

CITY OF SIMI VALLEY
FY 2020-21 PROPOSED BUDGET
JUNE 8, 2020

RECOMMENDATIONS

- Approve the Simi Valley Transit FY 2020-21 Program of Projects (POP)
- Adopt the resolution for Federal Transit Administration (FTA)
- Review and Approve the FY 2020-21 Proposed Budget and Five-Year Capital Improvement Program FYs 2020-25
- Adopt the Budget Resolution

OVERVIEW

- City Budget Process
- Economic Outlook and COVID-19
- General Fund
- Capital Projects
- Enterprise Funds (Transit, Sanitation, and Water)
- Questions and Answers

CITY BUDGET PROCESS

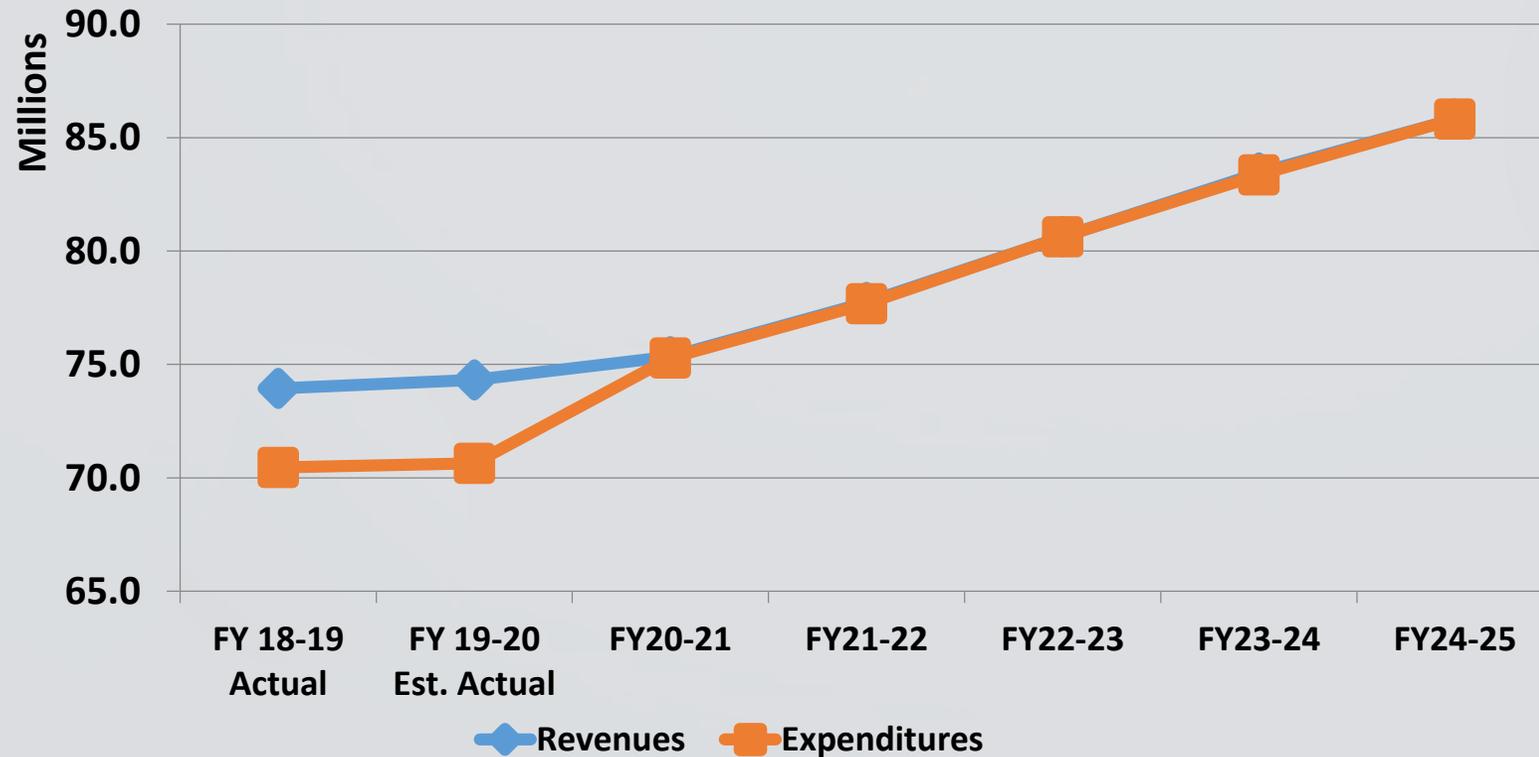


ECONOMIC OUTLOOK AND COVID-19

- Sudden, Unprecedented and Uncertainty
- Forecasting revenue losses but manageable
- FY 2020-21 Budget anticipates recovery begins by end of Q2 or calendar year
- Establishing COVID-19 Recovery Fund

GENERAL FUND – FORECAST

**Projected Operating
Revenues vs. Expenditures
Five-Year Forecast 2018-19 to 2024-25**



FISCAL ISSUES

- Pension Liability – CalPERS costs in forecast
- Infrastructure
- Maintenance
- Process Improvement
- Compensation to Market
- Recession



GENERAL FUND

- Primary Fund - Discretionary
- Revenue
 - Property Tax, Sales Tax and Service Charges
- Expenses
 - Government Services
 - Departmental



GENERAL FUND - POLICIES

- The City will adopt and maintain a structurally balanced budget by ensuring that annual ongoing operating revenues meet or exceed ongoing operating expenses.
 - Any year end remaining unassigned funds will be available for consideration by the Council for one-time uses.
- The City will maintain a prudent General Fund reserve balance for emergencies and catastrophic events.
 - This has been established by City Council policy at 17% of General Fund budgeted expenditures.



GENERAL FUND – FY 2019-20

REVENUE

- Prior to COVID-19 the City's revenue numbers were strong.
 - Year-end projection of a \$2.6 million surplus
- \$1.9 million revenue impact of COVID-19
 - Adjusted year-end surplus of \$396,000
- Unanticipated \$3.2 million one-time property tax payment
 - \$3.7 million revised surplus estimate

GENERAL FUND – FY 2019-20

EXPENSES

- Estimated \$3.9 million less than the adopted budgeted.
 - \$2.8 million of Salary and Benefit savings
 - \$1.2 million savings in Supplies, Materials, and Services

GENERAL FUND – FUND BALANCE

Beginning FY 2019-20 Fund Balance	\$40,501,367
Projected Revenues	74,311,866
Projected Expenses	<u>-70,633,291</u>
<i>Year End Surplus</i>	<i>3,678,575</i>
FY2018-19 Surplus Funds to COVID-19 Fund	-3,478,587
FY2019-20 Surplus Funds to COVID-19 Fund	-2,521,413
Ending FY 2019-20 Fund Balance	\$38,179,942

GENERAL FUND – FY 2020-21

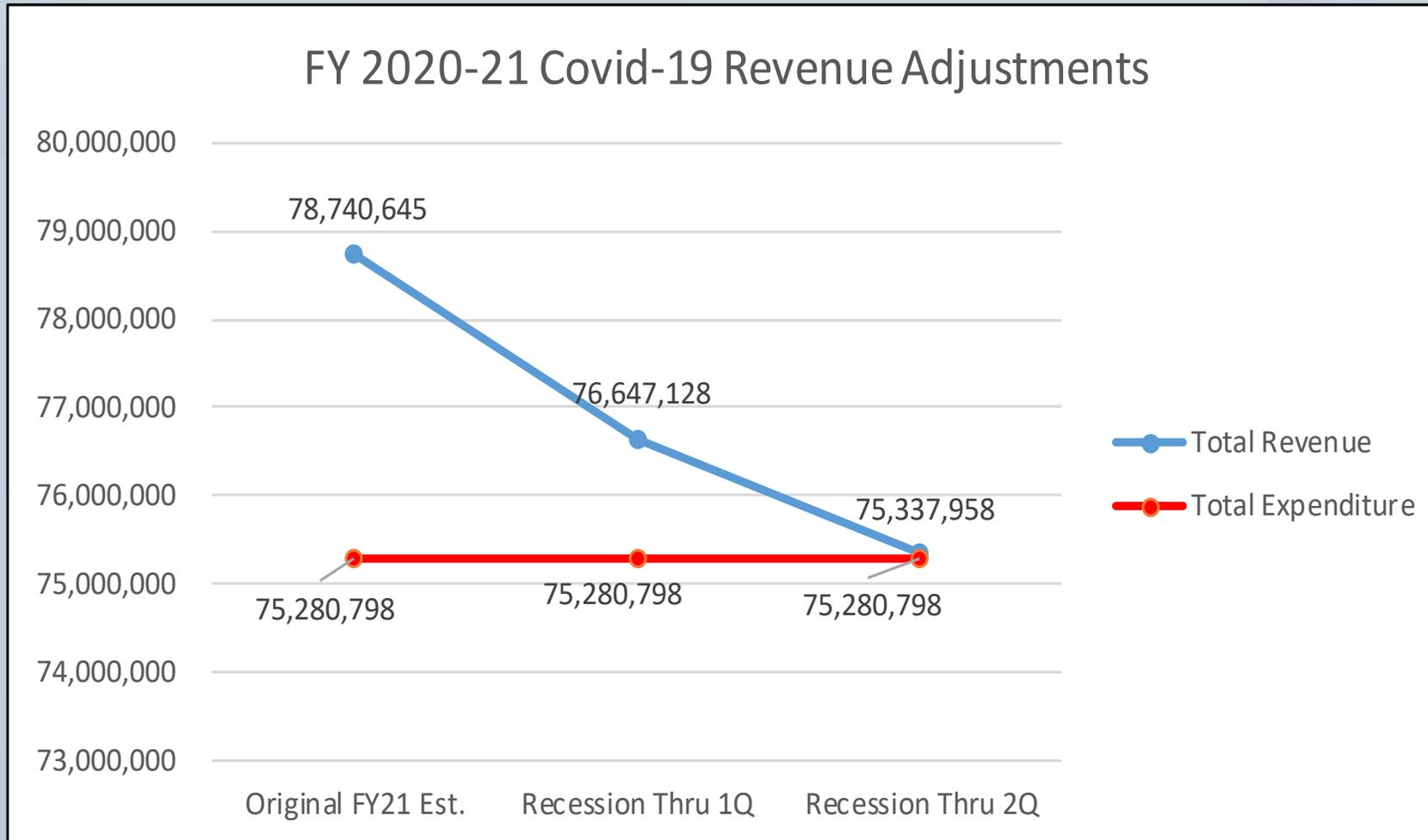
- Prior to COVID-19
 - \$3.5 million projected surplus

Scenarios:

- Economy begins recovery during first quarter of FY 2020-21
 - \$2 million revenue reduction
- Economy begins recovery during second quarter of FY 2020-21
 - \$3.4 million revenue reduction



GENERAL FUND – FY 2020-21



GENERAL FUND – HISTORY

Revenue & Expenditure History

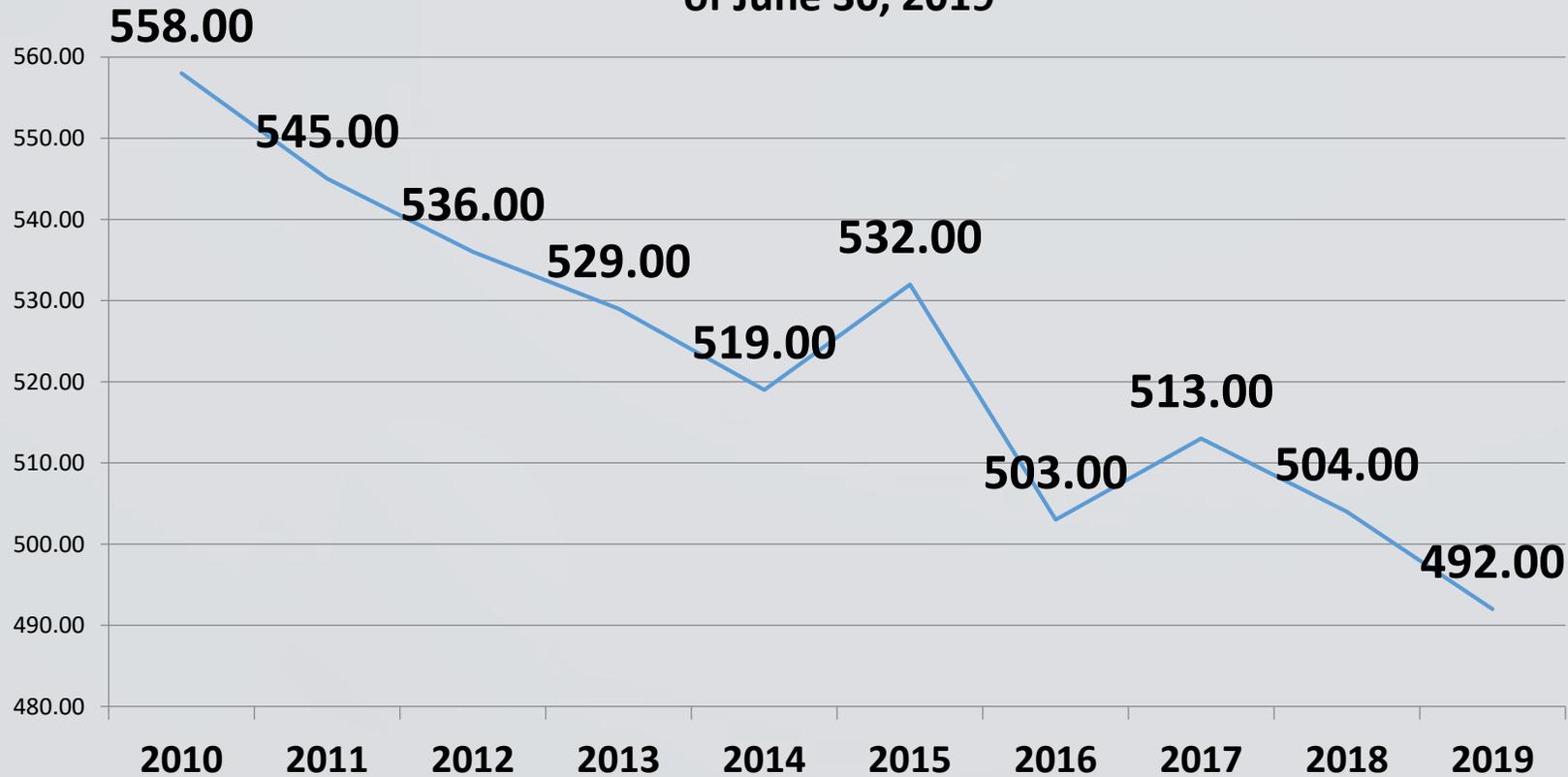


GENERAL FUND – PERSONNEL COSTS

- Personnel costs are 85% of General Fund budget.
- Elimination of 9 positions
 - Previously frozen and/or vacant positions.
- Addition of 1 position
 - 1 Police Dispatcher
- Net Reduction of 8 positions
- 11% of positions are currently vacant

STAFFING – HISTORY

Total City Filled FT and PT Positions per CAFR
of June 30, 2019



GENERAL FUND – PERS PENSION FUNDING



- Greater life expectancies
- Discount Rate has been lowered from 7.5% to 7.0%
- City’s annual PERS payments are currently estimated to increase by \$4 million by FY 2025-26.
- Any impacts to PERS from COVID-19 won’t be felt until FY 2022-23



CAPITAL PROJECTS

- 99 Projects
- \$43,520,280 proposed funding in FY 2020-21
 - 52 Projects requesting funding in FY 2020-21
 - \$18,000 from General Fund
- \$127,714,280 estimated for the next five years

ENTERPRISE FUNDS - TRANSIT

- **Accomplishments**
 - Provided over 43,000 ADA/DAR trips to seniors and the disabled community within the SVT service area.
 - Provided over 26,000 hours of fixed-route service to the community.
 - Provided over 7,000 passenger trips through the East County Transit Alliance - InterCity Connect service for Simi Valley residents regionally to destinations including Thousand Oaks, Moorpark, Camarillo, and connections to western Ventura County.



ENTERPRISE FUNDS - TRANSIT

- FY 2020-21 Goals:
 - Procure and implement fixed-route mobile ticketing.
 - Redesign new routes on Google Maps.
 - Improve scheduling efficiency.
 - Implement new scheduling and dispatching software.



ENTERPRISE FUNDS - TRANSIT

- \$12.9 million requested budget for FY 2020-21
 - \$4.2 million of that is for capital projects
- Projects Requesting Funding in FY 2020-21
 - \$1.4 million for CNG Fueling Station Upgrade
 - \$1.8 million for Short Range Transit Plan projects
 - Transit Maintenance Facility Paving
 - Paratransit Dispatch System – Software Licenses
 - Bus Stop Improvements
 - Bus Technology Equipment Efficiencies



ENTERPRISE FUNDS - TRANSIT

- Program of Projects

	Federal Grant	Local Match
<u>Planning Assistance</u>		
Countywide Planning	\$ 39,601	\$ -
<u>Operating Assistance</u>		
Simi Valley Transit	2,380,181	2,380,181
<u>Capital Assistance</u>		
Preventive Maintenance	270,000	64,680
Non Fixed Route ADA Paratransit	280,672	69,297
Dispatch Software	40,000	10,000
Transit Management System	64,000	16,000
	<u>\$ 3,074,454</u>	<u>\$ 2,540,158</u>

ENTERPRISE FUNDS – SANITATION & WATER

- Each has three funds
 - Operating
 - Replacement Reserve
 - Capital Upgrade
- Operating and Replacement Reserve are Combined
 - Both funds use same revenue source = Rates
- Capital Upgrade
 - Revenue = Connection Fees



ENTERPRISE FUNDS – SANITATION

- **Accomplishments**

- Completed the Sanitation rates study, Prop 218 process, and adopted new sanitation rates.
- Began the WQCP ESCO Design/Bid Project, which will optimize and rehabilitate many of the plant processes.
- Hydro-cleaned 229 miles of sewer line and Video inspected 42 miles of sewer line.
- Inspected and permitted 814 commercial and industrial businesses.
- Lined over 1,200 feet of 24 -36 inch sewer line on First St., Easy St., and Ventura Ave.



ENTERPRISE FUNDS – SANITATION

- **FY 2020-21 Goals:**

- Remove and replace 30 worn out sewer ring and covers at the street level.
- Perform Local Limits Evaluation and effectiveness determination.
- Update and modify sewerage use Ordinance.
- Complete design of WQCP water system pump station.



ENTERPRISE FUNDS – SANITATION

- \$60.1 million requested for FY 2020-21
 - \$24.2 million for 7 capital projects
- Projects Requesting Funding in FY 2020-21
 - \$19.6 million for Energy Services Company Projects (ESCO)
 - 11 Energy related projects at the Water Quality Control Plant
 - \$3.6 million for 3 sewer line replacement projects
 - Annual Sewer line Inspection/Cleaning
 - Replacement of Laboratory Fume Hoods
 - Improvement to the existing computerized maintenance Mgnt. System (CMMS)



ENTERPRISE FUNDS – WATERWORKS

- **Accomplishments**

- Completed the water rates study, Prop 218 process, and adopted new water rates.
- Provided expedient emergency response to SCE outages maintaining an uninterrupted water supply to customers.
- Adopted paperless customer service work orders with live updates from the field.
- Purchased and installed Water Storage Mixing devices in 3 tanks.



ENTERPRISE FUNDS – WATERWORKS

- **FY 2021 Goals:**
 - Obtain grant funding for water bottle filling stations in all City owned buildings.
 - Expand AMI collection to maximize usage data collection for Utility Billing purposes.
 - Encourage utility billing customers to use paperless bill payment options.
 - Complete seismic evaluation of the Waterworks storage tank system.



ENTERPRISE FUNDS – WATERWORKS

- \$47.2 million requested for FY 2020-21
 - \$4.7 million for Capital Projects
 - \$3.4 million for Replacement Projects
- Projects Requesting Funding in FY 2020-21
 - \$2.1 million for a Water Storage Tank in Knolls Pressure Zone.
 - \$1.1 million to construct a pump station at the Walnut Yard.
 - \$1 million for water line replacements.
 - \$1 million for Rehab of Pump Stations 1 and 2.
 - \$850,000 for Groundwater Production Well



ADJUSTMENTS TO FY 2020-21 BUDGET

- Simi Valley Arts Center (Fund 295)
- Council on Aging (Fund 296)
 - Should the City Council approve the revised budgets this evening, the revised budgets will be the adopted budgets for both funds.



PUBLIC WORKS

- **Accomplishments**

- Crossing Guards assisted over 300,000 pedestrians safely across busy intersections throughout the school year.
- Completed a comprehensive revamping of the Development Services fee structure for City Council approval to ensure 100% reimbursement of staff services costs.
- Completed approximately 3,500 temporary and permanent pothole repairs.
- Removed and replaced over 1,800 feet of damaged sidewalks and 1,300 feet of curb and gutter.
- Completed LED light retrofit on the Metrolink platform.



PUBLIC WORKS

- Accomplishments (continued)
 - Completed over 1,600 room set ups at the Senior Center, Police Department, Cultural Arts Center, and Library for various scheduled day and night events.
 - Provided fuel for all City backup generators during emergency power outage and fire situations.
 - Removed over 2,000 pounds of trash from Arroyo Simi during clean-up events.
 - Collected over 3,000 pounds of assorted household batteries.



PUBLIC WORKS

- FY 2020-21 Goals:
 - Oversee grading inspection and public street and storm drain improvements for Phase 1 of the Lost Canyons subdivision project.
 - Replace vehicles with hybrid/alternative fuel vehicles where possible.
 - Design/construct 3 more water conservation projects in City's landscape zones.
 - Resurface the Public Service Center and City Hall parking lots.
 - Upgrade Transit Maintenance Facility HVAC.
 - Update the sign and pavement marking inspection and replacement program.



POLICE

- Accomplishments

- Implementation of the body-worn camera program, purchased entirely with Forfeited Asset funds.
- Processed 55,357 inbound telephone calls, including 19,513 emergency 9-1-1 calls from July 1, 2019 to February 1, 2020.
- Maintained emergency response time of less than 5 minutes, and non-emergency response time of less than 18 minutes.
- Implemented mission oriented policing through crime trend data and reduced Part I crimes by 21.44%.
- Activated the Emergency Operations Center (EOC) and the City's Emergency Management Organization (EMO) for the Easy Fire and the COVID-19 Pandemic to coordinate the City's response.



POLICE

- FY 2020-21 Goals:
 - Complete and publish the Department Strategic Plan and Succession Plan.
 - Host community policing/crime prevention meetings for the Spanish speaking community with bilingual officers.
 - Participate in countywide human trafficking task force.
 - Continue to focus narcotic investigations on dealers operating in Simi Valley.
 - Increase traffic enforcement efforts at locations with the highest incidence of collisions.



ENVIRONMENTAL SERVICES

- **Accomplishments**

- Processed applications for affordable and senior housing and rehabilitation loans for 11 homes with \$490,000 worth of loans funded.
- Bldg. & Safety performed 18,000 building, electrical, plumbing, and mechanical inspections, and provided next business day service to permit customers.
- Code Enforcement abated over 1,500 violations of the SVMC.
- Supported the coordination of the federally required Annual Point In Time Homeless Count.
- Provided responsive customer service to over 2,800 customers at the Planning public counter.



ENVIRONMENTAL SERVICES

- **FY 2020-21 Goals:**
 - Utilize City communication channels to promote animal adoption events to reduce the number of sheltered animals.
 - Participate in training following the implementation of the EnerGov land use and permitting software.
 - Implement a Development Code update to further streamline the City's development review process.
 - Update Neighborhood Council Policies and Procedures Manual to incorporate social media guidelines.



CITY ADMINISTRATION

- Accomplishments
 - Coordinated the City's 50th Birthday Celebrations in October 2019.
 - Coordinated and enhanced the City's general government social media presence.
 - City Clerk - Processed more than 145 Public Records Act requests.
 - H.R. - Initiated 49 recruitments, processed 2,083 employment applications.
 - Enhanced meal variety in the Senior Nutrition program, adding 4 new menu items to the program.
 - Expanded mid-week programming at the Cultural Arts Center to increase facility use and expand the breadth of arts programming in the community.



CITY ADMINISTRATION

- FY 2020-21 Goals:
 - Evaluate department staffing levels to provide efficient levels of service.
 - Create a new website for the City that improves communication.
 - Better position Senior Center programs for the changing demographic.
 - Investigate and implement a software solution for Agenda Management and Public Records Act requests.
 - Evaluate the city's fleet and develop a fleet utilization plan.
 - Continue to evaluate the city's financial position relative to the economic recovery related to the COVID-19 Pandemic.



ADMINISTRATIVE SERVICES

- Accomplishments
 - Successfully adopted revised service fees for the first time since 2008 for full cost recovery, an estimated \$3.0 million to further enhance public services.
 - Implemented ERP Utility Billing Program without missing any billing deadlines.
 - Put into practice the new utility billing policy to comply with State's *Water Shutoff Protection Act* (SB 998).
 - Information Services - evaded over 75,000 hacking attempts, and 7,000 virus attacks.
 - Responded to the COVID-19 Pandemic by reconfiguring systems for remote access to facilitate telecommuting for over 250 staff members.
 - Accounted for City's grant programs, ensuring compliance with grant requirements, and processed drawdowns for reimbursement grants.



ADMINISTRATIVE SERVICES

- FY 2020-21 Goals:
 - Update Procurement Manual and provide training for end users.
 - Implement and promote technology such as public facing portals for permits, planning, and code enforcement requests.
 - Streamline year-end close and CAFR development process.
 - Implement a new surplus property policy.
 - Train staff members on cybersecurity to ensure the city's systems are secure from external and internal threats.

CITY ATTORNEY

- Accomplishments:
 - Assisted in the processing of 48 subpoenas served on the city.
 - Investigated and made recommendations on 57 new claims, and managed the administration and closing of over 58 pending claims.
 - Rollout of new claims approach to allow settlement of claims at an earlier stage to help reduce the city's overall liability.
 - Filed 103 misdemeanor criminal cases and 12 infraction cases.



CITY ATTORNEY

- FY 2020-21 Goals:
 - Assist in keeping procedures up to date with changes in applicable State and Federal laws and regulations.
 - Offer improvements to the city's planning, purchasing, claims resolution, and other Ordinances.
 - Provide timely advice to the Police Department in carrying out its mission and goals.



SUMMARY

- Moving into FY 2020-21, the City has a structurally balanced budget and is prepared to address any impacts related to the COVID-19 Pandemic.
- The City will continue to identify efficiencies to reduce staffing commitments or for funding opportunities and look for opportunities to contract for services and self-supporting operations.
- The City is overall in a good financial position, with a General Fund balance projected at \$38.2 million at the end of this fiscal year.
- The year-end surpluses of the past couple of years allow the City to be in a better position to handle the economic effects caused by COVID-19
 - No significant service reductions to the community nor reductions in workforce at this time.



SUMMARY

- It is uncertain how quickly the economy will recover.
 - Recommending the creation of a COVID-19 fund of \$6 million to assist the City operations should the economic impacts of the Coronavirus Pandemic cause City revenues to fall further below budgeted levels.
 - One-time general fund surplus revenue.
- While the Proposed Budget is balanced based on a conservative revenue projection, we need to proceed cautiously into FY 2020-21 with constant monitoring and conduct a thorough evaluation of the status of the City's finances at Mid-Year.



RESOURCES

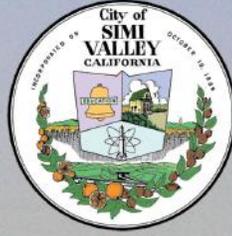
- Public Transparency Portal – OpenGov:
 - <http://simivalley.opengov.com>
- Documents available at:
 - <https://www.simivalley.org/departments/administrative-services/budget>



SUGGESTED CITY COUNCIL MOTIONS

1. Move to approve the Simi Valley Transit FY 2020-21 Program of Projects to be forwarded to the Ventura County Transportation Commission; and
2. Move to adopt a resolution authorizing the City Manager to execute and submit the filing of grant applications with the FTA; and
3. Move to adopt a resolution approving the FY 2020-21 Annual Budget and the Five-Year Capital Improvement Program for FY 2020-21 to FY 2024-25 incorporating the previously adopted budgets for the Cultural Arts Center and Council on Aging.





CITY OF SIMI VALLEY
FY 2020-21 PROPOSED BUDGET
JUNE 8, 2020

POLICE BUDGET 10-YEAR HISTORY

