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**City of
Santa Clarita**

May 8, 1990

Honorable Mayor & Members of the City Council:

Picture, if you will, your favorite City...other than Santa Clarita, of course. Chances are that everyone is thinking of something and somewhere different. Our job as a City is to take into consideration these multifaceted viewpoints and transform them into a shared vision of the community. This shared vision will form the Santa Clarita of tomorrow.

The City is now ready to embark on a new era with the 1990-91 budget. We have assembled the staff and are now ready to provide many of the services the citizens desire. We are at an exciting point of departure in which all will now begin to see, more than ever before, the benefit of tax dollars claimed and spent locally.

This is a balanced budget. It should be noted that with this budget we have reached a point where expenditures equal revenues. To increase appropriations, it will require that we discover other forms of revenue enhancement or look to reserves for funding.

GENERAL OVERVIEW

The FY 1990-91 operating budget is comprised of the following categories:

Administrative Services	\$ 1,748,300
Finance & General Services	3,733,600
Community Development	1,891,500
Public Works	8,939,200
Public Safety	8,344,700
Parks & Recreation	4,423,200
Non-Departmental Reserve	<u>4,712,800</u>

TOTAL OPERATING BUDGET \$33,793,300

Also included is the second year of appropriations for the City of Santa Clarita Capital Improvements Plan. The breakdown of the appropriations per category is as follows:

Public Works	\$11,925,000
Administrative Services	875,000
Parks & Recreation	<u>1,877,800</u>

TOTAL CAPITAL BUDGET \$14,677,800

TOTAL FY 90-91 PROPOSED BUDGET \$48,471,100

REVENUE OVERVIEW

The General Fund revenues are estimated at \$25,679,900. The three largest General Fund revenue sources of Property Tax, Sales Tax & State Motor Vehicle in Lieu comprise 71.3% of the General Fund.

The Sales Tax estimate is \$9,650,000. This is \$1,465,000 more than what was estimated for sales receipts in the last fiscal year. This represents an increase of 18%. The estimate is based on receipts and notification of prepayments from the State Board of Equalization through the third quarter of the current fiscal year. This projected increase is based on the assumption of the continuation of a generally robust economy in Santa Clarita.

The second largest source of General Fund revenues is Motor Vehicle in Lieu. This is money received from the state based upon the City's population. The City has received a confirmation of an allocation of \$5,472,400 for the upcoming fiscal year. This amount is a 3% increase over what is included in the current budget.

The third largest source of general fund revenue is property taxes. Property taxes are estimated at \$3,200,000. This represents a 6.3% increase in the amount anticipated during the current fiscal year. Property tax receipts have been sluggish, as the County Tax Assessor is two years behind in updating the roles. Consequently, owners of new development have yet to pay any property tax. The City is urging the County to remedy this situation as quickly as possible.

The remaining 28.7% of general fund revenue is comprised of other taxes, licenses and permits, fines, forfeitures and penalties; intergovernmental revenues, charges for current service and interest income.

The most significant Non-General Fund revenue is Gas Tax. This money can only be used for road maintenance and improvements. For the upcoming fiscal year, the City is expected to receive \$1,912,800. This amount has been confirmed through the State Controller's Office. As was the case for previous fiscal years, the Gas Tax Allocation reflects an anticipated decrease. This is due to the fact that the Gas Tax allocation is based on the number of gallons sold, not on the amount paid for the gas. Therefore, as gas prices rise, fewer gallons are sold, and the City's Gas Tax receipts diminish.

Not found within the revenues for the upcoming fiscal year are anticipated increases attributed to the Management Services Institute (MSI) Cost-to-Provide-Service study. While MSI identified approximately \$2.6 million in additional revenue, which the City is eligible to claim, final subsidy levels and appropriate fee schedules will be determined by the City Council at a later date. It is expected that the study and the adopted fee schedules will be implemented in September of the 90-91 fiscal year. Any funds which the Council determines should be obtained through this study could be used to pay for projects currently on the "high-priority-but-unfunded" list or could be used to increase or add any other service the Council chooses.

OPERATING BUDGET

Administrative Services

The Administrative Services budget is comprised of the City Council, City Manager, Unallocated Reserve, insurance, City Attorney, City Clerk, Personnel, Finance Administration, General Services and Computer Services.

There have not been substantial additions to the City Manager's program for the upcoming fiscal year. The budget does, however, reflect a full year's expense for the Public Information Officer and Lobbyist services.

A Clerk Typist and Purchasing Agent have been added to General Services to ensure efficient purchasing administration and timely procurement of supplies and equipment for the City departments.

The General Services Department budget also contains the purchase of various vehicles and equipment for all departments. Most notable are the purchase of three pickup trucks and a water truck for Parks & Recreation, three vehicles for Public Works and a 4-wheel drive vehicle for Community Development. In addition, \$300,000 has been allocated to this program for the lease of a corporation yard. Once the City begins to take over maintenance duties from the County, a maintenance facility needs to be leased to be able to provide these services.

A Data Processing Manager and a Computer Operator position have been added to the Computer Services Program to focus on optimum performance of the computer system. Organizations have found that one person in Data Processing is required for every 11 terminals. The addition of these positions will provide the City with one Data Processing employee per 21 terminals. In conjunction with the positions, \$200,000 has been added for the purchase of necessary hardware and software required to continue to implement the City's computer program and service the increasing number of users on the system.

Personnel

Included in the personnel budget is the proposed reclassification of the Personnel Analyst to Personnel Manager and the Administrative Clerk to Secretary. These positions are recommended for reclassification to accurately reflect the duties of the employees in the Personnel Division who are now servicing a larger number of employees and a more complex personnel management system. There is also \$25,000 added to the Personnel budget for a Comprehensive Benefits Study. This study will focus on providing a high quality yet flexible and cost-efficient benefit program to the employees. Secondly, \$2,400 has been budgeted for Photo I.D. equipment.

City Clerk

With the increasing demands of our growing organization, the level of services and responsibility within the City Clerk's office have compounded. The City Manager is currently designated as the City Clerk. In order to address the needs of this program, the reclassification of Assistant City Clerk to City Clerk and the Clerk Typist to Deputy City Clerk are proposed.

City Attorney

The City Attorney's budget is \$370,700. Last year this department was under-budgeted in an attempt to reduce legal costs. This proved to be unrealistic, however. The Tenneco/Arco lawsuit cost \$115,000 which was later offset by an out-of-court settlement. While every effort has been made to reduce the amount of work directed to the Attorney's office, the actual need for attorney services has increased as the City continues to grow and diversify.

Other Administrative Items

The 1990-91 budget includes a \$255,000 contribution to the City self-insurance fund. This amount is for the City to continue to build a strong insurance foundation. Secondly, \$200,000 has been directed to the City Fleet fund. This fund has been established to replace City vehicles and equipment as it becomes necessary.

Included is \$1,500,000 for Council Contingency. This represents 4% of the General Fund budget and 3% of the total budget. The amount is to cover unforeseen needs which arise after adoption of the budget.

Also included is a \$1,500,000 payment to the County for services previously provided to the City. A total of \$2,500,000 has been paid to the County so far. This amount represents the final payment.

Community Development

Community Development includes Development Services, Advance Planning & Special Studies, Code Enforcement, Economic Development and Community Development Administration.

The Community Development Administration Budget includes the upgrade of a Clerk Typist position to that of Administrative Clerk. This has been proposed in order to represent the duties and responsibilities which the position actually performs.

The Code Enforcement program of Community Development contains the upgrade of one Code Enforcement Officer to that of Senior Code Enforcement Officer. This has been done in order to recognize the increased responsibilities associated with training and supervising new employees. Additionally, this position would be responsible for the most difficult code enforcement cases.

Public Works

The Public Works budget reflects the addition of equipment and personnel necessary for the City to begin providing public works service with fewer contract employees. While many Public Works positions were added with the FY 89/90 six-month budget amendment, this budget will reflect the cost of the first full year of expenditures.

In total, eleven positions, including a Transit Coordinator, a Solid Waste Coordinator, a Traffic Engineer, six maintenance workers, a Street Division Secretary and an Administrative Secretary have been proposed. This will allow the City to begin taking on some of the duties of street maintenance and traffic-related projects.

Accompanying the positions and necessary for the maintenance program is \$544,100 in equipment needs and \$35,000 required to ascertain radio equipment for off-site employees.

Finally, in order to reach the goal of establishing a fully operational Emergency Operation Center, \$120,000 has been allocated for an Emergency Power System and \$10,000 for critical EOC supplies.

Parks and Recreation

The Parks and Recreation budget reflects significant expansion which began during the current fiscal year. This expansion will allow the Department to move closer to a complete transition from County to City provided Parks & Recreation services.

The Parks & Recreation Administration Program includes the addition of a full-time Child Care Coordinator to facilitate establishing a comprehensive child care system within the community.

The upcoming fiscal year represents the first complete year of City operated recreation programs and facilities. As such, there are significant additions to this area. Various programs, including a pilot after-school program, senior festival, excursions, multi-cultural family events, music and arts at historic sites events, a teen festival, a tennis program, year-round aquatics, an Arbor Day event, Pride Week and litter pick up have been proposed. This program lineup is designed to meet the varied needs of the entire community and demonstrates the City commitment to quality recreation services. In order to help service the public and aid in registration for new as well as existing programs, a Receptionist has been added.

The Parks Maintenance Program reflects the addition of programs and personnel which would enhance levels of service. Included within the department for the upcoming fiscal year are a Groundskeeper II position, as well as a \$15,000 allocation for probation camp crew assistance. These have been included to provide a full-time workforce for parks and other landscapes. Additionally, two Building Maintenance Workers have been proposed to maintain City park buildings, park benches, play equipment and swimming pools.

In order to provide increased tree planting throughout the community, a summer tree planting program is proposed. The program will provide planting 336 of the 2,000 trees targeted to be planted by the City yearly. Finally, \$60,000 has been allocated to establish a contract with the L.A. County tree farm. This contract will assist with growing the types of trees the City wishes to plant as set forth in the master tree ordinance.

CAPITAL BUDGET

The second year of projects identified in the Five-Year Capital Improvement Program, as well as some new needs, are appropriated within this section of the budget.

Administrative Services

Included in the Administrative Services program is the City Hall project. In the 90/91 budget, \$850,000 is allocated to pay for project management and architectural services required for City Hall. Secondly, an additional \$25,000 has been included for the Historical Society.

Parks and Recreation

The projects slated for Parks & Recreation Capital are Newhall Park improvements, Bouquet bike trail, Southfork bike trail, landscaping of the railroad right of way, athletic field lighting, median improvements, park rehabilitation and the Newhall Park parking lot and field renovation. The total cost of the Park & Recreation Capital Improvements is \$1,877,800.

Public Works

The Capital Projects within Public Works focus on signalization of intersections, sidewalk repair and construction, overlays, slurries and road construction. In total, \$11,925,00, including \$7,990,000 of a developer contribution, will be directed to Public Works Capital for the FY 90-91. The General Fund will support \$705,000 of these projects. The total Public Works Capital budget includes funding for a portion of Rio Vista, San Fernando Road from Drayton to 15th Street and a Valencia Boulevard overlay as well as many other projects.

Also within the Public Works Capital budget is \$180,000 of Community Development Block Grant (CDBG) monies designated for sidewalk repair. Please note that for the upcoming fiscal year all CDBG funds have not been appropriated. This is due to the fact that the City only recently received notification of additional funds. Staff will be returning to Council with recommendations regarding CDBG eligible projects.

HIGH PRIORITY/UNFUNDED NEEDS

A number of requests were made by the Departments which were not funded with the limited resources available. The Council may be interested in knowing what these items are, should additional funds become available.

<u>Capital Budget:</u>	<u>Amount</u>	<u>Funding Source</u>
Calgrove Park	\$ 10,000	GF
Maintenance Building Canyon Park	205,000	GF
Whites Canyon & Delight Pedestrian Bridge	165,000	GF
San Fernando/Soledad/Magic Mountain Parkway Widening	1,300,000	State
San Fernando Road/11th Street/15th Street	1,400,000	State
San Fernando Road/Lyons/11th Street	1,000,000	State
San Fernando Road/15th Street/Bouquet Canyon	7,000,000	TDA
Whites Canyon Road/Santa Clara River	7,400,000	B & T
Via Princessa/Whites Canyon/Sierra Highway	4,000,000	B & T
TOTAL UNFUNDED CAPITAL	\$22,480,000	

<u>Operating Budget</u>	<u>Amount</u>	<u>Source</u>
1/2 Community Relations Sergeant	56,400	GF
40-Hour Traffic Team Leader	65,600	GF
Team Leader	131,200	GF
Accountant	38,000	GF
Administrative Assistant (Finance)	45,000	GF
Mailroom Stores Clerk	23,200	GF
Graffiti Removal Program	67,900	GF
Computer Equipment	283,600	GF
Emergency Preparedness Training	40,000	GF
Additional Office Space	18,000	GF
Miscellaneous Minor Capital	12,500	GF
TOTAL UNFUNDED OPERATING	781,400	
TOTAL HIGH-PRIORITY UNFUNDED COST	23,261,400	

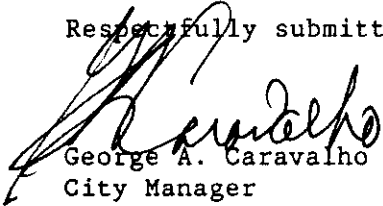
SUMMARY AND RECOMMENDATIONS

The preparation of the 1990-91 budget was a time-consuming effort in which every step was taken to ensure that a broad base of citizen needs were met. While we still have significant unmet capital improvement needs, we are confident that through continual enhancement of our many resources we will be able to fully achieve what we perceive to be the shared vision for Santa Clarita. The citizens should be quite proud of the many accomplishments to be realized and the goals to be achieved with the implementation of this budget. Clearly this budget will produce the fruits of the labor worked during the incorporation process.

The recommended budget represents a spectrum of services soon available to the citizens of Santa Clarita. I recommend its adoption. I would like to specifically acknowledge the work of the department personnel for their care in preparing the budget proposals. Special thanks should go to Ken Pulskamp, Terri Maus, Dave Jones and all of my office, who were responsible for the overall preparation of the document.

I look forward to the opportunity to discuss this budget with Council during the upcoming budget deliberations.

Respectfully submitted,



George A. Carvalho
City Manager