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City of  
Santa Clarita

June 23, 1998

Honorable Mayor & Members of the City Council,

I am pleased to present the City of Santa Clarita's Fiscal Year 1998/99 Budget and Five Year Capital Improvement Program. This budget represents the City's ongoing commitment to provide our community with the utmost quality and level of service attainable.

As is our policy, I am presenting a balanced operating budget in which ongoing revenues exceed ongoing appropriations. In addition, every opportunity has been taken to reserve funds for both anticipated and unanticipated issues.

Also reflected in this budget is the City's recently completed three-year community strategic plan, Share the Vision III. By completing the plan in conjunction with the budget process, we were able to commit our resources to the highest priority areas identified by the community.

### Revenues

General Fund revenue, which makes up 52% of the City's total revenue picture, is expected to increase by \$2.1 million to \$38.7 million in the upcoming fiscal year. This increase is due to several factors, including the following:

1. An increase in charges for current service from \$3.3 to \$3.6 million,
2. A projected increase in sales tax of approximately \$500,000, and
3. Rental income of \$96,000 from the Santa Clarita Sports Complex.

Revenue sources not included in the City's General Fund such as Gas Tax, Community Development Block Grant (CDBG), Transportation Development Act (TDA), park grants, developer fees, restricted Transit monies, and Stormwater Utility revenue are considered restricted funds. These special revenues total \$35.7 million in the proposed budget.

While the revenue picture appears positive, there are two items that threaten the City's future State Motor Vehicle In-Lieu allocation, which is projected at \$6.2 million for the upcoming fiscal year.

1. There is a movement to eliminate vehicle registration fees altogether, which would mean the City could lose that entire revenue source, subject to a backfill provision.



2. There has been some disagreement regarding the interpretation of the City's population figures and how the revenue was allocated. The City stands to lose up to \$2 million, depending on the outcome of the review being performed by the State Controller's Office.

## **Appropriations**

### **City Manager's Office**

Funding for the City Manager's Office, which includes Self Insurance, City Clerk, Human Resources, Public Information, Intergovernmental Relations, and Economic Development, will decrease significantly from 1997/98 levels, due mostly to the fact that it's a non-election year.

In order to continue to improve the multimedia capability of our public meetings, \$17,800 has been appropriated to purchase additional equipment in the upcoming budget year. The new equipment will enable staff to play public service announcements during televised meetings, to increase the editing capacities of the current equipment, and to allow staff to run multimedia presentations simultaneously in both the Council Chambers and the Century Conference Room.

Another key budget addition for 1998/99 is \$20,000 in funding for a collaborative effort between the City and the Senior Center. This funding will pay for staff, provided by the Senior Center, to occupy the public information booth in the City Hall lobby answering questions and assisting customers as needed.

### **Administrative Services**

The Administrative Services Department includes Finance, Technology Services, Property Management, and the Community Development Block Grant (CDBG) program. The Department supports all divisions within the City, while serving as a key department in external delivery to our local merchants and vendors.

Additions to the Department for the upcoming budget year include a new telephone system, which will save the City a substantial amount of money on phone bills, an accountant position, and funding for a citywide Technology Vision Plan.

The CDBG program has been a major source of funding for capital projects in the past, and 1998/99 is no different. In April of 1998, the City Council decided to pursue an advance loan of CDBG monies in the amount of \$2.3 million, which is reflected in the Capital Improvement Portion of the budget document.

### **Transportation & Engineering Services**

The Transportation and Engineering Services Department is comprised of Administration, Engineering, Special Districts, Traffic and Transit.

Key additions to the budget this year in the Special Districts section reflect the transfer of the administration of the Street Lighting Maintenance District from Los Angeles County to the City. The budget includes \$1 million in revenue and a \$3 million reserve.

The Transit Division's budget increased 5.9%, largely due to the renegotiated transit rates affecting local, commuter, and Dial-a-Ride services. In the Engineering Division, two new staff members will be added to handle the increased volume of capital improvement projects being undertaken by the Department.

### Field Services

The Field Services Department is responsible for most maintenance and field functions within the organization. The Department maintains the City Hall and Field Services facilities, the Metrolink Stations, the park facilities, the Community Center, as well as all City streets, signs, curbs, gutters and trees.

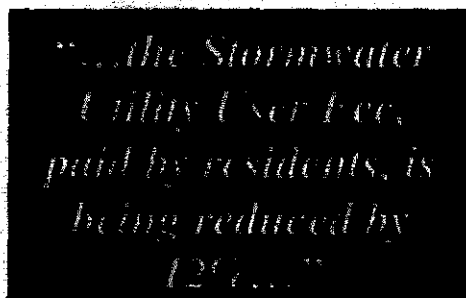
The 1998/99 budget reflects several new items including \$108,750 in maintenance costs for the Santa Clarita Sports Complex, \$150,000 to increase the trimming cycle on the City's 33,450 trees, and \$35,420 in ongoing funding for the Job Skills program. The Job Skills program gives local youth the opportunity to spend six months learning trades such as landscape maintenance, curb, gutter and sidewalk repair, and vehicle maintenance, as well as learning job-hunting, application, and interviewing skills through the City's We Care for Youth program.

### Planning & Building Services

The overall budget for the Planning and Building Services Department, which consists of the Planning, Building & Safety, and Environmental Services divisions, has decreased due to personnel reductions and cost savings throughout the Department.

Key additions to the 1998/99 to update the Air Quality the General Plan, and two the increased demand for

The Environmental Services for ensuring City compliance mandated National Elimination System Stormwater Utility User



residents to fund the permit compliance, is being reduced by 12% to \$21.00 annually per dwelling unit. The reasons for this are as follows: the City has achieved efficiencies through a recent reorganization, the significant start-up costs have been completed, and cost savings are being realized through the provision of one of the permit requirements at no cost to the City by Los Angeles County.

budget include \$10,000 and Noise Elements of new positions to handle plan checking services.

Division is responsible with the federally Pollutant Discharge (NPDES) permit. The Fee, which is paid by

### Parks, Recreation & Community Services

The Parks, Recreation and Community Services Department budget reflects the continual expansion of programs and park facilities available to residents of the City.

The Parks Maintenance Division continues to take on significant responsibilities in the upkeep of City parks, medians, and landscaping. The budget includes the cost of several new maintenance responsibilities coming on-line in the upcoming year: the Santa Clarita

Sports Complex (SCSC), development of Phase I of the Central Park, and the annexation of Northridge Park.

In the first part of fiscal year 1998/99 the City will complete the transfer of all LMDs currently managed by the County of Los Angeles within the City's boundaries. The management of these districts has become a high priority for this Division. With a budget of nearly five million dollars, two new positions have been added to effectively manage these districts which cover all parts of the City.

The Recreation Division continues to see its programs and activities grow and change as well. The budget includes \$172,000 to program activities at the Sports Complex following its completion in mid-1998. Another significant project that the Recreation Division is heavily involved in is the City Skate Park, which is being planned on the site of the Sports Complex. As in prior years, the Division is submitting a variety of cost recoverable recreation activities. For example, staff is scheduling day camps for the City's youth during school breaks in order to address the local trend towards year-round school.

### Public Safety

The budget for law enforcement services through the Los Angeles County Sheriff's Department will increase by \$510,522, or 5.3%, for 1998/99. This is due to the salary and benefit increase granted to Sheriff's personnel.

Along with the new came a dynamic change, Deputy", which will come. This new concept designate the number of allowing the City and the assign personnel as functions. It eliminates

*"...the One Price Deputy concept will benefit the City for years to come."*

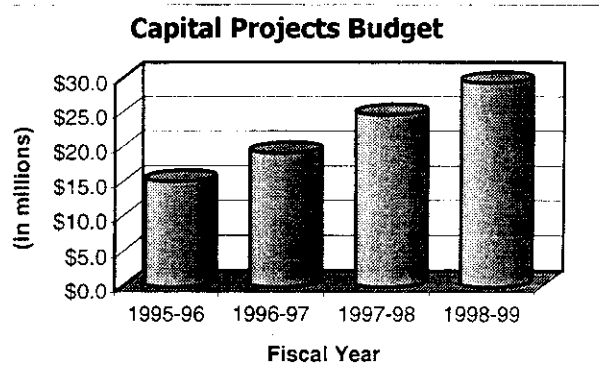
classification and billing by service function, such as General Law, Traffic Law, Crime Prevention, etc. The new system will allow deployment decisions based on changing needs without the constraints of the old system.

contract rates, however, called the "One Price benefit the City for years to requires the City only to service units purchased, Station Commander to needed across various the past system of

### Five Year Capital Improvement Program

The Capital Improvement Program is a key component of this document and the community as a whole. The Capital Improvement Program for 1998-99 totals \$29.4 million. As illustrated by this chart, the City's investment in capital projects has increased significantly over the past four years.

The capital program is broken down into the following eight project classifications:



Project Category	Amount	Allocation
Beautification & Landscaping	\$532,000	2%
Circulation	\$413,887	1%
Facilities & Buildings	\$1,215,600	4%
Maintenance	\$4,088,730	14%
Parks	\$4,993,304	17%
Streets & Bridges	\$13,818,913	46%
Trails & Transit	\$4,687,789	16%
<b>TOTAL</b>	<b>\$29,750,223</b>	<b>100%</b>

As identified by the City's latest strategic planning effort, Share the Vision III, one of the issues of greatest concerns to the residents is transportation. The allocation of funding among capital projects reflects that concern.

As shown, the "Streets & Bridges" category is receiving 46% of the total capital allocation. The two other transportation-related categories, "Circulation" and "Trails & Transit" are receiving an additional 17% of the total allocation. This is evidence of the City's continued commitment to meeting the needs expressed by the community.

Some key projects that will receive funding allocations in the upcoming year include the Newhall Metrolink Station (\$3.1 mil.), the Annual Overlay & Slurry Program (\$2.5 mil.), the Via Princessa Extension (\$7.0 mil.), Wiley Canyon Realignment (\$1.2 mil.), and many others!

The entire Capital Improvement Program represents a proactive and tangible effort toward enhancing the quality of life of our residents, while continuing to address priority issues expressed by the community. A detailed description of all projects contained within the 1998-99 CIP, as well as corresponding location maps, can be found in the Five Year CIP section of this document.

**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 not yet recommended for funding.

*Priority Unfunded Decision Packages:*

Share the Vision III Video	\$10,000
CIP Associate Engineer	54,930
Transit Mitigation Fee Study	25,000
Commuter Bus Purchase	500,000
Recreation Superintendent	65,000
Field Services Manager	56,560
Video Conferencing Capability	20,000
Electronic Information Kiosk	10,000
<b>TOTAL</b>	<b>\$741,490</b>

*Priority Unfunded Capital Projects:*

Overlay and Slurry Program	\$2,000,000
Town Center Transit Center	1,325,000
Central Park Phase II	2,720,000
Sports Complex Phase II	1,028,000
Sierra Hwy. Storm Drain	255,000
River Bank Stabilization	292,000
<b>TOTAL</b>	<b>\$7,620,000</b>

**Conclusion**

Through this budget, the City of Santa Clarita continues to meet its goals and provide quality services to the community. We enter this fiscal year on solid financial footing, having successfully completed ten years of cityhood. I am proud of the role our City has taken to position itself as a leader in local government by providing effective and efficient services.

Santa Clarita's success is in large part due to the talent and energy of our City Council, Commissioners and staff. The City of Santa Clarita has a hard-working, caring and dedicated staff. I wish to recognize the tremendous efforts of the entire staff who are committed to excellence and strive to improve our services on a continuous basis.

Through continued allocation of resources toward strategic priorities, I am confident that the City will continue to meet its commitment to assure an ever-improving quality of life for our residents and businesses. We look forward to facing the challenges of the next year from a position of strength, clarity of purpose and renewed enthusiasm.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "G. Carvalho". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

George A. Carvalho  
City Manager