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City of  
Santa Clarita

May 11, 1989

Jan Heidt  
*Mayor*

Honorable Mayor and Members of the City Council,

Jo Anne Darcy  
*Mayor Pro-Tem*

Carl Boyer, III  
*Councilmember*

Re: Proposed Fiscal Year 1989-90 Budget

Dennis M. Koontz  
*Councilmember*

Howard "Buck" McKeon  
*Councilmember*

As we enter the last decade of the 20th Century, there are great community expectations for the City of Santa Clarita. For those people who had the vision and perseverance to succeed in the formation of the City, this budget is a major step in realizing accomplishments towards that dream of creating a place to live that is superior to that which they had previously experienced.

This is a budget that celebrates the vast resources of this area. It is a budget with ideas for making better use of the riverbeds; enhancing youth activities and recreation; preserving and enhancing the environment, and creating public facilities.

The greatest resource to be celebrated with this budget is the people of Santa Clarita. The citizens of Santa Clarita have contributed a great number of ideas which have manifested themselves in the document. These ideas have come through letters to the City Council and the City Manager, from Commission members, from General Plan Advisory Committee members and from the input received from citizens during Council meetings. The City of Santa Clarita is fortunate to have a sophisticated citizenry that provides such insightful and useful commentary.

This budget is a balanced budget.

It is comprised of five budget categories as follows:

<u>Category</u>	<u>Amount</u>
Administrative Services	\$ 7,262,100*
Community Development	1,582,500
Public Works	6,170,100
Public Safety	7,199,500
Parks and Recreation	<u>2,752,000</u>
Total Operating Budget:	<u>\$24,966,200</u>

Also included is a five-year capital improvement plan broken into the same areas as above with the first year's appropriations as follows:

<u>Category</u>	<u>Amount</u>
Administrative Services	\$ 1,500,000
Community Development	
Public Works	8,702,800
Public Safety	
Parks and Recreation	<u>3,830,800</u>
Total Capital Improvements Budget:	<u>\$14,033,600</u>

The total City budget for fiscal year 1989-90 is \$38,999,800.

\*Includes insurance, contingency and payments to Los Angeles County.

This budget message will provide a general overview of this document in the areas of revenues, operating budget, capital improvements and the high priority but unfunded projects.

### Revenue Overview

General fund revenues are estimated to be \$22,078,383. A full 74.4% of this total is comprised of only three revenue sources: sales tax, motor vehicle in lieu tax and property taxes.

The sales tax estimate is \$8,185,000. This is \$1,685,000 more than the amount included in the current budget and \$885,000 more than the amount now anticipated to be received during the current fiscal year. This estimate is based on receipts through the third quarter of the current fiscal year and demonstrates a belief that the local economy will continue to prosper throughout next fiscal year. This increase in anticipated sales tax revenues speaks well to the robust and growing Santa Clarita economy.

The second largest source of general fund income is the State Motor Vehicle In Lieu tax. This is expected to be \$5,282,618. This is a 9.3% increase over the amount included in the current budget. This revenue is received from the State and is based on the estimate of population in the City as prepared by the State Department of Finance. The City's official population is 147,223. This amount has not changed but the amount subvented to the City from the State per individual has been increased.

The third largest source of general fund revenue is property taxes. Property taxes are expected to amount to \$2,950,000. This represents an 8.6% increase in the amount anticipated to be received during the current fiscal year. This estimate is based on the best projection of our Finance Director.

The remaining 25.6% of general fund revenue is comprised of other taxes; licenses and permits; fines, forfeitures and penalties; interest; intergovernmental revenue and charges for current services.

The revenue in the funds other than the general fund is largely for Public Works and Parks and Recreation purposes. These revenues are used to offset expenditures in those two programs.

The most notable of these revenues is gas tax which is used to finance roads and traffic needs. The City is expected to receive \$1,990,600 of gas tax this year. This amount is estimated to decrease to \$1,980,504 next year. It is ironic that with the large increases being experienced in gas prices that revenues from this source would actually decrease. This is because receipts from gas tax are based on the number of gallons of gas sold and not on the amount paid for gas. Consequently, as gas prices rise, fewer gallons are sold and the City's gas tax receipts diminish.

#### OPERATING BUDGET

##### Administrative Services

Administrative Services is comprised of the administrative functions of the City Council, City Manager's Office, City Attorney, City Clerk, Personnel, Finance and General Services, self-insurance and unallocated expenditures.

The budget for the City Manager's Office reflects the addition of one Administrative Assistant. This person would be responsible for assisting with the large number of administrative reports that come from the City Manager's Office. This person will also deal with public information, intergovernmental relations, operational analyses and projects related to the provision of social services. An amount of \$25,000 has been included to continue the City's participation in the National Urban Fellow program. The Urban Fellow program will provide a subsidy which represents one-half of the cost of the program. One

Clerk-Typist has been deleted from the City Manager's budget. When the current budget was prepared, an estimate was made of the amount of clerical support that would be required in the City Manager's Office. Since the people who were hired are of such high caliber, it is no longer felt that this position is necessary.

The budget for the Finance Department focuses on revenue enhancements, purchasing administration and control, refinement of the automated financial system and the continued implementation of computer services throughout the City.

There is \$100,000 included in the Finance budget for the City to conduct a comprehensive study of a system which would allow the Council to know the exact cost of each service the City provides. The Council then has the ability to collect the full amount of the service from the users or utilize proceeds of taxes for a portion of it if the Council chooses to do so. This system has proven very effective and popular in many cities throughout the State.

A Student Intern, a Clerk-Typist and a Messenger have been included to provide additional help with the provision of Finance and General Services.

There has been \$200,400 added to the funds previously approved by Council for computer services. This will allow for Phase II of the computer program by providing additional hardware, software and training for the user departments.

Included in the Personnel budget is the addition of one Administrative Clerk to free the Personnel Analyst from a significant amount of clerical work currently being performed. There is also \$3,000 which has been included in the Personnel budget to fund an Employee Activity Committee. A group of City employees has been formed to develop ideas to retain the high morale of employees. This amount is set aside to finance the ideas formed by this Committee and approved by the City Manager.

The City Clerk's Office has been restructured with this budget. The Receptionist in the City Manager's Office would be reclassified to a Clerk-Typist and moved under the City Clerk's division. The Secretary which has been working for the City Council would also be moved from the City Manager's Office to the City Clerk's Office. This would increase the amount of overall clerical support provided to the City Council. With this change, the City Council would be able to deal directly with the Assistant City Clerk for clerical support and have a much larger pool of people from which to draw, if necessary to do so. To reflect this increase in responsibility, a general increase in the amount of work being performed by the City Clerk's Office and to reflect the current market rates, the Deputy City Clerk would be reclassified to Assistant City Clerk. There is \$150,000 included in this budget to pay for the general municipal elections and for the Mello-Roos District formation election costs.

The City Attorney's budget has been reduced from \$270,000 to \$230,000. This reflects an ongoing effort to reduce the amount of work being given to the City Attorney's Office in an attempt to reduce legal fees.

The 1988-89 budget includes \$1,203,000 to finance an insurance fund for the City. This money was budgeted to build a strong foundation upon which the City can prosper. The contribution to this fund would be significantly decreased to \$200,000 with this budget.

Finally included in the Administrative Services category is \$1,000,000 for Council contingency. This amount is included to cover unforeseen needs which may arise after the budget is adopted. It also includes money should the Council desire to provide salary increases for City employees. This amounts to 4.5% of the general fund which would provide a prudent contingency for a new city of this size.

Also included is \$2.5 million for payment to the County for services previously provided to the City.

## Community Development

The Community Development section of the budget includes development services advance planning/special studies, code enforcement and economic development.

This particular section of the budget includes \$350,000 set aside to pay a consultant for the preparation of the City's first General Plan.

This budget includes the addition of a student intern to perform miscellaneous research and tasks in support of the Department's activities. The budget also includes the addition of an Economic Development Coordinator to perform as a division head in creating and implementing the City's economic development program. The City is poised to undertake a lead role in stimulating and coordinating economic development activities throughout the community. This person would allow the City to develop a comprehensive economic development strategy aimed at retaining and expanding existing businesses, creating a better jobs-housing balance locally and, in general, creating a favorable climate for private sector investment in the community. This person would also be responsible for coordinating any redevelopment efforts which the Council would initiate.

Also included is one Assistant Planner to coordinate the City's environmental review efforts and to monitor Los Angeles County's development review and approval activities. A final position of Associate Planner is included to perform work in the areas of annexations, ordinance and policy development, and special studies.

## Public Works

The 1988-89 Public Works budget includes a Public Works Director and an Executive Secretary as the only City staff. This budget provides for an expansion of this staff and the ability for the City to provide many Public Works services with its own employees.

In the Public Works Administration Division, an Administrative Assistant position is recommended to manage the public transportation program, prepare administrative reports, assist in budget preparation and coordinate the emergency preparedness program.

An amount of \$25,000 has been included to hire an expert in the field of emergency preparedness to assure the City's readiness in the event of an emergency.

The budget will also provide necessary funds for an analysis of the City assuming the operation of the two sanitation districts in the area.

This budget provides for the addition of an Associate Traffic Engineer who would respond to the daily needs of the City with regards to traffic.

An Associate Engineer and a Civil Engineering Technician are included to administer, formulate and implement the capital improvements program for the City through a group of in-house engineers and technicians. Development services would continue to be provided by Willdan Associates for plan review and inspection of subdivision improvements.

The Building & Safety Division of the Public Works Department would be under the direct supervision of the City's Building Official which is a new position included in this budget. This individual would be responsible for the administration and implementation of the City's construction codes. The Building Official would recommend the level of service necessary and provide the direction to Willdan Associates for plan review and inspection services.

The Street Maintenance Division would be under the direct supervision of a new position known as the City's Superintendent of Field Services. This person would be responsible for coordinating the



various maintenance programs in the City. These programs include street maintenance, street lighting, sanitation districts, sewer maintenance, traffic signal maintenance and repair. This person would recommend the level of service necessary for the City and assure that those services are provided at the level expected.

### Public Safety

Included in the Public Safety section of the budget are all police and fire services and crossing guards. The budget includes \$6,644,800 for police services. This compares to \$6,332,803 in the current budget. This increase is largely due to an increase of 5% in contract service prices. This is a result of expected increases in salaries, insurance rates and other related costs.

There are two increases called for in the level of police services. The first is the addition of one special assignment officer to expand the ongoing school special officer program. This request has been made to us through the Superintendent of William Hart School District. This program uses a Special Assignment Officer to interact with school officials, teachers and students; assist in the truancy program; and take necessary police action with respect to arresting and detaining law violators. This program has proven to be very successful and enhances relationships of the teenage population and the City's law enforcement personnel. The budget also includes \$17,500 for the use of the Sheriff's helicopter. The City will be billed for the actual number of hours the helicopter is required, but the budget includes use of the helicopter for 50 hours. This helicopter is used only with the approval of the on-duty watch commander.

The City pays an amount equal to 16-1/2¢ of each dollar of property tax for services provided by the Los Angeles County Fire Department. This is paid through a reduction in the City's property tax receipts. This is more than adequate payment for fire services, so consequently there are no additional monies budgeted for wildlands protection.

This is a decrease from the \$753,325 dollars included in the current budget. It is our position that it is not appropriate for the City to have to pay for this expense.

### Parks and Recreation

The Parks and Recreation budget goes a long way towards defining the organizational structure of the department and the scope of services. The primary objective for the department with regards to this budget is to begin the transition from County services to City services. Money has been included to begin the transition phase of taking over Parks and Recreation services. A total of \$41,000 is included to pay the County for recreation services from July through October 1. There is an additional Secretary and Clerk-Typist included to provide clerical services for the Department through the remainder of the fiscal year.

The aquatic program is based on the continuation of services with the County of Los Angeles through January 1, 1990. City staff will then take over the responsibility for the aquatic program. The combined net cost of the aquatic program for a full year of service is \$318,100 including the hiring of a Recreation Coordinator. A fee schedule is proposed to be enacted for swimming lessons and public swimming which would generate approximately \$66,700 per year.

This budget calls for the elimination of the parks patrol program which would save the City \$143,400. This program would be replaced with full-time Recreation Coordinators at all the major park sites, costing \$215,900. This change in service level would provide a substantial improvement in recreational programs and supervision at all sites and is expected to actually increase the level of security.

The Parks Division will continue to provide maintenance services under a contract with the County of Los Angeles for the fiscal year. Tree trimming and spraying services are proposed at an additional cost of

\$250,000. Two Park Supervisors and one Secretary are recommended beginning in April, 1990 for the planning of the transition to City services of all park and median maintenance in fiscal year 1990-91. The estimated cost for these three months is \$35,800. The budget proposal also includes an Arborist position to oversee all the trees in the City, coordinate the tree trimming and spraying contracts and proceed with the development of a proposal for City crews to trim trees and conduct spraying. The cost for this element is \$49,200. This person would also be instrumental in bringing a tree farm to fruition.

Several new service areas are identified within the proposed budget for the Parks and Recreation Department. They include the funding of a City newsletter and City calendar for \$85,000. The City newsletter and annual calendar will be the primary vehicles for publicizing City news and recreation activities. A volunteer program for \$87,800 is included. This is a continuation of the existing County program on a much wider scale for the entire range of City services. It includes the funding of one Volunteer Coordinator. The City arts program would offer a beginning for a cultural arts element. The first programming effort would be a summer concert series. This program would also generate an analysis for the Council's consideration of a 1% for the Arts Ordinance, an art in public places program, and artists in residence program. A total of \$79,900 has been budgeted for this including a Recreation Coordinator. An amount of \$30,000 has been included in this division for development of a youth drug and delinquency prevention program.

There is \$58,300 budgeted to finance and staff one mobile recreation unit which would allow the City to bring recreational activities to the areas with the greatest needs.

The proposed Parks and Recreation Department budget includes a substantial increase in the level of service and programs to City residents. Visible expansion in the number and quality of programs provided to local residents should be apparent shortly after the successful recruitment and hiring of staff for the programs. Several new service areas will begin on a small level and gradually grow to

include City-wide programs. This budget represents the City's first effort at introducing its own recreation and parks program. It is expected to provide programs, services and facilities which will promote a high quality of life.

#### **CAPITAL IMPROVEMENTS**

The Capital Improvements section of the budget includes projects that constitute major one-time expenditures for the City. The capital projects presented in this document span five fiscal years from 1989-90 through 1993-94. The first year of the recommended program amounts to \$14,033,600. The total five-year program is \$43,381,600.

The Capital Improvements program is a long-range planning tool as reflected in its format. When the General Plan is adopted, it will undoubtedly be revised considerably to ensure consistency.

#### Administrative Services

Included in the Administrative Services program are two projects: City Hall and a City Corporation Yard out of which the field functions would eventually operate. In the 1988-89 budget there is \$1,000,000 set aside for constructing City Hall and \$500,000 set aside for the City Corporation Yard. Similar amounts have been added in this budget. This money will continue to be augmented in future years until Council feels it is the appropriate time to begin construction of these projects and a satisfactory financing plan has been developed to make these projects feasible.

#### Community Development

There are no new capital improvement funds for Community Development. The \$500,000 which Council appropriated in the current year for an economic development project will be carried over into the upcoming fiscal year.

## Public Works

The Public Works capital program includes \$8,702,800 of specified road projects. These projects would be funded with gas tax monies, federal aid urban (FAU) monies, transit development act (TDA) monies, and \$180,743 of general fund dollars. It is unusual for a City to spend general fund dollars on road projects, but given the severity of the need, it seems appropriate. The combination of these funds would provide for the road projects which have been given the highest priority. This would clearly not satisfactorily address the needs in this area. Additional funds will have to be obtained to make up for the paucity of monies which have been spent on the roads for many years.

Also included in the Public Works budget is \$76,800 of Proposition A money to finance bus shelters.

## Parks and Recreation

Included in the Parks and Recreation capital program is \$3,830,800.

There is \$1,000,000 set aside for the purchase of the Saugus Rehabilitation site. This is the same amount of money that was budgeted during the 1988-89 fiscal year. This money will be added to the amount included in the current budget for the purchase of this site.

There is \$1,702,700 budgeted to finance the remaining construction of Phase I of Canyon Country Park. Much of this is carried over from the current fiscal year. The General Fund contribution for this project would be \$176,000.

A total of \$75,000 has been included to develop a master plan for the Santa Clara River and/or water percolation and recreation project. The City of Santa Clarita currently has a tremendous resource with the Santa Clara River. This money would provide funds to develop a plan for the citizens to benefit more fully from the river corridor running through the City.

There is \$300,000 set aside for landscaping street medians. Sites will be selected and these improvements will be made during the fiscal year. This would be the first phase of an ongoing annual project beautify areas throughout Santa Clarita.

There is \$106,200 included to develop the South Fork Bicycle Trail. Of this amount, \$51,000 is from the General Fund. There is \$40,000 included for the Pamplico Park erosion project and \$35,900 budgeted for constructing the Newhall Park parking lot.

Also included in the Parks and Recreation Capital Improvements budget is \$506,000 for the rehabilitation of parks throughout the City. All of our parks are in need of large amounts of improvements. This expenditure would bring the maintenance of the parks to the point where they should be.

An amount of \$65,000 has been included to provide athletic field lighting at various schools in the City. The City would negotiate a long-term lease with the school district to allow for the use of these fields after school hours for all the residents of the area.

#### High Priority But Unfunded Needs

The City of Santa Clarita has many things that make it unique. One area where there is a similarity with other governmental entities is that our needs far outstrip our resources. The future years of the capital budgets indicate a number of projects, particularly road projects, which need urgent attention. Even this list is incomplete. The amount of resources needed in this area are staggering when compared to the resources available.

A more thorough multi-year Capital Improvements Plan will be developed during the upcoming fiscal year which will further define our needs in this area. It will also develop proposed Public Works improvement and maintenance projects benefiting low and moderate income neighborhoods to be funded with the City's remaining allocation of \$235,300 of Community Development Block Grant funds.

A number of requests were made by the Departments which were not able to be funded this year. The Council may be interested in knowing that these included the following:

<u>Capital Budget</u>	<u>Amount</u>	<u>Funding Source</u>
City Entrance Monument Sign	\$ 50,000	General Fund (GF)
Decoro Drive	670,000*	Gas Tax/GF
Calgrove Park Development	<u>400,000</u>	GF
	\$1,120,000	

<u>Operating Budget</u>	<u>Amount</u>	<u>Funding Source</u>
Community Special Events	\$ 50,000	GF
Miscellaneous Social Services Needs	50,000	GF
Busing for the Handicapped	50,000	GF
Desiderata Request	5,000	GF
Accounting Supervisor	50,000	GF
Administrative Assistant (Finance)	45,000	GF
Janitor Position	25,000	GF
One Special Assignment Officer (Schools)	81,762	GF
Three S.A.N.E. Deputies	226,557	GF
One Clerk-Typist (Recreation)	27,000	GF
Senior Citizens Needs Assessment	25,000	GF
Child Care Information Program	76,639	GF
12-Passenger 4-Wheel Drive Van (Public Works)	25,000	GF
Santa Clarita Pride Committee	<u>30,000</u>	GF
	\$ 716,958	
	<u>\$1,836,958</u>	

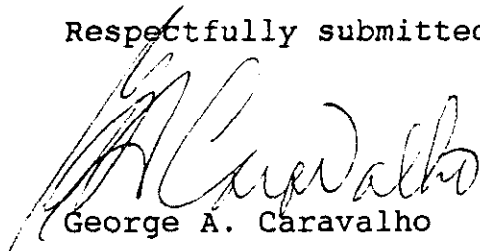
\*Excludes land acquisition. The City is working with the County and developers to obtain funding for this project.

Summary and Recommendation

Preparing a budget is often a gut-wrenching experience which can focus on those items which do not get funded. Clearly there were many examples of this during the budget preparation process. The recommended budget, however, has many new programs and plans which should play a significant role in the development of our new City and improve the lifestyle of the citizenry. The City should be proud of the accomplishments which will be realized during the implementation of this document.

The recommended budget represents a cost effective, balanced program of service to the citizens of Santa Clarita. I recommend its adoption. I would like to publicly thank the Department Directors and their staffs for their conscientious work in preparing budget proposals. Special thanks go to Ken Pulskamp and David Jones of my office who were responsible for the preparation of this document. With whatever modifications Council sees fit to make as a result of your budget hearings, I believe that this is a budget you can adopt with confidence.

Respectfully submitted,



George A. Caravalho  
City Manager