

City of  
Santa Clarita

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July 1, 2000

Honorable Mayor and Members of the City Council:

I am pleased to present the City of Santa Clarita's Fiscal Year 2000-2001 Operating Budget and Five-Year Capital Improvement Program. This budget represents the resources needed to achieve strategic initiatives and continue providing an exceptional level of services to the community. 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.

In creating this financial plan many of the decisions were focused on completing the action items identified in the Community Strategic Plan – Share the Vision III. This year marks the third and final year of that plan. Attached to this transmittal letter is an outline demonstrating the commitment of the City to the ideas and desires of the community. Additionally, when developing the budget, every effort was made to maximize existing allocation levels while addressing the evolving needs of the new fiscal year. Consistent with City policy and prudent financial management, the proposed document represents a balanced budget in which ongoing revenues exceed ongoing appropriations.

In addition to the information above, two major issues influenced the development of the 2000-2001 Budget: The addition and maintenance of quality of life infrastructure and responding to and meeting the demands of growth.

Quality of life infrastructure refers to the physical assets necessary to provide a healthy and vibrant community such as parks, trails, well-maintained streets, and cultural, recreational and transportation facilities. The City continues to provide additional infrastructure such as new parks, additional sports fields, a library, enhanced transportation facilities, and contributing toward the construction of a performing arts theatre. Additionally, the Budget reflects the funding necessary to provide high quality maintenance of these assets.

Responding to and meeting the demands of growth encompasses a number of activities. Some examples include responsible planning efforts such as a joint City-County general plan, efforts to secure a sphere of influence and providing resources necessary for annexation services. Additionally, the budget reflects funding for additional development related human resources to accommodate the increase in plan checking and inspection services. The community is experiencing substantial growth. This extraordinary level of commercial and residential development is reflected on both the revenue and expenditure sides of the budget. Such growth dramatically increases the workload for all of the City's



departments. Fortunately, this growth also generates the revenues necessary to pay for staff to accommodate the workload.

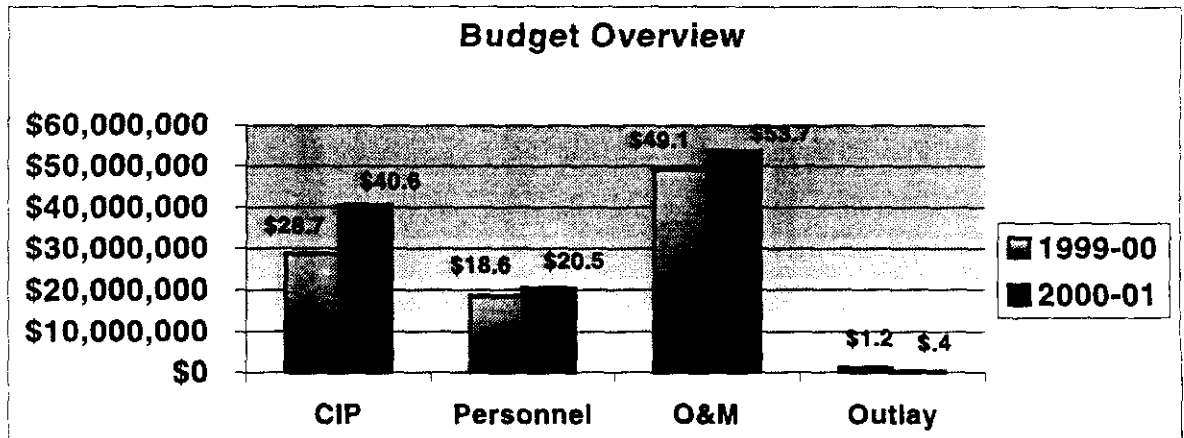
The following information provides an overview of the 2000-2001 Fiscal Year Budget. This overview includes a summary of appropriations, revenues, department budgets, and the Capital Improvement Program.

**BUDGET OVERVIEW**

**Appropriations**

The Fiscal Year 2000-2001 Budget totals \$115,163,210, an increase of \$17,600,872, or approximately 18% over the Fiscal Year 1999-2000 adopted budget. The City's appropriations are within the Prop 4 (Gann) Appropriations Limit and are projected to remain within these limits.

The operating budget, totaling \$74,528,217 includes Personnel, Operations and Maintenance, and Capital Outlay. The Capital Improvement Program budget includes over 40 capital projects totaling \$40,634,993.



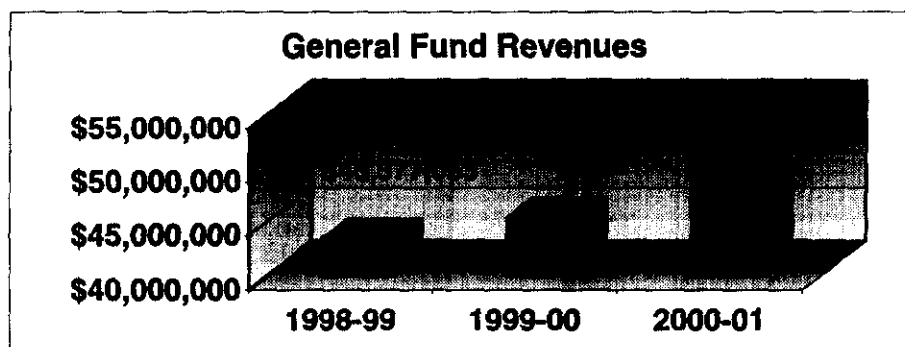
**Revenues**

A vital step in the budget process is estimating revenues for the upcoming fiscal year. This process is vital, as appropriations are based on these projections. In order to ensure accuracy in our projections several factors are considered: historical trends, population projections/growth, known activities that affect revenues, and inflationary factors. With this information, the City can determine what revenues will be available for allocation. Additionally, the City utilizes long-range financial planning to ensure long-term solvency.

Revenues for Fiscal Year 2000-2001 are projected at \$99,664,723. This represents an increase of 13%, or \$11,652,596 over last fiscal year. In addition to these revenues, \$15,498,487 of fund balance dollars is being appropriated for one-time uses. This brings total resources to \$115,163,210, which is in line with total expenditures.

There are over 40 different funding sources that make up the City budget. Each fund or revenue source contains its own spending restrictions, and as such can only be allocated toward specific projects or purposes.

The City's largest fund is the General Fund, which equates to approximately 50% of the total revenue picture, or \$50,231,986. The General Fund is expected to increase by \$4,980,506, or 11% over Fiscal Year 1999-2000. Sales tax continues to be the City's largest revenue source accounting for 39% of the General Fund, or \$19,500,000. Sales tax is projected to increase by 13%, or approximately \$2.2 million over Fiscal Year 1999-2000 adopted budget. The General Fund is vital to the operation of the City as it is discretionary revenue, which the City Council can allocate toward any project or need within the community.



In addition to General Fund revenues, there are several other key revenues that fund programs, projects, and services. These revenues are referred to as Special Revenues and include: Gas Tax, Community Development Block Grants (CDBG), Park grants, Transit funds, and Stormwater Utility revenues. For 2000-2001, Special Revenues are estimated to increase by approximately 15.5%. These revenues represent 50% of the City's total revenue picture, or \$49,432,737.

Although revenues continue to be strong for the upcoming fiscal year, there are continued discussions at the State and Federal level regarding Internet sales. It is estimated that sales over the Internet will reach into the hundreds of billions of dollars. The proliferation of sales over the Internet and the lack of a clear sales tax policy could result in deteriorating sales tax revenues to the City. It is important that the City continue to monitor the impact of such sales and work with our legislators to protect any loss of revenue to the General Fund.

#### DEPARTMENTAL SUMMARY

In developing the Budget, departments were given a base allocation and asked to thoroughly evaluate their current levels of funding and enhance services within those existing allocation levels. Departments did an excellent job of maintaining, and in some cases increasing, service levels without increasing line items or staffing levels. The following department summaries represent the results of those efforts as well as highlights of those items being funded for the fiscal year.

## **City Manager's Office**

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The budget represents the resources needed for the City Manager's staff to continue to provide administrative services to the organization and the community. The City Manager's Office is a service-oriented department that provides services to the City Council, the community, businesses, other agencies, and staff. The following areas are represented within the City Manager's Office budget: City Council, Public Information, Risk Management, Human Resources, Economic Development, Intergovernmental Relations, and City Clerk.

The City Manager's budget is remaining relatively flat for the fiscal year. Due to the reallocation of existing funds, new programs or funding requests were absorbed within existing budgets. One significant addition to the City Manager's Office budget is the biannual newsletter that will be distributed to all City residents.

## **Administrative Services**

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Functions of the Administrative Services Department include Finance, Technology Services, Purchasing, Grant Administration, and Community Development Block Grants (CDBG). The department supports all divisions within the City, while serving as a key department in external delivery to our local merchants and vendors.

A key addition to the department is in the area of technology. The budget represents the City's ongoing dedication to technology as a method to increase efficiency and increase the flow of information. More than \$430,000 has been added in one-time outlays in the following areas: new building permit system; phase II of the document imaging program; upgrading network system components; and funding for user training. Through the CDBG program, \$420,000 in HOME grant monies will be made available to low-to-moderate income first-time home buyers.

## **Planning & Building Services**

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The Planning and Building Services Department contains such functions as Planning, Annexations, Building Permits, Code Enforcement, Building Inspection, Environmental Services, and Geographic Information Systems (GIS). The extraordinary level of building that is facing Santa Clarita places this department in a growth mode similar to that of Transportation and Engineering Services.

Planning and Building Services is another department significantly impacted by growth. To provide effective customer service in this area, funding in the amount of \$100,000 is being allocated toward professional services for the outsourcing of plan check and inspection work. Funds in the amount of \$150,000 have been allocated toward the joint City-County general plan effort. Also, \$60,000 will be used to enhance the annexation and sphere of influence efforts. To combat the ever-present threat of a landfill in Elsmere Canyon, \$50,000 has been budgeted in the Environmental Services Division. Finally, this budget also represents the City's commitment to develop a quality, cutting-edge GIS, which will be used for analysis and development mitigation.

## **Transportation & Engineering Services**

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The Transportation and Engineering Services Department is comprised of Engineering, Special Districts, Traffic, Transit, and Capital Improvement Projects. This is one of the departments that are significantly affected by the rapid growth occurring in the community.

This department continues to do an excellent job in managing the increasing demands of growth. To assist in these efforts, \$150,000 in contractual services for development related work is being added to help offset the increased service demands. The use of contract services during periods of fluctuating growth allows the City to maintain a high level of service while at the same time avoid overstaffing. Transit is another function responding to growth. As such, more than \$500,000 is being allocated toward the transit contract to increase services and pay for a CPI adjustment.

## **Field Services**

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The Field Services Department includes most of the field and maintenance functions within the City including Urban Forestry, Street Maintenance, Vehicle Maintenance, Facilities Maintenance, and Stormwater Field Services. The department primarily serves the citizens of Santa Clarita. However, Field Services must also ensure that the facilities and amenities maintained for employees of the City are safe and aesthetically pleasing.

The City is building several new facilities for the community, and the budget reflects the need to maintain those facilities. An additional \$84,000 is being allocated toward the *cost of maintaining the Jan Heidt Metrolink Station and the Santa Clarita Sports Complex*. This department will also have the responsibility of maintaining the new Canyon Country Library. Additionally, \$40,000 is being allocated to provide safety improvements at the Corporate Yard facility.

## **Public Safety**

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This section of the budget represents the cost of contracting for police services with the Los Angeles County Sheriff's Department. The total contract cost for Fiscal Year 2000-2001 represents an approximate increase of 3.4% over Fiscal Year 1999-2000. This year's budget totals \$10,701,745 and includes the addition of one motorcycle service unit and the conversion of one traffic unit to a motorcycle unit. These two motorcycle units will provide enhanced traffic enforcement throughout the City. This year's budget also includes the continuation of a grant-funded investigator who is dedicated to the prevention, intervention, and prosecution of domestic violence. As a result of the City's ongoing commitment to public safety, Santa Clarita has consistently ranked in the top six safest cities in the nation among cities with populations over 100,000.

## **Parks, Recreation & Community Services**

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Functions of the Parks, Recreation and Community Services Department include Landscape Maintenance Districts, Parks Maintenance, Median Maintenance, Park

Development and Planning, Recreation, Emergency Preparedness, Cultural Arts and other community services.

The Parks Division experienced the largest growth in park acreage in a single year in 1999-2000. With the opening of Central Park and the soon to be opened Circle J Park, the City will have added a total of 50 acres of new park space. Additionally, the City will be constructing Pamplico Park, Oak Springs Park, and expanding the Central Park to include four additional sports fields. The budget reflects the maintenance funds needed to maintain these two existing parks. Additionally, maintenance funds for another new park is being added. Bridgeport Park is expected to open in 2000, adding another 18.4 acres of park space, 37 acres of upland preserve, and 290 acres of open space to the City. The Landscape Maintenance District budget includes \$1.3 million in various capital improvement projects to further enhance the level and quality of services being provided by the City. Afterschool programming is an area that was closely examined through this budget process. The budget includes \$40,000 to add the PLAY program to two additional sites.

### **FIVE YEAR CAPITAL IMPROVEMENT PROGRAM**

The Capital Improvement Program is a key component of this document and the community as a whole. It represents a balanced approach for meeting the community's current and future needs. It accomplishes the City's major goals for projects, while maintaining critical ongoing maintenance.

The Capital Improvement Program for 2000-2001 totals \$40.6 million. The capital program is broken down into the following eight project classifications:

<b>Project Category</b>	<b>Amount</b>
Beautification & Landscaping	\$1,457,000
Circulation	\$1,249,406
Emergency	\$539,500
Facilities & Buildings	\$21,991,530
Maintenance	\$2,462,871
Parks	\$5,592,718
Streets & Bridges	\$4,062,577
Trails & Transit	\$3,279,391
<b>TOTAL</b>	<b>\$40,634,993</b>

The Capital Improvement Program represents an increase of \$11,943,495 from the program adopted by the City Council at the beginning of the 1999-2000 Fiscal Year. This year's program includes funding for the Santa Clarita Sports Complex build-out (\$6.8 million), which includes funding for the design and partial construction of the Aquatics Center, partial design of the BMX track, Adventure area and expanded Skate Park; funding for the Canyon Country Library (\$1.6 million); partial funding of the College of the Canyons Performing Arts Theatre (\$600,000); construction of Pamplico and Oak Springs Parks (\$1.6 million); the design and construction of four additional sports fields at Central Park (\$2.0 million); funding for the design of the Transit

Maintenance Facility (\$1.5 million); the continuation of the Annual Overlay and Slurry Program (\$1.85 million); as well as many other important projects.

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 2000-2001 CIP, as well as corresponding location maps, can be found in the Capital Projects section of this document.

#### **UNFUNDED NEEDS**

Each year departments present funding requests through the budget process; however, because needs always exceed the resources available, not all are funded. The following list represents some of the items not included in the budget for funding.

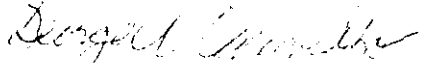
<b>Priority <u>Unfunded</u> Decision Packages:</b>		<b>Priority <u>Unfunded</u> Capital Projects:</b>	
Storm Drain Fee Study	\$650,000	Overlay and Slurry Program	\$3,650,000
Senior Accountant	\$ 70,000	Scherzinger Lane	\$2,200,000
(2) General Maintenance Workers	\$100,000	Central Park Paseo Bridge	\$ 300,000
Pressure Washer System	\$ 50,000	Gateway Beautification	\$ 300,000
		Placerita Sewer	\$ 270,000
<b>TOTAL</b>	<b>\$870,000</b>	<b>TOTAL</b>	<b>\$6,720,000</b>

#### **CONCLUSION**

This budget has been established to enable the City to meet a myriad of challenges over the next fiscal year. The Community Strategic Plan has provided a fundamental planning document outlining the community's needs and has enabled the City to focus on those projects and services that reflect the priorities of the citizens. The economy continues to remain strong, and as such, provides the City with a solid tax base from which to allocate resources towards strategic priorities.

Without the dedication and unending commitment of the City Council, Commissioners, and City staff we would not be able to provide the citizens of this City with such high quality municipal services. The combined efforts of these individuals truly result in an ever-increasing quality of life for the residents and businesses of our City. I would like to recognize the countless hours spent by all departments in creating a budget that strives to maximize allocated resources based on the community's needs. In addition, I would like to commend the efforts of each department who, year after year, is responsible for the continued improvements in cost-effective service delivery. I look forward to the challenges of the upcoming fiscal year and the completion of yet another successful year of cityhood.

Respectfully Submitted,

  
George A. Carvalho  
City Manager

SHARE THE  
VISION III

**Action Items**

**City Commitment (Budget Action)**

• **Transportation**

Develop an integrated transportation system addressing present and future needs.

✓ 2000-01 CIP Budget includes approximately \$11 million for Circulation, Street Maintenance, Streets & Bridges and Trails & Transit.

• **Economic Development**

Expand, preserve and market businesses.

✓ 2000-01 Budget includes over \$500,000 for economic development activities.

*Equitable resources for large and small business.*

✓ \$100,000 to promote and market film, tourism and small businesses within the City.

• **Growth Outside the City**

Growth outside the City limits impacts our infrastructure despite our lack of influence and control regarding this growth.

✓ \$60,000 allocated in the 2000-01 Budget for annexation services and Sphere of Influence efforts.

✓ \$150,000 budgeted for a joint City/County general planning effort.

✓ Consistently working with the County on projects being developed along City periphery.

• **Newhall Revitalization**

Revitalizing Newhall's identified project area.

✓ \$3.2 million loaned to the Redevelopment Agency from City's general fund to get project area started.

✓ \$150,000 in 2000-01 for Façade Program.

✓ \$100,000 Capital Grant for Canyon Theater Guild.

✓ \$45,000 for a Downtown Manager.

• **Education**

*Maintain, improve and enrich the high quality of education in our community.*

✓ \$13 million committed to Golden Valley Road to facilitate construction of a new high school in the Canyon Country community.

• **Parks & Recreation Facilities**

Promote, develop and expand recreational facilities enhancing recreation and cultural opportunities for youth, adults, seniors and families.

✓ 2000-01 CIP Budget includes over \$15 million for new parks, facilities and buildings related to Parks & Recreation.

✓ \$600,000 contribution to the College of the Canyon Performing Arts Theatre.

✓ \$2 million to add four fields at Central Park.

• **Open Space**

Preserve natural open space and green belts citywide.

✓ Over \$600,000 has been allocated to the River Park program, which preserves open space.

✓ Additionally, the City continues to commit resources toward the development of an open space district.

✓ \$1 million designated for acquisition of open space.

• **Public Safety**

Provide and improve public safety through community-oriented involvement, collaboration and education in conjunction with law enforcement.

✓ This year the City will continue funding one additional deputy, which is partially funded through the Community Oriented Policing (COPs) program.

✓ \$100,000 designated for two motorcycle officers for enhanced traffic enforcement.

• **Youth Programs**

Coordinate and uniformly address the needs of Santa Clarita Valley youth.

✓ In addition to the hundreds of recreation classes offered each year, the City is adding \$40,000 to the 2000-01 budget for two after school PLAY sites.

✓ Providing additional funding to expand the *Every 15 Minutes* program to two high schools.