



THE CITY OF
SAN FERNANDO



THE CITY OF
SAN FERNANDO

ANNUAL TOWN HALL: LOCAL TRANSACTION TAX

MARCH 27, 2023

PRESENTED BY:

ERICA D. MELTON

DIRECTOR OF FINANCE/CITY TREASURER



THE CITY OF
SAN FERNANDO

BACKGROUND

HOW DID THE CITY GET INTO A DEFICIT
SITUATION?



THE CITY OF SAN FERNANDO

PERFECT STORM

Chain of events created a “Perfect Storm” and caused a dramatic reduction in General Fund between FY 2005-06 and FY 2013-2014:

Increase in operating expenditures (e.g. regional pool, LAFD contract)

+ “Great Recession” (Dec 2007–June 2009*)

+ Elimination of RDA (January 2012)

= **General Fund Deficit**

*As determined by the National Bureau of Economic Research. June 2009 marked the bottom of the recession, at which time the economy stagnated and stopped contracting. However, the economy did not start to rebound until after 2012.



FINANCIAL DECLINE

General Fund Balance – Prior Measure A



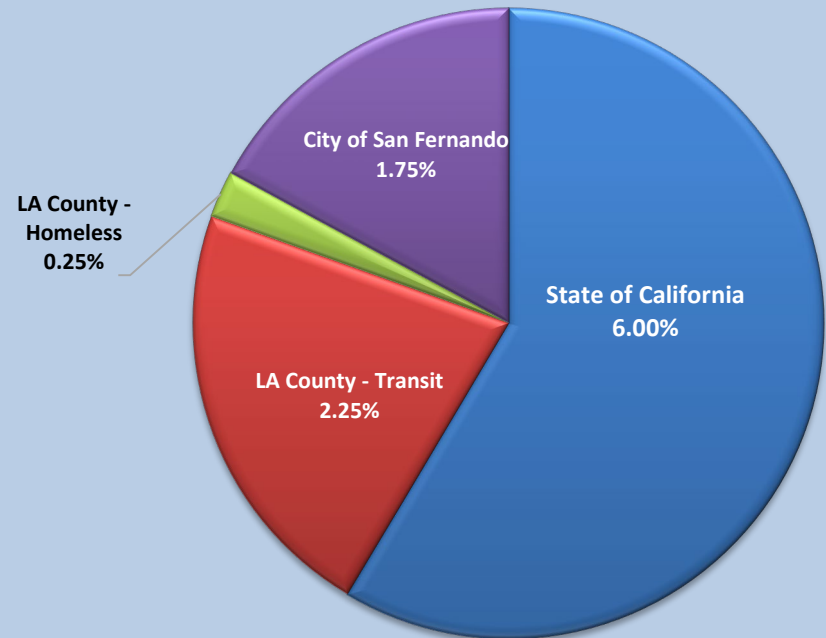


THE CITY OF SAN FERNANDO

RESPONSE TO FINANCIAL CRISIS

- In June 2013, a fiscal emergency was declared and through a special election a temporary ½ cent sales tax was passed.
- In November 2018, Measure A was extended indefinitely by voters.
- In November 2020, Measure “SF” was passed which increased the City’s transaction tax from 0.50 percent to 0.75 percent. Measure “A” and Measure “SF” are now collectively referred to as Local Transaction Taxes.

Where Does My 10.25% Sales Tax Go?





THE CITY OF
SAN FERNANDO

HOW HAVE THE TAX FUNDS BEEN MANAGED?



THE CITY OF SAN FERNANDO

RESPONSIBLE STEWARDS OF MEASURE A/SF

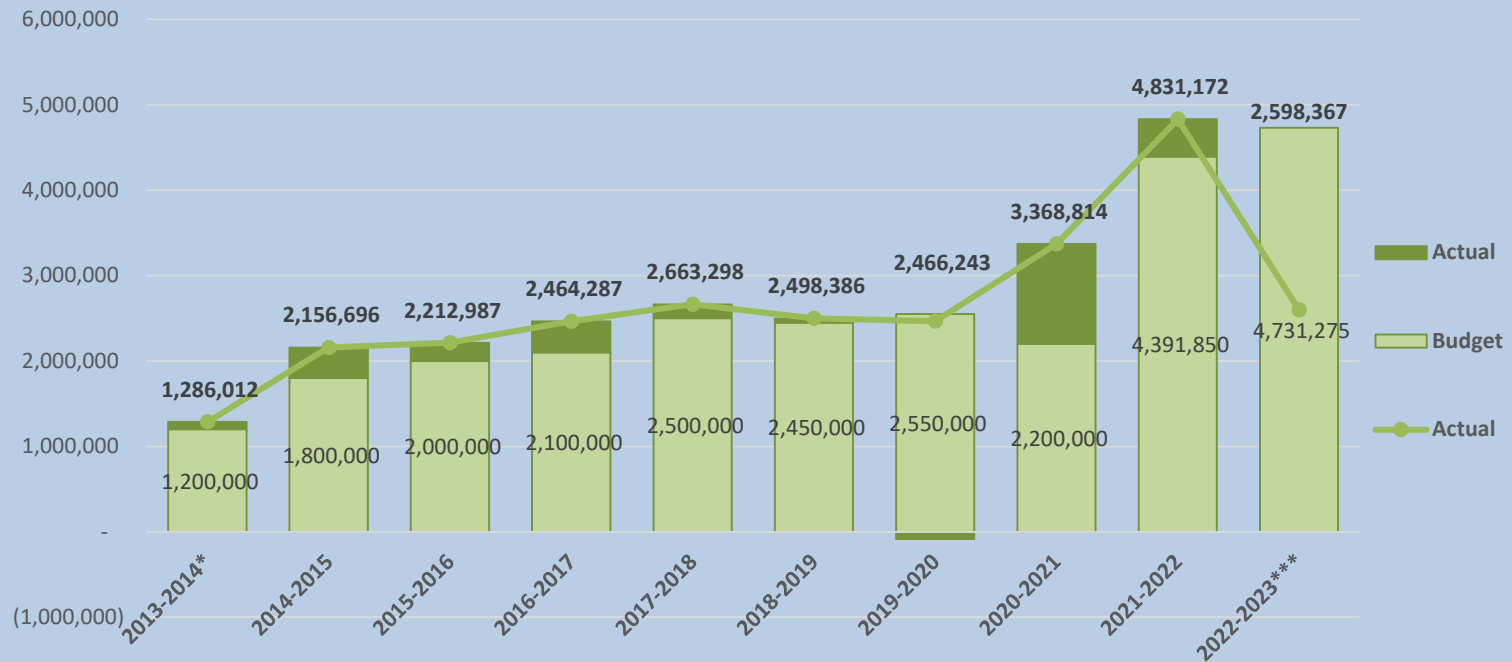
- 1) A Local Transaction Tax Annual Report is presented to City Council for Public Review
- 2) The City Manager's Budget Message in the Adopted Budgets clearly identifies the plan for spending Local Transaction Tax revenues each year
- 3) Quarterly review of receipts by firm that specializes in monitoring auditing tax receipts (HdL Company)
- 4) Local Transaction Tax (formerly Measure A) Annual Reports, Budget documents and Quarterly Sales Tax information available on City's website
(<http://sfcity.org/finance/#financial-documents>)



THE CITY OF SAN FERNANDO

LOCAL TRANSACTION TAX RECEIPTS

- Since October 1, 2013, Local Transaction Taxes have generated \$24.0 million in additional revenue.
- Projected to raise \$4.7 million annually.



*Measure A was effective 10/1/13; FY 2013-14 includes only 3 quarters of receipts.

** FY 2020-21 includes 1 quarter of Measure SF receipts ~ \$385,046

*** FY 2023-24 actuals through December 2023



THE CITY OF
SAN FERNANDO

HOW HAVE LOCAL TRANSACTION TAX FUNDS BEEN USED?



THE CITY OF SAN FERNANDO



PAY OFF DEBT & ELIMINATE DEFICIT

- Reduced General Fund Deficit from **(\$5M)** to \$10M
- Fully repaid Section 108 Loan for Pool, California Housing Finance Agency Loan and internal debt for Las Palmas Improvements



CAPITAL PROJECTS AND EQUIPMENT

- Resurfaced residential streets
- Replaced 13 police vehicles and upgraded in-car computers



ESTABLISH RESERVES

- Increased General Fund liquidity
- Established and increased internal service funds



REPLACE OUTDATED TECHNOLOGY

- Modernized City's technology backbone



THE CITY OF SAN FERNANDO

FISCAL YEAR 2022-2023 LOCAL TRANSACTION TAX BUDGET

Description	Amount (in millions)
Repayment of Debt	\$0.2
Establish Reserves	1.7
Ongoing Enhancements/Investments	0.7
One-Time Enhancements	0.4
Prior-Year Approved Ongoing Enhancements	1.6
TOTAL MEASURE A/SF USES	\$4.7



THE CITY OF
SAN FERNANDO

WHAT'S NEXT?



THE CITY OF
SAN FERNANDO

ANNUAL TOWN HALL: COUNCIL STRATEGIC GOALS

MARCH 27, 2023

PRESENTED BY:

MAYOR RODRIGUEZ & COUNCILMEMBER MONTAÑEZ

CITY COUNCIL AD HOC COMMITTEE -
STRATEGIC GOALS & COMMUNITY OUTREACH



THE CITY OF SAN FERNANDO

COUNCIL AD HOC COMMITTEE SCOPE OF WORK



STRATEGIC GOALS

- Ensure Council Strategic Goals are reviewed for relevancy
- Communicate accomplishments to the community through updated goals and annual reports
- Solicit community feedback through community surveys and other forms of outreach



COMMUNITY ENGAGEMENT

- Develop metrics related to the associated strategic goal to measure progress towards the goal
- Review information and develop recommendations to City Council to increase community engagement



THE CITY OF SAN FERNANDO

STRATEGIC GOALS FOR 2022 TO 2027



Focus On Community First

The City of San Fernando is committed to providing a high standard for service, safety and quality of life for San Fernando taxpayers. The City works to increase opportunities and support for residents to secure their basic needs, and connect residents to support. These outcomes can be achieved by enhancing public safety, increasing access to City services and programs, and keeping the community informed through outreach and transparency initiatives.



Cultivate a Stronger Economy

The City of San Fernando is committed to pursuing economic development opportunities to bolster the City's revenue, enhance the health of the business climate, and highlight the City's rich history, culture, music, arts, Native American, and Latin American roots. Enhancing the local economy provides the resources to fund top-notch City services, programs, and infrastructure.



THE CITY OF SAN FERNANDO

STRATEGIC GOALS FOR 2022 TO 2027



Preserve Beautiful Homes and Neighborhoods

The City of San Fernando is committed to facilitating common-sense housing policy to preserve the charm of San Fernando and provide natural, safe, neighborhood-centered spaces for residents to play and be active.



Strengthen Climate Resilience and Environmental Justice

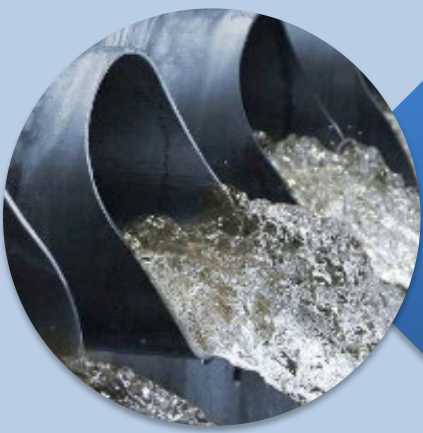
The City of San Fernando is committed to protecting public health, natural resources, and local water independence, by being a leader in promoting conservation, energy efficiency, sustainability, reducing climate-related risks, and increasing climate resilience and adaptation.

STRATEGIC GOALS FOR 2022 TO 2027



Enhance Public Transportation to Move San Fernando

The City of San Fernando is committed to enhancing regional and local public transportation options that benefit residents, employees, visitors, and customers of San Fernando businesses and cultural institutions.



Build Resilient and Reliable Infrastructure

The City of San Fernando is committed to increasing capital expenditures to address critical infrastructure needs, including, but not limited to, addressing deferred maintenance of City buildings, streets, water and sewer systems, and sidewalks.



THE CITY OF SAN FERNANDO

STRATEGIC GOALS FOR 2022 TO 2027



Forge Financial Strength and Stability

The City of San Fernando is committed to managing taxpayer funds, responsibly, growing the City’s revenue streams and protecting minimum reserve balances, in accordance with adopted comprehensive Financial Policies.



Emergency Preparedness: Supporting the Community

The City of San Fernando is committed to preparing City staff and community members to be safe before, during, and after an emergency or natural disaster. Effective emergency management requires adequate training and preparation before an emergency, decisive action and coordination during a response, leveraging resources during recovery, and providing timely information and clear communication throughout.



THE CITY OF SAN FERNANDO

STRATEGIC GOAL PRIORITIES

- Invest in water and sewer infrastructure
- Ensure SFPD Resources
- Focus on grant funding to raise resources
- Use of Technology
- Homelessness
- Downtown Master Plan
- Residential Rehab Assistance
- Urban Forestry
- Safeguard Water Supply





THE CITY OF
SAN FERNANDO

COMMUNITY SURVEY RESULTS



THE CITY OF SAN FERNANDO

COMMUNITY SURVEY RESPONSES

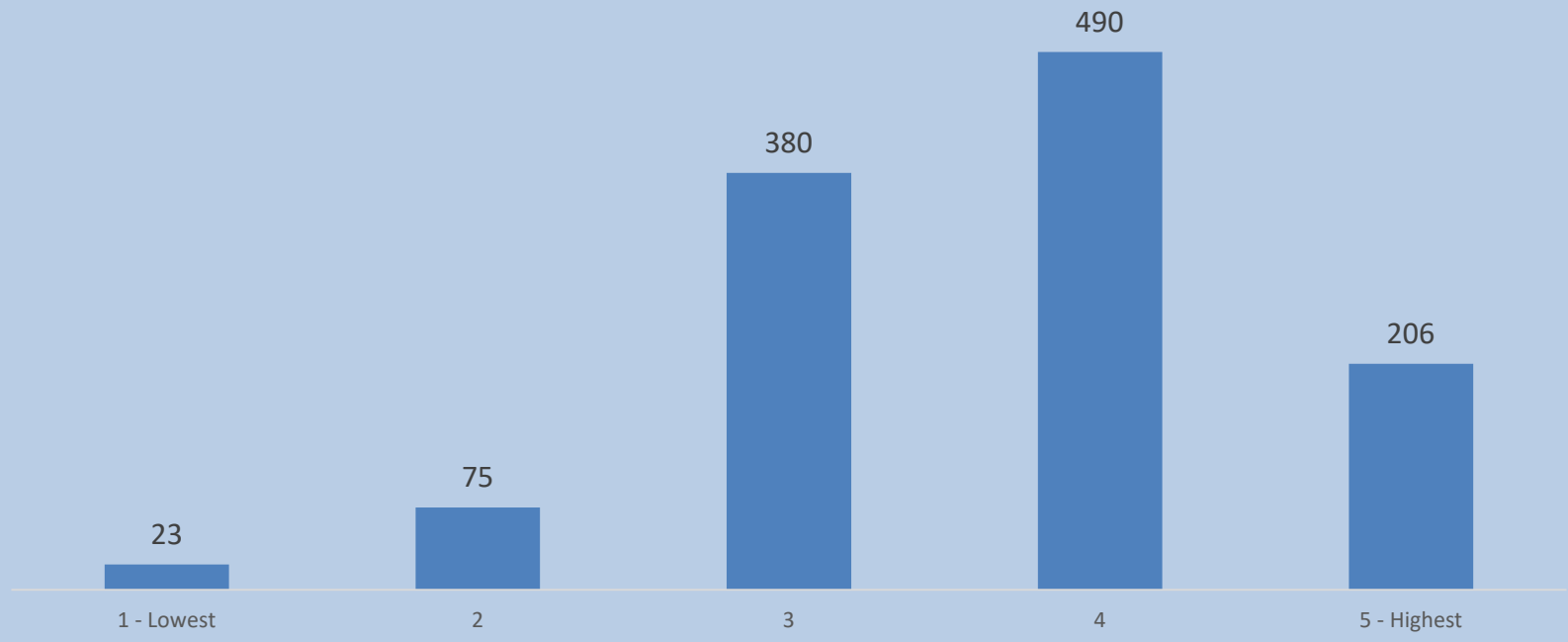
- Online survey designed to obtain community input on:
 - 1) How we've been doing
 - 2) What we should focus on moving forward
- Provided in English and Spanish
- Promoted via social media, text alert, email, etc.
- Received **1,174** responses through February





OVERALL SATISFACTION

1. How would you rate the overall quality of life and services offered by the City of San Fernando in the past year?





Public Safety

- Average Satisfaction Rating: 3.7
- High priorities: addressing homelessness, addressing theft, and increasing patrol.

Communication and Engagement

- Average Satisfaction Rating of 3.8
- High priority: virtual service requests and paying bills online.

Parks, Recreation Programs, and Events

- Average Satisfaction Rating: 3.7
- Most used parks: Recreation, Las Palmas, and Pioneer
- Program interests:
 - Yoga, exercise, and dance classes (33%)
 - Camping and Hiking (30%)
 - Personal Finance Classes (23%)



Transportation

- Average Satisfaction Rating: 3.6
- Highest priority: Make it safer and greener to walk in San Fernando by improving lighting, signs, crosswalks, etc.

Extreme heat, drought, and greening San Fernando

- Average Satisfaction Rating: 3.6
- High Priorities:
 - Plant more trees in the City's Parkways
 - Focus on clean/renewable incentive programs



Preserve Beautiful Homes and Neighborhoods

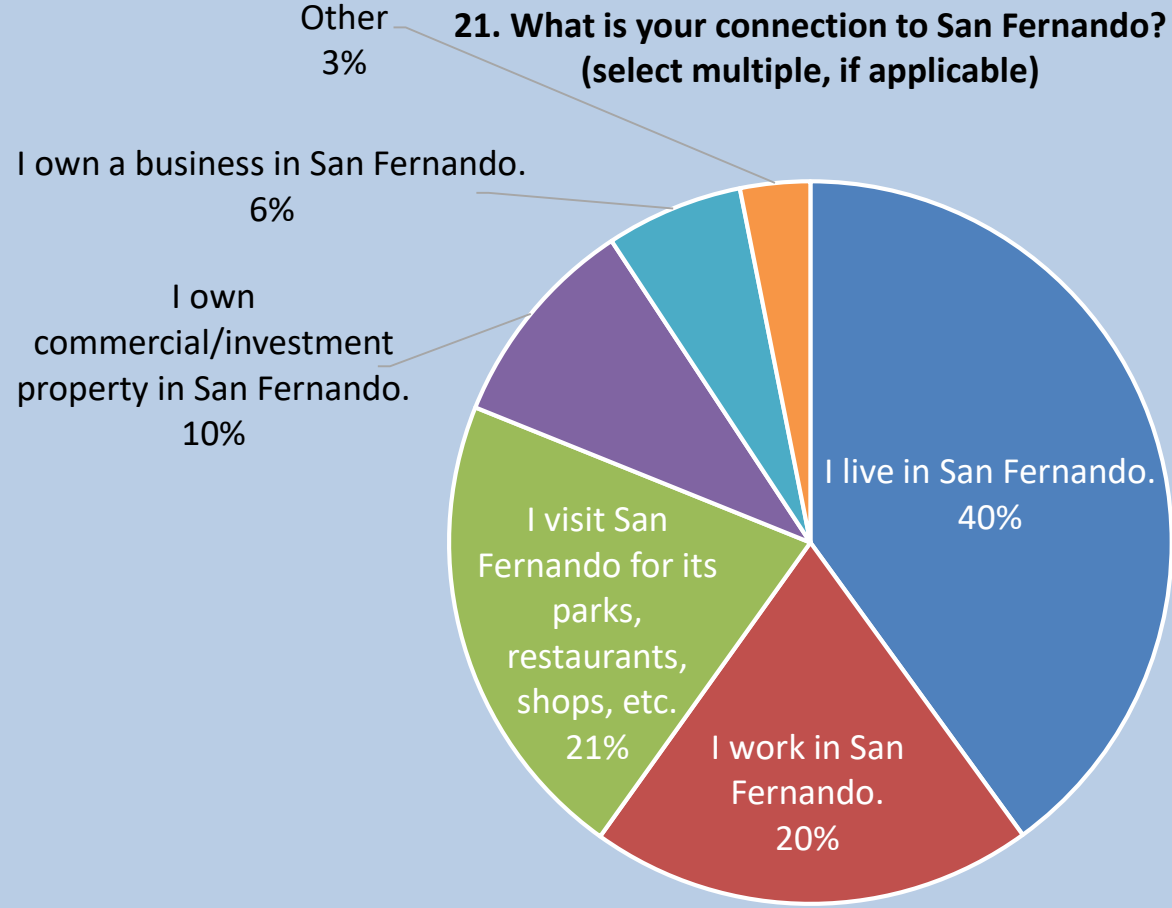
- Average Satisfaction Rating: 3.5
- High Priorities:
 - Neighborhood cleanup events
 - Address graffiti



THE CITY OF SAN FERNANDO

SURVEY RESPONDENTS

**21. What is your connection to San Fernando?
(select multiple, if applicable)**





THE CITY OF

SAN FERNANDO

DISCUSSION



THE CITY OF SAN FERNANDO

DISCUSSION:

Is there anything missing from the goals identified?



Focus on Community First



Enhance Public Transportation to Move San Fernando



Cultivate a Stronger Economy



Build Resilient and Reliable Infrastructure



Preserve Beautiful Homes and Neighborhoods



Forge Financial Strength and Stability



Strengthen Climate Resilience and Environmental Justice



Emergency Preparedness: Supporting the Community



THE CITY OF SAN FERNANDO

DISCUSSION:

From your experience in San Fernando, what would be your top two priorities of how taxpayer funds should be spent?





NEXT STEPS: BUDGET PRIORITIES FOR FY 2023-24

Recommended budget and service enhancements will take into account:

- Feedback from Transaction Tax Town Halls
- Feedback from Community Survey
- City Council Strategic Goals Study Session
- Operational needs for City Departments
- Feedback from Budget Proposal Town Hall



THE CITY OF

SAN FERNANDO

QUESTIONS



THE CITY OF
SAN FERNANDO

CONTINUE THE CONVERSATION:

Community Survey:

www.sfcity.org/#community-survey

Email Notifications:

www.sfcity.org/e-notification

City Major Programs & Projects:

www.sfcity.org/citys-major-projects-programs

THE CITY OF
SAN FERNANDO