



THE CITY OF  
**SAN FERNANDO**

# BUDGET STUDY SESSION BUDGET OVERVIEW

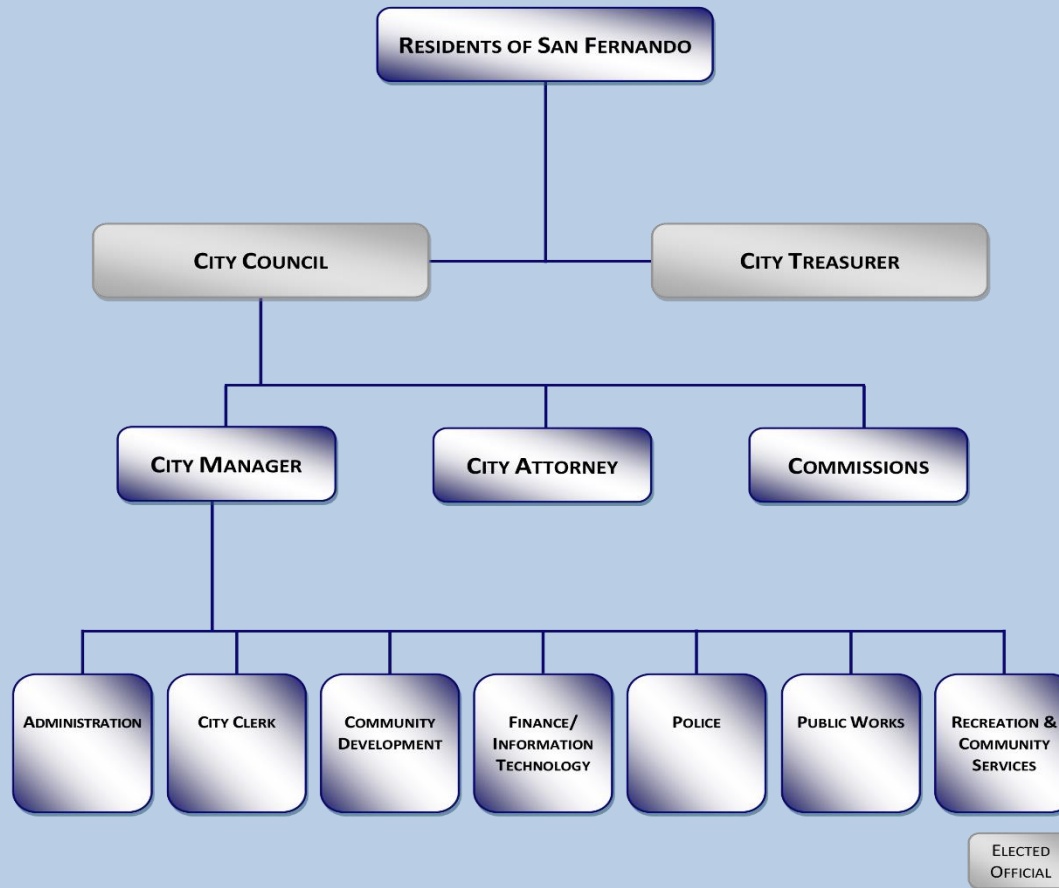
JUNE 1, 2020

PRESENTED BY:  
**NICK KIMBALL**  
**CITY MANAGER**



THE CITY OF  
**SAN FERNANDO**

# CITYWIDE ORGANIZATIONAL STRUCTURE



JUNE 1, 2020



## NATIONAL ECONOMIC OUTLOOK

- The impact of COVID-19 on the economy has caused many issues.
- Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. National and state economies have been greatly impacted with the COVID-19 Pandemic.
- Pandemic Has Caused:
  - High unemployment
  - Small businesses have been forced to close
- Threats: Uncertainty surrounding the further impact of COVID-19 on City revenues and continued expenditures.



## LOCAL ECONOMIC OUTLOOK

- During the month of March, the City declared a local emergency and Executive Order N-33-20 was issued ordering residents to stay at home and allowing essential business to continue.
- San Fernando was experiencing a growth in various industries, restaurants, retail and manufacturing, but the pandemic has hit these industries the hardest.
- Economic data on local unemployment, wages, sales and business tax is not yet available.
- Essential businesses were allowed to stay open but saw a big decline in customer traffic and implemented required safety initiatives, i.e. staff wearing masks, enforcing social distancing, etc. to operate.
- As local businesses begin to open, the City will support and promote their businesses under the new safety protocols.



## FY 2020-2021 BUDGET OBJECTIVES

The emphasis of this budget is on:

- Focus on providing core services while providing useful public education, enforce Health Orders, maintain public safety, and support residents and businesses hardest hit by COVID-19.
- The Proposed Budget DOES NOT include any enhancements.
- The Proposed Budget includes a reduction in General Fund operating costs and deferment of certain internal loan repayments.



## FY 2020-2021 PROPOSED BUDGET

Fund	FY 2019-2020 Adopted Budget	FY 2020-2021 Proposed Budget	% Change
General Fund	\$19,853,654	\$19,913,500	0.3%
Internal Service Funds	\$3,780,363	\$3,756,006	-0.6%
Enterprise Funds	\$11,249,403	\$9,101,693	-19.1%
Special Revenue Funds	\$14,582,352	\$8,294,292	-43.1%
<b>Total Citywide Budget</b>	<b>\$49,465,772</b>	<b>\$41,065,491</b>	<b>-16.9%</b>



## GENERAL FUND HIGHLIGHTS

- 1) Projected Revenues: \$19.105 million
- 2) Proposed Expenditures: \$19.913 million
- 3) Projected Budget Deficit of **\$808,133** during the fiscal year
- 4) Total Enhancement Requests: \$0.00



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## MEASURE A EXPENDITURE PLAN

- Measure A Expected Funds for FY 2020 – 2021 are \$2.20M.
- All Measure A Revenues will be needed to cover FY 2020 – 2021 Operating Costs
- Defer all Internal Debt Payments
- Draw Down Self-Insurance Fund Reserves
- Freeze all Enhancements





# THE CITY OF SAN FERNANDO

## BUDGET SCHEDULE

### Monday, June 1<sup>st</sup> :

#### ***Study Session #1***

- **Proposed Budget Overview**
- **All Departments**

### Monday, June 15<sup>th</sup> :

- **Follow-up and additional questions from City Council**
- **Adoption of Budget**



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# STRUCTURE OF BUDGET DOCUMENT

City Manager's  
Budget Message

Proposed Revenue  
and Expenditure

Goals for the  
Upcoming Fiscal Year

Summary of Revenue  
and Expenditures – All  
Funds

Summary of Revenues  
and Expenditures –  
General Fund

Expenditure Detail by  
Department & Special  
Fund

**SUMMARY**

**DETAIL**

JUNE 1, 2020



THE CITY OF  
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## BUDGET STUDY SESSION

# Administration Department

JUNE 1, 2020



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# DEPARTMENT ORGANIZATION





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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Recruited and hired new Directors of Finance and Public Works.
- 2) Completed negotiations for a new Memorandum of Understanding with the San Fernando Police Officers' Association and San Fernando Police Management Unit.
- 3) Coordinated the City's emergency response to the COVID-19 pandemic



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# FISCAL YEAR 2020-2021 OBJECTIVES

- 1) Continue to coordinate the City's emergency response to the COVID-19 pandemic
- 2) Provide guidance and support to City Council to protect the City's finances resulting from the COVID-19 pandemic, including but not limited to, provide accurate revenue projections, implementing cost cutting measures, and seeking FEMA reimbursement emergency response related costs
- 3) Develop a process for ongoing legislative monitoring to increase San Fernando's input on statewide legislation impacting local control.
- 4) Adopt and implement updated personnel rules and general policies.



## FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Reduce City Council budget by \$12,000 by decreasing each Councilmember's travel budget from \$4,000 to \$2,000.
- Reduce Administration Department operating expenditures by \$7,500.

### Service Impacts:

- Reduced professional development and training. Staff will continue professional development through webinars and other virtual training opportunities.
- Advertising and recruitment related expenses have been reduced due to temporary hiring freeze.
- Labor Attorney expenses have been reduced as all bargaining units have multi-year labor agreements.



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## BUDGET STUDY SESSION

# Finance Department

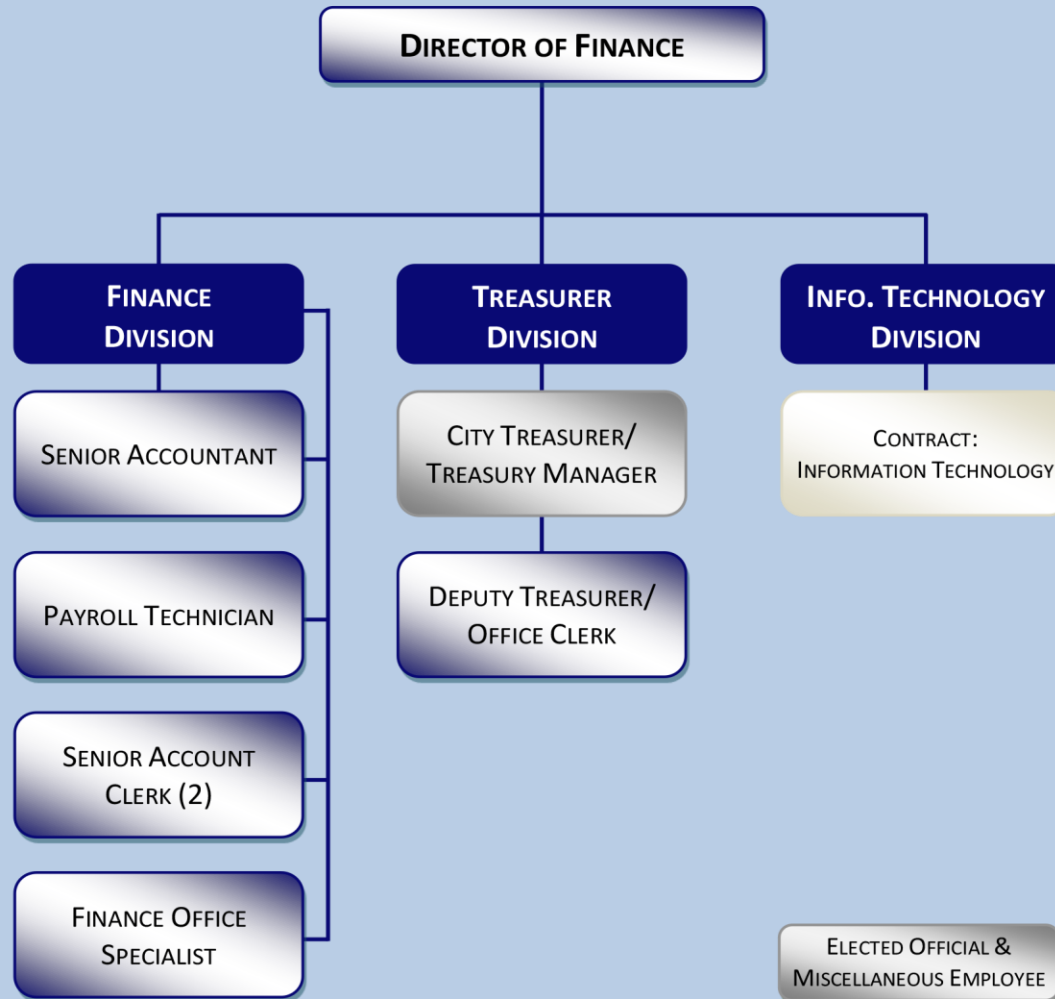
JUNE 1, 2020





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# DEPARTMENT ORGANIZATION



JUNE 1, 2020



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# FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Facilitated smooth transition for a new Director of Finance.
- 2) Facilitated smooth transition of new Information Technology Management firm.
- 3) Worked with Pension and OPEB Fiscal Advisor to implement recommended strategies.
- 4) Supported labor negotiations for a new MOU with the Police Officers' Association.
- 5) Received GFOA *Distinguished Budget Presentation Award* for FY 2019-20 Budget and *Certificate of Achievement for Excellence in Financial Reporting* for FY 2018-19 Audited Financial Statements.



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## FISCAL YEAR 2020-2021 OBJECTIVES

- Continue to monitor expenses related to COVID-19 Pandemic and the pandemic's impact on future forecasts of City revenues and expenses.
- Continue to work with IT to provide a strong secure network and seek ways residents can use website for payments and City information.
- Keep residents aware of financial assistance programs for City services.



# FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Reduce Department operating expenditures by \$80,085.

## Service Impacts:

- Reduced professional development and training. Staff will continue professional development through webinars and other virtual training opportunities.
- Reduced IT costs due to an audit of IT maintenance contract costs.



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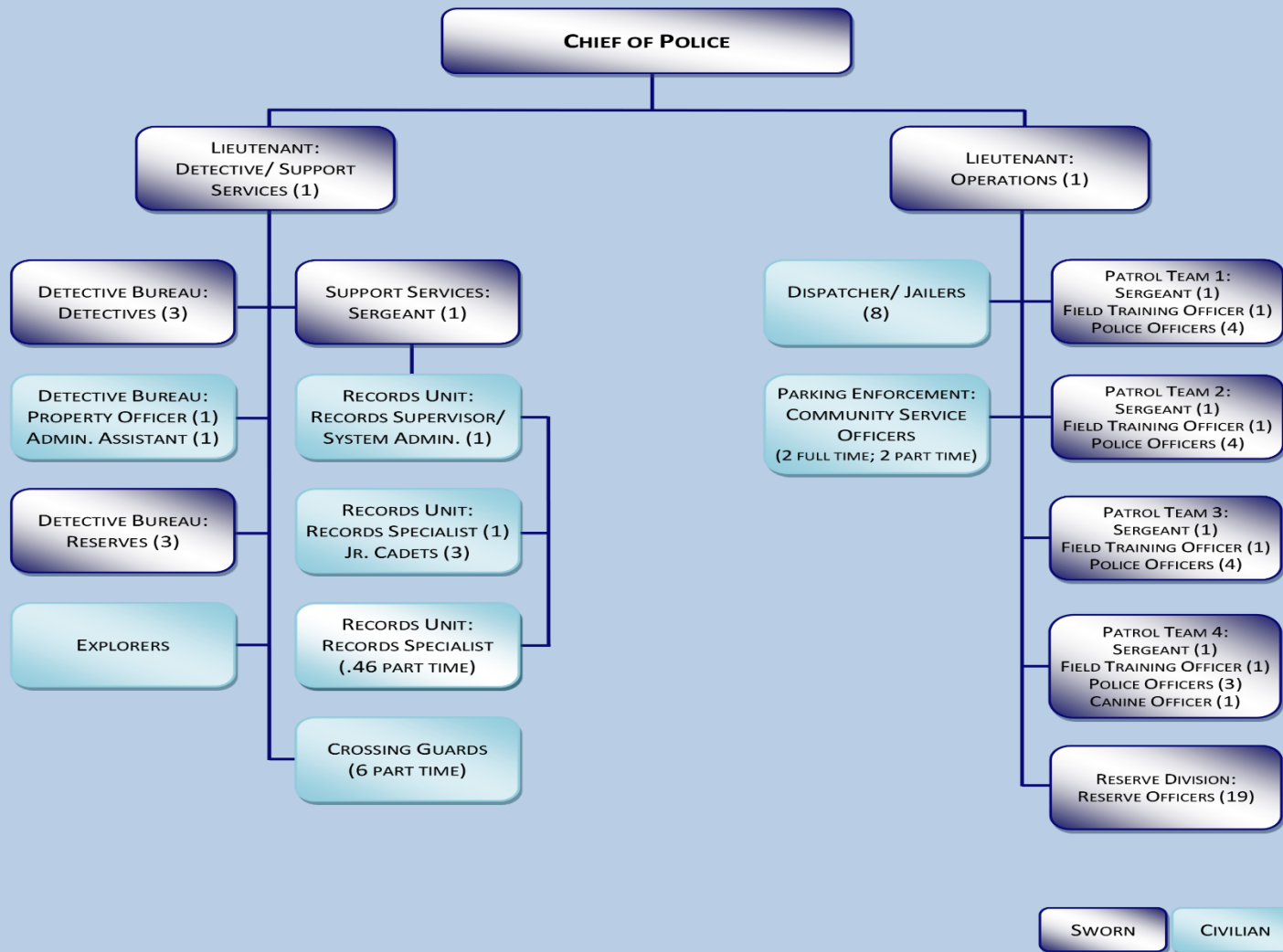
## BUDGET STUDY SESSION

# Police Department



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# DEPARTMENT ORGANIZATION



JUNE 1, 2020



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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

1. Purchased and replaced one (1) seventeen-year-old detective vehicle.
2. Purchased and replaced one (1) 2008 Parking Enforcement vehicle.
3. Received Office of Traffic Safety (OTS) grant funding.
4. Received School Resource Officer funding.
5. Funded new City-Wide Radio System.



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## FISCAL YEAR 2020-2021 OBJECTIVES

1. Fill critical positions.
2. Implement School Resource Officer program.
3. Pursue other type of grant funding.
4. Pursue ABC grant funding.
5. Continue Community and Business outreach.





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# FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Reduced Department Operational Budget by \$24,600

## Service Impact:

- This reduction will mostly impact personnel training portion of the budget.



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## BUDGET STUDY SESSION

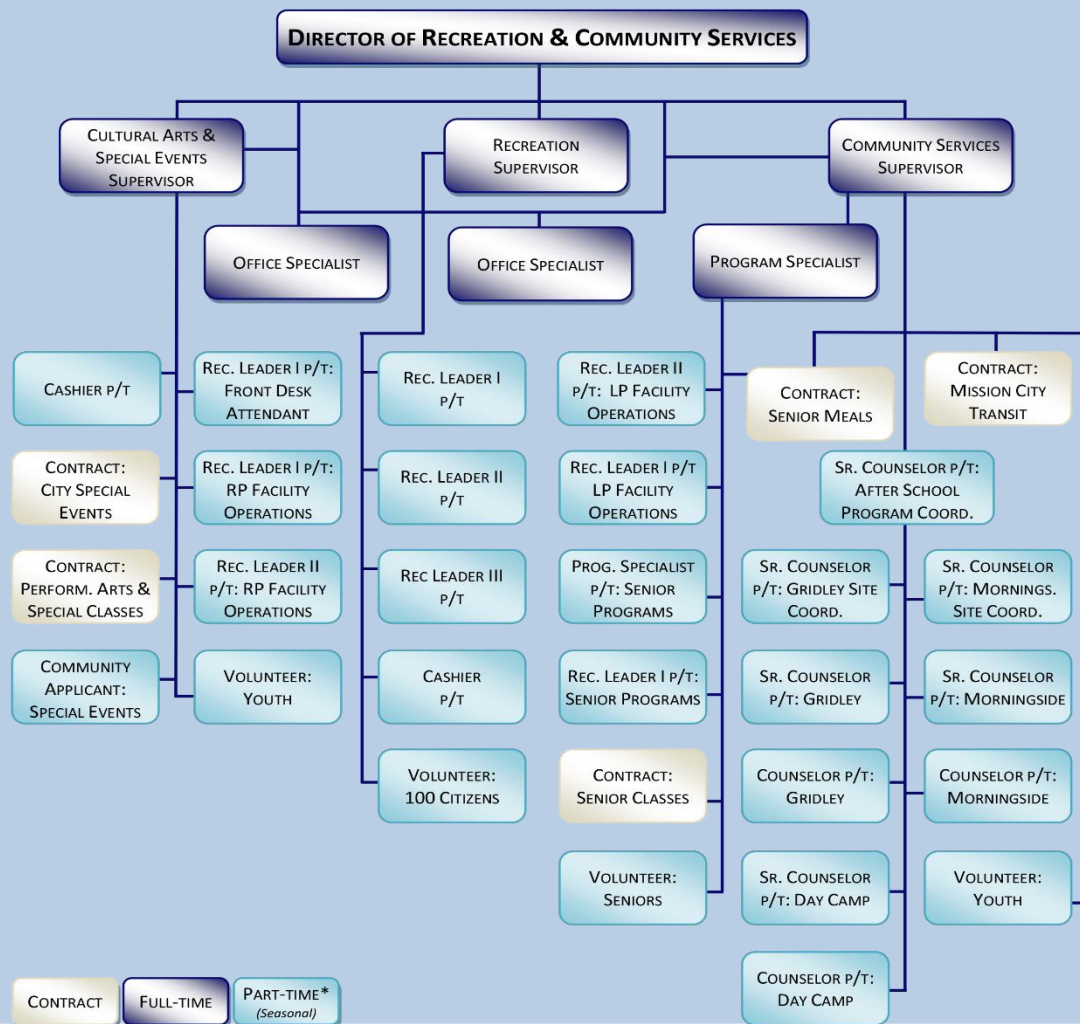
# **Recreation and Community Services Department**

JUNE 1, 2020



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# DEPARTMENT ORGANIZATION



JUNE 1, 2020



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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Staff implemented the City of San Fernando Veterans Banner Recognition Program to honor local veterans by displaying a commemorative pole banner with the likeness and service details of the veteran.
- 2) The Statewide Park Development and Community Revitalization (Prop 68) grant funds awarded the Department \$1,114,245 for the renovation of Layne Park.
- 3) The implementation of the MyRec registration system and billing software was completed this spring.
- 4) Continued to offer high quality events and programs.



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## FISCAL YEAR 2020-2021 OBJECTIVES

- 1) Implement the second San Fernando Street Festival event that will convert over three (3) miles of commercial corridors and streets into an urban playground void of motorized transportation.
- 2) Implement the Layne Park Revitalization Project.
- 3) Continue to research funding to acquire land for implementing a community garden.
- 4) Continue to research and identify available funding sources to implement the recommendations identified in the Parks and Recreation Master Plan.



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# FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- An overall budget reduction in Operation and Maintenance cost of \$18,200 or 10% of the FY 2020-2021 allocation impacts the department as follows:
  - Reduce staff training
  - Limit No. of staff that can attend professional meetings
  - Limit subscriptions and membership to professional organizations
  - Limit department supplies
  - Reduce staff uniforms
  - Reduce the number of city wide special events (e.g. JAM sessions and Movie Nights)



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## BUDGET STUDY SESSION

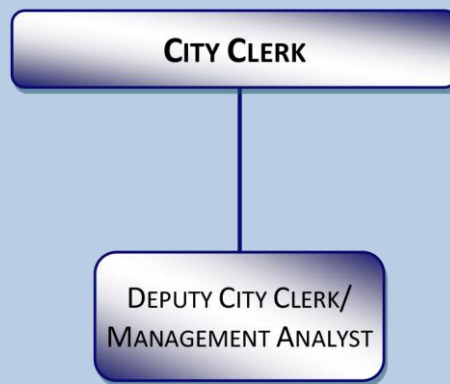
# City Clerk Department

JUNE 1, 2020



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# DEPARTMENT ORGANIZATION







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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Processed, distributed, and posted 145 agendas and/or packets for the City Council, Successor Agency, and Education Commission meetings.
- 2) Processed approximately 225 documents - contracts, resolutions, ordinances, leases, minutes, notices of completion – including distributing, logging and filing final documents for quick accessibility by staff.
- 3) Processed over 160 requests for public records in accordance with the California Public Records Act.
- 4) Monitored 40+ employees, candidates and committees regarding FPPC campaign forms and annual, Leaving/Assuming Office Statements of Economic Interests as required by State law and the City's Conflict of Interest Code.



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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 5) Monitored 60+ employees, elected officials, and City commissioners regarding mandatory biannual AB1234 Ethics Training compliance.
- 6) Provided staff support to the Education Commission, including organizing 4<sup>th</sup> Annual Scholarship Awards Ceremony (\$5,500 awarded to local students to honor the memory of both Elias Rodriguez and Gabriel Fernandez) and “Student of the Month” recognition program.



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# FISCAL YEAR 2020-2021 OBJECTIVES

- 1) Update the latest administrative policy (dated 1996) to establish a standard procedure regarding the execution of City contracts.
- 2) City Records Retention Policy: Update the records retention policy to conform to California Records Retention and Destruction (Gov. Code §34090) and provide the necessary guidance for managing and maintaining records including an annual disposition and destruction authority process. The new policy will also address retention guidelines for electronic records and emails.
- 3) Streamline the agenda preparation process.
- 4) Work with the County of Los Angeles Registrar-Recorder to implement the Voting Solutions for All People Initiative during the March 3, 2020 Presidential Primary Election.



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# FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Department reduced operational costs by \$5,850

Service impact:

- Decreased advertising costs for ordinances by printing summaries rather than the full text.



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## BUDGET STUDY SESSION

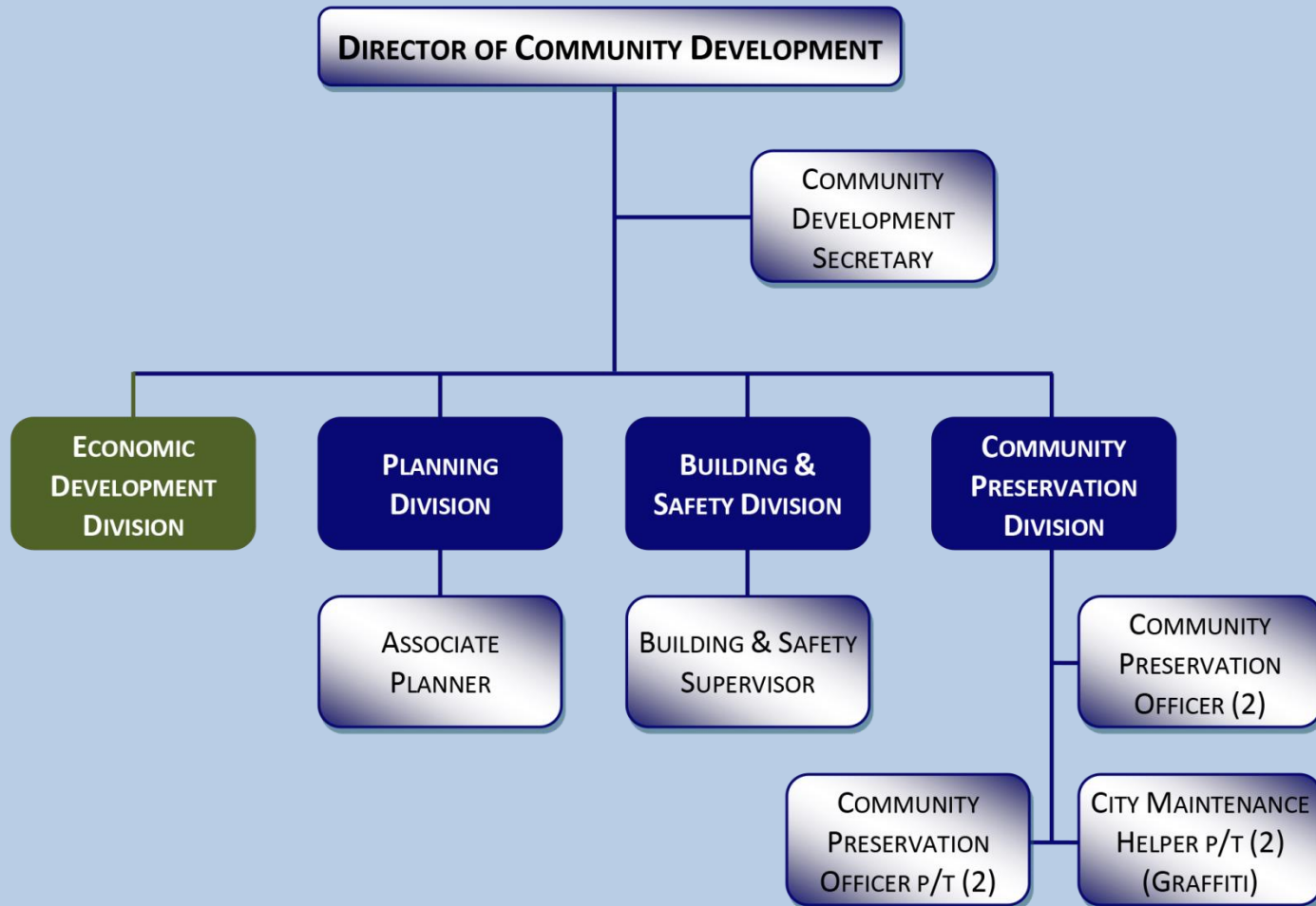
# **Community Development Department**

JUNE 1, 2020



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# DEPARTMENT ORGANIZATION





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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Ongoing implementation of General Plan Elements, including updates as a result of Corridors Specific Plan Update.
- 2) Initiated and executed multi-year agreement with Electrify America, and Tesla, Inc.
- 3) Advanced citywide economic development implementation plan with Kosmont Companies, including issuing a Request for Qualifications and initiating negotiations with prospective development partner.
- 4) Established code enforcement administrative support service for greater citation enforcement, resulting in 100% increase in citations collected and improved compliance.

## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 5) Modernized department information technology successfully launching first generation Online Permit Counter for simple building permits.
- 6) Commenced activity on a SCAG-assisted citywide parking management master plan with parking consultant, KOA.
- 7) Enacted eviction protections for tenants, as determined by City Council policy.
- 8) Received 2020 American Planning Association Los Angeles Planning Award of Excellence – Comprehensive Plan (Small Jurisdiction) for the Corridors Specific Plan Update.





## FISCAL YEAR 2020-2021 OBJECTIVES

- 1) Support City efforts to address COVID-19 impacts.
- 2) Continue to facilitate the business community in their effort to develop a successful downtown business improvement district (BID).
- 3) Continue to implement economic development plan for downtown revitalization opportunity site at Parking Lot No. 3.
- 4) Develop San Fernando General Plan 6th Cycle Housing Element Update for 2021-2029.
- 5) Complete study for SCAG-assisted citywide parking management master plan with parking consultant, KOA.
- 6) Complete implementation of phase two of the Online Permit Counter for planning approvals and all remaining permits online.



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## FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Department reduced operational charges by \$11,650

### Service Impact:

- Reduce professional services to support processing of code enforcement citations, online permitting, and additional planning service.



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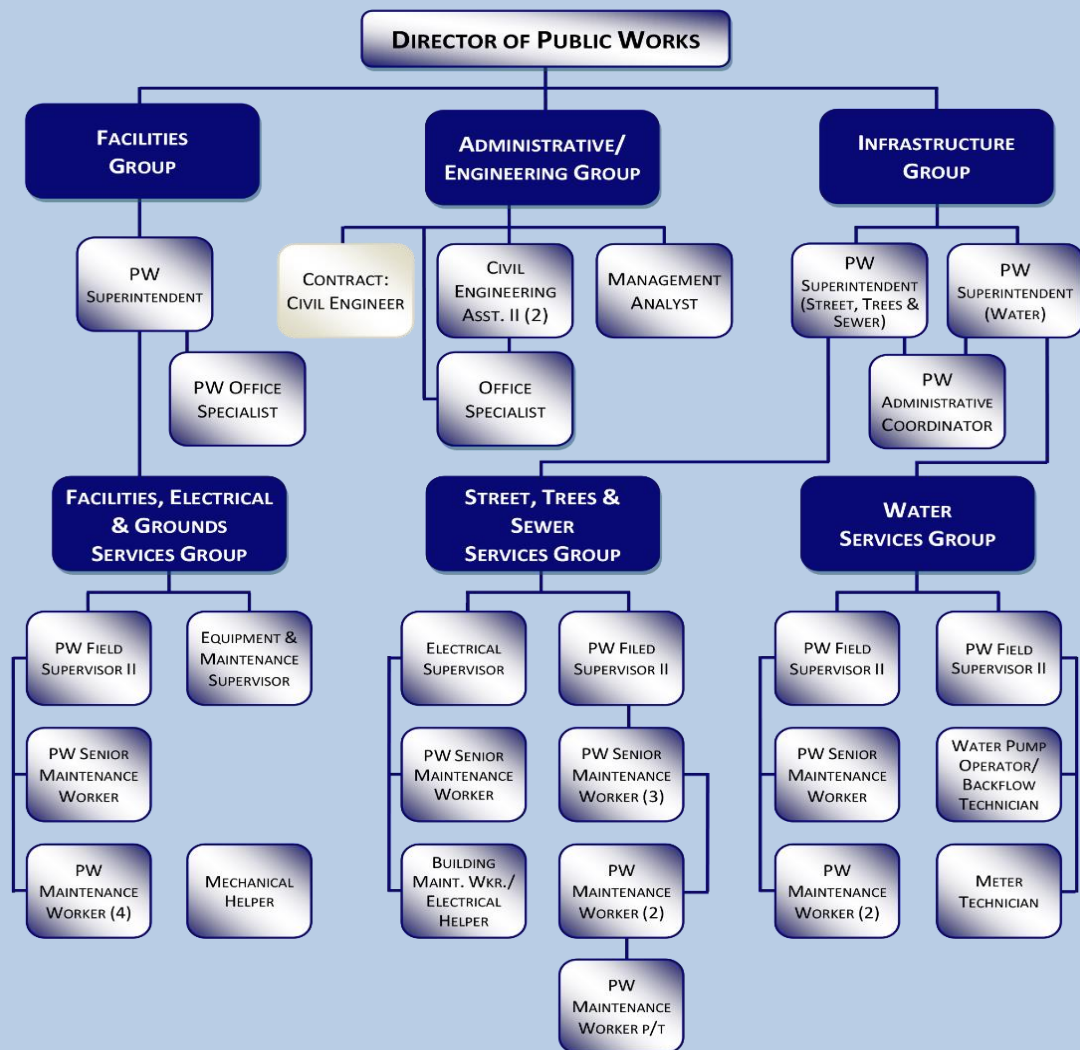
## BUDGET STUDY SESSION

# Public Works Department

JUNE 1, 2020



# DEPARTMENT ORGANIZATION





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## FISCAL YEAR 2019-2020 ACCOMPLISHMENTS

- 1) Completed Water and Sewer Rate Study which resulted in an increase in water and sewer rates.
- 2) Completed Annual Resurfacing Project included paving 0.5 centerline miles of streets with Asphalt Rubber Hot Mix (ARHM). Additionally, 33 curb ramps were installed with truncated domes and 17,000 square feet of sidewalk was removed and replaced. The project also included the upgrade of 1,900 LF of water main and 127 water services.
- 3) Completed Glenoaks Boulevard Water/Sewer Improvements; upgraded sewer mains and replaced water services. Approximately 908 linear feet (LF) of 15" vitrified clay pipe (VCP) and 1,645 LF of 18" VCP were replaced. Additionally, 56 sewer laterals were connected and 7 water services were replaced.
- 4) Began design phase for Upper Reservoir Replacement Project.



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# FISCAL YEAR 2020-2021 OBJECTIVES

- 1) Focus on completing projects already in progress and temporarily hold off on new projects until the new Director of Public Works starts and develops a Capital Improvement Plan.
- 2) Continue water and sewer main line replacements pursuant to the water and sewer rate study.
- 3) CDBG Project – Complete resurfacing of San Fernando Road, including public right-of-way areas, from San Fernando Mission Boulevard to South Maclay Avenue and Pico Street between from Kalisher Street to South Brand Boulevard.
- 4) Install traffic and pedestrian safety improvements adjacent to local schools and in residential neighborhoods through the Safe Routes to School Grant.



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# FISCAL YEAR 2019-2020 OBJECTIVES

- 5) Continue street restriping and marking.
- 6) Complete energy efficiency assessment and improvements.
- 7) Apply for grant funding to help leverage local funding for infrastructure improvements.



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# FISCAL YEAR 2020-2021 BUDGET HIGHLIGHTS

- Department reduced operational costs by \$48,750

Service impact:

- Reduced contract Engineering services.
- Reduced repair and supplies in various divisions.





## QUARTERLY BUDGET REVIEW

- It is recommended that City Council review the FY 2020-2021 Adopted Budget in September/October and consider additional adjustments at that time.
- This will allow the City to meet the legal obligation for adopting a budget and continue to operate until there is more certainty related to the impact of the current restrictions on the City's revenues.

The seal of the City of San Fernando, California, is a circular emblem. It features a central illustration of a mission-style building with a tiled roof, set against a background of a rising sun with rays. The words "CITY OF SAN FERNANDO" are arched across the top, and "CALIFORNIA" is arched across the bottom. Two stars flank the central image, and the text "INCORPORATED AUG. 31 1911" is written below the building.

# Questions?

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