

Cost Reductions & Revenue Generation

As of May 1, 2025

The City's work to manage public funds responsibly and stretch every dollar didn't stop with the adoption of the budget. Across departments, we continue to look for ways—both big and small—to reduce costs, operate more efficiently, and identify new revenue opportunities. The following list highlights some of the proactive steps currently underway to strengthen the City's financial position and ensure we can continue providing quality services to the community.

Several of the items listed reflect initiatives previously approved by the City Council that are now being actively implemented, alongside new efforts identified by staff. I will continue to keep Council updated as this work moves forward.

Police Department:

- Grant support: Over \$1.5 million in active or applied-for grants, including Co-Responder, Auto Theft Reduction, Body Worn Camera Replacement, and Recovery Navigator programming
- Vehicle replacement and savings: Replace aging fleet vehicles through vehicle replacement program and K9 car reconfiguration; switched vehicle outfitting contractor for \$650K in savings
- IT savings: Removed unneeded and unused IT programs, saving \$10K
- New efficiency and potential revenue: Contracting for alarm permitting/fines and animal licensing (revenue TBD)
- Cost recovery: Transferred Traffic Safety Program to Records to coordinate payroll for full staff time cost recovery (estimated \$20–25K)
- Community Development:
- Building permit fee increases: Community Development has already increased some building permit fees to boost revenue
- New building and planning fees: Exploring implementation of new building fees and planning fee increases
- Plan review software savings: Analyzing cost savings by potentially switching from EPR to Bluebeam for plan review software through a cost/benefit review

Marina:

- Conducting a comprehensive fee assessment and rate study to compare fees in surrounding areas and determine appropriate rate adjustments
- Implementing 100% credit card fee recovery to align with City policy
- Enforcing commercial docking and off-loading fees
- Increasing fuel and propane sales margins
- Installing pay parking systems, including future Redondo parking revenue
- Planning for branded marina merchandise sales (hats, shirts, gear)
- Expanding kayak storage options and updating rate structure to stay competitive and maintain occupancy
- Using a third-party vendor for after-hour calls related to parking to reduce staff overtime costs

- In-house electrical, plumbing, and carpentry work to avoid contractor expenses
- Preventive maintenance scheduling to cut emergency repairs and downtime
- Reducing seasonal staffing through automation and operational changes

Public Works & SWM:

- Surface Water Utility parcel transfer study: Conducting two consultant-led studies to evaluate shifting forested open space parcels from City ownership to the Surface Water Utility, reducing General Fund tax and maintenance costs
- Utility budget and rate analysis: Analyzing current Surface Water Utility budgets and rate structures to assess integration of parcel transfers and potential need for one-time rate increases or staffing adjustments
- Capital project coordination: Identifying overlaps between Surface Water, Transportation, and external Utility District projects to improve efficiency, streamline delivery, and lower construction costs
- Sports field grant opportunities: Seeking grants to upgrade sports fields to turf, reducing water labor costs and increasing potential for field rental revenue.
- Vehicle reduction efforts: Working to reduce the number of non-police vehicles funded by the General Fund to lower overall costs

Legal:

- Implemented square footage tax
- Updated animal licensing fees
- Updated public records fees
- Renegotiated Water District 54 franchise agreement to include a 6% franchise payment
- Renegotiating Lakehaven franchise agreement to include a 6% franchise payment
- Updating alarm ordinance to increase fees
- Drafting short-term rental code to include licensing fees and registration to ensure tax collection
- Assessing seven locations for possible traffic safety photo enforcement installation (City may qualify for three or four new sites if warranted)

City Clerk's Office

- Increase Public Record Fees
- Notary Services
- Explore copy services to the public
- City Logo Merchandise sales (City Hall, Neighborhood Outreach locations & Farmer's Market)

Finance/ City Manager's Office:

- Beginning Long-Range Financial Planning study with FCS Group

Community Enrichment:

- Developing a model front line staff can use to assess program costs versus revenue—to increase staff awareness of fiscal impact of their operations
- Increased summer Camp Khaos fees to be competitive with neighboring communities
- To come: Developing a strategy to increase facility rentals from private parties
- City consolidated existing (3) separate divisions (Senior Services, Facilities, Recreation) into one unified department
 - Combining separate budgets to streamline purchasing and eliminating duplicate costs
 - Moving all staff to one shared office (homebase) will have some impact on reduction of facility costs e.g. utilities etc.
 - Cross-functional teams and shared oversight will allow for flexible scheduling to offset overtime and reduce reliance on extra-hire staff e.g. savings on labor costs.