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

FY 2020-21 Budget Kick-Off
Dec 17, 2019

Dec 18, 2019
Departments Develop Budget
Feb 29, 2020

Department Budget Narrative
Mar 3, 2020
Mar 13, 2020

Mar 17, 2020
Department-City Manager Meetings
Mar 20, 2020

Mar 31, 2020
City Manager Reviews Proposed Budget
Apr 8, 2020

Apr 10, 2020
Proposed Budget Produced
May 22, 2020

Today

Public Budget Meeting
May 27, 2020

City Council Budget Adoption
Jun 8, 2020
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
Projected Operating Revenues vs. Expenditures
Five-Year Forecast 2018-19 to 2024-25

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Est. Actual</th>
<th>FY 20-21</th>
<th>FY21-22</th>
<th>FY22-23</th>
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<td>FY 18-19</td>
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- Revenues
- Expenditures
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
• 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.
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
<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Beginning FY 2019-20 Fund Balance</td>
<td>$40,501,367</td>
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<tr>
<td>Projected Revenues</td>
<td>74,311,866</td>
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<tr>
<td>Projected Expenses</td>
<td>-70,633,291</td>
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<tr>
<td><strong>Year End Surplus</strong></td>
<td>3,678,575</td>
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<td>FY2018-19 Surplus Funds to COVID-19 Fund</td>
<td>-3,478,587</td>
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<tr>
<td>FY2019-20 Surplus Funds to COVID-19 Fund</td>
<td>-2,521,413</td>
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<tr>
<td>Ending FY 2019-20 Fund Balance</td>
<td>$38,179,942</td>
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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

FY 2020-21 Covid-19 Revenue Adjustments

- Original FY21 Est.
- Recession Thru 1Q
- Recession Thru 2Q

Total Revenue:
- 78,740,645
- 76,647,128
- 75,337,958
- 75,280,798
- 75,280,798
- 75,280,798

Total Expenditure:
- 73,000,000
- 74,000,000
- 75,000,000
- 76,000,000
- 77,000,000
- 78,000,000
- 79,000,000
- 80,000,000
• 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
Total City Filled FT and PT Positions per CAFR of June 30, 2019
• 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
• 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
• 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.
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

<table>
<thead>
<tr>
<th></th>
<th>Federal Grant</th>
<th>Local Match</th>
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<tr>
<td><strong>Planning Assistance</strong></td>
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<tr>
<td>Countywide Planning</td>
<td>$39,601</td>
<td>$-</td>
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<tr>
<td><strong>Operating Assistance</strong></td>
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<tr>
<td>Simi Valley Transit</td>
<td>2,380,181</td>
<td>2,380,181</td>
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<tr>
<td><strong>Capital Assistance</strong></td>
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<tr>
<td>Preventive Maintenance</td>
<td>270,000</td>
<td>64,680</td>
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<td>Non Fixed Route ADA Paratransit</td>
<td>280,672</td>
<td>69,297</td>
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<tr>
<td>Dispatch Software</td>
<td>40,000</td>
<td>10,000</td>
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<tr>
<td>Transit Management System</td>
<td>64,000</td>
<td>16,000</td>
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<tr>
<td></td>
<td>$3,074,454</td>
<td>$2,540,158</td>
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</table>
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
• 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)
• 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.
• **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.
• 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.
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.
• 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.
• 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.
• 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.
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.
• 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.
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.
• 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.
• 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 it’s 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 signification 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