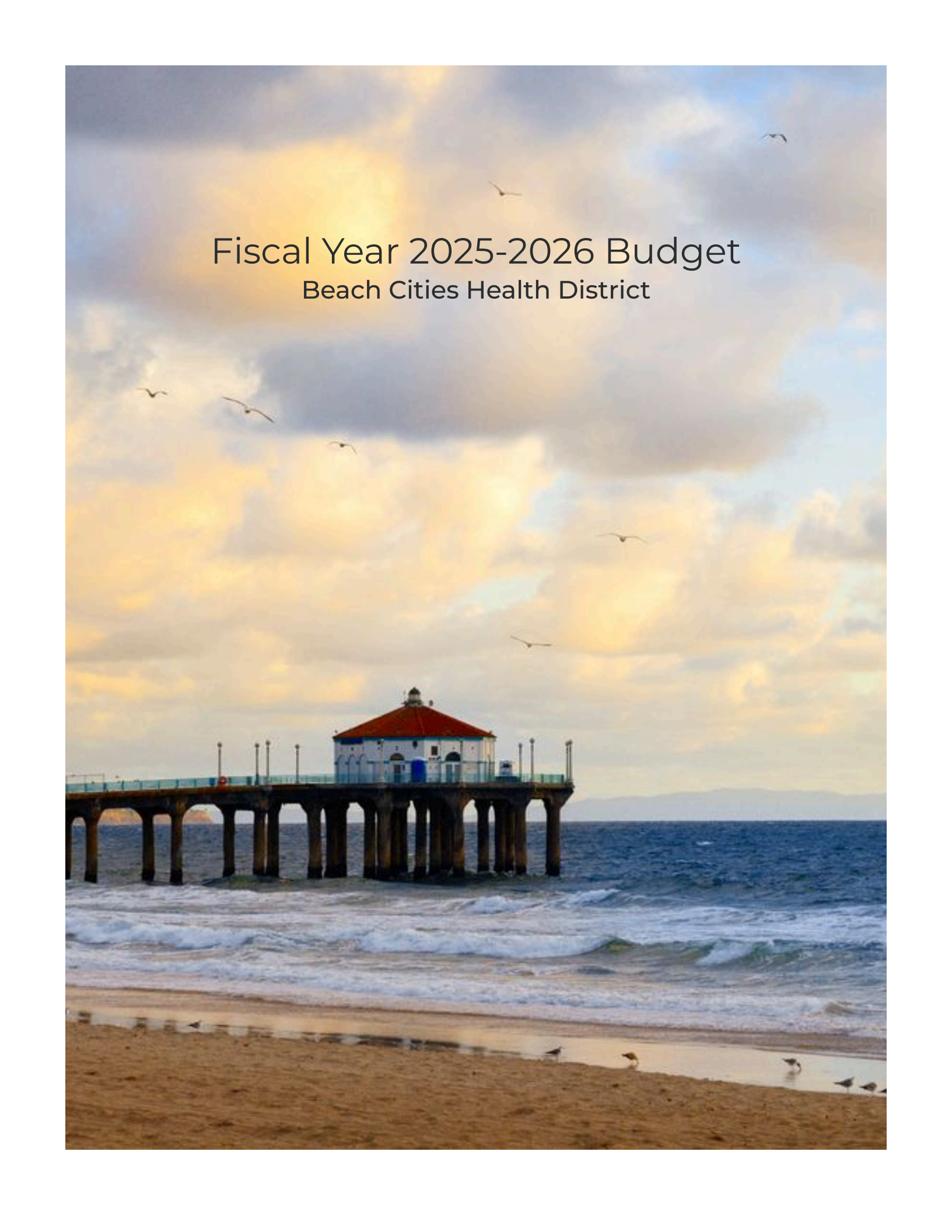




Fiscal Year 2025-2026 Budget

Beach Cities Health District

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Our Vision

A healthy beach community.

Our Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships and spaces.

Our Core Values

Compassion

Seeks to connect with others in their life circumstance; demonstrates “perspective-taking” abilities; promotes self-esteem and self-advocacy skills in others; demonstrates a caring attitude toward others; validates people’s needs.

Integrity

Is genuine and transparent when dealing with others; values honesty; is honorable and ethical; holds oneself accountable to the same standard of performance at all times (even if no one is watching); acts on beliefs and values that promote a commitment to health and wellness.

Accountability

Takes responsibility for actions and decisions; proactively seeks solutions and resolves problems; fosters a safe and clean environment; utilizes evidence-based standards, metrics, and benchmarks; is truthful when dealing with the public and co-workers.

Excellence

Motivates others to model healthy behaviors in the community; learns from mistakes and values the experience; strives for continuous performance improvement; harvests resources; embraces change, decision-making and calculated risk-taking.

bchd.org

BUDGET OVERVIEW

BUDGET MESSAGE



bchd.org

Executive Summary

FY 2025 – 2026

In 2025, Beach Cities Health District (BCHD or “the District”) is celebrating [70-Years](#) as a government local health district. Voted for in 1955, the South Bay Hospital District was formed by the people in Hermosa Beach, Manhattan Beach and Redondo Beach, California. For the first 40 years, the District was a hospital that, at its peak, served around 200 patient beds, and in 2023 celebrated “25 Years of Preventive Health Success”. Successes have been made possible by partnering with local, State and Federal government agencies, community-based organizations, [Blue Zones Project®](#), LiveWell programs, [allcove® centers](#), and thousands of volunteers that have shared the District’s vision of improving health and well-being in the local community.

Through these collaborations and collective impact models, like [Blue Zones Project®](#), and [allcove® Beach Cities](#), BCHD serves 125,000 residents with 40 plus preventive health programs and services for all lifespans - children, youth, adults and seniors. District programs and services are an integral part of classrooms, workplaces, homes and the community in the Beach Cities, which has resulted in successes like the LiveWell Kids program contributing to a 75% decline in obesity at Redondo Beach elementary schools, Blue Zones Project® programs lowering smoking and increasing exercise (more than 22,000 residents signed “the Blue Zones Pledge” to follow the Power 9 Principles), Care Management Services helping around 400 residents annually with in-home visits enabling longer aging at home, and more than 1,000 volunteers providing \$1 million worth of services annually.

Every three years, BCHD identifies, evaluates, and prioritizes health needs and gaps in preventive health services in the three Beach Cities to guide funding for programs and services. Completed in Jan of 2025, this data-driven strategic planning process involves a community needs assessment, critical analysis of community health data, and demonstrates alignment with the identified health priorities presented in the [Community Health Report](#).

BCHD’s Health Priorities for 2025-2028:

Mental Health & Substance Use

Physical Health

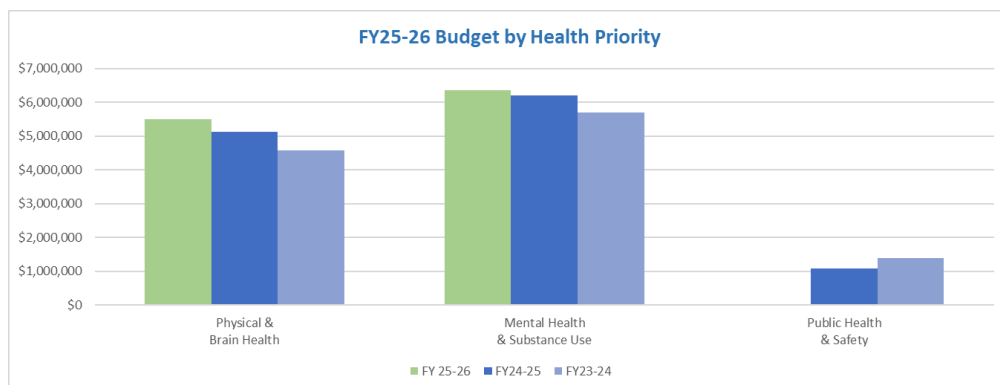
The Health Priorities guides BCHD’s overarching strategic goal:

Promote and provide health and wellness services based on the evolving needs of the community.

The District develops its annual budget using a Priority Based Budgeting (PBB) methodology, which involves a collaborative evaluation and ranking of programs and services based on how well they align the District’s mission-critical attributes:

1. Health Priority Alignment and Gap in Service
2. Reach and Efficiency
3. Level of Service and Value

The resulting FY25-26 Budget illustrates the shift towards more Mental Health Services, which has been a persisting trend since the COVID-19 years.



The FY25-26 Budget illustrates that the District has substantially addressed the \$2.5 Million anticipated funding Gap that was coming in FY27-28. In 2015/16, the District started redevelopment plans to replace the \$2.5 million funding gap that would occur when its largest infrastructure asset, the aging hospital building constructed in the 1959, is planned to be taken out of commission in early 2027.

	FY25-26 Budget	FY24-25 Actual*	FY23-24 Actual
TOTAL REVENUES	15,358,000	16,612,000	15,261,000
TOTAL EXPENSES	(14,608,000)	(15,030,000)	(14,803,000)
OPERATING INCOME *	\$ 750,000	\$ 1,582,000	\$ 458,000

*) Before non-cash items, GASB adjustments and FY24-25 audited financials

For the 3rd consecutive year, the District was able to improve net operating income by reducing operating expenses, establishing new funding sources, and reorganizing programs and services. While some programs were affected, the District has responded to Community needs and increased services, such as in Mental Health. For example, in November 2022, [allcove Beach Cities](#) was opened with the help of a State of California's Mental Health Services Oversight and Accountability Commission (MHSOAC) grant. This is now one of the major programs the District is budgeting to sustain that serves young people ages 12–25, offering mental and physical health resources, education and employment counseling, peer and family support, and substance-use prevention programs was opened.

The District FY25-26 Budget is balanced to achieve both immediate short-term program goals measured and tracked by the Priority Based Budget process, and set-up to achieve long-term strategic goals. To ensure alignment with the updated Health Priorities, the District updated its strategic goals for the next six (6) years. [BCHD 2025-2031 Strategic Plan & Goals](#) outlines Beach Cities Health District's mission, vision, core values, strategic goals, and objectives for the next six years. It provides a clear framework to align organizational efforts with identified priorities and guide decision-making.

In the FY25-26 budget year, the District is looking at finalizing many of the redevelopment projects in the [Healthy Living Campus Master Plan - HLC](#). Projects like providing a Bike Path and a Program for All-inclusive Care for the Elderly (PACE) have been established, and in FY25-26, the District is looking to finalize a Public-Private-Partnership (P3) to replace the old hospital building.

The FY25-26 Capital Investment Budget ([ClearDocs - FY 2026 ADOPTED BUDGET](#)) includes further components of the HLC Master Plan such as the Center for Health & Fitness (CHF) tenant improvements and allcove Beach Cities new facility budget.

FY25–26 Budget: Strategic Goals and Objectives

This budget aligns with the organization's strategic goals and outlines key objectives for the upcoming fiscal years.

1. Improve Community Health and Engagement

- **Objective:** Provide purposeful engagement and preventive health programs and services for all ages, including children, youth, adults, and seniors.
- **Metric:** Track performance and accomplishments through the Department Performance Measures and Accomplishment framework for each department (please see the appropriate department page) [ClearDocs - FY 2026 ADOPTED BUDGET](#)

2. Optimize Youth Services

- **Objective:** Increase operational efficiency and reduce redundancies by realigning youth departments.
- **Action Plan:** Combine the Youth Services, AdventurePlex, and Well Being Services departments.

3. Diversify Revenue and Address Budget Gaps

- **Objective:** Invest in revenue-generating opportunities to address projected budget shortfalls resulting from the 514-building lease income and allcove sustainability.
- **Action Plan:** Implement a Priority Based Budgeting (PBB) approach to evaluate programs for potential revenue generation, reduction, or elimination.
 - Establish a new Partnerships & Innovation department to develop and secure additional funding streams.

4. Ensure Sustainable Workforce Management

- **Objective:** Continuously balance staffing needs, compensation, and benefits with overall programmatic requirements.
- **Action Plan:** Adjust departmental budgets to account for relocated or eliminated vacant full-time equivalent (FTE) positions.

Budget Purpose and Overview

The purpose of the Budget Message is to provide the reader with an Executive Summary, the District's financial Budget overview with revenues and expenditures and the resulting fund financial position, including a summary of capital investments that provides for the District's long-term commitment to deliver services and programs.

Followed by reviewing major challenges and trends facing the District; the aging income-producing infrastructure, sustainability of grant funded services, legislative matters and economic trends. This is followed by a summary of the long-term financial outlook and strategies and how those are tied to the District's health goals and community impact.

The annual Budget supports the District strategic plan to advance and realize the BCHD's vision and mission:

Vision

A healthy beach community

Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships and spaces

It reviews the District's FY25-26 commitment to its programs and services, identifying the major changes in programming, funding sources and expenditures impacting the annual budget and commitment to transparency and excellence throughout the organization, from financial reporting, programs, and service delivery to worksite culture.

The Priority Based Budget (PBB) is presented as part of the Budget and is an integral part of the District budget process and is updated by all departments, that budget costs/revenues for each program and service. Each program and service were re-scored in Q1 of 2025 based on collected performance outcomes and the agreed-upon attributes to drive future trade-off discussions for budgeting and strategic development of the District. The scores collected from Q1 2025 set the basis for the FY25-26 Budget trade-offs made to develop a balanced budget.

The District's Operating and Capital budgets are developed collaboratively with the Board, Community, and BCHD Staff, in compliance with relevant [Financial Policies](#). A series of public meetings took place from December 2024 to June 2025, when the budget was officially adopted by the District Board.

In November each year, the District holds a mid-year budget review. At that time, if needed, budget amendments are discussed and adopted by the board.

Detailed information and data about the District, its health priorities, and priority programs and services are available throughout this budget report. Supporting the Budget message, the budget report features District-wide and department financial statements, capital investments, Healthy Living Campus development plans, performance measures, accomplishments, a long-range financial outlook, a risk-assessment presentation, and the District's 2025-31 6-Year Strategic Plan.

The District's Annual Budget presented herein is the guide for the execution of programs and services and financial investments for the fiscal year July 1, 2025, through June 30, 2026.

FY 2025-2026 Financial Summary

The FY25-26 budget provides for programs and services in the current year and invests in the necessary infrastructure capital assets to provide security to maintain and improve the District's ability to deliver and pay for future programs and services.

This year's budgeted revenues are decreasing by 4.9% to \$15.4 million compared to the prior year's budget of \$16.1 million. The District's budget this year projects programs, services and building operations for a total delivery cost of \$14.6 million on a property tax base that is budgeted to increase by 6% from \$5.2 million to \$5.4 million.

Beach Cities Health District is leveraging \$5.4 million in property taxes to generate 14.6 million in community programs, services, and investments for 2025-26, representing a 268% return on investment.

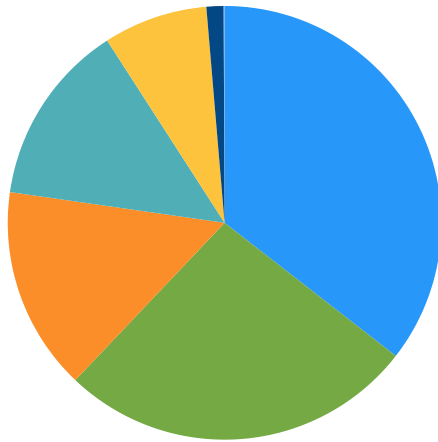
The property tax return decreased from \$3.03 to \$2.68 per dollar. This was caused by a reduction in other revenue sources, forcing the District to rely more on property taxes.

- **Revenue details:** The largest revenue decrease came from campus leases, due to a fully amortized Capital Lease and reduced tenant leases. Additionally, two grants are ending: the allcove grant in June 2026 and a completed \$150,000 federal grant for a hazard mitigation plan.
- **Offsetting revenue:** Revenue improved in the Health & Fitness and Partnership divisions.
- **Expense details:** Payroll expenses increased for expanded allcove operations. However, expenses for other operations and the Health Fund decreased, thanks to the paid-off Capital Lease and schools now using District services instead of receiving direct assistance.
- **Financial strategy:** The District plans to continue diversifying its funding through leases, fees, partnerships, investments, and grants.

	FY 25-26 BUDGET		FY 24-25 BUDGET		VARIANCE	
REVENUE						
Property Tax	5,456,000	36%	5,163,000	32%	293,000	6%
Lease-Campus	3,326,000	22%	4,048,000	25%	(722,000)	-18%
Health and Fitness	2,332,000	15%	2,180,000	14%	152,000	7%
Limited Partnership	2,093,000	14%	1,935,000	12%	158,000	8%
allcove beach cities	980,000	6%	1,485,000	10%	(505,000)	-34%
Lease-Other Properties	752,000	5%	740,000	5%	12,000	2%
Grants and Other	222,000	1%	383,000	2%	(161,000)	-42%
Interest	197,000	1%	212,000	1%	(15,000)	-7%
TOTAL REVENUES	\$ 15,358,000	100%	\$ 16,146,000	99%	(788,000)	-4.9%
EXPENSES						
Payroll	8,214,000	56%	8,070,000	52%	(144,000)	-2%
Operations	3,095,000	21%	3,952,000	25%	857,000	22%
Facilities Operations	2,583,000	18%	2,557,000	16%	(26,000)	-1%
Senior/School Health Funds	716,000	5%	1,049,000	7%	333,000	32%
TOTAL EXPENDITURES	\$ 14,608,000	100%	\$ 15,628,000	100%	1,020,000	6.5%
Cash Operating Income	\$ 750,000		\$ 518,000		\$ 232,000	45%

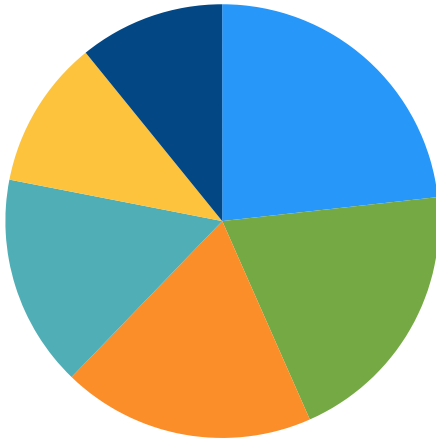
Having a well-diversified portfolio of revenues allows the District to leverage property tax dollars to provide residents with more services, be resilient during difficult economic times and invest in and develop partners in the community to inspire collaboration and future growth.

Budgeted 2025-2026 Revenue



- PROPERTY TAX **(Budgeted) \$5,456,000.00** (35.53%)
- LEASE **(Budgeted) \$4,077,699.26** (26.55%)
- User Fees **(Budgeted) \$2,332,110.60** (15.19%)
- LIMITED PARTNERSHIP **(Budgeted) \$2,093,133.00** (13.63%)
- OTHER REVENUE **(Budgeted) \$1,192,045.00** (7.76%)
- INTEREST **(Budgeted) \$196,565.32** (1.28%)
- DONATIONS **(Budgeted) \$10,000.00** (0.07%)

Budgeted 2025-2026 Expense



- Life Span **(Budgeted) \$3,393,025** (23.23%)
- Programs and Serv **(Budgeted) \$2,944,105** (20.15%)
- Property **(Budgeted) \$2,752,974** (18.85%)
- Admin **(Budgeted) \$2,312,426** (15.83%)
- Operations **(Budgeted) \$1,619,746** (11.09%)
- Grant Funded Services **(Budgeted) \$1,585,278** (10.85%)

Fund Balance, net position and summary of capital investments

For the 2025–26 fiscal year, while an operating surplus of \$750,000 is budgeted, the District's Fund Balance, a short-term, resource-based view, is projected to decrease by \$173,000, from a projected \$29.2 million to \$29 million. This is mainly the result of capital investments in long-term community assets, specifically the allcove youth mental health center and relocation of the Center for Health & Fitness (CHF). These projects will ensure continued access for 1,000 youth annually at allcove and 2,500 CHF members.

Fund balance is also affected GASB (Government Accounting Standard Board) pronouncements, non-cash adjustments, and non-operating cash effects, like unrealized gains and losses in investment income.

	FY25-26	Prior 4-Year Operating Cash Income			
	Budget	FY24-25 (Pre-Audit)	FY23-24	FY22-23	FY21-22
TOTAL REVENUES	15,358,000	16,612,000	15,261,000	14,717,000	14,895,000
TOTAL EXPENSES	14,608,000	15,030,000	14,803,000	14,645,000	13,452,000
BOD Assigned COVID Fund					
NET OPERATING INCOME / <LOSS>	750,000	1,582,000	458,000	72,000	1,443,000
GASB 87, 96 & 101 *	75,000	98,000	225,000	356,000	444,000
Non-Operating Cash	225,000	369,000	80,000	(509,000)	(2,469,000)
Capital Spend Budget **	(1,223,000)	(1,074,000)	(1,240,000)	(3,215,000)	(2,645,000)
CHANGE	(173,000)	975,000	(477,000)	(3,296,000)	(3,227,000)
FUND BALANCE	29,058,000	29,231,000	28,256,000	28,733,000	32,029,000
NET POSITION - EQUITY	59,051,000	59,521,000	56,574,000	55,811,000	57,140,000
CASH BALANCE ***	19,112,000	19,585,000	17,424,000	16,650,000	21,677,000

*) GASB Pronouncements Capital Leases (87), Subscription Based Software (96), and Compensated Absences (101) are required adjustments affecting the District Fund Balance.

**) Capital Investments are estimated actual spending and are reported for management net of grant reimbursements.

**) Actual Cash Balances include \$4M Pension & OPEB 115 Trust in FY25-26, same as in FY24-25.

Net Position, a long-term, comprehensive perspective of the District economic resources, is estimated to decrease by \$470,000 to \$59 million due to changes in long-term liabilities and assets, such as CalPERS Pension and OPEB (Other Post-Employment Benefits), additions/reductions in long-term intangible and capital assets and depreciation expense of long-term capital assets.

The District's projected cash balance is expected to decrease by \$473,000, consistent with the Fund Balance assumptions. This decrease is primarily due to changes in operational activities and capital spending, and it excludes projections related to GASB and other non-operating cash.

Capital Investment expenditures are estimated based on actual spending on Capital Projects. The following are planned Capital Project expenditures in FY25-26 totaling \$1,223,000:

- **Center for Health & Fitness (CHF) Tenant Improvements \$603,000**
- **Property Improvements \$350,000**

- **allcove Beach Cities youth mental health facility \$120,000**
- **Healthy Living Campus \$100,000**
- **Information Technology Upgrades \$50,000**

The FY25-26 Capital Investment Budget includes an additional \$2,356,000 capital expenditures projected for the CHF relocation and final Healthy Living Campus development expenditures extending over multiple years. For more information and discussion on Capital Investments, please go to this page: [ClearDocs - FY 2026 ADOPTED BUDGET](#).

Major Changes, Challenges and Trends

Many factors affect the District's financial health and outlook. The District has been in existence since 1955, celebrating 70 years, first as a hospital for almost 40 years, and since 1998 as a public preventive health organization in the State of California. The history of the District provides insights into the current financial challenges from reliance on income-producing real estate to programmatic evolutions in the preventative health arena.

The core challenge is maintaining current service levels, including crucial preventative health services like senior homecare and mental health, while facing increasing costs and growing community demand.

Factors affecting funding and service delivery

Changing Funding Sources: Difficulty in sustaining grant funding and relying on an aging former hospital (now medical offices) as a revenue source.

Economic Pressures: Unstable economic conditions impact overall funding availability and the cost of operations.

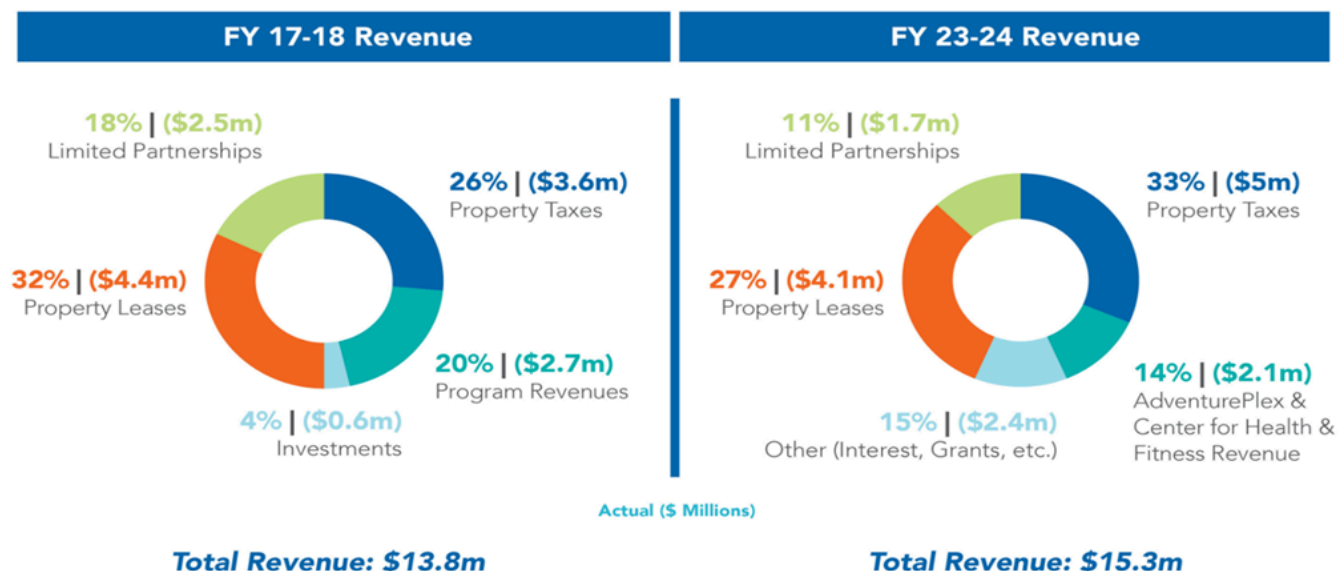
Rising Costs: Increased expenses associated with delivering services and programs put a strain on budgets.

Legislative and Regulatory Landscape: Compliance and policy shifts affect both revenue generation and service requirements.

Growing Community Needs: Demand for preventative health services, particularly in areas like mental health, is increasing.

Major Changes and Impacts in the Annual Budget Funding Sources and Expenditures

For the past few years, the District has experienced a decrease in the lease income from the old Hospital building due to its age with outdated infrastructure and amenities. Between fiscal years 2017-18 and 2023-24, revenue sources have shifted to rely more heavily on Property Taxes and Grant income, while income from User Fees, Health & Fitness Operations, and Joint Venture Operations has decreased.



To offset the impending loss of lease income from the former hospital building, the District has successfully secured grants for the allcove Beach Cities youth mental health center. Recognizing the volatility of grant funding, the District is actively diversifying its income, pursuing new sources such as insurance reimbursements, charitable giving, fundraising,

and increased user fees. Simultaneously, having to secure operating surpluses to invest in long-term assets that will provide future income and support for its programs and services.

Trends over the last three years highlight these shifts and the challenges faced in both revenue and expense management, especially, increased payroll costs for delivering Districts programs and services.

	FY 25-26 BUDGET		FY 24-25 BUDGET		FY 23-24 BUDGET	
REVENUE						
Property Tax	5,456,000	36%	5,163,000	32%	5,003,000	34%
Lease - Campus	3,126,000	20%	3,848,000	24%	4,095,000	27%
Health and Fitness	2,332,000	15%	2,180,000	14%	1,790,000	12%
Limited Partnership	2,093,000	14%	1,935,000	12%	1,735,000	12%
alkove beach cities	980,000	6%	1,485,000	9%	731,000	5%
Lease - Other Properties	952,000	6%	940,000	6%	929,000	6%
Grants and Other	222,000	1%	383,000	2%	280,000	2%
Interest	197,000	1%	212,000	1%	345,000	2%
TOTAL REVENUES	\$ 15,358,000	100%	\$ 16,146,000	100%	\$ 14,908,000	100%
EXPENSES						
Payroll	8,214,000	56%	8,070,000	52%	7,396,000	50%
Operations	3,085,000	21%	3,600,000	23%	3,025,000	20%
Property Costs	2,593,000	18%	2,909,000	19%	3,114,000	21%
Schools & Health Funds	716,000	5%	1,049,000	7%	1,373,000	9%
TOTAL EXPENDITURES	\$ 14,608,000	100%	\$ 15,628,000	100%	\$ 14,908,000	100%
Cash Operating Income	\$ 750,000		\$ 518,000		\$ -	

Staff identified the following challenges, strengths and opportunities for the preparation of the FY25-26 Operating Budget:

Threats & Challenges

- Loss of Lease / Note Receivable Revenues
- Limited Partnership has temporary fluctuations
- Health & Fitness Operations is a low-cost user fee provider
- Grants will fluctuate but requires both District recourses and are largely not controllable
- All costs are increasing with increased inflation
- Interest rates are unpredictable
- Staff wages and medical cost coverage not keeping up with inflation

Strengths & Opportunities

- Property Taxes are strong
- Limited Partnership income is trending strong
- Health & Fitness Operations are recovering
- Grants and donations provide a good source of supplemental income
- Other Property Revenues is a consistent source of income
- New Sources of Income; Enhanced Care Management (ECM), Fee Schedule, Donations
- Total Compensation is above market

With identified challenges and opportunities, the District Board provided the following directions during the FY24-25 Mid-Year budget review, and further from the December 2024 Strategic-half day and February 2025 Budget

study session:

- Address FY26-27 gap early at the \$300 – 700 thousand level.
- Review District Youth Health Departments for possible realignment
- Using PBB, utilize direct cost for recommended cuts while
 - Prioritizing direct service over grants/contracts
 - Prioritizing BCHD staff over independent contractors
- Annual user fee increases to stay in line with the market.
- Seek reimbursements for health services
- Explore other financial sustainability recommendations
 - Charitable giving and fundraising
 - Medical reimbursements
- Consider temporary cuts that could be easier to reinstate or programming that can be transferred to community partners.
- Utilize earnings from 115 Pension and OPEB Trust to offset benefit cost increases
- Review different types of strategies for the Districts' capital investments
 - Lease revenue bonds
 - Borrow from reserves (per Principal Preservation Policy)
 - Sell property if re-investment brings in a bigger return.

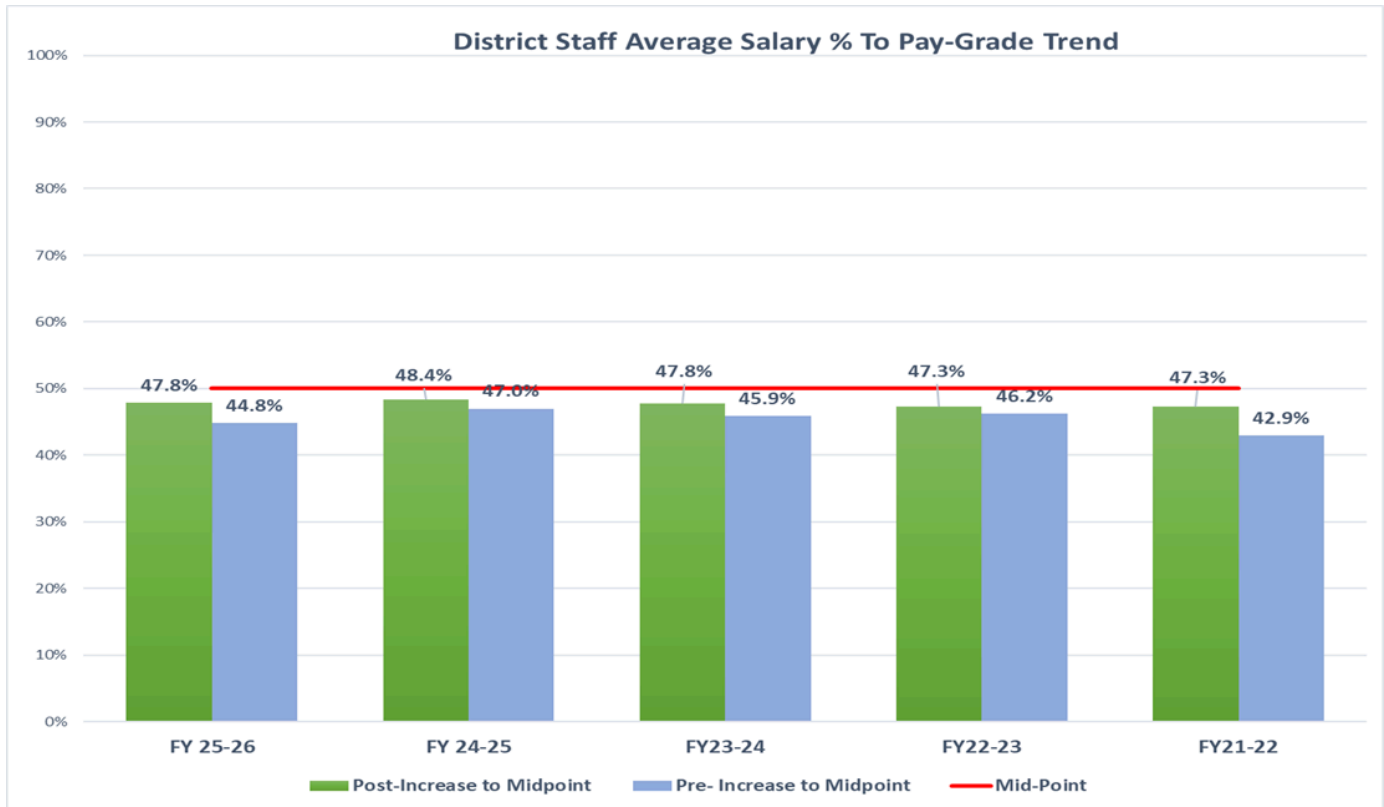
Therefore, to arrive at the final \$750,000 Operating Budget Surplus for FY25-26, staff recommended the following revenue adjustments, budget expenditure increases offset by budget reductions:

Closing \$750K Budget Gap for FY25-26



Additional Revenue	Budget Increases	Budget Reductions
• \$155,000 Sunrise partnership • \$134,000 AdventurePlex • \$100,000 allcove grant for supported education & employment • \$18,000 CHF	• \$183,000 = 3% merit increase • \$145,000 = Well Being Index survey • \$113,000 = CHF reallocated costs • \$42,000 = AdventurePlex reallocated costs • \$12,000 = Café increase • \$10,000 = IT internet backup services • \$5,000 = dependent care reimbursement	• - \$380,000 = Election costs • - \$200,000 = school service agreements • - \$170,000 = Salary savings from vacancies/realignment • - \$125,000 = Senior Health Fund • - \$20,000 = 3% merit for CEO and CFO • - \$35,000 = Communications budget • - \$30,000 = Community WorkWell program • - \$18,000 = allcove service agreements • - \$13,000 = Volunteer program budget • - \$12,000 = misc. independent contractors • - \$10,000 = Executive budget • - \$10,000 = Employee WorkWell program • - \$5,500 = Education assistance

While a three percent (3%) merit increase is included in the annual budget, the District is not able to keep up with its Compensation Philosophy to offer staff wages at the mid-point of the market.



The process below achieved the FY25-26 Budget and resulting Operating Revenues and Expenses showing a combined Youth Services Department, and a new Partnership & Innovation Department:

1. Closing the \$750,000 budget gap for FY25-26

- Look at programs (based on PBB rankings) and make decisions for eliminations, reductions or reallocations.
- Remove open positions and reassign staff where programs were reduced or eliminated.
- Determine any additional changes to personnel and administrative departments based on program reductions.

2. Combine Youth Services, AdventurePlex and Well Being Services departments

- Move some of Youth Services programming and personnel into allcove Beach Cities
- Move some of Well Being Services programming and personnel into Partnerships & Innovation
- Move out current AdventurePlex leadership to other assigned departments.

3. Permanently move staff into Partnerships & Innovation department that have been temporarily working in this area.

- Move staff that have been supporting Partnerships & Innovation into this area.
- Have some of these staff keep programming or support functions from their current roles that have synergies with Partnerships & Innovation.

4. Make adjustments to additional departments (e.g., CHF, Communications, HR, Finance) where FTEs have been moved, or vacant positions will be eliminated.

BUDGET BY OPERATING DEPARTMENT	FY25-26	FY24-25
TOTAL REVENUES	15,358,000	16,146,000
TOTAL EXPENSES	<u>(14,608,000)</u>	<u>(15,628,000)</u>
	750,000	518,000
<u>allcove Beach Cities & DFC</u>		
Grant Revenues	1,135,000	1,660,000
Program Expenses	<u>(1,584,000)</u>	<u>(1,728,000)</u>
	(449,000)	(68,000)
<u>Youth Services (includes APlex)</u>		
Fee Income	1,015,000	881,000
Program Expenses	<u>(1,674,000)</u>	<u>(2,145,000)</u>
	(659,000)	(1,264,000)
<u>Community Services</u>		
Service Fee	57,000	48,000
Program Expenses	<u>(1,717,000)</u>	<u>(1,495,000)</u>
	(1,660,000)	(1,447,000)
<u>Center for Health & Fitness</u>		
Fee Income	1,317,000	1,299,000
Program Expenses	<u>(1,619,000)</u>	<u>(1,505,000)</u>
	(302,000)	(206,000)
<u>Partnership & Innovation</u>		
Program Expenses	(970,000)	(732,000)
<u>514 Campus</u>		
Tenant & Notes Receivable Income	3,126,000	3,848,000
Property Expenses	<u>(2,294,000)</u>	<u>(2,607,000)</u>
	832,000	1,241,000
<u>Net Other</u>		
Other Income Sources	8,708,000	8,409,000
Other Program Expenses	<u>(4,750,000)</u>	<u>(5,415,000)</u>
	3,958,000	2,994,000

Although the District's FY25-26 Budget \$750,000 budget surplus, plus the past two-year \$2 million cumulative surplus, effectively covering the anticipated \$2.5 million operating funding gap for FY27-28 after the hospital building closure, the District still faces a \$1.5 million sustainability challenge. This challenge arises from the temporary nature of grant funding for the allcove Beach Cities youth mental health services, the need to address staff wage lags relative to market midpoints, and the requirement to maintain sufficient surplus for crucial long-term investments in income-producing and operating assets.

Therefore, at the FY25-26 Mid-Year budget review, staff will present strategies to address these major challenges of:

- New funding sources
- Long-term compensation plan
- Funding of long-term assets

Challenge of Aging Income-Producing 514 N. Prospect

The District opened as a hospital in 1960, after it passed a public vote by the residents in January 1955.



- **Landscaping is unfinished and signage lacking in this undated photo of South Bay Hospital circa 1960. (Daily Breeze file photo)**

Today, the building requires many infrastructure upgrades and does not meet current prevailing Seismic standards. Some major earthquake events have shown that the non-ductile concrete frame used for the old Hospital buildings don't perform safely.

Below are more recent photos, the left with the currently more modern building built next to the old hospital building, and the photo on the right is showing an arrow pointing towards the same types of columns and frames in the sample of cracked ductile building from an earthquake.



Further on February 28, 2023, Los Angeles County supervisors took the first step toward approving mandatory earthquake retrofitting on certain older concrete buildings that include a defect discovered in the 1971 Sylmar earthquake that can lead to a catastrophic collapse. The measure targets "non-ductile" concrete buildings owned by the county and those located in unincorporated areas and calls upon officials to prepare new rules for such a mandate. The city of Los Angeles approved a similar retrofit requirement in 2015.

While not yet a requirement in the City of Redondo Beach, the City's General Plan, where the District Campus resides, suggests non-ductile concrete frame buildings, such as 514 Prospect, should ultimately be "upgraded, relocated or phased out."

The District has done analysis of the costs of a Seismic upgrade, which was \$86.5 million in 2018, and was analyzed to financially be infeasible for the District.

[514 Building Structural Seismic Cost Evaluation Info \(Page 9 of 11\)](#)

[Cain Brothers Seismic Financial Analysis_2020 \(Pages 8-16\)](#)

514 N. Prospect Av.	FY25-26	FY24-25	FY23-24	FY22-23	FY21-22	FY20-21	FY19-20	FY18-19	FY17-18
Lease Income	3,326,000	3,307,000	3,473,000	2,905,000	3,131,000	3,733,000	3,839,000	3,835,000	3,828,000
Annual % Change	0.6%	-4.8%	19.6%	-7%	-16%	-3%	0%	0%	
Expenditures									
Property Management	234,000	223,000	226,000	231,000	196,000	276,000	191,000	206,000	157,000
Building Maintenance Cost	1,263,000	1,290,000	1,103,000	1,102,000	1,016,000	1,093,000	921,000	866,000	787,000
Utilities & Waste	875,000	801,000	840,000	863,000	670,000	573,000	572,000	642,000	594,000
Total	2,372,000	2,314,000	2,169,000	2,196,000	1,882,000	1,942,000	1,684,000	1,714,000	1,538,000
Annual % Change	2.5%	6.7%	-1.2%	17%	-3%	15%	-2%	11%	
Net Cash Income	\$ 954,000	\$ 993,000	\$ 1,304,000	\$ 709,000	\$ 1,249,000	\$ 1,791,000	\$ 2,155,000	\$ 2,121,000	\$ 2,290,000
8 Year Lease Income Loss	\$(1,336,000)								

Note: Excludes notes receivable interest and principle income.

Based on the age of the building and lost revenues resulting from high maintenance costs, infrastructure upgrade requirements, and seismic vulnerabilities, the District has decided to demolish the building in 2027.

Economic Conditions and Financial Market Trends

Despite facing volatile national political, socio and economic trends, the District has been able to maintain a balanced budget and build some operating surpluses to prepare for future funding gaps. It achieved this by reducing expenses, securing new and diversified funding, and benefiting from Southern California's resilient economy and the strong local property tax base. Persistent inflation, combined with lingering effects of past interest rate hikes and new trade tariffs, has made it difficult to control expenditures. However, the District's long-term major challenge is its income-producing aging infrastructure and more reliance on grant funding.

2024 was a strong economic year in many ways. The Consumer Price Index (CPI) cooled from 3.4% in December 2023 to 2.9% in December 2024, unemployment remained low hovering around 4%, the Federal Reserve began cutting interest rates and Consumer Spending increased across all 50 states per the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA). This has contributed to maintaining steadily increasing operating revenues from User Fees and Partnerships since Pre-Covid results.

	FY 25-26 BUDGET		FY 24-25 BUDGET		FY 23-24 ACTUAL		FY18-19 PRE-COVID
REVENUE							
Health and Fitness	2,332,000	7%	2,180,000	6%	2,056,000	-27%	2,826,000
Limited Partnership	2,093,000	8%	1,935,000	11%	1,746,000	-16%	2,071,000
TOTAL	\$ 4,425,000	8%	\$ 4,115,000	8%	\$ 3,802,000	-22%	\$4,897,000

The Health & Fitness operation User Fee income is also being affected by shifting customer behavior and aging customer base. Many members of the Health & Fitness facility are continuing to choose virtual events, and older customers are moving to fitness plans covered by insurance plans, such as Silver Sneakers, etc., which are being reimbursed at lower rates than the income from District basic membership fees. The Senior Living Partnership (80% JV) has fully recovered and was able to put in place some price increases in 2024, while the smaller 5% JV income in a Surgery Center Partnership at the 514 N. Prospect Ave. remains non-existent due to older doctors' retiring after the Pandemic.

With the assistance of its investment portfolio advisors, PFM Asset Management LLC, the District is closely monitoring and adjusting to current global, national, and state economic trends. Their June 30, 2025, quarter end market themes included:

- Treasury yields whipsawed by tariff announcements in Q2
 - Concerns over the budget bill, debt ceiling, and monetary policy added to volatility.
 - The yield curve continued to steepen between 2 years and 10 years
 - Credit spreads widened sharply following tariff fears but tightened to levels near historic tights by quarter end
- U.S. economy is resilient but showing signs of cooling.
 - Beneath the positive employment headlines, the job market shows signs of weakening.
 - Inflation remained rangebound but does not yet reflect the full impact of tariffs
 - Fiscal policy uncertainty and volatile tariff rollouts weigh on consumer sentiment

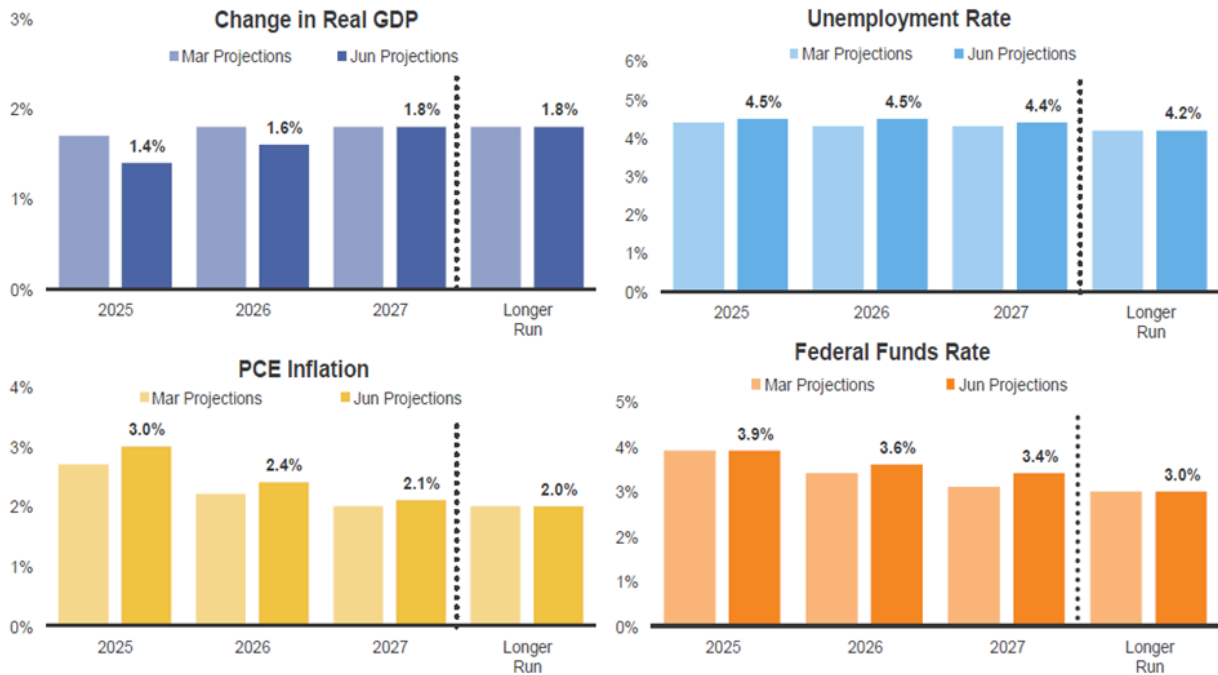
Further to assist in forecasting long-term future economic outlook, PFM Asset Management LLC, provides the following Federal Reserve expectations:

- Treasury yields whipsawed by tariff announcements in Q2
 - Concerns over the budget bill, debt ceiling, and monetary policy added to volatility
 - The yield curve continued to steepen between 2 years and 10 years
 - Credit spreads widened sharply following tariff fears but tightened to levels near historic tights by quarter end.

In addition, the June 30, 2025, market update included 3-year economic projections for Inflation (PCE, Personal Consumption Expenditures illustrated below), Unemployment Rate, Federal Funds Rate, GDP (Gross Domestic Product), which are the key macroeconomic factors providing an indication of the national to local economic health.

Fed's Updated Summary of Economic Projections

Fed Chair Powell : "[T]hink of it as the least unlikely path in a situation like this where uncertainty is very high."



Source: FOMC Chair Jerome Powell Press Conference, June 18, 2025. Federal Reserve, latest median economic projections as of June 2025.

The District's budget and financial trends for User Fees and Joint Venture Revenues are shaped by a blend of cautious and optimistic macroeconomic forecasts. On the optimistic side, inflation is anticipated to stabilize at around 3% in 2025, mirroring 2024 levels. Real GDP growth is slowly recovering, though it has yet to return to a healthy 3% rate. The unemployment rate has remained stable at about 4%; however, according to PFM Asset Management, this headline figure masks some underlying weaknesses in the job market.

In light of the expected decrease in the Federal Funds rate and the ongoing steepening of the yield curve, the District is strategically managing its investment portfolio. This involves reinvesting maturing long-term notes into shorter-term investments while remaining optimistic about the completion of its development plans.

In addition, with potentially lower interest rates, the Real Estate market house prices will continue to remain strong. With other revenue streams like tenant lease income stagnating, the District's financial health has become more dependent on property taxes. Property tax revenue has proven strong and reliable, increasing its share of the District's total budget from 26% in FY18-19 to 36% in FY25-26. Data from HdL Coren & Cone further highlights this strength, indicating that the property tax base in the Beach Cities has grown 7.4% faster than the rest of Los Angeles County.

Although HdL Coren & Cone forecasts a moderation in real estate growth over the next five years (from an average of 5% to 4%), this projection may be conservative. The recent fires in coastal areas like Malibu and Pacific Palisades have driven a significant number of residents to relocate south, with many resettling in the Beach Cities. This influx is expected to boost the District's property tax revenue beyond current five-year forecasts.

Dist Wide Value Change	2025-26	2026-27	2027-28	2028-29	2029-30	5 year
<i>District Net Taxable Value</i>	\$59,701,118,391	\$62,063,514,686	\$64,583,040,888	\$67,410,546,790	\$70,363,978,495	15%
<i>Value change Year over Year</i>	5%	4%	4%	4%	4%	4%
<i>Prior Year Value Change</i>	3%	4%	5%	5%	n/a	5%
Dist Wide Value Change	2024-25					
<i>District Net Taxable Value</i>	\$56,742,494,174					

The resilient California economy, and even stronger local Beach Cities economy together with cautiously optimistic outlook for key macroeconomic indicators like inflation, GDP and Fed Funds rate are helping the District offset increases in expenditures to be able to maintain District programs and services.

As the 2027 decommissioning of the old hospital nears, a robust economy and favorable lower interest rates are essential to ensure the successful completion of the Healthy Living Campus development.

Legislative Matters Facing the District



In FY 24-25, Beach Cities Health District (BCHD) focused on the following legislative issues:

- With the passage of Prop 1 and the implementation of the Behavioral Health Transformation in the state of California, BCHD has been working with county partners, the statewide allcove network, the Behavioral Health Commission, and legislators to raise awareness about allcove Beach Cities and the youth drop-in center model as an innovative solution to the youth mental health crisis. Notably, legislative efforts have focused on funding sustainability for the allcove pilot program:
 - BCHD engaged with the California Department of Health Care Services and the Los Angeles County Office of Education on the implementation of the Children and Youth Behavioral Health Initiative (CYBHI) statewide multi-payer school-linked Fee Schedule, which mandates that Medi-Cal and commercial health plans reimburse school-based mental health services. BCHD formed a school consortium with our school district partners to provide technical assistance to access these resources and worked with state partners to shape guidance of the implementation process.
 - BCHD partnered with California Senator Ben Allen to author SB 812 in the 2025-2026 legislative session, which would allow youth drop-in centers, like allcove Beach Cities, to participate in the fee schedule and be reimbursed for mental health services provided to young people under 26 years of age. At the time of this report, SB 812 is in Assembly Appropriations Committee and is awaiting passage.
 - On behalf of BCHD, Assembly member Muratsuchi requested \$3 million of bridge funding from the Behavioral Health Commission to create a roadmap for allcove center sustainability.
 - BCHD requested \$5 million in FY 26 community project funding or congressionally directed spending from the Transportation, Housing, and Urban Development economic initiatives account to revitalize its health district campus by demolishing a 64-year-old hospital building. Rep. Ted Lieu submitted our request, but we were not included in the bill. In February 2025, BCHD visited Washington D.C. to highlight our work and garner support for our project funding requests.
 - The Los Angeles County Board of Supervisors approved the \$300,000 grant agreement for our Mental Health Student Services Act to expand the supported education and employment service stream at allcove Beach Cities. BCHD also received a master agreement from Los Angeles County and became a Mental Health Services Act (MHSA) vendor for Community Services and Supports, Prevention and Early Intervention, and Innovations work, through the Department of Mental Health.
- In March 2025, BCHD hosted a Medicaid Roundtable at allcove Beach Cities on "Medicaid Day of Action" to discuss the impact of federal funding cuts to Californians enrolled in Medi-Cal.
- BCHD and our Beach Cities Partnership for Youth Coalition was awarded a Drug-Free Communities (DFC) Support Program renewal grant by the Centers for Disease Control and Prevention (CDC). The original DFC grant term was five years, starting in 2019, totaling \$625,000. The extension for an additional five-year term is also for \$125,000 annually and will total \$625,000.

In FY25-26, BCHD will continue to monitor funding opportunities for our programming and other policy priorities.

Commitment to Excellence and Transparency

The District is not only committed to excellence and transparency for financial audit and budget reporting, but throughout the District, including staff conduct and responsibilities, Board action and accountability, offering transparency to our residents and taxpayers in the way we steward public funds.

Through the years, Beach Cities Health District has received the Excellence in Operating Budgeting and the Distinguished Budget Presentation awards from the California Society of Municipal Finance Officers, California's premier statewide association for public sector finance professionals, and the Government Finance Officers Association (GFOA), nationally recognized for public financial officials throughout the United States and Canada, respectively. ([BCHD Budget Reports](#).)

The District's Annual Comprehensive Financial Reports ([Audited Financial Reports](#)) have also been honored for Excellence in Financial Reporting by the GFOA.

The award programs are designed to recognize those agencies whose budget and financial reports meet certain statewide and national standards considered to be of the highest quality. The effort to seek and attain these awards reflects the District's commitment to meeting the highest standards of governmental budgeting and reporting.

As each award is annual and valid for the fiscal year, the District renews its applications annually, and each year makes updates and improvements based on feedback received from all stakeholders ([District Awards](#)).

In 2025, the District's [Investment Policy](#) achieved recertification from the California Municipal Treasurers Association (CMTA). This independent external review confirmed the policy's compliance with California state investment laws and adherence to best practices in public fund investment.

The certification provides several key benefits for District stakeholders:

- **Enhanced Trust and Confidence:** Confirmed by an independent external review.
- **Regulatory Compliance:** Ensures adherence to California Government Code sections.
- **Strengthened Oversight:** Complements and reinforces independent external audits.
- **Expert Validation:** Policy reviewed by Certified California Municipal Treasurers.
- **Increased Transparency:** Demonstrates diligence and accountability to the public we serve.

In addition, the District maintains its Transparency of Excellence Certificate with the California Special Districts Association (CSDA) and is designated a "Certified Healthcare District" by the Association of California Healthcare Districts (ACHD). The ACHD promotes governance, requiring demonstrated compliance to a core set of accountability and transparency standards, like Brown Act/ethics training, annual audit requirements, etc. This core set of ACHD standards is considered Best Practices in Governance for California Healthcare Districts [Transparency Web-Page](#).

Award-winning Work Culture

Culture and Philosophy

At Beach Cities Health District, we foster a workplace culture that mirrors the health and wellness we promote in the community. Our commitment to employees includes competitive compensation and benefits, a healthy work environment, and a focus on building a diverse, equitable, and inclusive (DEI) workforce. We achieve this by recruiting talented and dedicated professionals who embrace innovation to fulfill our mission.

This foundation empowers our employees to embrace a commitment to our mission, guided by our team leadership philosophy:

Our mission-driven team focuses on collaboration and continued learning to build a

culture of wellness, compassion, and fun.

Core Values

The District's core values guide staff in their daily interactions and work performance:

- Accountability
- Compassion
- Integrity
- Excellence

The District regularly applies for workplace awards, including national healthcare industry and local Los Angeles-based programs. This process allows management and staff to measure, evaluate, and plan for continuous improvement in workforce wellness.

In July 2020, the District convened an internal task force to review and address historical, systematic, and institutional racism in response to the social unrest experienced in this country. The task force developed a Diversity, Equity, and Inclusion (DEI) advocacy statement that was adopted by the Board at their June 23, 2021, meeting and is reviewed, updated and re-approved annually.

At Beach Cities Health District (BCHD) our mission is to enhance community health, which can only be accomplished through our commitment to social equity and opposition to all forms of racism and discrimination.

We promote equitable health and well-being in our community by providing an inclusive work and volunteer environment, by providing equitable health programming, and by regularly examining how our programs can be designed to break down systemic barriers.

We believe that our focus on programs that address preventive health where people live, work, and play enables our community members of all demographics, identities, pronouns, ages, abilities, and socioeconomic status to thrive.

Commitment to Programs & Services to Improve Health in the Beach Cities

Beach Cities Health District (BCHD) is a healthcare district focused on preventive health and serves the communities of Hermosa Beach, Manhattan Beach, and Redondo Beach. Established in 1955 as a public agency, it offers an extensive range of dynamic health and wellness programs, with innovative services and facilities to promote health and prevent diseases across the lifespan. Its legal mandate is:

“To Promote Public Health & General Welfare.”

Why is preventive health care so important?

- **Early Detection and Better Outcomes:** Identifying potential issues like high blood pressure, diabetes, or cancer in early stages allows for simpler, more effective treatment and improved long-term health outcomes.
- **Reduced Risk of Chronic Diseases:** By addressing risk factors and promoting healthy behaviors, preventive care significantly lowers the chances of developing chronic conditions like heart disease, type 2 diabetes, certain cancers, and osteoporosis.
- **Enhanced Longevity and Quality of Life:** Catching and managing conditions early helps individuals live longer, healthier lives, maintain independence, and enjoy a better overall quality of life.
- **Improved Mental and Emotional Well-being:** Routine check-ups can include mental health screenings, helping detect and manage conditions like stress, anxiety, and depression early, contributing to greater peace of mind and emotional stability.

- **Maintained Physical Function:** Preventive measures support strong bones, muscles, and joints, helping to maintain mobility and independence, especially as individuals age.
- **Support for Healthy Habits:** Regular visits offer opportunities for personalized counseling on diet, exercise, stress management, and other lifestyle modifications that can profoundly impact long-term health.
- **Prevention of Infectious Diseases:** Immunizations protect individuals and communities from serious infectious illnesses like flu, pneumonia, measles, and more.

In accordance with its legal mandate to promote public health and general welfare, the District operates over 40 preventive health programs and services. These offerings are strategically focused on two primary [Health Priorities](#) identified: Physical Health and Mental Health & Substance Use.

Beach Cities Health District's focuses on keeping residents healthy and improving well-being at every stage of life. BCHD offers an extensive range of programs and services that address specific community health needs.

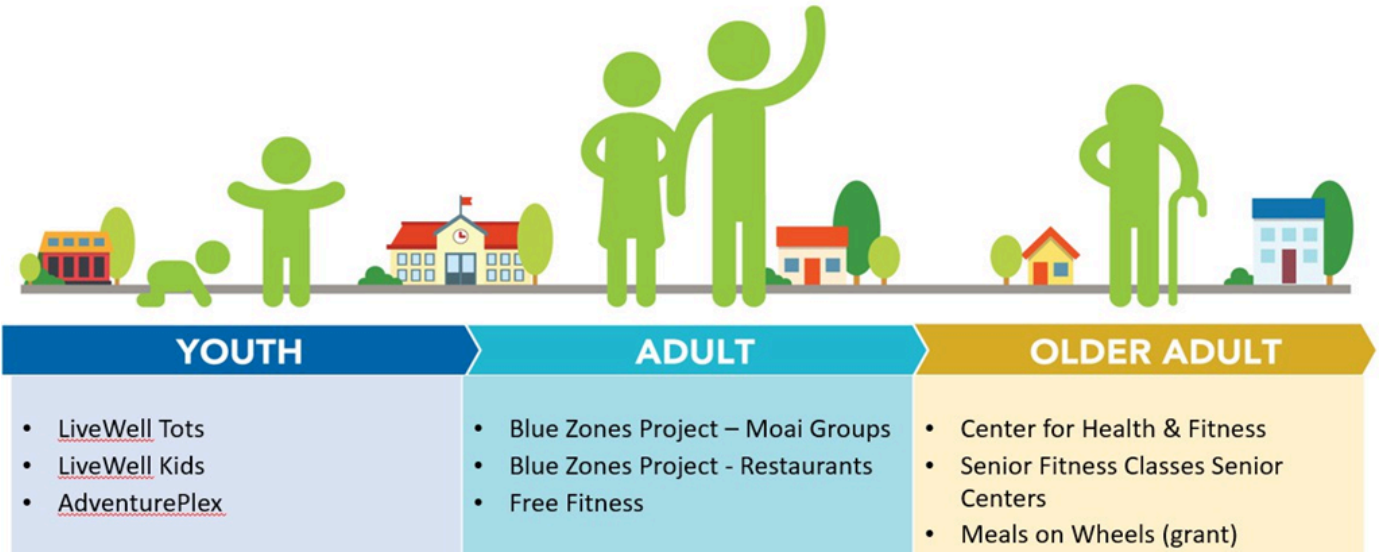
To support physical health, mental health, and combat substance abuse, many of the District's programs integrate the concepts of *Social Determinants of Health* (SDOH). As illustrated below, SDOH are the conditions in the places where people live, learn, work, and play that significantly influence a wide range of health risks and outcomes.

				
Health Care Access & Quality	Education Access & Quality	Social & Community Context	Neighborhood & Built Environment	Economic Stability
• Access to Health Care • Access to Primary Care • Health Literacy	• High School Graduation • Enrollment in Higher Education • Language and Literacy • Early Childhood Education & Development	• Social Cohesion • Civic Participation • Discrimination • Incarceration	• Access to Foods that Support Healthy Eating Patterns • Quality of Housing • Crime & Violence • Environmental Conditions	• Poverty • Employment • Food Insecurity • Housing Instability
• Certified enrollment agency for CoveredCA • Care Management • Health Promotion	• Youth Services Programs (e.g. LiveWell Tots & Kids, MindUp)	• Blue Zones Project • WorkWell • Volunteer Programs	• Blue Zones Project • Tobacco Control Policies	

The District's programs and services integrate both physical and social determinants of health with the Health Priorities identified in the Community as the strategic guideposts. Many of the programs and services touch the community in all lifespans with some examples shown below.

Health across the Lifespan

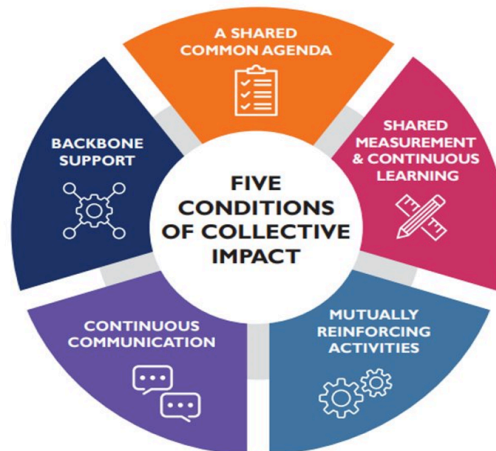
Different programs addressing same priorities depending on phase of life



The District has achieved large-scale, community-wide health improvements by implementing the Collective Impact Model for its programs, which include LiveWell™, Blue Zones®, and allcove™ youth mental health initiatives.

Collective Impact Model

A **Collective Impact model** is a structured approach to solving complex social problems by bringing together diverse organizations and individuals from different sectors to work toward a common goal.



Blue Zones Project Beach Cities



LiveWell Kids – Reduction in Childhood Obesity



Beach Cities Partnership for Youth Coalition



allcove Beach Cities



A Collective Impact model involves a diverse group of cross-sector partners, including nonprofits, government agencies, businesses, foundations, and community members. To be effective, the initiative also requires a dedicated "backbone organization" to manage and support the collaboration.

The District serves as the backbone organization. This critical role involves guiding vision and strategy, supporting aligned activities, establishing shared measurement practices, building public will, advancing policy, and mobilizing funding, which ultimately leads to more effective systems and improved community outcomes. With approximately 150 full-time and part-time employees, more than 1,000 individual volunteers, the District leverages its internal capacity to convene and manage these multi-stakeholder partnerships.

Volunteers are integral to the District's operations, managing and supporting its extensive range of programs and services. Annually, the District engages over 1,000 individual volunteers, who contribute an average of 28,000 service hours. These volunteers undertake diverse roles, ranging from assisting at Health and Fitness Centers and participating in student internships to providing support for older adult programs. The District highly values the contributions of its volunteers and expresses its appreciation through events such as the annual Volunteer Recognition Brunch.

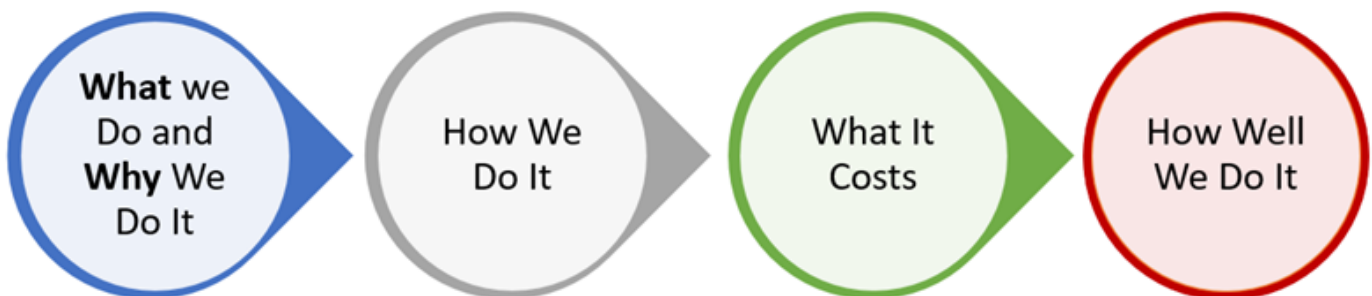
The District acknowledges the significant health benefits associated with volunteering for individuals. Research indicates that volunteering is linked to improved physical and mental health, including greater life satisfaction and lower rates of depression. Volunteers have also been found to experience increased social well-being and a stronger sense of purpose. By engaging in volunteer work, individuals contribute to their communities while simultaneously experiencing positive impacts on their own well-being.

The General Fund provides comprehensive financial management for all of the District's departments and operations, including support and administrative functions. For FY25-26, the District's operational framework has been restructured into five core functions, representing a realignment from the previous four-function model. This includes the establishment of a dedicated department for grant-funded services outlined below.

Administrative Support Services	Direct Operating Support	Life Span Services	Grant Funded Services	Health & Fitness Operation
•Executive/Admin Support •Finance Services •Human Resources •Real Estate-Management	•Health Promotions and Communications •Information Systems •Partnerships and Innovations/BlueZones •Volunteer Development	•Admin Services •Adventureplex •Community Services •Well Being Services •Work Well Services	•allcove Grant •Drug Free Community Grant	•Center for Health and Fitness •Medical Fitness Excercise

Beach Cities Community Public Health Impacts by Priority Based Budgeting

Priority Based Budgeting is a process used to understand community values, and budget accordingly to those values, while providing flexibility to meet the changing needs of the community.

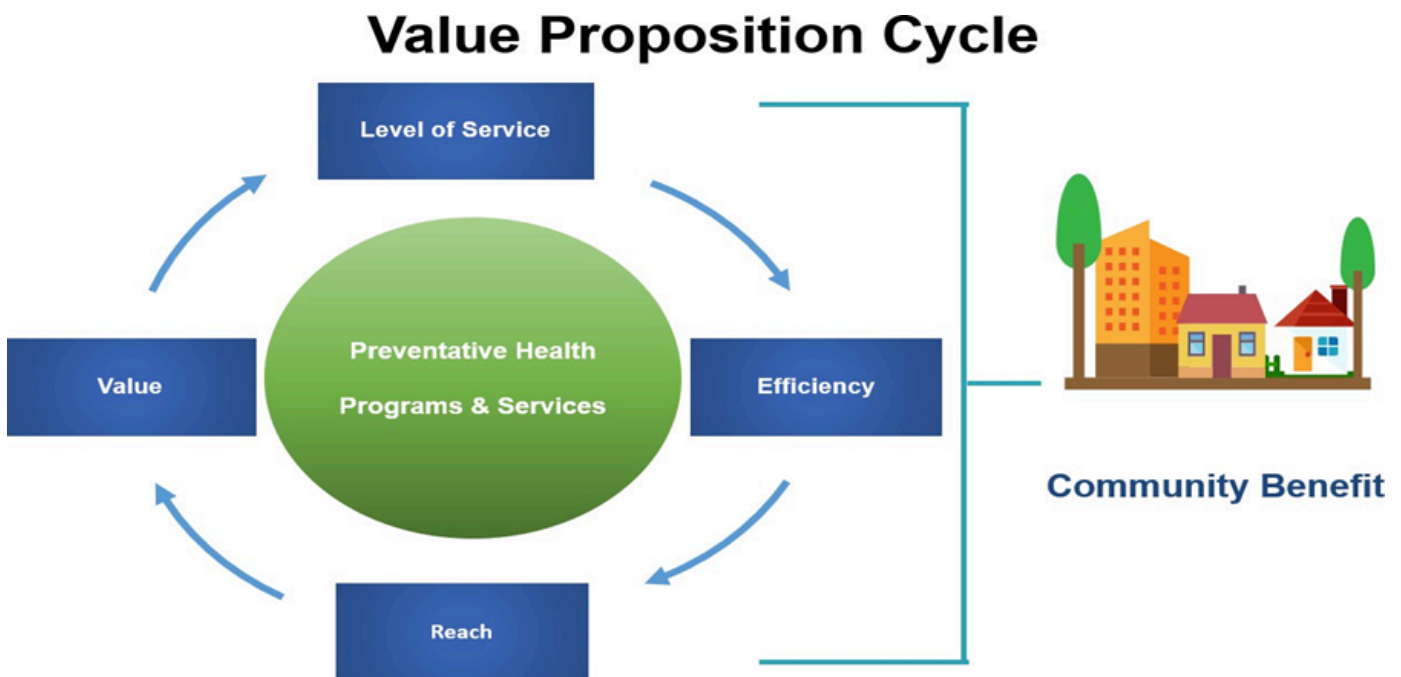


PBB offers Stakeholder numerous insights and key benefits:

- **Enhance budget transparency:** Clearly reflecting program and service costs.
- **Articulate program value:** Explaining the existence, cost, and value of our programs and services.

- **Understand true costs:** Shows fully loaded program/service costs, including administrative overhead.
- **Inform budget adjustments:** Guiding reductions or eliminations during budget cuts (e.g., recession, increased fixed costs, revenue loss).
- **Respond strategically:** Addressing community requests and expanding or funding new programs/services effectively.
- **Adapt to priorities:** Facilitating strategic shifts or refocusing BCHD's health priorities (e.g., adding a new priority, increasing funding for a specific need).
- **Reassess performance:** Ensuring programs/services continue to meet intended outcomes.

Ultimately what matters is the impact Beach Cities Health District has on those in the community it serves and the greater impact on public community health creating a Healthy Beach Community.



This value proposition shows the Priority Based Budgeting (PBB) attributes identified around the circle to be measured and evaluated against the performance standards of each program. To prepare the annual budget the District staff annually scores each health program according to alignment to the attributes.

The FY25-26 Budget was prepared by analyzing the District Program and Services according to the resulting scores below and recommended service level changes:

↑ = Program delivery increase
 → = No significant change
 ↓ = Program delivery decreases
 ✕ = Program eliminated

1 st Quartile			2 nd Quartile			3 rd Quartile			4 th Quartile		
Program	Score	Impact	Program	Score	Impact	Program	Score	Impact	Program	Score	Impact
Substance Use-adult	90.00	➡	Aging Services-Health & Wellness Education	78.33	➡	Information & Referrals	70.00	➡	Outdoor Programs	63.33	➡
Volunteer Support Programs	88.33	⬇	Care Management	78.33	➡	HP/Comm Volunteer Programs	70.00	➡	Community Work Well Programs	63.33	✖
allcove Beach Cities	86.67	⬆	Moais and Social Connection	76.67	➡	Free Fitness Programs	70.00	➡	Restaurants/ Grocery Stores	63.33	➡
Internship Program	86.67	➡	CHF Fee Based Services	76.67	➡	Parent Engagement Programs	70.00	➡	Camps	63.33	➡
Research Coordination	83.33	⬆	Holiday Gift Bags	75.00	➡	Social Work Internship Program	68.33	➡	Yoga	63.33	➡
Youth Advisory Council	81.67	➡	Partner Development	75.00	⬆	Beach Cities Volunteer Day	68.33	➡	CHF Membership & Group Exercise Classes	60.00	➡
Health Promotions General	81.67	⬇	Mental Health & Happiness	75.00	➡	LiveWell Kids	68.33	➡	Personal Training	60.00	➡
Legislative Advocacy	81.67	⬆	Partnership for Youth Coalition	73.33	➡	School Gardens/ Docents/Garden Angels	68.33	➡	Pilates	55.00	➡
Community Workshops and Training	81.67	⬇	In-Home Support Volunteer Programs	71.67	➡	Built Environment	68.33	⬆	APlex Membership & Drop-In Play	53.33	➡
Social-Emotional Health at Schools	80.00	➡	Contract Services - Youth	71.67	⬇	Public Health Response	66.67	➡	Health & Wellness at Schools	50.00	✖
Government Affairs/ Community Liaison	80.00	⬆				BCHD WorkWell Programs	65.00	➡	Parties & PDO	45.00	⬆

Implementing the Priority Based Budgeting (PBB) tool has enabled the District to collaboratively address financial challenges with staff, the Board of Directors, and the community. This approach has fostered open communication and facilitated the integration of diverse perspectives, leading to strong support for necessary reductions and both organizational and program changes.

For more information, see Priority Based Budget by Programs and Health Priorities [Priority Based Budget](#).

Looking Forward and Conclusion

The District is proactively addressing its long-term financial stability by planning for the redevelopment of its aging property at 514 N. Prospect Avenue. This sixty five-year-old medical office building, which used to generate over 25% of the funding for District programs and services, has reached the end of its useful and economic lifespan and is slated for decommissioning in 2027. This necessitates a strategic pivot to ensure sustainable funding streams for essential community programs.

Recognizing the impending financial impact of the decommissioning and anticipating diminishing cash reserves since 2018, the District has strategically invested in the development of the Healthy Living Campus (HLC). This innovative project is designed to stabilize the District's financial position and secure the future viability of its programs and services. The Healthy Living Campus represents a forward-thinking approach to ensure continued support for vital community health initiatives.

The successful development of the Healthy Living Campus is projected to safeguard the District's long-term financial health and ensure the continuity of its essential programs and services.

Progress on the Healthy Living Campus Master Plan is on track, with key developments strengthening the District's long-term financial position. In 2019, the District funded a 115 Trust to secure long-term pension and OPEB obligations; the initial \$3 million investment has since grown to \$4.2 million. On-campus projects advancing include the Program for All-Inclusive Care of the Elderly (PACE), which offers future rental income and a partnership opportunity, and the relocation of the Center for Health & Fitness to its 2,500 members. The allcove Beach Cities construction project is also in its final pre-development phase.

Positive Steps Forward

Progress is underway on several components of the Healthy Living Campus Master Plan



Bike Path

Completed in 2023, the bike and pedestrian path project installed a Class I bike path with new lighting, pavement, bicycle traffic signal sensors and landscaping.

Diamond Green Space

Finalizing plans to retain the 510 building and preserve adjacent green space along Diamond St.—addressing neighbor concerns.

CHF

A lease has been signed to relocate the Center for Health & Fitness (CHF) to the 510 Building in 2027.

PACE

BCHD is working to secure space on the campus for a PACE program, aiming to provide services for older adults and establish a long-term tenant in the 510 Building.

allcove Beach Cities

56% of funding secured for construction of a permanent allcove Beach Cities location.

Approximately \$8 million remains to be raised to fully fund the project.

This investment reflects the District's commitment to proactive financial management and its dedication to serving the community's health and wellness needs for years to come.

While strategic plans for the Center for Health & Fitness (CHF), the Program for All Inclusive Care for the Elderly (PACE), allcove Beach Cities, and the broader Campus redevelopment are currently being finalized, the District's FY25-26 Budget ensures the continuous delivery of essential programs and services to the community. District staff remain focused on achieving organizational goals, and a number of important initiatives are scheduled for the upcoming fiscal year.

- Align youth departments to develop new and enhanced programming for ages 2–16.
- Execute and analyze the biennial Gallup Survey to report key health metrics.
- Finalize the setup of the Beach Cities Health Foundation, a District non-profit.
- Implement strategies to secure monetary and non-monetary gifts.
- Integrate medical reimbursement systems into BCHD operations.
- Determine the financial sustainability of allcove Beach Cities.

At the Beach Cities Health District, our Board and staff are dedicated to serving our community. We are committed to ensuring that the FY25-26 budget, and the development of the Healthy Living Campus continue to deliver excellent value for each property tax dollar, strengthening your investment in local health and wellness.



For example: For a household that has a \$1.2 million home and pays \$12,000 in Property Taxes, \$105.60 goes to BCHD annually.

Live well, health matters.

Tom Bakaly CEO	Monica Suua CFO
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BUDGET ADOPTION RESOLUTION



bchd.org

Budget Adoption Resolution



Live Well. Health Matters.

RESOLUTION NO.604

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEACH CITIES HEALTH DISTRICT ADOPTING THE FINAL OPERATING AND CAPITAL BUDGET FOR THE FISCAL YEAR 2025 – 2026

WHEREAS, a preliminary budget for Fiscal Year 2025-26, July 1, 2025 to June 30, 2026, has been prepared by the Chief Executive Officer and staff; and

WHEREAS, said budget incorporates expenditures for operating purposes, capital outlay and capital improvement projects; and

WHEREAS the Board of Directors of the Beach Cities Health District has examined the preliminary budget for Fiscal Year 2025-26.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF BEACH CITIES HEALTH DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. That the budget document which is on file with the Secretary to the Board, a summary of which is attached hereto as "Exhibit A," be and is adopted as the operating and capital budget for the District for FY 2025-26.
2. That the amounts designated in the final FY 2025-26 operating and capital budget are hereby appropriated and may be expended by the departments or funds for which they are designated, and such appropriation shall not be increased except as provided herein. Capital budget appropriation is authorized to completion of project, not limited to spending within fiscal years.
3. The Operating and Capital budget complies with the relevant Finance policies.
4. That the following controls are hereby placed on the use and transfer of budgeted funds:
 - (a) The Chief Executive Officer is responsible for keeping expenditures within budget allocations for positions, salaries, operational expenditures, and capital acquisitions and may adopt budget policies as necessary to carry out that responsibility. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board or Chief Executive Officer as described herein.
 - (b) The Chief Executive Officer may exercise discretion in administration of the budget to respond to changed circumstances, provided that any single increase in the overall budget in excess of \$10,000 shall require approval by the Board.
 - (c) The Chief Executive Officer may authorize transfers between lines and/or within funds or departments, within the limits imposed by the available funds in the operating and capital budget.
 - (d) Except as provided by Section 3(b) herein, the Board must authorize any increase in the overall operating budget and capital budget.
5. That this resolution shall become effective on the date of adoption date.

PASSED, APPROVED, AND ADOPTED THIS 25th DAY OF JUNE 2025.



Michelle Anne Bholat, M.D. MPH, President
Board of Directors
Beach Cities Health District

ATTEST:



Noel Lee Chun, MD, QME, Secretary / Treasurer
Board of Directors
Beach Cities Health District

EXHIBIT A

Beach Cities Health District District Total Rollup Budget 2025-26

	Budget FY25-26	Budget FY24-25	\$ Variance	%	Budget FY23-24	Budget FY22-23
Property Tax Revenue	5,456,000	5,162,800	293,200	6%	5,002,800	4,750,560
Lease Revenue	3,053,193	3,838,158	(784,965)	-20%	4,162,409	3,881,416
Tenant BOE Reimbursements	1,024,508	949,508	75,000	8%	861,854	883,605
Interest Revenue	196,565	211,675	(15,110)	-7%	344,930	497,561
Limited Partnership Revenue	2,093,133	1,935,000	158,133	8%	1,735,000	1,825,000
User Fees Revenue	2,332,114	2,180,185	151,929	7%	1,789,467	1,700,680
Grant revenue	1,191,440	1,707,716	(516,276)	-30%	855,600	985,412
Other Revenue	10,600	161,100	(150,500)	-93%	155,516	326,500
TOTAL REVENUE	15,357,553	16,146,142	(788,589)	-5%	14,907,576	14,850,734
Payroll	8,214,051	8,070,390	(143,661)	-2%	7,395,834	7,274,256
Program Costs	167,852	166,582	(1,270)	-1%	175,206	137,499
Human Resources Related	178,010	180,905	2,895	2%	184,592	202,389
Information Systems	306,602	309,355	2,753	1%	324,651	305,568
Community Relations	294,700	351,374	56,674	16%	387,245	489,928
Facilities Expenses	2,017,085	2,037,875	20,790	1%	1,883,572	1,593,999
Professional Services	2,158,198	2,535,641	377,443	15%	1,916,092	2,156,780
Interest and Other	555,193	927,385	372,192	40%	1,267,884	1,171,249
Funds & Grants	715,882	1,048,635	332,773	32%	1,372,500	1,519,086
TOTAL OPERATING EXPENSES	14,607,553	15,626,142	1,020,589	6.5%	14,907,576	14,850,734
BCHD OPERATING SURPLUS / (Deficit)	750,000	518,000	232,000	0%	-	-
Capital Investment Expenditures	(3,579,019)	(4,521,198)	942,179	-21%		
510 Building Lease - Net	(103,974)		(103,974)	-100%		
FUND CASH BALANCE CHANGE	(2,932,993)	(4,003,198)	1,070,205	27%		
Non-Cash NR Amortization	-	(382,324)	382,324	100%		
FUND BALANCE CHANGE	(2,932,993)	(4,385,522)	1,452,529	33%		

2025-2028 HEALTH PRIORITIES



bchd.org



2025-2028 Health Priorities & Objectives

The following are Beach Cities Health District's 2025-2028 Health Priorities and Objectives presented in rank order starting with the most critical.



Mental Health & Substance Use

1. Decrease anxiety, depression and suicidal ideation
2. Reduce substance use (e.g. alcohol, cannabis, nicotine) across the lifespan
3. Increase community education for mental health and substance use prevention and access to early intervention services
4. Increase social connectedness to address loneliness and social isolation
5. Enhance stress resilience, positive coping strategies and mental well-being



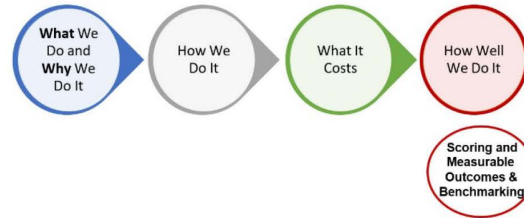
Physical Health

6. Promote habits and practices to increase restful and restorative sleep
7. Improve health and quality of life for people with dementia, including Alzheimer's disease, and their caregivers
8. Maintain healthy eating habits and low percentage of residents who are obese or overweight
9. Improve biking and walking safety
10. Maintain high levels of physical exercise participation

Priority Based Budgeting

What is Priority Based Budgeting (PBB)?

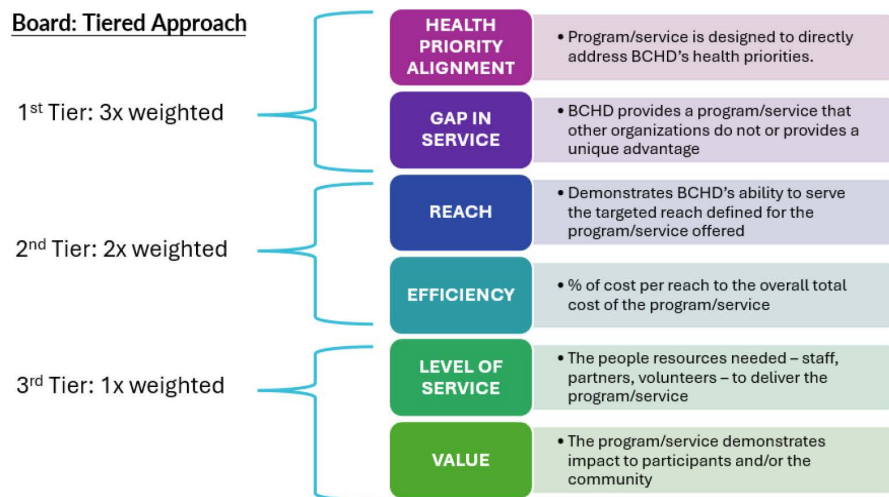
Priority Based Budgeting (PBB) is a process used to understand community values and budget accordingly, while providing flexibility to meet the changing needs of the community. PBB's underlying philosophy is that resources should be invested to meet the stated objectives of the program. This means resources are allocated according to how effectively a program/ service achieves the goals of the most significant value to the community.



Attribute Definitions & Questions for Further Analysis

Part of the PBB process is to review each program or service and score it based on a set of attributes that demonstrate the District's return on investment. Through the strategic planning process, the following attributes below are what each program or service is measured against:

Priority Based Budgeting: 2025 Updated Strategy



FY25-26 Program Budget

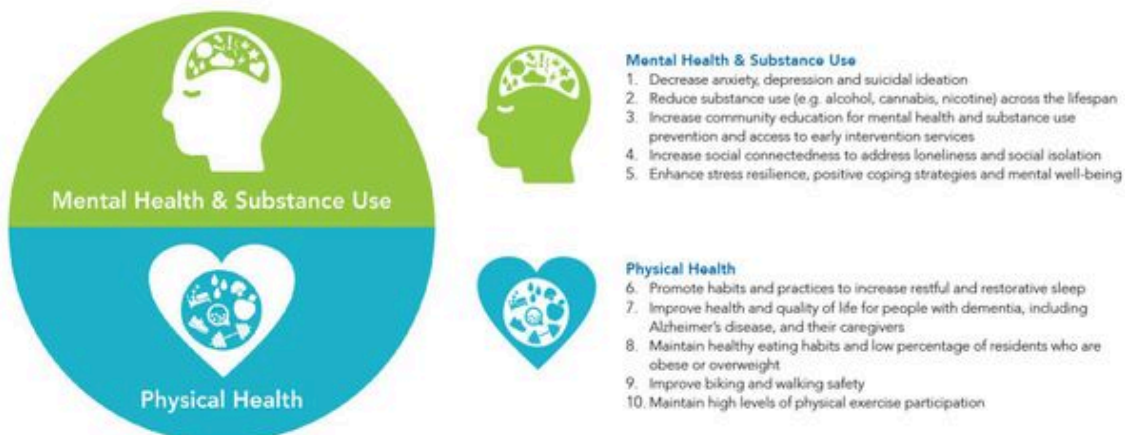
The following graph provides the rankings of the programs and services that were reviewed in the FY25-26 budget planning process. Note, the purpose of ranking is not to automatically eliminate low-ranking programs, but to move into further analysis (as outlined above) based on the attributes to see whether adjustments, reductions or improvements can be made to increase the District's measurable impact.

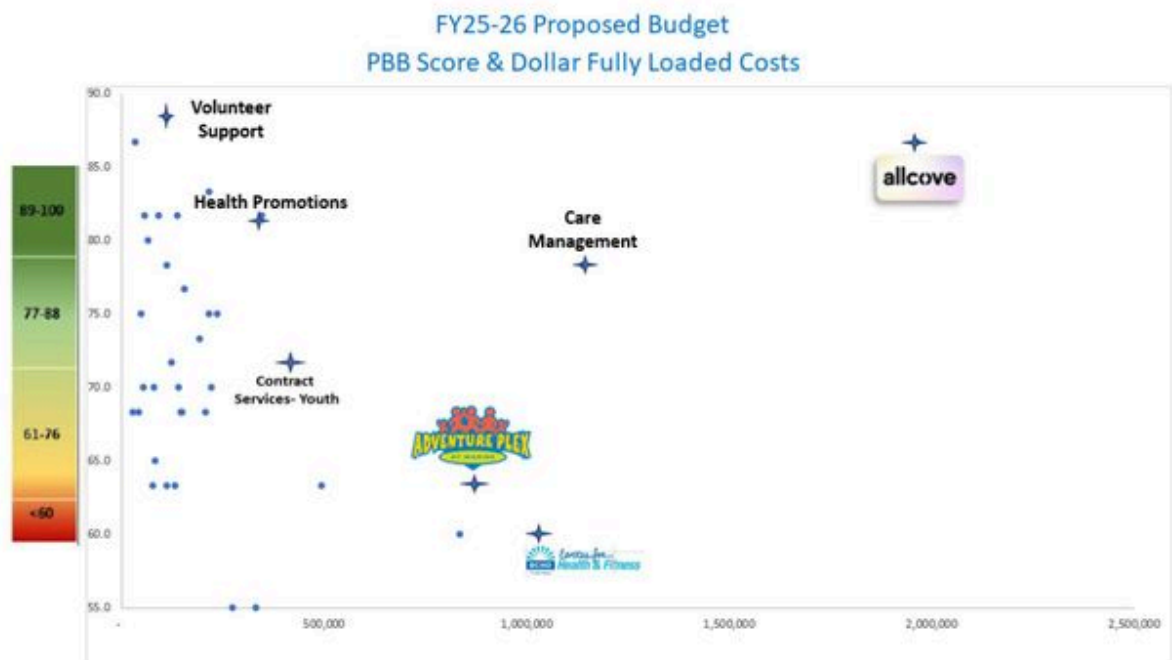
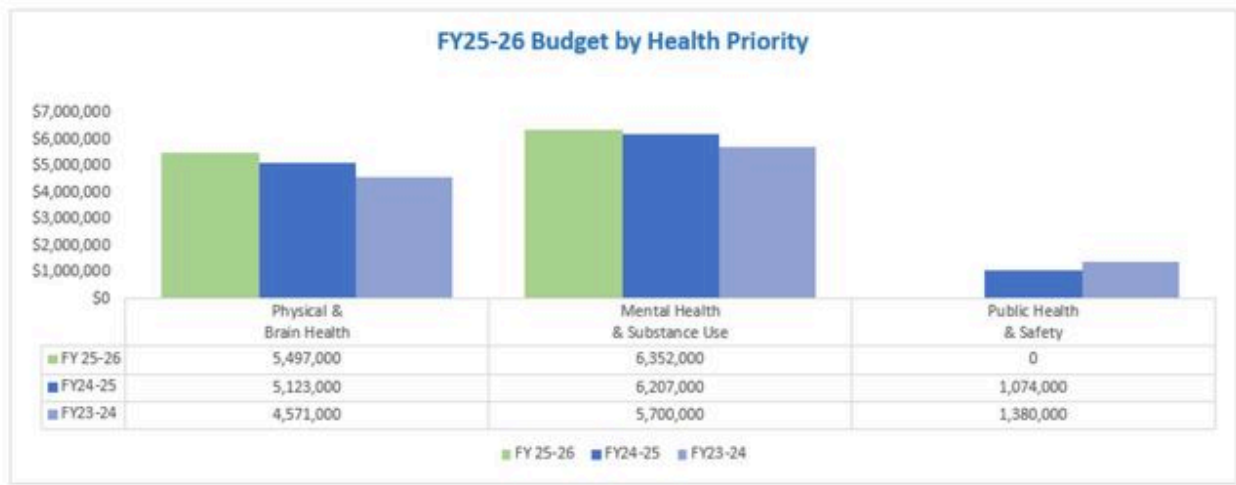
Programmatic Impact by PBB Program:

1 st Quartile			2 nd Quartile			3 rd Quartile			4 th Quartile		
Program	Score	Impact	Program	Score	Impact	Program	Score	Impact	Program	Score	Impact
Substance Use-adult	90.00	➡	Aging Services-Health & Wellness Education	78.33	➡	Information & Referrals	70.00	➡	Outdoor Programs	63.33	➡
Volunteer Support Programs	88.33	⬇	Care Management	78.33	➡	HP/Comm Volunteer Programs	70.00	➡	Community Work Well Programs	63.33	✖
allcove Beach Cities	86.67	⬆	Moais and Social Connection	76.67	➡	Free Fitness Programs	70.00	➡	Restaurants/ Grocery Stores	63.33	➡
Internship Program	86.67	➡	CHF Fee Based Services	76.67	➡	Parent Engagement Programs	70.00	➡	Camps	63.33	➡
Research Coordination	83.33	⬆	Holiday Gift Bags	75.00	➡	Social Work Internship Program	68.33	➡	Yoga	63.33	➡
Youth Advisory Council	81.67	➡	Partner Development	75.00	⬆	Beach Cities Volunteer Day	68.33	➡	CHF Membership & Group Exercise Classes	60.00	➡
Health Promotions General	81.67	⬇	Mental Health & Happiness	75.00	➡	LiveWell Kids	68.33	➡	Personal Training	60.00	➡
Legislative Advocacy	81.67	⬆	Partnership for Youth Coalition	73.33	➡	School Gardens/ Docents/Garden Angels	68.33	➡	Pilates	55.00	➡
Community Workshops and Training	81.67	⬇	In-Home Support Volunteer Programs	71.67	➡	Built Environment	68.33	⬆	APlex Membership & Drop-In Play	53.33	➡
Social-Emotional Health at Schools	80.00	➡	Contract Services - Youth	71.67	⬇	Public Health Response	66.67	➡	Health & Wellness at Schools	50.00	✖
Government Affairs/ Community Liaison	80.00	⬆				BCHD WorkWell Programs	65.00	➡	Parties & PDO	45.00	⬆

⬆ = Program delivery increase ➡ = No significant change ⬇ = Program delivery decreases ✖ = Program eliminated

FY25-26 Investment by Health Priority:





BUDGET BY PROGRAM



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FY25-26 Program Budget

User Group	Program	FY25-26 Cost	FY24-25 Cost	Cost Variance
AdventurePlex	Parties & PDO (633)	\$213,077.72	\$180,088.28	32,989.44
AdventurePlex	Membership & Drop-in Play (631)	\$485,249.41	\$701,782.00	(216,532.59)
Center for Health & Fitness	Pilates (613)	\$328,195.71	\$238,548.57	89,647.14
Center for Health & Fitness	Personal Training (612)	\$822,163.37	\$894,060.99	(71,897.62)
Center for Health & Fitness	Membership & Group Exercise Classes (611)	\$1,012,372.50	\$1,131,657.00	(119,284.50)
AdventurePlex	Outdoor Programs (632)	\$110,922.29	\$24,537.61	86,384.68
AdventurePlex	Camps (634)	\$855,984.84	\$863,165.00	(7,180.16)
Center for Health & Fitness	Yoga (614)	\$132,774.11	\$71,188.22	61,585.89
Well Being Services	Community Work Well Programs (WBS-13)	\$77,817.77	\$94,029.81	(16,212.04)
Well Being Services	BCHD WorkWell Programs (WBS-12)	\$83,743.78	\$119,307.39	(35,563.61)
Community Services	Social Work Internship Program (CS-7)	\$147,183.50	\$102,425.72	44,757.78
Volunteer Services	Beach Cities Volunteer Day (VS-3)	\$41,604.30	\$15,706.85	25,897.45
Youth Services	LiveWell Kids (YS-3)	\$205,984.17	\$220,856.87	(14,872.70)
Youth Services	School Gardens/Docents/Garden Angels (YS-4)	\$146,609.46	\$146,458.58	150.88
Partnerships & Innovation	Blue Zones Project	\$236,958.04	\$280,578.35	(43,620.31)
Community Services	Information & Referrals (CS-3)	\$220,156.90	\$145,806.85	74,350.05
HP/Communications	Free Fitness Programs (HPC-1)	\$55,205.74	\$17,762.42	37,443.32
HP/Communications	HP/Comm Volunteer Programs (HPC-2)	\$138,745.05	\$78,370.23	60,374.82
Youth Services	Parent Education and Engagement Programs (YS-13)	\$79,497.85	\$141,053.77	(61,555.92)
Community Services	In-Home Support Volunteer Programs (CS-5)	\$121,832.54	\$152,790.75	(30,958.21)
Youth Services	Contract Services - Youth (YS-10)	\$416,022.70	\$644,106.68	(228,083.98)
Youth Services	Partnership for Youth Coalition (YS-11)	\$191,985.73	\$304,664.08	(112,678.35)
Community Services	Holiday Gift Bags (CS-6)	\$48,545.42	\$39,612.85	8,932.57
Partnerships & Innovation	Partner Development	\$213,801.41	\$338,818.23	(125,016.82)
Well Being Services	Mental Health & Happiness Series (WBS-11)	\$233,442.99	\$210,982.88	22,460.11
Center for Health & Fitness	Fee Based Services (615)	\$156,090.00	\$83,688.67	72,401.33
Community Services	Aging and Disability Services-Health and Wellness Education (CS-2)	\$109,705.63	\$272,971.54	(163,265.91)
Community Services	Care Management (CS-1)	\$1,129,015.07	\$1,211,173.00	(82,157.93)
Youth Services	Social-Emotional Health at Schools (YS-6)	\$66,785.23	\$123,177.46	(56,392.23)
HP/Communications	Health Promotions General (HPC-3)	\$342,290.09	\$432,198.92	(89,908.83)
Partnerships & Innovation	Legislative Advocacy (WBS-7)	\$137,785.72	\$70,297.38	67,488.34
Well Being Services	Community Workshops and Training (WBS-9)	\$90,721.05	\$80,250.97	10,470.08
Youth Services	Youth Advisory Council (YS-12)	\$56,207.99	\$145,805.72	(89,597.73)
LifeSpans Admin	Research Coordination (LS-1)	\$217,400.10	\$30,583.43	186,816.67
allcove Beach Cities	allcove Beach Cities (YS-1)	\$1,943,882.80	\$2,316,536.00	(372,653.20)
Volunteer Services	Internship Program (VS-2)	\$33,107.51	\$32,578.17	529.34
Volunteer Services	Volunteer Support Programs (VS-1)	\$110,724.29	\$76,774.76	33,949.53
Partnerships & Innovation	Charitable Giving	\$270,228.45	New Program	New Program
Partnerships & Innovation	Grant Funding	\$245,588.85	New Program	New Program
Partnerships & Innovation	Innovation	\$188,797.81	New Program	New Program
Partnerships & Innovation	Reimbursements	\$114,889.47	New Program	New Program
Youth Services	Walk & Roll to School Day	\$27,278.89	New Program	New Program
		\$11,860,376.25	\$12,034,396.00	(1,020,803.22)

DISTRICT OVERVIEW AND INTRODUCTION

DISTRICT OFFICIALS

Board of Directors



Michelle Anne Bholat, M.D., MPH

President
Elected: 11/22
Term Expires: 12/26



Jane Ann Diehl

President Pro-Tem
Elected: 11/24
Term Expires: 12/28



Noel Lee Chun, M.D., QME

Secretary/Treasurer
Elected: 11/22
Term Expires: 12/26



Vanessa Poster

Board Member
Elected: 11/20
Term Expires: 12/28



Martha B. Koo, M.D.

Board Member
Elected: 11/20
Term Expires: 12/28

District Executive Leadership



Tom Bakaly
Chief Executive Officer



William Kim, M.D.
Chief Medical Officer



Kerianne Lawson
Chief Programs Officer



Cristan Mueller
Chief Health Operations &
Communications Officer



Ali Steward
Chief Partnership Officer



Monica Suua, CPA
Chief Financial Officer



Megan Vixie, MPA
Chief Engagement Officer

Finance Department

Yuliya Pigrish, Controller
Cindy Sheu, Senior Accountant
Jamie Fresques, Senior Staff Accountant
Anni Bolsajian, Finance Technician

PROFILE, DEMOGRAPHICS & STATISTICS



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Beach Cities Demographics

	Total Beach Cities		Hermosa Beach		Manhattan Beach		Redondo Beach	
	#	%	#	%	#	%	#	%
Total population	125,294	--	19,551	--	35,123	--	70,620	--
Age								
Youth (under 18 years old)	29,380	23%	3,779	19%	9,408	27%	16,193	23%
Adults (18-64 years)	77,469	62%	13,033	67%	19,882	57%	44,554	63%
Older Adults (65 years and older)	18,445	15%	2,739	14%	5,833	17%	9,873	14%
Gender								
Male	63,613	51%	10,553	54%	17,536	50%	35,524	50%
Female	61,681	49%	8,998	46%	17,587	50%	35,096	50%
Race								
White	85,376	68%	15,228	78%	26,129	74%	44,019	62%
Black or African American	2,463	2%	110	1%	148	0%	2,205	3%
American Indian & Alaskan Native	311	0%	2	0%	104	0%	205	0%
Asian	18,556	15%	1,431	7%	5,325	15%	11,800	17%
Native Hawaiian & Other Pacific Islander	252	0%	13	0%	44	0%	195	0%
Some Other Race	3,649	3%	498	3%	410	1%	2,741	4%
Two or more races	14,687	12%	2,269	12%	2,963	8%	9,455	13%
Ethnicity								
Hispanic or Latino	16,214	13%	2,228	11%	2,793	8%	11,193	16%
Not Hispanic or Latino	109,080	87%	17,323	89%	32,330	92%	59,427	84%
Poverty								
Total below poverty level*	6,005	5%	1,127	6%	1,117	3%	3,761	5%
Under 18 years below poverty level*	851	1%	210	1%	164	0%	477	1%

18-64 years below poverty level*	4,226	3%	839	4%	796	2%	2,591	4%
65 years and older below poverty level*	928	1%	78	0%	157	0%	693	1%

Disability

Total with a disability**	8,576	7%	1,243	6%	2,589	7%	4,744	7%
Under 18 years with a disability**	658	1%	157	1%	269	1%	232	0%
18-64 years below with a disability**	3,835	3%	652	3%	900	3%	2,283	3%
65 years and older with a disability**	4,083	3%	434	2%	1,420	4%	2,229	3%

Household Income

Median household income***	--	--	\$149,500	--	\$187,217	--	\$134,033	--
Mean household income***	--	--	\$231,463	--	\$280,470	--	\$177,901	--

U.S. Census Bureau, American Community Survey 5-Year Estimates, 2022

* Poverty status in the past 12 months. Percentage calculated based on total population for whom poverty status is determined.

** Percentage calculated based on total civilian non-institutionalized population.

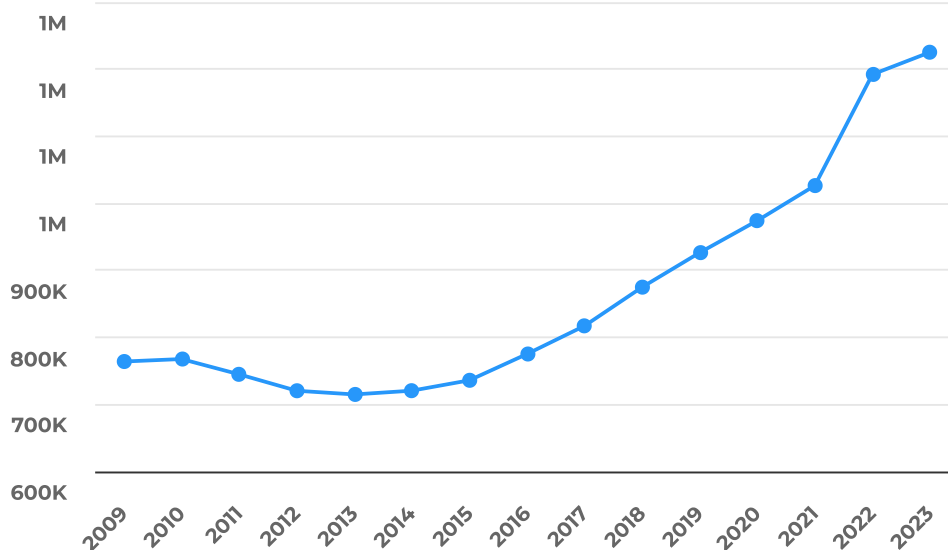
*** Income in the past 12 months (in 2022 inflation-adjusted dollars).

Housing



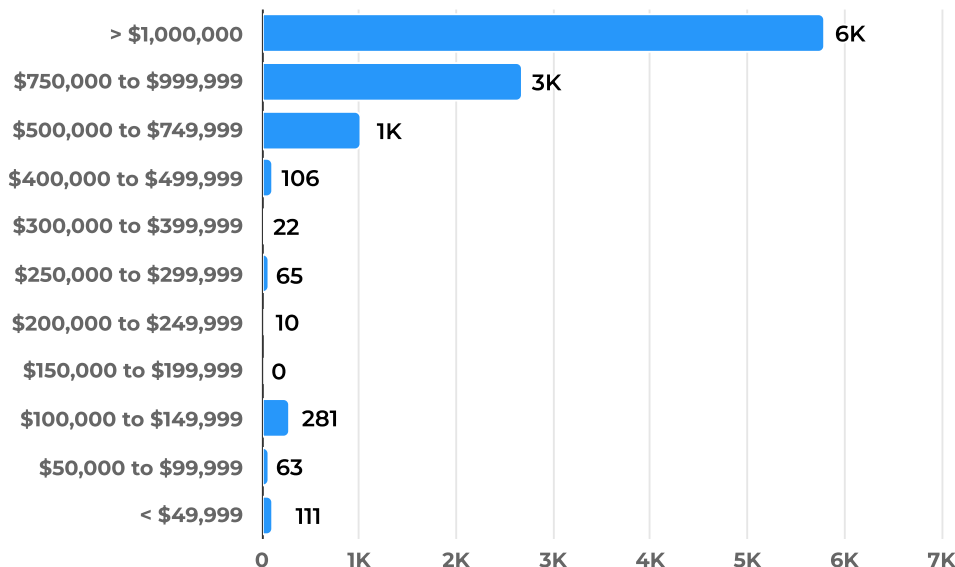
2023 MEDIAN HOME VALUE

\$1,225,400



* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME VALUE DISTRIBUTION

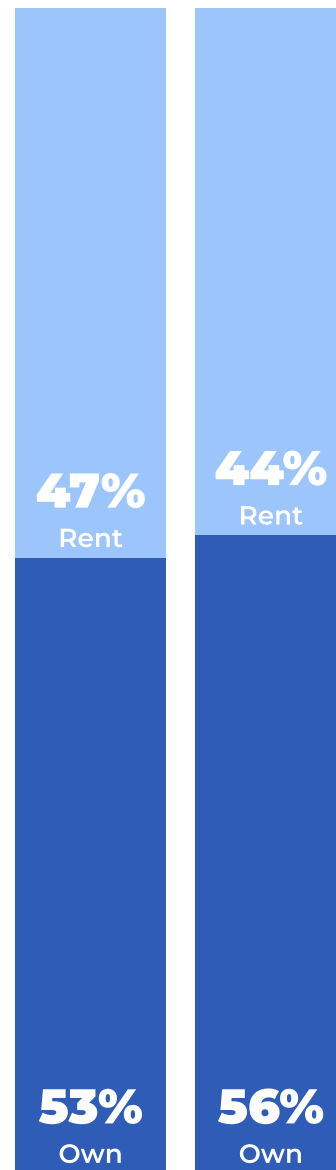


* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

HOME OWNERS VS RENTERS

Beach
Cities
Health
District

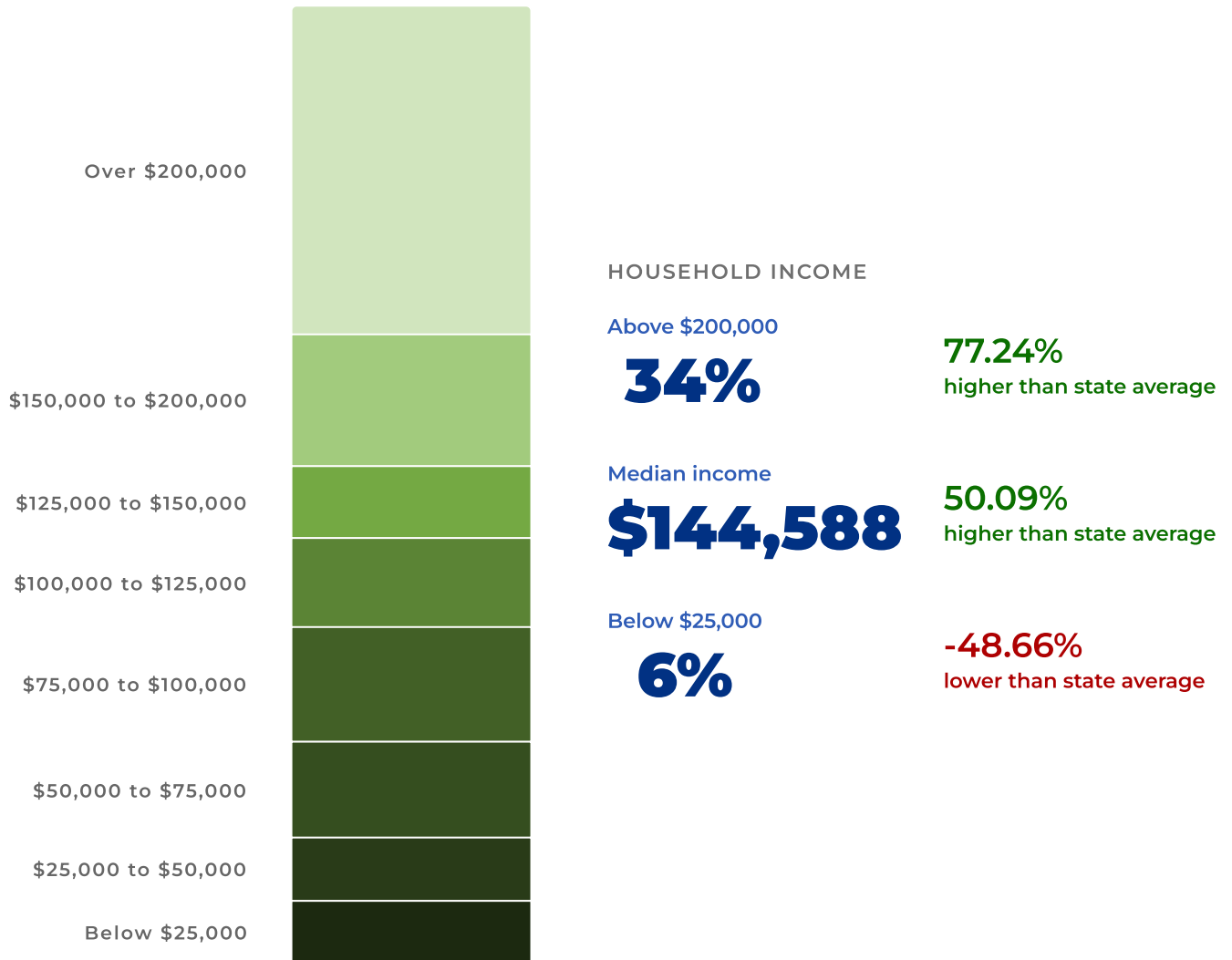
State Avg.



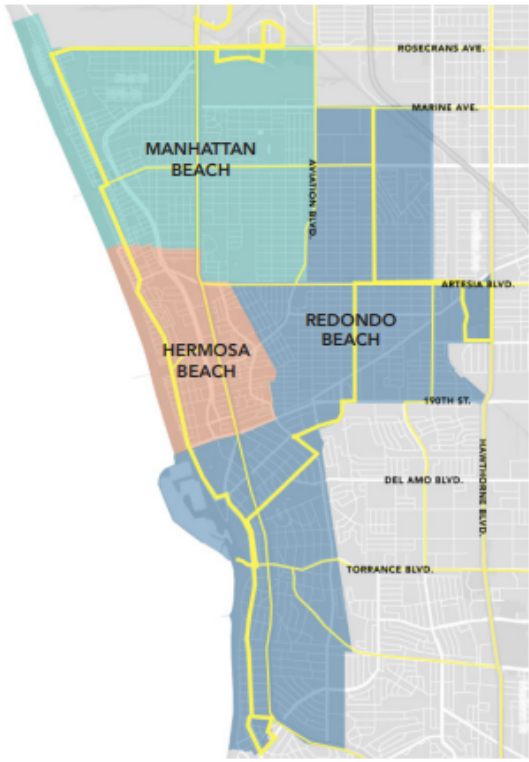
* Data Source: 2023 [US Census Bureau](#), American Community Survey. Home value data includes all types of owner-occupied housing.

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



** Data Source: American Community Survey 5-year estimates*

<u>Established</u> Beach Cities Health District is a public government agency, one of 76 Health Districts in California, and in operation since 1960. In 1993, the District changed its name from South Bay Hospital District to Beach Cities Health District. <u>Governing Body</u> Board of Five Directors. <u>Cities Served</u> Hermosa Beach, Manhattan Beach, and Redondo Beach.	 The map shows the coastal area of the Beach Cities Health District. Manhattan Beach is highlighted in light blue, Hermosa Beach in light orange, and Redondo Beach in light blue. Major roads like Rosecrans Ave., Marine Ave., Artesia Blvd., 190th St., Del Amo Blvd., Hawthorne Blvd., and Torrance Blvd. are labeled. The Pacific Ocean is to the west.
--	--

Location

The Beach Cities Health District's administrative office is located in Redondo Beach, CA, approximately 18 miles southwest of Los Angeles, and 5 miles south of Los Angeles Airport (LAX). Services are distributed throughout the District.

Vision

A healthy beach community.

Mission

To optimize health for our Beach Cities community through innovative and inclusive programs, partnerships, and spaces.

Beach Cities Health District (BCHD), one of the leading healthcare districts in California, has served the communities of Hermosa Beach, Manhattan Beach and Redondo Beach since 1955. Driven by our vision for a healthy beach community, we offer more than 40 programs and facilities designed to enhance the health and well-being of all residents.

Healthcare Districts are a type of special district and public entities that provide community-based health care services to residents throughout the state. They respond to the needs in their District by providing a range of services, which may include a hospital, clinic, skilled nursing facility or emergency medical services, as well as education and wellness

programs. Each of California's Healthcare Districts is governed by a locally elected Board of Trustees who are directly accountable to the communities they serve.

Profile, Demographics and Statistical Analysis

There are 76 Health Districts in California; most are hospitals. BCHD is one of 16 Community-based Health Districts.



- Palos Verdes Health District
- Eden Township Healthcare District
- Sequoia Healthcare District
- Los Medanos Healthcare District
- Peninsula Healthcare District
- Redbud Healthcare District
- Grossmont Healthcare District
- Fallbrook Healthcare District
- Camarillo Healthcare District
- Desert Healthcare District
- Petaluma Healthcare District
- Del Norte Healthcare District
- Marin Healthcare District
- Corning Healthcare District
- Mount Diablo Healthcare District
- 📍 Beach Cities Health District

Beach Cities Health District is a public government agency in Southern California and part of the greater South Bay area.



Source:

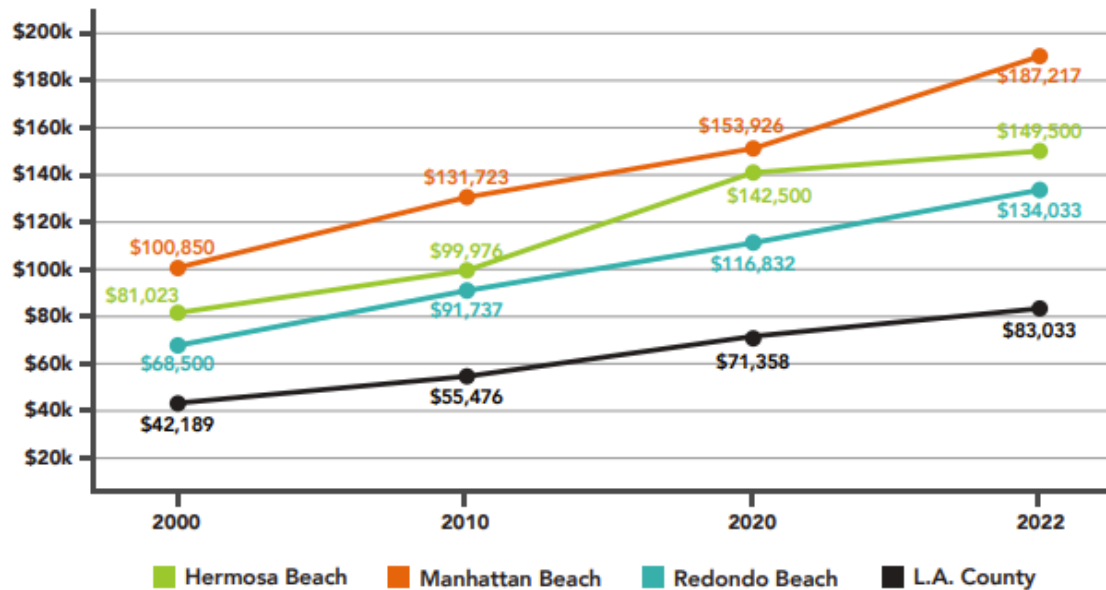
[About Healthcare Districts - Association of California Healthcare Districts | ACHD - CA](#)

[Who We Are - Beach Cities Health District](#)

Income & Poverty



Median Household Income



U.S. Census Bureau, American Community Survey 5-Year Estimates, 2022



Poverty

	Manhattan Beach	Redondo Beach	L.A. County
Population Living Below 100% of the Federal Poverty Level	2.4%	4.6%	13.8%
Population Living Below 200% of the Federal Poverty Level	5.6%	10.6%	31.6%
Children Living Below 100% of the Federal Poverty Level	2.0%	5.6%	19.6%
Children Living Below 200% of the Federal Poverty Level	5.3%	11.7%	44.0%

Population and Poverty Estimates (Provisional), prepared by Hedderson Demographic Services for Los Angeles County, 2022



Population in Households with Food Insecurity

★ HP2030

Beach Cities	Hermosa Beach	Manhattan Beach	Redondo Beach	L.A. County
9.8%	9.2%	6.4%	11.6%	27.1%

Los Angeles County Health Survey, 2023



Free & Reduced Lunch Eligibility

Percent of K-12 students who are eligible to participate in the Free & Reduced Meal Program

	Hermosa Beach City School District	Manhattan Beach Unified School District	Redondo Beach Unified School District	L.A. County
Number	109	333	1,538	898,230
Percentage	8.2%	5.6%	16.2%	61.7%

California Department of Education, 2023-2024

Principal Employers



Live Well. Health Matters.

Other Principal Employers in Beach Cities District Vicinity 2025-2026 *

	Total Employment	% of Total Employment
Hermosa Beach	10,912	17.59%
Manhattan Beach	15,976	25.94%
Redondo Beach	<u>33,598</u>	<u>56.47%</u>
	60,486	100.00%
Northrop Grumman	11,064	18.29%
Redondo Beach Unified School District	1,027	1.70%
Skechers USA, Inc.	968	1.60%
Skechers Retail Store	709	1.17%
Manhattan Beach Unified School District	622	1.03%
Target Corporation	550	0.91%
Kinecta Federal Credit Union	425	0.70%
City of Redondo	309	0.51%
City of Manhattan Beach	168	0.28%
City of Hermosa	261	0.43%
Cheesecake Factory	261	0.43%
United States Postal Service	206	0.34%
Marriott Manhattan Beach	206	0.34%
Macy's	208	0.34%
Silverado Beach Cities	140	0.23%
Kensington Redondo Beach	130	0.21%
24 Hour Fitness	167	0.28%
Ralph's Grocery	94	0.16%
Hermosa Beach City School District	155	0.26%
Albertsons Companies, Inc. (Vons retail store)	155	0.26%
Other Employers	<u>42,661</u>	<u>70.53%</u>
Total Employees	60,486	100.00%

* Latest available



Live Well. Health Matters.

Direct and Overlapping Property Tax Rates
Current and Prior Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City of Hermosa Beach Residents - Total**	1.038968%	1.035651%	1.036693%	1.04137%	1.06494%	1.05167%	1.06475%	1.06624%	1.04898%	1.06141%	1.05011%
City of Hermosa Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Overlapping - Hermosa Beach Residents											
Los Angeles County *	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Hermosa Beach Unified School District**	0.017970	0.014729	0.015746	0.014928	0.040245	0.025942	0.039696	0.039111	0.025213	0.034923	0.026096
El Camino Community College District**	0.017498	0.017422	0.017447	0.022942	0.021199	0.022229	0.021555	0.023624	0.020267	0.022989	0.020515
Metro Water District**	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
City of Redondo Beach Residents - Total	1.1134%	1.1178%	1.1127%	1.1172%	1.1110%	1.1066%	1.1093%	1.1114%	1.0778%	1.1036%	1.1077%
City of Redondo Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City of Redondo Direct Rate	0.1578%	0.1580%	0.1581%	0.1583%	0.15871%	0.15883%	0.16317%	0.16331%	0.16263%	0.16353%	0.16353%
Redevelopment Agency	-	-	-	-	-	-	-	-	-	-	-
Overlapping - Redondo Beach Residents											
Los Angeles County *	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metropolitan Water District	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
El Camino Community College District**	0.017500	0.017420	0.017450	0.022940	0.021200	0.022230	0.021550	0.023620	0.022264	0.022980	0.018878
Redondo Beach Unified School District**	0.092420	0.096890	0.091740	0.090790	0.086300	0.080860	0.084280	0.084300	0.072010	0.077110	0.085302
City of Manhattan Beach Residents - Total**	1.16402%	1.08278%	1.08753%	1.08412%	1.11831%	1.11857%	1.11721%	1.11560%	1.11456%	1.11490%	1.11490%
City of Manhattan Beach *	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City of Manhattan Beach Direct Rate	0.1601%	0.1606%	0.1613%	0.1619%	0.1625%	0.1629%	0.1633%	0.1456%	0.1457%	0.1457%	0.1457%
Overlapping - Manhattan Beach Residents											
Los Angeles County *	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Colleges & School Districts	0.1605200	0.0892800	0.0840300	0.0906200	0.1158100	0.1150700	0.1137100	0.1121000	0.1110800	0.1114000	0.1144555
Metro Water District	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000	0.0035000
Flood Control District	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000	0.0000000

* Property Tax Assessment for Beach Cities Health District is included in Los Angeles County Property Tax since 2008 rolled into the 1% General Levy

** Numbers are estimates and not reflected in report as of time of publishing.

Source: Comprehensive Annual Financial Reports of City of Hermosa Beach, City of Manhattan Beach, City of Redondo Beach

AWARDS



bchd.org

Distinguished Budget Presentation Award

Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to Beach Cities Health District, California for the Annual Budget of the fiscal year beginning July 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to the Government Finance Officers Association to determine eligibility for another award.

Beach Cities Health District aspires to continually provide the highest quality documents while exhibiting full transparency in budgeting, which are reflected by the guidelines established by the National Advisory Council on State and Local Budgeting, and the Government Finance Officers Association's best practices for budgeting.



The effort to seek and attain the Distinguished Budget Presentation Award reflects the District's commitment to meeting the highest standards of government budgeting and reporting.

GFOA Achievement for Excellence in Financial Reporting

Government Finance Officers Association of the United States and Canada has awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2024. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

This award is valid for a period of one year only. We believe our current reporting continues to conform to program requirements, and we are submitting it to the Government Finance Officers Association to determine eligibility for another award.

Beach Cities Health District aspires to continually provide the highest quality reporting while exhibiting full transparency.



Beach Cities Health District is honored to have been awarded the Excellence in Financial Reporting Award for our FY 23-24 Reporting.

Investment Policy Certification



**

The California Municipal Treasurers Association is developed and sustained by treasury professionals. CMTA serves as the vehicle for quality assurance, comprehensive education programs, high professional standards and public accountability.

The District affirms its dedication to fostering accountability, transparency, and integrity among individuals charged with the stewardship of public resources. Achieving certification from this agency affirms the strength and integrity of our Investment Policy.

CSMFO Budget Award



The California Society of Municipal Finance Officers (CSMFO), established in 1957, exists to promote excellence in financial management through innovation, continuing education, and professional development.

The effort to seek and attain the Excellence Award reflects the District's commitment to meet the highest standards of governmental budgeting and reporting.

AWARDS & SUCCESSES

BEST PLACES TO WORK™ 2024

Modern Healthcare



MODERN HEALTHCARE

Recognized as "Best Places to Work" for the 12th time.

HEALTHCARE DISTRICT OF THE YEAR 2021

The District of the Year Award honors healthcare districts that implemented one or more initiatives to improve the health and well-being of their community.



Beach Cities Health District successfully completed the Policy Program and received certification for the Investment Policy.



AMERICAN
PSYCHOLOGICAL
ASSOCIATION

PSYCHOLOGICALLY HEALTHY WORKPLACE (2011-2018)

8-time recipient



Special District Leadership Foundation (SDLF) presented BCHD a Transparency Certificate of Excellence in recognition of its outstanding efforts to promote transparency and good governance in 2021.



ADVENTUREPLEX

Accredited by the American Camp Association



The Center for Health and Fitness is one of two certified medical fitness facilities in the state of California.



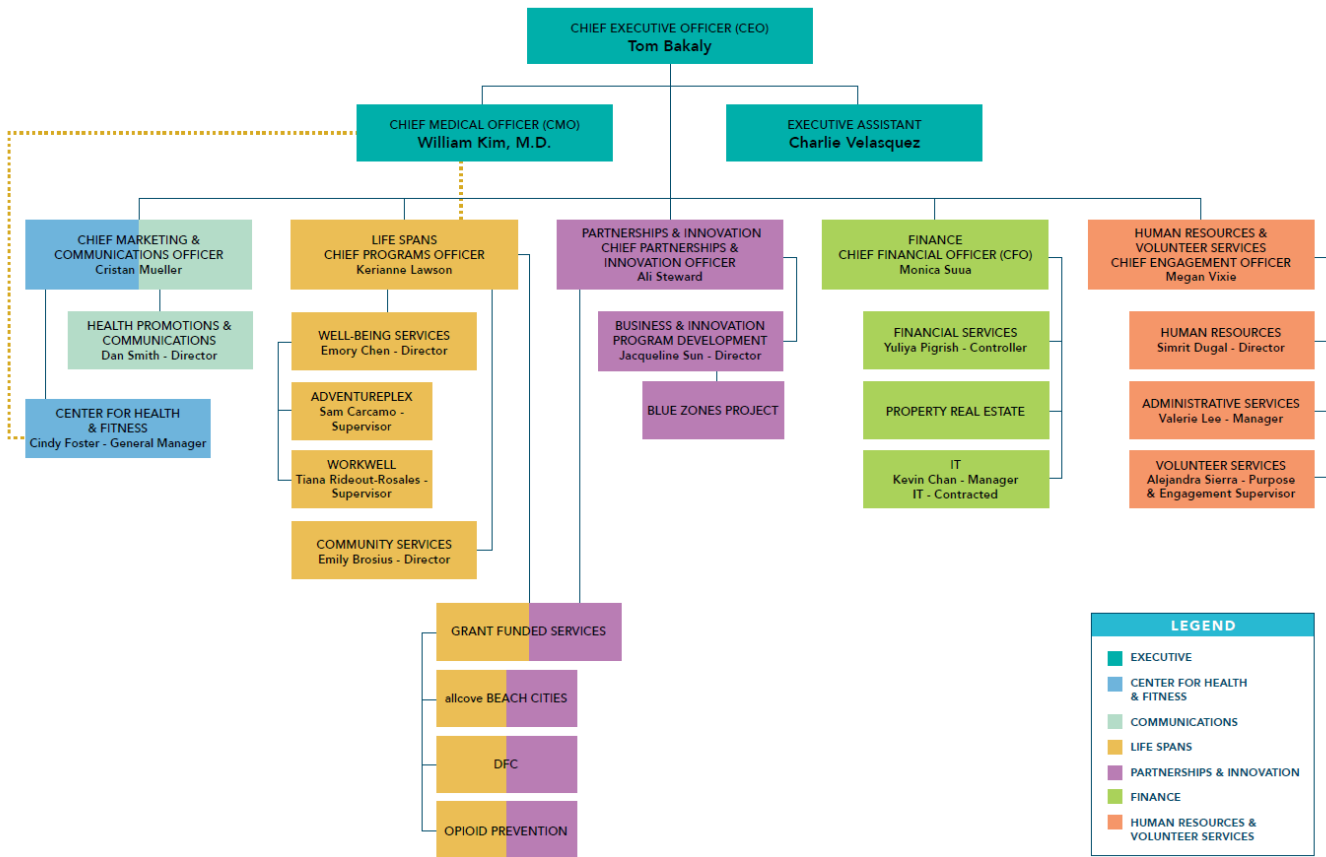
The Beach Cities have been a nationally certified Blue Zones Community® since 2016, and has been published in BMJ Open on the impacts of the District's efforts in the community.

ORGANIZATION CHART & PERSONNEL



bchd.org

BEACH CITIES HEALTH DISTRICT ORGANIZATION CHART



FY25-26 Payroll Wage Budget
Department Expense Average FTE

	Salary FY25	FTE FY25	Salary FY25	FTE FY25	FTE FY24	FTE FY23	FTE FY22	FTE FY21	Budget FY20	Budget FY19	Budget FY18	FTE Var. FY25/FY25	
Administrative Support Services													
Executive/Administration	458,500.00	2.90	472,000.00	3.25	3.40	3.40	3.45	3.45	3.35	4.45	4.18	-11%	Reduction by attrition. PT Finance assistant who was covering Finance, Admin Services, HR and Volunteers Services has retired. The position is not filled and is spread among other admin employees including volunteers and AmeriCorps work force.
HR	351,700.00	3.20	348,300.00	3.30	3.45	3.50	3.50	3.15	3.15	2.70	2.50	-3%	See above.
Finance	421,000.00	4.00	425,000.00	4.30	4.60	4.60	4.60	4.75	5.25	5.05	4.68	-7%	See above.
	\$ 1,231,200	10.10	\$ 1,245,300	10.85	11.45	11.50	11.55	11.35	11.75	12.20	11.36		
Direct Operating Support													
Health Promotion	\$ 552,000	5.05	\$ 564,000	5.55	5.20	6.17	5.86	5.56	5.86	6.09	6.28	-9%	BCHD restructure due to the current needs. All positions were transferred internally
Volunteer Department	\$ 190,000	2.25	\$ 180,000	2.18	2.43	2.38	2.35	2.35	2.45	2.50	2.69	3%	Increase in hours for Volunteer Assistant due to the current business needs.
IT	\$ 138,000	1.20	\$ 135,000	1.20	1.05	1.05	1.20	1.40	0.20	0.70	0.20	0%	
Partnerships and Innovations	\$ 527,000	5.25	\$ 191,000	1.35	1.35	-	-	0.30	0.30			289%	BCHD restructure due to the current needs. All positions were transferred internally
Well-Being Services	\$ 54,000	0.51	\$ 349,000	4.13	4.15	3.46	4.95	4.95	5.50	4.60	4.00	-88%	<0.5> FTE Reduction by attrition. <3.12> FTE due to BCHD restructure based on the current needs. All positions were transferred internally
	\$ 1,461,000	14.26	\$ 1,419,000	10.28	10.03	9.60	14.36	14.56	14.31	13.89	13.18		
LifeSpan Services													
LifeSpan Admin	\$ 17,000	0.10	\$ 25,000	0.15	0.15	1.40	2.00	2.00	1.00	2.00	2.00	-33%	BCHD restructure due to the current needs. All positions were transferred internally
Community Services	\$ 617,000	7.30	\$ 606,000	7.43	7.63	9.54	9.73	9.66	10.45	10.35	9.85	-2%	Reduced hours for Administrative assistant.
AdventurePlex	\$ 497,000	10.64	\$ 504,000	10.90	10.05	9.74	7.64	18.53	20.23	20.96	21.20	-2%	Reduction by attrition in PT seasonal positions.
Well Being Services/Work Well	\$ 425,000	4.82	\$ 362,000	4.10	4.05	5.30	6.27	6.13	7.00	5.60	4.80	18%	BCHD restructure due to the current needs. All positions were transferred internally
Youth Wellness Center - allcove	\$ 511,000	6.20	\$ 722,000	9.15	7.10	5.00	-	-				-32%	<2.50> FTEs in new position that were not filled in FY24-25 were eliminated from FY25-26 budget. <0.60> FTEs were reduced due to BCHD restructure based on the current needs. All positions were transferred internally. <0.3> FTE was allocated to Opioid Prevention Services. 0.5 FTE increase in Allcove Director position that was budgeted to begin on 1/1/25.
Youth Services- allcove - DFC Grant	\$ 87,000	1.05	\$ 87,000	1.15	1.20	0.80	1.08	1.18				-9%	Decreased resources for DFC Grant (0.15) FTE work based on current needs for the Grant.
Youth Services - allcove - DFC Grant Match	\$ 75,000	1.00	\$ 75,000	1.00	1.00	1.00	0.80	0.85				0%	
Youth Services - allcove - Opioid Prevention - Grant Match	\$ 25,000	0.30											Allocated from allcove.
	\$ 2,254,000	31.41	\$ 2,381,000	27.11	25.26	26.50	27.52	36.35	38.68	38.91	37.85		
Fitness Centers													
Center for Health & Fitness	\$ 971,000	12.93	\$ 836,000	11.55	11.47	12.94	14.45	16.97	18.27	17.34	16.80	12%	Increase in Personal Trainers time due to the increased demand.
Medical Fitness Exercise	\$ -	-	\$ -	-	-	-	-	0.62	0.62	0.00	0.00		
	\$ 971,000	12.93	\$ 836,000	11.55	11.47	12.94	14.45	17.59	18.90	17.34	16.80		
Real Estate - Property Operations	\$ 126,000	0.65	\$ 124,000	0.65	0.45	0.40	0.40	0.55	0.55	0.55	0.45	0%	
District Direct Operating Services	\$ 4,812,000	58.25	\$ 4,760,000	60.49	57.28	59.17	56.73	71.05	72.43	70.69	68.27		
District Total Operations Salaries	\$ 6,043,000	69.35	\$ 6,005,000	71.34	68.73	70.67	68.28	82.40	84.18	82.89	79.64		
Real Estate - Capital	\$ -	-	\$ -	-	0.85	0.85	0.90	1.90	1.00	1.00	1.50		
District Total:	\$ 6,043,000	69.35	\$ 6,005,000	71.34	69.58	71.52	69.18	84.30	85.18	83.89	81.14	-3%	

PERSONNEL - EFT SUMMARY

	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Total	Avg.
Executive Administration														
Chief Executive Officer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Executive Assistant to CEO	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00	2.00
Administration														
Director of Human Resources	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Administrative Services Manager	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	9.60	0.80
	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	10.80	0.90
Human Resources														
Administrative Services Manager	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20	0.10
Chief Engagement Officer	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	7.20	0.60
Director of Human Resources	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	10.80	0.90
HR Generalist	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	9.00	0.75
Human Resources Coordinator	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	10.20	0.85
	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	38.40	3.20
Finance														
Chief Financial and Assets Officer	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Controller	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90
Senior Accountant	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	9.00	0.75
St. Staff Accountant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Finance Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00	4.00
Health Promotion and Communications														
Chief Health Ops & Communications Officer	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	10.20	0.85
Director of Communications	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Creative Marketing Project Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Communications Manager	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	2.40	0.20
Communications Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Communications Associate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6.00	0.50
Administrative Assistant II	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	5.40	0.45
Communications Instructor	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.60	0.05
	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	5.85	69.60	5.85
Volunteer Services														
Chief Engagement Officer	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	4.80	0.40
Volunteer Engagement Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Human Resources Coordinator	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	0.15
Volunteer Services Assistant	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	8.40	0.70
	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	27.00	2.25
Information Technology														
Chief Financial and Assets Officer	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	2.40	0.20
IT Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	14.40	1.20
Partnerships and Innovations														
Chief Partnership Development Officer	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	10.20	0.85
Director of Business and Innovation Program Development	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	10.20	0.85
General Manager - CHF	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	2.40	0.20
Communications Manager	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	9.60	0.80
Grant Programs Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Well-Being Programs Coordinator	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	9.00	0.75
Engagement Specialist	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	63.00	5.25
Blue Zones Project														
Chief Partnership Development Officer	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20	0.10
Director of Business and Innovation Program Development	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80	0.15
Well-Being Programs Coordinator	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.00	0.25
Well-Being Instructor	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.12	0.01
	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	6.12	0.51
Lifespan Services - Admin														
Chief Programs Officer	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20	0.10
	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20	0.10
Lifespan Services - Community Services														
Chief Programs Officer	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	2.40	0.20
Director of Community Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Administrative Assistant II- CS	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6.00	0.50
Community Services Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00	1.00
Care Manager II	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	52.20	4.35
Community Instructor	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.00	0.25
	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	7.30	87.60	7.30

PERSONNEL - EFT SUMMARY

Lifepace Services - AdventurePlex													
Chief Programs Officer	0.20	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.30
Director of Well Being Services	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	4.80
AdventurePlex Supervisor (Ops & Events)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Member Services Representative- APlex	0.98	1.11	0.68	0.71	0.00	0.57	0.75	0.76	0.73	0.94	0.75	0.77	9.54
Program Specialist	2.45	2.36	0.76	0.76	0.76	0.51	0.76	0.76	0.76	0.76	1.57	1.57	12.99
Adventure Staff	15.07	13.35	2.72	2.81	3.64	2.85	3.11	3.19	2.83	3.00	2.89	9.05	65.31
Camp Staff - seasonal	5.68	5.10	-	-	1.69	1.93	0.69	1.31	-	2.51	-	2.94	21.73
	25.68	23.42	5.65	5.78	8.39	7.35	6.88	7.52	5.82	9.51	5.90	15.83	127.67
Lifepace Services - Well Being Services													
Chief Programs Officer	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20
Director of Well Being Services	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	3.60
School Health Programs Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Garden Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	28.80
Lifepace Services - Work Well													
Chief Programs Officer	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20
Director of Well Being Services	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	3.60
Work Well Programs Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
School Health Programs Coordinator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Work Well Instructor	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.24
	2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42	2.42	29.84
*Lifepace Services - alcove Grant													
Chief Partnership Development Officer	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20
Chief Programs Officer	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	3.60
alcove Clinical Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
alcove Facilities Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Peer Specialist	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00
Youth Engagement Coordinator	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.00
School Health Programs Coordinator - QJP	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	10.20
Clinical Coordinator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	24.00
	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	90.00
Lifepace Services - Youth Services - DFC Grant													
Chief Partnership Development Officer	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80
Youth Engagement Coordinator	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	9.00
School Health Programs Coordinator	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80
	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	12.60
Center for Health & Fitness													
Chief Health Ops & Communications Officer	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80
General Manager - CHF	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	9.60
CHF Programs Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
Membership Services Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	12.00
CHF Member Services Specialist	1.90	2.13	2.41	2.13	2.13	1.94	2.13	2.13	2.13	2.13	2.13	2.13	25.65
Instructor I	0.40	0.60	0.75	0.60	0.60	0.50	0.60	0.60	0.75	0.60	0.60	0.60	7.20
Instructor II	0.99	1.25	1.47	1.26	1.25	0.98	1.25	1.24	1.47	1.24	1.25	1.18	14.84
Instructor- Specialty	0.80	1.00	1.25	1.00	1.00	0.83	1.00	1.00	1.25	1.00	1.00	1.00	12.13
Personal Trainer M1	1.26	1.58	1.97	1.58	1.58	1.31	1.58	1.58	1.97	1.58	1.58	1.58	19.11
Personal Trainer M2	2.11	3.44	4.16	3.44	3.44	2.81	3.44	3.44	4.16	3.44	3.44	3.44	40.77
	18.49	22.94	24.96	22.95	22.94	17.33	22.94	22.93	24.96	22.93	22.94	22.90	255.19
Real Estate - 514 Property Operations													
Chief Financial and Assets Officer	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	1.80
Controller	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20
	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	3.00
Real Estate - Del Amo Building													
Administrative Services Manager	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	1.20
Chief Financial and Assets Officer	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	3.60
	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	4.80
DISTRICT'S TOTAL													
	81.95	82.14	66.39	64.51	67.11	64.45	65.51	66.23	66.56	68.22	64.62	74.51	815.17

* Includes 1.0 FTE DFC Grant Match and 0.3 FTE Opioid Prevention - Grant Match

DISTRICT EMPLOYEE BENEFIT OPTIONS

Cafeteria Plan

- Medical (CalPERS)
- Dental (Principal)
- Vision (VSP)
- Life Insurance (Lincoln)
- Café Dollars



Long Term Disability



Flexible Spending Accounts (HealthEquity)

- Medical
- Dependent Care



Dependent Care Reimbursement

Employee Assistance Program (EAP)

Pet Insurance (Nationwide)



Paid Family Leave

Paid Time Off

- Vacation
- Holidays
- Sick Time



Education Assistance

Community Service

Retirement

- CalPERS Pension Plan
- 457 Deferred Compensation
- Roth After-Tax



Health & Fitness

- Center for Health & Fitness (CHF) Membership
 - Discounted CHF services
- AdventurePlex Drop & Play
- WorkWell Program



Credit Union

Flexible Work Schedule

- Hybrid/Remote
- Flex Schedule



Public Service Student Loan Forgiveness

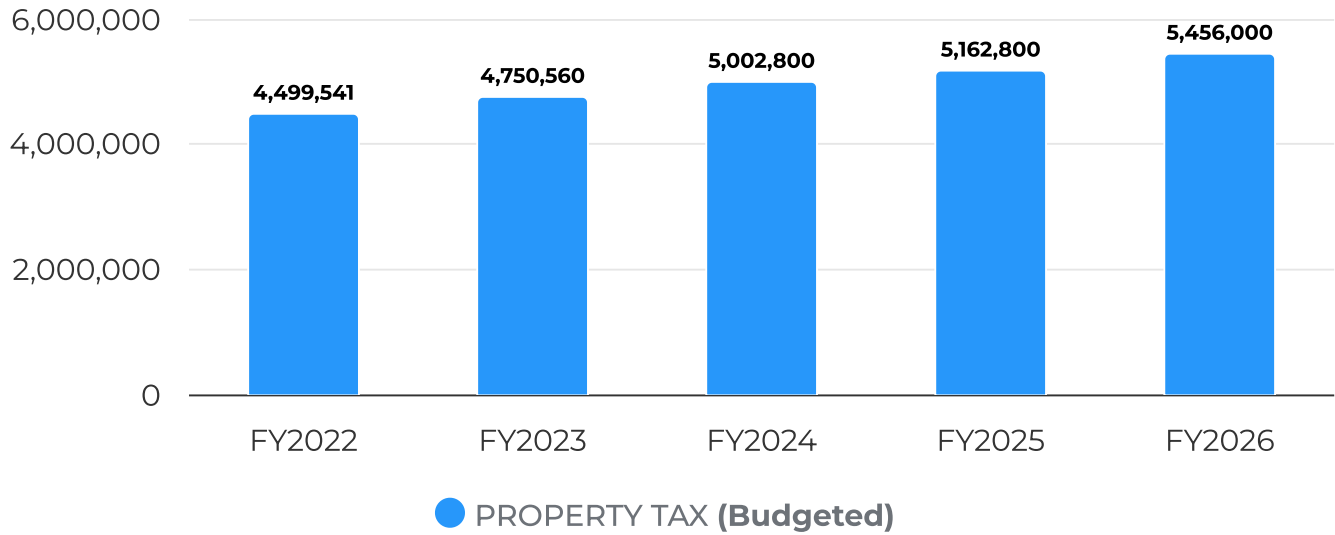
Employee Discounts

SUMMARY FINANCIAL CHARTS & TRENDS



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Property Tax

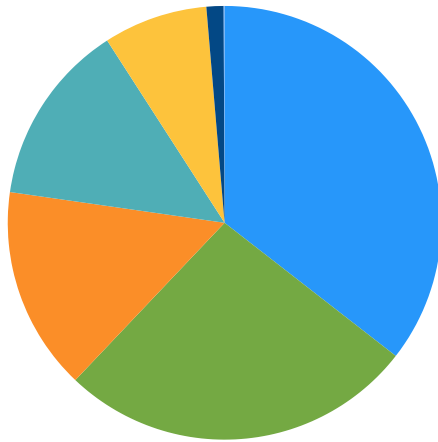


Property Tax Data

Fiscal Year		Amount	\$ Increase	% Increase
2006-07	Actual	2,101,000.00		
2007-08	Actual	2,310,000.00	209,000.00	9.9%
2008-09	Actual	2,431,000.00	121,000.00	5.2%
2009-10	Actual	2,442,000.00	11,000.00	0.5%
2010-11	Actual	2,465,000.00	23,000.00	0.9%
2011-12	Actual	2,499,000.00	34,000.00	1.4%
2012-13	Actual	2,735,000.00	236,000.00	9.4%
2013-14	Actual	2,874,000.00	139,000.00	5.1%
2014-15	Actual	2,960,000.00	86,000.00	3.0%
2015-16	Actual	3,146,000.00	186,000.00	6.3%
2016-17	Actual	3,355,000.00	209,000.00	6.6%
2017-18	Actual	3,592,000.00	237,000.00	7.1%
2018-19	Actual	3,793,000.00	201,000.00	5.6%
2019-20	Actual	3,995,000.00	202,000.00	5.3%
2020-21	Actual	4,346,000.00	351,000.00	8.8%
2021-22	Budget	4,499,541.00	153,541.00	3.5%
2022-23	Budget	4,750,560.00	251,019.00	5.6%
2023-24	Budget	5,002,800.00	252,240.00	5.3%
2024-25	Budget	5,162,800.00	160,000.00	3.2%
2025-26	Budget	5,456,000.00	293,200.00	5.7%

Budget Revenue Comparison with last year

Budgeted 2025-2026 Revenue



●	PROPERTY TAX (Budgeted) \$5,456,000.00 (35.53%)
●	LEASE (Budgeted) \$4,077,699.26 (26.55%)
●	User Fees (Budgeted) \$2,332,110.60 (15.19%)
●	LIMITED PARTNERSHIP (Budgeted) \$2,093,133.00 (13.63%)
●	OTHER REVENUE (Budgeted) \$1,192,045.00 (7.76%)
●	INTEREST (Budgeted) \$196,565.32 (1.28%)
●	DONATIONS (Budgeted) \$10,000.00 (0.07%)

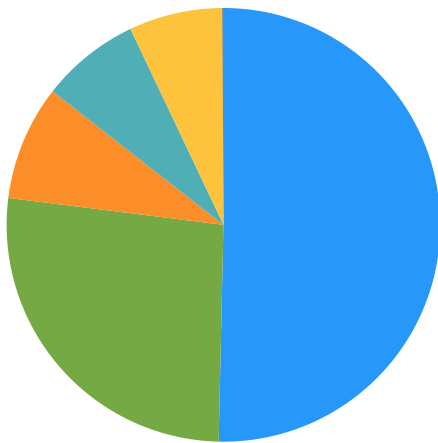
Budgeted 2024-2025 Revenue



●	PROPERTY TAX (Budgeted) \$5,162,800.00 (31.98%)
●	LEASE (Budgeted) \$4,787,666.29 (29.65%)
●	User Fees (Budgeted) \$2,180,186.50 (13.50%)
●	LIMITED PARTNERSHIP (Budgeted) \$1,935,000.00 (11.98%)
●	OTHER REVENUE (Budgeted) \$1,858,816.00 (11.51%)
●	INTEREST (Budgeted) \$211,673.17 (1.31%)
●	DONATIONS (Budgeted) \$10,000.00 (0.06%)

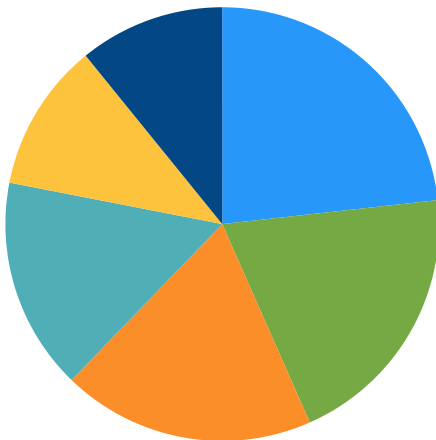
Budget Revenue and Expense 2025-2026

Budgeted 25-26 Revenue



- Admin **(Budgeted) \$7,733,033** (50.35%)
- Property **(Budgeted) \$4,090,365** (26.63%)
- Operations **(Budgeted) \$1,316,969** (8.58%)
- Grant Funded Services **(Budgeted) \$1,134,557** (7.39%)
- Life Span Services **(Budgeted) \$1,072,630** (6.98%)
- Other Programs and Services **(Budgeted) \$10,000** (0.07%)

Budgeted 2025-2026 Expense



- Life Span **(Budgeted) \$3,393,025** (23.23%)
- Programs and Serv **(Budgeted) \$2,944,105** (20.15%)
- Property **(Budgeted) \$2,752,974** (18.85%)
- Admin **(Budgeted) \$2,312,426** (15.83%)
- Operations **(Budgeted) \$1,619,746** (11.09%)
- Grant Funded Services **(Budgeted) \$1,585,278** (10.85%)

COMMUNITY FUNDED SERVICES



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Community Services - Funded by the District
Budget FY 2025-2026

Account Description	FY 25-26 BUDGET	FY 24-25 BUDGET	FY 23-24 BUDGET	FY 22-23 BUDGET	FY 21-22 BUDGET	FY 20-21 BUDGET
Contract Services - Senior						
The Salvation Army Meals on Wheels	-	-	50,000	45,000	45,000	50,000
Senior Subtotal	\$0	\$0	\$50,000	\$45,000	\$45,000	\$50,000
Contract Services-Youth						
HBCSD - Healthy Schools	55,043	84,682	94,091	94,091	94,091	94,091
HBCSD - School Based	-	-	-	6,000	6,000	6,000
MBUSD - Healthy Schools	110,869	170,568	189,520	189,520	189,520	189,520
MBUSD - School Based	-	-	-	21,000	21,000	21,000
RBUSD - Healthy Schools	219,950	323,493	361,091	361,091	361,091	361,091
RBUSD - School Based	-	-	-	36,000	36,000	36,000
RBUSD - SARB 16	-	14,892	14,892	14,892	14,892	14,892
Youth Subtotal	\$385,862	\$593,635	\$659,594	\$722,594	\$722,594	\$722,594
Contract Services-Community Support						
South Bay Families Connected	-	-	-	-	30,000	40,000
City of RB Homelessness Services	-	-	50,000	-	-	-
City of MB Paramedic Services	-	-	29,364	29,364	29,364	29,364
City of RB Paramedic Services	-	-	58,000	58,000	58,000	58,000
City of RB Police Dept. DV Program	-	-	39,816	39,816	39,816	39,816
Community Support Subtotal	-	-	177,180	127,180	157,180	167,180
CONTRACT SERVICES TOTAL	\$385,862	\$593,635	\$886,774	\$894,774	\$924,774	\$939,774
Grant Contract Services - Sr/CHC						
Jimmy Miller	-	-	-	10,000	-	-
Southland Park Conservatory	-	-	-	10,000	-	-
Wellness Community/Cancer Support	-	-	-	-	-	20,000
MB Community Counseling Center	-	-	-	10,000	10,000	8,200
St. Paul UMC-Food Safety Net	-	-	-	-	-	-
Manhattan Beach Cert	-	-	-	5,000	5,000	5,500
SB Children's Health Center - Summer Program	-	-	-	27,500	25,000	25,000
RB Rotary Vision to Learn	-	-	-	4,000	4,000	4,000
Our Village	-	-	-	11,100	11,000	11,100
Critical Response Incident Team	-	-	20,000	20,000	-	-
South Bay Bicycle Coalition	-	-	-	-	-	7,500
Positive Coaching Alliance	-	-	-	-	-	7,500
Health Connection Subtotal	\$0	\$0	\$20,000	\$97,600	\$55,000	\$88,800
Micro-Enrichment Grants - CEO Approved						
MicroGrant	-	-	-	20,000	45,000	45,000
CEO Approved Subtotal	-	-	-	20,000	45,000	45,000
GRANTS TOTAL	\$0	\$0	\$20,000	\$117,600	\$100,000	\$133,800
Case Managed Services - Senior						
Senior Health Fund	320,000	445,000	500,000	555,000	409,084	364,831
	\$320,000	\$445,000	\$500,000	\$555,000	\$409,084	\$364,831
Case Managed Services - Sr/CHC						
Adult Medical	-	-	4,000	4,000	4,000	6,204
Grant Accrual	-	-	-	-	-	100,000
Holiday Assistance	10,000	10,000	9,000	8,000	7,000	5,000
Child Medical	-	-	1,500	1,500	1,500	3,000
Child Dental	-	-	1,200	1,200	1,200	2,400
	10,000	10,000	15,700	14,700	13,700	116,604
CASE MANAGEMENT TOTAL	\$330,000	\$455,000	\$515,700	\$569,700	\$422,784	\$481,435
GRANT - CONTINGENCY	-	-	-	-	-	-
TOTAL	\$715,862	\$1,048,635	\$1,422,474	\$1,582,074	\$1,447,558	\$1,555,009

CAPITAL INVESTMENTS & EXPENDITURES



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Approved Capital Expenditures

Budget FY2025-26

Capital Budget is a schedule of repair or replacement of fixed assets or improvements costing in excess of \$5,000 and with a useful life greater than 1 year.

The District classifies Capital Expenditures as one of three categories:

- Furniture, Fixtures and Equipment (FF&E),
- Building Improvements, and
- Information Technology investments.

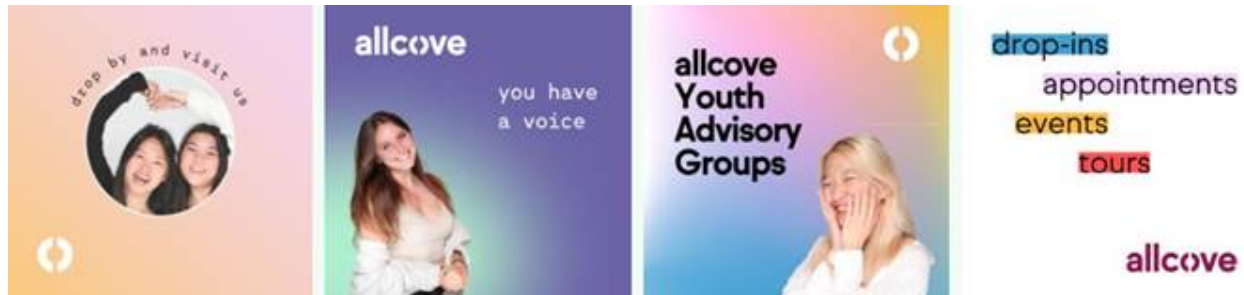
Capital expenditures requested in the annual Budget are based on operational needs, improvements required at owned properties, statutory regulations, budget impacts and return on the investments. Capital improvements are first requested by staff, and then reviewed by Finance, and approved by the Chief Finance Officer and Chief Executive Officer before going to the Finance Committee and Board for review and approvals along with the Operating Budget. The schedule for FY25-26 is shown below.

New District Capital Investments	Budget
OPERATIONAL	
IT Infrastructure - Computer Refresh	\$ 50,000
District off-campus (Aplex and CHF)	50,000
514 Building Contingency	150,000
District off-campus (Artesia and PCH)	150,000
Total District Capital Investments - new Funds	\$ 400,000
Carry-Over	Budget
ALLCOVE BEACH CITIES	
allcove Youth Wellness Center	\$ 6,220,817
allcove Youth Wellness Center - Grant Funding	(6,147,238)
	\$ 73,579
Healthy Living Campus	\$ 1,027,178
CHF Relocation/Construction	1,998,700
Information Technology - Azure, Cloud Move, Cyber Updates	72,262
School Sheds for LiveWell Kids	7,300
Total Carry-Over Projects	\$ 3,179,019
Total Capital Investments	\$ 3,579,019

New capital investments for FY25-26 include the District's regularly planned annual expenditures, such as IT infrastructure upgrades by replacing computers older than five years—limited to no more than 20% of the total inventory and scheduled building improvements across all District properties.

allcove Beach Cities

allcove Beach Cities



The California Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) is a statewide program that supports behavioral health infrastructure projects, providing new opportunities to address gaps in mental health services. In December, Governor Gavin Newsom announced \$480.5 million in awards for 54 projects to improve California's behavioral health infrastructure for children and youth, with Los Angeles County set to receive \$122.4 million for 13 county projects, including allcove Beach Cities.

Beach Cities Health District (BCHD) has been awarded \$6,336,702 in grant funding for new construction of allcove Beach Cities, a youth wellness center in Redondo Beach, serving young people ages 12-25 in the county's Service Planning Area (SPA) 8.

The allcove Beach Cities permanent building is estimated to cost between \$7.3 - \$7.6 million and will be funded by this \$6,336,702 grant, remaining federal funds of about \$500,000 previously awarded, plus the 10% District match requirement of \$532,498 and any additional funding needed will be funded through BCHD's capital investment fund balance. Through FY24-25 the District accumulated \$458,920 of its match with \$73,579 budgeted for FY25-26. This grant brings the total amount of state and federal monies raised for allcove Beach Cities to \$9.3 million as shown below:

allcove Beach Cities	Budget
CONSTRUCTION	\$ 5,892,200
DESIGN AND PS&E	532,000
DIRECT OWNER	655,000
FF&E	290,000
TOTAL - Minimum Building Requirements	\$ 7,369,200
Grant Funding - State	(6,336,702)
Grant Funding - Federal	(500,000)
District Match	(532,498)
TOTAL - Funding Sources	\$ (7,369,200)
LEED & WELL - SILVER	410,000
LEED & WELL - PLATINUM	1,200,000
TOTAL - MAX SUSTAINABILITY	\$ 1,200,000
Other Sustainability Grant Funding	\$ (1,200,000)
TOTAL - District Cost	\$ (532,498)

allcove Beach Cities opened Jan. 21, 2023, in a temporary location on the BCHD Campus in Redondo Beach, offering mental and physical health services, education and employment assistance, peer and family support, and substance-use prevention programs for young people ages 12-

25 in the greater South Bay. Since opening, more than 1,000 young people have accessed programs and services.

Plans call for the new, permanent location for allcove Beach Cities to be at the southwest corner of Beryl Street and Flagler Lane, part BCHD's Healthy Living Campus master plan. The 9,400 square foot, two-story allcove center will be the first building constructed as part of the Campus revitalization, with vehicle access to the energy-efficient center available exclusively via Beryl Street, a change made in response to neighbors' concerns about traffic in the adjacent Torrance neighborhood.

This grant is part of the \$2.2 billion BHCIP funding provided by the Legislature and the Governor, which was authorized in the fiscal year 2021-22 budget to construct, acquire and expand behavioral health facilities and community-based care options, as well as invest in mobile crisis infrastructure. BHCIP is part of a broader commitment by the California Health & Human Services Agency (CalHHS) to improve the state's behavioral health and long-term care continuum infrastructure.

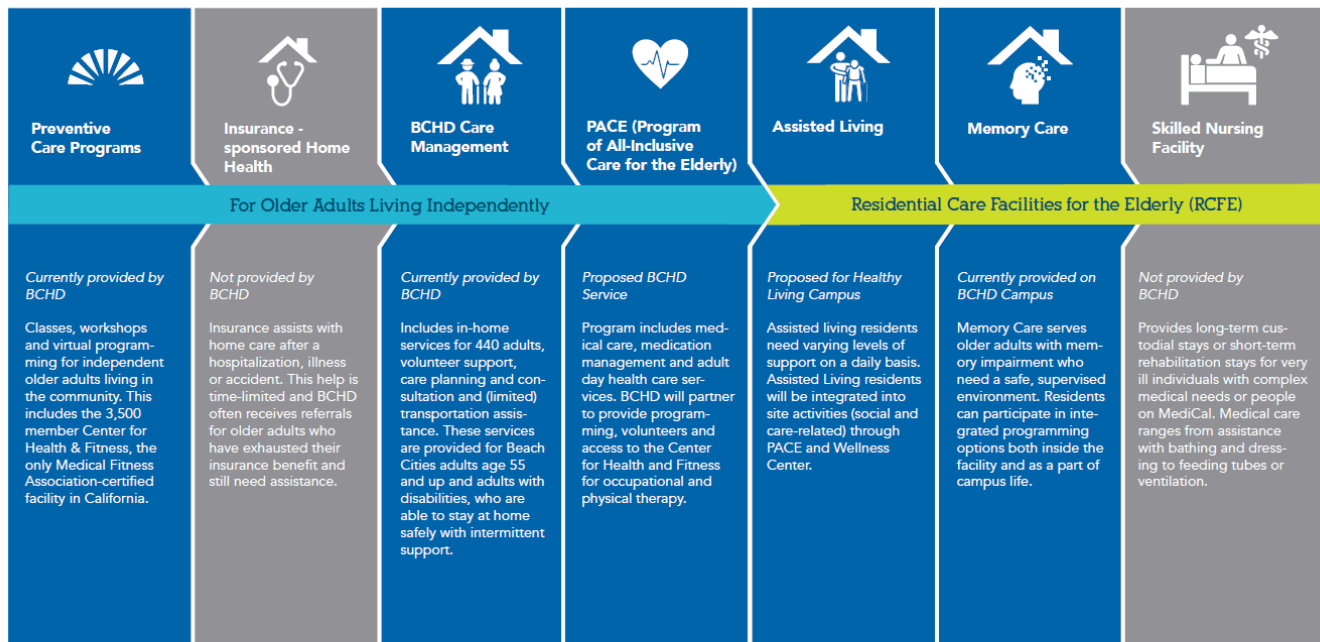
Healthy Living Campus

Beach Cities Health District (BCHD) is working with the community to reimagine our aging, former hospital site to better reflect our mission and meet the current health needs of Hermosa Beach, Manhattan Beach and Redondo Beach residents. In pursuit of this vision, since 2017 we've been dedicated to collecting feedback from the community, consulting with experts and publicly vetting numerous designs and concepts for the 11-acre site with our Board of Directors. A Master Plan has emerged from this iterative, community-driven process to create an innovative Healthy Living Campus anchored in Health, Livability and Community.

Continuum of Care for Older Adults

AGING GRACEFULLY IN THE BEACH CITIES

 **Beach Cities Health District**
A Public Agency
bchdcampus.org



COLOR KEY

■ Services included in Proposed Healthy Living Campus Project

■ Services not included in Proposed Healthy Living Campus Project

Here are some updates regarding the Healthy Living Campus project:

- In May, 2023, BCHD was awarded \$6.3 million in grant funding from the California Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP). This statewide program supports behavioral health infrastructure projects, providing new opportunities to address gaps in mental health services. This grant is specifically for new construction of allcove Beach Cities, a youth wellness center in Redondo Beach, serving young people ages 12-25 in the county's Service Planning Area (SPA) 8, and comes through the BHCIP Round 4: Children and Youth grants.
- A new, permanent location for allcove Beach Cities is planned for the southwest corner of Beryl Street and Flagler Lane, part of BCHD's Healthy Living Campus plan. The 9,400 square foot, two-story allcove center will be the first

building constructed as part of the Campus revitalization. If funds are not raised, BCHD is considering placing allcove at the AdventurePlex location in Manhattan Beach. Fundraising efforts to date have generated approximately 56% of the required funding for construction.

- The BCHD Board voted to place a \$30 million general obligation bond on the Nov. 5, 2024 ballot that would have provided funds for allcove construction and demolition of the former South Bay Hospital building. It was not approved by voters.
- PMB, who was selected by the BCHD Board of Directors as the developer for the proposed Healthy Living Campus, opted out of the project following a lengthy due diligence process. As a result, in June 2025, the Board approved a Request for Expression of Interest process to identify developers and ideas to revitalize the Campus.

A thorough environmental impact review process was undertaken by BCHD beginning in June, 2019. Despite delays caused by the COVID-19 pandemic, a comprehensive, 1,778-page Environmental Impact Report (EIR) was certified by a 5-0 vote of the BCHD Board of Directors in September 2021. The certified Final EIR has not been challenged, and a peer review commissioned by the City of Redondo Beach agrees with the overall findings of the Final EIR.

Planning for the Healthy Living Campus project has been a multi-year endeavor. The proposed project has undergone revisions based on community feedback and input from expert structural and financial consultants. More information is available at www.bchdcampus.org/.

The Budget Summary for HLC is presented below:

Healthy Living Campus PRE-CONSTRUCTION	Total ITD Budget June 2024	Budget Re-class	Total District Budget Pre- Construction	Actuals as of June 2025	Budget FY25-26
DESIGN AND PS&E	1,899,000	5,600	1,904,600	1,894,600	10,000
LEGAL	2,834,000	343,000	3,177,000	2,955,045	221,955
FINACIAL SERVCIES and FINANCIAL ADVISOR FEES	2,302,000	(539,000)	1,763,000	1,211,133	551,867
DIRECT OWNER	6,797,000	43,700	6,840,700	6,631,044	209,656
RESERVE	33,700	-	33,700	-	33,700
	\$ 13,865,700	\$ (146,700)	\$ 13,719,000	\$ 12,691,822	\$ 1,027,178

CHF Relocation/Construction



In April, the BCHD Board of Directors unanimously approved a motion for the Center for Health & Fitness (CHF) to sign a lease agreement to move the fitness center from the 514 N. Prospect Ave. building – which is slated to be demolished in early 2027 – to the 510 N. Prospect Ave. building, which has an expected lifespan through 2055.

This will keep the fitness center on the BCHD Campus, requires just one move of CHF (a prior plan included two moves), and keeps the facility near its current location, which has more than 3,000 members. Current plans call for the relocation to take place by early 2027.

With approval of the new lease, the 510 N. Prospect Ave. building will be part of the Healthy Living Campus project, a positive outcome for neighbors on Diamond Street, who had concerns over the loss of green space and impending construction adjacent to their properties.

BCHD plans to open an RFP (Request for Proposals) process to receive new ideas and strategies to implement health-related elements as part of the Healthy Living Campus. Potential components include Residential Care Facilities for the Elderly, Medical Office Space, Urgent Care facilities, and more. Community outreach about the RFP process and Healthy Living Campus planning continues tomorrow morning at our Strategic Development Half-Day meeting at AdventurePlex, which runs from 8:30 a.m. to noon.

An established PACE Provider (Program for All-inclusive Care for the Elderly) has finalized lease negotiations to open a facility in the 510 N. Prospect Ave. building. This will bring a “one-stop shop” for income-qualified older adults in the South Bay and may be an ideal complement to affordable senior housing – if that is a component of the Healthy Living Campus.

DISTRICT-WIDE BUDGET FUND FINANCIALS

DESCRIPTION OF FUNDS



bchd.org

Description of Governmental Funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Beach Cities Health District, like other state and local government entities, uses Fund Accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund. All activities are reported in the General Fund except for those segregated in the Special Revenue Fund. This fund includes all governmental activities such as Community Services, BlueZones and Youth Services Department, Property Operations Management, Health & Fitness Operations, and all support services, including executive office, HR and Finance.

Special Revenue Fund. Beach Cities Health District's Special Revenue Fund segregates activity related to Prospect One Corporation, established to construct and operate medical office building space on the main campus of the District. There are currently no activities budgeted in the Special Revenue Fund.

Fund Balance Classification

The District Principal Preservation Policy #6130 demonstrates the Board's commitment to ensure sufficient funds are in reserve for maintaining the District's Programs and Services by requiring unrestricted reserve to equal a minimum of six(6) months of operating expenditures. Further, the District's remaining available fund balance shall be designated "Committed Fund Balance" to be used for prudent long-term protection of District assets and ensure continued return on investments.

Fund balances are reported in the fund statements in the following classifications:

- **Nonspendable**– this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).
- **Committed**– this includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board's action limiting the use of the funds is separate from the action (legislation) that created (enabled) the funding source, then it is committed, not restricted. For the District, a resolution is the highest level of decision-making authority that is used to establish a fund balance.
- **Unassigned**– this includes the remaining spendable amounts which are not included in one of the other classifications.

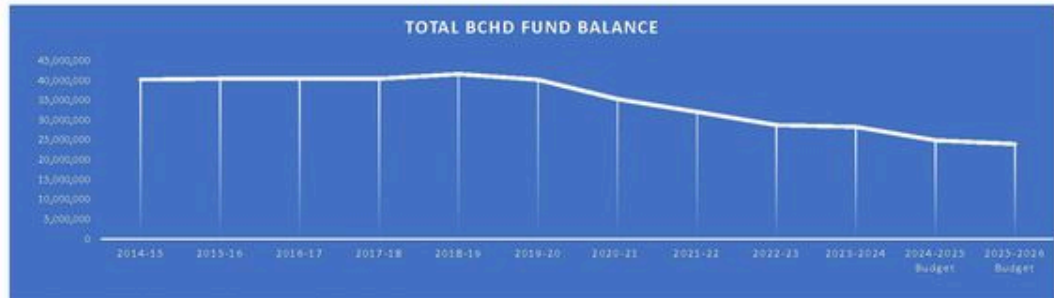
Beach Cities Health District

Fund Financial Statements

Change in Fund Balance

Prior Ten Years of Audited Financial Statements, FY2024-25 and FY2025-26 Budgets

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-2024	2024-2025 Budget	2025-2026 Budget
Beginning BCHD Fund Balance	39,836,815	40,164,540	40,412,439	40,419,628	40,406,443	41,577,023	40,148,185	35,256,078	32,029,442	28,732,778	28,255,925	24,870,405
Change in Fund Balance												
Operating Income	901,641	1,592,576	844,506	1,427,753	1,543,294	1,099,240	(1,391,932)	(135,749)	612,577	2,583,152	135,676	646,026
Capital Outlay	(573,916)	(1,344,677)	(837,317)	(1,440,938)	(1,820,366)	(2,528,078)	(3,500,175)	(3,090,888)	(3,870,617)	(3,060,005)	(3,521,198)	(1,579,019)
	327,725	247,899	7,189	(13,185)	(277,072)	(1,428,838)	(4,892,107)	(3,226,637)	(3,258,040)	(476,853)	(3,385,522)	(932,993)
Proceeds from Capital Lease	-	-	-	-	1,447,632	-	-	-	(38,624)	-	-	-
Restatements per audit	-	-	-	-	-	-	-	-	-	-	-	-
	327,725	247,899	7,189	(13,185)	1,170,560	(1,428,838)	(4,892,107)	(3,226,637)	(3,296,664)	(476,853)	(3,385,520)	(932,993)
General Fund												
Reserved	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-
Nonspendable	13,362,216	13,096,740	12,702,714	12,693,207	13,535,083	13,651,412	13,143,921	12,591,193	11,809,692	11,020,385	10,600,220	9,697,939
Committed	-	-	20,813,451	20,701,868	17,758,194	16,187,729	11,125,415	9,119,958	5,800,531	6,013,709	2,502,148	4,570,419
Unassigned	25,595,563	26,108,038	5,746,755	5,854,660	6,604,145	6,545,223	6,551,504	6,322,174	6,930,896	6,972,824	7,519,030	4,827,251
	38,957,779	39,205,678	39,262,920	39,249,735	37,897,422	36,384,364	30,820,839	28,033,325	24,540,919	24,006,918	20,621,398	19,095,609
Special Revenue Funds												
Restricted for medical building purposes	1,206,761	1,206,761	1,156,708	1,156,708	1,156,708	1,156,708	1,156,703	1,156,703	1,156,703	1,156,703	1,156,703	1,156,703
Restricted for 115 Trust - Pension	-	-	-	-	2,522,893	2,607,113	3,278,536	2,839,414	3,035,156	3,092,304	3,092,304	3,685,100
Ending BCHD Fund Balance	40,164,540	40,412,439	40,419,628	40,406,443	41,577,023	40,148,185	35,256,078	32,029,442	28,732,778	28,255,925	24,870,405	23,937,412



- 1) Categories of Fund Balance were revised in compliance with GASB Statement No. 54 beginning in Fiscal Year 2010-11
- 2) Beach Cities Health District Board of Directors enacted Resolution No. 541 to establishing a "Committed Fund Balance" dedicated to capital investments for 2016-17.
- 3) During the year ended June 30, 2019, the District corrected an error associated with the prior amortization of the Duocot notes receivable discount.

Total General Fund Summary

	Budget FY25-26	Budget FY24-25	Amount Variance	%	Actual FY23-24	Actual FY22-23	Actual FY21-22	Actual FY20-21	Actual FY19-20
Property Tax Revenue	5,456,000	5,162,800	293,200	6%	5,024,156	4,751,854	4,478,036	4,345,848	3,994,702
Lease Revenue	4,077,701	4,787,666	(709,965)	-15%	4,792,762	4,435,932	4,406,582	5,266,204	4,459,062
Investment Revenue	196,565	211,675	(15,110)	-7%	926,970	1,092,840	1,407,747	942,501	1,634,722
Limited Partnership Revenue	2,093,133	1,935,000	158,133	8%	1,745,655	1,618,389	1,384,062	1,175,456	2,002,772
Program Income	2,332,114	2,180,185	151,929	7%	2,056,369	1,640,291	1,186,576	307,970	2,070,150
Grants and Other Revenue	1,202,040	1,868,816	(666,776)	-36%	940,211	1,598,205	2,476,146	678,037	166,087
TOTAL REVENUE	16,357,553	16,146,142	(788,589)	-5%	15,486,123	15,137,511	15,339,149	12,716,016	14,327,495
Payroll & Benefits	8,214,051	8,070,390	143,661	-2%	7,450,995	6,832,163	6,659,062	6,389,086	6,463,824
Program Costs	167,852	166,562	1,270	-1%	173,420	185,065	165,106	195,083	202,139
Human Resources Related	178,010	180,905	(2,895)	2%	187,533	198,090	149,520	136,039	191,007
Information Systems	306,602	309,355	(2,753)	1%	278,216	209,563	250,838	192,758	194,183
Community Relations	294,700	351,374	(56,674)	16%	326,132	546,032	364,340	367,294	448,318
Facilities Expenses	2,017,085	2,037,875	(20,790)	1%	1,815,265	1,867,545	1,574,292	1,449,062	1,522,447
Professional Services	2,158,198	2,535,641	(377,443)	15%	2,120,214	2,190,351	1,613,188	2,417,373	2,206,181
Interest and Other	555,193	927,385	(372,192)	40%	1,193,521	1,241,093	1,140,626	1,078,774	1,066,763
Funds & Grants	715,862	1,048,635	(332,773)	32%	1,257,859	1,440,056	1,535,537	1,597,537	1,503,285
TOTAL OPERATING EXPENSES	14,607,553	15,628,142	(1,020,589)	7%	14,803,154	14,709,958	13,452,509	13,823,006	13,818,147
NET INCOME (LOSS)	750,000	518,000	232,000		682,969	427,553	1,886,640	(1,106,990)	509,348
Total Capital Investments	1,579,019	3,521,198	1,942,179	-55%	1,239,740	3,176,395	3,090,887	3,339,642	2,528,079
Fund Cash Balance Change	(829,019)	(3,003,198)	2,174,179	72%	(556,771)	(2,748,842)	(1,204,247)	(4,446,631)	(2,016,731)
Non-Cash NR Amortization	-	(382,324)	382,324	100%	(699,663)	(618,530)	(543,566)	(474,306)	-
510 Building Lease - Net	(103,974)	-	(103,974)	100%	-	-	-	-	-
Unrealized Gain/Loss	-	-	-	-	779,577	109,330	(1,478,821)	28,832	589,889
Total Income (Loss)	(932,993)	(3,385,520)	2,452,527	72%	(476,853)	(3,258,040)	(3,226,634)	(4,892,107)	(1,428,841)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Restatements	-	-	-	-	-	(38,624)	-	-	-
GENERAL FUND BALANCE as of July 1	23,713,702	27,099,222			27,576,075	30,872,739	34,099,375	38,991,482	40,420,318
CHANGE IN GENERAL FUND BALANCE as of July 1	22,780,709	23,713,702			27,099,222	27,576,075	30,872,739	34,099,375	38,991,482
SPECIAL FUND BALANCE as of June 30	1,156,703	1,156,703			1,156,703	1,156,703	1,156,703	1,156,703	1,156,708
CHANGE IN TOTAL FUND BALANCE as of July 1	23,937,412	24,870,405			28,255,925	28,732,778	32,029,442	35,256,078	40,148,190

General Fund Summary

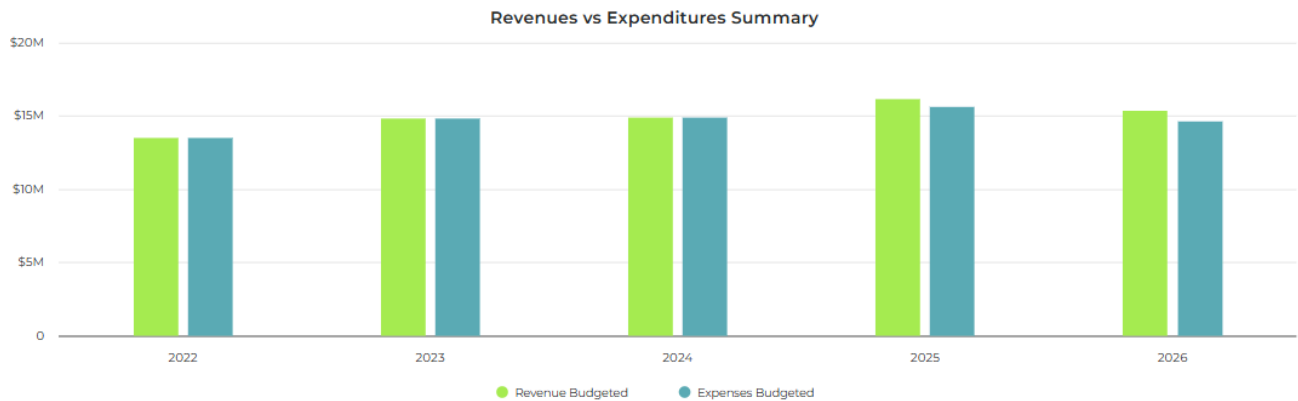
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Non-Cash NR Amortization	-	(382,324)	382,324	100%	(699,663)	(618,530)	(543,566)	(474,308)	-
510 Building Lease - Net	(103,974)	-	(103,974)	100%	-	-	-	-	-
Unrealized Gain/Loss	-	-	-	-	779,577	109,330	(1,478,821)	28,832	589,889
Total Income (Loss)	(932,993)	(3,385,520)	2,452,527	72%	(476,853)	(3,258,040)	(3,226,634)	(4,892,107)	(1,428,841)
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Restatements	-	-	-	-	-	(38,624)	-	-	-
GENERAL FUND BALANCE as of July 1	23,713,702	27,099,222			27,576,075	30,872,739	34,099,375	38,991,482	40,420,318
CHANGE IN GENERAL FUND BALANCE as of	22,780,709	23,713,702			27,099,222	27,576,075	30,872,739	34,099,375	38,991,482

Special Revenue Fund

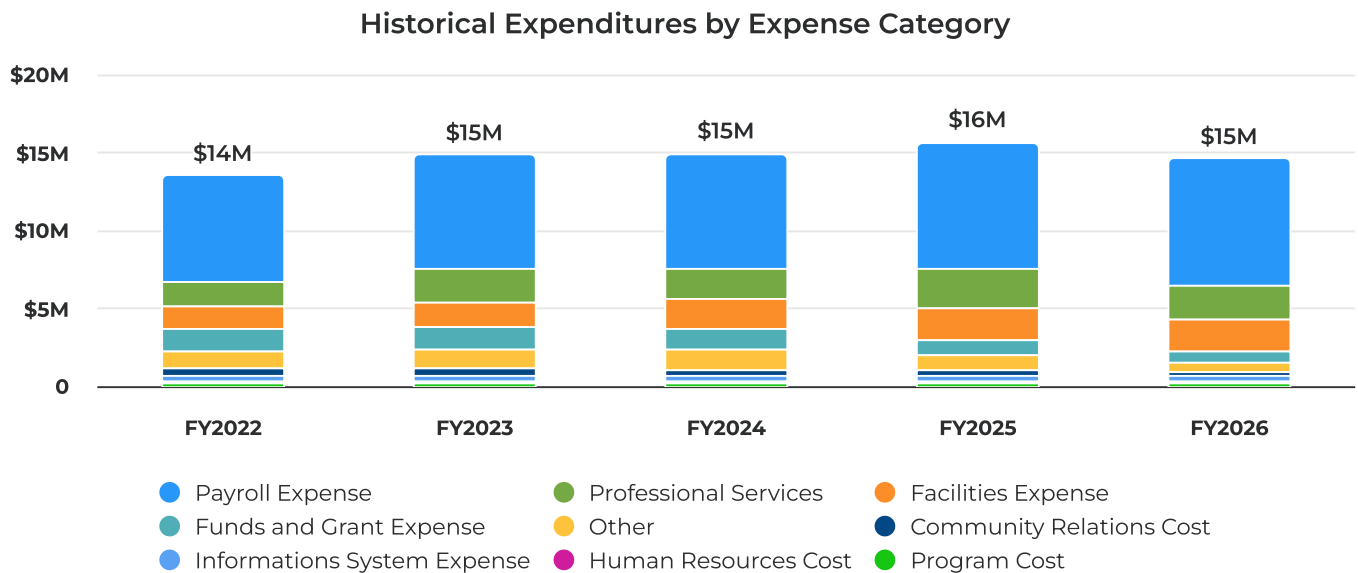
	Budget FY25-26	Budget FY24-25	Amount Variance	%	Actual FY23-24	Actual FY22-23	Actual FY21-22	Actual FY20-21	Actual FY19-20
Property Tax Revenue	-	-	-	0%	-	-	-	-	-
Lease Revenue	-	-	-	0%	-	-	-	-	-
Investment Revenue	-	-	-	0%	-	-	-	-	-
Limited Partnership Revenue	-	-	-	0%	-	-	-	-	-
User Fees Revenue	-	-	-	0%	-	-	-	-	-
Other Revenue	-	-	-	0%	-	-	-	-	-
TOTAL REVENUE	-	-	-		-	-	-	-	-
Payroll & Benefits	-	-	-	0%	-	-	-	-	-
Program Costs	-	-	-	0%	-	-	-	-	-
Human Resources Related	-	-	-	0%	-	-	-	-	-
Information Systems	-	-	-	0%	-	-	-	-	-
Community Relations	-	-	-	0%	-	-	-	-	-
Facilities Expenses	-	-	-	0%	-	-	-	-	-
Professional Services	-	-	-	0%	-	-	-	-	-
Interest and Other	-	-	-	0%	-	-	-	-	-
Funds & Grants	-	-	-	0%	-	-	-	-	-
TOTAL OPERATING EXPENSES	-	-	-		-	-	-	-	-
NET INCOME (LOSS)	-	-	-		-	-	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-		-	-	-	-	-
Transfers Out	-	-	-		-	-	-	-	-
Restatements	-	-	-		-	-	-	-	-
GENERAL FUND BALANCE as of July 1	1,156,703	1,156,703			1,156,703	1,156,703	1,156,703	1,156,708	1,156,708
CHANGE IN GENERAL FUND BALANCE	1,156,703	1,156,698			1,156,703	1,156,703	1,156,703	1,156,703	1,156,708

Total Budget

Summary



Expenditures by Expense Category



The total budget for FY2026 is \$14.6 million, representing a 6.53% decrease from the previous year's \$15.6 million. Payroll Expense remains the largest category at \$8.2 million, accounting for 56.23% of the total budget, and it increased by \$143,662 or 1.78% compared to the prior year.

Professional Services, the second-largest category, decreased by \$377,450 or 14.89% to \$2.2 million, now making up 14.77% of the total budget. Facilities Expense slightly declined by \$20,786 or 1.02% to \$2 million, representing 13.81% of the budget.

Funds and Grant Expense saw a significant reduction of \$332,773 or 31.73%, falling to \$715,862 and comprising 4.9% of the total. The Other category also decreased notably by \$372,193 or 40.13%, down to \$555,193 and accounting for 3.8% of the budget.

Community Relations Cost dropped by \$56,672 or 16.13% to \$294,699, which is 2.02% of the total budget. Informations System Expense decreased slightly by \$2,757 or 0.89% to \$306,602, making up 2.1% of the budget. Human Resources Cost declined by \$2,889 or 1.6% to \$178,020, representing 1.22% of the total.

Program Cost experienced a small increase of \$1,268 or 0.76%, rising to \$167,850 and constituting 1.15% of the budget.

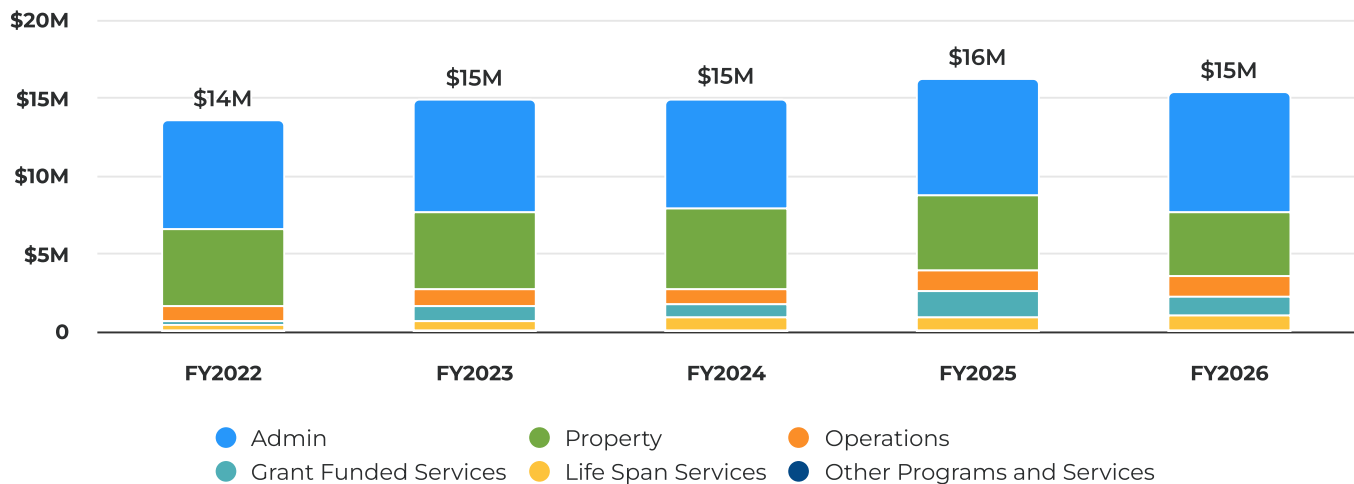
Overall, the budget shows a reduction in total expenditures with notable decreases in Professional Services, Other, and Funds and Grant Expense, while Payroll Expense and Program Cost saw modest increases.

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$8,070,390.09	\$8,214,052.16	1.78%
Program Cost	\$166,581.90	\$167,850.08	0.76%
Human Resources Cost	\$180,908.48	\$178,019.62	-1.60%
Informations System Expense	\$309,358.50	\$306,602.00	-0.89%
Community Relations Cost	\$351,371.00	\$294,699.25	-16.13%
Facilities Expense	\$2,037,869.76	\$2,017,083.92	-1.02%
Professional Services	\$2,535,641.76	\$2,158,191.38	-14.89%
Other	\$927,385.51	\$555,192.77	-40.13%
Funds and Grant Expense	\$1,048,634.96	\$715,862.00	-31.73%
Total Expenditures	\$15,628,141.96	\$14,607,553.18	-6.53%

Revenues by Division

Historical Revenues by Division



The total budget for FY2026 is \$15.4 million, representing a 4.88% decrease from the previous year's \$16.1 million. The largest revenue division remains Admin, which increased by \$301,333 or 4.05% to \$7.7 million, now accounting for 50.35% of the total budget, up from 46.03% the prior year.

Property revenue decreased significantly by \$725,075 or 15.06%, falling to \$4.1 million and comprising 26.63% of the total budget, down from 29.82%. Grant Funded Services also saw a notable decline, dropping by \$525,844 or 31.67% to \$1.1 million, which is 7.39% of the total, compared to 10.28% previously.

Operations experienced a modest increase of \$17,496 or 1.35%, reaching \$1.3 million and representing 8.58% of the budget, slightly higher than the prior 8.05%. Life Span Services grew by \$143,502 or 15.44% to \$1.1 million, increasing its share to

6.98% from 5.75%. Other Programs and Services remained steady at \$10,000, maintaining a minimal portion of 0.07% of the total budget.

The Fiscal Year Revenue by Division for the Total Budget includes Admin at \$7.7 million, representing 50.35% of the total. Property contributes \$4.1 million, which is 26.63%. Operations account for \$1.3 million or 8.58%. Grant Funded Services provide \$1.1 million, making up 7.39%. Life Span Services also contribute \$1.1 million, equating to 6.98%. Lastly, Other Programs and Services add \$10,000, which is 0.07% of the total revenue.

Revenues by Division

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Life Span Services	\$929,128.00	\$1,072,629.60	15.44%
Grant Funded Services	\$1,660,401.00	\$1,134,557.00	-31.67%
Operations	\$1,299,473.50	\$1,316,969.00	1.35%
Other Programs and Services	\$10,000.00	\$10,000.00	0.00%
Admin	\$7,431,700.00	\$7,733,033.00	4.05%
Property	\$4,815,439.46	\$4,090,364.58	-15.06%
Total Revenues	\$16,146,141.96	\$15,357,553.18	-4.88%

25-26 District Budget and previous 5 years

Beach Cities Health District June 30, 2026							
	FY 25-26	FY 24-25		FY 23-24	FY 22-23	FY 21-22	FY 20-21
	Budget	Budget	Variance	Budget	Budget	Budget	Budget
REVENUE							
Classes & Group	87,080	67,655	129%	47,390	23,310	38,118	5,835
CHF Membership	638,291	610,695	105%	480,998	620,063	417,673	29,895
One-time Visits & Consults	829,619	838,968	99%	683,167	613,145	599,089	116,941
Toddler Town Revenues	25,641	19,927	129%	29,500	27,025	33,924	0
Camp Revenue	715,587	612,216	117%	526,530	394,616	213,195	0
Food & Beverage	0	0		0	0	1,500	0
Retail	2,652	0		0	610	0	0
Balances Due on Account	(6,564)	(6,564)	100%	(2,760)	0	0	(8,785)
Other Revenues	0	0		0	0	0	39,000
Facility Rental	39,805	37,290	107%	24,644	21,910	28,280	0
Total Revenue User Fees	2,332,111	2,180,187	107%	1,789,469	1,700,679	1,331,778	182,885
Property Tax	5,456,000	5,162,800	106%	5,002,800	4,750,560	4,409,541	4,179,531
Lease	4,077,699	4,787,666	85%	5,024,263	4,765,020	4,626,611	5,139,203
Interest	196,565	211,673	93%	344,930	497,559	677,328	838,751
Limited Partnership	2,093,133	1,935,000	108%	1,735,000	1,825,000	1,898,874	1,670,562
Donations	10,000	10,000	100%	9,000	9,000	5,000	15,000
Other Revenue	1,192,045	1,858,816	64%	1,002,115	1,312,244	494,815	182,315
Total Revenue Government	13,025,443	13,965,955	93%	13,118,108	13,158,383	12,202,169	12,025,362
Total Revenue	15,357,553	16,146,142	95%	14,907,577	14,860,063	13,533,947	12,208,247
EXPENSES							
Salaries - Reg FT	4,719,307	4,641,119	102%	4,252,020	4,150,563	3,990,654	3,839,797
Salaries - Reg PT	1,183,644	1,155,153	102%	1,107,226	1,133,825	851,826	767,622
Salaries - Instructor (non-benefit)	140,410	209,064	67%	189,278	154,992	286,334	147,702
Cafeteria Plan Contribution	767,895	751,286	102%	683,086	694,480	636,776	651,899
Payroll Taxes	449,426	451,749	99%	416,183	403,011	407,393	348,677
LTD Insurance	15,926	14,959	106%	13,791	16,193	13,471	14,641
Pension Plan Contribution	934,945	844,560	111%	724,251	711,168	621,810	584,092
Unemployment Insurance	0	0		5,000	5,000	20,000	102,000
Employee Incentive Bonus	0	0		0	0	2,240	0
Employee Instant award exp	2,500	2,500	100%	5,000	5,000	7,200	6,000
Total Payroll Expenses	8,214,052	8,070,390	102%	7,395,834	7,274,233	6,837,703	6,462,429
COGS - Cost of Goods Sold - non-food	0	0		8,508	3,191	2,591	0
Cafe Supplies - cost of good sold - food	5,800	5,800	100%	6,750	8,676	7,945	0

Beach Cities Health District June 30, 2026							
	FY 25-26	FY 24-25		FY 23-24	FY 22-23	FY 21-22	FY 20-21
	Budget	Budget	Variance	Budget	Budget	Budget	Budget
Consumables (food used as supplies)	18,200	18,150	100%	17,550	13,850	15,550	9,500
Office Supplies	17,812	18,194	98%	20,488	25,789	26,451	20,716
Gym/Locker Room Supplies	49,217	44,027	112%	46,428	35,244	31,480	12,049
Program Supplies	52,387	54,477	96%	55,051	33,751	39,051	131,737
Janitorial Supplies	23,934	23,934	100%	17,936	15,600	20,000	12,373
Other Supplies	500	2,000	25%	2,500	1,400	1,400	1,904
Total Program Costs	167,850	166,582	101%	175,211	137,501	144,468	188,279
Employee Retention & Recognition	3,506	4,161	84%	5,850	5,600	5,700	8,017
Employee Wellness	43,900	43,400	101%	48,400	53,010	44,400	43,300
ADP Payroll Processing Fees	3,300	3,300	100%	3,300	3,300	3,600	37,200
Education & Training Seminars	19,674	20,574	96%	22,374	30,847	34,006	26,655
Insurance - Worker's Comp	59,592	53,160	112%	43,888	44,777	40,730	35,172
Recruitment	10,080	11,750	86%	13,746	16,152	15,386	12,500
Tuition Reimbursement	7,000	11,400	61%	16,000	12,500	13,500	24,600
Uniforms	9,112	14,112	65%	14,912	11,307	15,450	7,500
Employee Travel/Parking	21,852	19,052	115%	16,122	24,878	13,420	20,040
Total Human Resources Expenses	178,015	180,908	98%	184,592	202,371	186,192	214,984
IT/ Hardware/Electronics	1,000	1,000	100%	1,000	0	0	7,000
IT Server Equipment	0	0		0	0	0	9,000
Phone Equipment	0	0		0	0	4,000	9,000
IT Repair & Maint Parts	1,600	1,600	100%	1,600	1,800	1,800	1,800
IT Monitors & Printers	0	0		0	0	1,000	0
IT Software Expense	304,002	306,759	99%	322,051	303,768	318,291	196,498
Total Information Systems Expenses	306,602	308,359	99%	324,651	305,568	325,091	225,298
Advertising	54,000	80,253	67%	84,447	122,613	116,912	124,500
Community Education Materials	0	0		1,480	1,980	0	0
Community Outreach	41,050	41,800	98%	51,550	37,600	38,082	39,905
Internet / Intranet / Website	32,580	22,200	147%	22,800	13,900	14,700	27,000
Dues & Memberships	28,830	35,580	81%	37,670	43,049	32,798	28,828
Educational Materials	250	250	100%	250	700	1,696	3,323
Mailing Services	0	0		2,600	7,000	7,000	7,400
Management of Volunteers	12,500	17,500	71%	2,500	16,075	35,520	28,550
Meetings	22,351	23,100	97%	22,708	17,400	23,150	19,026
Postage	6,566	6,557	100%	20,562	40,785	40,116	40,582
Printing	66,574	76,775	87%	93,923	148,330	134,345	148,086

Beach Cities Health District June 30, 2026							
	FY 25-26	FY 24-25		FY 23-24	FY 22-23	FY 21-22	FY 20-21
	Budget	Budget	Variance	Budget	Budget	Budget	Budget
Promotional Items/Materials	23,062	43,262	53%	42,662	38,050	38,050	35,150
Subscriptions	5,736	2,894	198%	2,894	2,444	1,470	1,329
Business Promotion Allocation	1,200	1,200	100%	1,200	0	0	0
Total Community Relations	294,699	351,371	84%	387,246	489,926	483,839	503,678
Building Maintenance & Repair	225,372	254,143	89%	204,138	189,982	195,987	165,295
Equipment/Furniture < \$5,000	38,800	38,800	100%	36,404	23,500	25,604	29,164
Equipment/Lease	86,142	84,344	102%	83,394	80,542	76,312	80,708
Equipment/General Maintenance & Repair	160,674	133,112	121%	133,295	129,046	129,065	118,925
Landscape Maintenance	102,858	100,332	103%	95,884	94,906	82,113	82,080
Electricity	541,854	584,614	93%	506,014	394,560	338,850	350,650
Gas	204,760	204,760	100%	237,684	138,480	121,776	126,252
Water	163,300	163,577	100%	163,400	121,400	121,400	123,700
Waste Removal	35,364	35,831	99%	29,364	21,623	19,356	15,755
Plant Service	0	0		0	0	600	7,110
Telephone	108,136	96,636	112%	81,682	107,076	99,796	71,000
Janitorial Services	350,024	341,720	102%	343,332	292,884	229,280	184,280
Total Facilities Expenses	2,017,084	2,037,870	99%	1,914,591	1,593,999	1,440,139	1,354,918
Accounting Services	40,000	41,200	97%	45,200	31,000	28,400	27,000
Banking Services	96,111	90,300	106%	84,300	69,013	66,933	30,800
Election Services	0	380,000		0	313,000	0	200,000
Laundry Services	4,311	4,311	100%	4,308	2,736	9,694	0
Legal Services	145,500	145,500	100%	115,500	88,500	88,500	117,500
Outside Services	1,014,885	1,227,801	83%	894,249	1,066,125	757,805	963,093
Outside Service-Research	140,000	0		130,000	0	75,000	175,000
Outside Services - H&F	36,510	54,750	67%	27,960	27,960	40,000	4,000
Outside Services - Property	105,000	84,000	125%	84,000	84,000	84,000	84,000
Engineering/Maintenance Services	479,036	419,674	114%	393,453	373,549	311,189	311,029
Service Contracts	79,394	70,355	113%	88,915	83,762	89,752	99,996
Taxes & Licensing	17,450	17,750	98%	17,184	17,174	17,120	17,124
Total Professional Services Expenses	2,158,197	2,535,642	85%	1,885,068	2,156,819	1,568,394	2,029,542
Prospect South Bay	78,000	78,000	100%	90,000	90,000	62,000	62,000
Lease-Ducot Parking rights	0	351,996		663,184	612,723	566,102	523,028
Interest Expense	21,600	29,604	73%	78,416	127,677	169,498	212,572
Insurance - General	455,593	467,786	97%	436,284	340,844	302,964	343,838
Total Other Expenses	555,193	927,386	60%	1,267,884	1,171,244	1,100,564	1,141,438

Beach Cities Health District
June 30, 2026

	FY 25-26	FY 24-25		FY 23-24	FY 22-23	FY 21-22	FY 20-21
	Budget	Budget	Variance	Budget	Budget	Budget	Budget
Grants	385,862	593,635	85%	856,800	949,374	1,024,774	1,173,574
Health Fund - Youth	0	0		2,700	2,700	2,700	5,400
Health Fund - Adults	0	0		4,000	4,000	4,000	6,204
Health Fund - Seniors	320,000	445,000	72%	500,000	555,000	409,084	384,831
Holiday Assistance	10,000	10,000	100%	9,000	8,000	7,000	5,000
Total Funds & Grants Expenses	715,862	1,048,635	68%	1,372,500	1,519,074	1,447,558	1,555,009
Total Expense	14,607,553	15,628,142	93%	14,907,577	14,850,734	13,533,947	13,675,575
Cash Income (Loss) Before Cap Ex	750,000	518,000	145%	0	0	0	(1,487,328)
NR Amortization	0	382,324		699,663	618,528	543,566	474,308
510 Building Revenue	(319,990)	0		0	0	0	0
510 Building Expense	423,959	0		0	0	0	0
General Fund OPERATING Income	646,031	135,675	476%	(699,663)	(609,199)	(543,566)	(1,941,636)
MIS	122,262	305,064	40%	126,423	151,250	70,075	32,100
FF&E	7,300	42,193	17%	35,000	160,000	328,384	196,354
Building	9,596,895	9,406,723	102%	11,975,541	7,050,395	8,740,208	4,479,546
Grant	(8,147,236)	(8,181,907)	100%	(7,809,225)	(1,538,460)	(1,838,685)	(1,500,000)
Total Capital Expenditures	3,579,019	3,592,073	100%	4,327,739	5,825,184	7,500,000	2,699,068
Net Income (Loss)	(2,932,988)	(3,456,398)	85%	(5,027,402)	(6,434,384)	(8,043,566)	(4,640,706)

BUDGET ROLLUP BY FUNCTION



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Life Span Services FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Classes & Group	0
CHF Membership	0
One-time Visits & Consults	231,460
Toddler Town Revenues	25,641
Camp Revenue	715,587
Retail	2,652
Balances Due on Account	0
Facility Rental	39,805
Total Revenue User Fees	1,015,145
Other Revenue	57,488
Total Revenue Government	57,488
Total Revenue	1,072,633
EXPENSES	
Salaries - Reg FT	1,052,076
Salaries - Reg PT	483,927
Salaries - Instructor (non-benefit)	20,124
Cafeteria Plan Contribution	167,183
Payroll Taxes	115,608

LTD Insurance	3,887
Pension Plan Contribution	209,367
Total Payroll Expenses	2,052,169
COGS - Cost of Goods Sold - non-food	0
Cafe Supplies - cost of good sold - food	5,796
Consumables (food used as supplies)	1,800
Office Supplies	4,698
Program Supplies	31,213
Janitorial Supplies	10,524
Total Program Costs	54,031
Employee Retention & Recognition	623
Employee Wellness	13,500
Education & Training Seminars	6,300
Insurance - Worker's Comp	19,347
Recruitment	500
Uniforms	3,796
Employee Travel/Parking	7,052
Total Human Resources Expenses	51,127
IT Software Expense	39,584
Total Information Systems Expenses	39,584

Community Outreach	4,500
Dues & Memberships	3,498
Educational Materials	0
Meetings	5,975
Postage	946
Printing	11,322
Promotional Items/Materials	2,000
Total Community Relations	28,229
Building Maintenance & Repair	8,052
Equipment/Furniture < \$5,000	13,700
Equipment/Lease	2,340
Equipment/General Maintenance & Repair	9,228
Landscape Maintenance	8,904
Electricity	62,856
Gas	756
Waste Removal	5,364
Janitorial Services	53,364
Total Facilities Expenses	164,564
Banking Services	27,521
Outside Services	59,640
Outside Service-Research	140,000
Outside Services - H&F	6,756

Service Contracts	27,936
Taxes & Licensing	816
Total Professional Services Expenses	262,660
Lease-Ducot Parking rights	0
Interest Expense	0
Insurance - General	34,793
Total Other Expenses	34,793
Grants	385,862
Health Fund - Adults	0
Health Fund - Seniors	320,000
Total Funds & Grants Expenses	705,862
Total Expense	3,393,027
Cash Income (Loss)	(2,320,396)

Center for Health and Fitness FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Classes & Group	87,080
CHF Membership	638,291
One-time Visits & Consults	598,162
Toddler Town Revenues	0
Retail	0
Balances Due on Account	(6,564)
Total Revenue User Fees	1,316,969
Total Revenue	1,316,969
EXPENSES	
Salaries - Reg FT	371,904
Salaries - Reg PT	478,824
Salaries - Instructor (non-benefit)	120,286
Cafeteria Plan Contribution	67,172
Payroll Taxes	74,284
LTD Insurance	2,487
Pension Plan Contribution	142,366
Total Payroll Expenses	1,257,319

Office Supplies	2,460
Gym/Locker Room Supplies	49,212
Program Supplies	6,600
Janitorial Supplies	1,116
Total Program Costs	59,388
Employee Retention & Recognition	95
Education & Training Seminars	3,120
Insurance - Worker's Comp	11,183
Recruitment	996
Uniforms	900
Total Human Resources Expenses	16,296
IT Software Expense	39,588
Total Information Systems Expenses	39,588
Dues & Memberships	1,248
Postage	624
Printing	3,552
Subscriptions	2,580
Business Promotion Allocation	1,200
Total Community Relations	9,204
Building Maintenance & Repair	6,000

Equipment/Furniture < \$5,000	504
Equipment/Lease	2,340
Equipment/General Maintenance & Repair	2,652
Janitorial Services	130,500
Total Facilities Expenses	141,984
Banking Services	44,292
Laundry Services	4,308
Outside Services	10,920
Outside Services - H&F	29,760
Service Contracts	6,684
Total Professional Services Expenses	95,964
Total Expense	1,619,746
Cash Income (Loss)	(302,777)

allcove and Grant Funded Services FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Donations	0
Other Revenue	1,134,563
Total Revenue Government	1,134,563
Total Revenue	1,134,563
EXPENSES	
Salaries - Reg FT	698,709
Salaries - Reg PT	0
Cafeteria Plan Contribution	102,673
Payroll Taxes	53,455
LTD Insurance	2,563
Pension Plan Contribution	112,327
Total Payroll Expenses	969,727
Consumables (food used as supplies)	12,000
Office Supplies	2,520
Program Supplies	7,200
Janitorial Supplies	3,600
Total Program Costs	25,320

Employee Retention & Recognition	300
Education & Training Seminars	2,004
Insurance - Worker's Comp	7,405
Recruitment	0
Uniforms	2,412
Employee Travel/Parking	7,500
Total Human Resources Expenses	19,621
IT Software Expense	14,073
Total Information Systems Expenses	14,073
Community Outreach	5,000
Dues & Memberships	0
Educational Materials	0
Meetings	5,000
Postage	156
Printing	4,000
Promotional Items/Materials	4,000
Subscriptions	540
Total Community Relations	18,696
Equipment/Furniture < \$5,000	6,000
Equipment/Lease	0

Equipment/General Maintenance & Repair	1,200
Janitorial Services	31,020
Total Facilities Expenses	38,220
Outside Services	494,278
Service Contracts	0
Total Professional Services Expenses	494,278
Insurance - General	5,350
Total Other Expenses	5,350
Total Expense	1,585,275
Cash Income (Loss)	(450,721)

Other Programs and Services FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Donations	10,000
Total Revenue Government	10,000
Total Revenue	10,000
EXPENSES	
Salaries - Reg FT	1,367,600
Salaries - Reg PT	92,832
Salaries - Instructor (non-benefit)	0
Cafeteria Plan Contribution	192,947
Payroll Taxes	110,980
LTD Insurance	3,768
Pension Plan Contribution	228,337
Total Payroll Expenses	1,996,464
Consumables (food used as supplies)	1,400
Office Supplies	400
Program Supplies	7,375
Total Program Costs	9,175

Employee Retention & Recognition	720
Education & Training Seminars	1,300
Insurance - Worker's Comp	12,350
Recruitment	7,450
Uniforms	2,000
Employee Travel/Parking	2,850
Total Human Resources Expenses	26,667
IT/ Hardware/Electronics	1,000
IT Repair & Maint Parts	1,500
IT Website / Internet Equipment	0
IT Software Expense	191,657
Total Information Systems Expenses	194,157
Advertising	54,000
Community Outreach	30,050
Internet / Intranet / Website	32,580
Dues & Memberships	2,485
Mailing Services	0
Management of Volunteers	12,500
Meetings	876
Postage	150
Printing	46,500

Promotional Items/Materials	17,062
Subscriptions	2,468
Total Community Relations	198,671
Telephone	100,936
Total Facilities Expenses	100,936
Legal Services	500
Outside Services	373,131
Service Contracts	21,300
Total Professional Services Expenses	394,931
Insurance - General	13,100
Total Other Expenses	13,100
Grants	0
Holiday Assistance	10,000
Total Funds & Grants Expenses	10,000
Total Expense	2,944,103
Cash Income (Loss)	(2,934,103)

Administrative Services FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Property Tax	5,456,000
Interest	183,900
Limited Partnership	2,093,133
Other Revenue	0
Total Revenue Government	7,733,033
Total Revenue	7,733,033
EXPENSES	
Salaries - Reg FT	1,103,333
Salaries - Reg PT	128,063
Cafeteria Plan Contribution	226,925
Payroll Taxes	85,489
LTD Insurance	3,029
Pension Plan Contribution	223,286
Unemployment Insurance	0
Employee Instant award exp	2,500
Total Payroll Expenses	1,772,617
Consumables (food used as supplies)	3,000
Office Supplies	7,738

Janitorial Supplies	2,700
Other Supplies	500
Total Program Costs	13,938
Employee Retention & Recognition	1,769
Employee Wellness	30,400
ADP Payroll Processing Fees	3,300
Education & Training Seminars	6,952
Insurance - Worker's Comp	8,746
Recruitment	1,130
Tuition Reimbursement	7,000
Employee Travel/Parking	4,450
Total Human Resources Expenses	63,743
IT Repair & Maint Parts	100
IT Software Expense	19,100
Total Information Systems Expenses	19,200
Community Outreach	1,500
Dues & Memberships	21,600
Educational Materials	250
Meetings	10,500
Postage	4,700
Printing	1,200

Subscriptions	150
Total Community Relations	39,900
Equipment/Furniture < \$5,000	1,600
Equipment/Lease	7,440
Equipment/General Maintenance & Repair	6,076
Total Facilities Expenses	15,116
Accounting Services	40,000
Banking Services	24,000
Election Services	0
Legal Services	145,000
Outside Services	33,600
Taxes & Licensing	6,400
Total Professional Services Expenses	249,000
Interest Expense	21,600
Insurance - General	117,311
Total Other Expenses	138,911
Total Expense	2,312,427
Cash Income (Loss)	5,420,606

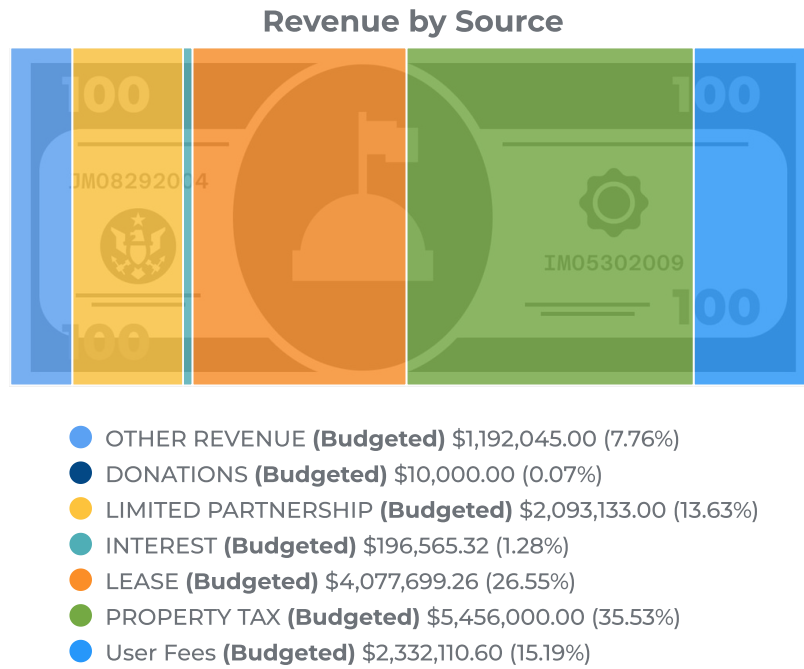
Property FY 25-26 Budget

	FY 2025-2026 Budget
REVENUE	
Lease	4,077,701
Interest	12,665
Other Revenue	0
Total Revenue Government	4,090,367
Total Revenue	4,090,367
EXPENSES	
Salaries - Reg FT	125,696
Cafeteria Plan Contribution	10,996
Payroll Taxes	9,619
LTD Insurance	196
Pension Plan Contribution	19,251
Total Payroll Expenses	165,749
Office Supplies	0
Janitorial Supplies	6,000
Other Supplies	0
Total Program Costs	6,000
Insurance - Worker's Comp	562

Total Human Resources Expenses	562
Printing	0
Total Community Relations	0
Building Maintenance & Repair	211,317
Equipment/Furniture < \$5,000	17,000
Equipment/Lease	74,022
Equipment/General Maintenance & Repair	141,516
Landscape Maintenance	93,954
Electricity	478,800
Gas	204,000
Water	163,300
Waste Removal	30,000
Telephone	7,200
Janitorial Services	135,144
Total Facilities Expenses	1,556,253
Accounting Services	0
Banking Services	300
Legal Services	0
Outside Services	43,320
Outside Services - Property	105,000
Engineering/Maintenance Services	479,036
Service Contracts	23,480

Taxes & Licensing	10,230
Total Professional Services Expenses	661,366
Prospect South Bay	78,000
Lease-Ducot Parking rights	0
Interest Expense	0
Insurance - General	285,039
Total Other Expenses	363,039
Total Expense	2,752,974
Cash Income (Loss)	1,337,390

District Funding Sources Summary

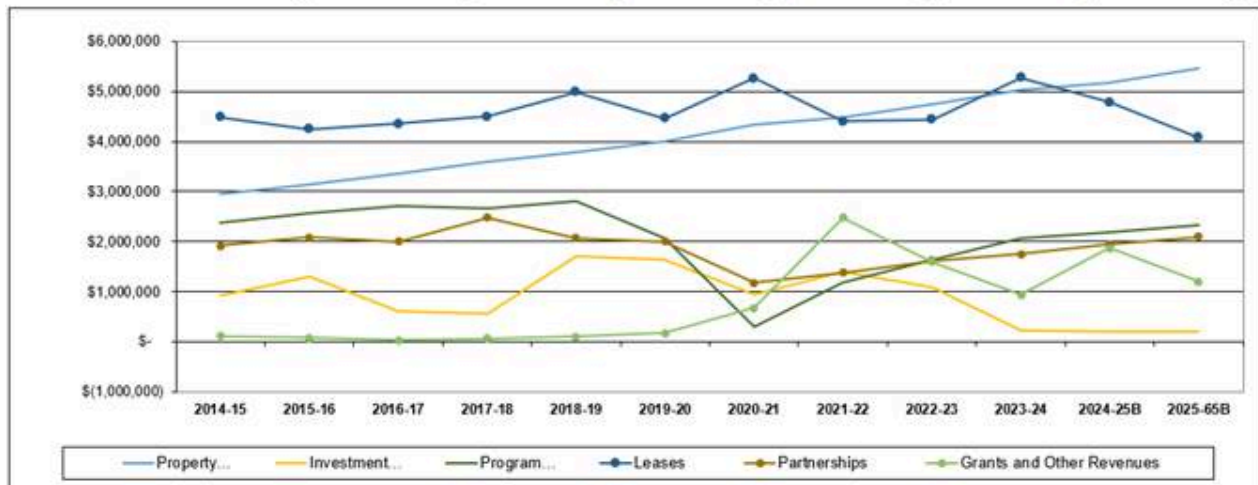


The District Funding Sources

Beach Cities Health District (BCHD) is one of the largest preventative health agencies in the nation and has served the communities of Hermosa Beach, Manhattan Beach, and Redondo Beach since 1960. The District was originally a hospital and was built with a bond measure and funding from property taxes. Later, when the District transitioned into the preventative health arena, the funds available were invested and diversified into owning and leasing property, joining partnerships, operating a health and fitness center, a youth fitness center and keeping a portfolio of investments. With the income and user fees from these various sources, the District can offer an extensive range of dynamic health and wellness programs with innovative services and facilities that promote health in every lifespan — from children to youth to families and older adults.

TREND BY FUNDING SOURCE

*Fiscal Year	Property Taxes	Investment Earnings	Program Income	Leases	Partnerships	Grants and Other Revenues	Total
2014-15	2,960,181	917,677	2,376,262	4,479,867	1,919,408	110,180	12,763,575
2015-16	3,145,703	1,301,865	2,572,774	4,244,939	2,083,332	75,955	13,424,568
2016-17	3,355,324	619,756	2,702,307	4,353,249	2,001,129	26,251	13,058,016
2017-18	3,591,891	555,677	2,671,695	4,495,927	2,473,590	68,292	13,857,072
2018-19	3,793,278	1,700,327	2,809,085	4,992,027	2,071,315	105,551	15,471,583
2019-20	3,994,702	1,634,722	2,070,150	4,459,062	2,002,771	166,087	14,327,495
2020-21	4,345,848	942,501	307,970	5,266,204	1,175,456	678,037	12,716,016
2021-22	4,478,036	1,407,747	1,186,576	4,406,582	1,384,062	2,476,146	15,339,149
2022-23	4,751,854	1,092,840	1,640,291	4,435,932	1,618,389	1,598,205	15,137,511
2023-24	5,024,156	227,410	2,056,369	5,267,558	1,745,655	940,211	15,261,359
2024-25B	5,162,800	211,673	2,180,187	4,787,666	1,935,000	1,868,816	16,146,142
2025-65B	5,456,000	196,565	2,332,111	4,077,699	2,093,133	1,202,045	15,357,553
	36%	1%	15%	27%	14%	5%	100%



*Source: Audited Financial statements
B - Budget

Each income stream compared to total District income has historically stayed relatively consistent year-over-year. However, due to COVID-19, the District closed the Health and Fitness (H&F) operations from mid-March of 2020 and re-opened in April 2021 with limited-hours, reservation-only in-door and out-door services at 50% capacity per State of California regulations. On March 7th, 2022, all the restrictions were lifted, and H&F operations have been focusing on regaining enrollments. After a significant drop in FY2020-21, revenues have been steadily recovering in H&F Operations but are not expected to reach the pre-COVID levels until FY2026-27. For FY2021-22 and FY2022-23 there is a temporary increase in other revenues due to the funds received for COVID-19 relief efforts.

Additionally, from the financial recession in 2008-2009, property tax income was 20% and investment income was 15% of total District income. The current property tax portion is 36% and investment income of 1% of total District income. The diversified portfolio helps the District maintain services through different economic challenges facing the nation, the state, and the Beach Cities Health District (BCHD) jurisdiction.

Property Taxes (36%). The District shares are on average 0.00888% (88% of a penny) of the 1% property tax collected by the State of California from the three beach cities (Hermosa, Manhattan, and Redondo). See the Property Tax Dollar Breakdown illustrative graph on the following page.

For budgeting purposes, the District uses input from HdL Coren & Cone, a reputable consulting firm, to estimate annual property taxes for Secured, Unsecured and HOX (homeowner tax exemptions) apportionments.

HdL's General Fund (GF) forecast for growth of all values generating General Fund property tax revenue is 3.97%, without any factoring for new construction activity. They state that adding 50% of the trimmed average growth due to new construction for the past 8 years of 79,987,659 would be the equivalent of an additional 0.13% growth to this base number. This would mean forecasting growth of 4.11% for 2025-26 with some new construction additions. The most optimistic model would be developed by adding 100% of the trimmed average growth due to new construction (\$159,975,317) that would add 0.27% to the bottom line for a forecast of 4.24%. Thus, HdL's conservative estimate of growth for 2025-26 is **3.97%**

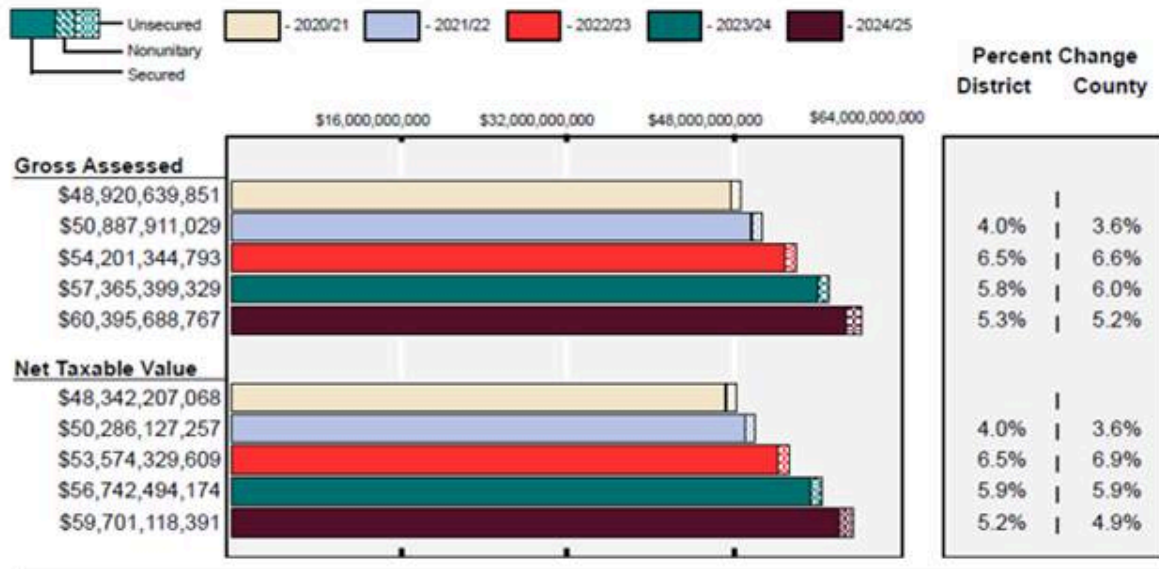
Therefore, the District budgeted \$5,456,000, an increase of 5.7%, compared to the prior year's budget or **3.7%** compared to the actual collection of the property taxes in FY24-25 which is slightly lower HdL's conservative estimate for FY2025-26 budget. Up to FY2024-25, property taxes have been trending at 5%-6% increase annually since FY2012-13. The District has collected property taxes with a 2% favorable difference from the budgeted amount for FY24-25.

HdL states in their report that The CPI granted for all taxing entities in the State per Proposition 13 for 2025-26 will be 2.00%, the same increase that was processed for the 2024-25 fiscal year. The report discusses that as 2023 ended and moved through 2024 with continued higher interest rates, the median prices have increased 10.80% district wide over the median single-family home prices reported, including all cities served by the District which will be reflected in 2025-26 fiscal year. Home sale prices as well as the number of homes coming to market have been mixed both by region and community throughout the State. In the District however, there was an increase of 105 homes sold in 2024 as compared to 2023 which was an increase of 11.4% in the number of year-over-year home sales. The growth recognized in the sale prices of all properties sold last year will be included in the 2025-26 forecast. It will require \$592.1 million in additional value growth in 2025-26 to increase revenues 1%. The additive due to sale transactions has been included in the revenue model for 2025-26 and is the equivalent of 1.99% of the projected growth. The report notes that the sales numbers are quantifiable and should not be changed in the revenue forecast model.

HdL was not including a Proposition 8 data entry point in this year's forecast as the year-over-year changes are not significant to the bottom line in the current market. HdL has reviewed all single-family residential properties that have sold during the 2024 calendar year and have compared that sale price against 2023 transfers to ascertain the median price change between tax years. This analysis has led HdL to believe that the current real estate market is not resulting in an uptick in Proposition 8 reviews and do not consider it to be an important factor for 2025-26.

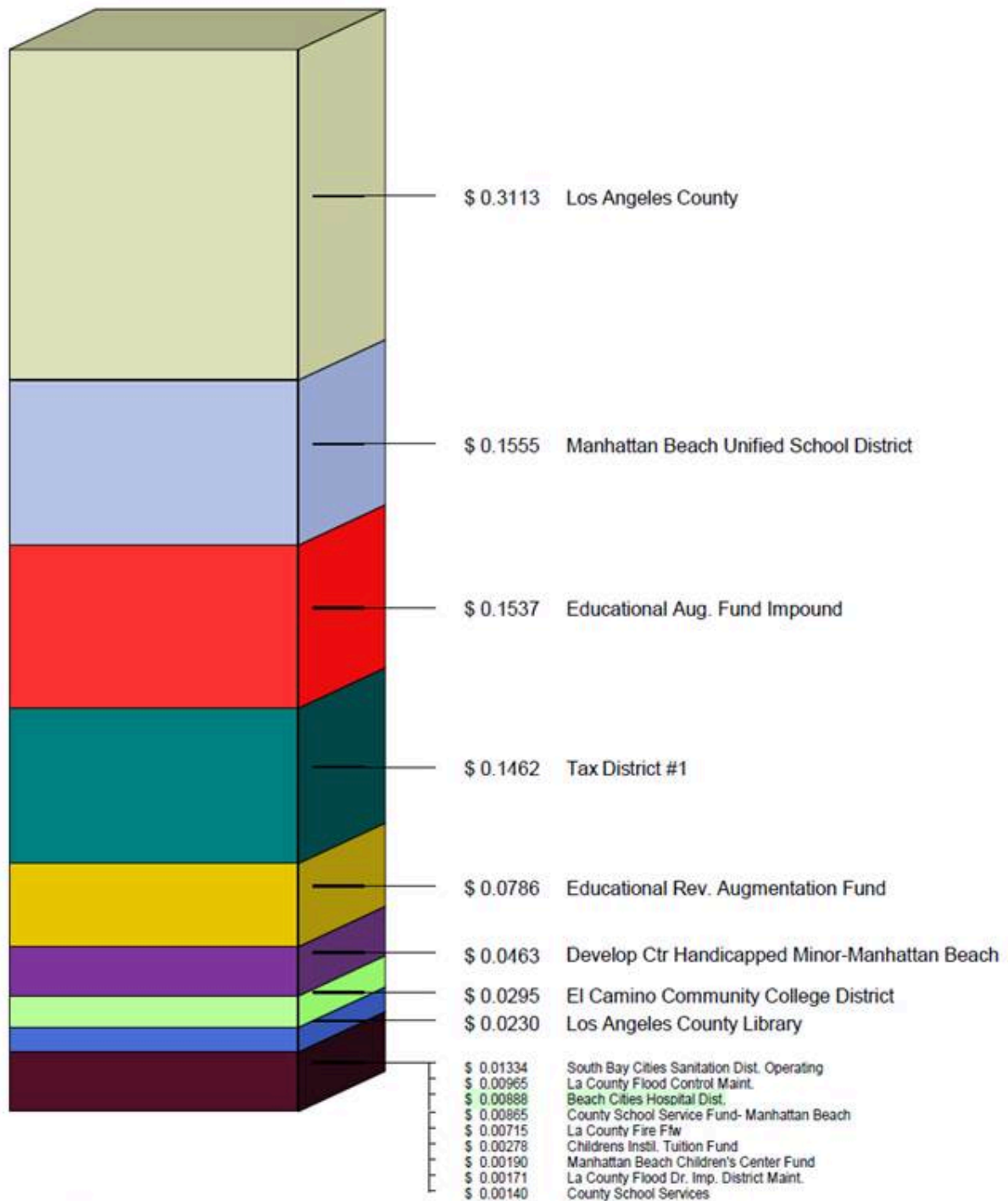
Projections by HdL for property tax receipts have been considered and are illustrated in the District's long-term financial outlook.

BEACH CITIES HEALTH 2020/21 TO 2024/25 ASSESSED VALUES



Data Source: Los Angeles County Assessor 2020/21 To 2024/25 Combined Tax Roll

BEACH CITIES HEALTH PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 06174, Excluding Redevelopment Factors & Additional Debt Service

Data Source: Los Angeles County Assessor 2024/25 Annual Tax Increment Tables

Lease Revenue (27%). Lease revenue consists of four Distinct sources: tenant rental income, tenant common area building operating expense (BOE) reimbursements, parking lease revenue, and notes receivable principal payments from Venice Family Clinic.

	FY25-26 Budget	FY24-25 Budget	Variance	
<u>514 Prospect Campus</u>				
Silverado Senior Living	742,000	960,000	(218,000)	-23%
Surgery Center	574,000	557,000	17,000	3%
UCLA	392,000	356,000	36,000	10%
Community Psychiatry	122,000	157,000	(35,000)	-22%
Kaiser Foundation	122,000	117,000	5,000	4%
Other-smaller spaces	149,000	124,000	25,000	20%
	2,101,000	2,271,000	(170,000)	-7%
<u>BOE Costs</u>				
	1,024,508	950,000	74,508	8%
<u>Off Campus</u>				
1837 PCH (Sunrise)	308,000	308,000	-	0%
601 PCH (Leap and Bound)	212,000	208,000	4,000	2%
2114 Artesia (SBFHC)	192,000	186,000	6,000	3%
2114 Artesia (SBFHC) - Notes Receivable	40,000	38,000	2,000	5%
	752,000	740,000	12,000	2%
<u>Parking Lease</u>				
Ducot Notes Receivable	-	382,000	(382,000)	-100%
Ducot Parking Lease	200,000	200,000	-	0%
	200,000	582,000	(382,000)	-66%
<u>Total Lease Revenue</u>				
	4,077,508	4,543,000	(465,492)	-10%
<u>510 Prospect Campus, 3rd Floor</u>				
Vivek Gupta	18,000	-	18,000	100%
Labcorp	66,000	-	66,000	100%
Louise Connolly, M.D.	25,000	-	25,000	100%
Sitaram Jyotheeswaran	39,000	-	39,000	100%
Torrance Health Association	171,000	-	171,000	100%
	319,000	-	319,000	
BCHD 3rd floor lease to Ducot	(424,000)	-	(424,000)	100%
510 Prospect Campus, 3rd Floor - Net	(105,000)	-	(105,000)	100%

Tenant Rental Income

The District manages twelve tenants located at 514 Prospect Avenue in Redondo Beach, often referred to as the District "Campus". The total of 514 Campus revenue has decreased by <\$170,000> or 7% due to the annual contractual lease adjustments based on the District's BOD direction to vacate 514 Building by March of 2027.

Three tenants are located "off-campus" at two different properties owned by the District across the beach cities totaling \$752,000 in annual lease revenue, an increase of 2% or \$12,000 due to the annual increase per contractual agreements.

Tenant Common Building Operating Expense (BOE) Reimbursements

Only the tenants at 514 Prospect Avenue are subject to common area expenses, and further, only tenants with triple net leases pay common area expenses separately from their rent. Several tenants have gross tenant agreements where the rental income covers common area expenses. BOE costs are reimbursed based on contractual agreements and true-up after each fiscal year-end. BOE fluctuates based on actual common area building expense costs incurred. The District budgeted \$1,024,508 with \$74,508 (8%) increase in BOE reimbursements compared to last year's budget.

Venice Family Clinic Notes Receivable

Starting in FY21-22, Venice Family Clinic has been re-paying a ten-year loan to the District for the interior building improvements made in FY19-20 and FY20-21. Per government GAAP (Generally Accepted Accounting Principles), the principal payment is recorded as lease revenue in the BCHD General Fund. The principal loan payment for FY25-26 is \$40,000.

Parking Lease Revenue

The District leases out one of the parking structures to the building owner of two adjacent buildings at 514 Prospect Avenue, and receives a fixed rental income of \$200,000 through 2064.

Parking Structure Notes Receivable

In 2002, the District purchased a note receivable from the owner of the other two buildings next to 514 Prospect Avenue, which had been fully amortized as of December 31, 2024, causing a negative variance of <\$382,000>.

510 Prospect Campus, 3rd Floor

Beginning in May 2025, the District entered into a five-year lease agreement with Ducot for the third floor of the 510 Building, located on the District's campus. This space is designated for the future relocation of the Center for Health and Fitness, which is currently housed in the 514 Building. The third floor of the 510 Building is currently occupied by five tenants who are paying rent to the District. These rental payments help offset the District's lease expense to Ducot. All tenant agreements are on a month-to-month basis and are budgeted to continue through the first ten months of FY 2025-26, at which point construction is expected to begin on the new space for the Center for Health and Fitness.

Program Revenue (User Fees) (15%). The District owns and operates two health & fitness facilities, AdventurePlex ("APlex") and Center for Health and Fitness ("CHF").

APlex is mainly focused on toddlers and youth, with activities such as toddler and small children play areas, camps, and special events. CHF is focused on adults and older adults and operates a fitness club with "gym memberships", personal training, group classes, etc. User fees are based on attendance and members signed up for membership. The goal for Health and Fitness Operations is to bring the user fees from both facilities combined to cover the basic cost of operating the facilities with some support from other funding sources to finance executive management support, advertisements, building maintenance and capital outlays.

Both facilities are budgeted based on current trends and programs offered that are further described and reviewed in the Departmental Overview, Performance Measures and Accomplishments section.

For FY25-26, the District budgeted \$2,332,000 in program revenues for both facilities, 7% more than in FY24-25, as the facilities have recovered from the impact of the COVID-19 pandemic. Summer, Fall, Winter, and Spring camps are the main sources of revenue for AdventurePlex facility from H&F. The AdventurePlex was successful in running all camps during FY24-25 and has achieved the total budgeted revenues. At the end of FY24-25, the District decided to increase prices and to start charging resident and non-resident fees for all of its programs, starting with Summer camps. Thus, the District budgeted \$135,000 or 15.25% more over FY24-25 budget for all programs.

The CHF continued to focus on regaining memberships to reach pre-pandemic levels. CHF has been monitoring revenues forecasts, conducting extensive outreach to potential members. And their efforts have paid off. In FY24-25 total revenues in CHF facility exceeded the budget by 4%. In FY24-25 Classes & Groups exceeded the budget by 33%, CHF Memberships by 4% and One-time Visits & Consultation were at budget. To bring the revenues up even further to fight

the increased costs to run the gym operations following the direction of the Board of Directors, CHF increased the memberships and fees across most departments effective 7/1/25 budgeting \$1,317,000 in total revenues for FY25-26.

Limited Partnerships (14%). The District has invested in two partnerships: Sunrise Beach Cities Assisted Living, L.P., with an 80% joint venture investment as a limited partner, and Beach District Surgery Center, L.P., with a 5% joint venture investment as a minor equity holder. Both entities are also tenants of the District. The District takes a conservative approach when budgeting for the joint venture partnership income, as the result of operations tend to fluctuate considerably from year-to-year. The Sunrise operations have fully recovered from the pandemic and exceeded budgeted revenues in FY23-24. In FY24-25 the District budgeted 11% more over FY23-24 budget and was able to exceed the budgeted revenues by 25%. For FY25-26, the District has increased the budget for Sunrise by \$158,000 or 8.2% based on the Sunrise forecast and the current market outlook. The District has not been collecting any revenues from Surgery Center for the past three fiscal years and has not budgeted any revenues for FY2025-26 due to a reduction of income from the Surgery Center.

Investments (1%). The District receives investment income from two types of sources, notes receivables interest and a cash investment portfolio. The notes receivable portion decreases each year according to the amortization schedules. The investment portfolio provides interest income, and gains or losses from unrealized change in market value and realized gains or losses from sale of investments. Investment income is budgeted based on the amortization schedules and expected return in the portfolio based on the projected portfolio balance. The District does not budget for GASB pronouncement non-cash interest income.

The total cash investment portfolio for fiscal year-end June 30, 2025 is \$14.5 million, \$1.0 million better compared to prior year, ended June 30, 2024. The increase is due to a balanced spending and cash flow monitoring to cover capital expenditures for Health Living Campus and to meet the District obligations on the grants to the community and the school districts; and a 750K improvement from cost to market valuation based on the District's current investment strategy.

BCHD Investment Portfolio Performance			
Fiscal Year - Actual	FY22-23	FY23-24	FY24-25
Portfolio - @ Cost	\$ 13,939,358	\$ 11,203,390	\$ 6,269,819
Cost to Market Valuation	(866,427)	(720,731)	25,075
Portfolio - @ Market *	13,072,931	10,482,659	6,294,894
CAMP Custodial Cash sweep account	119,227	110,925	2,861,954
Managed Portfolio - @ Market	\$ 13,192,158	\$ 10,593,584	\$ 9,156,849
CAMP & LAIF *	69,531	2,911,346	5,338,219
Total Value - @ Market	\$ 13,261,689	\$ 13,504,930	\$ 14,495,068
Yield to Maturity @ Cost	1.63%	1.34%	1.54%
Yield to Maturity @ Market	4.83%	5.05%	4.09%
Duration to Maturity (Years)	2.14	1.22	0.67
Portfolio Interest Income	193,687	176,677	278,770
Realized Gain / (Loss)	(64,457)	(59,038)	(45,707)
Net Portfolio Gain / (Loss)	\$ 129,230	\$ 119,638	\$ 233,062
Notes Receivable (NR) Interest	190,659	107,772	27,773
Interest Income Realized	\$ 319,889	\$ 227,410	\$ 260,835
Pension 115 Trust Earnings	212,569	330,504	311,680
Unrealized Gain/(Loss)	(103,239)	449,073	443,536
Deduct - NR Discount Amortization	(618,528)	(699,663)	(382,324)
Total BCHD Interest Income	\$ (189,309)	\$ 307,324	\$ 633,728

Grants and Other Revenues (8%). In the past years, other revenues and grants have significantly increased being 8% of the total revenues in FY25-26. The District has applied and has been awarded grants for Youth Substance and Mental Health Services.

Drug-Free Communities Support Program Grants. On October 30, 2019, the District was awarded an Annual Grant for Drug-Free Communities (DFC) Support Program by the Department of Health and Human Services (HHS) Substance Abuse and Mental Health Services Administration for the amount of \$125,000 annually, totaling \$625,000 for five years for the period from 10/30/2019 to 09/30/2024. The DFC Support Program was established under the Drug-Free Communities Act of 1997, P.L. 105-20. The purpose of the DFC funding is to address two major goals: 1) establish and strengthen collaboration among communities, public and private non-profit agencies, and federal, state, local and tribal governments to support the efforts of community coalitions, and 2) reduce substance use among youth and, over time, among adults. In FY23-24, the District applied for the continuation of the grant for another five-year period from 10/01/2024 to 09/30/2029.

totaling \$625,000. This application was awarded on 09/06/2024. Thus, in FY25-26 the District budgeted a total of \$125,000 for the first year of the second term of the DFC grant.

Youth Wellness Center. BCHD's allcove Beach Cities Youth Wellness Center is being funded by a four-year grant of \$2,000,000 from the California Mental Health Services Oversight and Accountability Commission (MHSOAC). The aim is to increase youth access to critical mental health services and support by creating a central physical space to serve the health needs of residents aged 12-25. The District applied for the grant in FY19-20 and was awarded in June of 2021. Affiliated with Stanford University's Department of Psychiatry and Behavioral Sciences/Center for Youth Mental Health and Wellbeing, the allcove Beach Cities Youth Wellness Center officially opened on 01/21/2023 and has been serving young people ages 12-25, providing a unique space to access mental health services, resources, support for friends, family, and the larger community. Located in Redondo Beach, the allcove Beach Cities Youth Wellness Center is accessible to neighboring communities in Service Planning Area 8 (including Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Torrance, and the Harbor City/San Pedro/Wilmington) communities of the City of Los Angeles, along with the unincorporated areas of the County of Los Angeles Districts 2 and 4. The Youth Wellness Center is a safe place for youth to reduce stigma, embrace mental wellness, and increase community connection. At the end of FY23-24, after FY24-25 had been approved, the District received approval for an additional funding of \$500,000 to be paid over the remaining period of the grant. Thus, the District collected \$277,783 in FY24-25 from the additional funding that was not budgeted for. In FY25-26 the District budgeted \$142,034 from the initial funding and \$222,217 from the additional funding for the final 4th year of the grant based on the budget schedule approved by MHSOAC.

On 01/19/24 the District was selected as a grantee for the Children and Youth Behavioral Health Initiative (CYBHI) Scaling Evidence-Based Practices (EBP) and Community-Defined Evidence Practice (CDEP): Youth-Driven Programs to expand the District's services for allcove Beach Cities. The District has been awarded \$1M for a twelve-month period. In April of 2025 the District was granted a No-Cost Extension (NCE) until 06/30/2026 to complete the deliverables outlined in the Implementation Plan. The District budgeted \$504,000 for CYBHI grant in FY25-26, a carry-over from FY24-25.

On July 8th, 2025, the District was awarded \$300,000 grant from LA County for Supported Education and Employment through the Behavioral Health Services Oversight & Accountability Commission's Mental Health Student Services Act. The District budgeted \$111,312 for FY25-26 based on the grant budget.

In addition, the District budgeted \$46,888 in annual funding from the City of Manhattan Beach to provide on-site care management services for eligible seniors and disabled residents based on the contract with the city and a \$10,000 annual grant from Sunrise Assisted Living.

The other remaining revenues include reimbursements for Holiday Gift Donations budgeted at \$10,000 for FY25-26. The District budgeted \$30,000 for the opioid service agreement revenue from the three cities as part of their participation as a local jurisdiction in California's opioid settlements with opioid manufacturers, distributors and pharmacies.

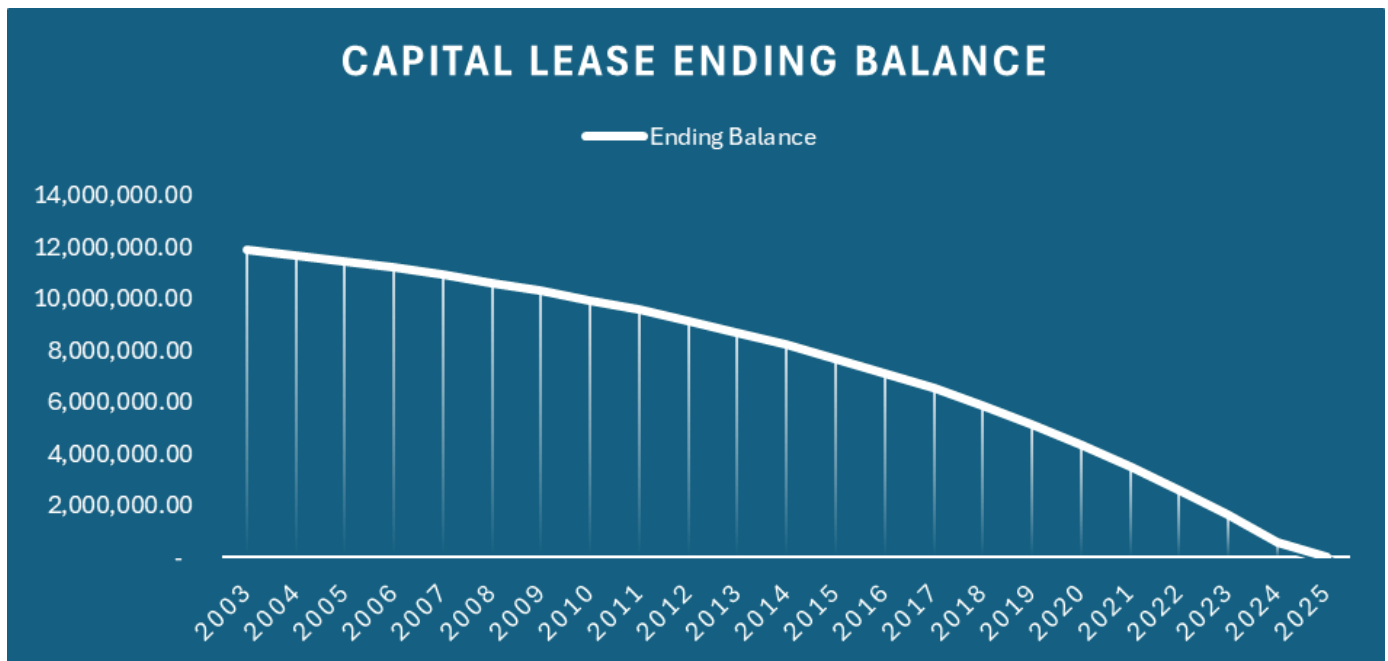
DEBT

Debt Obligations

The District paid off its final Capital Lease debt in FY24-25. Since no new debt has been incurred or planned, the budget for FY25-26 includes no debt payments.

Parking Facility – In 2002, the District acquired the right to use certain parking facilities from Prospect South Bay, a California Limited Partnership. In return for the right to use the facilities, the District agreed to make monthly payments of \$60,000 through December 2024.

The agreement provided for interest at 7.94% a year. The initial principal obligation under the agreement amounted to \$7,509,201, which was recorded as a capital lease payable for the acquisition of the parking facilities. In FY24-25 the District paid off the remaining outstanding obligation of \$360,000 (\$351,995.87 for principal debt service payment, and \$8,004.13 as interest expense). The following is a summary of the historical chart:



DEPARTMENT PERFORMANCE MEASURES AND ACCOMPLISHMENTS

DEPARTMENT AND PROGRAMS

Overview & Account and Control Structure

The 2025-2026 Budget is comprised of the following departments and programs are organized to roll up for manager-level and director-level budgetary control.



Life Span Services

- 140 Work Well
- 200 Community Services
- 405 Life Span Services Administration
- 410 Well Being Services
- 630 Adventure Plex (APLEX) Facility
 - 631 Operations
 - 632 Programs
 - 633 Events
 - 634 Camps



Property Operations

- 700 Prospect One
- 710 BCHD and Outlying Properties
- 720 Prospect Parking
- 730 Prospect Avenue (514 Prospect) Campus
- 740 Prospect Avenue (510 Prospect) 3rd Floor



Grant Funded Services

- 411 Drug Free Community – Grant
- 412 Opioid Grant
- 413 Youth Wellness – Grant - allcove



Other Program and Services

- 130 Information Systems
- 150 Volunteer Management
- 160 Health Promotions and Communications
- 190 Partnership and Innovations
- 800 Blue Zones project



Center for Health and Fitness (CHF)

- 611 Center for Health and Fitness
- 612 Personal Training
- 613 Pilates
- 614 Yoga
- 615 Fee Based



Support Services

- Human Resources
 - 110 Human Resources
 - 125 Administration
- Executive
 - 170 Executive Admin
 - 175 Board of Directors
- Finance
 - 120 Finance



300 - Beach Cities Health Foundation

Fund Matrix



General Fund

- Grant Funded Services
- Center for Health and Fitness
- Other Programs and Services
- Administrative Services
- Property
- Life Span Services

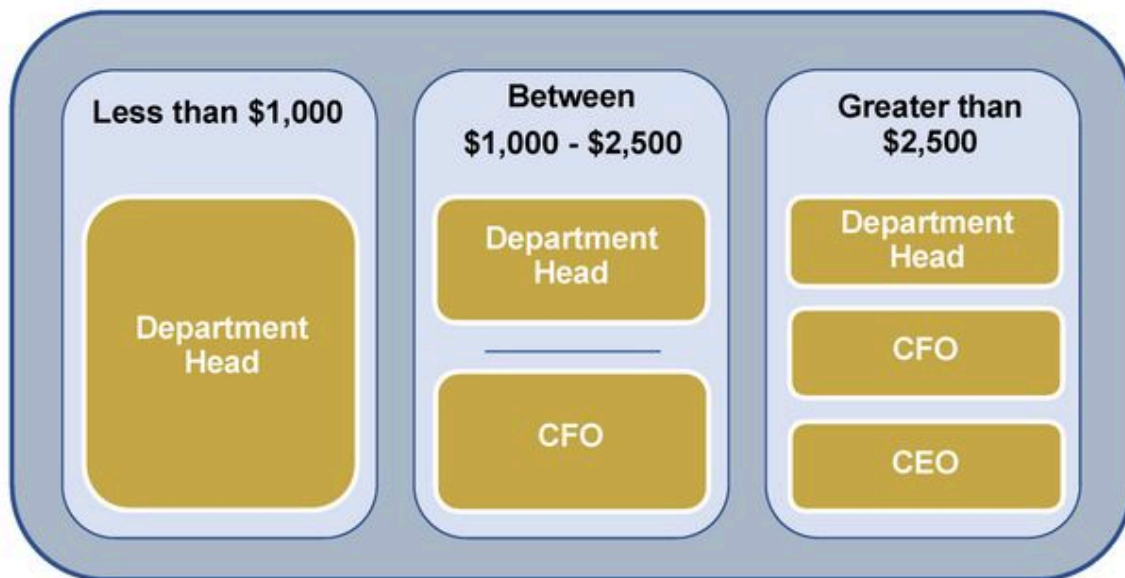


Special Fund

- Beach Cities Health Foundation

Department, Account Control and Approval Limits

BCHD Approval Limits Policy



Life Span Services



Life Span Services is comprised of the following sub-departments:

- Well-Being Services
- Community Services
- Community Funded Services
- Research & Evaluation
- Lifespan Administration Services include the Chief Medical Advisor, and the Chief Programs Officer.

The Chief Medical Advisor provides strategic direction and oversight for all health-related programs in the District. In addition, the Chief Medical Advisor counsels on the development and implementation of the Community Health Snapshot and the District three-year priorities.

The Chief Programs Officer is responsible for the implementation of programs in the community and for monitoring program effectiveness.

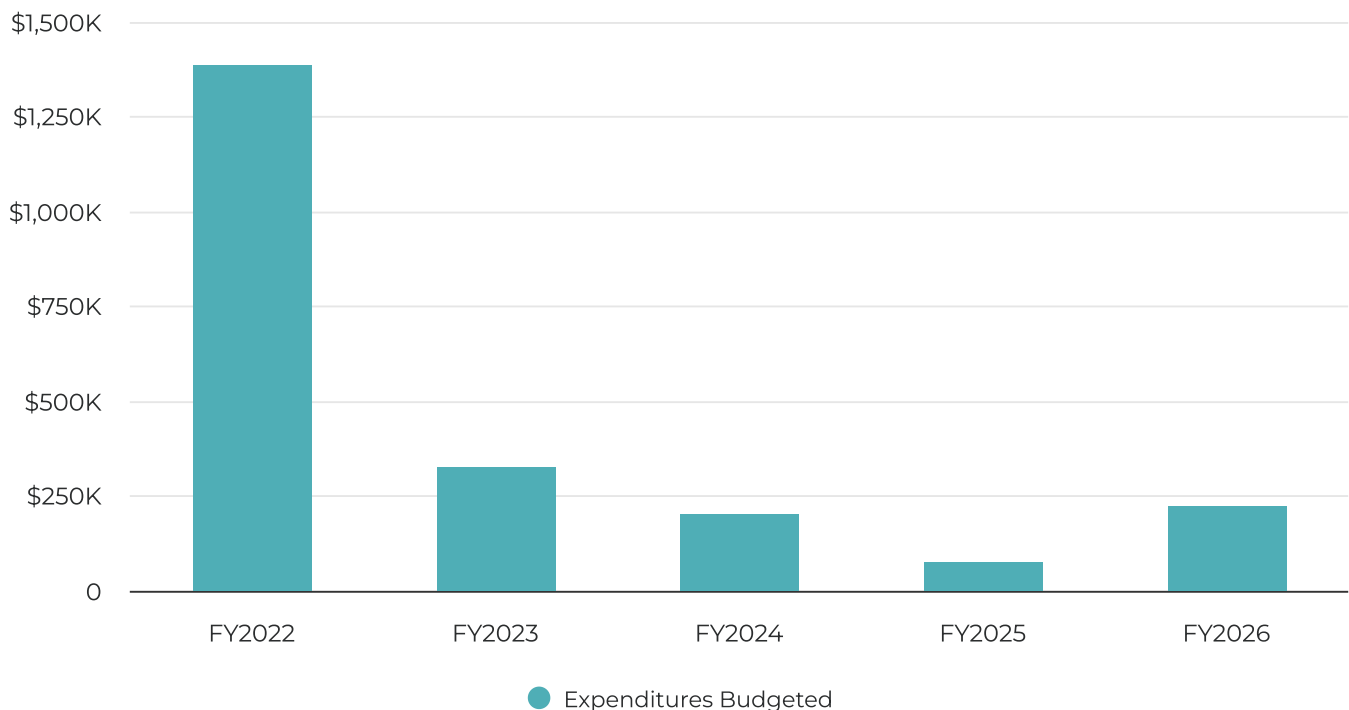
Life Spans Administration



Provides strategic direction, management, and evaluation for BCHD programs and services that support health and wellness across the lifespan. This administrative function, in accordance with public health practice standards, seeks to address the ongoing and emerging health needs of the residents in the Beach Cities. The team divides its services and focuses between the sub-departments, Well-Being Services, and Community Services. The Well-Being Services department focuses on youth ages 0–12 and their families and community support. The Community Services department's focus is to assist the uninsured and the aging and disabled population. In addition, the Lifespans Administration receives, manages, and audits services funded in the community by the District by contracted agreements.

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$34,389.54	\$24,080.53	-29.98%
Program Cost	-	\$3,800.00	-
Human Resources Cost	\$112.46	\$336.61	199.32%
Community Relations Cost	-	\$6,175.00	-
Professional Services	\$42,000.00	\$187,300.00	345.95%
Total Expenditures	\$76,502.00	\$221,692.14	189.79%

Well-Being Services

BEACH CITIES PARTNERSHIP FOR YOUTH COALITION



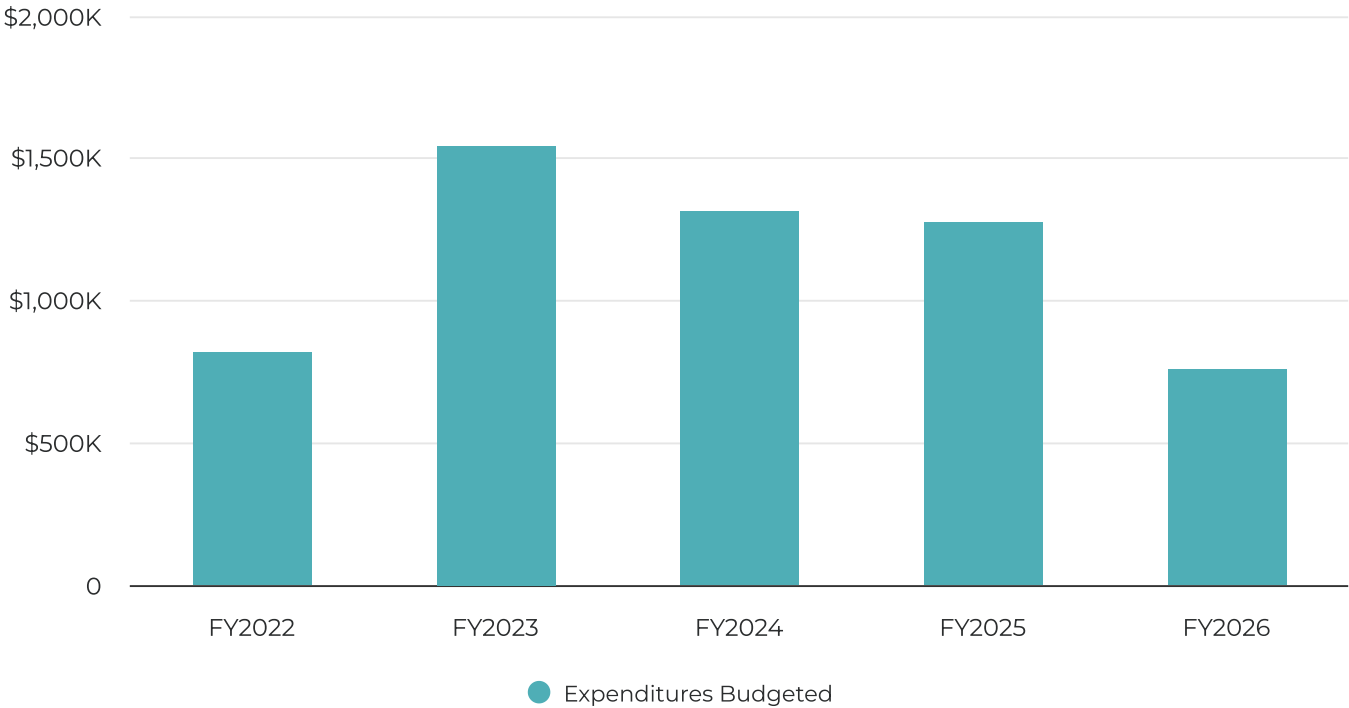
Well Being Services is comprised of the following Programs:

- Beach Cities Partnership for Youth
- Contract Services-Youth
- Health and Safety at Schools
- Livewell KidsSchool
- Gardens/Docents/Garden Angels
- Parent Education and Engagement Programs
- Social-Emotional Health at Schools
- Youth Advisory Council
- Adventure Plex Facility

Beach Cities Health District partners with the Hermosa Beach City School District (HBCSD), Manhattan Beach Unified School District (MBUSD) and Redondo Beach Unified School District (RUSD) to create environments that support student, staff, and family health. Key stakeholders include students, administrators, teachers, staff, families, school boards, and community partners. The Youth Services department, BCHD's community-wide coalition, and the Beach Cities Partnership for Youth, strive to create opportunities for health and well-being that allow all Beach Cities students to thrive, in school, and in life.

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$609,188.62	\$316,710.00	-48.01%
Program Cost	\$31,425.00	\$27,175.00	-13.52%
Human Resources Cost	\$14,448.02	\$12,206.42	-15.51%
Community Relations Cost	\$17,100.00	\$15,250.00	-10.82%
Facilities Expense	\$500.04	\$500.00	-0.01%
Professional Services	\$5,499.96	\$1,500.00	-72.73%
Funds and Grant Expense	\$593,634.96	\$385,862.00	-35.00%
Total Expenditures	\$1,271,796.60	\$759,203.42	-40.30%

Summary of Goals

Goal #1 –

Mental Health and Substance Use

- Contract Services:
Provide the school districts with funding through the Healthy Schools Service Agreement for school counselors, school nurses and other health-related services as identified by each of the Beach Cities school districts.
- Social Emotional Health at Schools:
Provide social-emotional learning activities and programming in Beach Cities public schools to build resiliency and success for youth in grades K-12.
- Beach Cities Partnership for Youth Coalition / Drug-Free Communities Grant: Decrease the prevalence of alcohol, tobacco, and other drug use in teens. Decrease stress and bullying and improve the social-emotional well-being of young people.
Increased number of parents having conversations with their children about substance use, social media, mental health, and bullying.
Increase school district capacity to deliver substance use prevention.
- Youth Advisory Council (8th-12th grades – HBCSD, MBUSD, RBUSD):
Create opportunities for students to serve as touchstones for health issues on the minds of Beach Cities teens in order to provide recommendations and develop youth-centered programming.
Deliver peer-to-peer education and advocacy on topics that include substance use prevention, social media, and mental health.
- Parent Engagement and Education:
Increase in the number of parents having conversations with their children about substance use, social media, mental health, and bullying.
Provide parents with free resources, education, and opportunities to connect on parenting issues and challenges in their efforts to help youth reach their full potential and live healthily.

Goal #2 – Public Health and Safety

- International Walk and Roll to School Day (elementary schools HBCSD, MBUSD, RBUSD):

It brings together BCHD staff, local elected officials, police officers, school administrators, parents, students, and volunteers to promote safe streets and human-powered transportation.

Annual observances across the three school districts increase awareness and inspire local action to create a safer and environmentally sustainable community.

Goal #3 – Physical and Brain Health for Youth Service

- LiveWell Kids
Educating kindergarten through fifth-grade students on the process and benefits of growing their own food, improving nutritional knowledge, and making healthy eating choices
School Garden / Volunteers / Garden Angels:
Deliver the six-lesson LiveWell Kids curriculum to fidelity to all kindergarten through fifth-grade students at the eight RBUSD elementary schools, the three HBCSD schools and one MBUSD school. Prepare

and maintain all twelve LiveWell Kids outdoor gardens year-round.

Promoting engagement between families and the school community through volunteerism.

•

Department Accomplishments

- The Beach Cities Partnership for Youth Coalition was awarded a fiscal year 2024 Drug-Free Communities (DFC) Support Program renewal for \$125,000 by the White House Office of National Drug Control Policy (ONDCP) and managed through a partnership between ONDCP and Centers for Disease Control and Prevention (CDC). The original DFC grant term was five years, starting in 2019, totaling \$625,000. The extension for an additional five-year term is also for \$125,000 annually and will total \$625,000.
- Nine students of BCHD's Youth Advisory Council (YAC) created an opioid awareness/naloxone training video to provide valuable life-saving knowledge and skills on overdose prevention. This recorded tool covers essential topics such as understanding the opioid crisis, recognizing the signs of an overdose, administering naloxone, and providing critical support until professional help arrives. The new video will be incorporated into all future professional development and educational trainings offered to students, parents and community members as well as supplement BCHD's distribution of overdose prevention kits that contain two doses of naloxone intranasal spray and two fentanyl test strip kits.
- BCHD's Youth Advisory Council (YAC) members serve as youth health ambassadors, working to promote the well-being of their peers. This 2024-25 school year, their project focused on creating interactive workshops on 10 key topics—Substance Use, Healthy Relationships, Stress Management, Public Speaking, Emotions in Ink, Digital Wellness, College Knowledge, Health's Kitchen, Social Connections, and Mindfulness. These workshops, hosted at allcove Beach Cities in March and April 2025, provided an opportunity for YAC members to engage other young people in the community.
- The in-person celebration of International Walk and Roll to School Day returned on October 9 across all three Beach Cities school districts to encourage more kid-power and less horsepower. The event brought together BCHD staff, local elected officials, police departments, school administrators, parents, students and volunteers to walk along designated routes to promote safe streets and physically active transportation. Sixteen schools within Hermosa Beach City School District, Manhattan Beach Unified School District and Redondo Beach Unified School District participated and approximately 2265 students hit the pavement that morning for the event.
- In the 2024-25 school year, the Coalition educated nearly 3,200 students across all seven Beach Cities secondary schools on the dangers of youth substance use during assemblies that included a film screening of "Come Back Home," a fentanyl documentary, followed by a panel discussion with young people in recovery with lived experience.
- To promote conversations between families on substance use and mental health topics, BCHD partnered with South Bay Families Connected, the three Beach Cities school districts and local chapters of the National League of Young Men and National Charity League to host community education forums and naloxone trainings that reached more than 500 parents and their children. Attendees at each of these events had the opportunity to take home a free overdose prevention kit. To date, nearly 2,800 kits have been distributed to ensure all Beach Cities school sites have naloxone on campus and community members are equipped with the knowledge and medication to save lives.
- BCHD hosted parent education events at each of the 16 Beach Cities elementary schools with showings of "Screenagers: Elementary School Age Edition." The new version of the original documentary provided updated research and perspective focused on issues faced by elementary school-aged kids, parents and educators navigating the current digital age – smartwatches in class, unhooking from and monitoring video gaming, social media pressures and early exposure to the tech world. Participants engaged in post-screening discussions to share strategies and explore BCHD's family media plan worksheet.
- The LiveWell Kids program (LWK) was delivered to kindergarten through fifth grade students at eight RBUSD elementary schools, three HBCSD schools and one MBUSD elementary school. More than 5,850 students across these campuses had the opportunity to participate in the program over the course of the 2024-2025 academic year. All lessons were delivered in the fresh air of the school gardens by more than 340 trained volunteers.

Objectives by the Numbers

Performance Metrics	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>FY2025-26</u>
	<u>Actual</u>	<u>Actual</u>	<u>Target</u>
# of students grades 6–12 within the Beach Cities school districts reached by Coalition activities and programs	9313	9225	9000
% of 11th graders that used alcohol in the past 30 days	16%	12%	12%
% of 11th graders that used e-cigarettes or other vaping device in the past 30 days	5%	4%	4%
% of 11th graders that used marijuana in the past 30 days	5%	6%	5%
% of 11th graders reporting chronic sadness	25%	17%	17%
% of 11th graders reporting suicidality	8%	6%	6%
# of total participants of teen Mental Health First Aid	10	69	69
# of total participants of Mental Health and Happiness Workshops and/or Mindful Moment Activation	117	552	500
# of Youth Advisory Council members	52	58	50
# of volunteer hours from Youth Advisory Council	808	924	900
% of 7th graders that report "During the past 12 months, have you talked with at least one of your parents or guardians about the dangers of Alcohol or drug use?"	57%	60%	60%
% of 9th graders that report "During the past 12 months, have you talked with at least one of your parents or guardians about the dangers of alcohol or drug use?"	56%	57%	57%
% of 11th graders that report "During the past 12 months, have you talked with at least one of your parents or guardians about the dangers of alcohol or drug use?"	59%	56%	56%
# of participants in attendance for parent engagement activities, events and meetings	943	1079	1000

Community Services

Community Services comprises the following sub departments:

- Care Management
- Volunteer Services
Information and Referral
- Community-based Programs and Services
Cognitive Health



Community Services Administration

Provides strategic direction, management, and evaluation for BCHD programs and services that support independent living for older adults and adults with disabilities, as well as ensure health care access for all beach cities residents. The administrative function, in accordance with public health practice standards, seeks to address on-going and emerging health needs to the aging and disabled populations.

Community Services Organization

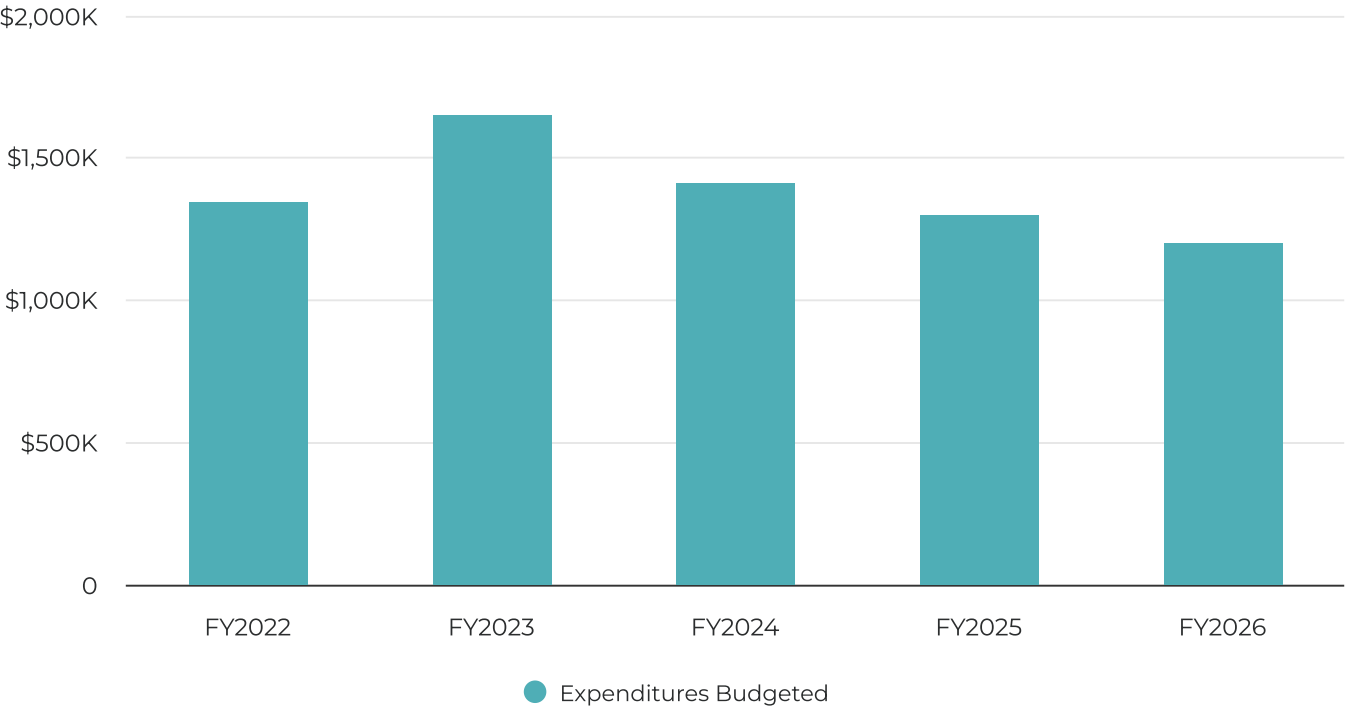
Community Services staff work closely with the cities of Hermosa Beach, Manhattan Beach, and Redondo Beach, the local health care and social services system, non-profit organizations, and residents, to create an age-friendly community. Care management is staffed by professional social workers who, with a team of trained and supervised volunteers, help individuals live at home as long as safely possible, while supporting independence and improving quality of life through social connection. BCHD has established a health fund for income-qualifying older residents and residents who have disabilities that need additional services to support their independence and well-being.

Staff provide high-touch information and referral services to members of the public who contact BCHD for questions regarding health-related services and resources. Staff support residents in the navigation of public benefits, including health insurance.

BCHD delivers community-based and evidence-based programs to promote healthy aging. Programs include physical activity classes (e.g., Tai Chi, Adaptive Strength Training, Agility Balance Coordination, Chair Yoga, Mindfulness, etc.), and mental health workshops. Community Services also delivers programs to support the cognitive health of beach cities residents.

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$814,961.45	\$837,971.36	2.82%
Program Cost	\$700.00	\$700.00	0.00%
Human Resources Cost	\$9,103.94	\$9,827.71	7.95%
Informations System Expense	\$21,500.00	\$21,500.00	0.00%
Community Relations Cost	\$756.00	\$756.00	0.00%
Professional Services	\$8,140.00	\$8,140.00	0.00%
Funds and Grant Expense	\$445,000.00	\$320,000.00	-28.09%
Total Expenditures	\$1,300,161.39	\$1,198,895.07	-7.79%

Summary of Goals

Goal #1-Mental Health & Substance Abuse

- Provide care management services to improve the quality of life and maintain the independence of older adult residents and residents with disabilities within the Beach Cities
- Provide public benefits enrollment support to clients through health literacy counseling and enrollment application assistance
- Help residents navigate health-related resources and public benefits available within the South Bay and greater Los Angeles area
- Help keep care management clients safe and independent at home by utilizing volunteers to provide services for errands, exercise, companionship and well-being checks.
- Fundraise and execute Holiday Gift Bag program to deliver holiday gift bags and grocery gift cards to identified care management clients during the month of December.

Goal #2- Physical Health & Brain Health

- Deliver health and wellness education in partnership with beach cities senior centers on the topics of physical fitness, cognitive health, and mental health.

Goal #3- People & Partnership

- Offer social work internships that increase care management service delivery

Priority Based Budget Program Goals

Care Management

- Provide support for frail and homebound residents
- Prevent inappropriate institutionalization and hospitalization
- Reduce caregiver burden
- Reduce social isolation and loneliness
- Increase connection to public benefits

In-Home Support Volunteer Programs for Care Management Clients

Conversation Companions

- Provide companionship and social support to clients

Brain Buddies

- Provide companionship and activity-based interactions to clients with cognitive impairment and/or dementia

Errand Assistance

- Assist clients with errands to support independent living

Holiday Gift Bags

- Spread cheer during the winter holidays by delivering gift bags to clients

Aging and Disability Services – Health and Wellness Education

- Offer evidence-based programs to promote physical health/fitness, cognitive health and mental health
- Enhance free community exercise opportunities available for older adults
- Increase knowledge of best practices to support cognitive and mental health
- Increased social connection

Information and Referrals

- Provide high-quality local referrals for services and programs in the South Bay community
- Connect community members with health-related support programming

Social Work Intern Program

- Remain a Center of Excellence as part of Southern California's Geriatric Social Work Education Consortium (GSWEC)
- Host a total of approximately five interns every academic year to assist Care Management clients

Department Accomplishments

- Assisted 439 unduplicated clients through our Care Management program
- Submitted 76 applications for public benefits, including Medi-Cal, on behalf of clients
- Assisted 587 unduplicated callers through the Information and Referral line
- Provided 97 clients with volunteer support, including Brain Buddies, Conversation Companions and Errand Volunteers Delivered holiday gift bags to 254 older adults with assistance from 130 community members, including BCHD volunteers and Redondo Beach & Manhattan Beach first responders.
- Provided 456 free community exercise classes in local senior centers
Facilitated five workshops on topics of cognitive health and mental health.
- Ran three dementia caregiver support groups every month.
- Five social work interns provided regular care management support to 93 clients.

Objectives by the Numbers

<u>Performance Metrics</u>	<u>FY2023-24 Actual</u>	<u>FY2024-25 Actual</u>	<u>FY2025-26 Projected</u>
Number of unduplicated Care Management clients	457	439	475
Care Manager visits clients (home, office or community location)	1545	1846	1950
Care Manager phone calls with clients	6916	7223	7250
Volunteer visits with clients	367	540	550
Completed errands by volunteers	974	1085	1100
Volunteer phone calls to clients	959	1017	1025
Information and Referral unduplicated callers	N/A	587	600
Public benefit enrollments submitted on behalf of residents	70	76	100

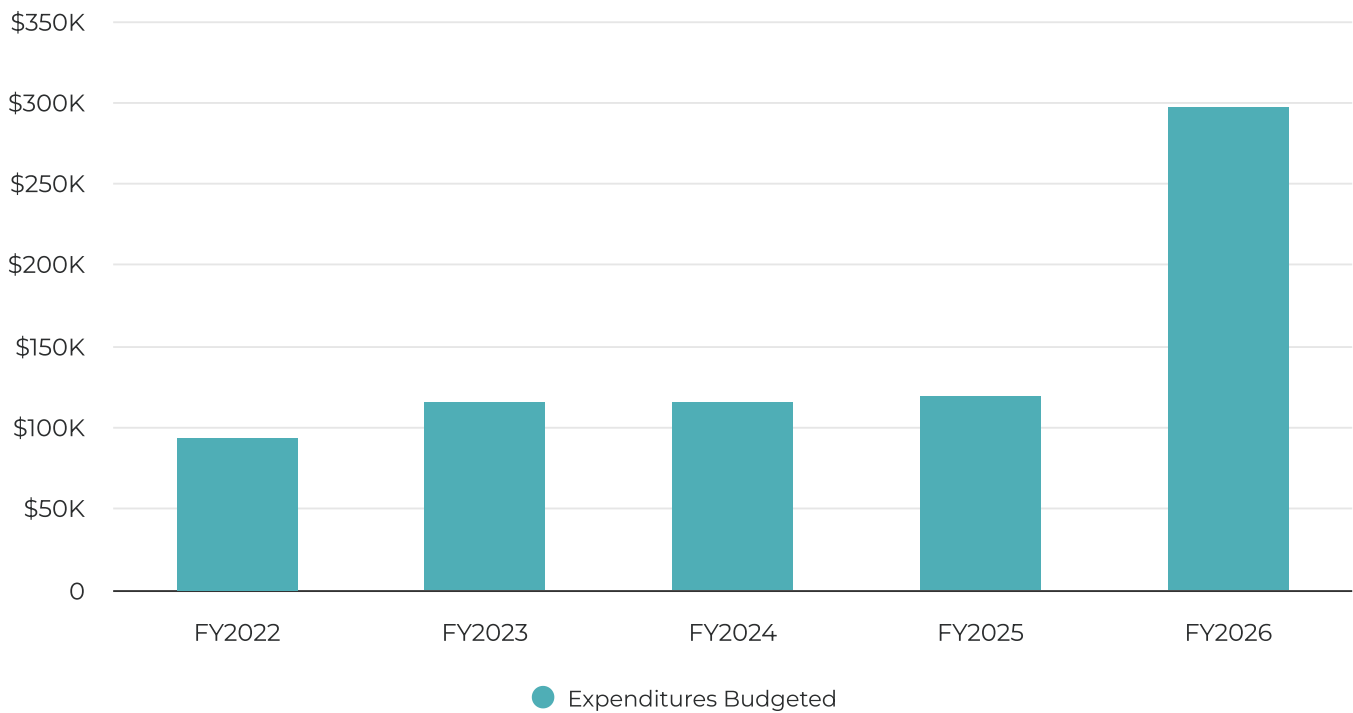
Work Well

BCHD WorkWell Programs
Community WorkWell Programs
Community WorkWell Programs



Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$85,732.84	\$277,607.44	223.81%
Program Cost	\$1,200.00	\$1,200.00	0.00%
Human Resources Cost	\$18,837.74	\$15,593.59	-17.22%
Community Relations Cost	\$450.00	-	-
Professional Services	\$12,300.00	\$2,700.00	-78.05%
Total Expenditures	\$118,520.58	\$297,101.03	150.67%

Department Accomplishments

- BCHD hosted 10 Mental Health trainings for 262 people. This included quarterly Mental Health First Aid training and a QPR (Question, Persuade, and Refer) Suicide Prevention trainings. We delivered QPR training to 104 parents in collaboration with the Redondo Beach PTA.
- As part of our Mental Health & Happiness Initiative, the team created Social Connection Kits that provide resources and activities to promote social connection and decrease loneliness. We also hosted several social events to encourage social connection, including wilderness walks and kindness campfires.
- Hosted a Blue Zones Project Power of Purpose Workshop for 90 community members and launched purpose discussion groups for people to discover their talents, strengths and passions.
- In partnership with South Bay Adult School, BCHD hosted three 7-week Mindful Connections Workshops Series focused on well-being, social connections and cultivating a positive outlook.
- BCHD partnered with the cities of Hermosa Beach and Manhattan Beach to utilize their state opioid settlement dollars to support youth substance use prevention and counseling services. BCHD renewed their contract with city of Manhattan for \$82,733 and entered into a 5-year service agreement with the city of Hermosa Beach for \$145,228.
- The Blue Zones Project team re-launched the PERKS program for Blue Zones Project approved grocery stores and restaurants. Participating partners offer a loyalty discount for customers while BCHD promotes their business and their healthy options. In addition, we designated Mychal's Café and hosted quarterly Social Hours at Blue Zones restaurants.
- BCHD delivered quarterly WorkWell employee wellness challenges for our employees and community partners. These customized challenges are curated based on results from health risk assessments and biometric screenings.

Summary of Goals

Goal #1-Mental Health and Substance Abuse

Objective A.1 – Mental Health & Substance Use

- Program Goals
 1. Address social isolation and loneliness by creating formal and informal ways for people to connect. Continue to promote Moai participation, engage and support existing groups and support development of new groups. Promote additional opportunities for social connection, including Moai Social Events.
 2. Deliver mental health training to community partners and the public to enhance the community's capacity to support mental health, including Mental Health First Aid training and QPR Suicide Prevention training.
 3. Deliver community-wide Mental Health & Happiness Initiative to enhance mental well-being through resilience strategies, social connection and community engagement including the delivery of workshops, activations and activities on gratitude, purpose, resilience, mindfulness, and social connection.
 4. Provide policy subject matter expertise on a variety of substance use areas including alcohol, opioids, tobacco, and cannabis. Collaborate with the Youth Services Department and the Drug-Free Communities grant to provide community education and awareness, implement harm-reduction activities, and assess opportunities for policy adoption.

Goal #2-Physical and Brain Health

Objective A.2 – Physical & Brain Health

- Program Goals
 1. Re-engage existing Blue Zones Project approved restaurants and grocery stores and utilize Restaurant Ambassador volunteers to support new restaurant and grocery store designations. Continue relationship building with BZP partners through promotion, events and engagement.
 2. Support employee engagement and well-being through BCHD WorkWell program (e.g., quarterly challenges, biometric screening, health risk assessment)
 3. Continue implementation of Worksite Wellness program to community partners including the cities and school districts

Goal #3 People and Partnerships

Objective B.4 -

Serve as a leader, convener and backbone organization to address the community's health priority areas.

- Program Goal
 1. Facilitate collaborative meetings, activities and partnerships with local, regional and state partners (SPA 8 workgroup, multi-agency meetings, County partnerships)

Goal #4 Transparency

• **Objective C.1** – Continue to demonstrate a strong commitment to transparency and governance by participating in government and special district transparency efforts.

• Program Goal

1. Monitor and respond to the state legislative process regarding legislative activity that has an impact on BCHD. Track policies and legislative threats and opportunities at the state level, including the coordination of contract lobbyists.

Objectives By the Numbers

Performance Metrics	<u>FY2023-24</u> <u>Actual</u>	<u>FY2024-25</u> <u>Actual</u>	<u>FY2025-26</u> <u>Projected</u>
# of individuals participating in mental health training (Mental Health FirstAid, QPR suicide prevention training, general mental health training)	336	262	150
# of mental health trainings (MHFA, QPR, general mental healthtraining)	18	10	6
% increase in confidence in ability to have supportiveconversations with someone facing mental health or substance abuse challenge before and after Mental Health First Aid training	112% increase	29% increase	40% increase
# of Well Being Services community events	95	88	50
# of Well Being Services event participants	3205	2228	1500
# of BCHD WorkWell program participants	68	55	55
Overall Wellness Scorefor participants surveyed	93.3	92.8	N/A
% of WellBeing Index (WBI)surveyed are above normal weight(Obese + Overweight)	45.5%	N/A	45%
% of smokersidentified in the Well Being Index	3.4%	N/A	3.4%
American Lung Association report card	Hermosa Beach = B; Redondo Beach = A; Manhattan Beach = A	Hermosa Beach = B; Redondo Beach = A; Manhattan Beach = A	Hermosa Beach = B; Redondo Beach = A; Manhattan Beach = A
# of collaborative meetings that bring together multiple agencies (e.g., tri-agency meetings, SPA-8 workgroup)	47	14	20

Adventure Plex



AdventurePlex consists of the following Programs:

- Drop-in Play
- Camps
- Outdoor
- Parties
- Parent Day Out (PDO) / Parent Night Out (PNO)

AdventurePlex is geared to challenge children-physically, mentally, and intellectually-with non-stop activities in a structured and safe environment. Apex provides a fun place to play, with an adventure play structure full of mazes, tunnels, and slides; an outdoor rock-climbing wall and ropes course; gymnasium; arts & crafts rooms; Toddler Town; and catering that is provided by Fresh Brothers Pizza.

Operations

Department oversees all the AdventurePlex facility operations, including: Customer drop-in play and Membership Services.

The Operations Department is headed by the Youth Services Director.

Programs

Department oversees the programs, classes, and fitness portions of the AdventurePlex facility, including: implementation and management of team building.

Rope course and rock wall operations.

Events Department oversees the special events, birthday parties and rentals for AdventurePlex, including: development, sales, facilitation, and follow-up on AdventurePlex events.

The Events Department is headed by the Youth Services Director.

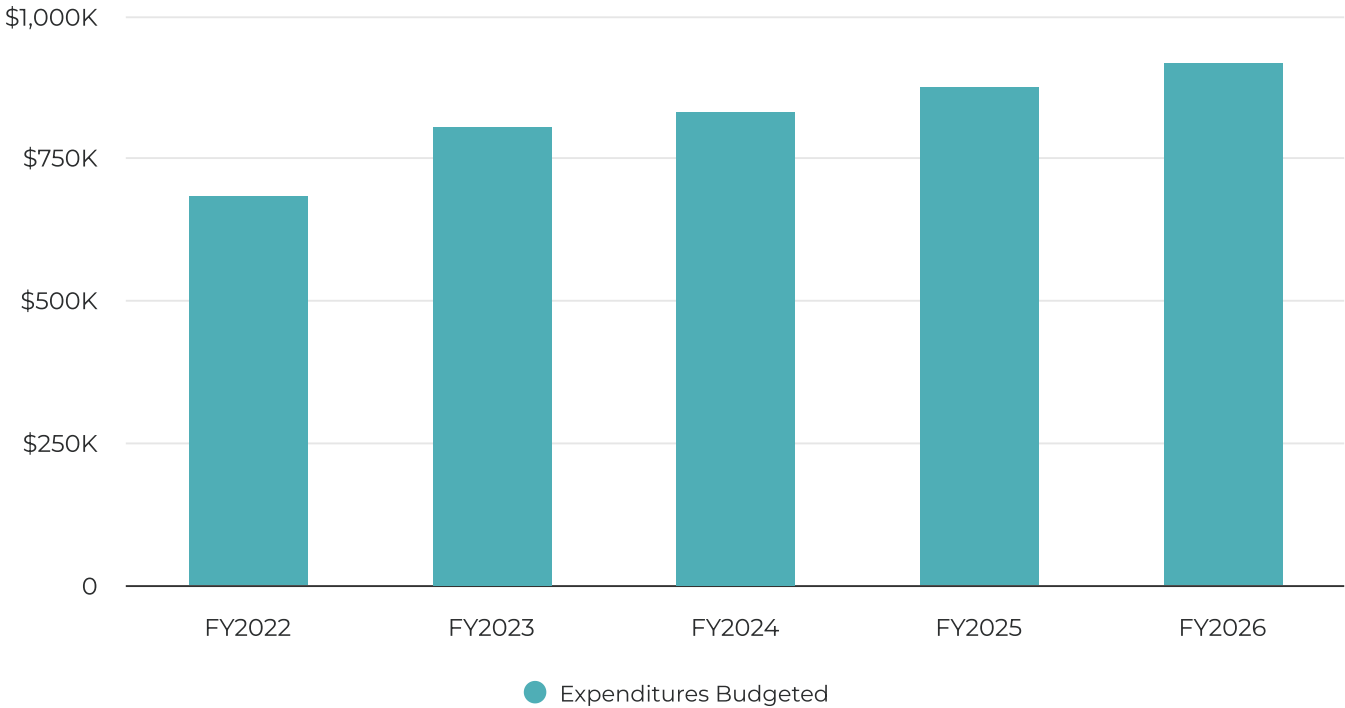
Camps

Department oversees the planning and operations of all AdventurePlex camps, including: Design and management of the AdventurePlex operations for seasonal camps.

The Camp Department is headed by the Youth Services Director.

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$572,411.17	\$595,798.97	4.09%
Program Cost	\$21,454.82	\$21,155.16	-1.40%
Human Resources Cost	\$12,081.65	\$13,166.39	8.98%
Informations System Expense	\$22,350.00	\$18,084.00	-19.09%
Community Relations Cost	\$6,051.84	\$6,051.00	-0.01%
Facilities Expense	\$164,068.92	\$164,069.04	0.00%
Professional Services	\$37,822.08	\$63,016.10	66.61%
Other	\$36,986.71	\$34,792.73	-5.93%
Total Expenditures	\$873,227.19	\$916,133.39	4.91%

Summary of Goals

Goal #1- Physical Health & Brain Health

1. Drop-in play for children and families, 6 days per week to increase physical activity using the “We Make Fitness Fun” model.
2. Provide a variety of activities for children and families each month of the year.
3. Offer ongoing special events for children and families that introduce the AdventurePlex facility and programs.
4. Provides accredited seasonal camps for children throughout the year, offering a health and fitness alternative to the camps prevalent in the South Bay when schools are not in session.
5. Offers comprehensive toddler and parent programming in a state-of-the-art imaginative play area for children ages 0-5.

Department Accomplishments

- Hosted 4,135 drop-in play children.
- Registered 100 Flex Kids Club members who enjoyed a variety of monthly activities.
Offered 144 special events for children at AdventurePlex and hosted 196 birthday parties. Provided accredited seasonal camps for 10,089 campers.
- Offered comprehensive toddler and parent programming in Toddler Town

Objectives by the Numbers

<u>Performance Metrics</u>	<u>FY2023-24 Actual</u>	<u>FY2024-25 Actual</u>	<u>FY2025-26 Projected</u>
Drop-in Play	3,282	4,135	3,573
Special Events	278	144	308
Birthday Parties	187	196	187
Campers	10,159	10,089	11,458

Center for Health and Fitness



Center for Health and Fitness (CHF) is the only certified medical fitness facility in California, one of 45 in the nation. CHF provides affordable, age-appropriate physical activities to assist community members in their efforts to achieve optimal health.

Center for Health and Fitness consists of the following Programs:

- Membership (in-person and virtual) and Group Exercise classes
- Fee-based Services (massage & nutrition)
- Personal Training & Small Group Training
- Medical Fitness Pilates
- Yoga

Operations Department

The Operations Department oversees all the CHF facility operations, including: Membership Services, including recruitment, retention and group exercise classes.

The Operations Department is headed by the General Manager and supported by the Member Services Manager.

Personal Training Department

The Personal Training (PT) Department oversees all personal training, including:

Degreed and certified trainers implement fitness assessments and training sessions to help develop a personalized exercise program for each participant.

The Personal Training Department is headed by the Programs Manager.

Medical Fitness Department

The Medical Fitness Department oversees the implementation of clinical fitness programs to help individuals manage chronic medical conditions, including:

- Pre-habilitation for knee and hip replacement surgeries

- Medical exercise training for diabetes and hypertension

- Medical exercise training for low back pain

- Medical exercise training for osteoporosis

- Medical exercise training for arthritis and total joint replacement
- Cardiac rehab exercise program

The Medical Fitness Department is headed by the Programs Manager.

Pilates Department

The Pilates Department oversees the implementation of Pilates, including: Certified Pilates instructors providing mat and reformer classes to our participants.

The Pilates Department is headed by the Programs Manager.

Yoga Department

The Yoga Department oversees the implementation of yoga, including: Certified yoga instructors providing classes to our participants.

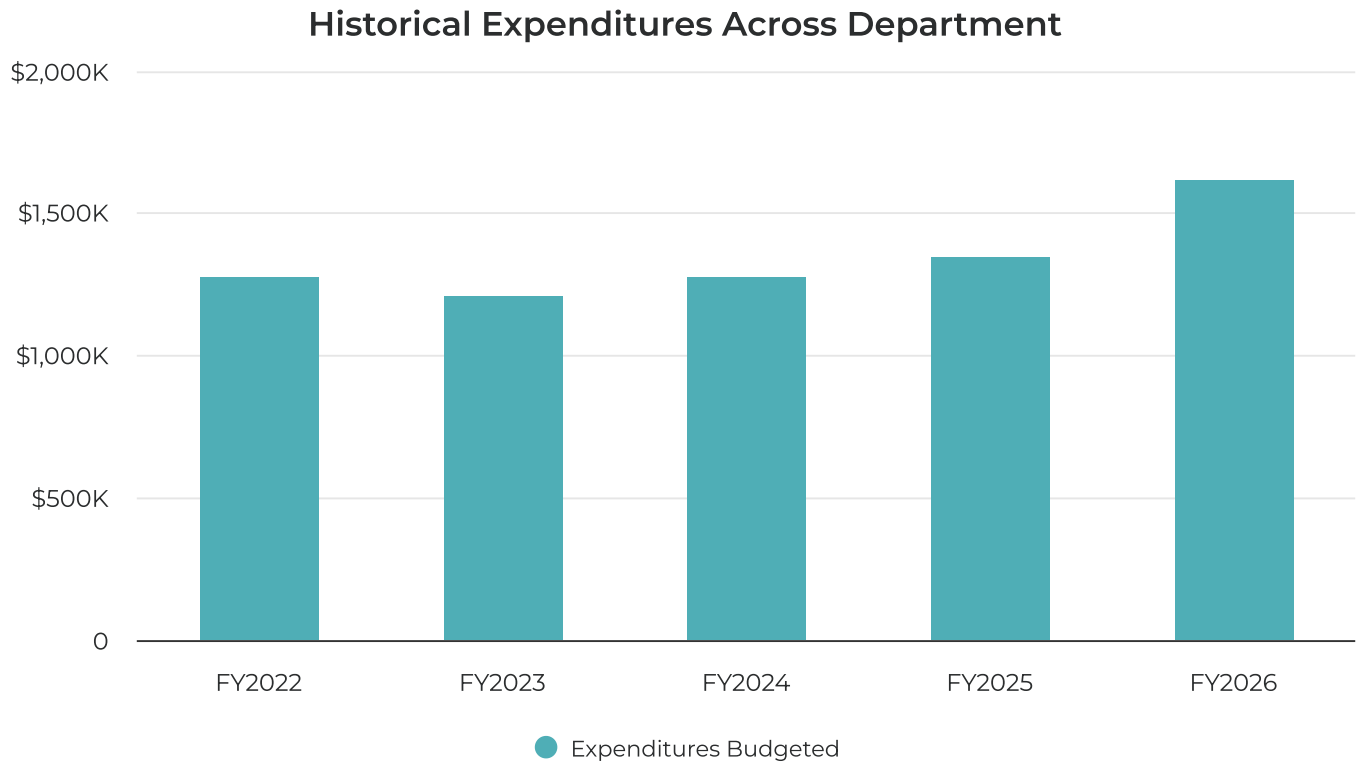
The Yoga Department is headed by the Programs Manager.

Fee-Based Services Department

The Fee-Based Services Department oversees massage and nutrition, including Licensed massage therapist and dietician with degree in nutrition.

The Fee-Based Services Department is headed by the Programs Manager.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$1,026,726.64	\$1,257,320.15	22.46%
Program Cost	\$53,197.08	\$59,386.92	11.64%
Human Resources Cost	\$13,542.45	\$16,296.83	20.34%
Informations System Expense	\$45,875.50	\$39,588.00	-13.71%
Community Relations Cost	\$7,537.08	\$9,199.92	22.06%
Facilities Expense	\$141,990.00	\$141,989.88	0.00%
Professional Services	\$58,995.00	\$95,964.24	62.67%
Total Expenditures	\$1,347,863.75	\$1,619,745.94	20.17%

Summary of Goals

Goal #1 Physical & Brain Health

1. Continue to offer a variety of classes and programs for adults in the beach cities which enhance active aging.
2. Continue to provide personal training services by degreed and nationally certified personal trainers.
3. Continue to implement programming with outcome measurements to track improvements in member's health and fitness parameters.
4. Implement a Medical Exercise Training program led by medical exercise specialists and create partnerships with local physicians and health providers

Department Accomplishments

- Signed up 910 new members.
- Completed 6,156 personal and small group training sessions.
- Served 69,766 Pilates, Yoga, Massage and Nutrition clients.

Objectives by the Numbers

<u>Performance Metrics</u>	<u>FY2023-24 Actual</u>	<u>FY2024-25 Actual</u>	<u>FY2025-26 Projected</u>
New Membership	930	910	968
Personal and SmallGroup Training Sessions	6,244	6,156	6,156
Pilates, Yoga, andFee-Based Participants	59,248	69,766	69,770

Administrative Services



Administrative Services

Under the supervision of Human Resources, Administrative Services strives to assist all BCHD departments in functions of administrative support. Administrative Services coordinates a group of dedicated volunteers to assist in completing support requests from our various departments and provides front-line communications with the public by answering phones, handling walk-ins to ensure community members get the correct information and assistance that is needed. This department oversees District-wide services, such as the coordination of community meeting rooms, janitorial services, office equipment maintenance, emergency planning and coordination. Daily tasks consist of data entry, filing, collating, copying, and assisting with special projects like preparing materials for a community events or lesson delivery for participating elementary schools.

Human Resources

Provides services that promote a work environment characterized by equity, open communication, personal accountability, trust, mutual respect, and fun! Human Resources manages benefits and compensation, employee relations, performance management, recruiting and hiring, regulatory compliance, and training programs. Human Resources also oversees internal safety policies, procedures, and guidelines, ensuring safety is the top priority for staff in alignment with best practices and guidance from the Los Angeles County Department of Public Health, CDC, and OSHA. BCHD is proud to have been recognized for our award-winning work culture by receiving national recognition as 'a psychologically healthy workplace' from the American Psychological Association and ranked one of the best places to work by Modern Healthcare, Outside Magazine, and Los Angeles Business Journal.

Volunteer Management

A volunteer corps of typically more than 1,200 people participated in 30 volunteer programs, contributing approximately 32,000 hours of service to the beach cities community. BCHD recognizes volunteering as a community health program; some health benefits include lower rates of depression, and higher rates of life satisfaction while increasing life expectancy. Volunteering provides groups and individuals opportunities to utilize their gifts, talents, and passions throughout the variety of District programming, including:

Volunteering with Youth through our partnerships with beach cities elementary schools to deliver nutrition and garden education or tend to school gardens in preparation for lesson delivery. Volunteers can also be found at Adventure Plex, our fitness center created especially for young people, where kids play their way to good health. allcove Beach Cities a youth wellness center offering mental and physical health resources, education and employment counseling, peer and family support, and substance-use prevention programs – also provides opportunities to volunteer for youth in a youth forward setting.

Volunteering with Adults by providing administrative support to departments, staffing front desks, serving on committees, working on special projects, supporting community events, and even helping recruit and place new volunteers! Volunteers can also be found at the Center for Health & Fitness, providing a warm and welcoming experience to all members and guests.

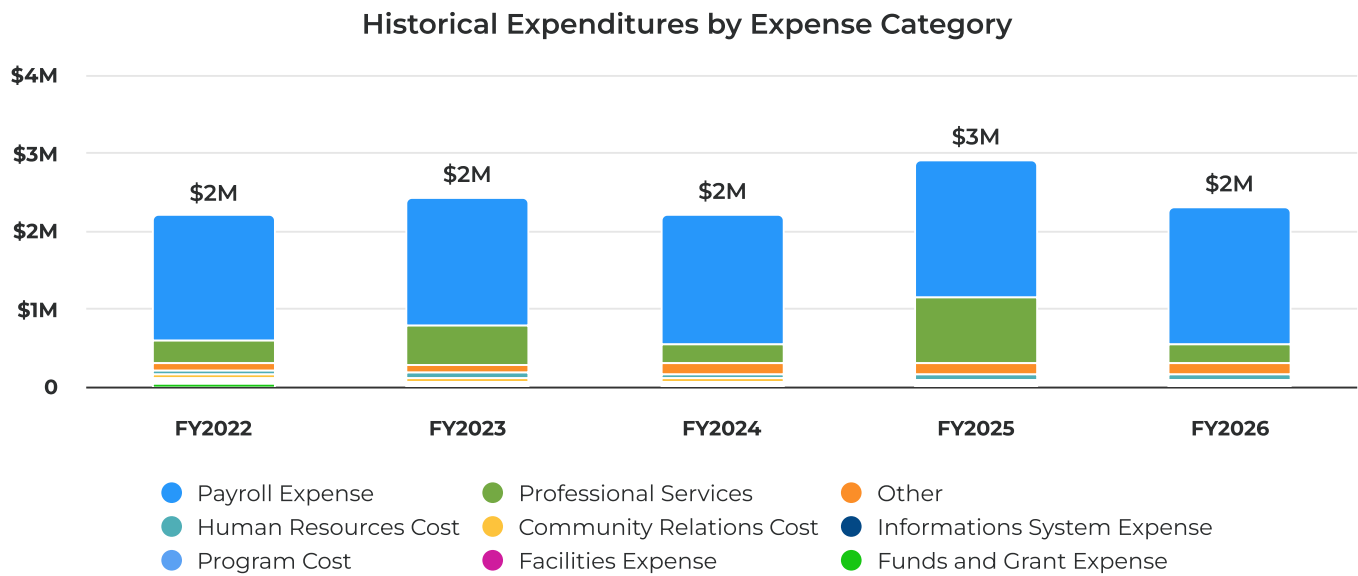
Volunteering with Seniors by keeping beach cities older adults and adults with disabilities healthy and independent in their homes for as safe and as long as possible. Volunteers provide activities such as running errands, providing social visits, coaching seniors through simple exercises for strength and balance training, and conducting structured activities for clients with memory impairment.

Financial Services

Provides support for the general ledger, accounts payable and receivable, payroll, financial reporting, treasury, and leads the annual budget process. By maintaining accounting controls, delivering best practices on budgeting, and implementing the District's commitment to meet the highest standards of governmental budgeting and reporting,

the department protects BCHD from audit or accounting control discrepancies. On a monthly basis, Finance provides the management of all departments with a budgetary variance report. In addition, treasury and financial results reports are provided to the CEO, the elected Board of Directors and the community in the monthly Treasurer’s Report published in the Board Meeting packets.

Expenditures by Expense Category



Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$1,766,110.23	\$1,772,618.92	0.37%
Program Cost	\$15,590.00	\$13,938.00	-10.60%
Human Resources Cost	\$62,333.39	\$63,742.25	2.26%
Informations System Expense	\$18,600.00	\$19,200.00	3.23%
Community Relations Cost	\$46,200.00	\$39,900.00	-13.64%
Facilities Expense	\$14,500.00	\$15,116.00	4.25%
Professional Services	\$850,800.00	\$249,000.00	-70.73%
Other	\$134,551.63	\$138,911.00	3.24%
Total Expenditures	\$2,908,685.25	\$2,312,426.17	-20.50%

Finance

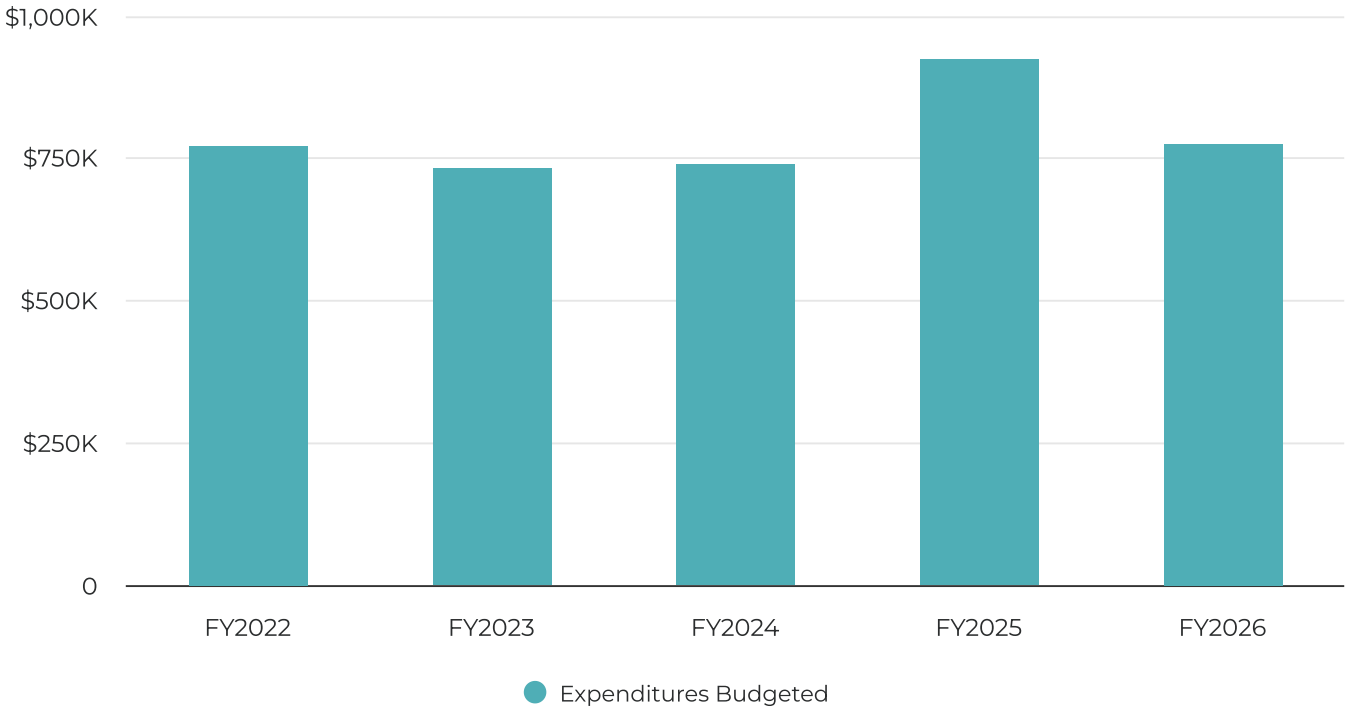
Finance is comprised of the following sub-departments:

1. Accounting
2. Financial Reporting
3. Treasury
4. Budget & Audit



Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$610,972.26	\$615,806.64	0.79%
Program Cost	\$3,240.00	\$3,240.00	0.00%
Human Resources Cost	\$7,048.35	\$7,288.98	3.41%
Informations System Expense	\$18,500.00	\$19,100.00	3.24%
Community Relations Cost	\$6,200.00	\$6,200.00	0.00%
Facilities Expense	\$1,600.00	\$1,600.00	0.00%
Professional Services	\$253,300.00	\$102,100.00	-59.69%
Other	\$21,600.00	\$21,600.00	0.00%
Total Expenditures	\$922,460.61	\$776,935.62	-15.78%

Summary of Goals

Goal #1-Transparency

Objective C.1-

- Provide all program managers, department heads, CEO and Board of Directors the monthly budget-to-actual variance reports and analysis.
- Direct preparation of all financial reporting, including the annual operating budget and Annual Comprehensive Financial Report. Prepare the Adopted Budget document by September each year for submission to the GFOA and awards program.
- Prepare the Annual Comprehensive Financial Report by December each year for submission to the GFOA Award program.
- Prepare and submit annually to the State Controller the Financial Transactions Report and the Government Compensation Report. Monthly reporting, accounting and controls for Capital expenditures.
- Cash flow and investment portfolio management.
- Grant management.
- Coordinate annual audit of the District and special audits of Federal, State, and LA City funds.
- Process payroll and employee benefits bi-weekly.
- CalPERS (Pension and OPEB) administration. 457(b) Deferred Compensation Plan Administration.
- Contract and risk management.
- Build automations and efficiencies. Maintain compliance.
- Manage public records requests.

Department Accomplishments

- Produced FY 2024-25 annual budget report and submitted to CSMFO and Government Finance Officers Association (GFOA)
- Received the 6th consecutive Distinguished Budget Presentation Award; (1st submission was in 2019) from GFOA and the 6th excellence award from CSMFO.
- Completed FY23-24 independent audit, an unqualified opinion is issued with no findings.
- Produced the annual operations budget for FY25-26 and Priority-Based Budget for FY 2025-26 using Resource-X Software in conjunction with Prospero Budgeting Software.
- Obtained a certification of the District's investment policy from California Municipal Treasurer's Association (CMTA) with a total score of 98.67 out of 100. This Investment Policy Certification recognizes that CMTA has validated that the Beach Cities Health District's Investment Policy adheres with the State of California Government Code and meets the program requirements within 18 different topic areas deemed to be best practices for investment policies.
- Produced FY 2023-2024 Annual Comprehensive Financial Report and received an award from the Government Finance Officers Association.

Objectives by the Numbers

<u>Performance Measures</u>	<u>FY2023-24 Actual</u>	<u>FY2024-25 Actual</u>	<u>FY2025-26 Projected</u>
Produce an Annual Comprehensive Financial Report and submit it to the GFOA award program. Receive a Certificate of Achievement for Excellence in Financial Reporting Program (COA).	Produced ACFR and submitted it for the GFOA award. Received a Certificate of Achievement for excellence for 7th Consecutive years.	Award submittal	Award submittal
Produce a budget, submit it for peer review. Received recognition for the CA Society of Municipal Finance Officers (CSMFO) Operating Budget Excellence Award.	Produced the budget and submitted it for peer review. The budget was not submitted for the CSMFO award.	Produced the budget and submitted it for peer review and CSMFO award. Received the 6th Excellence Award after receiving Meritorious Budgeting awards for 12 consecutive years.	Award submittal
Submit budget to the Government Finance Officers Association for peer review, receive recognition for the Operating Budget Award.	Applied for and received the Distinguished Budget Presentation Award for the 5 th time.	Applied for and received the Distinguished Budget Presentation Award for the 6 th time.	Award submittal
Complete an independent audit and with an unqualified opinion.	Audit Completed. Unqualified audit opinion anticipated	Unqualified audit Opinion is anticipated	Unqualified audit Opinion is anticipated
Automation to enhance Finance Department effectiveness and efficiencies	Fully implemented and finalized procedures for Priority-Based Budgeting (PBB) software Resource-X.	Fully implemented Clear-Gov budget Software makes the production of the budget more efficient.	Create an efficient workflow for Section 501(c)(3) Beach Cities Health Foundation .
Compliance	Finalized procedures for CUPPCA.	Implemented HIPAA and finalized procedures for HIPAA.	Formalize and strengthen IT Controls that protect the district's financial data and information
Payroll and Benefits	Reviewed the 457B plan and proposed a new provider – Lincoln Financial	Implemented 457B plan with Lincoln Financial. Set up vendor connect between ADP and Lincoln Financial.	Review and revise the current Cafeteria plan offered to employees to make it more comprehensive based on the current health insurance market and trends.

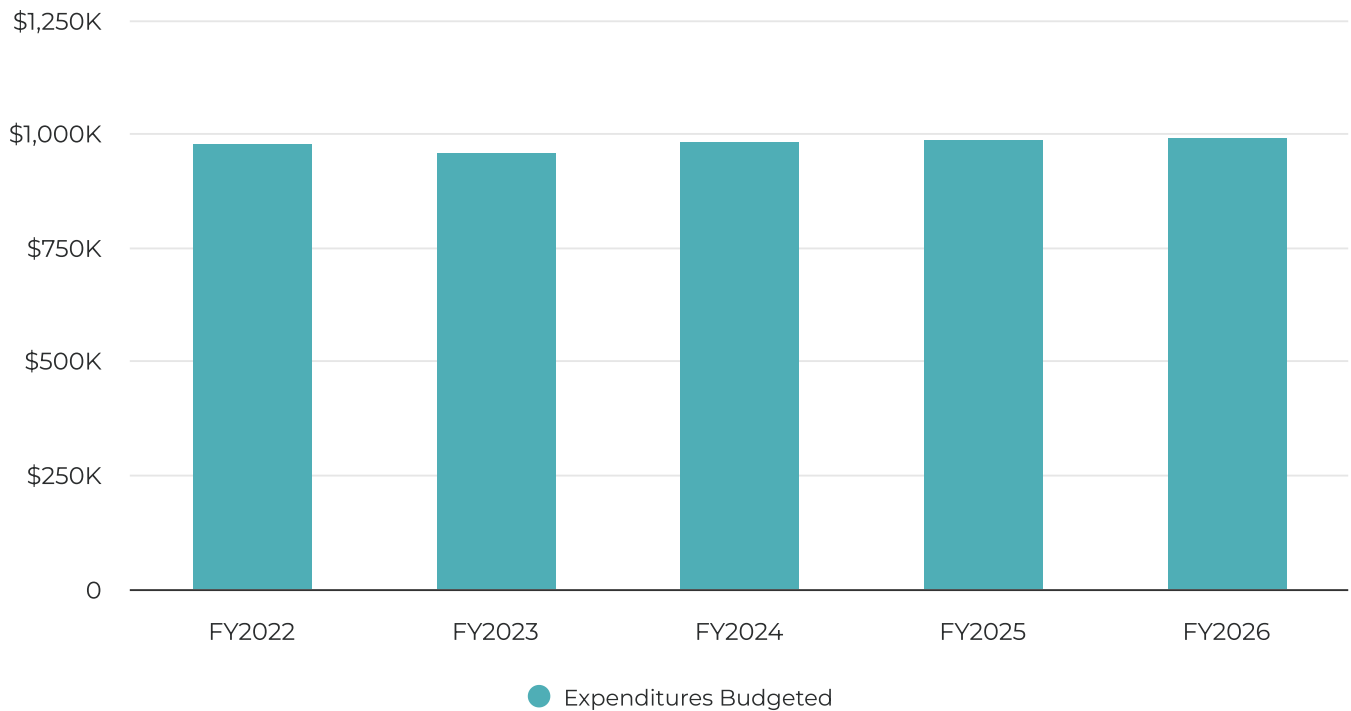
Human Resources, Volunteer, and Administrative Services

The Human Resources department develops and executes human resource strategy in support of the overall business plan and strategic direction of the District, specifically in the areas of talent management (employees and volunteers), diversity, equity and inclusion, workforce planning, organizational and systems alignment, executive coaching, training and development, change management, emergency management, risk management, compensation, benefits, Administrative Services, and HR transactional functions.



Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$843,170.92	\$859,554.23	1.94%
Program Cost	\$12,825.00	\$12,825.00	0.00%
Human Resources Cost	\$63,490.71	\$59,807.15	-5.80%
Informations System Expense	\$2,020.00	\$2,020.00	0.00%
Community Relations Cost	\$24,335.00	\$19,535.00	-19.72%
Facilities Expense	\$12,900.00	\$13,516.00	4.78%
Professional Services	\$14,700.00	\$9,400.00	-36.05%
Other	\$1,760.00	\$1,760.00	0.00%
Funds and Grant Expense	\$10,000.00	\$10,000.00	0.00%
Total Expenditures	\$985,201.63	\$988,417.38	0.33%

Summary of Goals

Goal #1 — Human Resources

Execute a recruitment strategy that focuses on hiring the best fit for positions with an emphasis on internal promotion wherever possible. Assess BCHD employee engagement through a holistic approach (e.g., surveys, task force) to effectively measure employee engagement in a collaborative and meaningful process for all employees.

Execute HIPAA rollout for applicable programs (e.g., care management, Center for Health & Fitness) Submit application for and achieve awards that recognize BCHD's organizational culture.

Maximize efficiencies for support by centralizing requests for Human Resources services and executing departmental help requests.

Goal #2 — Volunteer Services

Coordinate the following volunteer programming:

- allcove Beach Cities Volunteer Programs
- AdventurePlex Volunteer Programs
- BCHD Public Health AmeriCorps program
- Center for Health & Fitness Volunteer Programs
- Community Services In-Home Support Volunteer Programs ▫ Health Promotion / Communications Volunteer Programs
- Volunteer Support Programs
- Well Being Services Volunteer Programs
- Youth Services School-Based Volunteer Programs

Continue to serve as a placement site for Public Health AmeriCorps members to complete their year of service

Fundraise and execute the

Holiday Gift Bag program to deliver holiday gift bags and grocery gift cards to identified care management clients during the month of December.

Host BCHD Beach Cities Volunteer Day to engage local partners and individuals in preparing LiveWell Kids gardens for upcoming school programming.

Structure volunteer programming as a community health program, so volunteers who engage in more than 100 hours of service each year derive the highest amount of health benefits from volunteering.

Offer volunteer opportunities that provide service delivery or capacity building in a scalable and cost-effective manner to support the District's overall strategic plan.

Increase the District's capacity to offer programs and services through a robust internship program. Conduct process for reaccreditation for Volunteer Services as a Service Enterprise

Goal #3- Administrative Services

Ensure BCHD facilities and operations are in compliance with all safety measures and protocols as well as completing requests for safety assistance and needs from the Safety Committee

Execute grant funding to develop a Local Hazard Mitigation Plan (LHMP)

Continue collaboration with beach cities emergency coordinators and Area G emergency response representatives to align emergency plans and support during a local disaster.

Ensure BCHD Emergency Operations Plan is reviewed annually and updated to meet current and future needs of the District. Maximize efficiencies for support by centralizing requests for Administrative Services and executing departmental help requests

Department Accomplishments

Human Resources:

- Implemented staff promotions / reclassification / salary adjustments for FY24-25
- Hired 19 new employees in FY23-24, with 83.33% of open professional positions filled by internal candidates.
- Completed FY24-25 performance appraisal process and 6-month performance goals. ◦ Coordinated Open Enrollment, including café dollar increase recommendation.
- Completed the following initiatives on the DEI Task Force work plan:
 - DEI taskforce collaborated with the South Bay Community Coalition Against Hate to host an event at allcove on 9/21/24 for International Peace Day.
 - Prepared the DEI advocacy statement for board review and approval and received approval
 - DEI Task Force collaborated with allcove Beach Cities staff in a whiteboarding session to brainstorm and develop an action plan to identify opportunities to enhance equity in the celebration of holidays, recognitions, and causes within allcove.
- Conducted BCHD's annual employee engagement survey by way of a task force that also analyzed findings and implemented recommendations.
- Conducted 360 review assessments for all management staff.
- Hosted anti-harassment training for all staff and annual HIPAA refresher training for applicable staff.
- Awarded the #7 Ranking on *Modern Healthcare's Best Places to Work in Healthcare* for 2024, that recognizes outstanding employers in the healthcare industry on a national level.
- Responded to 408 help desk ticket requests from staff for support (e.g., benefits, recruitment, employee changes, COVID testing, leaves of absence).

Volunteer Services:

- Coordinated 1,275 volunteers (including 31 families and 19 community partner organizations) that donated 31,763 hours of service, equating to a monetary value of \$1,274,972.
- Provided 97 older adult care management clients support through Brain Buddies, Conversation Companions, and Errand Volunteer programs.
- In partnership with L.A. Works, recruited and coordinated 9 Public Health AmeriCorps members that contributed 4,454 hours to the District through allcove, Community Services, Well Being Services and Volunteer Services programming focused on mental health and substance use.
- Hosted Beach Cities Volunteer Day in support of the LiveWell Kids Garden Program at 11 Redondo Beach and Hermosa Beach elementary schools, where 120 volunteers and 14 organizations showed up to prepare school gardens for the coming school year.
- Hosted 26th annual Holiday Gift Bag Project where 254 seniors received gift bags delivered by 130 community members; \$10,491.51 was fundraised from 61 donors.
- Achieved 53 volunteers reaching over 100 hours of service during FY24-25.
- Launched the "We Love Our Volunteers" campaign during National Volunteer Appreciation Week with a newsletter e-blast and daily social media posts highlighting volunteers and their contributions made to the beach cities community, and hosted an in-person social hour with the community and volunteers.
- Placed 24 interns across Community Services, Communications, Center for Health & Fitness, Well Being Services, allcove Beach Cities, Youth Services and Human Resources.
- Conducted the Volunteer Engagement Survey to assess and benchmark the overall volunteer experience at BCHD, including:
 - 98% of volunteers surveyed agreed with the statement: "Overall, volunteering has impacted my health and well-being for the better."
 - 99% of volunteers surveyed who agreed with the statement: "My volunteer assignment makes an impact on BCHD's vision of a healthy beach community."
- Hosted the annual Volunteer Recognition Brunch to honor the achievements of BCHD volunteers, spotlighting Core Value award winners for above-and-beyond commitment to their community.

Administrative Services

- Worked with consultants to develop BCHD's Local Hazard Mitigation Plan, which was adopted by the Board of Directors and approved by both CalOES and FEMA.
- Hosted annual Workplace Violence prevention training for all staff and included in-person Stop the Bleed training.

- Conducted annual Disaster Service Worker refresher training for all staff.
- Updated BCHD Injury & Illness Prevention Program and added to the employee HRIS software and the Employee Dashboard.
- Hosted quarterly Safety Committee meetings where safety policies and procedures are annually reviewed and updated (e.g., evacuation plans, active shooter protocols, safety inspection forms), first aid kits and emergency supplies replenished, and incident logs reviewed.
- Coordinated BCHD's participation in the Great Shakeout Earthquake Drill where employees practiced what to do during an earthquake and evacuation procedures and reminded to conduct an annual review of their personal emergency plans and kits.
- Completed 370 help desk ticket requests from staff for administrative support (e.g., event preparation, phone calls, printing / copying).

Objectives by the Numbers

<u>Performance Metrics</u>	<u>FY2023-24</u> <u>Actuals</u>	<u>FY2024-25</u> <u>Actuals</u>	<u>FY2025-26</u> <u>Projected</u>
Execute recruitment strategy that focuses on hiring best fit for positions, with an emphasis on internal promotion wherever possible.	Hired 22 employees 3 full time 19 part- time/ temporary	Hired 19 employees 1 full time 18 part- time/ temporary	Based upon organizational need
Assess BCHD employee engagement through a holistic approach (e.g., surveys, task force) to effectively measure employee engagement in a collaborative and meaningful process for all employees.	Voluntary turnover rate =12.9% Average tenure of administrative staff = 7.18 years Average tenure of part-time staff = 11 Overall score on Gallup Q12 engagement questions = 86.7 out of 100 (national average = 33)	Voluntary turnover rate =5.5% Average tenure of administrative staff = 7.48 years Average tenure of part-time staff = 11.71 Overall score on Gallup Q12 engagement questions = 85.6 out of 100 (national average = 31)	Below industry standard (around 20%)
Submit an application for and achieve awards that recognize BCHD's organizational culture.	Awarded Best places to work in Health Care for the 6th time	Best Places to Work in Healthcare Award received from Modern Healthcare for 13th time Exact rating will be revealed in October 2025	Achieving ranking (out of 100) for Modern Healthcare's Best Places to Work
Structure volunteer programming as a community health program, so volunteers derive the highest amount of health benefits from volunteering.	48 volunteers Reaching over 100 hours of service, 97% of volunteers surveyed agree volunteering has impacted their health for the better. 98% of volunteers surveyed agree their volunteer assignment makes an impact. 2.73 years average length of volunteer service	53 volunteers reached over 100 hours of service. 98% of volunteers surveyed agree volunteering has impacted their health for the better. 99% of volunteers surveyed agree their volunteer assignment has an impact. 2.65 years average length of volunteering service	> 50 volunteers reaching 100 hours of service >90% agree with survey results >3 years average length of volunteer service

Offer volunteer opportunities that provide service delivery or capacity building in a scalable and cost- effective manner to support the District's overall strategic plan	1,611 volunteers, 28,738 hours of service, \$1,109,590 equivalent of donated time 35 families engaged in volunteer service 22 community partners engaged in volunteer service	1,275 volunteers, 31,763 hours of service, \$1,274,972 equivalent of donated time 31 families engaged in volunteer service 19 community partners engaged in volunteer service	<1,000 volunteers <30,000 hours of service <\$1,000,000 equivalent of donated time <30 families engaged in volunteer service <25 community partners engaged in volunteer service
Continue to serve as a placement site for Public Health AmeriCorps members to complete their year of service	6 AmeriCorps Members 4,787 hours contributed to BCHD programs	9 AmeriCorps Members 4,454 hours contributed to BCHD programs	N/A- due to Federal budget cuts, this program has been discontinued
Increase District's capacity to offer programs and services through a robust internship program	26 interns 4,904 hours contributed to BCHD programs	24 interns 4,639 hours contributed to BCHD programs	>20 interns >4,000 hours contributed to BCHD programs
Maximize efficiencies for support by centralizing requests for services and executing departmental help requests.	HR help desk requests = 404 Admin Services help desk requests = 452	HR help desk requests = 408 Admin Services help desk requests = 370	Dependent upon organizational needs
Ensure BCHD facilities and operations follow all safety measures and protocols as well as complete requests for safety assistance and needs from the Safety Committee	Workers Compensation Ex-Mod Factor = 1.27	Workers Compensation Ex-Mod Factor = 1.17	<1.25 Workers Compensation Ex-Mod Factor

Property

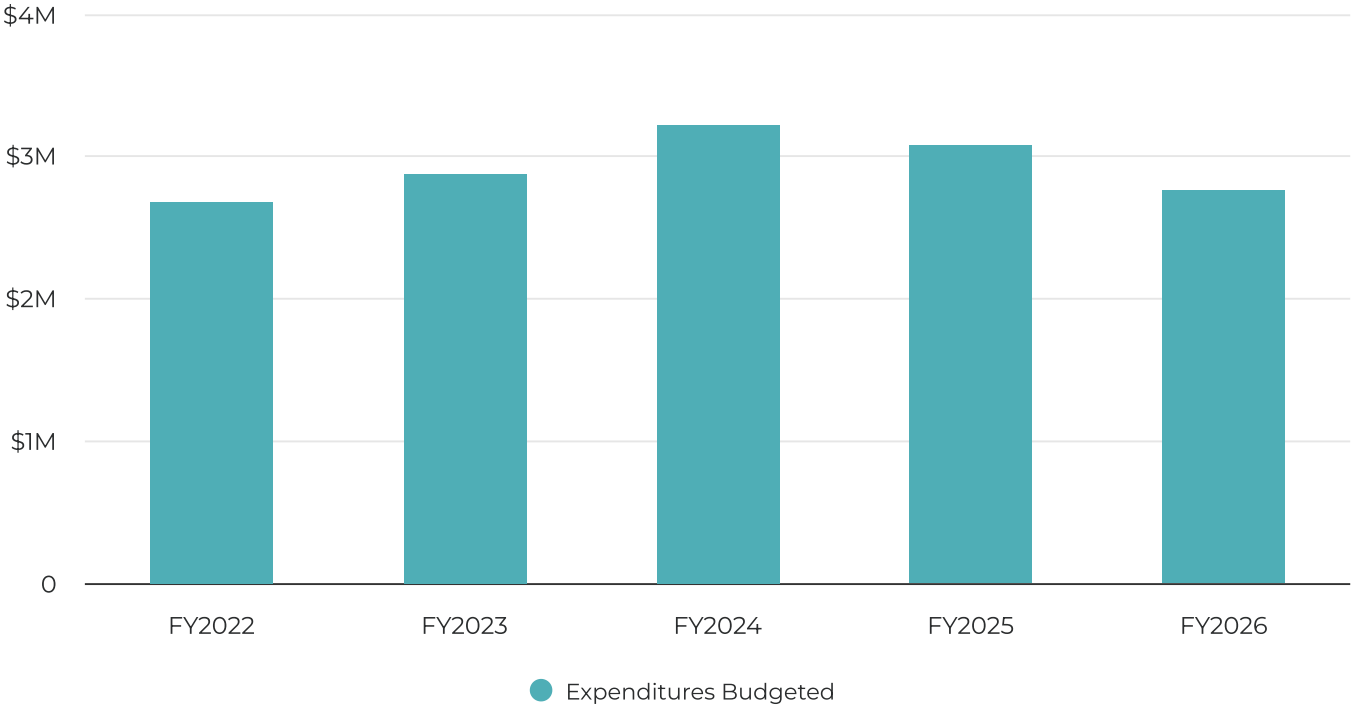


Managed by a project consulting team (Project Team), consisting of the Beach Cities Health District (BCHD) CFO, CBRE -commercial real estate services, BCHD Administration Department, and support from on-site property management firm overseeing the 510, 512, 514 and 520 Norther Prospect Avenue, Redondo Beach, CA buildings and Adventure Plex in Manhattan Beach, CA. This Project Team is responsible for the various BCHD properties to ensure that building standards are maintained for safety, comfort, and operating requirements.

The BCHD CFO and CBRE-commercial real estate services also manage the District Property development projects, the Healthy Living Campus (HLC) and the construction of the permanent allcove Beach Cities Youth Wellness Center in coordination with the BCHD CEO and CFO.

Expenditure Summary

Historical Expenditures Across Division



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$161,788.17	\$165,752.57	2.45%
Program Cost	\$6,000.00	\$6,000.00	0.00%
Human Resources Cost	\$487.26	\$562.91	15.53%
Facilities Expense	\$1,588,638.80	\$1,556,253.00	-2.04%
Professional Services	\$579,487.24	\$661,366.00	14.13%
Other	\$734,843.74	\$363,039.35	-50.60%
Total Expenditures	\$3,071,245.21	\$2,752,973.83	-10.36%

Summary of Goals

- Oversight of 514 Prospect Avenue campus, which is managed by Charles Dunn Real Estate.
- Lease management, approximately \$3.0 million of District funding.
- Manage off-campus District properties. Complete the annual Capital Budget.
- Execute the District Capital Projects.

Department Accomplishments



New energy efficient heat pump hot water heaters were installed at Adventureplex. The work was organized through a non-profit net zero energy coalition and funding was provided through a grant from the Southern California Regional Energy Network (SoCalREN). Old out dated equipment was replaced with new modern equipment to provide reliable hot water for the occupants in this facility for years to come.

Large areas of Adventureplex perimeter fence were replaced due to long-term deterioration of the metal components. Scope of work included fence removals, new foundations, posts, new factory painted metal fence sections field welded to the existing fence. This fence provides needed security around outdoor activity areas and will continue to be monitored for any future corrosion.

Waterproofing repairs were completed at Adventureplex. A small area at the Gymnasium had water intrusion issues. Some of the flooring was replaced and a water barrier coating was added to exterior wall. Windows were also re-sealed. Work will also extend to perimeter exterior wall footing.



Three bids were received for ongoing landscaping maintenance for the property, including District-owned areas of the adjacent hillside at the new Bike Path. The winning landscaping firm will provide ongoing ground maintenance around each building and focus on the hillside, including the new planting along the Diamond Street Bike Path on BCHD property.



New section of metal fence was installed at the bottom of the 514 hillside near the new Bike Path. A small section of fencing had to be removed last year for the installation of a new water meter. This fence section will now keep the fence line continuous at this area of the hillside along Diamond Street. Access to meter for Cal Water at Daimond Street will be maintained.



BCHD Peace Pole was installed near the 514 Community Garden outside the central plant. It is an international message of peace with over 250,000 Peace Poles in every country in the world, dedicated as monuments to peace. A Peace Pole is an internationally recognized symbol of the hopes and dreams of the entire human family, standing vigil in silent prayer for peace on earth.

514 N. Prospect Major Capital Improvements

▪ Cooling Tower – Replace Main Pump
▪ Condenser Water Pump Replacement.
▪ Supply Fan #1 - Major Repairs. Replacement of Metal Enclosure
▪ Large 30 Inch section of piping was replaced at central plant
▪ Fan was replaced at 2nd floor.
▪ Large 15 HP fan motor was replaced

- Surge Tank Pump was replaced
- Water pump was replaced at deaerator.
-

514 N. Prospect Major Maintenance Projects & Repairs

Mechanical (HVAC)

- Repairs to large piping in tunnel at 514 central plant.
- Piping replaced at boiler #2.
- Large supply fan #8 was repaired included new major rebuilding for fan motor.
- 2" steam line was replaced at central plant
- New steam regulator was installed on the DA (deaerator) tank associated for boiler #3.
- Return fan for Air Handler #8 was repaired after showing a loud grinding sound.
- 8 feet of 2" black iron pipe was replaced at boiler room.
- Copper piping for steam system was replaced.
- Brass check valve for the steam blow-off system was replaced.
- Emergency repairs were needed for Chiller #1.
- Emergency repairs were needed for Chiller #2

Plumbing Major Repairs

- Bidding process has been implemented for a new hot water supply system that would replace the current outdated large water tank at central plant. A new hot water heater will provide added efficiency and will mitigate future risks associated with the existing tank. BCHD is also exploring energy rebates & grant opportunities to provide funding for this scope of work.
- Repairs to large piping in tunnel at 514 central plant.
- Plumbing repairs were made to 1st floor surgery room, hand wash station and the 2nd floor men's locker room.
- The hot water circulating pump was rebuilt.
- 2" copper piping replaced at Hot Water Turbines

Electrical

- Generator repairs were completed. Work included faulty engine air blower on power pack .
- Fire alarm panel system was repaired, tested and evaluated.

Other Improvements

- Building and code upgrades were completed at former CDC space at lower level of 514 building. This modification will accommodate new occupancy requirements for the current tenant who plan to operate a live theater venue.
- 1200 Del Amo IT Room Cooling System Upgrades
- Sunrise Senior Living Hermosa Beach – Solar Project Completed
- Painting of loading dock area of 514 Building
- Elevator controls were repaired at 2nd floor.
- Large air conditioning package unit was replaced at the 510 Building
- Emergency Generator at 520 Building was replaced.
- Trees were removed and trimmed at north-west parking area.
- Large make-up air grills were replaced at 520 parking levels.
- Main exterior main entry door was repaired
- Elevator machine brake drum shaft was repaired
- Irrigation repairs and dead tree removals were made to the grounds.
- Elevator upgrades completed for 520 Building

Objectives by the Numbers

<u>Performance Metrics</u>	<u>FY2023-24</u> <u>Actual</u>	<u>FY2024-25</u> <u>Actual</u>	<u>FY2025-26</u> <u>Projected</u>
SQ FT Managed	246,000	246,000	246,000
Lease Revenue (prior GASB 87)	\$5,268,000	\$4,824,000	\$4,078,000
Capital Expenditures (Net)	\$1,240,000	\$1,072,000	\$3,579,000

Support and Other Program Services

Support comprises the following component areas:

Executive. The CEO and administrative staff provide leadership and guidance to help departments and staff maintain BCHD's mission, vision, and goals. Centralized administrative services support all District staff.

Partnerships and Innovation. Identifies, incubates and implements opportunities for innovation across the lifespan, including funding models, healthcare system integration, public policy and technology and data applications through a public health framework. Engages with community stakeholders, corporate partners, and local, state and federal elected officials to build strong, productive partnerships and identify opportunities for collaboration and financial sustainability. Leads efforts of Beach Cities Health Foundation and its charitable giving strategy.

Health Promotions and Communications. Provides all aspects of communications to District staff and Board members. The Department ensures that Beach Cities Health District's Programs and Services are represented in a manner that conveys our preventive health mission to the community we serve. The Department handles health promotion, media relations, graphic design, copywriting, copyediting, marketing communications, social media, promotions, partnerships, advertising, branding, creative content – including videos – for internal and external web sites, critical communications, and publishing of the District's LiveWell magazine and annual report. The Department oversees the District's community relations involvement with local business and service organizations and through participation in community events and fairs.

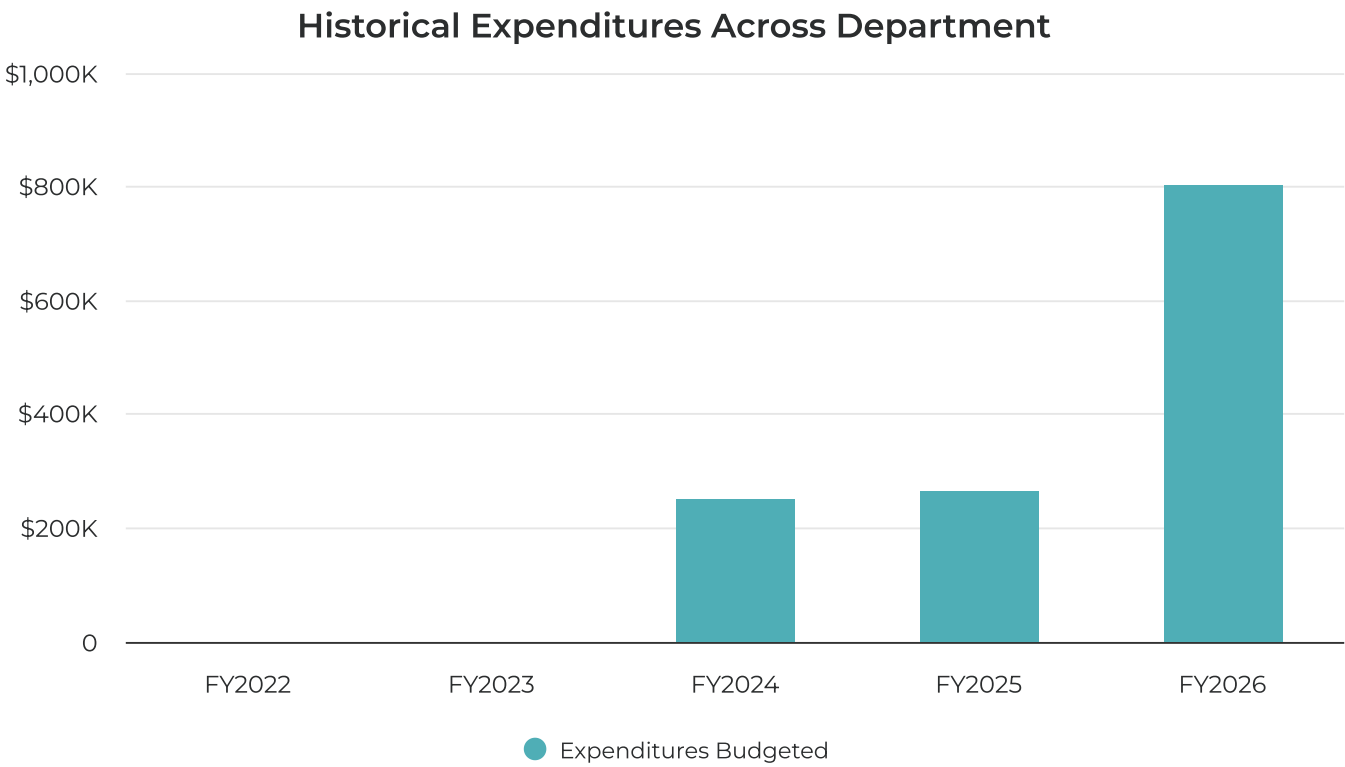


Information Technology (IT) maintains BCHD's computers, telecommunications, business application software, and network connections by supporting staff, configuring devices, troubleshooting problems, and providing long-term strategic planning. With Cyber Security in the forefront of daily operations, the District's IT Department is finalizing the transition into a Cloud network that allows for better, faster, and more secure IT platforms to ensure improved operating efficiency, HIPAA compliance and improved Cyber Security. IT together with HR manages Artificial Intelligence (AI) by setting up policies and procedures for the District's staff.

Partnerships and Innovation

- 1. Consolidate BCHD's grant writing, fundraising, innovation and partnership opportunities to maximize revenue generation.
- 2. Pursue business development opportunities, including specific risk-sharing or payment models that will compensate BCHD to support existing infrastructure and programs that are dedicated to enhancing access to behavioral health services.
- 3. Pursue potential grant opportunities to seek funding for innovation or current BCHD programming.
- 4. Ensure sustainability of grant-funded innovation with continuing business strategies to secure ongoing funding or to generate new revenue.
- 5. Implement charitable giving strategy through Beach Cities Health Foundation.

Expenditure Summary



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$259,907.64	\$721,184.40	177.48%
Human Resources Cost	\$3,812.02	\$7,645.88	100.57%
Community Relations Cost	\$1,000.00	\$2,668.33	166.83%
Professional Services	-	\$71,280.00	-
Total Expenditures	\$264,719.66	\$802,778.61	203.26%

Summary of Goals

Goal #1-People and Partnerships

Serve as a leader, convener and backbone of the organization to address the community’s health priority areas.

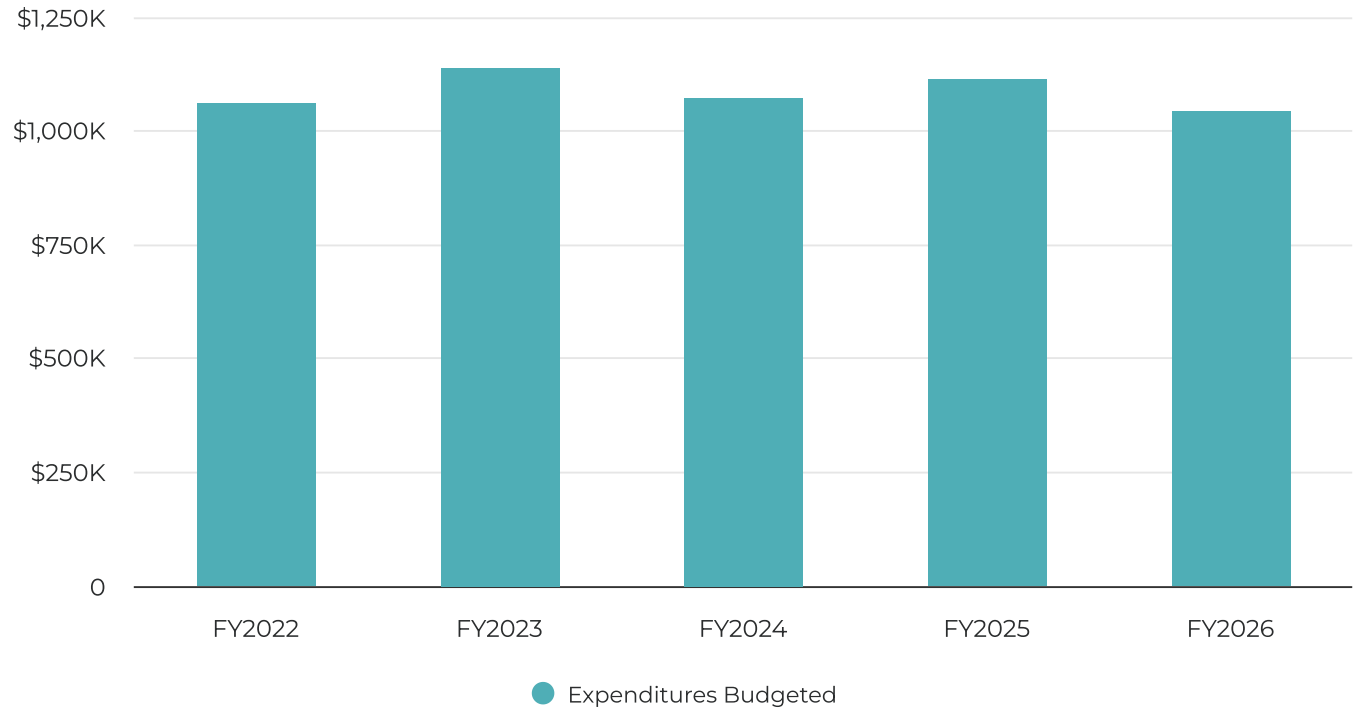
Objectives by the Numbers

Performance Metrics	FY2023-24	FY2024-25	FY 2025-2026
	Actual	Actual	Projected
Grant Applications Completed	10	4	9
Revenue Generated	\$1,742,733	\$617,498	\$1,375,000

Health Promotions

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$777,463.83	\$761,432.70	-2.06%
Program Cost	\$7,490.00	\$5,550.00	-25.90%
Human Resources Cost	\$8,922.86	\$4,639.32	-48.01%
Informations System Expense	\$39,800.00	\$4,800.00	-87.94%
Community Relations Cost	\$230,065.00	\$180,692.00	-21.46%
Professional Services	\$50,170.00	\$86,601.00	72.62%
Total Expenditures	\$1,113,911.69	\$1,043,715.02	-6.30%

Summary of Goals

- **District Goal A: Programs & Services**
 - **Objective A.1.2** Physical Health Objectives
 - **Program Goal**
 1. Host Free Fitness Series

- **District Goal C: Transparency** - Further the District's standing as a trusted and valued community resource
 - **Objective C.2** Strengthen community awareness and engagement by developing and implementing a proactive outreach plan to deepen the community's understanding of what BCHD is, how programs and services are benefiting residents, and how the Health District's funding model and real estate holdings impact programs and services.
 - **Program Goals**
 1. Educate and engage residents around preventive health and deepen the community's awareness and understanding of BCHD's mission and how the programs and services provided are benefiting residents.
 2. Represent BCHD at community events to build and maintain relationships.
 3. Provide health promotion and communication support for BCHD's programs and services.

Make accessing information and resources on bchd.org easy and intuitive

Department Accomplishments

- Hosted Free Fitness Series in Hermosa Beach (4 yoga classes), Manhattan Beach (4 yoga classes) and Redondo Beach (4 Zumba classes).
- Attended or promoted 390 BCHD, allcove and Community Events
- Health Promotions and Communications promoted and produced BCHD's presence at the Manhattan Beach Hometown Fair in October, the Redondo Beach Chamber's Super Bowl 10K & Health Expo in February, the Hermosa Beach St. Patrick's Day Parade in March, and Congressman Ted Lieu's "Medicaid Day of Action" event in March, plus numerous other community events.
- Promoted and hosted two Strategic Development Half-Day events.
- Redesigned and launched the new BCHD.org, consolidating four separate sites into one cohesive, accessible digital platform. The site unifies all facilities under the BCHD brand, with improved navigation, search, a streamlined events calendar, and integrated chat functionality.

Objectives by the Numbers

<u>Performance Measure</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>FY 2025-26</u>
	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>
1. BCHD.org	102,245	96,524	100,000
1. AdventurePlex.org	67,040	53,868	30,000
1. BeachCitiesGym.org	51,230	36,892	40,000
1. BCHDcampus.org	5,781	4,526	5,000
# of Community Events	452	391	200
# of Residents reached at Community Events	22,653	20,000 (est.)	17,500
# of Media Clips	497	66	50
# of Summer Free Fitness Series Individual Participants	819	748	800
Produce Beach Cities Annual Report and LiveWell	Complete	Complete	On Target

Information Technology

Information Technology Infrastructure Management, Support and Development

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$177,023.56	\$183,054.09	3.41%
Human Resources Cost	\$937.04	\$1,077.24	14.96%
Informations System Expense	\$151,813.00	\$187,437.00	23.47%
Facilities Expense	\$89,952.00	\$100,936.00	12.21%
Professional Services	\$196,586.48	\$144,300.00	-26.60%
Other	\$13,243.43	\$11,339.69	-14.37%
Total Expenditures	\$629,555.51	\$628,144.02	-0.22%

Summary of Goals

Goal#1- Support District Staff with information technology

Manage 3rd Party IT Service Provider.

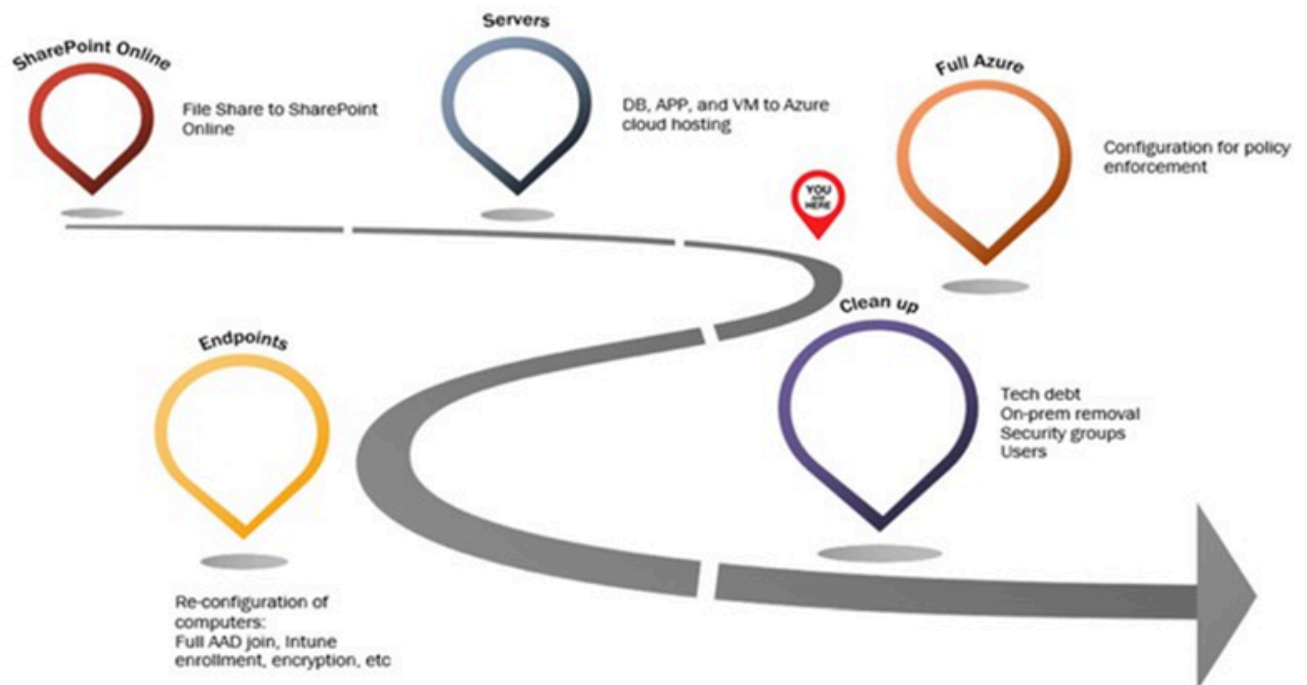
Research and implementation of new technologies.
Assistance with events.

Research and implementation of new technologies.
Assistance with events.

Goal #2-Complete New Projects

AI and Cyber Security policies.
Removal of DNS filter service.
Implementation of new antivirus.
Shutdown and archive of all on-prem servers.
Prepare for full cloud domain.
Stabilize cloud-only infrastructure.

Road Map to Cloud



allcove and Grant Funded Services



Drug-Free Communities

The Beach Cities Partnership for Youth Coalition was awarded a fiscal year 2024 Drug-Free Communities (DFC) Support Program renewal for \$125,000 by the White House Office of National Drug Control Policy (ONDCP) and managed through a partnership between ONDCP and Centers for Disease Control and Prevention (CDC). The original DFC grant term was five years, starting in 2019, totaling \$625,000. The extension for an additional five-year term is also for \$125,000 annually and will total \$625,000. The Beach Cities Partnership for Youth Coalition joins more than 750 community coalitions across the U.S. working to increase community-wide collaboration and decrease youth substance use. Among the grantees, the Beach Cities Partnership for Youth Coalition is one of 23 recipients from California.

Since receiving the initial DFC grant in 2019, substance use among young people has fallen, with the percentage of Beach Cities 11th graders who reported using alcohol or other drugs plummeting from 35% in 2019 to 17% in 2024, according to the California Healthy Kids Survey (CHKS). The CHKS also reports marijuana use among Beach Cities 11th graders dropped from 23% in 2019 to 5% in 2024.

Opioid settlement partnerships

Through the California Department of Healthcare Services, participating cities are allocated a share of opioid settlement funds from a number of lawsuits against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic. Funds need to be used specifically for specific activities related to opioid remediation. BCHD has entered into service agreements with the City of Hermosa Beach and the City of Manhattan Beach to provide counseling services and peer support for young people at risk of opioid use disorder, substance abuse prevention education, and distribution and training of naloxone.

The City of Manhattan Beach entered into a service agreement on a reimbursement basis from November 2023 – November 2024 and was later extended to November 2025. The City of Hermosa is allocating all their opioid settlement dollars to BCHD in a 5-year service agreement, where any unspent funds at the end of the term will be returned to the city.

	Contract Amounts	BCHD Reimbursed Services in FY 24-25
City of Hermosa Beach	\$145,228.35	\$11,055.89
City of Manhattan Beach	\$82,733	\$24,395.68

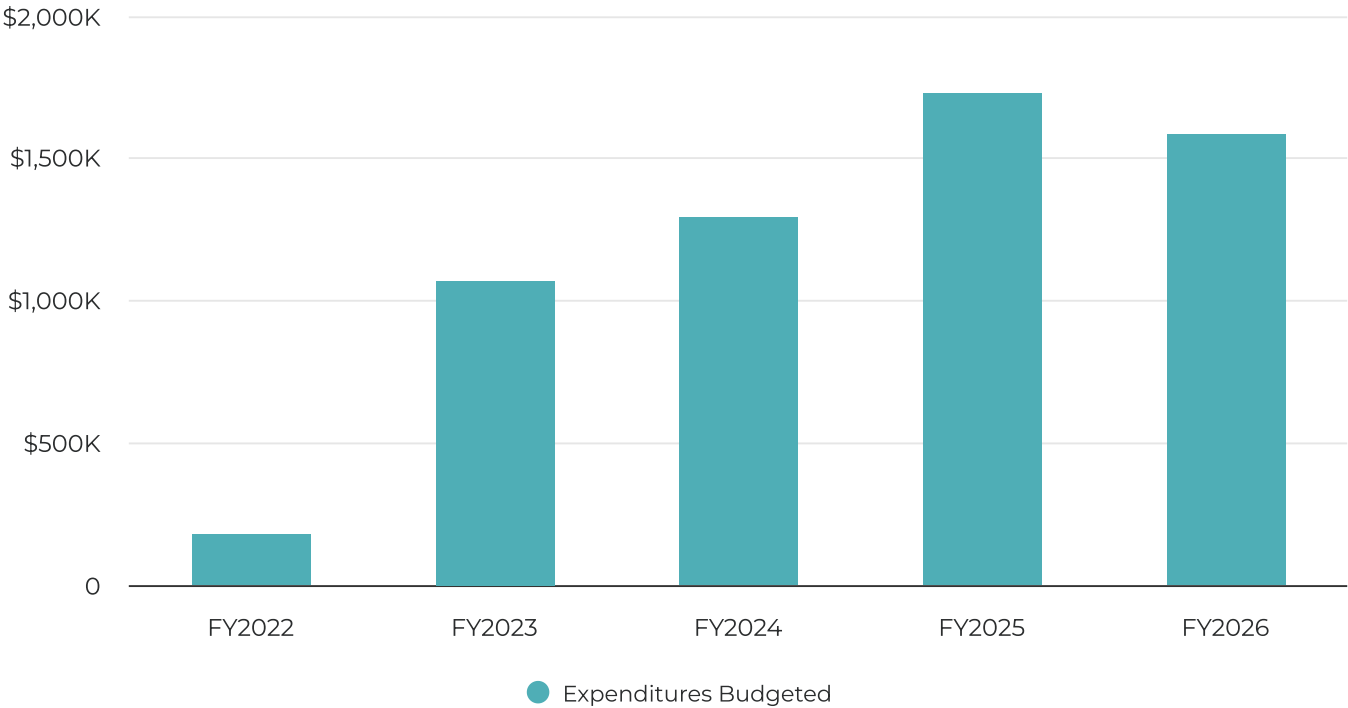
allcove

Beach Cities Health District (BCHD) has partnered with [allcove](#), a program developing an innovative network of integrated youth mental health centers across California. Funded by the [Mental Health Services Oversight and Accountability Commission](#) (MHSOAC), a \$2.5 million, 4-year grant established “allcove Beach Cities,” a center for young people ages 12-25. Since 2020, allcove Beach Cities has secure funding from a variety of sources, listed below:

allcove Operational Grants	Awarding Agency	Amount
Youth Drop-In Centers	Mental Health Services Oversight and Accountability Commission	\$2,500,000
Children and Youth Behavioral Health Initiative	California Department of Health Care Services	\$1,000,000
Mental Health Student Services Act	Mental Health Services Oversight and Accountability Commission	\$300,000
Total Operational Grants		\$3,800,000
allcove Capital Grants	Awarding Agency	Amount
Community Project Funding	Health Resources & Services Administration	\$1,000,000
Behavioral Health Continuum Infrastructure Program	California Department of Health Care Services	\$6,336,702
Total Capital Grants		\$7,336,702

Expenditure Summary

Historical Expenditures Across Department



Expenditures by Expense Category

Expenditures by Expense Category

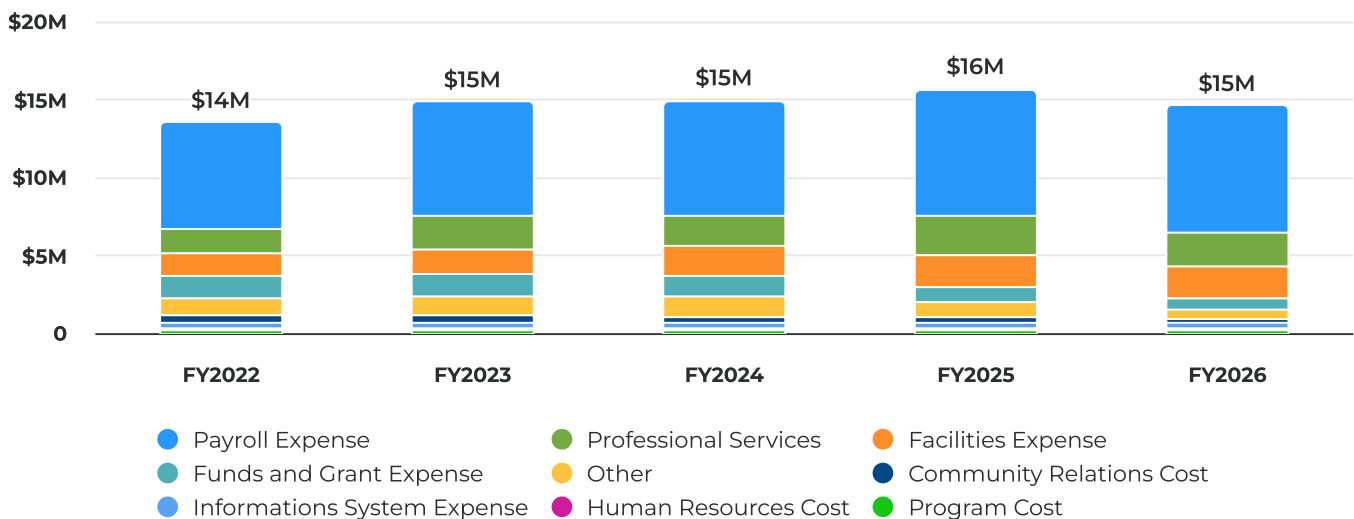
Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$1,113,312.79	\$969,724.21	-12.90%
Program Cost	\$22,000.00	\$25,320.00	15.09%
Human Resources Cost	\$17,428.48	\$19,620.32	12.58%
Informations System Expense	\$7,500.00	\$14,073.00	87.64%
Community Relations Cost	\$13,476.08	\$18,696.00	38.73%
Facilities Expense	\$38,220.00	\$38,220.00	0.00%
Professional Services	\$510,421.00	\$494,274.04	-3.16%
Other	\$6,000.00	\$5,350.00	-10.83%
Total Expenditures	\$1,728,358.35	\$1,585,277.57	-8.28%

Budget by Department



Expenditures by Expense Category

Historical Expenditures by Expense Category



Expenditures by Expense Category

Category	FY 2025 Adopted	FY 2026 Budgeted	FY 2025 Adopted vs. FY 2026 Budgeted (% Change)
Payroll Expense	\$8,070,390.09	\$8,214,052.16	1.78%
Program Cost	\$166,581.90	\$167,850.08	0.76%
Human Resources Cost	\$180,908.48	\$178,019.62	-1.60%
Informations System Expense	\$309,358.50	\$306,602.00	-0.89%
Community Relations Cost	\$351,371.00	\$294,699.25	-16.13%
Facilities Expense	\$2,037,869.76	\$2,017,083.92	-1.02%
Professional Services	\$2,535,641.76	\$2,158,191.38	-14.89%
Other	\$927,385.51	\$555,192.77	-40.13%
Funds and Grant Expense	\$1,048,634.96	\$715,862.00	-31.73%
Total Expenditures	\$15,628,141.96	\$14,607,553.18	-6.53%

Beach Cities Health District Work Well

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Other Revenue	600	1,100	55%
Total Revenue Government	600	1,100	55%
Total Revenue	600	1,100	55%
EXPENSES			
Salaries - Reg FT	208,542	38,327	544%
Salaries - Reg PT	1,368	31,893	4%
Cafeteria Plan Contribution	18,831	1,480	1,272%
Payroll Taxes	16,058	5,372	299%
LTD Insurance	720	110	655%
Pension Plan Contribution	32,089	8,551	375%
Total Payroll Expenses	277,607	85,733	324%
Office Supplies	200	200	100%
Program Supplies	1,000	1,000	100%
Total Program Costs	1,200	1,200	100%
Employee Retention & Recognition	0	38	
Employee Wellness	13,500	18,000	75%
Insurance - Worker's Comp	2,094	800	262%
Total Human Resources Expenses	15,594	18,838	83%
Dues & Memberships	0	450	
Total Community Relations	0	450	
Outside Services	2,700	12,300	22%
Total Professional Services Expenses	2,700	12,300	22%
Total Expense	297,101	118,521	251%
Cash Income (Loss) Before Cap Ex	(296,501)	(117,421)	253%

Beach Cities Health District Community Services			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Donations	0	0	
Other Revenue	56,888	47,315	120%
Total Revenue Government	56,888	47,315	120%
Total Revenue	56,888	47,315	120%
EXPENSES			
Salaries - Reg FT	455,895	441,943	103%
Salaries - Reg PT	141,141	144,183	98%
Salaries - Instructor (non-benefit)	20,122	19,539	103%
Cafeteria Plan Contribution	71,941	72,050	100%
Payroll Taxes	47,213	46,334	102%
LTD Insurance	1,935	1,815	107%
Pension Plan Contribution	89,723	89,088	112%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	837,971	814,961	103%
Consumables (food used as supplies)	0	0	
Office Supplies	400	400	100%
Program Supplies	300	300	100%
Total Program Costs	700	700	100%
Employee Retention & Recognition	304	336	90%
Education & Training Seminars	1,700	1,700	100%
Insurance - Worker's Comp	6,322	5,566	114%
Recruitment	0	0	
Tuition Reimbursement	0	0	
Employee Travel/Parking	1,502	1,502	100%
Total Human Resources Expenses	8,828	9,104	108%
IT Software Expense	21,500	21,500	100%
Total Information Systems Expenses	21,500	21,500	100%
Community Education Materials	0	0	
Community Outreach	0	0	
Dues & Memberships	250	250	100%
Educational Materials	0	0	
Postage	206	206	100%
Printing	300	300	100%
Total Community Relations	756	756	100%
Equipment/Furniture < \$5,000	0	0	
Plant Service	0	0	
Total Facilities Expenses	0	0	
Outside Services	8,140	8,140	100%
Service Contracts	0	0	
Total Professional Services Expenses	8,140	8,140	100%
Grants	0	0	
Health Fund - Youth	0	0	
Health Fund - Adults	0	0	
Health Fund - Seniors	320,000	445,000	72%
Total Funds & Grants Expenses	320,000	445,000	72%
Total Expense	1,198,895	1,300,161	92%
Cash Income (Loss) Before Cap Ex	(1,142,007)	(1,252,846)	91%

**Beach Cities Health District
LifeSpans Services Administration**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	17,141	24,782	69%
Cafeteria Plan Contribution	2,133	3,106	69%
Payroll Taxes	1,311	1,896	69%
LTD Insurance	30	41	73%
Pension Plan Contribution	3,465	4,564	76%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	24,080	34,390	70%
Consumables (food used as supplies)	600	0	
Office Supplies	200	0	
Program Supplies	3,000	0	
Total Program Costs	3,800	0	
Insurance - Worker's Comp	87	112	78%
Employee Travel/Parking	250	0	
Total Human Resources Expenses	337	112	301%
IT Software Expense	0	0	
Total Information Systems Expenses	0	0	
Community Outreach	500	0	
Meetings	975	0	
Postage	0	0	
Printing	4,700	0	
Total Community Relations	6,175	0	
Outside Services	47,300	42,000	113%
Outside Service-Research	140,000	0	
Total Professional Services Expenses	187,300	42,000	446%
Grants	0	0	
Total Funds & Grants Expenses	0	0	
Total Expense	221,692	76,502	290%
Cash Income (Loss) Before Cap Ex	(221,692)	(76,502)	290%

**Beach Cities Health District
APLEX Operations**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
One-time Visits & Consults	68,614	49,164	140%
Toddler Town Revenues	25,641	19,927	129%
Food & Beverage	0	0	
Retail	2,652	0	
Facility Rental	39,805	37,290	107%
Total Revenue User Fees	136,712	106,381	129%
Total Revenue	136,712	106,381	129%
EXPENSES			
Salaries - Reg FT	105,757	40,050	264%
Salaries - Reg PT	114,883	99,543	115%
Cafeteria Plan Contribution	15,886	7,141	222%
Payroll Taxes	16,879	10,679	158%
LTD Insurance	270	138	196%
Pension Plan Contribution	25,420	15,933	160%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	279,095	173,484	161%
Office Supplies	161	644	25%
Program Supplies	906	906	100%
Janitorial Supplies	2,631	10,524	25%
Total Program Costs	3,698	12,074	31%
Employee Retention & Recognition	95	0	
Insurance - Worker's Comp	3,383	2,333	145%
Uniforms	325	1,300	25%
Total Human Resources Expenses	3,803	3,633	105%
IT Software Expense	5,250	9,702	54%
Total Information Systems Expenses	5,250	9,702	54%
Postage	118	236	50%
Printing	768	3,071	25%
Total Community Relations	885	3,307	27%
Building Maintenance & Repair	2,014	8,055	25%
Equipment/Furniture < \$5,000	2,600	7,800	33%

**Beach Cities Health District
APLEX Operations**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
Equipment/Lease	585	2,340	25%
Equipment/General Maintenance & Repair	1,867	5,602	33%
Landscape Maintenance	2,226	8,904	25%
Electricity	15,714	62,854	25%
Gas	190	760	25%
Waste Removal	1,341	5,364	25%
Janitorial Services	13,340	53,360	25%
Total Facilities Expenses	39,877	155,039	26%
Laundry Services	0	0	
Service Contracts	6,983	27,930	25%
Taxes & Licensing	63	254	25%
Total Professional Services Expenses	7,046	28,184	25%
Insurance - General	34,793	36,987	94%
Total Other Expenses	34,793	36,987	94%
Total Expense	374,447	422,410	89%
Cash Income (Loss) Before Cap Ex	(237,735)	(316,029)	75%

**Beach Cities Health District
APLEX Programs**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
One-time Visits & Consults	5,114	4,760	107%
Total Revenue User Fees	5,114	4,760	107%
Total Revenue	5,114	4,760	107%
EXPENSES			
Salaries - Reg PT	3,569	6,401	56%
Payroll Taxes	273	490	56%
LTD Insurance	0	0	
Pension Plan Contribution	0	722	
Total Payroll Expenses	3,842	7,612	50%
Office Supplies	161	0	
Program Supplies	0	0	
Janitorial Supplies	2,631	0	
Total Program Costs	2,792	0	
Education & Training Seminars	3,000	3,000	100%
Insurance - Worker's Comp	93	146	64%
Uniforms	325	0	
Total Human Resources Expenses	3,418	3,146	109%
IT Software Expense	0	600	
Total Information Systems Expenses	0	600	
Printing	768	0	
Total Community Relations	768	0	
Building Maintenance & Repair	2,014	0	
Equipment/Furniture < \$5,000	5,400	5,400	100%
Equipment/Lease	585	0	
Equipment/General Maintenance & Repair	3,630	3,630	100%
Landscape Maintenance	2,226	0	
Electricity	15,714	0	
Gas	190	0	
Waste Removal	1,341	0	
Janitorial Services	13,340	0	
Total Facilities Expenses	44,439	9,030	492%

**Beach Cities Health District
APLEX Programs**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
Outside Services - H&F	0	0	
Service Contracts	6,983	0	
Taxes & Licensing	63	0	
Total Professional Services Expenses	7,046	0	
Total Expense	62,304	20,388	306%
Cash Income (Loss) Before Cap Ex	(57,191)	(15,628)	366%

Beach Cities Health District APLEX Events			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
One-time Visits & Consults	157,729	157,356	100%
Total Revenue User Fees	157,729	157,356	100%
Total Revenue	157,729	157,356	100%
EXPENSES			
Salaries - Reg FT	21,210	50,006	42%
Salaries - Reg PT	22,688	28,194	80%
Cafeteria Plan Contribution	3,090	5,000	62%
Payroll Taxes	3,358	5,982	56%
LTD Insurance	90	138	65%
Pension Plan Contribution	3,401	10,593	32%
Total Payroll Expenses	53,837	99,913	54%
COGS - Cost of Goods Sold - non-food	0	0	
Cafe Supplies - cost of good sold - food	0	0	
Office Supplies	161	0	
Program Supplies	0	300	
Janitorial Supplies	2,631	0	
Total Program Costs	2,792	300	931%
Insurance - Worker's Comp	833	1,011	82%
Uniforms	325	0	
Total Human Resources Expenses	1,158	1,011	115%
IT Software Expense	5,250	3,864	136%
Total Information Systems Expenses	5,250	3,864	136%
Postage	118	0	
Printing	768	0	
Total Community Relations	885	0	
Building Maintenance & Repair	2,014	0	
Equipment/Furniture < \$5,000	2,600	0	
Equipment/Lease	585	0	
Equipment/General Maintenance & Repair	1,867	0	
Landscape Maintenance	2,226	0	
Electricity	15,714	0	
Gas	190	0	
Waste Removal	1,341	0	
Janitorial Services	13,340	0	
Total Facilities Expenses	39,877	0	
Banking Services	6,300	0	
Outside Services - H&F	0	0	
Service Contracts	6,983	2,322	301%
Taxes & Licensing	63	0	
Total Professional Services Expenses	13,346	2,322	575%
Total Expense	117,146	107,410	109%
Cash Income (Loss) Before Cap Ex	40,583	49,946	81%

Beach Cities Health District APLEX Camps			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Camp Revenue	715,587	612,216	117%
Total Revenue User Fees	715,587	612,216	117%
Total Revenue	715,587	612,216	117%
EXPENSES			
Salaries - Reg FT	28,280	47,080	60%
Salaries - Reg PT	200,279	203,096	99%
Cafeteria Plan Contribution	4,120	8,141	51%
Payroll Taxes	14,050	19,138	73%
LTD Insurance	120	166	72%
Pension Plan Contribution	12,176	13,780	88%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	259,024	291,402	89%
COGS - Cost of Goods Sold - non-food	0	0	
Cafe Supplies - cost of good sold - food	5,800	5,800	100%
Office Supplies	161	0	
Program Supplies	3,281	3,281	100%
Janitorial Supplies	2,631	0	
Total Program Costs	11,873	9,081	131%
Insurance - Worker's Comp	4,458	4,292	104%
Uniforms	325	0	
Total Human Resources Expenses	4,783	4,292	111%
IT Software Expense	7,584	8,184	93%
Total Information Systems Expenses	7,584	8,184	93%
Community Outreach	0	0	
Dues & Memberships	2,745	2,745	100%
Printing	768	0	
Total Community Relations	3,513	2,745	128%
Building Maintenance & Repair	2,014	0	
Equipment/Furniture < \$5,000	2,600	0	
Equipment/Lease	585	0	
Equipment/General Maintenance & Repair	1,867	0	

Beach Cities Health District APLEX Camps			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
Landscape Maintenance	2,226	0	
Electricity	15,714	0	
Gas	190	0	
Waste Removal	1,341	0	
Janitorial Services	13,340	0	
Total Facilities Expenses	39,877	0	
Banking Services	21,221	0	
Outside Services - H&F	6,750	6,750	100%
Service Contracts	6,983	0	
Taxes & Licensing	630	566	111%
Total Professional Services Expenses	35,584	7,316	486%
Total Expense	362,237	323,019	112%
Cash Income (Loss) Before Cap Ex	353,350	289,197	122%

Beach Cities Health District Drug Free Community - Grant			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Other Revenue	125,000	125,000	100%
Total Revenue Government	125,000	125,000	100%
Total Revenue	125,000	125,000	100%
EXPENSES			
Salaries - Reg FT	87,473	86,984	101%
Salaries - Reg PT	0	0	
Cafeteria Plan Contribution	12,469	13,106	95%
Payroll Taxes	6,692	6,654	101%
LTD Insurance	315	317	99%
Pension Plan Contribution	13,082	11,772	111%
Total Payroll Expenses	120,031	118,833	101%
Office Supplies	0	0	
Program Supplies	0	0	
Other Supplies	0	0	
Total Program Costs	0	0	
Education & Training Seminars	0	0	
Insurance - Worker's Comp	909	862	105%
Employee Travel/Parking	0	0	
Total Human Resources Expenses	909	862	105%
Community Outreach	0	0	
Educational Materials	0	0	
Meetings	0	0	
Postage	0	0	
Printing	0	0	
Total Community Relations	0	0	
Equipment/Furniture < \$5,000	0	0	
Total Facilities Expenses	0	0	
Outside Services	4,158	5,305	78%
Total Professional Services Expenses	4,158	5,305	78%
Total Expense	125,098	125,000	100%
Cash Income (Loss) Before Cap Ex	(98)	0	

Beach Cities Health District Opioid Grant-MB			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Other Revenue	30,000	50,000	60%
Total Revenue Government	30,000	50,000	60%
Total Revenue	30,000	50,000	60%
EXPENSES			
Outside Services	0	0	
Total Professional Services Expenses	0	0	
Total Expense	0	0	
Cash Income (Loss) Before Cap Ex	30,000	50,000	60%

Beach Cities Health District Youth Wellness Grant			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Other Revenue	979,557	1,485,401	66%
Total Revenue Government	979,557	1,485,401	66%
Total Revenue	979,557	1,485,401	66%
EXPENSES			
Salaries - Reg FT	611,233	695,920	88%
Salaries - Reg PT	0	26,244	
Cafeteria Plan Contribution	90,203	111,752	81%
Payroll Taxes	46,759	55,246	85%
LTD Insurance	2,250	2,387	94%
Pension Plan Contribution	99,248	102,931	96%
Total Payroll Expenses	849,693	894,480	85%
Consumables (food used as supplies)	12,000	8,700	138%
Office Supplies	2,520	2,500	101%
Program Supplies	7,200	7,200	100%
Janitorial Supplies	3,600	3,600	100%
Total Program Costs	25,320	22,000	115%
Employee Retention & Recognition	300	300	100%
Education & Training Seminars	2,004	2,004	100%
Insurance - Worker's Comp	6,495	6,850	95%
Uniforms	2,412	2,412	100%
Employee Travel/Parking	7,500	5,000	150%
Total Human Resources Expenses	18,711	16,566	113%
IT Software Expense	14,073	7,500	188%
Total Information Systems Expenses	14,073	7,500	188%
Community Outreach	5,000	2,000	250%
Meetings	5,000	5,000	100%
Postage	156	156	100%
Printing	4,000	2,000	200%
Promotional Items/Materials	4,000	3,600	111%
Subscriptions	540	720	75%
Total Community Relations	18,698	13,478	138%
Equipment/Furniture < \$5,000	6,000	6,000	100%
Equipment/General Maintenance & Repair	1,200	1,200	100%
Janitorial Services	31,020	31,020	100%
Total Facilities Expenses	38,220	38,220	100%
Outside Services	490,116	505,116	97%
Total Professional Services Expenses	490,116	505,116	97%
Insurance - General	5,350	6,000	89%
Total Other Expenses	5,350	6,000	89%
Total Expense	1,480,179	1,603,358	91%
Cash Income (Loss) Before Cap Ex	(480,622)	(117,957)	407%

**Beach Cities Health District
Information Systems**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	137,655	134,651	102%
Cafeteria Plan Contribution	13,923	13,517	103%
Payroll Taxes	10,531	10,301	102%
LTD Insurance	360	331	109%
Pension Plan Contribution	20,585	18,223	113%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	183,054	177,024	103%
Employee Retention & Recognition	38	38	100%
Insurance - Worker's Comp	1,039	900	115%
Total Human Resources Expenses	1,077	937	115%
IT/ Hardware/Electronics	1,000	1,000	100%
IT Server Equipment	0	0	
Phone Equipment	0	0	
IT Repair & Maint Parts	1,500	1,500	100%
IT Monitors & Printers	0	0	
IT Software Expense	184,937	149,313	124%
Total Information Systems Expenses	187,437	151,813	123%
Telephone	100,936	89,952	112%
Total Facilities Expenses	100,936	89,952	112%
Outside Services	123,000	184,086	67%
Service Contracts	21,300	12,500	170%
Total Professional Services Expenses	144,300	196,586	73%
Insurance - General	11,340	13,243	86%
Total Other Expenses	11,340	13,243	86%
Total Expense	628,144	629,556	100%
Cash Income (Loss) Before Cap Ex	(628,144)	(629,556)	100%

**Beach Cities Health District
Volunteers**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Donations	10,000	10,000	100%
Total Revenue Government	10,000	10,000	100%
Total Revenue	10,000	10,000	100%
EXPENSES			
Salaries - Reg FT	158,515	153,050	104%
Salaries - Reg PT	31,703	27,409	116%
Cafeteria Plan Contribution	22,030	20,920	105%
Payroll Taxes	14,552	13,805	105%
LTD Insurance	465	428	109%
Pension Plan Contribution	32,027	27,618	116%
Total Payroll Expenses	259,292	243,231	107%
Program Supplies	2,425	2,425	100%
Total Program Costs	2,425	2,425	100%
Employee Retention & Recognition	114	0	
Education & Training Seminars	0	0	
Insurance - Worker's Comp	1,949	1,630	120%
Recruitment	7,450	9,450	79%
Tuition Reimbursement	0	0	
Uniforms	2,000	2,500	80%
Employee Travel/Parking	600	600	100%
Total Human Resources Expenses	12,113	14,180	85%
IT Software Expense	1,920	1,920	100%
Total Information Systems Expenses	1,920	1,920	100%
Dues & Memberships	435	435	100%
Management of Volunteers	12,500	17,500	71%
Postage	100	100	100%
Printing	300	700	43%
Total Community Relations	13,335	18,735	71%
Legal Services	500	500	100%
Outside Services	0	6,000	
Total Professional Services Expenses	500	6,500	8%
Insurance - General	1,760	1,760	100%
Total Other Expenses	1,760	1,760	100%
Holiday Assistance	10,000	10,000	100%
Total Funds & Grants Expenses	10,000	10,000	100%
Total Expense	301,345	298,751	101%
Cash Income (Loss) Before Cap Ex	(291,345)	(288,751)	101%

Beach Cities Health District Health Promotions			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	491,121	502,530	98%
Salaries - Reg PT	60,322	57,641	105%
Salaries - Instructor (non-benefit)	0	3,908	
Cafeteria Plan Contribution	79,952	90,059	89%
Payroll Taxes	41,443	43,152	96%
LTD Insurance	1,215	1,242	98%
Pension Plan Contribution	87,380	78,932	111%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	761,433	777,464	98%
Consumables (food used as supplies)	1,400	1,550	90%
Office Supplies	400	400	100%
Program Supplies	3,750	5,540	68%
Total Program Costs	5,550	7,490	74%
Employee Retention & Recognition	266	263	101%
Education & Training Seminars	0	0	
Insurance - Worker's Comp	4,373	4,160	105%
Tuition Reimbursement	0	0	
Uniforms	0	4,500	
Employee Travel/Parking	0	0	
Total Human Resources Expenses	4,639	8,923	52%
IT Software Expense	4,800	39,800	12%
Total Information Systems Expenses	4,800	39,800	12%
Advertising	54,000	80,253	67%
Community Outreach	29,050	32,800	89%
Internet / Intranet / Website	32,580	22,200	147%
Dues & Memberships	1,750	1,750	100%
Mailing Services	0	0	
Meetings	0	0	
Postage	0	0	
Printing	45,450	55,600	82%
Promotional Items/Materials	17,062	36,662	47%
Subscriptions	800	800	100%
Total Community Relations	180,692	230,065	79%
Outside Services	86,601	50,170	173%
Total Professional Services Expenses	86,601	50,170	173%
Total Expense	1,043,715	1,113,912	94%
Cash Income (Loss) Before Cap Ex	(1,043,715)	(1,113,912)	94%

**Beach Cities Health District
Business Development and Innovation**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	526,659	191,263	275%
Cafeteria Plan Contribution	72,336	23,671	306%
Payroll Taxes	40,289	14,632	275%
LTD Insurance	1,575	373	422%
Pension Plan Contribution	80,325	29,970	268%
Total Payroll Expenses	721,184	259,908	277%
Program Supplies	0	0	
Total Program Costs	0	0	
Employee Retention & Recognition	300	0	
Education & Training Seminars	800	800	100%
Insurance - Worker's Comp	4,547	1,012	449%
Employee Travel/Parking	2,000	2,000	100%
Total Human Resources Expenses	7,646	3,812	201%
Community Outreach	1,000	1,000	100%
Meetings	0	0	
Subscriptions	1,668	0	
Total Community Relations	2,668	1,000	267%
Outside Services	71,280	0	
Total Professional Services Expenses	71,280	0	
Total Expense	802,779	264,720	303%
Cash Income (Loss) Before Cap Ex	(802,779)	(264,720)	303%

**Beach Cities Health District
Blue Zones Project**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	53,653	262,977	20%
Salaries - Reg PT	805	20,967	4%
Cafeteria Plan Contribution	4,708	5,441	87%
Payroll Taxes	4,166	21,722	19%
LTD Insurance	150	759	20%
Pension Plan Contribution	8,023	36,396	22%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	71,505	348,263	21%
Consumables (food used as supplies)	0	700	
Office Supplies	0	200	
Program Supplies	1,200	4,200	29%
Total Program Costs	1,200	5,100	24%
Employee Retention & Recognition	0	113	
Education & Training Seminars	500	500	100%
Insurance - Worker's Comp	442	2,331	19%
Tuition Reimbursement	0	0	
Employee Travel/Parking	250	500	50%
Total Human Resources Expenses	1,192	3,444	35%
Community Outreach	0	500	
Dues & Memberships	300	300	100%
Meetings	876	2,600	34%
Postage	50	250	20%
Printing	750	6,350	12%
Total Community Relations	1,976	10,000	20%
Outside Services	92,250	100,000	92%
Total Professional Services Expenses	92,250	100,000	92%
Grants	0	0	
Total Funds & Grants Expenses	0	0	
Total Expense	168,122	466,806	36%
Cash Income (Loss) Before Cap Ex	(168,122)	(466,806)	36%

**Beach Cities Health District
CHF Center for Health & Fitness**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
CHF Membership	544,408	540,775	101%
Retail	0	0	
Balances Due on Account	(6,564)	(6,564)	100%
Total Revenue User Fees	537,844	534,211	101%
Total Revenue	537,844	534,211	101%
EXPENSES			
Salaries - Reg FT	314,235	217,432	145%
Salaries - Reg PT	72,452	22,035	329%
Salaries - Instructor (non-benefit)	81,851	84,981	96%
Cafeteria Plan Contribution	24,957	18,574	134%
Payroll Taxes	35,843	24,820	144%
LTD Insurance	994	763	130%
Pension Plan Contribution	72,805	43,858	166%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	603,136	412,463	146%
COGS - Cost of Goods Sold - non-food	0	0	
Consumables (food used as supplies)	0	0	
Office Supplies	2,460	2,460	100%
Gym/Locker Room Supplies	9,843	44,027	22%
Program Supplies	1,400	5,600	25%
Janitorial Supplies	222	1,110	20%
Total Program Costs	13,925	53,197	26%
Employee Retention & Recognition	95	0	
Education & Training Seminars	780	3,120	25%
Insurance - Worker's Comp	5,101	3,346	152%
Recruitment	250	1,000	25%
Uniforms	180	900	20%
Total Human Resources Expenses	6,406	8,366	77%
IT Software Expense	10,788	11,868	91%
Total Information Systems Expenses	10,788	11,868	91%
Dues & Memberships	1,250	1,250	100%
Educational Materials	0	0	

**Beach Cities Health District
CHF Center for Health & Fitness**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
Postage	309	309	100%
Printing	711	3,554	20%
Subscriptions	645	1,224	53%
Business Promotion Allocation	1,200	1,200	100%
Total Community Relations	4,114	7,537	55%
Building Maintenance & Repair	1,200	6,000	20%
Equipment/Furniture < \$5,000	100	500	20%
Equipment/Lease	2,340	2,340	100%
Equipment/General Maintenance & Repair	1,325	2,650	50%
Plant Service	0	0	
Janitorial Services	26,100	130,500	20%
Total Facilities Expenses	31,065	141,990	22%
Banking Services	44,289	0	
Laundry Services	0	4,311	
Outside Services	10,920	0	
Service Contracts	1,337	6,684	20%
Total Professional Services Expenses	56,546	10,995	514%
Total Expense	725,981	646,416	112%
Cash Income (Loss) Before Cap Ex	(188,137)	(112,206)	168%

Beach Cities Health District CHF Personal Training			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
One-time Visits & Consults	424,416	447,490	95%
Total Revenue User Fees	424,416	447,490	95%
Total Revenue	424,416	447,490	95%
EXPENSES			
Salaries - Reg FT	24,714	24,230	102%
Salaries - Reg PT	319,418	314,509	102%
Salaries - Instructor (non-benefit)	204	0	
Cafeteria Plan Contribution	28,567	29,232	98%
Payroll Taxes	26,342	25,913	102%
LTD Insurance	1,095	1,152	95%
Pension Plan Contribution	48,728	43,160	113%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	449,067	438,195	102%
Gym/Locker Room Supplies	9,843	0	
Program Supplies	1,400	0	
Janitorial Supplies	222	0	
Total Program Costs	11,465	0	
Education & Training Seminars	780	0	
Insurance - Worker's Comp	4,392	3,838	114%
Recruitment	250	0	
Uniforms	180	0	
Total Human Resources Expenses	5,602	3,838	146%
IT Software Expense	7,200	8,502	85%
Total Information Systems Expenses	7,200	8,502	85%
Postage	309	0	
Printing	711	0	
Subscriptions	645	0	
Total Community Relations	1,664	0	
Building Maintenance & Repair	1,200	0	
Equipment/Furniture < \$5,000	100	0	
Janitorial Services	26,100	0	
Total Facilities Expenses	27,400	0	
Service Contracts	1,337	0	
Total Professional Services Expenses	1,337	0	
Total Expense	503,736	450,536	112%
Cash Income (Loss) Before Cap Ex	(79,320)	(3,046)	2,604%

Beach Cities Health District CHF Pilates			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Classes & Group	75,759	62,095	122%
CHF Membership	45,344	30,960	146%
One-time Visits & Consults	98,824	76,075	130%
Total Revenue User Fees	219,927	169,130	130%
Total Revenue	219,927	169,130	130%
EXPENSES			
Salaries - Reg FT	16,476	16,153	102%
Salaries - Reg PT	84,942	0	
Salaries - Instructor (non-benefit)	18,469	83,164	22%
Cafeteria Plan Contribution	11,330	2,000	567%
Payroll Taxes	9,171	7,598	121%
LTD Insurance	330	55	600%
Pension Plan Contribution	16,034	11,346	141%
Total Payroll Expenses	156,752	120,317	130%
Gym/Locker Room Supplies	9,843	0	
Program Supplies	1,400	0	
Janitorial Supplies	222	0	
Total Program Costs	11,465	0	
Education & Training Seminars	780	0	
Insurance - Worker's Comp	1,271	912	139%
Recruitment	250	0	
Uniforms	180	0	
Total Human Resources Expenses	2,481	912	272%
IT Software Expense	7,200	8,502	85%
Total Information Systems Expenses	7,200	8,502	85%
Printing	711	0	
Subscriptions	645	0	
Total Community Relations	1,355	0	
Building Maintenance & Repair	1,200	0	
Equipment/Furniture < \$5,000	100	0	
Equipment/General Maintenance & Repair	1,325	0	
Janitorial Services	26,100	0	
Total Facilities Expenses	28,725	0	
Service Contracts	1,337	0	
Total Professional Services Expenses	1,337	0	
Total Expense	209,316	129,730	161%
Cash Income (Loss) Before Cap Ex	10,611	39,400	27%

Beach Cities Health District CHF Yoga			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Classes & Group	8,056	5,560	145%
CHF Membership	45,344	30,960	146%
One-time Visits & Consults	497	0	
Total Revenue User Fees	53,897	36,520	148%
Total Revenue	53,897	36,520	148%
EXPENSES			
Salaries - Reg FT	8,238	8,077	102%
Salaries - Reg PT	0	0	
Salaries - Instructor (non-benefit)	19,764	17,472	113%
Cafeteria Plan Contribution	1,030	1,000	103%
Payroll Taxes	2,142	1,954	110%
LTD Insurance	30	28	107%
Pension Plan Contribution	2,835	2,281	124%
Total Payroll Expenses	34,039	30,811	110%
Gym/Locker Room Supplies	9,843	0	
Program Supplies	1,400	0	
Janitorial Supplies	222	0	
Total Program Costs	11,465	0	
Education & Training Seminars	780	0	
Insurance - Worker's Comp	309	245	126%
Recruitment	250	0	
Uniforms	180	0	
Total Human Resources Expenses	1,519	245	620%
IT Software Expense	7,200	8,502	85%
Total Information Systems Expenses	7,200	8,502	85%
Printing	711	0	
Subscriptions	645	0	
Total Community Relations	1,355	0	
Building Maintenance & Repair	1,200	0	
Equipment/Furniture < \$5,000	100	0	
Janitorial Services	26,100	0	
Total Facilities Expenses	27,400	0	
Service Contracts	1,337	0	
Total Professional Services Expenses	1,337	0	
Total Expense	84,315	39,559	213%
Cash Income (Loss) Before Cap Ex	(30,418)	(3,039)	1,001%

Beach Cities Health District CHF Fee Based			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Classes & Group	3,265	0	
CHF Membership	3,195	8,000	40%
One-time Visits & Consults	74,425	104,123	71%
Total Revenue User Fees	80,885	112,123	72%
Total Revenue	80,885	112,123	72%
EXPENSES			
Salaries - Reg FT	8,238	8,077	102%
Salaries - Reg PT	2,012	10,821	19%
Cafeteria Plan Contribution	1,287	1,579	82%
Payroll Taxes	784	1,446	54%
LTD Insurance	37	66	56%
Pension Plan Contribution	1,967	2,952	67%
Total Payroll Expenses	14,328	24,941	57%
Gym/Locker Room Supplies	9,843	0	
Program Supplies	1,000	0	
Janitorial Supplies	222	0	
Total Program Costs	11,065	0	
Insurance - Worker's Comp	109	181	60%
Uniforms	180	0	
Total Human Resources Expenses	289	181	160%
IT Software Expense	7,200	8,502	85%
Total Information Systems Expenses	7,200	8,502	85%
Printing	711	0	
Total Community Relations	711	0	
Building Maintenance & Repair	1,200	0	
Equipment/Furniture < \$5,000	100	0	
Janitorial Services	26,100	0	
Total Facilities Expenses	27,400	0	
Laundry Services	4,311	0	
Outside Services - H&F	29,760	48,000	62%
Service Contracts	1,337	0	
Total Professional Services Expenses	35,408	48,000	74%
Total Expense	96,398	81,623	118%
Cash Income (Loss) Before Cap Ex	(15,513)	30,500	(51%)

**Beach Cities Health District
Human Resources**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	294,827	293,150	101%
Salaries - Reg PT	56,897	55,113	103%
Cafeteria Plan Contribution	45,541	43,709	104%
Payroll Taxes	26,907	26,642	101%
LTD Insurance	960	911	105%
Pension Plan Contribution	58,429	52,224	112%
Unemployment Insurance	0	0	
Employee Incentive Bonus	0	0	
Employee Instant award exp	2,500	2,500	100%
Total Payroll Expenses	488,061	474,249	102%
Office Supplies	200	200	100%
Total Program Costs	200	200	100%
Employee Retention & Recognition	114	300	38%
Employee Wellness	30,400	25,400	120%
ADP Payroll Processing Fees	3,300	3,300	100%
Education & Training Seminars	1,400	3,900	36%
Insurance - Worker's Comp	2,771	2,474	112%
Recruitment	630	300	210%
Tuition Reimbursement	7,000	11,400	61%
Employee Travel/Parking	100	100	100%
Total Human Resources Expenses	45,715	47,174	97%
Dues & Memberships	2,100	1,500	140%
Educational Materials	250	250	100%
Meetings	400	400	100%
Postage	100	100	100%
Printing	200	200	100%
Subscriptions	150	150	100%
Total Community Relations	3,200	2,600	123%
Equipment/Furniture < \$5,000	0	0	
Total Facilities Expenses	0	0	
Legal Services	7,000	7,000	100%
Outside Services	1,000	0	
Total Professional Services Expenses	8,000	7,000	114%
Total Expense	543,176	531,223	102%
Cash Income (Loss) Before Cap Ex	(543,176)	(531,223)	102%

**Beach Cities Health District
Finance**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Property Tax	5,456,000	5,162,800	106%
Interest	183,900	183,900	100%
Limited Partnership	2,093,133	1,935,000	106%
Other Revenue	0	150,000	
Total Revenue Government	7,733,033	7,431,700	104%
Total Revenue	7,733,033	7,431,700	104%
EXPENSES			
Salaries - Reg FT	350,053	341,412	103%
Salaries - Reg PT	71,165	83,897	85%
Cafeteria Plan Contribution	98,174	94,381	104%
Payroll Taxes	32,223	32,536	99%
LTD Insurance	1,200	1,187	101%
Pension Plan Contribution	62,982	57,558	109%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	615,807	610,972	101%
Office Supplies	3,240	3,240	100%
Total Program Costs	3,240	3,240	100%
Employee Retention & Recognition	225	225	100%
ADP Payroll Processing Fees	0	0	
Education & Training Seminars	2,350	2,350	100%
Insurance - Worker's Comp	3,464	3,223	107%
Recruitment	500	500	100%
Tuition Reimbursement	0	0	
Employee Travel/Parking	750	750	100%
Total Human Resources Expenses	7,289	7,048	103%
IT Software Expense	19,100	18,500	103%
Total Information Systems Expenses	19,100	18,500	103%
Dues & Memberships	3,000	3,000	100%
Meetings	600	600	100%
Postage	1,600	1,600	100%
Printing	1,000	1,000	100%
Total Community Relations	6,200	6,200	100%
Equipment/Furniture < \$5,000	1,600	1,600	100%
Total Facilities Expenses	1,600	1,600	100%
Accounting Services	40,000	41,200	97%
Banking Services	24,000	24,000	100%
Outside Services	32,100	182,100	18%
Taxes & Licensing	6,000	6,000	100%
Total Professional Services Expenses	102,100	253,300	40%
Interest Expense	21,600	21,600	100%
Total Other Expenses	21,600	21,600	100%
Total Expense	776,938	922,461	84%
Cash Income (Loss) Before Cap Ex	6,956,095	6,509,239	107%

**Beach Cities Health District
Administrative Services**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	83,215	71,732	116%
Salaries - Reg PT	0	23,196	
Cafeteria Plan Contribution	8,240	7,700	107%
Payroll Taxes	6,366	7,262	88%
LTD Insurance	270	345	78%
Pension Plan Contribution	16,110	15,457	104%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	114,201	125,691	91%
Consumables (food used as supplies)	3,000	3,000	100%
Office Supplies	4,000	4,000	100%
Janitorial Supplies	2,700	2,700	100%
Other Supplies	500	500	100%
Total Program Costs	10,200	10,200	100%
Education & Training Seminars	0	0	
Insurance - Worker's Comp	779	937	83%
Employee Travel/Parking	1,200	1,200	100%
Total Human Resources Expenses	1,979	2,137	93%
IT Repair & Maint Parts	100	100	100%
Total Information Systems Expenses	100	100	100%
Postage	3,000	3,000	100%
Printing	0	0	
Total Community Relations	3,000	3,000	100%
Equipment/Lease	7,440	6,900	108%
Equipment/General Maintenance & Repair	6,076	6,000	101%
Plant Service	0	0	
Total Facilities Expenses	13,516	12,900	105%
Outside Services	500	500	100%
Taxes & Licensing	400	700	57%
Total Professional Services Expenses	900	1,200	75%
Total Expense	143,897	155,228	93%
Cash Income (Loss) Before Cap Ex	(143,897)	(155,228)	93%

Beach Cities Health District Executive			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Salaries - Reg FT	375,236	377,109	100%
Cafeteria Plan Contribution	28,415	27,588	103%
Payroll Taxes	19,993	21,189	94%
LTD Insurance	600	552	109%
Pension Plan Contribution	85,753	78,660	109%
Employee Incentive Bonus	0	0	
Total Payroll Expenses	509,996	505,098	101%
Office Supplies	298	450	66%
Other Supplies	0	1,500	
Total Program Costs	298	1,950	15%
Employee Retention & Recognition	1,427	1,275	112%
Education & Training Seminars	800	0	
Insurance - Worker's Comp	1,732	1,499	116%
Employee Travel/Parking	800	0	
Total Human Resources Expenses	4,759	2,774	172%
Community Outreach	500	500	100%
Dues & Memberships	1,500	0	
Meetings	500	500	100%
Printing	0	0	
Total Community Relations	2,500	1,000	250%
Equipment/Furniture < \$5,000	0	0	
Total Facilities Expenses	0	0	
Legal Services	138,000	138,000	100%
Outside Services	0	71,300	
Total Professional Services Expenses	138,000	209,300	66%
Insurance - General	117,311	112,952	104%
Total Other Expenses	117,311	112,952	104%
Grants	0	0	
Total Funds & Grants Expenses	0	0	
Total Expense	772,864	833,074	93%
Cash Income (Loss) Before Cap Ex	(772,864)	(833,074)	93%

**Beach Cities Health District
Board of Directors**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
EXPENSES			
Cafeteria Plan Contribution	46,554	50,100	93%
Total Payroll Expenses	46,554	50,100	93%
Other Supplies	0	0	
Total Program Costs	0	0	
Education & Training Seminars	2,400	1,600	150%
Employee Travel/Parking	1,600	1,600	100%
Total Human Resources Expenses	4,000	3,200	125%
Community Outreach	1,000	1,000	100%
Dues & Memberships	15,000	23,400	64%
Meetings	9,000	9,000	100%
Total Community Relations	25,000	33,400	75%
Election Services	0	380,000	
Total Professional Services Expenses	0	380,000	
Total Expense	75,554	466,700	16%
Cash Income (Loss) Before Cap Ex	(75,554)	(466,700)	16%

**Beach Cities Health District
BCHD and Outlying Properties**

	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Lease	751,532	739,850	102%
Interest	12,665	14,601	87%
Other Revenue	0	0	
Total Revenue Government	764,198	754,451	101%
Total Revenue	764,198	754,451	101%
EXPENSES			
Salaries - Reg FT	77,601	76,768	101%
Cafeteria Plan Contribution	6,465	6,276	103%
Payroll Taxes	5,936	5,873	101%
LTD Insurance	120	110	109%
Pension Plan Contribution	12,063	10,798	112%
Total Payroll Expenses	102,185	99,826	102%
Insurance - Worker's Comp	346	300	115%
Total Human Resources Expenses	346	300	115%
Building Maintenance & Repair	10,000	10,000	100%
Equipment/Furniture < \$5,000	5,000	5,000	100%
Equipment/Lease	74,022	72,764	102%
Landscape Maintenance	4,262	4,200	101%
Water	1,000	1,000	100%
Janitorial Services	16,320	17,640	93%
Total Facilities Expenses	110,604	110,604	100%
Outside Services	12,000	12,000	100%
Total Professional Services Expenses	12,000	12,000	100%
Insurance - General	40,225	41,590	97%
Total Other Expenses	40,225	41,590	97%
Total Expense	265,360	264,319	100%
Cash Income (Loss) Before Cap Ex	498,837	490,132	102%

Beach Cities Health District Prospect Parking			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Lease	200,000	826,769	24%
Interest	0	13,172	
Total Revenue Government	200,000	839,941	24%
Total Revenue	200,000	839,941	24%
EXPENSES			
Building Maintenance & Repair	10,297	8,282	124%
Landscape Maintenance	89,692	87,228	103%
Electricity	18,000	18,000	100%
Total Facilities Expenses	117,989	113,510	104%
Engineering/Maintenance Services	0	0	
Service Contracts	5,180	5,180	100%
Total Professional Services Expenses	5,180	5,180	100%
Prospect South Bay	78,000	78,000	100%
Lease-Ducot Parking rights	0	351,996	
Interest Expense	0	8,004	
Insurance - General	43,216	42,651	101%
Total Other Expenses	121,216	480,651	25%
Total Expense	244,385	599,342	41%
Cash Income (Loss) Before Cap Ex	(44,385)	240,599	(18%)

Beach Cities Health District 514 Prospect Ave Campus			
	FY 25-26 Budget	FY 24-25 Budget	Budget Last Yr Difference
REVENUE			
Lease	3,126,167	3,221,048	97%
Total Revenue Government	3,126,167	3,221,048	97%
Total Revenue	3,126,167	3,221,048	97%
EXPENSES			
Salaries - Reg FT	48,092	47,446	101%
Cafeteria Plan Contribution	4,529	4,397	103%
Payroll Taxes	3,679	3,630	101%
LTD Insurance	75	69	109%
Pension Plan Contribution	7,192	6,421	112%
Total Payroll Expenses	63,568	61,963	103%
Janitorial Supplies	6,000	6,000	100%
Total Program Costs	6,000	6,000	100%
Insurance - Worker's Comp	217	187	116%
Total Human Resources Expenses	217	187	116%
Building Maintenance & Repair	191,020	221,806	86%
Equipment/Furniture < \$5,000	12,000	12,000	100%
Equipment/General Maintenance & Repair	141,516	114,030	124%
Electricity	480,800	503,760	91%
Gas	204,000	204,000	100%
Water	162,300	162,577	100%
Waste Removal	30,000	30,467	98%
Plant Service	0	0	
Telephone	7,200	6,684	108%
Janitorial Services	118,824	109,200	109%
Total Facilities Expenses	1,327,660	1,364,524	97%
Banking Services	300	300	100%
Outside Services	31,320	32,364	97%
Outside Services - Property	105,000	84,000	125%
Engineering/Maintenance Services	479,036	419,674	114%
Service Contracts	18,300	15,739	116%
Taxes & Licensing	10,230	10,230	100%
Total Professional Services Expenses	644,186	562,307	115%
Insurance - General	201,598	212,603	95%
Total Other Expenses	201,598	212,603	95%
Total Expense	2,243,228	2,207,584	102%
Cash Income (Loss) Before Cap Ex	882,939	1,013,463	87%

LONG-TERM FINANCIAL OUTLOOK

The District Long-Term Financial Outlook

The District was created in 1955 by the residents of Hermosa, Manhattan, and Redondo Beach. It opened its hospital in 1960 and transitioned into preventative health in the late 1990s.



1955	Community votes to fund South Bay Hospital
1960	South Bay Hospital opened
1984	Building leased to outside management (Tenet)
1998	Tenet leaves and BCHD focuses on preventive health
2010	The Beach Cities are chosen for the Blue Zones Project
2020	BCHD leads COVID community relief and recovery efforts
2022	allcove Beach Cities opens
TODAY	BCHD delivers 40+ programs and services in the community

In 2016, the Beach Cities and the District earned its [Blue Zones Project](#) certification and have since established itself as a leader in the preventive health realm.

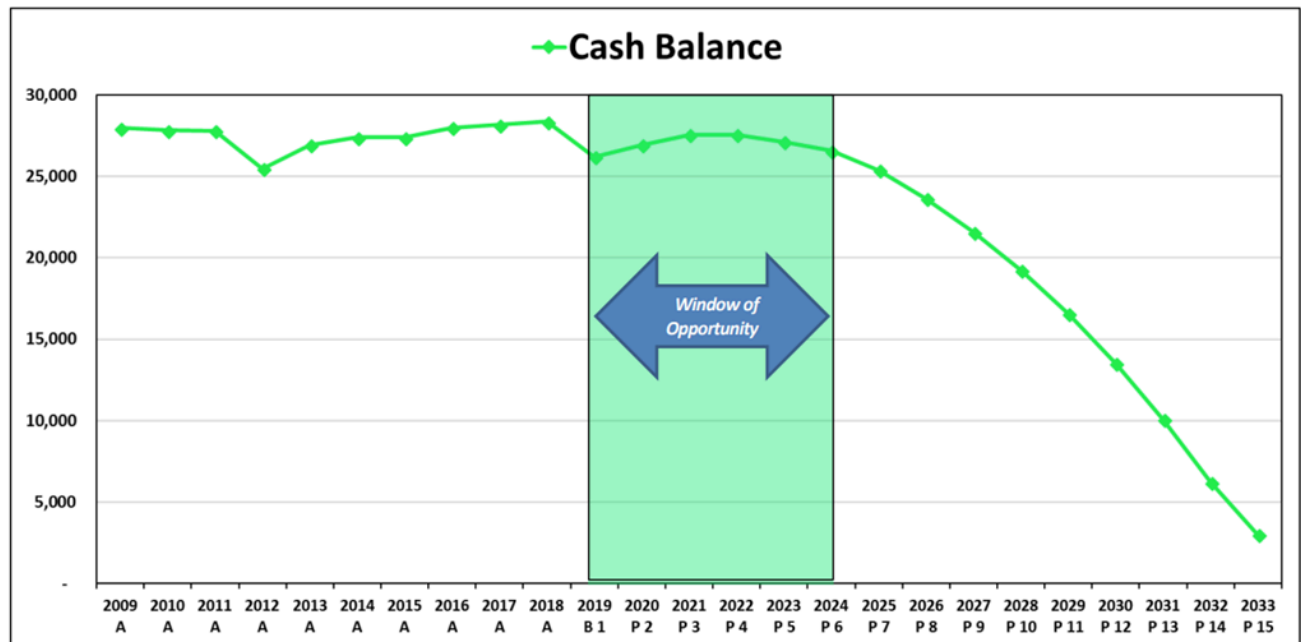
The term "Blue Zones" refers to five regions in the world where people live exceptionally long, healthy lives. The concept was popularized by author Dan Buettner, who partnered with National Geographic ([What are 'blue zones'? 5 places on Earth where the healthiest people live | National Geographic](#)) to study these communities. He identified specific lifestyle factors, often called the "Power 9," that contribute to their longevity.

However, the 514 N. Prospect hospital building is now over 60 years old and is starting to drain the District's resources and is affecting the rental income funding source, net fund balance and operating cash flow.

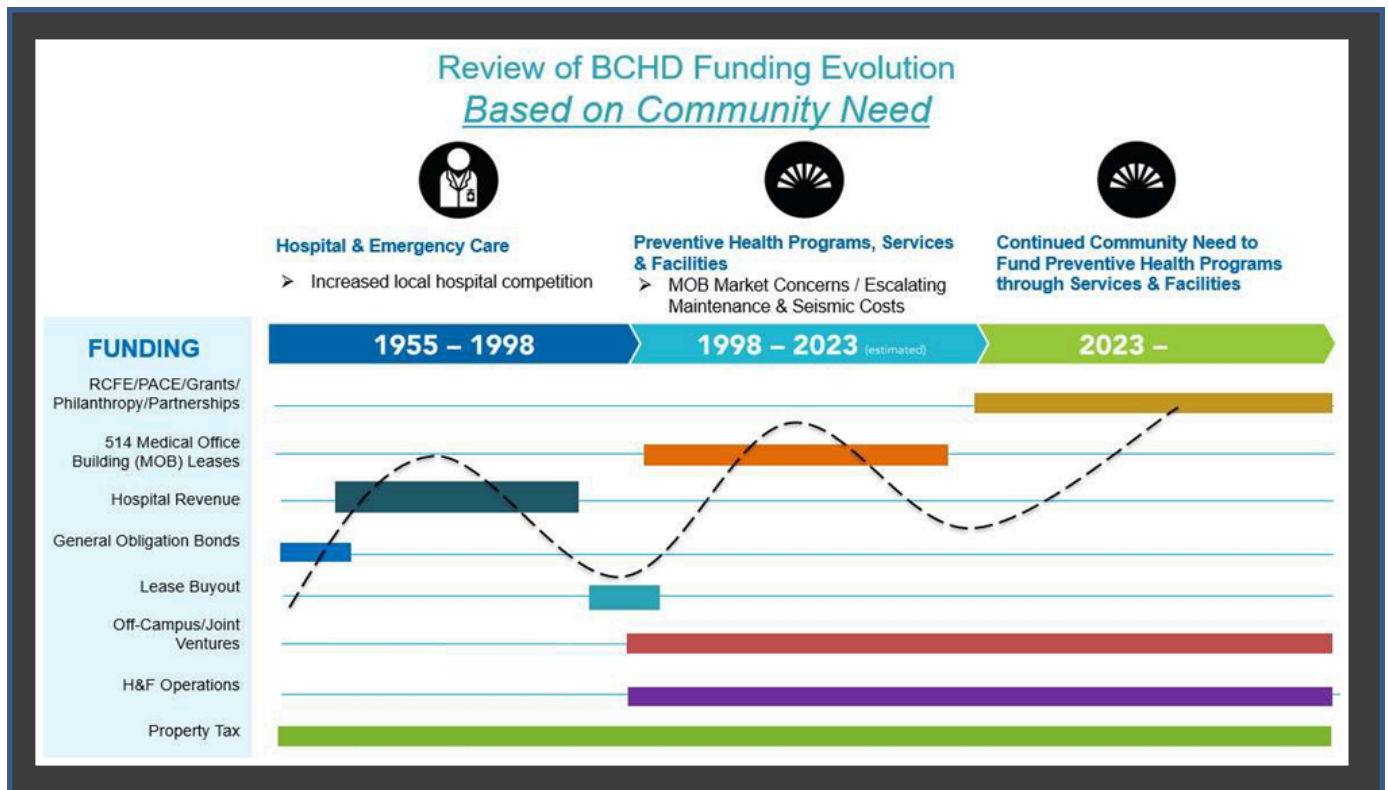
In 2018, the District presented a long-term financial outlook estimating that the District had about a four to five-year timeframe to invest in further long-term assets that can replace the 514 N. Prospect rental income funding source to sustain the District for years to come.

15 Year Long-Term Financial Look

Presented July 25, 2018



During its 70-year lifetime, the District has been able to transform its funding sources from the original Hospital to Medical Office Leases and Joint Venture. Now when the lease revenue from 514 N. Prospect is diminishing, and the building has reached its economic useful life, the District has the opportunity to evolve again and build a [Healthy Living Campus](#).



When the District created a Master Plan to address its aging Campus, the Board and staff with Community input created long-term project pillars as guiding principles.

Guided by its core project pillars, the District continuously evaluates and adjusts its strategy in response to evolving community needs and economic conditions. The significant economic and public health impacts of the last five years, first driven by the COVID-19 pandemic and later by socio and political changes nationwide, have introduced new challenges and opportunities that must now be integrated into the long-term outlook alongside pre-existing challenges.

Challenges:

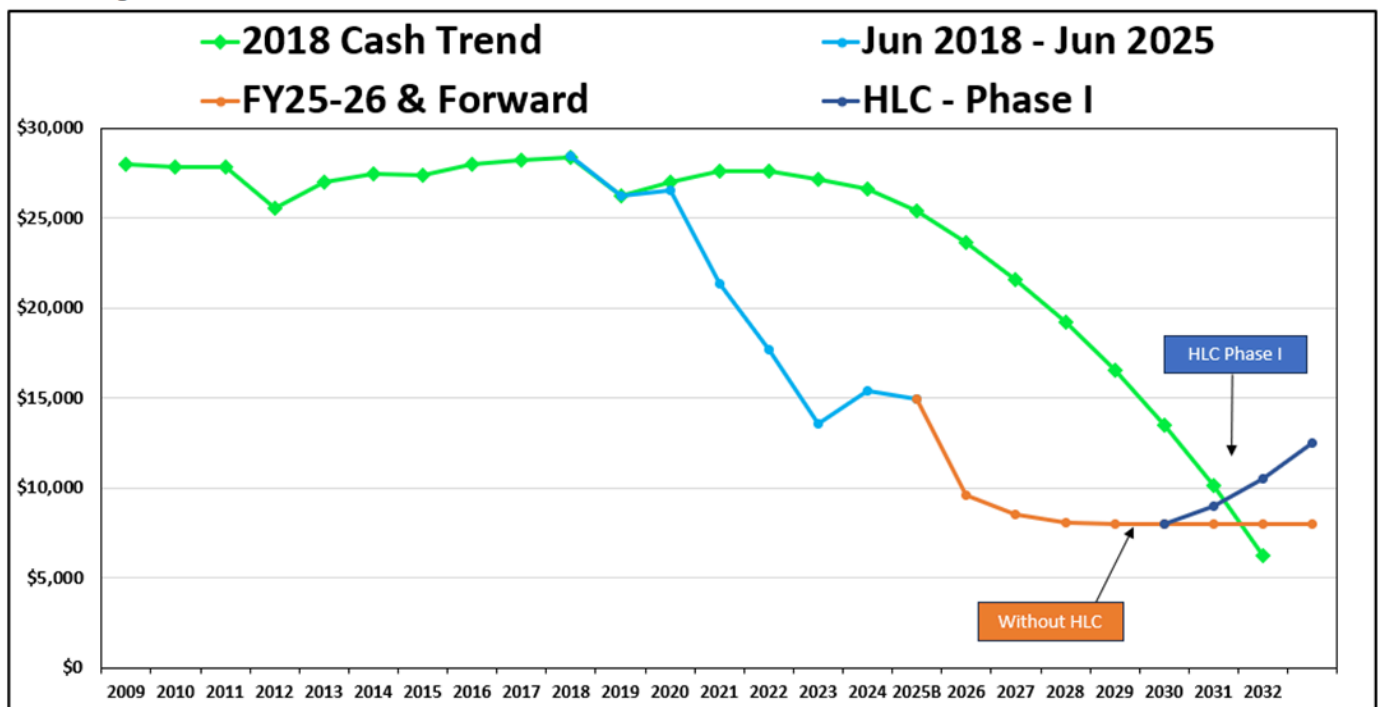
- 65-Year-old hospital building not meeting tenant needs
- Increasing BCHD & tenant building operating expenses
- Loss of a long-term annual \$450,000 Notes Receivable revenue source
- Seismic condition of building and cost of upgrades
- Increased construction cost
- Increased interest rates
- Sustainability of grant income.

Opportunities:

- Creation of a Center for Preventative Health to address community needs.
- Optimize use of high valued land
- Sunrise Financial Joint Venture model – proven successful
- The market socio-and A 65-year-old needs residential care for the elderly.
- Mental Health services are services the District are doing well.
- New medical and mental health reimbursements available local and state levels.

To address evolving challenges and opportunities, the District is committed to investing in the Healthy Living Campus. By partnering with reputable organizations to have a [Residential Care for the Elderly \(RCFE\)](#) and a [Program of All-Inclusive Care for the Elderly \(PACE\)](#) on the Campus, the District will establish a new revenue stream to replace the income from 514 N. Prospect Avenue, thereby securing income for the long-term delivery of essential programs and services for decades to come.

As of August 2025



The District is currently navigating a pivotal phase characterized by a significant campus redevelopment initiative, which includes the replacement of the former hospital building. This multifaceted project directly impacts the District's financial outlook for the next five years, necessitating a stringent focus on strategic priorities and the careful allocation of resources. The anticipated stabilization of income streams from these substantial investments is still a few years away.

In light of this, the District will continue to implement the established Budget Shortfall Strategies. These strategies have been reviewed and approved by the District Finance Committee and the Board of Directors, ensuring alignment with the organization's overarching financial goals. The budget planning process for FY25-26 revealed that the District is operating under a Moderate Level of Shortfall Strategy, indicating that current expenses exceed available revenues to a moderate degree. This necessitates a disciplined approach to spending and the potential exploration of revenue enhancement opportunities, while prioritizing initiatives that support strategic objectives. The District recognizes the importance of balancing financial discipline with the need to support ongoing operations and achieve long-term growth objectives during this transitional period.

BCHD Budget Shortfall Strategies

Level	%		\$		Action Plan Options
Minor	1%	2%	\$150,000	\$300,000	Same Level of Service Tighter Budget Monitoring (hold new purchases, etc.) Simple Frugality (Low Hanging Fruit – All Depts.) Share resources
Moderate	2%	5%	\$300,000	\$750,000	Begin Cutting Service Levels (PBB) Soft Freeze on Staffing matters (Control Personnel Costs) Reduce Some Pt/Seasonal Workforce
Major	5%	15%	\$750,000	\$2,250,000	Major Service Cuts (PBB) Reduce/Sell Properties to Invest in Other Sources of Income Defer Wage Increases Eliminate PT/Seasonal Workforce Reduce FT Workforce Some
Crisis	15%	30%	\$2,250,000	\$4,500,000	Eliminate Programs Reduce FT Workforce Significantly
Existential	30%	67%	\$4,500,000	\$10,000,000	Bare-Bone Staff / 1-2 Programs or Grant Distributor
				\$5,000,000	<u>Remaining Revenue:</u> \$5M Property Tax \$2M JV Income \$1M Off-Campus (assuming not sold)

Therefore, the District has created a 5-year financial forecast to identify operating challenges, and new income or operation adjustments required for a balanced operating budget. The 5-year plan outlines capital expenditures projected for both ongoing needs and the large project needs.

Five-Year Operating Assumptions:

- Annual operating expenses are projected to increase by 3% to 4%.
- Election-related costs will be incurred biennially (next election year is FY26-27.)
- The allcove operations will be maintained at its current grant-funded contribution level.
- Tenant revenue loss from 514 N. Prospect building begins in Fiscal Year 26-27.
- Property tax and District joint venture revenues are expected to remain robust, with a projected annual growth rate between 3% and 5%.
- Health and Fitness revenues are forecast to increase by an average of 2% annually.
- Income from the District's redevelopment projects is projected to begin in Fiscal Year 29-30.

- Planned operating surpluses will be strategically allocated to fund capital projects and support staff compensation plans.

Strategic Revenue Generation Opportunities:

- Implementation and optimization of user fees for Health & Fitness programs.
- Proactive pursuit and securement of mental health grants
- Establishment of medical billing processes and associated fee schedules
- Development and expansion of programs dedicated to charitable giving and fundraising efforts.

Beach Cities Health District	BUDGET-Y1	FCST-Y2	FCST-Y3	FCST-Y4	FCST-Y5	YR 1-5
	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	
REVENUES - To be Updated	15,358,000	14,022,000	12,981,000	13,433,000	13,723,000	
EXPENSES - To Be Updated	14,608,000	14,422,000	13,181,000	13,740,000	13,937,000	
Operating Cash Forecast	750,000	(400,000)	(200,000)	(307,000)	(214,000)	
Operation Adjustment/New Income		500,000	500,000	500,000	500,000	
PACE & Redevelopment	-	-	-	-	300,000	
Operating Cash Forecast	750,000	100,000	300,000	193,000	586,000	\$ 1,929,000
Total Cash - June 30, 2025	\$ 19,580,000					
Less: Restricted 115 Trust	4,215,000					
Cash Available - June 30, 2025	\$ 15,365,000	\$ 14,892,000	\$ 9,609,000	\$ 8,518,000	\$ 8,061,000	\$ 15,365,000
Capital Budget Spend						5- Year Uses
Annual CIP						
IT - Computer Refresh, etc.	50,000	50,000	150,000	50,000	50,000	350,000
514 Prospect Bldg	150,000	100,000	-	-	-	250,000
APlex & CHF	50,000	50,000	700,000	50,000	50,000	900,000
Off-Campus	150,000	150,000	-	-	-	300,000
Sub-Total	400,000	350,000	850,000	100,000	100,000	\$ 1,800,000
One-time Project Funding						
allcove	120,000					120,000
CHF Tenant Improvements	500,000	4,500,000				5,000,000
CHF Rental Cost	103,000	433,000	441,000	450,000	460,000	1,887,000
HLC	100,000	100,000	100,000	100,000	100,000	500,000
Sub-Total	823,000	5,033,000	541,000	550,000	560,000	\$ 7,507,000
Total Capital Reserve Uses	\$ 1,223,000	\$ 5,383,000	\$ 1,391,000	\$ 650,000	\$ 660,000	\$ 9,307,000
Ending Cash (excluding 115 Trust)	\$ 14,892,000	\$ 9,609,000	\$ 8,518,000	\$ 8,061,000	\$ 7,987,000	\$ 7,987,000
Cash Fund Balances						
Operating Reserve	7,304,000	7,211,000	6,591,000	6,870,000	6,969,000	6,969,000
Capital Investment Reserve	7,588,000	2,398,000	1,927,000	1,191,000	1,018,000	1,018,000

In the interim period before a more stable funding stream is achieved, the District plans to leverage its Capital Reserves to support essential annual capital investments. These investments include, but are not limited to, vital updates to IT infrastructure, the necessary maintenance of the 514 N. Prospect old hospital building for its remaining operational years, and the comprehensive care of all four District facilities located across the Beach Cities. The level of care required for each facility varies based on its usage and whether it is District-owned or leased.

The "One-time Project Funding" allocation is designated for the final cash investments in major Capital Investment projects. This includes the completion of the new allcove facility, which is primarily supported by grant funding, as well as tenant improvements for the relocation of the Center for Health and Fitness, encompassing associated temporary lease obligations. Additionally, this funding covers the remaining estimated expenditures for the Healthy Living Campus. Further details regarding the District's Capital Investment strategy can be found [ClearDocs - FY 2026](#)

ADOPTED BUDGET

In alignment with our long-term financial outlook review, the District has included the Risk Assessment that was initially presented at the November 2019 Finance Committee meeting. An updated version of this assessment is scheduled for completion during the FY25-26 budget year to ensure its continued relevance and accuracy.

SUPPLEMENTARY INFORMATION

BEACH CITIES HEALTH DISTRICT

SIX-YEAR STRATEGIC PLAN

2025 – 2031





STRATEGIC PLANNING GOALS

(not in priority order)

Goal A: COMMUNITY HEALTH

Promote and provide health and wellness services based on the evolving needs of the community.

Goal B: PEOPLE & PARTNERSHIPS

Strengthen BCHD and its partners' ability to drive improvements in individual and community health.

Goal C: AWARENESS

Further BCHD as a trusted and essential community institution.

Goal D: FINANCIALS, INFRASTRUCTURE & PHYSICAL ASSETS

Leverage resources to enhance services and improve efficiency.

2025-2028

HEALTH PRIORITIES



**Mental Health
& Substance Use**



Physical Health



STRATEGIC APPROACH

The 2025–2031 Six-Year Strategic Plan serves as a forward-thinking roadmap that defines Beach Cities Health District's (BCHD) mission, vision, core values, strategic goals and objectives for the years ahead. This plan is designed to guide BCHD with clarity and purpose, ensuring all efforts are aligned with our unwavering commitment to advancing the health and well-being of the communities we serve.

The plan clearly articulates BCHD's strategic priorities and identifies the key areas where we will focus our energy, expertise and resources to achieve meaningful and lasting impact. Informed by the most recent Community Health Report, the plan incorporates both community-identified health needs and broader organizational priorities, including financial sustainability, infrastructure development, information technology modernization, talent development and organizational resilience.

Developed through a collaborative planning process, the Strategic Plan reflects the dedicated work of the Strategic Planning Committee, which has been actively engaged in its development since 2023. It has been shaped by Strategic Development Half-Day meetings that welcomed thoughtful input from BCHD's Board, staff and community stakeholders.

As we embark on this transformative journey, the 2025–2031 Strategic Plan stands as a living document—one that not only charts our direction but inspires innovation, fosters accountability and strengthens partnerships across every level of the organization. Together, we are building a healthier beach community.

STRATEGIC PLANNING COMMITTEE ROSTER

FISCAL YEAR 2025-26

ASSIGNED BOARD MEMBERS

- Michele Bholat, M.D., Committee Chair
- Jane Diehl: Committee Chair

ASSIGNED STAFF

- Cristan Mueller, Chief Health Operations & Communications Officer

COMMUNITY MEMBERS

- Lisa Gaudio
- Khiem Luu
- Christian Wendland
- Lily Hanna
- Jeffrey Gaul
- Jennifer Seidner
- Ken Chaplin
- Susan Bremer Rosso

YOUTH REPRESENTATIVES

- Lila Mokhtari
- Luke Finigan



GOAL A: COMMUNITY HEALTH

Promote and provide health and wellness services based on the evolving needs of the community.

OBJECTIVES

A.1 Strive to ensure that all programs and services are accessible and affordable to diverse populations, with a focus on minimizing barriers such as income, ability and transportation.

A.2 Promote intergenerational engagement in health and wellness programs to strengthen social bonds and mutual support across age groups.

A.3 Serve as a connector to key community resources by maintaining strong local partnerships and making residents aware of and able to access essential services, even when not directly provided by BCHD.

A.4 Utilize the Community Health Report to identify community needs and health priorities.

HEALTH PRIORITIES & OBJECTIVES

Mental Health & Substance Use

- Decrease anxiety, depression and suicidal ideation
- Reduce substance use (e.g. alcohol, cannabis, nicotine) across the lifespan
- Increase community education for mental health and substance use prevention and access to early intervention services
- Increase social connectedness to address loneliness and social isolation
- Enhance stress resilience, positive coping strategies and mental well-being

Physical Health

- Promote habits and practices to increase restful and restorative sleep
- Improve health and quality of life for people with dementia, including Alzheimer's disease, and their caregivers
- Maintain healthy eating habits and low percentage of residents who are obese or overweight
- Improve biking and walking safety
- Maintain high levels of physical exercise participation



GOAL B: PEOPLE & PARTNERSHIPS

Strengthen BCHD's and its partners' ability to drive individual and community health.

OBJECTIVES

B.1 Enhance organizational development strategies that strengthen BCHD's team while upholding industry standards and best practices.

B.2 Position BCHD as an employer of choice and sustain its competitiveness in the job market.

B.3 Advance community health by connecting individuals to volunteer service that's purposeful for the individual, strategic to the organization and impactful to the community.

B.4 Serve as a leader, convener, and backbone organization by cultivating strategic partnerships and managing strong relationships to collaboratively address community health priorities.



GOAL C: AWARENESS

Further BCHD as a trusted and essential community institution.

OBJECTIVES

C.1 Demonstrate an ongoing commitment to transparency and good governance by actively participating in government and special district transparency efforts.

C.2 Strengthen community awareness and engagement.

C.3 Track and share BCHD's strategic goals, objectives, results and outcomes.



GOAL D: FINANCIALS, INFRASTRUCTURE & PHYSICAL ASSETS

Leverage resources to enhance services and improve efficiency.

OBJECTIVES

D.1 Annually evaluate and update BCHD's long-term financial outlook and risk assessment to strengthen the District's financial position.

D.2 Implement the Healthy Living Campus Master Plan, including addressing aging infrastructure in the 514 building and programs, services and other facilities.

D.3 Increase revenue-generating opportunities to support BCHD's operational and capital needs.

D.4 Continue to invest in innovation (e.g., sustainability, efficiency, technology) to protect and enhance District assets.

D.5 Prioritize safety through proactive risk management, emergency planning and hazard mitigation.

FINANCE & BUDGET POLICIES



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Financial Policies

<u>Policy</u>	<u>Policy Title</u>	<u>Date Approved</u>
2200	Strategic Plan	11/20/2019
6100	Financial Operations	11/15/2023
6110	Investment Policy	03/26/2025
6120	Budget Preparation	11/15/2023
6130	Principal Preservation	04/23/2025
6140	Disbursement of Funds	11/15/2023
6170	Fund Balance	11/15/2023

Strategic Plan

POLICY TITLE: STRATEGIC PLAN

POLICY NUMBER: 2200

COMMITTEE APPROVAL DATE:	09/30/2019	WRITTEN/REVISED BY:	T. BAKALY
BOARD APPROVAL DATE:	11/20/2019	SUPERSEDES:	07/22/2015
<u>POLICY:</u>			

2200

It is the policy of the Beach Cities Health District ("District") to be responsible to the beach cities community for promoting health and wellness.

The Board of Directors has established a Strategic Planning Committee to promote a strategic plan of action, to improve decision-making, to enhance organizational responsiveness, to improve performance, and to strengthen the organization. It is the policy of the Beach Cities Health District ("District") to be responsible to the beach cities community for promoting health and wellness.

GUIDELINES:

2200.1 The Strategic Planning Committee will design the process for long-range and strategic planning and recommend it to the board for approval. Upon approval by the board, the Committee will direct staff in the planning process and report to the board throughout the year.

2200.2 The full Board of Directors will meet at least annually to assess, review, and update its strategic plan. This may take the form of a retreat, workshop, special meeting or part of a regularly scheduled meeting, as appropriate.

FINANCIAL OPERATIONS

POLICY TITLE: FINANCIAL OPERATIONS

POLICY NUMBER: 6100

COMMITTEE APPROVAL DATE: 11/15/2023 BOARD APPROVAL DATE: 11/15/2023	WRITTEN/REVISED BY: M. SUUA SUPERSEDES: 03/23/2016
POLICY:	

6100 It is the policy of the Beach Cities Health District ('District') to comply fully with the financial statutes of the State of California as they relate to Healthcare Districts.

6100.1 The ultimate responsibility for the District's financial position and direction rests with the Board of Directors. Issues such as strategic planning, investment guidelines, funding of projects, major purchases or expenditures and operating budget are to be authorized at the Board level.

6100.2 The Board has established a Finance Committee to provide advice and insight to the Board of Directors, Board Treasurer and District staff. The Treasurer chairs the Committee, with an additional Board member as second chair. The Committee is comprised of six (6) to eight (8) community members and two (2) youth representatives.

6100.3 The Chief Executive Officer shall be given the authority and responsibility for conducting the District's business within the framework of the Board's policies and governance. The Chief Executive Officer shall be held accountable to the Board for the financial performance of the District.

6100.4 The Chief Executive Officer shall have the authority to approve unbudgeted expenditures as set forth in an annual Budget Resolution or as otherwise approved by the Board.

Investment Policy

POLICY TITLE: INVESTMENT POLICY

POLICY NUMBER: 6110

COMMITTEE APPROVAL DATE: 03/18/2025 **WRITTEN/REVISED BY:** M. SUUA

BOARD APPROVAL DATE: 03/26/2025 **SUPERSEDES:** 11/15/2023

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1.Policy

It is the policy of the Beach Cities Health District (“District”) to provide guidelines for the prudent investment of District funds and to maximize the efficiency of the District’s cash management. The ultimate goal is to enhance the economic status of the District consistent with the prudent protection of the District’s investments. This investment policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq.*

2. Scope

This policy covers all funds and investment activities of the District except for (1) the proceeds of bond issues, which are invested in accordance with provisions of their specific bond indentures, and (2) funds invested in retirement or deferred

compensation plans. All funds covered by this policy are defined and accounted for in the District's audited annual Basic Financial Statements Report. Further, any new funds created shall be covered by this policy unless specifically excluded by District management and the Board of Directors. Investments for the District (the "portfolio") will be made on a pooled basis including the General Fund, Special Revenue Fund, and any funds subsequently created.

3. Prudent Investor Standard

3.1 The District operates its investment portfolio under the Prudent Investor Standard (California Government Code Section 53600.3) which states, that "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District."

4. Investment Objectives

4.1 When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the District's funds:

4.1.1 The primary objective is to safeguard the principal of the funds.

4.1.2 The secondary objective is to meet the liquidity needs of the District.

4.1.3 The third objective is to achieve a reasonable market rate of return on invested funds.

4.2 It is the policy of the District to invest public funds in a manner to obtain the highest yield obtainable with the maximum security while meeting the daily cash flow demands of the District as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of District funds

4.2.1 Safety of Principal

Safety of the principal is the foremost objective of the District. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. The District shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security issuer or backer. Interest Rate Risk is the risk that the market value of the District's portfolio will fall due to an increase in general interest rates.

4.2.1.1 Credit risk will be mitigated by:

4.2.1.1.1 Limiting investments to only the most creditworthy types of securities;

4.2.1.1.2 Pre-qualifying the financial institutions with which the District will do business; and

4.2.1.1.3 Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the District.

4.2.1.2 Interest rate risk will be mitigated by:

4.2.1.2.1 Structuring the District's portfolio so that securities mature to meet the District's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and

4.2.1.2.2 Investing a portion of the portfolio in shorter-term securities.

4.2.2 Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained in money market funds, local government investment pools that offer daily liquidity, repurchase agreements, or short-term securities that can easily be converted into cash because they have secondary markets. The cash management system of the District shall be designed to accurately monitor and forecast expenditures and revenues to ensure the investment of monies to the fullest extent possible.

4.2.3 Rates of Return

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout economic cycles, taking into account the District's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

5. Delegation of Authority

Authority to manage District's investment program is derived from the California Government Code Section 53600 *et. seq.* The Board of Directors (the "Board") is responsible for the management of the portfolio and shall approve the systems of controls that regulate the activities of internal staff and external investment advisors. The Board hereby delegates responsibility to invest or reinvest the funds of the District or to sell or exchange securities so purchased, to the Chief Executive Officer (or the "CEO") who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the CEO. Such procedures shall authorize the CEO and/or the CFO to execute investment transactions or to delegate day-to-day investment decision making and execution authority to an investment advisor. The rights and responsibilities delegated to an investment advisor must be in a written agreement. The investment advisor shall make all investment decisions and transactions in accordance with California Government Code and District policy. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Chief Executive Officer and approved by the Board of Directors.

6. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any material financial interest in financial institutions that conduct business with this District, and they shall further disclose any large personal financial / investment positions that could be related to the performance of the District's portfolio. Employees and officers shall subordinate their personal investment preferences to those of the District, particularly with regard to the timing of transactions and shall avoid transactions that might impair public confidence.

7. Authorized Financial Dealers and Institutions

The CFO will establish and maintain a list of the financial institutions and broker/dealers authorized to provide investment and depository services to the District, will perform an annual review of the financial condition and registrations of the qualified institutions, and will require annual audited financial statements to be on file for each approved institution. The District shall annually send a copy of their current Investment Policy to all financial institutions and broker/dealers approved to do business with the District. Receipt of the Investment Policy including confirmation that it has been received and reviewed by the person(s) handling the District's account, shall be acknowledged in writing within thirty (30) days.

7.1 Depositories

7.1.1 In selecting depositories, the creditworthiness of institutions shall be considered, and the CFO shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. Qualifications and minimum requirements for depositories will be established by the CFO, approved by the Board of Directors, and provided to any institution seeking to conduct business with the District. Banks and Savings and Loan Associations

seeking to establish eligibility as a depository for the District's Collateralized Certificate of Deposits shall annually submit an audited financial statement which will be reviewed by the CFO for compliance with the District's financial criteria.

7.1.2 Any institution meeting the District's required criteria will be eligible for placement of public deposits by the District, subject to approval by the Chief Executive Officer. Un-audited quarterly financial data shall be reviewed for all institutions on the District's approved list. Any institution falling below the District's established minimum criteria shall be removed from the approved list, no new deposits may be placed with that institution, and all funds remaining shall be withdrawn as the deposits mature.

7.2 Brokers and Dealers

To become a broker or dealer qualified to do business with the District, a firm must respond to the District's "Broker Dealer Questionnaire" and submit related documents relative to eligibility. Required documents include a current audited financial statement, proof of state registration, proof of FINRA registration, and a certification that the firm has received and reviewed the District's Investment Policy and agrees to offer the District only those securities that are authorized by the Investment Policy. The CFO may establish any additional criteria deemed appropriate to evaluate and approve any financial services provider. The selection process for broker-dealers shall be open to both "primary dealers" and "secondary/regional dealers" that qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule), and the provider's representative must be experienced in institutional trading practices and familiar with the California Government Code as it relates to investments by a public entity.

If a third party investment advisor is authorized to conduct investment transactions on the District's behalf, the investment advisor may use its own list of approved issuers, broker/dealers and financial institutions. The investment advisor's approved list must be made available to the District upon request.

8. Authorized and Suitable Investments

8.1 The District is provided with a broad spectrum of eligible investments under California Government Code Section 53600 *et seq.* The District may choose to restrict its permitted investments to a smaller list of securities that more closely fits the District's cash flow needs and requirements for liquidity. If a type of investment is added to California Government Code 53600, it will not be added to the District's Authorized Investment List until this policy is amended and approved by the Chief Executive Officer and the Board of Directors. If a type of investment permitted by the District should be removed from California Government Code 53600, it will be deemed concurrently removed from the District's Authorized Investment List, but existing holdings may be held until they mature if it is in the best interest of the District and recommended by the CFO and approved by the Board of Directors.

Credit criteria listed in this Policy refers to the credit rating of the issuing organization at the time the security is purchased. The District may, from time to time be invested in a security whose rating is downgraded. In the event a rating drops below the minimum allowed by this Policy, the CFO will review and recommend an appropriate plan of action to the CEO and Board no less frequently than quarterly. If the District has an Investment Advisor, the Investment Advisor will notify the CFO and recommend a plan of action. Percentage limits refer to the percentage at the time the security is purchased.

8. Authorized and Suitable Investments

8.1.1 Within the context of these limitations, the following investments are authorized. No more than 5 percent of the portfolio may be invested in any one non-governmental issuer regardless of sector. This limitation does not apply to the following types of securities: U.S. Treasury securities, U.S. Government Agency securities, obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank, money market funds, and government investment pools.

PERMITTED INVESTMENTS/ DEPOSITS	SECTOR LIMITS	MINIMUM CREDIT REQUIREMENTS*	MATURITY LIMITS**
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Government Investment Pools - LAIF (Local Agency Investment Fund) California State Treasurer's Office - Shares issued by a JPA (LGIP)	- Maximum permitted by State Treasurer - No maximum limit	- No limit - No limit	- N/A - N/A
Securities of the U.S. Government, including: - U.S. Treasury and - U.S. Government Agency securities	- No % limit - No % limit	- No limit - No limit	5 years 5 years
Registered state warrants or treasury notes or bonds of the state of California	No % limit	No limit	5 years
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	No % limit	No limit	5 years
Bonds, notes, warrants, or other evidences of indebtedness of any of the other 49 United States in addition to California	No % limit	No limit	5 years
Bankers' acceptances	20%	"A-1"	180 days
Commercial paper	25%	"A-1" or higher or has debt other than commercial paper that is rated "A" or higher	270 days
Negotiable certificates of deposit	30%	"A-1" / "A"	5 years
Time certificates of deposit	50%	No limit	2 years
Repurchase Agreements	20% with Master Repurchase Agreement	N/A	90 days
Medium-term notes	30%	"A"	5 years

Money market funds	• 20%	• “AAA” or higher by at least two NRSROs¹ or must meet the Advisor Requirements • (See section (m) on page 11.)	• N/A
Money market account/ passbook savings / demand deposits	• No % limit	• N/A	• N/A
Asset-backed securities*	• 20%	• “AA”	• 5 years
Obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter-American Development Bank	• 30%	• “AA”	• 5 years

* Minimum credit requirements refer to the credit rating category without regard to “+”, “-”, or 1, 2, 3 modifiers. The minimum required credit rating category includes the equivalent ratings from any NRSRO.

** For purposes of compliance with this policy, an investment’s term or remaining maturity shall be measured from the settlement date to final maturity

*** Due to the complexity of these securities, asset-backed securities may only be purchased on the District’s behalf by a registered investment advisor. The investment advisor must independently review and approve each asset-backed security to be purchased in the District’s portfolio. The percentage limits for this investment type do not apply to securities issued or guaranteed by the U.S. Government or a federal agency.

8.1.2 One of the purposes of this Investment Policy is to define which investments are permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment.

8.2 The following descriptions of authorized investments are included here to assist in the administration of this policy.

8.2.1 Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a special fund in the California State Treasury created and governed pursuant to Government Code Sections 16429.1 *et seq.* This law permits the District with the consent of the Board of Directors, to remit money not required for the District’s immediate need, to the State Treasurer for deposit in this special fund for the purpose of investment. Funds may be withdrawn on one same day if notice is given by 10 a.m. The fees charged by LAIF are limited by statute (Legal Authority – Government Code Section 16429.1)

8.2.2 Shares Issued by a JPA (LGIP)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. (Legal Authority – Government Code Section 53601 (p))

¹ An NRSRO is defined as a “Nationally Recognized Statistical Rating Organization”.

Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

8.2.2.1 The adviser is registered or exempt from registration with the Securities and Exchange Commission.

8.2.2.2 The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) Government Code Section 53601, inclusive.

8.2.2.3 The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

8.2.3 Securities of the U.S. Government including U.S. Treasury and U.S. Government Agencies and Instrumentalities

These obligations can be classified either as “Treasures” or “Agencies.”

Treasury securities (“Treasures”) are obligations of the United States Treasury backed by the “full faith and credit” of the federal government and can be of three types: bills, notes, and bonds. (Legal Authority- Government Code Sections 53601(b))

The District can invest in federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (f))

8.2.4 Registered State warrants or Treasury Notes or Bonds of the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (c).te or by a department, board, agency, or authority of the state. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (c).

8.2.5 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of Any Local Agency within the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a California local agency, or by a department, board, agency or authority of such a local agency. The maximum investment maturity is restricted to 5 years. (Legal Authority-Government Code Sections 53601 (d)).

8.2.6 Bonds, Notes, Warrants, or Other Evidences of Indebtedness of an of the other 49 United States in addition to California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. The maximum investment maturity is restricted to 5 years. (Legal Authority – Government Code Sections 53601 (d)).

8.2.7 Bankers Acceptances

The District may invest in bankers’ acceptances, which are bills of exchange or time drafts that are drawn on and accepted by a commercial bank. To be eligible for investment by the District, bankers’ acceptances must carry a minimum rating of “A” or “A-1” by a nationally recognized statistical rating organization (“NRSRO”). The maximum

investment maturity will be restricted to 180 days. Purchases of bankers' acceptances shall not exceed 20 percent of the portfolio. (Legal Authority-Government Code Sections 53601 (g)).

8.2.8 Commercial Paper

Commercial paper is issued by leading industrial and financial firms to raise working capital. The District shall only buy commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating by an NRSRO. Eligible paper shall also be further limited to issuing corporations that meet all the following conditions in either paragraph 8.2.8.1 or paragraph 8.2.8.2: the highest letter and numerical rating by an NRSRO. Eligible paper shall also be further limited to issuing corporations that meet all the following conditions in either paragraph 8.2.8.1 or paragraph 8.2.8.2:

8.2.8.1 The entity meets the following criteria: (i) is organized and operating within the United States as a general corporation"(ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, is any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

8.2.8.2 The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated in a rating category of "A-1" or higher, or the equivalent, by an NRSRO.

Purchases of eligible commercial paper shall not exceed 270 days to maturity. Purchases of commercial paper shall not exceed 25 percent of the portfolio. (Legal Authority Government Code Section 53601 (h)).

8.2.9 Negotiable Certificates of Deposit

The District may invest in negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union or by a federally licensed or state-licensed branch of a foreign bank. Eligible investments shall be rated in a rating category of "A" or "A-1" or its equivalent or better by an NRSRO. The maximum investment maturity is restricted to 5 years. Purchases of negotiable Certificates of Deposit shall not exceed 30 percent of the portfolio. (Legal Authority – Government Code Section 53601 (i)). No deposits shall be made at any time in negotiable CDs issued by a state or federal credit union if a member of the District's Board or staff serves on the board of directors or any committee appointed by the board of directors of the credit union.

8.2.10 Time Certificates of Deposit

The District may invest in non-negotiable, FDIC-insured, and collateralized certificates of deposits ("CDs") in a state or national bank, savings association or federal association, federal or State credit union in the State of California. In accordance with California Government Section 53635.2, to be able to receive Direct Deposits, a financial institution must have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California communities. A written depository contract is required with all institutions that hold District deposits. Deposits larger than the current level of FDIC insurance must be collateralized by securities with a market value of at least 110 percent of all uninsured deposits with the institution. Acceptable collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in Government Code Section 53651(m). All banks are required to provide the District with a statement of pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool.

No deposits shall be made at any time in CDs issued by a state or federal credit union if a member of the District's Board or staff serves on the board of directors or any committee appointed by the board of directors of the credit union. In accordance with Government Code Section 53638, any deposit shall not exceed the total shareholder's equity of any depository bank, nor shall the deposit exceed the total net worth of any institution. Maximum maturity is restricted to 2 years. Purchases of time certificates of deposit shall not exceed 50 percent of the portfolio.

8.2.11 Repurchase Agreements

The District may invest in overnight and term repurchase agreements with Primary

Dealers of the Federal Reserve Bank of New York rated in a rating category of "A" or its equivalent or better by an NRSRO with

which the District has entered into Master Repurchase Agreement. This agreement will be modeled after the Public Securities

Associations Master Repurchase Agreement. The maximum maturity

will be restricted to 90 days. Purchases of repurchase agreements shall not exceed 20 percent of the portfolio. (Legal Authority—

Government Code Section 53601(j))

The District may invest in overnight and term repurchase agreements with Primary Dealers of the Federal Reserve Bank of New York rated in a rating category of "A" or its equivalent or better by an NRSRO with which the District has entered into Master Repurchase Agreement. This agreement will be modeled after the Public Securities Associations Master Repurchase Agreement. The maximum maturity will be restricted to 90 days. Purchases of repurchase agreements shall not exceed 20 percent of the portfolio. (Legal Authority—Government Code Section 53601(j)).

All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party will have an account in the name of the Beach Cities Health District. The market value of securities used as collateral for repurchase agreements shall be monitored on a daily basis and will not be permitted to fall below a minimum of 102 percent of the value of the repurchase agreement. Collateral shall not have maturities in excess of 5 years. The right of substitution will be granted, provided that permissible collateral is maintained.

In order to conform with provisions of the Federal Bankruptcy Code, which provides for the liquidation of securities held as collateral for repurchase agreements, the

only securities acceptable as collateral shall be securities that are direct obligations of and guaranteed by the United States Government and Agency securities as permitted under this policy. The District will maintain a first perfected security interest in the securities subject to the repurchase agreement and shall have a contractual right to liquidation of purchased securities upon bankruptcy, insolvency or other default of the counter party.

8.2.12 Medium Term Notes

Medium-term notes are obligations of a domestic corporation or depository institution. The maximum investment maturity is restricted to 5 years. Eligible investments shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not exceed 30 percent of the portfolio. (Legal Authority—Government Code Sections 53601(k)).

8.2.13 Money Market Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, *et seq.*) and that invest in securities and obligations defined as permitted investments for local agencies as described in subsections (a) through (k), inclusive, and (m) through (q), inclusive, of Government Code Section 53601 *et seq.*

To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two NRSROs or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000. Purchases of money market funds shall not exceed 20 percent of the portfolio. (Legal Authority – Government Code Section 53601 (l))

8.2.14 Money Market Accounts / Passbook Savings / Demand Deposits

These are authorized by Government Code Section 53637 and must be insured by the FDIC or collateralized as required by California Government Code. (Legal Authority – Government Code Section 53637).

8.2.15 Asset-Backed Securities

This category includes mortgage passthrough securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease- backed certificates, consumer receivable passthrough certificates, or consumer receivable-backed bonds. For securities eligible for investment under this subdivision not issued or guaranteed by an agency or issuer identified in section 6.110.10.3 above, the following limitations apply:

8.2.15.1 Securities eligible for investment shall be rated in a rating category of "AA" or its equivalent or better by at least one NRSRO and have a maximum remaining maturity of five years or less.

8.2.15.2 Purchases of asset-backed securities shall not exceed 20 percent of the portfolio.

8.2.15.3 Further, the asset-backed securities described in this sub-section may only be purchased on the District's behalf by a registered investment advisor. The investment advisor must independently review and approve each asset-backed security to be purchased in the District's portfolio.

(Legal Authority – Government Code Section 53601 (o))

8.2.16 Obligations of the International Bank for Reconstruction and Development, the International Finance Corporation, and the Inter- American Development Bank

United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter- American Development Bank (IADB), which are eligible for purchase and sale within the United States.

Investments shall be rated "AA", its equivalent, or better

by at least one NRSRO. The maximum investment maturity is restricted to 5 years.

Purchases of these types of obligations may not exceed 30 percent of the portfolio. (Legal Authority – Government Code Section 53601

9. Investment Pools

A thorough investigation of any investment pool, money market or mutual fund is required prior to investing and on a continual basis. The investigation will, at a minimum, obtain the following information:

9.1 A description of interest calculations and how it is distributed, and how gains and losses are distributed.

9.2 A description of how securities are safeguarded (including the settlement process) and how often the securities are marked to market and how often an audit is conducted.

9.3 A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.

9.4 A schedule for receiving statements and portfolio listings.

9.5 Does the pool/fund maintain a reserve or retain earnings, or is all income after expenses distributed to participants?

9.6 A fee schedule that discloses when and how fees are assessed.

9.7 Determining if the pool or fund is eligible for bond proceeds and/or will it accept such proceeds.

The purpose of this investigation is to determine the suitability of a pool or fund and evaluate the risk of placing funds with that pool or fund.

10. Collateralization

Repurchase Agreements shall be collateralized in accordance with terms specified in the Master Repurchase Agreement. The valuation of collateral securing a Repurchase Agreement will be verified and monitored on a daily basis to ensure a minimum of 102% of the value of the transaction being held by the District's depository agent. All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party will have an account in the name of the Beach Cities Health District.

11. Safekeeping and Custody

All deliverable securities owned by the District shall be held in safekeeping by a third-party bank trust department acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All deliverable securities will be received and delivered using standard delivery versus payment (DVP) procedures. The third party bank trustee agreement must comply with Section 53608 of the California Government Code. No outside broker/dealer or advisor may have access to District funds, accounts, or investments and any transfer of funds must be approved by the Chief Executive Officer or his/her designee.

12. Diversification and Risk

The District recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. To minimize the District's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Finance Director shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. In the event of a default by a specific issuer, the Finance Director shall evaluate the liquidation of securities having comparable credit risks. Diversification strategies shall be established and reviewed quarterly by the Chief Executive Officer. The District recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. To minimize the District's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments, and maturities. The Finance Director shall minimize default risk by prudently selecting only instruments and institutions, which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. In the event of a

default by a specific issuer, the Finance Director shall evaluate the liquidation of securities having comparable credit risks. Diversification strategies shall be established and reviewed quarterly by the Chief Executive Officer.

13. Maximum Maturities

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. The maximum average duration of the District's portfolio may not exceed 3 years. Unless matched to a specific requirement and approved by the Board of Directors, no investment may be made with a maturity greater than 5 years.

14. Review of Investment Portfolio

The Chief Executive Officer and/or CFO will review this Beach Cities Health District Investment Policy annually and present the Investment Policy and any recommended changes to the Finance Committee. The Finance Committee will review the staff's recommendations and present the Investment Policy and the Committee's recommendations to the Board of Directors.

15. Internal Control and Review. Investment policy compliance and adoption

15.1 the Chief Executive Officer (or the "CEO") shall establish written procedures for the operation of the investment program consistent with this investment policy to ensure that the assets of the District are protected from loss, theft, fraud or misuse. Which the Board of Directors of the District shall consider at a public meeting. Any change in the policy shall also be considered by the Board of Directors of the District at a public meeting.

15.2 The external auditors shall review annually the investments and general activities associated with the investment program to ensure compliance with this Investment Policy. This review will provide internal control by assuring compliance with policies and procedures established by this Investment Policy.

16. Performance Standards

The investment portfolio will be managed in accordance with the standards established within this Investment Policy and should obtain a market rate of return throughout budgetary and economic cycles, taking into account the District's investment risk constraints, cash flow needs, and maturities of the investments. The basis to determine whether market yields are being achieved shall be the total return of the portfolio. The Bank of America Merrill Lynch 1-5 Year U.S. Government/Corporate AAA- A Index is the benchmark that will be compared to the portfolio's sector composition, maturity structure, current investment strategy, and total return. The CFO will periodically review the District's portfolio performance against the benchmark.

17. Reporting

The Chief Executive Officer or his/her designee will submit to the Board of Directors a monthly report of investment transactions and a quarterly investment report, which will be submitted within 30 days of the end of each calendar quarter. This report shall include all items listed in Section 53646(b) of the Government Code:

17.1 A list of individual securities held at the end of the reporting period.

17.2 Market value, book value, par value, cost basis, and maturity date of all investments.

17.3 Dollar weighted yield to maturity of the District's investments.

17.4 Statement of compliance of the District's Investment Policy with California Government Code Section 53601 et seq.

17.5 Statement as to ability to meet all scheduled expenditure requirements for the next six months.

18 Appendix: Glossary of Investment Terms

Because the Investment Policy of the Beach Cities Health District is available to the public, related terminology is included as a part of this policy.

Bankers' Acceptance - A high-quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Certificate of Deposit - A deposit of funds for a specified period of time that earns interest at a specified rate. Commonly known as "CDs." Maturities range from a few weeks to several years. Interest rates are set by the competitive market place.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Interest Rate Risk - The risk associated with declines or rises in interest rates that cause an investment in a fixed-income security to increase or decrease in value.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local Agency Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos, and federal funds).

Negotiable Certificate of Deposit - A large denomination certificate of deposit which can be sold in the open market prior to maturity.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prudent Investor Standard - A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - Holding of assets (e.g., securities) by a financial institution.

Safekeeping Service - Offers storage and protection of assets; provided by an institution serving as an agent.

Secondary Market - A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC) - The federal regulatory agency responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Shares issued by a JPA (LGIP) - A pooled investment vehicle sponsored by a local Agency or a group of local agencies for use by other local agencies.

Time Certificate of Deposit - A non-negotiable certificate of deposit that cannot be sold prior to maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio.

Treasury Bills (also known as **T-bills**) - U.S. Treasury Bills, which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks (3-month, 6-month, 1-year); sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Treasury Bonds (also known as **T-bonds**) - U.S. Treasury long-term obligations, direct obligations of the U.S. Government, generally mature in 10 years or more.

U.S. Government Agencies - The term used to describe the instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular Agency.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the forms of Bills, Notes, and Bonds. **Bills** are short-term obligations that mature in 1 year or less and are sold on the basis of a rate of discount. **Notes** are obligations that mature between 1 year and 10 years. **Bonds** are long-term obligations that generally mature in 10 years or more.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Budget Preparation

POLICY TITLE: BUDGET PREPARATION

POLICY NUMBER: 6120

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY:** M.SUUA

BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 06/24/2020

POLICY:

6120 It is the policy of the Beach Cities Health District's ("District") Board of Directors to maintain Board-level oversight of District expenditures through budgetary controls.

6120.1 It is the policy of the District to have a balanced operating budget, where District revenues pays for District operating expenditures on an annual basis, unless special considerations are acknowledged and approved by the District's Board.

6120.2 It is the policy of the District's Board of Directors, in making decisions affecting the District's long-term fiscal health, to make every effort to consider the District's financial reserves, the effect of inflation, and foreseeable future budgetary activity when reviewing budgets and approving expenditures to have a balanced operating budget.

Guidelines:

6120.3 An annual budget proposal shall be prepared by department heads, with the process directed and coordinated by the Chief Finance Officer (CFO), subject to the approval of the Chief Executive Officer (CEO). While the CEO has discretionary approval authority of expenditures by resolution, monthly controls and financial reporting are to be put in place giving each department head responsibility for controlling expenditures for their own department.

6120.4 The District begins the budget preparation by holding a Strategic Planning meeting open to the public, in accordance with the Brown Act.

6120.5 Prior to review by the Board of Directors, the Board's Finance Committee shall meet with the CEO, CFO and department heads to review and discuss the annual budget proposal, in a meeting open to the public, in accordance with the Brown Act.

6120.6 The proposed annual budget as recommended by the Finance Committee shall be reviewed by the Board at one of its meetings during the last quarter of every year prior to the Fiscal year commencing July 1st, unless otherwise scheduled by the Board, also in a meeting open to the public, in accordance with the Brown Act.

6120.7 The proposed annual budget, as amended by the Board during its review, shall be adopted by Board Resolution during the last quarter of every year prior to the Fiscal year commencing July 1st, unless otherwise scheduled by the Board, in a meeting open to the public, in accordance with the Brown Act.

Principal Preservation

POLICY TITLE: PRINCIPAL PRESERVATION
POLICY NUMBER: 6130

COMMITTEE APPROVAL DATE:	04/07/2025	WRITTEN/REVISED BY: M. SUUA
BOARD APPROVAL DATE:	04/23/2025	SUPERSEDES: 11/15/202023
Policy:		

6130 It is the policy of the Board of Directors of the Beach Cities Health District ("District") to establish guidelines that will ensure that the District maintains an Operating Reserve Balance generated from rent proceeds, taxes and investment income in an amount sufficient to provide sources of funding for operating the District Services focused on preventive health-related services and programs provided to the three beach cities, including the publicly-owned health facilities known as the Center for Health & Fitness and Adventure Plex. In addition, for prudent long-term management of District assets, it is further the policy of the Board of Directors to maintain a Committed Fund Balance to be used for continued capital investments in the District.

6130.1 In order to accomplish these objectives, the following guidelines shall be implemented.

6130.2 Protection of Purchasing Power:

6130.2.1 Each year, during the budget process for the next fiscal year, staff shall provide the Board of Directors projected revenues and recommended funding levels for grants and programs. The Board is designating fifty percent (50%) of actual operating expenditures updated annually in the final audited Fund Financial Statements for an Operating Reserve. \$2M will be available from the 115 Trust Account and the remaining will be added to the Unrestricted Reserve

6130.2.2 The remaining District available fund balance shall be designated Committed Fund Balance to be used for prudent long-term protection of District assets to insure continued return on investments.

In the event the District receives income from outside sources relating to the sale of District property and/or equipment; refunds; repayment of loans; etc., it shall be allocated to the Committed Fund Balance.

6130.4 Replenishment of Committed Fund Balance for Extraordinary Services:

In the event the District has a need to use Committed Fund Balance to provide extraordinary services including, but not limited to, such items as construction, purchase of property and/or equipment, damages not covered by insurance, emergency funding for grantees, and health emergency, the Board of Directors shall have the discretion at the time of approving the funding of the project/service(s) of determining whether the Committed Fund Balance shall be repaid. The Board shall also determine whether the repayment will include an interest factor and over what period the reserve shall be repaid.

Disbursement of Funds

POLICY TITLE: DISBURSEMENT OF FUNDS

POLICY NUMBER: 6140

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY:** M.SUUA

BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 03/23/2016

POLICY:

6140 It is the policy of the Beach Cities Health District's Board of Directors to prudently disburse funds of the Beach Cities Health District ("District") in order to maintain Board-level oversight.

6140.1 The objective is to maintain Board-level oversight of financial transactions and require Board signatures only on checks for infrequent and high dollar disbursements.

6140.2 It is intended that this policy covers all accounts and disbursement activities of the District.

GUIDELINES:

6140.3 Authorized signers on District bank accounts are designated board members, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). In the absence of the CEO, either the Chief Health Operations & Communications Officer or the Chief Programs Officer are authorized signers on District bank accounts. In the absence of CFO, the Controller is an authorized signer on District bank accounts.

6140.4 Checks and Automated Clearing House (ACH) transfers over \$10,000 are to have 2 signatures; checks and ACH transfers over \$50,000 are to have 3 signatures unless pre-approved ongoing payments (e.g., ADP portal and CalPERS).

6140.5 Checks payable to a check signer are to be signed by others.

Fund Balance

POLICY TITLE: FUND BALANCE

POLICY NUMBER: 6170

COMMITTEE APPROVAL DATE: 11/15/2023 **WRITTEN/REVISED BY:** M.SUUA

BOARD APPROVAL DATE: 11/15/2023 **SUPERSEDES:** 03/23/2016

POLICY:

6170.1 It is the policy of the Beach Cities Health District ("District") to comply with Governmental Accounting Standards Board (GASB) Statement No. 54 to provide protection for the District "against unforeseen financial circumstances such as revenue shortfalls and unanticipated expenditures.

6170.1.1 GASB mandates that this hierarchy of expending fund balance be reported in new categories, using the new definitions, and be formally adopted by the District's governing body.

6170.1.2 GASB requires that the Board of Directors clarifies what limitations on the use of fund balance it wishes to direct and which are delegated to staff.

6170.2 It is the policy of the District to establish the guidelines for reporting unrestricted fund balance in the General Fund financial statements.

6170.2.1 Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the District against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

6170.3 It is the policy of the District's Board of Directors to authorize and direct the Chief Financial Officer (CFO) to prepare financial reports which accurately categorize fund balance as per GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

SCOPE:

6170.4 It is intended that this policy cover fund balance of the District. Fund balance is the difference between assets and liabilities reported in a government fund.

6170.4.1 There are five separate components of fund balance, each of which identifies the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent:

6170.4.1.1 Nonspendable fund balance (inherently nonspendable)

6170.4.1.2 Restricted fund balance (externally enforceable limitations on use)

6170.4.1.3 Committed fund balance (self-imposed limitations on use)

6170.4.1.4 Assigned fund balance (limitation resulting from intended use)

6170.4.1.5 Unassigned fund balance (residual net resources)

GUIDELINES:

6170.5 Non-spendable Fund Balance includes amounts not in spendable form by definition, such as inventory, prepaid expenditures or receivables.

6170.6 Restricted Fund Balance includes amounts constrained for a specific purpose by external parties, such as debt service.

6170.7 Committed Fund Balance includes amounts constrained by a government itself, using its highest level of decision-making authority.

6170.7.1 The Board of Directors, as the District's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a resolution by the Board of Directors or a budget appropriation approved in an open public meeting.

6170.7.1.1 These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use through the same type of formal action taken to establish the commitment.

6170.7.1.2 Board action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

6170.8 Assigned Fund Balance includes general fund amounts constrained by a governing board or by an official who has been delegated authority to assign amounts.

6170.8.1 Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance.

6170.8.2 This policy hereby delegates the authority to assign amounts to be used for specific purposes to the Chief Executive Officer (CEO) for the purpose of reporting these amounts in the annual financial statements.

6170.9 Unassigned Fund Balance includes amounts remaining after the above components are assigned. These are residual positive net resources of the general fund in excess of what can properly be classified in one of the other four categories.

6170.10 Hierarchy of Spending Fund Balance.

6170.10.1 When an expenditure is incurred for which both restricted and unrestricted fund balance is available, restricted fund balance will be spent first.

6170.10.2 When an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, committed amounts are to be spent first, followed by assigned amounts and then unassigned amounts.

Definitions of the Components of Fund Balance

Non-Spendable Fund Balance:

Petty Cash: The portion of fund balance that represents the asset amount of petty cash, held by a given fund.

Prepaid Expenditures: The portion of fund balance that represents the asset amount of prepaid expenditures held by a given fund.

Notes Receivable: The portion of fund balance that represents the asset amount of notes receivable held by a given fund.

Loans Receivable: The portion of fund balance that represents the asset amount of loans receivable held by a given fund.

Restricted Fund Balance:

Investment In Limited Partnerships Receivable: The portion of fund balance that represents the asset amount of investments in limited partnerships held by a given fund.

Restricted Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is restricted under the Restricted Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Committed Fund Balance:

Capital Projects: The portion of fund balance that has been appropriated for specified capital projects and remains unspent.

Committed Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is committed under the Committed Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54 and not otherwise defined in this category above.

Assigned Fund Balance:

Assigned Fund Balance: The portion of fund balance that is in any non-general fund governmental fund that is assigned under the Assigned Fund Balance definition as prescribed by Governmental Accounting Standards Board Statement No. 54.

Unassigned Fund Balance:

Prior Year Available Fund Balance: The portion of fund balance that is brought forward from the prior fiscal year and is available for appropriation to fund current fiscal year activities.

Fund Balance: Any portion of General Fund balance that does not fall under any of the fund balance definitions presented above.

BUDGET PROCESS & TIMELINE



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Budget Timeline and Process

December. The budget preparation begins each year when Finance reviews the prior year's timeline, guidelines, and spreadsheets, then requests feedback from the departments on the prior year process. Department directors provide insight on how the Finance Department can better serve their areas for the upcoming year. Finance then schedules a Q&A including a budget training session, if applicable.

January/February. Leadership team meets to review the Strategic Planning Half-day feedback, ideas, and priorities, then formulates the feedback into potential actionable programs, services or projects for the new budget year.

February. Budget instructions and revised spreadsheets are released. Capital project requests are due in February/March, followed by initial revenue projections. Once initial expense projections are submitted from the directors, the initial consolidation can be assembled.

March. Each department's budget is reviewed with the Chief Finance Officer in early March. The CEO is then given a first look of the consolidation in mid-March, and a period of review and adjustments follows from then until April.

April. Successive iterations of review and corrections continue while seeking to balance the budget and maximize services, allocating all available resources.



December/January. Per Policy 6120.4: Budget Preparation – The District begins the budget preparation by holding an open-to-the-public Strategic Planning meeting, subject to the Brown Act.

Beach Cities Health District holds a Strategic Planning Half-day meeting with all Company- wide staff, board of directors, community committee members and attending members of the public. The group reviews current priorities and provides recommendations/updates on budget priority for the upcoming fiscal year.

January. The current year's mid-year financials are completed for the six months of activity ending December. This is a half-way mark that provides a simple and convenient comparison to the actual financial performance to estimate the current fiscal year-end results and build the start of a new budget. Multiplying the current actual activity by two gives a rudimentary starting point.

May. Finance Committee, comprised of two board of director members, several appointed community members, and a treasurer from one of the three beach cities, reviews the proposed budget prior to releasing it to the board of directors. The District board of directors is given the recommended budget at the May board meeting.

June. The District board of directors is formally presented the final budget at the board meeting for final approval.

Amendments:

All amendments to change the total budget by greater than \$10,000 happen at board-level.

First, staff brings any recommended amendment(s) to the Finance Committee (unless an emergency exists) for review and recommendations, then it is presented to the board for review and approval. The amendment is either approved, approved with changes, or disapproved.

The District's auditors review amendments to the budget year to ensure compliance to District policy and annual budget resolution.

BUDGET ACCOUNTING BASIS & COST ALLOCATION



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Budget Accounting Basis

BCHD's budget and financial reporting is prepared using the Government Fund Accounting Basis. Governmental fund financial statements are reported using the current financial resources measurement focus and the Modified Accrual Basis of Accounting, consistent with best practices for governmental entities, the governmental accounting standards board (GASB), and generally accepted governmental accounting standards (GAGAS).

Revenues are budgeted based on when they are both measurable and available. Revenues are considered available when they are collectible within the fiscal year budget. The government considers revenues to be available if the revenue was earned before the end of the fiscal year and collected within 60 days of the end of the current fiscal period.

Capital investment expenditures are defined as construction in progress (CIP), building improvements, Furniture, Fixture and Equipment (FF&E) or Information Technology investments that have a useful life exceeding one year and cost more than \$5,000. This represents a conservative approach to capitalizing assets and replacing only infrastructure elements that cannot be deferred.

The Budget Accounting Basis is the same as used in the financial reporting for the District's audited fund financial statements. As required by governmental accounting standards board (GASB), the District also reports the actual audited financial statements on a full accrual basis in accordance with GAAP (Generally Accepted Accounting Principles) with a "Reconciliation of the Balance sheet of Governmental Funds to the Statement of Net Position" and a "Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities".

Budgeted Allocated Costs (Cost Accounting)

BCHD budgets and tracks costs by support and operational functions or departments, like Human Resources and Community Services departments. Most costs associated with each department are direct costs and some are allocated. Costs like worker's compensation insurance and certain payroll expenses, like CalPERS pension and medical expenses are allocated across departments. Also, BCHD uses internal workforce resources in various capacities and thus allocates payroll expenses where there are operational needs.

While management of each function is accountable for its specific budget, the District manages only the general fund, and all costs are controlled on a consolidated basis, and there is no need for further allocations.

GLOSSARY OF BUDGET TERMS



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Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Assets: Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's

apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to

determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equity: The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Financial Statements: Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

Fiscal Year: The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

GAAP: Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity account for and report other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be

loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

ACRONYMS



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Glossary of Acronyms

The Operating Budget of the Beach Cities Health District is available to the public; the related terminology below is provided to clarify references throughout the budget documents.

ACFR - Annual Comprehensive Financial Report	H&F - Health and Fitness
ACHD - Assn. of California Healthcare Districts	HBCSD - Hermosa Beach City School District
APLEX - AdventurePlex	HHS - Health and Human Services
BCHD - Beach Cities Health District	HIPAA - Health Insurance Portability & Accountability
BEN - Benefit	HLC - Healthy Living Campus
BIPOC - Black, Indigenous, and People of Color	IS - Information Systems
BOD - Board of Directors	IT - Information Technology
BOE - Building Operating Expenses	JDP - Juvenile Diversion Program
CalPERS - California Public Employees' Retirement Sys.	LACFD - Los Angeles County Fire Department
Capex - Capital Expenditures	LAIF - Local Agency Investment Fund
CARES - Coronavirus Aid, Relief, & Economic Security	LAX - Los Angeles International Airport
CBRE - Coldwell Banker Richard Ellis	LGBTQ - Lesbian, Gay, Bisexual, Transgender, Questioning
CCS - Community Care Services	MB - Manhattan Beach
CDC - Centers for Disease Control & Prevention	MBUSD - Manhattan Beach Unified School District
CEO - Chief Executive Officer	MIS - Management of Information Systems
COGS - Cost of Goods Sold	NIMS - National Incident Management System
CHF - Center for Health and Fitness	NR - Notes Receivable
CIP - Capital Improvement Project	NRSRO - Nationally Recognized Statistical Rating Org.
CIP - Construction in Progress	OPEB - Other Post-employment Benefits
CUP - Conditional Use Permit	OSHA - Occupational Safety and Health Act
CUPCAA - CA Uniform Construction Cost Acctg Comm	PACE - Program of All-inclusive Care for the Elderly
DFC - Drug Free Communities	PBB - Priority Based Budget Process
DOC - District Operations Center	PERS - Public Employee Retirement System
EHS - Environmental, Health and Safety	PT - Part Time
EIR - Environmental Impact Report	POC - Prospect One Corporation
EMS - Emergency Management System	RB - Redondo Beach
FASB - Financial Accounting Standards Board	RBUSD - Redondo Beach Unified School District
FEMA - Federal Emergency Management Agency	RCFE - Residential Care for the Elderly
FT - Full Time	RFP/RFQ - Request for Proposal / Quote
FTE - Full Time Equivalents	ROI - Required Infrastructure Investments
FY - Fiscal Year	TUPE - Tobacco Use Prevention Education
G&A - General and Administrative	Var. - Variance
GAAP - Generally Accepted Accounting Principles	WBS - Well-Being Services
GASB - Government Accounting Standards Board	WW - Work Well
HB - Hermosa Beach	YTD - Year to Date