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City of  
Santa Clarita

July 1, 1996

Re: 1996/97 Adopted Budget

I am pleased to present to you the Fiscal Year 1996/97 operating and capital budget for the City of Santa Clarita. This budget reflects the City's ongoing commitment to continue to provide the citizens of our community with the utmost quality and level of service attainable. Furthermore, this budget reflects the City's commitment to our mission, management philosophy and value of quality service delivery by integrating the concepts of our strategic planning efforts into the budget process.

Few in local government would disagree that citizens are ultimately concerned about results and quality of service than the methods and resources utilized to achieve these results. Yet, traditional governmental budgeting concentrates on changes from year to year. Unfortunately, many cities place attention on reducing spending to accommodate revenues, thus obscuring the impact of future year spending on longer term community viability. The strategic planning process, adopted and successfully implemented as a management tool in Santa Clarita, formally provides a long term context for annual budget decisions. While strategic planning has been used successfully, it is sometimes difficult to see the connection between what a strategic plan says and what a budget does. As noted by Anne Spray Kinney in her article entitled, *Mission, Management and Service Delivery*, to be useful, a plan must go beyond tasks, mission and vision. Good planning should answer two primary questions: "What are the issues?" and "What are we going to do about them?" If our strategic plans, both organizational and community-wide, are to influence results, their action plans must be the basis for programs and activities in the budget. The attachment at the end of this section exhibits the manifestation of the various action plans in budget dollars and working programs.

The City's 1996/97 Budget was developed with a series of objectives in mind. These objectives were communicated throughout the organization at the beginning of the budget process. The four major goals of FY 1996/97 Budget are:

1. Focus on long term strategies and the steps needed to be taken now to achieve our future vision.

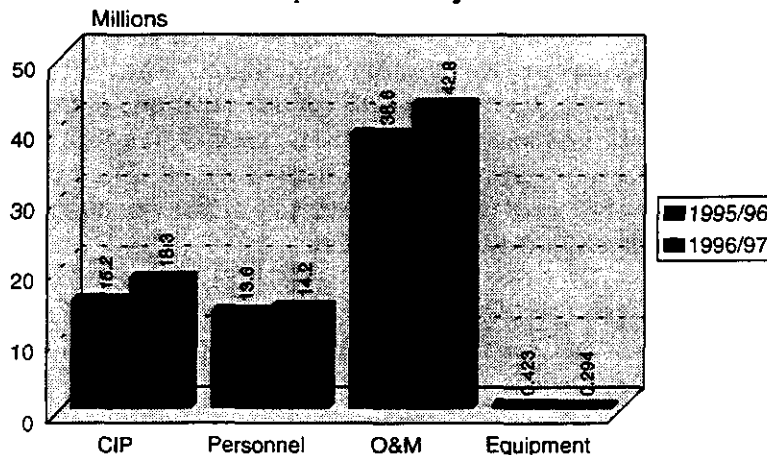


2. Focus on needs expressed by community residents through the strategic planning process.
3. Provide departments more flexibility to devise strategies to reach organizational objectives.
4. Place an enhanced emphasis on measurable results and outcomes.

It must, however, also be stated that while strategic plans are about mission and vision. They do not address specific day-to-day, ongoing operational needs or resources necessary to achieve those items. Therefore, given the limited resources, a corresponding process began to address the goals expressed within the strategic plans, as well as reconcile the ongoing operational needs of the organization. With this in mind, a dedicated team of City staff set out to prepare this document.

The Fiscal Year 1996-97 Budget totals \$75,582,480, an increase of \$7,697,832 or 10% from Fiscal Year 1995-96 adopted Budget. This increase is primarily due to a \$3 million increase in the Capital Improvement Program and additional allocations of Community Development Block Grant (CDBG) monies. The operating Budget, totaling \$56.2 million includes Personnel, Operations and Maintenance, Debt Service and Capital Outlay required for delivering an array of City services. Also reflected in the Budget for 1996-97 is the Capital Improvement Program. The thirty-five capital projects for the upcoming fiscal year total approximately \$19.2 million. As in the prior several years, no General Fund monies have been designated to fund capital projects.

## Total Budget Comparison by Year



## BUDGET OVERVIEW AND POLICY ISSUES

The annual budget is a policy tool for the City Council. It is the point where the governing body is asked to approve a level of public programs and services, as well as the revenue base to support those services and programs for the upcoming year. As indicated, for 1996/97, staff took increased care to ensure that the goals, policies and action items expressed by the community in the 1994 - 1997 "Share the Vision II" Community Strategic Plan and the "Taking the Best and Making It Better" Organizational Strategic Plan, were incorporated into the development of the Budget. Based on these documents, the Budget was prepared with the objective of continuing our long-standing commitment to quality public services. This year, however, the Budget also takes on a unique focus by carrying on the goals expressed in 1995/96 and continuing the City's investment in technology. This commitment to provide for the best technology attainable is seen in our ability to conduct effective community outreach and linkages, as well as provides our City organization with the ability to carry out its mission in the most efficient manner possible.

As represented to the City Council previously, the formulation of our Budget requires bringing ongoing appropriations in line with ongoing revenues. In addition to providing for a balanced Budget, it was essential to ensure that the City's General Fund year-end balance remain healthy. For year-end 1996/97, we are proud to state that the fund balance for the General Fund is approximately \$2,113,225 or 6% of the total operating budget. In a survey of cities throughout California, this percentage is consistent with others of our size.

With regards to Fund Balance, in the first few years of Cityhood, the organization was still building a strong foundation and developing standards for the level and types of services to be provided. While the organization continued to grow, revenues far exceeded overall expenditures, and General Fund balance savings resulted. Because of the initial savings, the City was able to acquire land, undertake substantial public improvements, and build up necessary tools and capital equipment needs for the organization as a whole. In most recent years, given these purchases, the City began to strive to again re-build its fund balance. While estimated General Fund Balance for Fiscal Year End 1996/97 is currently projected at \$2,113,225, there is in addition to these monies, recommended contingencies for Elsmere legal services of \$1 million, FEMA earthquake reserves of \$1 million, and general operating contingency of \$1.5 million. Therefore, in total, monies on reserve, both designated and undesignated, total \$5,749,225.

## REVENUES

The City's General Fund is composed of 52 separate revenue sources, totaling \$32,136,700. The largest, sales tax, is estimated at \$14.9 million. This represents a \$600,000 increase from our projected revenue for year end. This increase is projected due to the strong performance of Valencia Town Center, continued strong performance of the auto mall, and Home Depot, as well as the addition of Best Buy and other key retail outlets. The second largest source of General Fund revenue is Motor Vehicle in Lieu monies. This revenue, projected at \$4,600,000 for the upcoming fiscal year, reflects a \$497,700 decrease over prior year levels. This is due to the State using a City population of 123,000 rather than the "three times the number of registered voters" formula to calculate our allocation of funds previously.

Property tax, Santa Clarita's third largest source of General Fund revenue, is projected at \$4.1 million. This projection is consistent with prior year funding levels.

Parks and Recreation fee revenues are also anticipated to increase by \$253,450 or 20% for the upcoming fiscal year. This revenue, estimated at \$1,518,250, is primarily due to increased attendance in all of the contract classes offered, as well as expansion of class schedules to accommodate more patrons.

In addition to the General Fund revenue, which comprises 47.4% of the City's total revenue picture, a variety of other key revenues fund the total spectrum of programs, services and projects for FY 1996/97. These include, but are not limited to Gas Tax; Community Development Block Grant (CDBG); Transportation Development Act (TDA); Park Grants; restricted transit monies; and Storm Drain Utility revenue.

Gas Tax revenue for FY 1996/97 is anticipated to decrease by 16%. This revenue, allocated by the State on a per capita basis, is used primarily to fund the Public Works Street Maintenance operations and engineering services, is also anticipated to be impacted in FY 1997/98.

Transit related revenues continue to increase as ridership and corresponding service needs continue to increase. Transit related funds currently fund the total cost of the \$8.9 million Transit Division, as well as \$900,000 of the Capital Improvement Program for the upcoming year. Key Transit related revenues include Proposition C, Proposition A, Farebox revenue, ISTEAs and Transit Capital Improvement monies.

Finally, the third year of the Storm Drain Utility surcharge revenue is reflected for FY 1996/97. This revenue, projected at \$1,850,000, reflects the \$24.00 per equivalent dwelling unit surcharge implemented in FY 1994/95.

Revenues associated with this program fully affect all direct and indirect costs associated with the costs of implementation of this federally mandated program.

### DEPARTMENT PROGRAM ADJUSTMENTS

The 1996/97 Budget includes several adjustments to the organizational structure. In 1995/96, the City initiated a variety of organizational changes to address current needs. These adjustments included creation of the Special Projects office, in which increased emphasis was placed on the opposition to Elsmere Canyon landfill, as well as oversight of fledgling programs such as the OCJP grant, Human Relations Forum and several youth programs. These address adjustments offered the ability to focus on priority issues of the City, while providing a variety of in-house opportunities for personnel to take on new and challenging tasks.

The budget brings many of these efforts full circle and addresses other necessary shifts in the organization. Adjustments to the organization structure now include the formal shift of the Human Relations Forum, the Office of Criminal Justice Grant (OCJP) and the Anti-Gang Task Force to the Parks, Recreation and Community Services Department as a part of the expanding Community Services Division.

### DEPARTMENT HIGHLIGHTS

#### City Council:

The base budget for the City Council is anticipated to increase by 16% from prior year spending levels. This increase is due to a minor salary increase and additional monies for promotion and publicity to compensate for the true costs of events. The appropriation of \$167,695 includes costs for the flapjack forums, the birthday run, and a community strategic plan update, among other items.

#### City Manager's Office:

Funding within the City Manager's Office has increased for 1996/97. Funding of \$296,000 for the Elsmere effort has been transferred to the City Manager's Office, thus creating the increase. Attorney costs have been reduced by \$20,000 to reflect anticipated expenditures. The Personnel and City Clerk divisions of the Manger's office do not reflect significant changes for the upcoming fiscal year. Therefore, funding is consistent with the prior year.

#### Administrative Services:

The Administrative Services Department created in 1995/96 includes Finance, Information Resources, General Services, Property Management and our Graphics divisions. This department functions as support to all divisions within the City, as well as a key department in external delivery to our local merchants and vendors. Additions to the Administrative Services division for the upcoming fiscal year include training for continued certifications and education for members of the department. Also included is a *secretary for the Information Resources Division*. This division has functioned for several years without the level of clerical support required. Therefore, in 1996/97 this need has been addressed.

Included within the General Services division are monies for the necessary maintenance and upkeep of the City Hall facility. Included for 1996/97 is \$6,500 for re-carpeting of the lower hallways, as well as additional funding for the increased utilities. Funding for contract costs to maintain the facility such as janitorial and general maintenance remain consistent with the prior year.

#### Building & Engineering Services:

The Building & Engineering Services Department, also created in 1995/96, is comprised of Administration, Building and Safety, Code Enforcement, Engineering and the Storm Water Utility. As with all departments throughout the City, Building & Engineering Services was given a base budget figure to work within for 1996/97 and did so successfully. Key additions to the department in the upcoming fiscal year include the creation of an Assistant City Engineer position. This position is created to address the ongoing, high level, technical expertise required in managing our capital improvement and subdivision review programs. In addition, the position of City Traffic Engineer is presented as a reclassification to address the equity issues in the department. Also recommended are professional services for earthquake services at a total of \$41,600. This funding will continue to address those citizens still requiring professional assistance in recovery from the 1994 earthquake.

In the Building and Safety/Code Enforcement Division, a Senior Code Enforcement Officer has been added to enhance our City's overall code enforcement efforts. This Senior Code Enforcement Officer will provide for additional supervision in the area of code enforcement and, correspondingly, allow one of the current Code Enforcement Officers to focus attention on pro-active enforcement, as well as NPDES Storm Water enforcement.

Additional equipment for the NPDES Storm Water program is added to further our efforts in this area. Items included are:

- digital equipment;
- software for the graphic information systems;
- an atmospheric tester;
- softdesk software;
- and, funding of \$4,500 for preparation of the City's own video reflecting our storm water efforts.

#### Public Works:

The Public Works Department is currently comprised of Administration, Solid Waste, Transit, Streets, and Vehicle Maintenance. The divisions of Administration and Solid Waste Management remain consistent with the funding levels set in the prior fiscal year. In 1996/97, the Waste Management division will continue to focus efforts on developing programs to achieve AB 939 goals of 50%. This will include establishing the Recycling Market Development Zone (RMDZ). The Street Maintenance base budget is projected to remain stable for the upcoming year. There have been, however, some additions to the department in order to assist in the Vehicle Maintenance area. These increases include: \$10,000 for fuel to address the ongoing needs of our fleet, as well as a vehicle lift for \$20,000 to be utilized for vehicle maintenance services. Given that the City fleet has increased by 10% since 1994, this figure is consistent with needs. The addition of the lift, while primarily a safety item, will enhance the ability of our in house mechanics to service the larger vehicles and equipment within the City's fleet. The Transit division of Public Works reflects an increase of \$500,000 from the prior fiscal year funding level. This increase is primarily due to increased costs and hours of operation for the overall system. The primary cause is the expansion of Dial-a-Ride services to comply with the American with Disabilities Act. This increase alone accounts for \$680,000 of additional contract expenditures. These costs will, however, be reimbursed by Access Services, Inc.

#### Public Safety:

The budget for law enforcement services through the Los Angeles County Sheriff's Department is anticipated to decrease by \$20,000 for 1996/97. Fiscal Year 1996/97 marked the second year in which the City did not need to provide for increased salary and benefits for the Sheriff's personnel. Therefore, the 1996/97 Budget does not reflect the substantial increase, seen in prior years. Items included within the Public Safety budget from prior years include two additional Community Services Officers to handle

clerical and administrative needs within the COBRA and crime prevention units. Unfortunately, due to hiring freezes within the Los Angeles County Sheriff's Department, these positions were not hired and provided to the City during the 1995/96 fiscal year. These monies have, however, been re-programmed for 1996/97. We fully anticipate having both positions on board and ready to service the City soon. The Public Safety budget of \$9,642,610 provides for the following services:

- general law enforcement;
- traffic safety;
- crime prevention;
- special investigations;
- community service officers;
- and, parking citation processing.

In addition, the Budget includes funds for special events police presence, helicopter patrol and the City/Sheriff's costs for the liability fund, totaling over \$450,000.

#### Community Development:

The Community Development Department consists of Planning, Economic Development, and three facets of the CDBG program: Entitlement, Supplemental and the HOME programs.

The Planning division funding remains consistent with prior year funding levels. Key activities scheduled for 1996/97 include the continuation of the City's Annexation Program, as well as the update to the circulation and safety element of the General Plan. In total \$16,850 has been added to the planning budget to address fees associated with proposed annexations.

The Economic Development division will continue the development of a City wide office and industrial targeting marketing and retention strategy. Also the \$5 million Economic Development Administration will be overseen by this division in conjunction with the Capital Division of Engineering Services. An Assistant Planner II reclassification is added in the Economic Development budget for 1996/1997 to accurately reflect the duties required of the current position.

The Community Development Block Grant Program for 1996/1997 includes the development, coordination and implementation of projects for low and moderate income residence. These programs include fair housing, infrastructure improvements in appropriate areas of the City, and the successful handy-worker program. The supplemental monies received following the 1994 Northridge earthquake, totaling \$3,709,038 for fiscal year 1996-97, include funding for residential grants and loans.



Finally, the HOME Program provides additional relief from earthquake recovery. This program, totaling \$1,499,500, funds only rehabilitation of single and multi-family properties owned and occupied by low income persons.

#### Parks, Recreation and Community Services:

The City of Santa Clarita is now recognized throughout the nation for its efforts in youth and family services. In order to further enhance our commitment, there are further additions to the Department for the upcoming fiscal year. These services include formalizing the community service aspect of the program by adding the Office of Criminal Justice and Planning grant, as well as the Human Relations Forum, to the department as a whole. A Community Service Manager position, at a division head level, is added for the upcoming fiscal year. This position will oversee the following activities: OCJP, Human Relation Forum, Youth and Family, Volunteers and Emergency Preparedness.

A key addition to the Department is \$20,000 for enhanced programming at the Community Center. Since its formation, the Community Center has continued to draw hundreds of participants from throughout the community. The \$20,000 allocation allows for additional part-time staff to better service those participating in Community Center programs, as well as provide for additional tools and equipment for recreational programming at the Center. Additionally, \$20,000 has been added to assist in funding the 4th of July parade. The Parks Maintenance division of Parks, Recreation and Community Services focuses on the key areas of building maintenance, ground maintenance, urban forestry, and park planning and development. Over the last several years, these areas have exhibited tremendous growth. In 1996/97, these areas will focus on the creation and design of the City Central Park, as well as completion of many of the trails we now see in place. In order to assist the Division to provide the necessary staff and tools to respond the increasing needs of the trail system, a Groundskeeper II position is added for the 1996/97 Fiscal Year. In addition, \$38,000 has been added to provide the Department with funding to begin a preventative maintenance program designed to address many of our facilities and park infrastructure needs throughout the City.

#### HIGH PRIORITY UNFUNDED NEEDS

Each year a variety of requests are presented to the City Manager for review and consideration during the Budget process. The following represents a list of many items requested by the Departments, yet not recommended for funding.

Mail Clerk	\$29,000
Contract Maintenance Worker	13,000
New Telephone System	55,000
City Council Chamber Stage Repair	6,500
Groundskeeper I	31,000
Utility Bed	3,500
Recycling Refuse Analysis	62,000
Brake Lathe	8,200
Technical Upgrades for Sheriff's Department	25,000
Clerk Typist	36,000
Professional Services Inspections	83,000
Two 4-Wheel Drive Vehicles	60,000
Geotechnical Professional Services	85,000
Data Entry Professional Services	45,000
<b>TOTAL</b>	<b>\$542,200</b>

**CAPITAL PROJECTS/HIGH PRIORITY UNFUNDED**

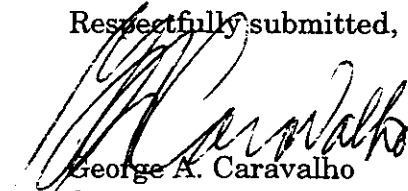
Overlay and Slurry	\$1,900,000
Alley Construction	52,000
Camp Plenty/Callaway Improvements	80,000
Curb and Gutter Repair City-Wide	100,000
Shadow Pines Boulevard Construction	1,000,000
Vermont Avenue/Everett Drive Improvements	430,000
<b>TOTAL</b>	<b>\$3,562,000</b>

**CONCLUSION**

This year's Budget, more than ever before, truly represents a team effort, in which all departments came together in order to ensure that the needs and desires expressed by the citizens in the "Share the Vision II" strategic planning effort and "Taking the Best and Making It Better" organizational strategic planning effort will be addressed. Many thanks go to each of the budget officers, who worked diligently throughout the winter and spring to prepare the document now before you. Specifically, thanks go to each member of the lead budget team, including: Barbara Boswell, Senior Accountant, Terri Maus, Assistant to the City Manager, and Steve Stark, Director of Administrative Services, for their work in preparing the Budget each year. Finally, I would like to extend special thanks to Mary Cusick and Nina Giangreco for their work and creativity in preparing the quality document now before you. As always, throughout the Budget process, the utmost consideration was given to providing the optimum level of service to

the citizens of our City. They expect and truly deserve the very best that we, as staff and local government officials, have to offer. The new fiscal year holds great promise for the City of Santa Clarita. We are on the verge of addressing many exciting new programs and services. We look forward to the opportunities and challenges before us in 1996/97 and are committed to strive for excellence in the array of municipal services provided.

Respectfully submitted,



George A. Carvalho  
City Manager

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## Strategic Planning Items Budget Relationship

<i>Share the Vision II 1994 - 1997 Community</i>	<i>Taking the Best and Making It Better 1994 - 1997 Organizational</i>	<b>Budget Relationship</b>	<b>Department</b>	<b>Page(s)</b>
New Roads	Prepare Infrastructure Master Plan/ Open Roads Not Open.	Monies for Master Plan designated in 95/96 work effort to continue into 96/97. \$2M in CIP for roadway design.	Building & Engineering Services	86, 145, 152
Community Plan for Youth		Community Services Manager added for 96/97.	Parks, Recreation and Community Services	11
Revitalize Old Newhall	Address Areas East of Newhall	\$3.9M in CIP.	Community Development and Building & Engineering Services	146, 154
Defeat Elsmere Landfill	Defeat Elsmere Landfill	\$300,000 dedicated to effort with \$1m in reserve.	City Manager's Office	60, 63, 71
Reduce Gang Activity	Evaluate Role of City in Human and Community Services	\$40,000 dedicated to Anti-gang Task Force programs.	Parks, Recreation and Community Services	118, 119
Enhance Economic Development	Enhance Economic Development	Expenditure of \$5M in EDA grant monies anticipated in 96/97.	Community Development	147, 148, 149, 154
Increase Cultural Activities	Establish Programs for Cultural Development	\$15,000 in base budget for Human Relations Forum & Cultural Awareness programs.	Parks, Recreation and Community Services	118, 119
Preserve SEA's, Open Space and River	Implementation of River Plan Acquisition/Acquire Saugus Rehab Site	\$1M expended in 95/96 for land acquisition. \$91,000 for development in 96/97 CIP.	Parks, Recreation and Community Services	145, 150

<i>Share the Vision II 1994 - 1997 Community</i>	<i>Taking the Best and Making It Better 1994 - 1997 Organizational</i>	<i>Budget Relationship</i>	<i>Department</i>	<i>Page(s)</i>
Reduce Crime	Achieve Safest City	Ongoing work effort of Public Safety. \$9M dedicated to Sheriff Services.	Public Safety and Parks, Recreation and Community Services	118, 119, 138-141
Redevelopment		On hold pending further discussion.	Community Development	Redevelopment Agency Budget
Create Fully Integrated Transit System	Prepare Transit Master Plan/Establish Standards Regarding Alternative Transportation	\$835,000 in CIP dedicated to Transit Center. \$74,600 dedicated to pedestrian access to transit stops.	Public Works	104, 146, 155, 156
Provide for Affordable Housing	Develop Strategy to Manage Aging Housing	Housing programs in CDBG Budget. Part of ongoing work effort.	Community Development	124, 125
Construct Bike Trails		\$1.4M in CIP for enhancements to backbone trail system.	Parks, Recreation and Community Services	114, 154, 155
No Blighted Areas within City		Monies dedicated to Capital and CDBG eligible projects.	Building & Engineering Services and Community Development	92, 93 and Redevelopment Agency Budget
Respect for Diversity and Cultural Awareness		Programs provided in base budget and through Human Relations Forum and recreational events.	Parks, Recreation and Community Services	112, 113 118, 119
Central Civic Center for Meetings and Cultural Events	Continue Civic Center Design	Completed design.	City Manager's Office	FY 95/96 Budget
Provide Citizen Service Centers/ Satellite City Hall		Costs for Satellite City Hall included in base budget.	Administrative Services	74, 75

<i>Share the Vision II 1994 - 1997 Community</i>	<i>Taking the Best and Making It Better 1994 - 1997 Organizational</i>	<i>Budget Relationship</i>	<i>Department</i>	<i>Page(s)</i>
Build and Market Conference Center		City's contribution of \$3m in CIP.	Community Development and Building & Engineering Services	154
Establish Long-Range Financial Plan/Update City Fee Schedule	Prepare Financial Master Plan	Ongoing work effort.	Administrative Services	74
Conduct General Plan Update.		Ongoing work effort with 95/96 monies carried to 96/97.	Community Development and Building & Engineering Services	88, 134
	Staff Development	Reflected in training budgets throughout City departments.	All departments	61, 63, 64, 67, 75, 77, 79, 81, 83, 87, 89, 97, 93, 95, 99, 101, 103, 105, 107, 111, 113, 115, 117, 119, 121, 125, 127, 133, 135
	Enhance Internet Communication	Ongoing staff work effort.	Administrative Services	82
	Analyze Compensation Equability	Ongoing staff work effort.	City Manager's Office	62, 64
	Teen Center	Research underway as ongoing work effort.	Parks, Recreation and Community Services	Part of work program, no funding allocated
	Consistency in Procedures and Reporting	Ongoing staff work effort.	City Manager's Office	62
	Automation of Building Permits	Complete	Building & Engineering Services	FY 95/96 Budget
	Neighborhood Groups	Ongoing staff work effort.	Parks, Recreation and Community Services and City Manager's Office	116

Share the Vision II 1994 - 1997 Community	Taking the Best and Making It Better 1994 - 1997 Organizational	Budget Relationship	Department	Page(s)
	Explore Live and Taped City Council Meetings	Ongoing work effort with \$195,000 of 95/96 monies to retrofit Council Chambers.	Administrative Services and City Manager's Office	FY 95/96 Budget Allocation
	Cowboy Poetry Festival	Funding set for 96/97.	Parks, Recreation and Community Services	112, 113
	Implement Plan for Future Use of Reclaimed Water	Ongoing staff work effort.	Building & Engineering Services	94
	Conduct Golf Course Feasibility Study	Ongoing work effort processing project.	Community Development and Parks, Recreation and Community Services	Part of work program, no funding allocated