

South Pasadena Fiscal Year 2021/22 Budget Presentation



Tonight's Budget Presentation

- Brief Introductory Comments
- General Fund Overview
- Restricted Fund Overview
- Department Presentations
- Closing Comments
- Next Steps



Improvements for FY 2022

- **Updated Financial Policies** – The Financial Policies, previously discussed by the Finance Ad Hoc Committee and the Finance Commission are included in the Proposed Budget. The updated policies provide for additional oversight, specify deadlines, enhance financial transparency.
- Staff will prepare a “**Mid-Year Budget Update**” and “**Quarterly Financial Reports**” for the City Council.
- Continued improvements in providing **expenditure details** in the document.
- Emphasis on providing services to assist in **post-pandemic recovery, restoration of services and programs**, enhanced staffing.

Introduction

- Per the Municipal Code, it is the duty of the City Manager to prepare and submit the proposed annual budget to the City Council. The Proposed Budget was prepared with direction from the Interim City Manager, and was also reviewed by the City Manager Chaparyan (and minor revisions were subsequently made.)
- Due to COVID restrictions, public input was initially obtained “electronically” – website survey, voice mail message, emails. Additional “live” public input was received at the Finance Commission meeting (May 27th) and additional input will be received at tonight’s City Council meeting.
(A summary of the input received was attached to the staff report.)

Introduction, *continued*

- The proposed budget **restores services and programs** that were reduced or delayed as a result of the pandemic.
- New programs and services were added into the budget to **assist in post-pandemic recovery** needs of the community, and to improve upon the manner in which the organization **addresses the needs of the unhoused and mentally ill** among us.
- The proposed budget does not make a recommendation, or allocate any funding from the one-time cell tower lease revenues (\$4,374,439) received in FY 2021, or any of the future Federal ARPA funds (current estimate \$6 million).



GENERAL FUND

Quick Look: Current Year FY 2020-21

	FY 2021 Budget @ 3/2021*	FY 2021 Estimated @ 5/2021
General Fund Revenues	\$35,279,484	35,101,267
General Fund Expenses	30,847,708	31,040,990
	4,431,776**	4,060,277**
** Cell Tower Lease	4,374,439	4,374,439

Revenues: Variance between original adopted budget and estimated budget are primarily due to the Internal Service Fund for Insurance, and minor adjustments to other revenues. (In particular: revenues from use of city property and “current services” category.)

Expenditures: Variance due to Council approved designation of uncommitted reserves for various programs, projects

General Fund Revenues

FY 2017 to proposed FY 2022

<u>General Fund Revenue History</u>							
	Actual FY 2017	Actual FY 2018	Actual FY 2019	(Unaudited) Estimated FY 2020	Adopted FY 2021	Estimated FY 2021	Proposed FY 22
Property Tax	13,236,932	14,135,844	15,368,198	15,491,557	15,566,000	15,616,772	16,490,087
Assessments & Special Taxes	309,886	317,141	330,941	342,237	350,008	350,008	357,170
Sales Tax	2,456,665	2,501,264	2,563,117	2,864,474	4,750,720	4,811,318	4,836,713
UUT	3,381,948	3,345,582	3,228,320	3,445,454	3,177,105	3,327,105	3,383,000
Other Taxes	1,019,207	951,196	1,132,910	950,130	1,002,000	1,072,000	1,169,000
Licenses & Permits	1,056,357	935,633	892,560	861,697	751,780	731,280	819,280
Fines & Forfeitures	397,690	388,061	339,636	264,601	265,000	215,000	265,000
Use of Money & Property	541,750	579,006	1,057,074	989,984	4,794,718	4,781,054	438,500
Revenue from Other Agencies	93,130	6,993	711,179	64,239	676,500	771,353	230,000
Current Services	2,913,979	3,115,558	3,082,342	2,985,842	3,006,550	2,898,150	3,391,000
Other Revenue	465,204	280,271	(2,130,764)	56,944	455,719	43,843	84,500
Reimbursements from Other Funds	483,384	-	483,384	483,384	483,384	483,384	483,384
General Fund Total	26,356,132	26,556,549	27,058,897	28,800,543	35,279,484	35,101,267	31,947,634

General Fund Expenditures FY 2022

Department/Program Exp	Unaudited					
	Actual 2017/18	Actual 2018/19	Actual 2019/20	Adopted 2020/21	Estimated 2020/21	Proposed 2021/22
City Council	42,850	41,990	45,401	47,119	47,119	50,119
Management Services						
City Manager	845,476	1,142,872	1,512,868	1,245,370	1,295,370	1,569,574
City Clerk	431,612	281,872	113,311	100,169	100,169	84,500
Elections	63,733	58,244	185,743	65,500	65,500	165,500
Human Resources	408,161	453,421	324,830	339,850	357,850	267,800
Transportation Planning	70,535	86,257	12,835	-	-	-
Legal Services	292,772	331,356	492,566	487,000	487,000	450,000
Information Systems	458,391	547,079	573,881	537,200	587,200	601,850
Finance						
Finance	795,481	1,082,072	755,116	839,877	839,877	869,629
City Treasurer	9,250	9,165	9,211	9,250	9,250	9,250
Non-Dept./Overhead	1,056,457	1,044,550	1,060,512	1,679,445	1,679,445	2,474,682
Police	8,408,728	8,391,436	9,171,740	9,914,669	9,914,669	9,892,684
Fire						
Fire	4,720,830	4,695,243	5,417,996	5,651,632	5,746,485	6,267,019
Emergency Services	104,400	386,516	91,913	55,000	55,000	55,000
Public Works						
Administration & Engineering	419,153	614,100	586,534	628,571	628,571	749,788
Environmental Services	207,645	44,051	54	-	-	-
Park Maintenance	493,446	493,227	497,591	633,202	633,202	651,072
Facilities Maintenance	705,483	640,250	799,206	884,830	884,830	950,345
Planning & Building	1,033,506	1,116,412	1,718,293	2,920,719	2,920,719	3,402,385
Library	1,736,821	1,672,375	1,525,685	1,568,181	1,568,181	1,849,686
Community Services						
Senior Services	309,118	336,850	330,809	249,939	249,939	396,764
Community Services	192,458	192,289	172,667	195,471	195,471	214,635
Recreation and Youth Services	827,801	796,066	656,232	297,945	297,945	848,404
Capital Projects	1,654,749	213,344	-	-	-	-
Misc/Transfers Out	-	1,860,956	2,451,729	2,477,198	2,477,198	-
Total GF Expenditures	25,288,854	26,531,994	28,506,724	30,828,138	31,040,990	31,820,686

Total General Fund expenditures are approximately \$993K, or 3.2% more than the previous fiscal year. (As originally adopted.)

Majority of the increase is in Maintenance & Operations, primarily due to the implementation of an Internal Service fund for Insurance.

General Fund Surpluses / (Deficit)

General Fund Revenues	\$	31,947,634
General Fund Expenditures	\$	31,820,686
Surplus (Revenues – Expenditures)	\$	126,948

One-Time Cell Tower Lease Revenues & Federal ARPA Funds

- City Council will consider the use of the Cell Tower Lease revenues and the ARPA funds as part of a comprehensive strategic planning process.
- **Cell Tower Lease Revenues** – This is FY 2021 revenue; and will be in undesignated General Fund Reserves at the end of the fiscal year, unless the City Council takes action to move the funds to a Designated Reserve.
- These are General Fund revenues – can be used for any municipal purpose.
- **ARPA Funds** – are one time grant funds from the Federal Government, and there are restrictions on the use of the funds. The City has not, as of 6/15, received any of these funds. The final amount could change, but is not anticipated to be a significant change.

Federal ARPA Funds

Uses per interim final rule

- **Public Health** – Containing COVID-19 and addressing other urgent public health needs.
- **Economic Hardship** – Supporting families, small businesses, and hardest-hit industries.
- **Revenue Loss** – Providing vital public services, to the extent of revenue lost during the pandemic.
- **Premium Pay** – Offering enhanced compensation for the health and financial risks that essential workers face.
- **Water, Sewer, and Broadband Infrastructure** – Investing in key infrastructure to deliver clean water and reliable broadband internet access.

Restricted Funds

The City's two largest sources of restricted funding are the **Sewer Fund** and the **Water Fund**.

Sewer

Revenues: \$2.1 million

operational expenditures: \$1.1 million

Water

Revenues: 11.6 million

operational expenditures: \$11.5 million



Capital Improvements



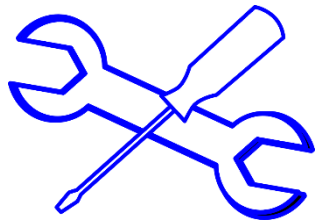
Streets & Sidewalks -\$2 million funding primarily from Street Improvement Reserve Funds

- \$600,000 Measure R funds
- Fair Oaks Corridor Improvements \$600,000
- Sidewalk Repairs \$216,567



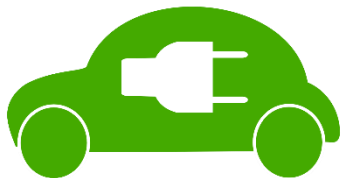
Water and Sewer -Annual Water Main Repairs \$1,000,000

- Westside Reservoir \$550,000, and other projects.
- Water Efficiency Fund - \$120,000 Climate Action Plan implementation



Facility & Equipment Replacement

- City Hall Security Enhancements \$100,000
- Building Improvements \$300,000
- WMB Floor Resurfacing \$20,500
- Natural Gas Compressor Repair \$28,000



Vehicles

- \$120,000 Police Vehicle Lease Program

Summary

- The proposed budget only allocates current ongoing revenues.
(No use of Cell Tower Lease Revenues or ARPA Funds.)
- It is important to note that, “yes” the budget is “balanced”, but it does not include any current funding for deferred maintenance or infrastructure (capital improvements.)
- Facility Maintenance and Capital Improvements are primarily budgeted using reserves. Nor are funds budgeted for known, future costs, such as pensions.

Next Steps

This Evening:

- Each Department will present a highlight of their operations.
- City Council discussion, public input
- City Council direction regarding
 - Any modifications to the budget as presented
 - General Fund Designated Reserves
 - Approve the Budget Resolution, with modifications
 - Approve the Gann Limit, with modifications

Next:

- Any changes approved by City Council tonight will be incorporated into a Final Budget document and published on the City's website

Near Future:

- Public meetings – Cell Tower Lease revenues/ARPA Funds/Strategic Planning

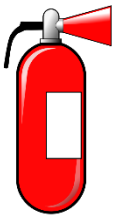
Department Presentations



Community Services



Finance



Fire



Library



Management Services



Planning & Community Development



Police



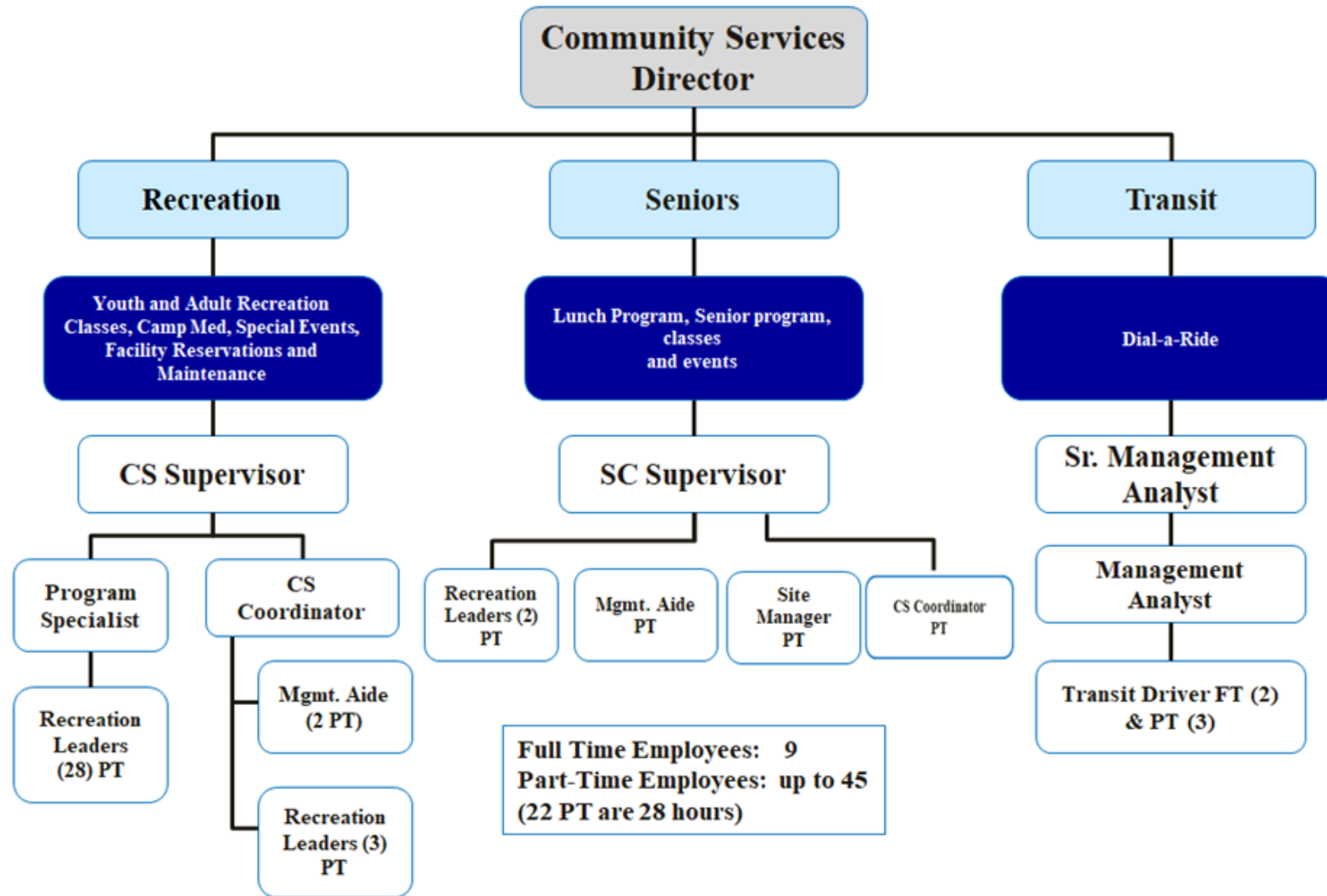
Public Works

Community Services



- **Senior Division** – The health and welfare of our senior population to ensure social engagement, classes and activities, wellness lectures and a healthy nutrition programs
- **Dial A Ride** - Transport our disabled and senior population to doctor appointments, pharmacy, financial institutes, grocery store and shopping to assist them with living their best life
- **Recreation** - Provide summer and school year camp program to all youth, offer fun, educational, and enriching classes for all ages, maintain and preserve parks for play, recreation and relaxation, gather the community together through events and provide clean rentable space for family celebration.
- **Administration** – Manage leased facilities to provide amenities the City is unable to, provide co-sponsorship to local nonprofits for the betterment of our youth, work to secure funding for future amenities, continue to improve facilities through capital improvements and to foster a sense of community pride within South Pasadena.

Organizational Chart Community Services

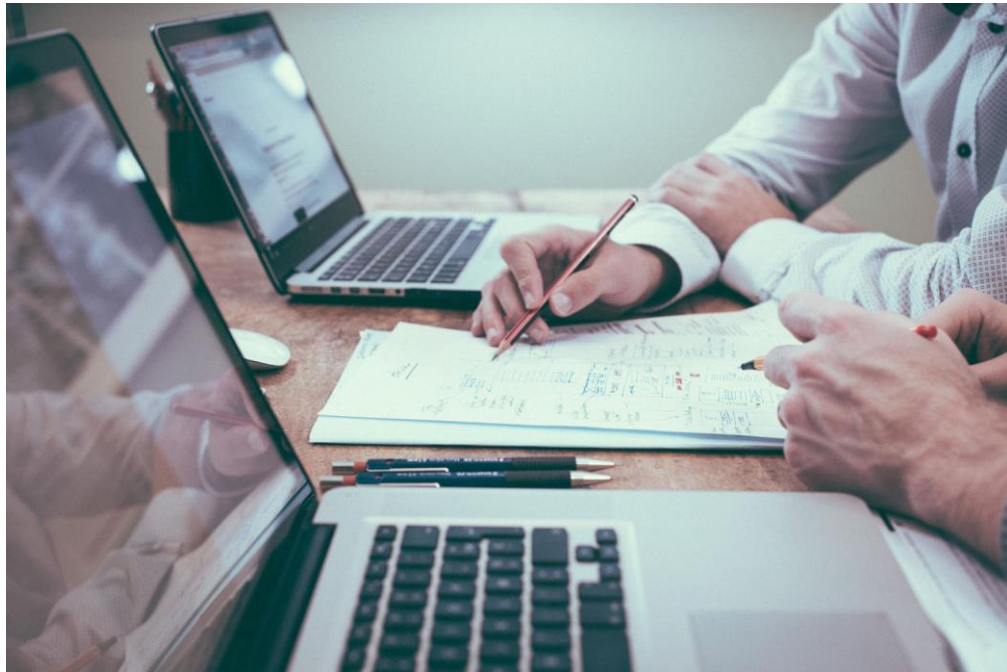


Changes from FY 2021



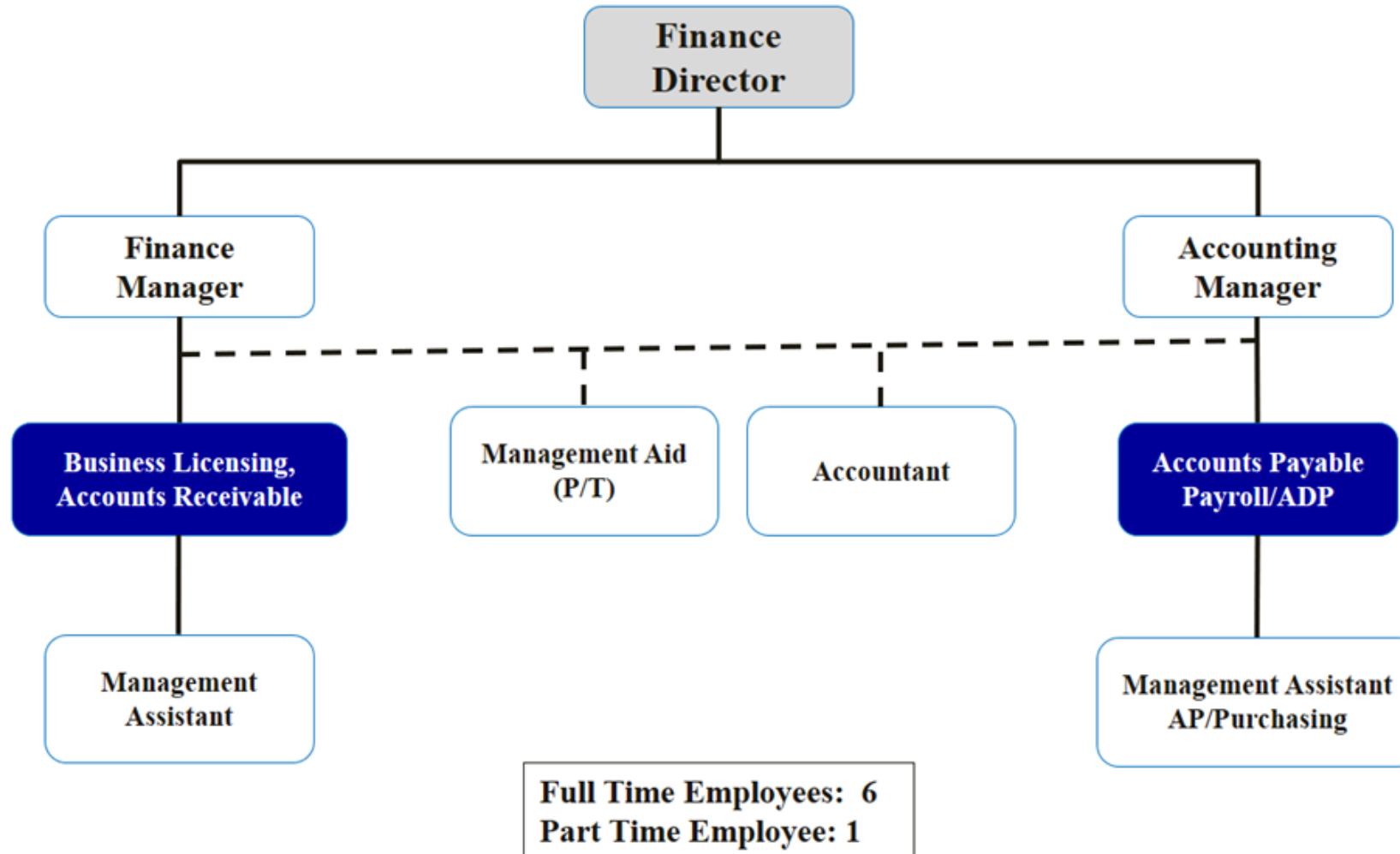
- Filling full-time Community Service Supervisor positions and Program Specialist position
- Begin to reopen all facilities and fill all part-time positions throughout the department
- Bring programs, events, camps and classes to pre-pandemic time
- Gain approval of the pocket park designs, have construction documents prepared, complete CEQA, and begin construction
- Construction of the driving range fencing, tee line re-alignment and shade coverings, and trail protective canopy completed

Finance Department



- **Financial Management & Accounting** - ensure all money is accounted for and in the correct fund, makes sure audits are completed, manages and accounts for capital assets, and ensures the city is complying with governmental accounting standards.
- **Budgeting** - responsible for preparing the annual budget, mid-year budget and other financial updates, at the direction of the City Manager.
- **Utility Billing**-responsible for managing the utility billing contract.
- **Purchasing** - responsible paying all city invoices.
- **Payroll**- responsible for paying employees, and managing the payroll contract.
- **Business Licenses**-responsible for managing the contract for business license fee collection.

Organizational Chart Finance Department



Changes from FY 2021



- One position upgrade of an Account Technician to a **Management Assistant** to better reflect the position's duties and responsibilities.
- Budget includes funds for an updated **Cost Allocation Plan** and an updated **CALPERS** actuarial study and consultant services for **PERS liability options** (\$65,000 for the two separate studies)
- Full implementation of an **Internal Service Fund** (103 Fund) for General Liability & Workers Comp

Fire Department

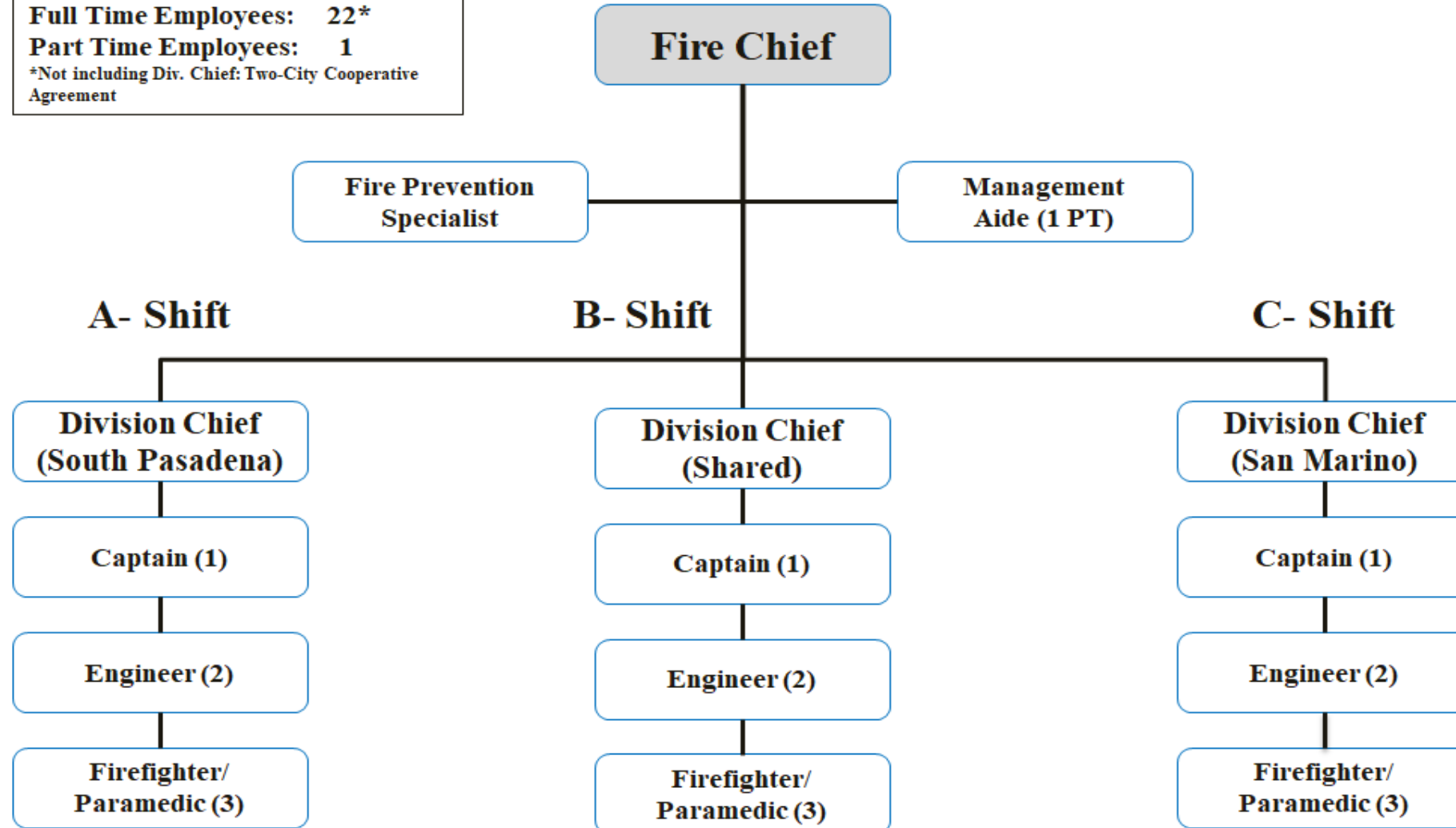


The Fire Department provides for the protection of life, property, and the environment from the adverse effects of fires, medical emergencies, and hazardous conditions through progressive resource deployment.

- Emergency Fire and Paramedic Response.
- Fire Prevention Services.
- Community Training and Education.
- Emergency Management / Emergency Operations Center (EOC) Coordination.
- Regional and State Mutual/Automatic Aid Agreements.

Organizational Chart Fire Department

Full Time Employees: 22*
Part Time Employees: 1
 *Not including Div. Chief: Two-City Cooperative Agreement



Changes from FY 2021



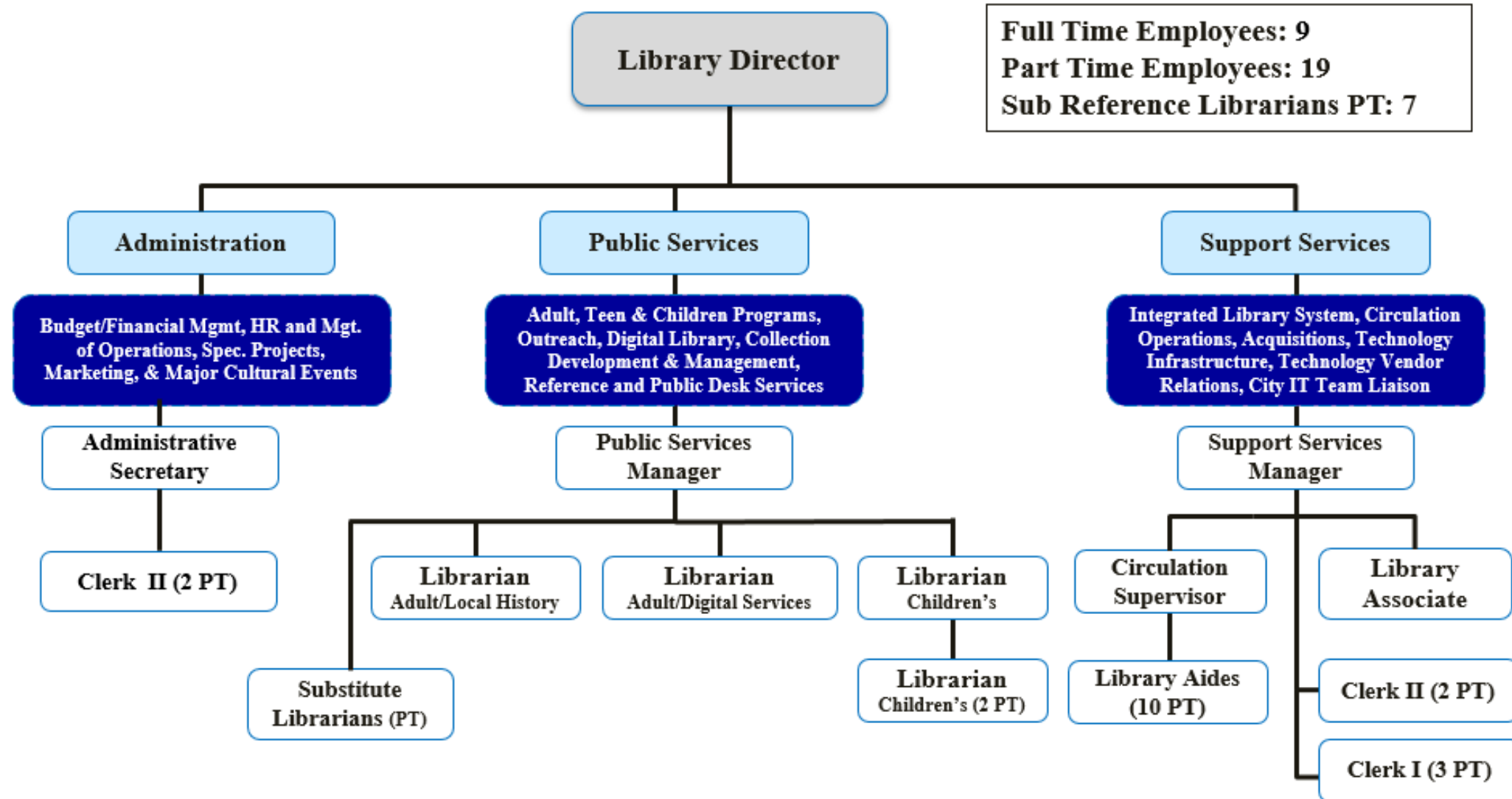
- While there are no significant changes in **Operations and Maintenance**, some Operations and Maintenance costs are up due to increases in wages, benefits, retirement costs and health benefit costs.
- **Fire department overtime** has not decreased from the previous fiscal year's estimate. Overtime is the result of unanticipated injuries, vacancies during the first quarter, and participation in the California Master Mutual Aid Agreement – Strike Team Response.
- **Strike Team response** costs are offset by reimbursements from the state estimated to total \$340,000 for our participation in 11 major brush fires throughout the State.

Library

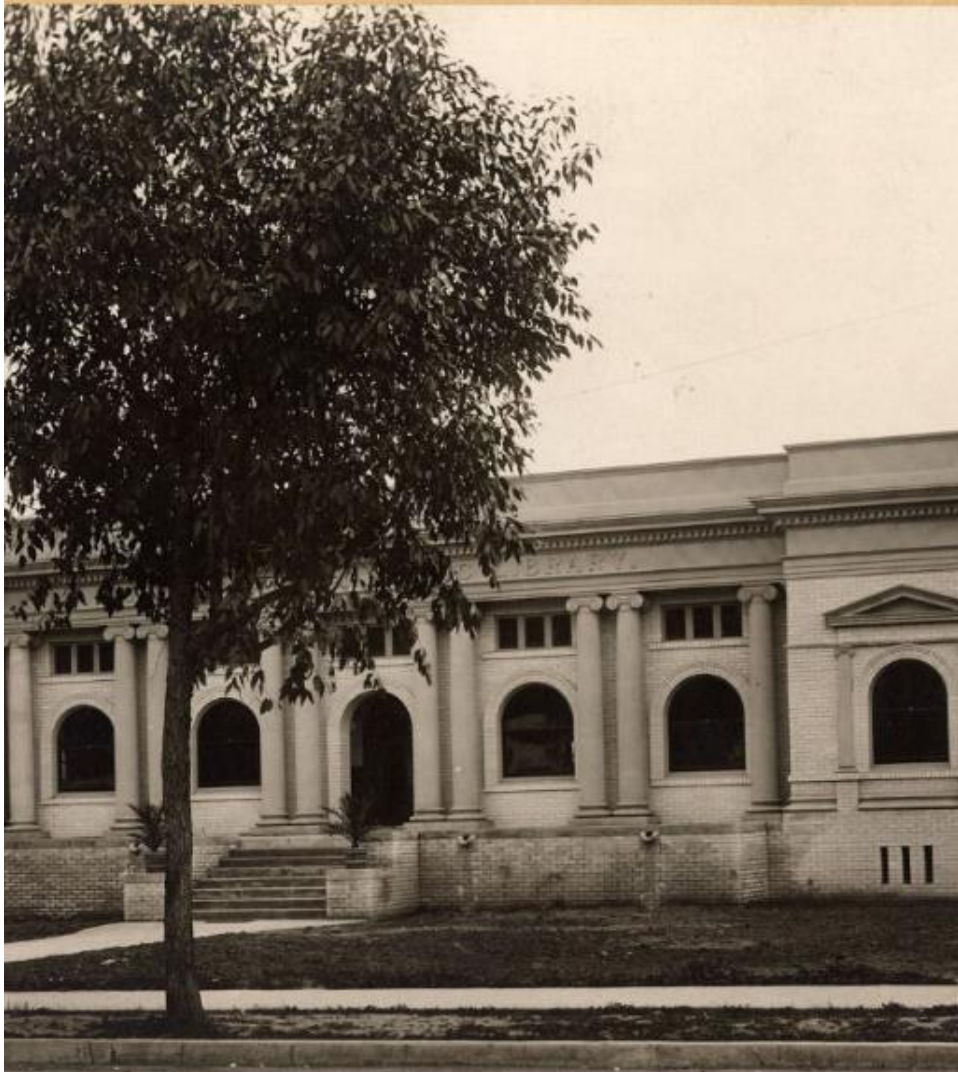


- Is a place for gathering, studying, learning, professional development, and enjoyment.
- Provides physical and digital materials to read, listen to and watch, including books, magazines, newspapers, DVDs, CDs, e-books, and many online resources.
- Presents engaging programs and special events for all age groups.
- Supports reading readiness, childhood literacy and student success.
- Offers free high speed broadband Wi-Fi and access to internet connected computers, and printing and copying.
- Preserves and makes local historical material available to the community.

Organizational Chart Library



Changes from FY 2021



- One position upgrade of a Clerk I to Library Associate to better reflect the position's duties and responsibilities.
- Funds added to the part-time budget to partially offset the reduction in full-time staffing that resulted from the FY 2021 elimination of the Assistant Director position.
- Funds designated for a consultant for the library's 5-year strategic planning process.
- Funds designated for building security upgrades: key card access at staff entry and replacement of security alarm control panel.

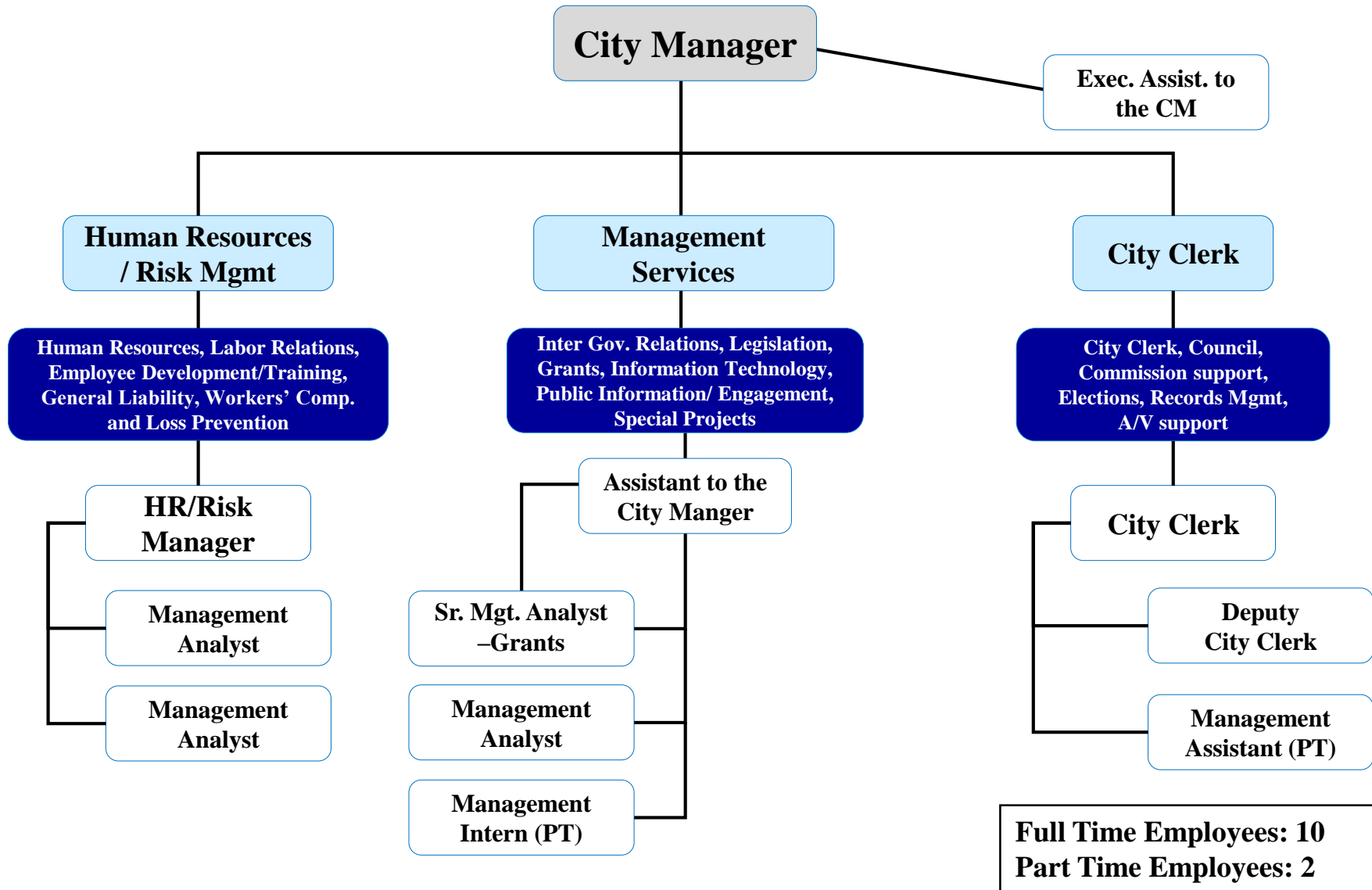
Management Services

The Management Services Department consists of the City Manager's office, City Clerk, Human Resources and Risk Management.

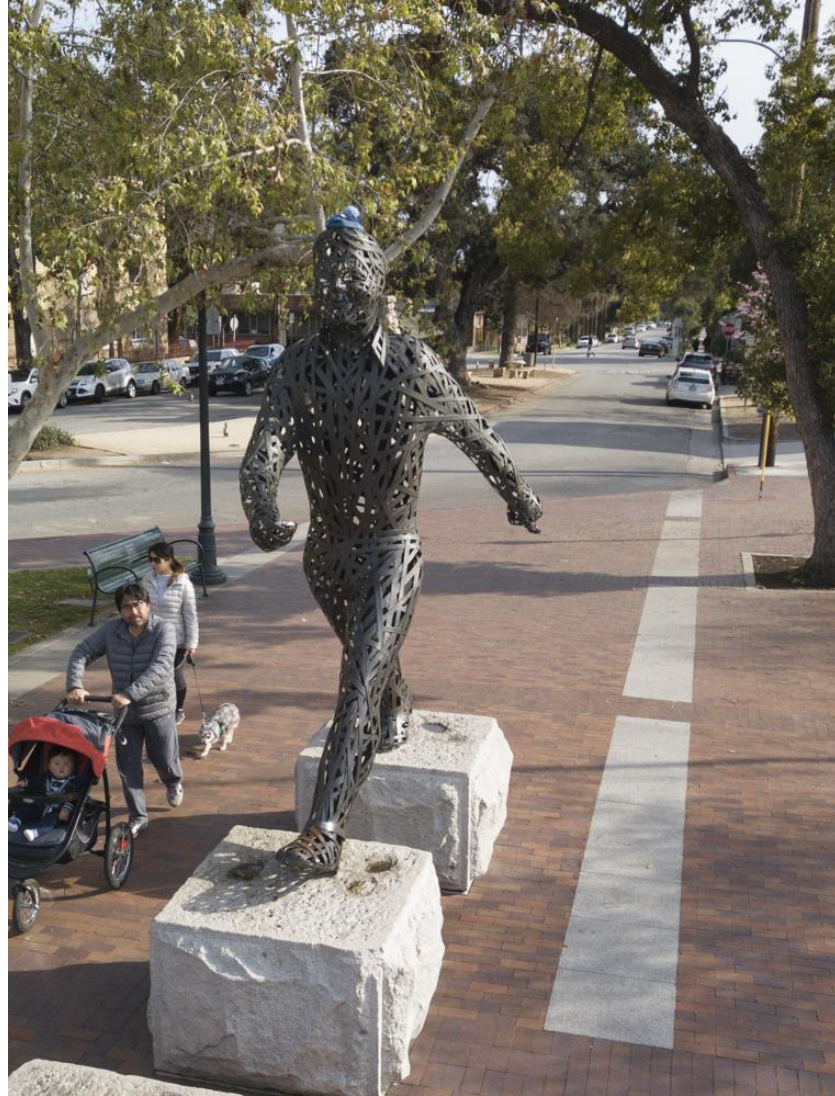


- The **City Manager's Office** provides oversight of seven operating departments, public information and public engagement, legislative affairs, information technology, grants and special projects i.e. strategic planning.
- The **City Clerk's Office** provides direct support to City Council and commissions, records management, and elections.
- The **Human Resources** division is responsible for recruitment, employee training, and benefits. This division also oversees risk management, workers compensation, and City liability.

Organizational Chart Management Services



Changes from FY 2021

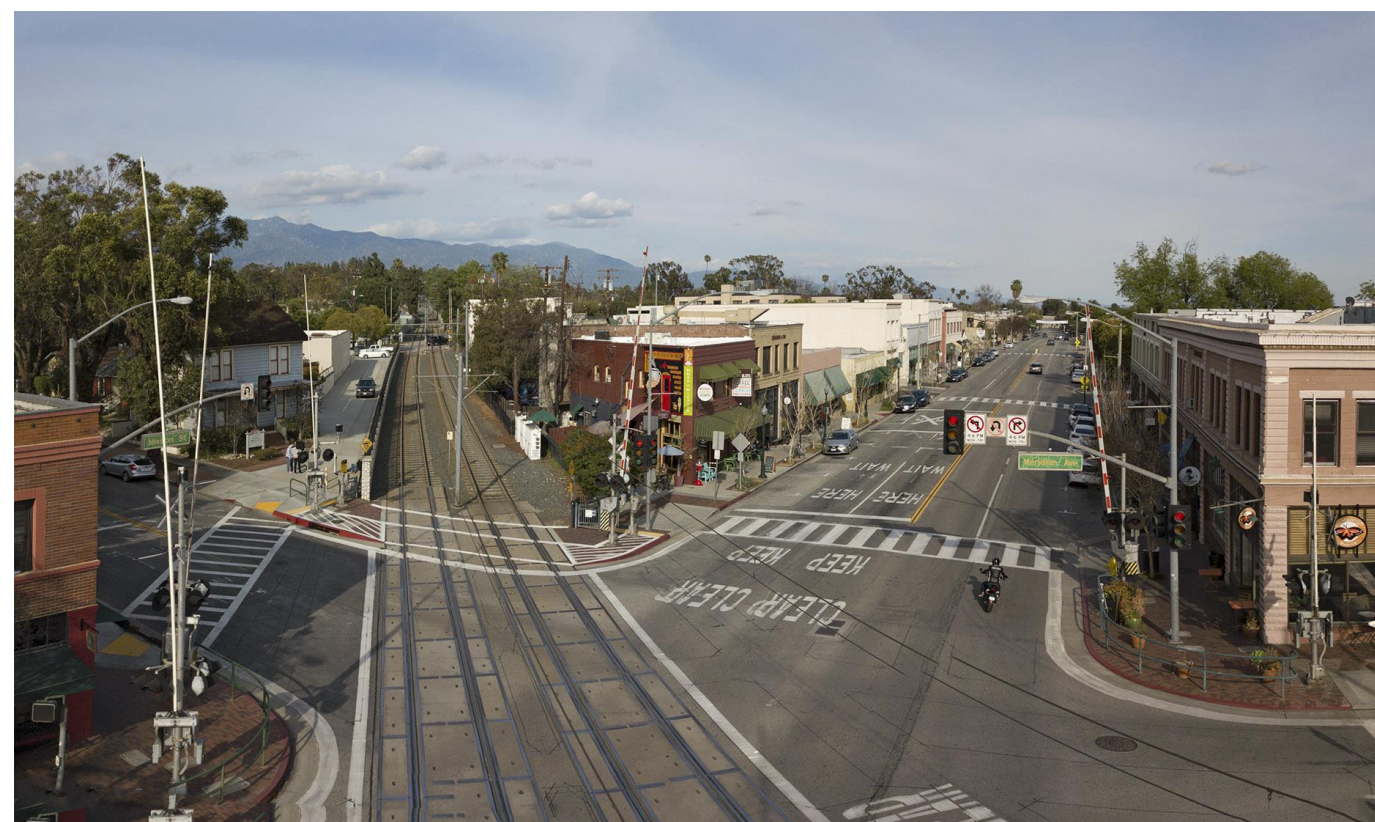


- Upgrade of Human Resources/Risk Manager
- Reactivate 2 full time positions (generalist)
- Funding for public outreach and demographic consultant for redistricting
- Funding for Strategic Planning session
- Funding for consultant services for acquisition of Caltrans properties
- Funding for computer equipment and off-site storage for disaster recovery
- Additional funds for conferences and meetings

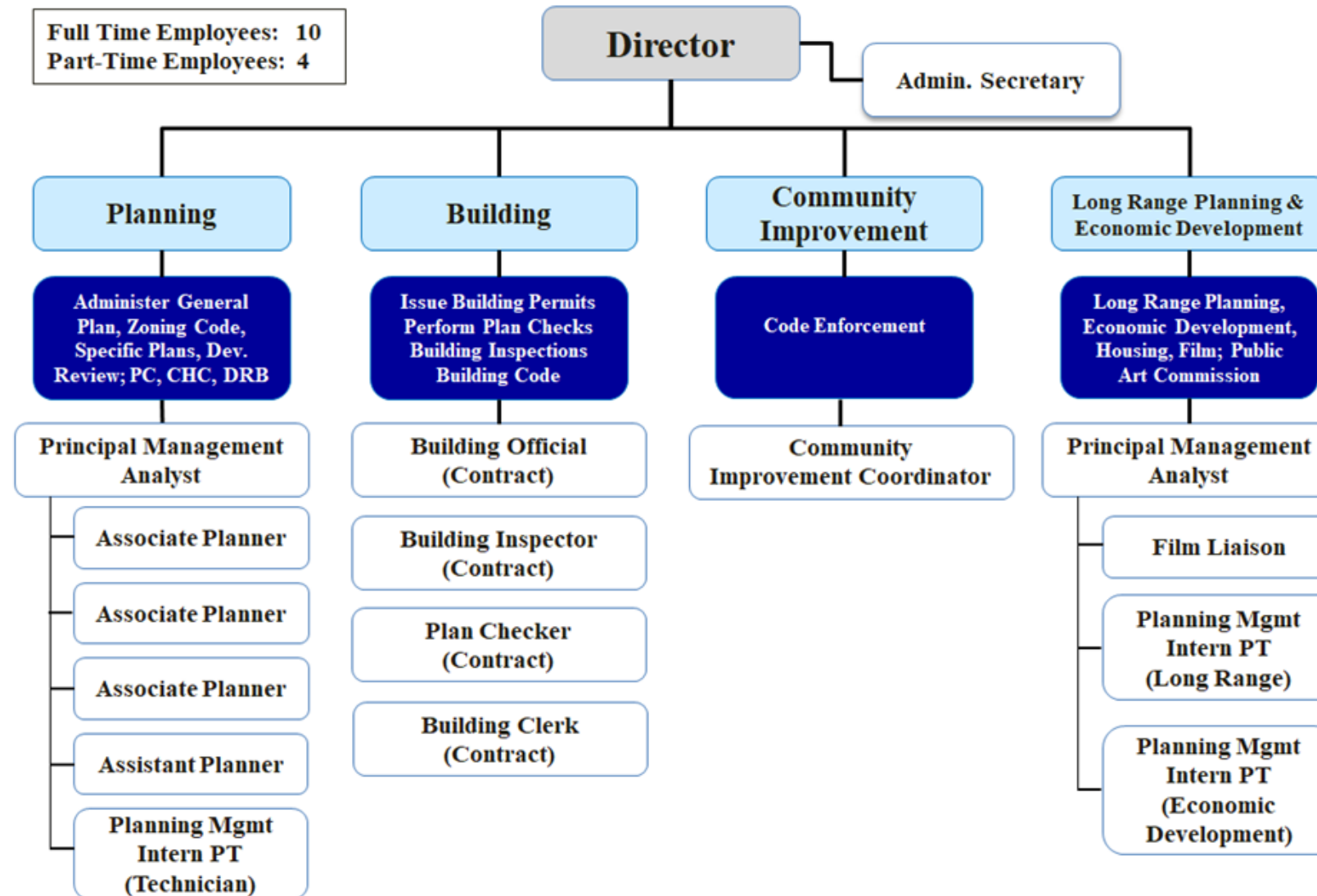
Planning & Community Development Department

The department provides the following services:

- Zoning Code Administration, including Development Review, Historic Preservation and Land Use Entitlements
- Public Art Administration
- Land Use and Economic Development Policy Development
- Building Plan Check, Permits and Inspections
- Film Permits
- Community Improvement through Code Enforcement
- Staff Liaison to Monthly Commission Meetings:
 - Cultural Heritage Commission
 - Design Review Board
 - Planning Commission
 - Public Art Commission



Organizational Chart Planning Department



Changes from FY 2021



- **3 new full-time positions** (Assistant Planner and 2 Associate Planners); and additional temporary staffing:
 - Increase in planning applications related to State housing legislation, ADU and Inclusionary Housing Ordinances.
 - Resources needed for time-sensitive updates to the Housing Element, General Plan and Downtown Specific Plan.
- Interdepartmental **Permit Tracking System** (grant-funded), including Public Information Portal
- Outreach and Additional Studies to support policy development
- Complete **Housing Element, General Plan and Downtown Specific Plan** Updates
- **Zoning Code Amendments**
- Complete **ADU Ordinance** Update for Historic Properties (grant-funded)
- Update to **Historic Property Inventory** and new Conservation Overlay
- Review **Al Fresco Dining and Retail Program** and develop permanent **Parklet Program**
- Refresh **on-line applications and resources** (grant-funded)

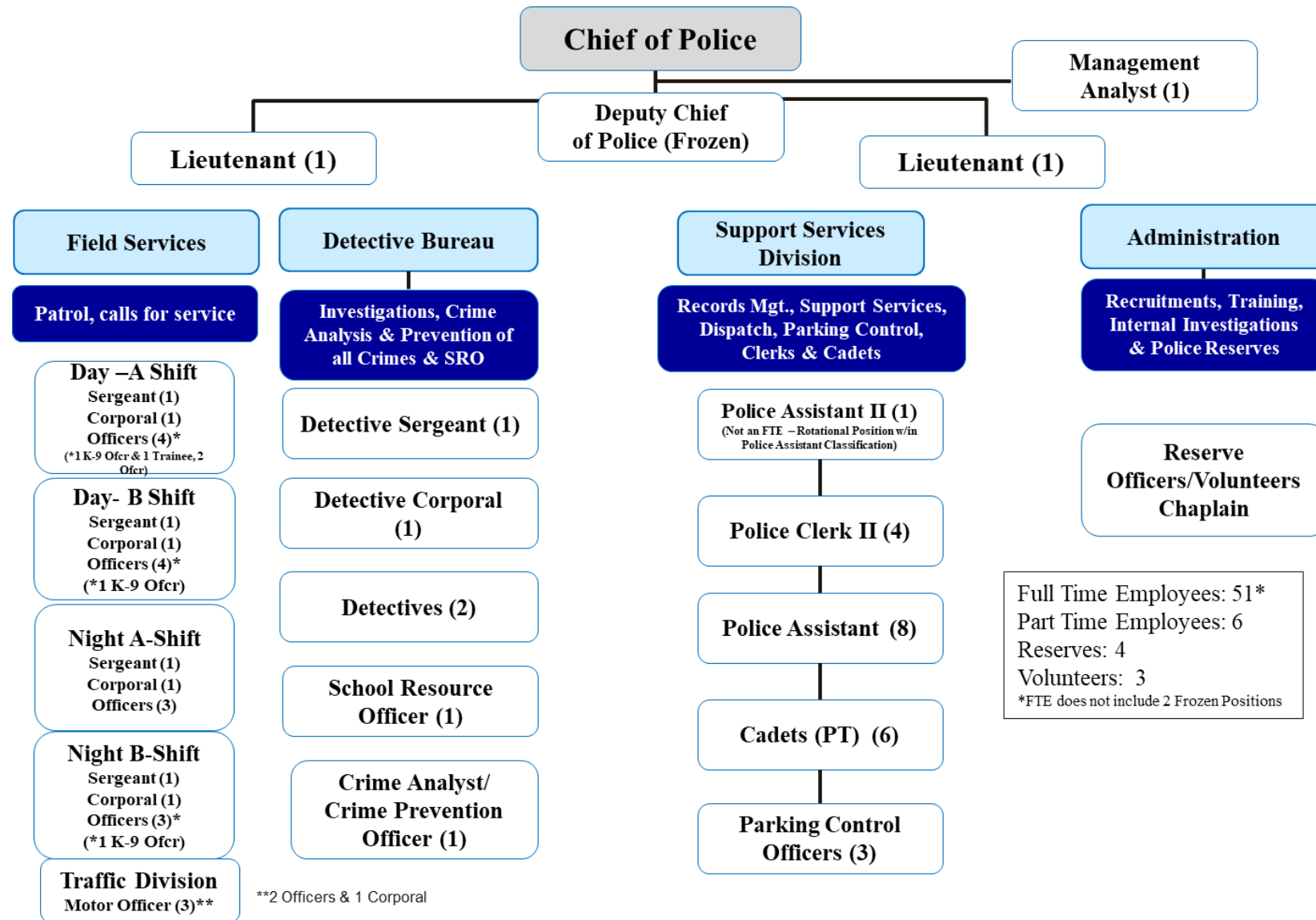
Police Department

The Police Department embraces an intelligence-led, community-focused policing model to ensure professional and effective services.



- **Patrol** - highly visible and accessible police patrols
- **Communications** – 9-1-1 emergency and non-emergency calls for dispatching police services.
- **Detective Bureau** - responsible for conducting follow-up investigations on criminal cases to ensure successful prosecutions. The bureau is designated to investigate specific criminal actions within the jurisdiction and support investigations at the local, state, and federal levels through cooperation with partner agencies.
- **Traffic Division** provides professional traffic safety services through education, technology, and enforcement. Problem-solving includes community partnerships to address traffic concerns.
- **Police Records Bureau** is responsible for all Police Department records and ensuring the Department remains responsive to the community.

Organizational Chart Police Department



**2 Officers & 1 Corporal

Full Time Employees: 51*
Part Time Employees: 6
Reserves: 4
Volunteers: 3
*FTE does not include 2 Frozen Positions

Changes from FY 2021



- Deputy chief and one police officer position frozen.
- \$130,000 placed in to a line item for the potential lease of green, environmentally friendlier police vehicles.
- \$60,000 placed into to training and equipment line items under asset forfeiture
- \$200,000 budgeted for a Crisis Management Response Team

Public Works

Administration Division

- Coordination of department activities, including environmental programs, Lighting and Landscaping Maintenance District, solid waste, street sweeping, and service requests.

Engineering & Operations Division

- Interagency coordination; Capital Improvement Program including planning, design, and construction management; Grants and contract administration; Traffic operations, active transportation, and intelligent transportation systems; Review of traffic impact studies, development plans, and permits; Stormwater (MS4) permit compliance; support for Public Works Commission and Mobility & Transportation Infrastructure Commission.

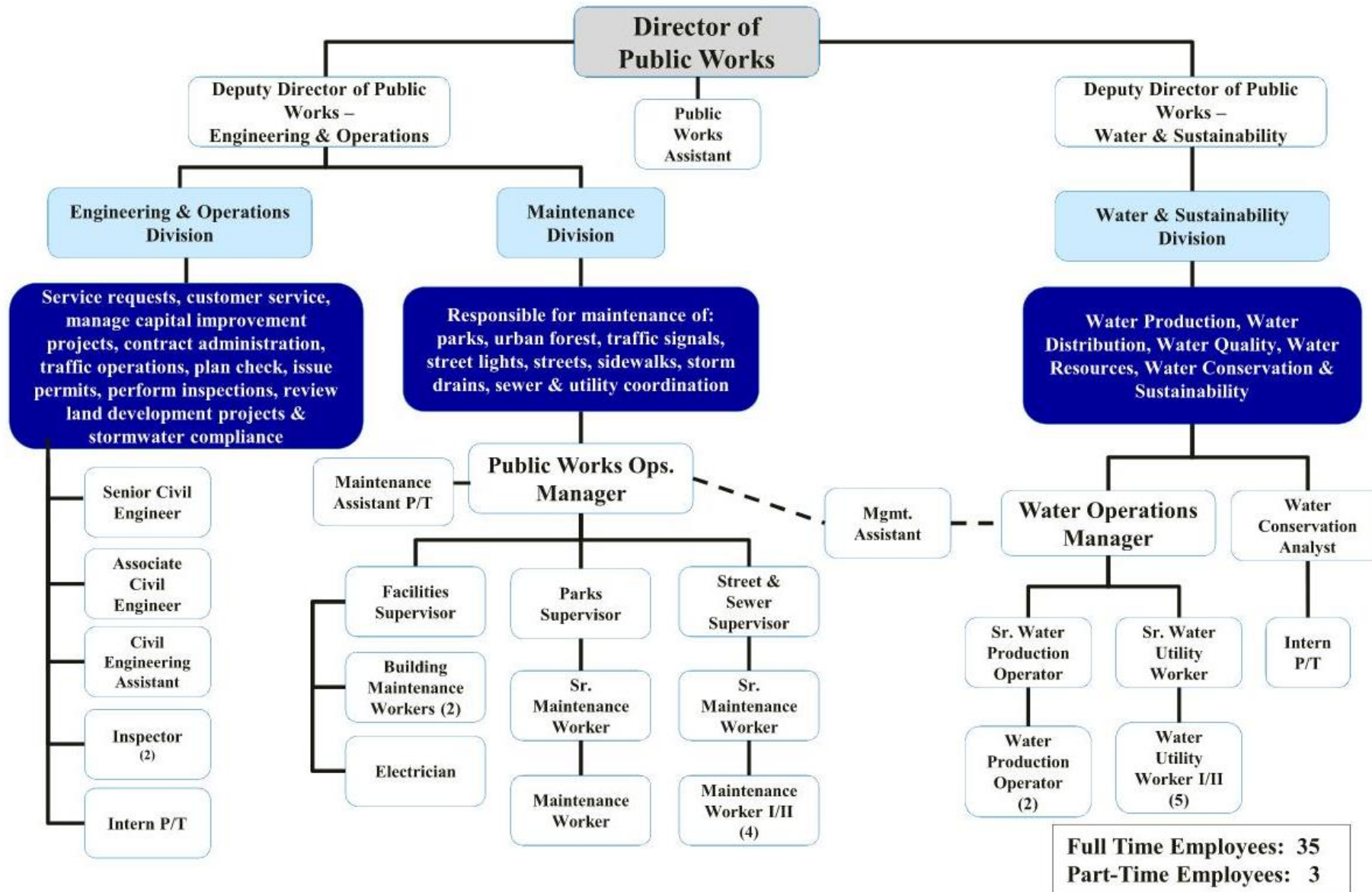
Maintenance Division

- Parks and Urban Forest Management; Traffic Signals, Street Lights, and Facility Maintenance; Streets, Sidewalks, and traffic control measures for special events; Maintenance of Storm Drains and Sewer System; Utility Coordination.

Water, Stormwater, & Sustainability Division

- Water Production, Treatment, and Distribution; Maintenance of water infrastructure; Water Resources Planning and Coordination; Water efficiency programming, projects and education; sustainability initiatives; implementations of the City's Green Action Plan and Climate Action Plan

Organizational Chart Public Works



Full Time Employees: 35
Part-Time Employees: 3

Changes from FY 2021



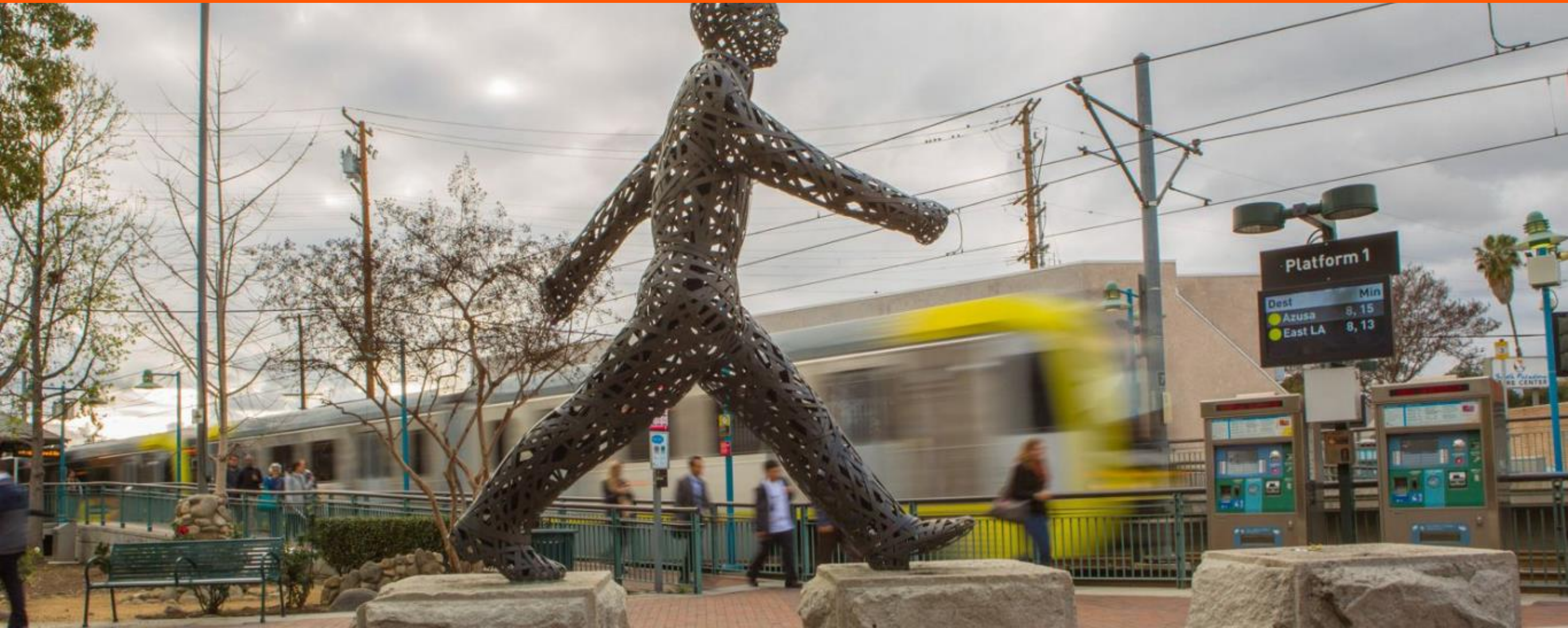
Engineering & Operations

- Adding two new positions (Senior Engineer & Inspector)
- \$25,000 for additional tree removals
- \$35,000 in vehicle maintenance (boom truck and arrow boards)
- \$15,000 for turf removal projects in landscape medians
- \$20,000 for traffic signal maintenance

Water, Stormwater, & Sustainability

- \$80,000 for water rate study
- \$50,000 for water projects professional & technical services (funded by Measure W local return)
- \$280,000 to replace 1991 water utility truck with electric vehicle (partially funded by CA HVIP electric vehicle program)
- \$610,000 to operate & maintain new treatment systems at Wilson & Graves reservoirs

Questions



Platform 1	
Dest	Min
● Azusa	8, 15
● East LA	8, 13