



SAN FERNANDO CITY COUNCIL
SPECIAL MEETING NOTICE AND AGENDA
MAY 28, 2019 – 6:00 PM
CITY HALL COUNCIL CHAMBERS
117 MACNEIL STREET
SAN FERNANDO, CA 91340

NOTICE IS HEREBY GIVEN that the San Fernando City Council will hold a Special Meeting on **Tuesday, May 28, 2019, at 6:00 p.m.**, in the City Hall Council Chambers, located at 117 Macneil Street, San Fernando, California.

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo
Vice Mayor Sylvia Ballin
Councilmember Robert C. Gonzales
Councilmember Antonio Lopez
Councilmember Hector A. Pacheco

PLEDGE OF ALLEGIANCE

Led by Director of Recreation and Community Services Julian J. Venegas

APPROVAL OF AGENDA

PUBLIC STATEMENTS – WRITTEN/ORAL

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council. Only matters contained in this notice may be considered.

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ADMINISTRATIVE REPORTS**1) FISCAL YEAR 2019-2020 BUDGET STUDY SESSION NO. 2**

Recommend that the City Council review and discuss the Fiscal Year 2019-2020 Proposed Budget.

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.

Elena G. Chávez, CMC

City Clerk

Signed and Posted: May 23, 2019 (5:00 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet website (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk Department. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk Department at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's website at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk Department at (818) 898-1204 at least 48 hours prior to the meeting.

Special Meeting

San Fernando City Council

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager

Date: May 28, 2019

Subject: Fiscal Year 2019-2020 Budget Study Session No. 2

RECOMMENDATION:

It is recommended that the City Council review and discuss the Fiscal Year (FY) 2019-2020 Proposed Budget.

BACKGROUND:

1. On January 22, 2019, the City Council received a presentation of prior years' City-wide Strategic Goals and City Council Priorities and staff discussed the work program for FY 2019-2020.
2. On March 4, 2019, the City Council received a presentation of the FY 2017-2018 final audited financials, FY 2018-2019 Mid-year Budget update, and FY 2019-2020 Budget Outlook. This marked the kick-off of the FY 2019-2020 Budget season.
3. During the month of April 2019, the City Manager met with each Department to develop the FY 2019-2020 Proposed Budget, which includes revenues and expenditures for the General Fund, Enterprise Funds, and all Special Revenue Funds.
4. On May 20, 2019, the City Council held Budget Study Session No. 1 to discuss the Budget Overview, Administration Department, Finance Department, Police Department, and Recreation and Community Services Department.

ANALYSIS:

The FY 2019-2020 Proposed Budget is considered a Maintenance of Effort budget, which means it is based on providing the same level of service as FY 2018-2019. Departments were asked to continue to hold the line and develop their FY 2019-2020 operating budget requests assuming the same amount of funding as the current year. Although this is a Maintenance of Effort budget that represents no increase in service levels in the short-term, the City does need to

Fiscal Year 2019-2020 Budget Study Session No. 2

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invest in a number of areas to address a backlog due to prior cuts and better position the organization for long-term stability. More than \$1.25 million in enhancement requests were submitted by City Departments. After initial review of the budget, the City Manager is recommending \$156,880 in ongoing enhancements and \$210,070 in one-time enhancements for the General Fund.

Overall, the General Fund has a budget surplus (i.e., total revenue less total expenditures) of approximately \$510,000. Although the Proposed Budget presents a budget surplus, there are a number of critical outstanding variables that could quickly erode the surplus, primarily: 1) unknown pension and retirement related costs that may need to be shifted to the General Fund, and 2) lack of General Fund reserve to protect against a financial downturn. More information on *Threats to the Fiscal Year 2019-2020 Budget* can be found in the City Manager's Budget Message in the Proposed Budget document (Attachment "A").

Measure A.

Measure A is expected to raise approximately \$2.55 million in FY 2019-2020 and will be used to pay down debt, reduce the General Fund deficit fund balance, strengthen the Self Insurance and Equipment Replacement Funds, fund one-time projects that address critical needs, and enhance services to the community. More detail on Measure A expenditures can be found in the City Manager's Budget Message in the Proposed Budget document.

Capital Improvements.

The FY 2019-2020 Proposed Budget includes funding for a number of critical capital improvements to address the large backlog of deferred maintenance. Funding for these capital improvements is provided primarily through Special Funds, Water Fund and Sewer Fund.

<u>Category</u>	<u>Amount Budgeted</u>	<u>Funding Source(s)</u>
Street and Sidewalk Improvements	\$ 6,300,000	Multiple Special Funds
Streetlight/Signal Improvements	\$ 2,177,000	Multiple Special Funds
Pacoima Wash Bike & Bridge	\$ 2,055,000	Grant Fund/Measures R & M
Safe Routes to School	\$ 2,940,000	Grant Fund/Measure R
Water System Improvements	\$ 1,025,000	Water Fund
Water Reservoir Replacement	\$ 5,000,000	Grant Fund
Sewer System & Street Improvements	\$ 1,740,000	Sewer Fund
Total:	\$ 21,237,000	

More analysis of the FY 2019-2020 Proposed Budget can be found in the City Manager's Budget message included in the Proposed Budget document.

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BUDGET IMPACT:

The total Proposed Budget for all funds is approximately \$49.5 million. The Proposed General Fund budget is \$19.854 million. In accordance with the City's Budget Policy, the FY 2019-2020 Proposed General Fund Budget represents a balanced budget, with General Fund revenues of \$20.363 million and expenditures of \$19.854 million, estimating a surplus of \$510,000.

CONCLUSION:

The objective of the FY 2019-2020 Proposed Budget is three-fold: 1) continue to rebuild the General Fund reserve balance; 2) begin to address staffing shortages that have caused a backlog in critical areas; and 3) appropriate capital funds to reduce deferred maintenance of the City's infrastructure.

ATTACHMENT:

- A. City Council Priorities
- B. City Council Ad Hoc Committees
- C. FY 2019-2020 Proposed Budget is available on the City's website at the following link:
<http://ci.san-fernando.ca.us/finance/financial-documents/>



CITY COUNCIL PRIORITIES

Status Review of Prior and Current Year City Council Priorities Fiscal Year 2019-2020

Description of Goal/Priority	Status	Timeline	Fiscal Year Added
1. Work to establish a Property-based Business Improvement District (PBID) .	Included in FY 2018-2019 Department Work Program (City Manager/ Community Development) . Staff has met with Downtown Mall Association on a number of occasions to move forward the PBID process.	Work toward implementation by June 2021.	2013-2014
2. Evaluate policy for neighborhoods to petition for the installation of speed humps .	The City completed speed humps and other traffic calming measures near Vista Del Valle elementary school and is moving forward with speed humps in sections of the alley between Truman and San Fernando. The City has a speed hump policy. Updating the policy may require assistance from a consultant. No funds were included in the FY 2018-2019 budget for this effort.	Fiscal Year 2019-2020	2015-2016

Status of City Council Priorities

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Description of Goal/Priority	Status	Timeline	Fiscal Year Added
3. Create and implement a Rent Control Program.	On-hold. On July 18, 2016, staff presented City Council with a number of options for a rent control regulatory options. Council gave direction to draft residential rent increase dispute resolution regulations similar to those in place in Fremont, CA. The CD Director had been working with the City Attorney prior to separation. This was put on-hold due to staff shortage.	No additional action has been taken. If directed, staff can include in FY 2019-2020 Work Program for Community Development.	2016-2017
4. Develop comprehensive list of all deferred maintenance and needed infrastructure improvements.	Included in FY 2018-2019 Department Work Program (Public Works). The City has information on vehicle replacements, tree trimming maintenance, street light replacements, sewer/water main replacement and street pavement. This will be consolidated and included in the FY 2019-2020 budget discussions.	To be discussed during FY 2019-2020 budget study sessions.	2016-2017
5. Explore possibility of building a pedestrian bridge over the existing rail right-of-way connecting residents and businesses on 1st Street to the Downtown Area.	Staff will discuss this with Metro as part of the East San Fernando Valley Transit Corridor light rail construction project.	To be discussed with Metro.	2016-2017
6. No new priorities were added during budget process. City Council directed staff to focus on core mission items and completing existing priorities.	All vacant Department Head positions have been filled with permanent appointees.		2017-2018

Status of City Council Priorities

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Description of Goal/Priority	Status	Timeline	Fiscal Year Added
7. Implement LGBT initiatives from 2013/2014.			
8. Install Google fiber/fiber-optic broadband for businesses and residents.			
9. Event to teach seniors to use Facebook			
10. Listing of number of liquor licenses in the City with chart plotting changes over time.			
11. Video recording of City Council meetings.			
12. Hold City Hall "Open House" for students.			
13. Study feasibility of a parking permit system.			
14. Automatic recount of elections if results are close.	Considered by City Council on 6/18/2018 with no direction to proceed.		
15. Development round table.			
16. Clergy Council/Community event on National Day of Prayer.			

Status of City Council Priorities

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Description of Goal/Priority	Status	Timeline	Fiscal Year Added
17. Listing of current contracts with contract expiration dates.			
18. Social media policy/policy for passwords.			
19. Down payment assistance for home buyers (similar to City of LA LIPA/MIPA)			
20. Review/update pothole policy and program.			



CITY COUNCIL AD HOC & STANDING COMMITTEES

Revised by City Council: March 4, 2019

AD HOC COMMITTEES				
DATE CREATED		NAME	MEMBERS	SCOPE
1	4/2/13	East San Fernando Valley Transit Corridor	Gonzales Pacheco	Review information and develop policy recommendations to City Council related to the planned light rail project through San Fernando, including reviewing options related to the City's local match, public outreach efforts with Metro, providing feedback regarding potential improvements along the rail ROW by Metro and/or the City, and other ESFVTC policy related items that require additional study. <i>(Recommend dissolving upon completion of ESFVTC construction through San Fernando)</i>
2	2/6/17	Commercial Cannabis Alternatives	Fajardo Ballin	Review information and develop policy recommendations to City Council related to cannabis in San Fernando, including potential allowable uses, public outreach, permit application processes, and other cannabis policy related items that require additional study. <i>(Recommend dissolving upon adoption of local regulations and finalization of permitting process)</i>
3	5/1/17	Accessory Dwelling Units	Fajardo Pacheco	Review information and develop policy recommendations to City Council related to the construction and regulation of Accessory Dwelling Units within the City, including reviewing existing regulations and make recommendations for amendments, when required, provide input re: public outreach, and other ADU policy related items that require additional study. <i>(Recommend dissolving upon adoption of local regulations and finalization of permitting process)</i>



CITY COUNCIL AD HOC & STANDING COMMITTEES

Revised by City Council: March 4, 2019

4	8/21/17	Organize a Veterans' Recognition Event Committee in the City	Gonzales Fajardo	Review information and develop policy recommendations to City Council related to a Veteran's Recognition Event, including receiving feedback from local Veteran's groups, provide input to enhance the impact of the proposed event/program, and other veteran's recognition events/programs that require additional study. <i>(Recommend dissolving after completion of initial veteran's recognition event/program)</i>
5	10/16/17	Code Enforcement	Fajardo Lopez	Review information and develop policy recommendations to City Council related to an appropriate level of Code Enforcement in the City, including reviewing existing levels of enforcement, legal and financial resource restrictions related to Code Enforcement activities, review staff recommendations regarding program enhancements, assist with public outreach related to changes in service, and other Code Enforcement policy items that require additional study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>
6	5/7/18	Wildhorse Children's Foundation regarding the use of Pioneer Park	Lopez Gonzales	Review information and develop policy recommendations to City Council related to the City's partnership with WHF, including providing feedback related to a formal agreement (e.g. Lease/MOU/etc.) regarding use of facilities at Pioneer Park, connecting WHF with other community service providers to enhance programming at the facility, provide input re: public outreach, and other WHF items that require additional study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>



CITY COUNCIL AD HOC & STANDING COMMITTEES

Revised by City Council: March 4, 2019

7	6/18/18	Parking Meters	Gonzales Fajardo	Review information and develop policy recommendations to City Council related to the City's parking meter program, including providing feedback related to potentially expanding the parking meter program and increasing the use of smart meters, provide input re: public outreach, and other parking meter items that require additional study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>
8	10/1/18	Financial Advisor Services for Pension and Retiree Health (renamed 1/7/19)	Gonzales Fajardo	Review information and develop policy recommendations to City Council related to the City's Pension and Retiree Health Programs, including recommending selection of a Financial Advisor, review projections and funding strategies from the Advisor, provide feedback on presentations, and other Pension/Retiree Health funding items that require add'l study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>
9	1/7/19	Update to City General Plan	Pacheco Ballin	Review information and develop policy recommendations to City Council related to updating the City's General Plan, including evaluating potential funding sources, reviewing draft plan amendments with staff, provide feedback related to public outreach efforts, and other General Plan items that require additional study. <i>(Recommend dissolving upon adoption of an updated General Plan)</i>
10	2/4/19	U.S. Census	Ballin Gonzales	Review information and develop policy recommendations to City Council related to the United States Census 2020, including act as the City's liaison on the City's Complete Count Committee, provide feedback related to Census public outreach activities/programs, and other Census items that require additional study.



CITY COUNCIL AD HOC & STANDING COMMITTEES

Revised by City Council: March 4, 2019

				<i>(Recommend dissolving upon completion of 2020 Census activities)</i>
11	2/4/19	Social Media Policy	Ballin Pacheco	Review information and develop policy recommendations to City Council related to the City's Social Media program, including reviewing the draft social media policy and other parking meter items that require additional study. <i>(Recommend dissolving upon adoption of Social Media Policy)</i>
12	2/19/19	Expanded Polystyrene Foodware and a Green City Concept (Recommend re-naming to Green City Ad Hoc)	Ballin Fajardo	Review information and develop policy recommendations to City Council related to the City's environmental related programs, including environmental programs available to City residents, public outreach efforts, City Hall programs to decrease carbon footprint, and other Green City items that require additional study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>
13	3/4/19	Implementation of a Local Minimum Wage Ordinance	Ballin Pacheco	Review information and develop policy recommendations to City Council related to the City's minimum wage, including review of studies related to local minimum wage, public outreach efforts to stakeholders, and other Minimum Wage items that require additional study. <i>(Recommend review during City Council re-org each year to determine necessity to extend)</i>

STANDING COMMITTEES

STANDING COMMITTEES					
DATE CREATED		MEETING DAY/TIME	NAME	MEMBERS	COMMENT
1	8/2010	Vary (as needed)	California High-Speed Rail Authority Standing Committee	Fajardo Ballin	<i>Recommend review during City Council re-org each year to determine necessity to extend.</i>