18,772,448	18,772,448
Net Surplus/(Deficit)	5,474,000	(1,153,740)	35,971	0	4,356,231	4,415,616

As indicated in the chart above, combined revenues exceed the combined expenditures with a surplus of \$4,415,616. The increased surplus is attributed to Motor Vehicle Fuel Tax allocations for the Rossmoor community if included under a city consolidation. Table 2 in the Appendix at the end of this analysis depicts a detailed comparison of total Restricted Funds revenues and expenditures budgeted for Fiscal Year 2010/2011.

Restricted Funds Revenues

All Restricted Funds revenues are assumed to be received as they are currently received by

each agency, with the exception of Motor Vehicle Fuel Tax (MVFT) revenue. There are two primary sources of road/transportation related revenues received by Orange County cities for street maintenance and other transportation related purposes. MVFT revenues are authorized for cities by Streets and Highways Code Sections 2103 (formerly TCRF), 2105, 2106, 2107 and 2107.5, and are calculated on a per capita basis by the state. Cities also receive Measure A revenues through the countywide Measure A program administered by the Orange County Transportation Authority. Additionally, cities are eligible for various federal and state grants for transportation projects.

Currently, the Cities of Seal Beach and Los Alamitos receive their population based MVLF allocation directly from the state, and the county receives their allocation from the state under a different formula not directly attributable to the Rossmoor community. However, if the Rossmoor community would be annexed into a city, the annexing city would receive city MVLF revenues for the Rossmoor community. For purposes of this analysis, an assumption has been made that the Motor Vehicle Fuel Taxes currently allocated to the existing cities will be maintained, and an additional allocation is included for the Rossmoor community under a city consolidation.

All other types of Restricted Funds revenues such as Special Assessment District, Community Facilities Districts, Redevelopment Agency, and Miscellaneous Restricted Funds such as AQMD, Enterprise, Public Safety Grants Capital Improvement and Internal Service funds are assumed to remain as established, combining duplicated funds as appropriate.

Restricted Funds Expenditures

All types of Restricted Funds expenditures such mentioned above are assumed to remain as established, combining duplicated funds as appropriate. Expenditures, inclusive of inter-fund transfers, are shown as currently budgeted by the individual agencies.

Debt & Long Term Liabilities

The case study assumes that all debt and long term liabilities, and debt service requirements previously encumbered by the separate agencies would be combined. The following chart depicts a summary of total debt and long term liabilities based on the Fiscal Year 2009/2010 audited financial statements. It should be noted that while no county debt or long term liability obligation is directly attributable to the Rossmoor community, there may be debt for regional facilities and services.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Total</u>	<u>Case Study</u>
Total Debt	39,979,855	4,919,559	3,662,630	48,488,269	48,488,269

A significant portion of the total debt service requirements are met by direct assessments and other levies against real property associated with the infrastructure or other obligations for which the debt was encumbered. However, some debt and long term liabilities are obligated from sources other than direct levies. Further detail analysis of all debt, long term liabilities, debt service requirements, and funding sources is necessary to better define any potential impact to the consolidated city.

Table 4 in the Appendix at the end of this analysis depicts the details of each agency's debt obligation as reported in their respective financial statements.

STAFFING ANALYSIS

Introduction

Under any scenario for consolidation of services or agencies, significant cost reductions generally materialize through a reduction in staffing due to an elimination of duplicate positions and functions. Although some staffing reductions can generally be accomplished at the direct service delivery level without impact to service delivery, most of these reductions generally will occur at the management and administrative levels. This analysis assumes that direct service delivery level staffing, and all part time staff, would generally remain unaffected. However, significant reductions can be achieved within the management and administrative levels and within all of the departments that span the General Government type of functions as well as community development, engineering, public works, community services and law enforcement.

Staffing Analysis

The following chart depicts a summary of staffing reductions that could occur under consolidation. As noted previously, all of the reductions are from management and administrative positions that are duplicated by the separate agencies. The overall reduction equates to up to a total of 16 full time staff positions. These reductions are a direct result of eliminating duplication of effort for these functions being performed separately by four agencies. Note that the City Attorney position is contracted for both cities and the RCSD, therefore not reflected in the staffing summary below.

Additionally, consolidation into one city would also result in the reduction of 16 elected officials serving 3 agencies, to 5 elected officials serving the consolidated city. Note that the City Clerk in the City of Seal Beach is an elected official and under consolidation is assumed for purpose of this analysis that it would become an appointed position.

<u>Department*</u>	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor CSD</u>	<u>Rossmoor County</u>	<u>Total</u>	<u>Case Study</u>
City Manager	4.0	3.0	2.0	0.0	9.0	5.0
City Clerk	2.0	2.0	1.0	0.0	5.0	3.0
Administrative Services	7.0	3.0	1.0	0.0	11.0	8.0
Police Services	51.0	27.0	0.0	6.0	84.0	81.0
Community Development	3.0	4.0	0.0	1.0	8.0	7.0
Engineering/Public Works	23.0	12.0	0.0	0.0	35.0	34.0
Community Services	2.0	5.0	2.0	0.0	9.0	7.0
Marine Safety	3.0	0.0	0.0	0.0	3.0	3.0
Total	100.0	61.0	11.0	7.0	164.0	148.0

Total Potential Full Time Staff Reduction- 16.0 FTEs

* NOTE- Department staff figures reflect full time positions for each department.

Table 3 in the Appendix at the end of this analysis depicts a comparison of total existing staffing and the anticipated reduced staffing.

Public Safety

Law Enforcement Services

As indicated above, there could be some staffing reductions at the management and administrative levels of police services. However, staffing levels would remain unchanged at the patrol, investigative and support service levels. This analysis assumes that, with the inclusion of the Rossmoor community, county law enforcement services would be provided by either the Seal Beach or Los Alamitos police departments. Significant consideration should be given to how re-alignment of salaries and benefits would occur.

Fire Protection

Both Cities and the Rossmoor community are served by the Orange County Fire Authority. This analysis assumes that under consolidation, there will be no changes to this area of service provision and therefore there is no impact on staffing.

Marine Safety

The City of Seal Beach maintains a Marine Safety function providing lifeguard and other services for the beach area. The analysis assumes that there will be no changes to the current level of staffing for this function.

CONCLUSIONS

OPPORTUNITIES

There are several potential opportunities for achieving efficiencies in provision of governmental services and reducing the cost of those services to the taxpayers. Reduction of staffs through the elimination of duplicated functions provides the most significant area of benefit. Direct service delivery of municipal services by streamlining delivery processes is a potential benefit that could be achieved but only after additional analysis. Consolidation of services of agencies also has the potential to improve the financial status for providing municipal government services.

Staffing

As indicated in this analysis, approximately \$1,700,130 could be saved through a reduction in staff. Additionally, an unknown potential long term savings is in future retirement and OPEB benefit costs. However a detailed analysis would be needed to define the potential savings in future retirement and OPEB.

Streamline Service Delivery

In addition to the other efficiencies, opportunities may exist to streamline direct service delivery for services such as planning, building, public works, and community services. Standardization of processes and policies, consolidation of maintenance planning and execution, and re-evaluation of service delivery for a broader area all have the potential to reduce costs while maintaining or enhancing service delivery. Further detailed analysis could identify those areas of potential opportunity where process improvement and standardization could save money and improve services.

Enhanced Financial Stature

Cost Reductions and Revenue Enhancements

As indicated in the analysis, there is a positive increase in the annual General Fund surplus of up to \$2,756,455 over the total for the combined cities and the RCSD. This is due primarily to the new revenues that would be available to a city by annexing the Rossmoor community as well as reductions in staff.

Asset Consolidation

There may be an opportunity for asset consolidation if surplus property, both real property and equipment, is made available for disposition. The reduction of management and administrative personnel might result in less office space, lease equipment and fewer supplies needed. The potential for consolidation of maintenance facilities and equipment, and police facilities could also exist. Further analysis and a facilities needs assessment could determine what assets could become available for disposition. If real property assets and facilities can be sold, one time revenues could become available and could be used for infrastructure upgrades.

Fund Balance Consolidation

By combining fund balances where possible and re-evaluating policies concerning maintenance of reserve levels, there is a potential to better allocate revenues strategically over a wider geographic area for infrastructure maintenance and other services resulting in

greater regional enhancements in infrastructure or in services with some associated benefits not currently available to the individual agencies. Further analysis to identify those funds where balances will be combined could be done to define potential benefits.

CONSTRAINTS

Employee Bargaining Units

Analysis is needed to determine if any “meet and confer” and/or other negotiations under each bargaining unit’s MOU will be required. Additionally, there are differences in salary and benefit packages between each city, the county and the RCSD. Additional analysis would be needed related to how the re-alignment of salaries and benefits might occur.

CONCLUSION

Based on the information available, this “snapshot” analysis concludes that a consolidation of services or agencies has some potential benefits for increasing efficiency of municipal services, for reducing taxpayer costs for providing those services, and for still maintaining existing service levels. There may also be opportunities to enhance certain revenues from the state currently not being received, based on the added population of the Rossmoor community. Additional opportunities for streamlining service delivery processes, asset consolidation, and fund consolidation also exist.

Lastly, a more detailed fiscal analysis of the revenues and expenditures by the County within the community of Rossmoor is needed to better understand the extent to which other unincorporated communities are subsidizing services within Rossmoor and the positive impact consolidation may have on the remaining unincorporated areas in terms of the equitable redistribution of resources to the other unincorporated islands located throughout the County.

Appendix

Consolidation Case Study

Orange LAFCO

Table 1

General Fund Comparison

	Seal Beach		Los Alamitos		Rossmoor				Total	Case Study		
	Per Capita		Per Capita		RCS	Per Capita	County	Per Capita			Per Capita	
Revenues												
Property Taxes	5,787,000	239	1,900,260	166	683,600	67	330,000	32	8,700,860	190	8,700,860	190
Prop Tax in lieu- MVLF	2,120,000	88	872,000	76	-	-	-	-	2,992,000	65	2,992,000	65
Property Transfer Tax	130,000	5	55,000	5	-	-	22,000	2	207,000	5	207,000	5
Sales Tax (Includes "Backfill")	3,723,000	154	2,245,150	196	-	-	300,000	29	6,268,150	137	6,268,150	137
Sales Tax- Public Safety	230,000	10	-	-	-	-	-	-	230,000	5	230,000	5
Street Lighting Assessments	-	-	-	-	235,000	23	-	-	235,000	5	235,000	5
Utility Users Tax	6,056,000	251	2,155,530	188	-	-	-	-	8,211,530	179	8,211,530	179
Transient Occupancy Tax	1,229,000	51	76,500	7	-	-	-	-	1,305,500	28	1,305,500	28
Franchise Fees	928,000	38	623,500	54	-	-	295,000	29	1,846,500	40	1,846,500	40
Misc Taxes	248,000	10	-	-	-	-	-	-	248,000	5	248,000	5
Building/Elec/Plumb Permits	320,000	13	173,000	15	-	-	285,000	28	778,000	17	778,000	17
Contractor Licenses	110,000	5	-	-	-	-	-	-	110,000	2	110,000	2
Business Licenses	600,000	25	470,000	41	-	-	-	-	1,070,000	23	1,070,000	23
Parking Permits	90,000	4	-	-	-	-	-	-	90,000	2	90,000	2
Misc Permits/Licenses	54,500	2	36,995	3	-	-	-	-	91,495	2	91,495	2
Abandoned Vehicle	6,000	0	4,000	0	-	-	-	-	10,000	0	10,000	0
MVLF (AB 1602- Rossmoor in Consolidated City)	54,000	2	40,000	3	-	-	-	-	94,000	2	585,725	13
Misc Intergovernmental	80,000	3	6,500	1	55,900	5	-	-	142,400	3	142,400	3
Parking Fees	296,000	12	-	-	-	-	-	-	296,000	6	296,000	6
Jail/Inmate Fees	106,000	4	-	-	-	-	-	-	106,000	2	106,000	2
Recreation/Aquatic Fees	698,000	29	750,430	66	-	-	-	-	1,448,430	32	1,448,430	32
Street Sweeping/Tree Trimming	86,000	4	-	-	-	-	-	-	86,000	2	86,000	2
Planning/Plan Check/NPDES Fees	172,500	7	37,000	3	-	-	72,500	7	282,000	6	282,000	6
Engineering/Enviro/GIS Fees	5,000	0	-	-	-	-	-	-	5,000	0	5,000	0
Refuse Services	1,131,000	47	-	-	-	-	-	-	1,131,000	25	1,131,000	25
Misc Fees/Revenue	214,500	9	-	-	-	-	-	-	214,500	5	214,500	5
Vehicle Code Fines	200,000	8	390,000	34	-	-	25,000	2	615,000	13	615,000	13
Parking Fines	700,000	29	95,000	8	-	-	5,000	0	800,000	17	800,000	17
Misc Fines	4,500	0	8,000	1	-	-	2,500	0	15,000	0	15,000	0
Investment Interest	812,000	34	40,000	3	30,000	3	-	-	882,000	19	882,000	19
Facility Rental/Use of Property/Equipment	257,000	11	-	-	125,500	12	-	-	382,500	8	382,500	8
Oil Royalties	87,000	4	-	-	-	-	-	-	87,000	2	87,000	2
Misc Revenue	16,300	1	45,580	4	2,000	0	-	-	63,880	1	63,880	1
Water/Sewer Overhead Transfers	378,500	16	-	-	-	-	-	-	378,500	8	378,500	8
Other Transfers	348,000	14	383,050	33	89,700	9	-	-	820,750	18	820,750	18
					-	-	-	-				
Total Revenues	27,277,800	1,129	10,407,495	909	1,221,700	119	1,337,000	131	40,243,995	878	40,735,720	888

County's portion of property tax is estimated from Rossmoor Incorporation Comprehensive Fiscal Analysis (2008)

Consolidation Case Study

Orange LAFCO

Table 1

General Fund Comparison

	Seal Beach		Los Alamitos		Rossmoor				Total	Case Study	
	Per Capita		Per Capita		RCS D	Per Capita	County	Per Capita		Per Capita	
Expenditures											
<u>General Government</u>											
City Council	124,000	5	62,250	5	-	-	-	186,250	4	124,000	3
City Manager (Includes City Clerk for LA)	854,800	35	558,230	49	-	-	-	1,413,030	31	906,903	20
City Attorney	365,000	15	155,000	14	-	-	-	520,000	11	424,650	9
City Clerk	349,400	14	-	-	-	-	-	349,400	8	394,569	9
RCS D Admin (All costs including Admin Services)	-	-	-	-	308,680	30	-	308,680	7	-	-
Administrative Services											
Finance (HR/RM for LA)	770,200	32	611,360	53	-	-	-	1,381,560	30	993,103	22
Risk Management	1,055,000	44	-	-	-	-	-	1,055,000	23	1,055,000	23
Non-Departmental	794,200	33	728,150	64	-	-	-	1,522,350	33	1,615,400	35
Information Technology	541,800	22	-	-	-	-	-	541,800	12	541,800	12
<u>Public Safety</u>											
Law Enforcement											
Police	6,358,400	263	4,941,393	432	-	1,235,500	121	12,535,293	273	12,039,332	263
Police Support	2,748,300	114	-	-	-	-	-	2,748,300	60	2,748,300	60
Detention Facility	827,200	34	-	-	-	-	-	827,200	18	827,200	18
Fire Protection (SB- Contract OCFA, Pension Bond)	5,106,900	211	-	-	-	-	-	5,106,900	111	5,106,900	111
<u>Community Development</u>											
Planning (Includes B&S and Code Enforcement for LA & County)	455,900	19	561,258	49	-	225,500	22	1,242,658	27	1,525,523	33
Building/Safety (Includes Code Enforcement for SB)	390,800	16	-	-	-	-	-	390,800	9	Included Above	
<u>Engineering/Public Works</u>											
Admin/Engineering (Includes all services for LA)	96,900	4	1,498,261	131	-	-	-	1,595,161	35	3,928,210	86
Storm Drain Maintenance	330,300	14	-	-	-	-	-	330,300	7	Included Above	
Street Maintenance	855,300	35	-	-	-	-	-	855,300	19	Included Above	
Parks/ Landscape/Tree Maintenance	239,600	10	-	-	151,580	15	-	391,180	9	Included Above	
Facility/Vehicle Maintenance	932,900	39	-	-	-	-	-	932,900	20	Included Above	
Refuse	982,500	41	-	-	-	-	-	982,500	21	982,500	21
RCS D Street Lighting/Sweeping/Wall Maintenance	-	-	-	-	148,980	15	-	148,980	3	148,980	3
RCS D Rossmoor Park (all costs)	-	-	-	-	159,035	16	-	159,035	3	159,035	3
RCS D Rush Park (All costs)	-	-	-	-	168,025	16	-	168,025	4	168,025	4
RCS D Montecito Center (All costs)	-	-	-	-	66,445	6	-	66,445	1	66,445	1
<u>Community Services</u>											
Administration	341,100	14	-	-	-	-	-	341,100	7	237,497	5
Parks & Recreation (Includes Admin/Aquatics for LA)	319,500	13	1,129,568	99	-	-	-	1,449,068	32	1,449,068	32
Aquatics/Sports/Tennis	447,400	19	-	-	-	-	-	447,400	10	447,400	10
RCS D Recreation (All costs)	-	-	-	-	98,800	10	-	98,800	2	26,400	1

Consolidation Case Study

Orange LAFCO

Table 1

General Fund Comparison

	<u>Seal Beach</u>		<u>Los Alamitos</u>		<u>Rossmoor</u>				<u>Total</u>	<u>Case Study</u>		
		Per Capita		Per Capita	<u>RCS D</u>	Per Capita	<u>County</u>	Per Capita		Per Capita		Per Capita
<u>Expenditures</u>												
<u>Transfers Out</u>												
Transfers Out to Other Funds	1,834,000	76	229,025	20	-		-		2,063,025	45	2,063,025	45
<u>Total Expenditures</u>	27,121,400	1,122	10,474,495	915	1,101,545	108	1,461,000	143	40,158,440	876	37,979,265	828
<u>Net Surplus (Deficit)</u>	156,400		(67,000)		120,155		(124,000)		85,555		2,756,455	
General Fund Balance - June 30, 2010	30,018,851		6,222,459		742,653				36,983,963		36,983,963	

Fiscal Year 2009/2010 Audited Financial Statements- Designated and Undesignated

Note- For Los Alamitos, a budget discrepancy exists for the Public Works Department. The budget summary identifies the budgeted amount as \$1,431,261. However, the Department breakdown shows \$1,498,261. Thus the \$67,000 negative variance.

Consolidation Case Study

Orange LAFCO

Table 2

Restricted Funds Comparison

	<u>Seal Beach</u>		<u>Los Alamitos</u>		<u>Rossmoor</u>				<u>Total</u>		<u>Case Study</u>	
		Per Capita		Per Capita	<u>RCSD</u>	Per Capita	<u>County</u>	Per Capita		Per Capita		Per Capita
Revenues												
Gas Tax (AB 1602 Formula for Consolidated City)	428,200	18	200,000	17	-	-	127,755	12	755,955	16	802,600	18
Measure M	374,000	15	147,000	13	-	-	98,000	10	619,000	13	619,000	13
TCRF(Now Section 2103 Gas Tax)	261,600	11	108,000	9	-	-	94,245	9	463,845	10	463,845	10
Air Quality (AB 2766)	31,000	1	14,500	1	-	-	-	-	45,500	1	58,240	1
CDBG	140,000	6	200,000	17	-	-	-	-	340,000	7	340,000	7
CLEEP	1,000	0	-	-	-	-	-	-	1,000	0	1,000	0
SLSEF	102,500	4	100,000	9	-	-	-	-	202,500	4	202,500	4
Public Safety Augmentation	-	-	69,000	6	-	-	-	-	69,000	2	69,000	2
Police Grants	91,000	4	-	-	-	-	-	-	91,000	2	91,000	2
Detention Facility	1,100	0	-	-	-	-	-	-	1,100	0	1,100	0
Vehicle Replacement	162,300	7	-	-	-	-	-	-	162,300	4	162,300	4
Capital Improvement Projects	1,645,000	68	1,116,700	98	296,914	29	-	-	3,058,614	67	3,058,614	67
Asset Forfeiture (State/Fed)	40,000	2	-	-	-	-	-	-	40,000	1	40,000	1
Park Improvement	9,000	0	-	-	-	-	-	-	9,000	0	9,000	0
Tidelands Beach	1,471,400	61	-	-	-	-	-	-	1,471,400	32	1,471,400	32
RDA- Riverfront (4 Funds)	4,738,000	196	-	-	-	-	-	-	4,738,000	103	4,738,000	103
Lighting Assessment Districts	150,700	6	-	-	-	-	-	-	150,700	3	150,700	3
AD 94-1	143,000	6	-	-	-	-	-	-	143,000	3	143,000	3
CFD Funds (SB- 5)	1,082,400	45	-	-	-	-	-	-	1,082,400	24	1,082,400	24
Water Operations	4,371,900	181	-	-	-	-	-	-	4,371,900	95	4,371,900	95
Water Capital	1,366,400	57	-	-	-	-	-	-	1,366,400	30	1,366,400	30
Sewer Operations	912,600	38	-	-	-	-	-	-	912,600	20	912,600	20
Sewer Capital	1,510,000	62	-	-	-	-	-	-	1,510,000	33	1,510,000	33
Residential Street/Alley	-	-	1,700	0	-	-	-	-	1,700	0	1,700	0
Building Improvement	-	-	1,800	0	-	-	-	-	1,800	0	1,800	0
LA Television	-	-	47,940	4	-	-	-	-	47,940	1	47,940	1
Traffic Safety	-	-	17,000	1	-	-	-	-	17,000	0	17,000	0
EECBG	-	-	63,000	6	-	-	-	-	63,000	1	63,000	1
Joint Forces Training Base	-	-	320,625	28	-	-	-	-	320,625	7	320,625	7
Laurel Park COP	-	-	209,700	18	-	-	-	-	209,700	5	209,700	5
Internal Service (Garage/Technology)	-	-	375,900	33	-	-	-	-	375,900	8	375,900	8
RCSD Rush Park Assessment District	-	-	-	-	397,000	39	-	-	397,000	9	397,000	9
RCSD Rossmoor Wall Debt Service Fund	-	-	-	-	88,800	9	-	-	88,800	2	88,800	2
Total Revenues	19,033,100	788	2,992,865	261	782,714	76	320,000	31	23,128,679	504	23,188,064	506

Consolidation Case Study

Orange LAFCO

Table 2

Restricted Funds Comparison

	Seal Beach		Los Alamitos		Rossmoor				Total		Case Study	
	Per Capita		Per Capita		RCSD		County		Per Capita		Per Capita	
						Per Capita		Per Capita		Per Capita		Per Capita
Expenditures												
Gas Tax	610,000	25	214,000	19	-		250,000	24	1,074,000	23	1,074,000	23
Measure M	350,000	14	550,000	48	-		70,000	7	970,000	21	970,000	21
TCRF (LA Expenditure in Measure A	260,000	11	-	-	-		-	-	260,000	6	260,000	6
Air Quality (AB 2766)	31,800	1	-	-	-		-	-	31,800	1	31,800	1
CDBG	140,000	6	200,000	17	-		-	-	340,000	7	340,000	7
CLEEP	-	-	-	-	-		-	-	-	-	-	-
SLSEF	119,700	5	100,000	9	-		-	-	219,700	5	219,700	5
Public Safety Augmentation	-	-	69,000	6	-		-	-	69,000	2	69,000	2
Police Grants	91,000	4	-	-	-		-	-	91,000	2	91,000	2
Detention Facility	5,000	0	-	-	-		-	-	5,000	0	5,000	0
Vehicle Replacement	410,600	17	-	-	-		-	-	410,600	9	410,600	9
Capital Improvement Projects	1,645,000	68	1,633,000	143	265,270	26	-	-	3,543,270	77	3,543,270	77
Asset Forfeiture (State/Fed)	40,000	2	-	-	-		-	-	40,000	1	40,000	1
Tidelands Beach/Beach Maintenance	1,471,400	61	-	-	-		-	-	1,471,400	32	1,471,400	32
RDA- Riverfront (4 Funds)	1,983,500	82	-	-	-		-	-	1,983,500	43	1,983,500	43
Lighting Assessment Districts	174,000	7	-	-	-		-	-	174,000	4	174,000	4
AD 94-1	138,100	6	-	-	-		-	-	138,100	3	138,100	3
CFD Funds (SB- 5 CFD's)	1,028,800	43	-	-	-		-	-	1,028,800	22	1,028,800	22
Water Operations	4,131,400	171	-	-	-		-	-	4,131,400	90	4,131,400	90
Water Capital	-	-	-	-	-		-	-	-	-	-	-
Sewer Operations	720,000	30	-	-	-		-	-	720,000	16	720,000	16
Sewer Capital	208,800	9	-	-	-		-	-	208,800	5	208,800	5
Residential Street/Alley	-	-	30,000	3	-		-	-	30,000	1	30,000	1
Building Improvement	-	-	70,000	6	-		-	-	70,000	2	70,000	2
LA Television	-	-	69,000	6	-		-	-	69,000	2	69,000	2
Traffic Safety	-	-	25,125	2	-		-	-	25,125	1	25,125	1
EECBG	-	-	63,000	6	-		-	-	63,000	1	63,000	1
Joint Forces Training Base	-	-	407,030	36	-		-	-	407,030	9	407,030	9
Laurel Park COP	-	-	209,700	18	-		-	-	209,700	5	209,700	5
Internal Service (Garage/Technology)	-	-	506,750	44	-		-	-	506,750	11	506,750	11
RCSD Rush Park Assessment District	-	-	-	-	395,088	39	-	-	395,088	9	395,088	9
RCSD Rossmoor Wall Debt Service Fund	-	-	-	-	86,385	8	-	-	86,385	2	86,385	2
Total Expenditures	13,559,100	561	4,146,605	362	746,743	73	320,000	31	18,772,448	409	18,772,448	409
Net Surplus (Deficit)	5,474,000		(1,153,740)		35,971		-		4,356,231		4,415,616	

Consolidation Case Study

Orange LAFCO

Table 3

Staffing Comparison (Full Time Staff Personnel & Elected Officials)

Part Time personnel not included. Part Time personnel are assumed to continue in their respective positions.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor</u>		<u>Total</u>	<u>Case Study</u>
			<u>RCSD</u>	<u>County</u>		
<u>General Government</u>						
City Council/Board of Directors(RCSD)						
City Council	5.0	5.0			10.0	5.0
Board of Directors			5.0		5.0	
City Manager/General Manager						
City Manager/General Manager	1.0	1.0	1.0		3.0	1.0 RCSD GM is Contracted
Asst to the City Manager	1.0				1.0	1.0
Management Analyst	1.0				1.0	1.0
Executive Assistant	1.0				1.0	1.0
Administrative Assistant			1.0		1.0	1.0
Professional Class		1.0			1.0	
General Class		1.0			1.0	
City Attorney						
Contract Services					0.0	0.0 Contract Services
City Clerk						
City Clerk	1.0	1.0			2.0	1.0
Deputy City Clerk	1.0				1.0	1.0
General Clerk			1.0		1.0	
General Class		1.0			1.0	1.0
Administrative Services						
Finance Dir/Mgr	1.0				1.0	1.0
Senior Accountant	1.0				1.0	1.0
Accountant	1.0		1.0		2.0	1.0
Account Tech	4.0				4.0	4.0
Managerial Class		2.0			2.0	
Professional Class		1.0			1.0	1.0
<u>Public Safety</u>						
Law Enforcement						
Police Chief	1.0	1.0			2.0	1.0

Consolidation Case Study

Orange LAFCO

Table 3

Staffing Comparison (Full Time Staff Personnel & Elected Officials)

Part Time personnel not included. Part Time personnel are assumed to continue in their respective positions.

	<u>Rossmoor</u>					
	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>RCSD</u>	<u>County</u>	<u>Total</u>	<u>Case Study</u>
Police Captain	1.0	1.0			2.0	1.0
Police Lieutenant	1.0				1.0	1.0
Police Seargent	6.0	5.0		0.5	11.5	11.0
Police Corporal	4.0				4.0	4.0
Police Officer	18.0	16.0		5.0	39.0	39.0
Executive Assistant	2.0				2.0	2.0
Senior CSO	13.0				13.0	13.0
Emergency Services Coord	1.0				1.0	1.0
CSO	1.0			0.5	1.5	1.0
Record Supervisor	1.0				1.0	1.0
Lead CSO	2.0				2.0	2.0
Managerial Class		1.0			1.0	1.0
General Class		3.0			3.0	3.0
Fire Protection						
OCFA						OCFA
<u>Community Development (Planning/Building & Safety/Code Enforcement)</u>						
Development Ser Dir	1.0				1.0	1.0
Executive Assistant	1.0				1.0	1.0
Senior Planner	1.0			0.25	1.3	1.0
Managerial Class		1.0			1.0	
General Class		3.0			3.0	2.0
Code Enforcement Officer				0.25	0.3	2.0
Plan Check/Inspection				0.5	0.5	
<u>Engineering/Public Works (Administration, Engineering, Street/Storm Drain/Facility/Vehicle/Parks/Landscape/Beach/Pier Maintenance, Water/Sewer Operations)</u>						
Public Works Dir	1.0	1.0			2.0	1.0
City Engineer	1.0				1.0	1.0
Asst Engineer	1.0				1.0	1.0
Associate Engineer	1.0				1.0	1.0
Maint Services Manager	1.0				1.0	1.0
Maint Services Supervisor	2.0				2.0	2.0

Consolidation Case Study

Orange LAFCO

Table 3

Staffing Comparison (Full Time Staff Personnel & Elected Officials)

Part Time personnel not included. Part Time personnel are assumed to continue in their respective positions.

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor</u>		<u>Total</u>	<u>Case Study</u>
			<u>RCSD</u>	<u>County</u>		
Water Services Supervisor	1.0				1.0	1.0
Equip Services Supervisor	1.0				1.0	1.0
Senior Maint Worker	4.0				4.0	4.0
Maint Worker	3.0				3.0	3.0
Electrician	1.0				1.0	1.0
Senior Water Operator	2.0				2.0	2.0
Water Operator	2.0				2.0	2.0
Executive Assistant	2.0				2.0	2.0
Supervisorial Class		2.0			2.0	2.0
General Class		9.0			9.0	9.0
<u>Community Services (Administration, Parks & Recreation)</u>						
Community Serv Sup/Mgr	1.0	1.0			2.0	1.0
Community Serv Coord	1.0				1.0	1.0
Park Superintendent			1.0		1.0	1.0
Recreation Superintendent			1.0		1.0	
Supervisorial Class		1.0			1.0	1.0
General Class		3.0			3.0	3.0
<u>Marine Safety</u>						
Tidelands						
Marine Safety Chief	1.0				1.0	1.0
Marine Safety Lieutenant	1.0				1.0	1.0
Marine Safety Officer	1.0				1.0	1.0
<u>Total Full Time Staffing</u>	<u>100.0</u>	<u>61.0</u>	<u>11.0</u>	<u>7.0</u>	<u>164.0</u>	<u>148.0</u>
<u>Total Staffing</u>	<u>100.0</u>	<u>61.0</u>	<u>11.0</u>	<u>7.0</u>	<u>179.0</u>	<u>153.0</u> (Includes City Council)

Positions that were cost allocated between Departments/Divisions have been rolled up to primary position for clarity.

Consolidation Case Study

Orange LAFCO

Table 4**Debt & Long Term Liability Obligation Comparison**

Data derived from each agency's Fiscal Year 2009/2010 Audited Financial Statements

Includes all debt, including obligations funded through direct real property and other assessments.

City/District	Seal Beach	Los Alamitos	Rossmoor		Total	Case Study
			RCSD	County		
SB- Community Facilities District 2002-1 (Heron Pointe)	3,830,000				3,830,000	3,830,000
SB- Community Facilities District 2005-1 (Pacific Gateway)	8,750,000				8,750,000	8,750,000
SB- Surfside Colony Reassessment District 2000-1	670,000				670,000	670,000
SB- 2009 Lease Revenue Bond	5,775,000				5,775,000	5,775,000
SB- Capital Property Improvement Lease	360,193				360,193	360,193
SB- 2008 Series A-1 Pension Obligation Bonds	1,389,000				1,389,000	1,389,000
SB- 2008 Series A-2 Pension Obligation Bonds	7,918,000				7,918,000	7,918,000
SB- Countywide Financing Authority Lease	230,000				230,000	230,000
SB- Proprietary Fund LTD (Sewer COP, ED Admin Loan, Comp Absences)	3,675,307				3,675,307	3,675,307
LA- 2006 Certificates of Participation (Laurel Park)		3,235,000			3,235,000	3,235,000
LA- OPEB Liability		83,068			83,068	83,068
RCSD- 1998 Certificates of Participation (Rossmoor Wall)			525,000		525,000	525,000
RCSD- 1915 Municipal Improvement Act Bonds (Rush Park)			3,120,000		3,120,000	3,120,000
Compensated Absences	715,950	480,591	17,630		1,214,171	1,214,171
Claims Payable	587,630	1,120,900			1,708,530	1,708,530
Redevelopment Agency						
SB- 2000 Series A Bonds- Riverfront	5,575,000				5,575,000	5,575,000
SB- 2000 Series B Bonds- Riverfront	430,000				430,000	430,000
SB- Capital Property Improvement Lease	73,775					
Total Debt & Long Term Liability Obligation	39,979,855	4,919,559	3,662,630	-	48,488,269	48,488,269

Consolidation Case Study

Orange LAFCO

Table 5

Demographic Data

	<u>Seal Beach</u>	<u>Los Alamitos</u>	<u>Rossmoor</u>		<u>Case Study</u>	
			<u>RCS D</u>	<u>County</u>		
Population	24,168	11,449	10,244	Same as RCS D	45,861	2010 Census for each city and Rossmoor CDP
Housing Units	14,558	4,355	3,710	Same as RCS D	22,623	2010 Census for each city and Rossmoor CDP
Size (Sq. Mi.)	13.2	4.3	1.6	Same as RCS D	19.1	City/CSD Websites & other Documents
Assessed Valuation (Total)	\$4,282,031,841	\$1,616,119,763	\$1,570,059,989	Same as RCS D	\$7,468,211,593	2010/2011 County of Orange Assessor Data
Median Household Income	\$48,224	\$70,197	\$103,920	Same as RCS D	\$61,588	2009 City-Data.com
Parks	10	9	3	0	22	City/CSD Websites & other Documents
Park Acreage	57	28	17	0	102	City/CSD Websites & other Documents
Beach Frontage (approx miles)	1.1	0	0	0	1.1	City/CSD Websites & other Documents
Centerline Road Miles	43	33	0	17	93	City/CSD Websites & other Documents
Traffic Signals	23	24	0	0	47	City/CSD Websites & other Documents
Community/Youth Centers	3	2	1	0	6	City/CSD Websites & other Documents
Admin Facilities (City Hall/District Office)	1	1	1	0	1	City/CSD Websites & other Documents
Other Facilities/Buildings	36	4	1	0	41	City/CSD Websites & other Documents