



AGENDA
SPECIAL CITY COUNCIL MEETING
TUESDAY, FEBRUARY 22, 2011, 5:00 P. M.
SENIOR CITIZEN/COMMUNITY CENTER
201 E. BONITA AVE.

CITY COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem John Ebner
Councilmember Emmett Badar
Councilmember Denis Bertone
Councilmember Jeff Templeman

1. CALL TO ORDER

2. ORAL COMMUNICATIONS

(For anyone wishing to address the City Council on an item on this agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda.)

a. Members of the Audience

3. STUDY SESSION

a. Mid-year 2010-11 budget review and Preliminary Report on 2011-12 City of San Dimas Budget.

4. ADJOURNMENT

The next meeting is on Tuesday, February 22, 2011, 7:00 p.m.

AGENDA STAFF REPORTS: COPIES OF STAFF REPORTS AND/OR OTHER WRITTEN DOCUMENTATION PERTAINING TO THE ITEMS ON THE AGENDA ARE ON FILE IN THE OFFICE OF THE CITY CLERK AND ARE AVAILABLE FOR PUBLIC INSPECTION DURING THE HOURS OF 8:00 A.M. TO 5:00 P.M. MONDAY THROUGH FRIDAY. INFORMATION MAY BE OBTAINED BY CALLING (909) 394-6216. CITY COUNCIL MINUTES AND AGENDAS ARE ALSO AVAILABLE ON THE CITY'S HOME PAGE ON THE INTERNET.
<http://cityofsandimas.com/minutes.cfm>.

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POSTING STATEMENT: ON FEBRUARY 18, 2011, A TRUE AND CORRECT COPY OF THIS AGENDA WAS POSTED ON THE BULLETIN BOARDS AT 201 EAST BONITA AVENUE (SAN DIMAS SENIOR CITIZEN/COMMUNITY CENTER), 186 VILLAGE COURT (SAN DIMAS TEMPORARY CITY HALL), 145 NORTH WALNUT AVENUE (LOS ANGELES COUNTY PUBLIC LIBRARY, SAN DIMAS BRANCH); AND 300 EAST BONITA AVENUE (UNITED STATES POST OFFICE).



Agenda Item Staff Report

TO: Honorable Mayor and Members of City Council
For the Meeting of February 22, 2011

FROM: Blaine Michaelis, City Manager

INITIATED BY: Ken Duran, Assistant City Manager

SUBJECT: Mid Year Budget Report and Budget Preparation Study Session

SUMMARY

The purpose of the Study Session is two fold. First, staff has prepared a mid-year budget report. The report will review revised revenue and expenditure projections for the current fiscal year

The second portion of the session is to provide some preliminary information as we prepare for the FY 11-12 budget. The information is in the form of some general information on revenue projections as well as each department's brief preliminary summary of what they will be looking at as we prepare recommendations for the FY 2010 - 11 budget. More importantly we want to hear from the Council regarding other budget items you would like for us to include in the budget analysis and deliberations. We are not asking for any specific direction or decision from you on any specific budget matter – our purpose is to let you know what we are planning to bring forward so those concepts can be combined with the other areas you would like us to consider

MID-YEAR BUDGET REPORT

General Fund

In October staff prepared a presentation on the fiscal picture of the General Fund. We reported that the 2009-10 financial audit indicated that the General Fund Balance, meaning total cash balance was \$12.5 million, after the transfer of \$5.5 million for the city hall renovation project. We also highlighted revenue and expenditures for the ending year

The adopted FY 2010-11 General Fund budget was comprised of \$19,313,087 in projected revenues and \$19,161,844 in expenditures, leaving \$151,243 in excess revenue over expenditures after transfers in and out. The following is an analysis of the projections for the major revenue and expenditure sources of the General Fund.

Revenue

Property Tax - Property tax revenue was projected at \$2.5 million, just about the same as FY 00-10. Based upon remittance to date and in consultation with our property tax consultant we estimate that we will be very close to our budget for this fiscal year.

Sales Tax - Sales Tax projections were budgeted at \$5.7 million, which is slightly below the actual for last year. Our last quarterly analysis, for 3rd quarter 2010, showed a 3.8% growth over the prior year's quarter. However, our estimate is that at the end of the year we will be close to budget.

Franchise Taxes – Collectively franchise taxes were budgeted at approximately \$1.96 million. All utility franchises are tracking to meet budget with cable franchise collections slightly above budget.

Transient Occupancy Tax – (TOT) – TOT was budgeted at \$670,000, which is slightly above actual collections from last year. The estimate is to be slightly above budget. Interestingly some hotels are down over the previous year while others are up. We are currently preparing to perform a TOT audit of all hotels. This may result in the collection of previous under reporting of taxes which could be collected this year.

Business License – Projected budget for business license was \$394,000. Revenue is expected to be approximately \$10,000 below budget.

Document Stamp Tax – The document stamp tax is a fee collected by the County on property transactions. With the number of property sales down the budget was drastically reduced this year. The budget was \$85,000 and is estimated to be slightly above that.

Building Permits and Plan Check Fees – Anticipating a continued slow building economy we budgeted less than in prior years. The budget projection was \$302,000. Due to some unanticipated projects pulling permits this year to date we are already at \$279,000. It is safe to say that we will exceed budget, but by how much is difficult to estimate because we can't always anticipate when pending projects will submit plans or pull permits.

Vehicle License Fees – The projected budget for Vehicle License Fees is \$3.45 million, the same as last year, and is anticipated to meet budget.

Interest Income – Interest revenue has been down significantly over the past several years due to the decline in rates. This year's budget was \$134,000. Actual is estimated to be about \$168,000, primarily due to some diversification of some of our investments resulting in a higher yield.

Planning Fees – Due to the lack of planning activity planning fees were only budgeted at \$25,300, however they are projected to be close to \$48,000.

Recreation Fees – Recreation fees are projected to be about \$35,000 below budget primarily due to reduced enrollments in some recreation and swim and racquet club programs, less than expected revenue from 50th anniversary events and reduced facility

rentals. However, expenditures are expected to be approximately \$40,000 less than budget, in part because of reduced participation in those programs.

Parking Permits / Local Violation Fines – Fines are projected to be about \$20,000 below budget. One reason is that we are seeing greater compliance with the overnight parking restriction. In addition, the adopted State budget last year including the diversion of an additional \$3.00 of our parking citations to the State to support courts. This diversion went in to effect in December. The City may want to consider increasing the amount of the citations by \$3.00 to make us whole.

Total Revenue Projections

As you can see by the above analysis overall revenues should come in close to budget or slightly over.

Expenditures

Staff has worked diligently to control General Fund costs and keep them within budget. In general operating costs should be kept within budget. Some notable exceptions include.

General Liability – With the new formula through the CJPIA the City had a retrospective balance due of \$123,000. By prior Council approval the City paid off the balance early to take advantage of \$7,400 discount for early payment. This was unbudgeted.

Property Insurance – Insurance deposit was approximately \$40,000 higher than anticipated due to the increase valuation of City Hall during course of construction and providing coverage for Temporary City Hall.

City Attorney – Attorney expense could be approximately \$100,000 over budget due to expenses from several significant projects this year.

Motor Deputy – Expense for contract motor deputies from the Sheriff's Department will be \$100,000 less due to the fact that one deputy was out on leave for about half the year.

Employee Vacancies - There have several employee vacancies during portions of the year due to employees leaving or retiring. There will be a cumulative costs savings due to the periods of vacancy and hiring of new employees at lower ends of the pay range.

Total Current Budget Projection

The budget was adopted with a single year surplus of \$151,000. If revenues come in within projections and expenditures are controlled within budget we should end the year with a balanced budget. As always there are a great deal of variables that can affect this. Staff is keeping a close eye on those variables and will attempt to make adjustments where necessary.

FY 2011-12 PRELIMINARY BUDGET PREPARATIONS

As with the past several years, staff is preparing the FY 2011-12 budget with extremely cautious overall revenue projections. However, this year there are a couple of potential issues that could have a significant impact on the general fund budget.

First, if the State budget is adopted with the elimination of Redevelopment Agencies, the impact for the City is not only for the Agency but for the General Fund. The Agency reimburses the General Fund approximately, \$500,000 a year for administrative support to the Agency. The reimbursement is for a portion of housing, administration and finance staff costs and general administrative costs. At this point, without knowing the details of the proposal for the elimination of Agencies, it is unknown if there would be an impact on this reimbursement.

The second issue is the potential loss of 18% of the City's overall sales tax due to the relocation of a business. Staff is still confirming the potential timing of this relocation. However, on an annual basis the loss could be approximately \$900,000.

Each department has prepared the following preliminary budget reports based upon normal cautionary revenue assumptions. However, if one or both of the above issues comes to fruition, that loss of revenue would have to be considered in our budget decisions.



Agenda Item Staff Report

2011 - 12 Preliminary Budget Study Session
Administration Department

Governmental Access Channel – We are ending our second yearly of contract with the University of La Verne for management of the Government Access channel. I have been informed they are proposing an increase in the contract amount due to increases in personnel costs. The current annual contract is \$66,500. We will need to negotiate with them to keep the costs down or explore other contract options.

Insurance Costs – We have received our new rates for FY 11-12. General Liability rates will be \$545,871, \$77,982 less than last year. Workers Compensation rates will be \$132,183, \$26,437 more than last year. The current year's property insurance rates were increased due to the course of construction insurance for city hall and covering temporary city hall. Rates will go down next year once city hall construction is complete.

PERS Contribution Rate – The PERS employer contribution rate for FY 11-12 will be 13.967%, a .8% increase over last year, equating to an approximate \$40,000 increase. There are a number of actuarial changes that went into effect this year and more that will affect future rates. Staff will provide a separate memo to the Council outlining the potential impacts they may have on future rates.

San Dimas Dial-a-Cab and Get-About – Over the past few years the ridership for Dial-A-Cab saw a significant increase with a resulting increase in cost. Last year the Council approved some administrative adjustments to the service and a modest rate increase. The result was a slowing of the increase in ridership. The projected budget is for a \$9,000 decrease from last year. Additionally, San Dimas share of Get About riders has decreased so the budget for that service is decreasing by \$3,500. Both of these services are funded from Proposition A funds.

Sheriff's Department Contract – We are anticipating receiving the amount of the proposed rate increase for the Sheriff's contract later this week. The current total contract amount is \$5.8 million. This current year \$212,000 of the contract comes from a State COPS grant. At this point the continuation of the COPS grant is not included in the proposed State budget.

Animal Control Services – This year the City is concluding the third year of a three year contract with Inland Valley Humane Society (IVHS) for animal control services. IVHS staff has stated that they will have new contract rate information available next week. They have indicated that they would be open to discussing a one year or multi-year contract extension. We are also reminded that the City has the option to increase license fees to offset the amount of general fund contribution towards the contract. This current year is also the last year of our three year contribution towards the IVHS capital improvement project.

Revenue Sources – Staff is identifying strategies to maximize revenue collections. Some of those include.

- Audits of revenue sources to assure we are receiving our legally obligated amounts. Including Transit Occupancy Tax and Franchise Taxes.
- Implement strategies and procedures to identify and collect business license fees from currently unlicensed businesses and decrease renewal delinquencies.
- Maximize investment earnings by continually looking to diversify our investments, keeping in mind our investment policy priorities of safety, liquidity and yield.
- Evaluate all fees to assure that they are kept current and achieving cost recovery where appropriate.



CITY OF SAN DIMAS Parks & Recreation Department

2011-12 Budget Study Session

February 22, 2011

General description of the Department's 2011-12 anticipated activity:

The Parks and Recreation Department staff will continue to efficiently utilize available resources in order to effectively deliver services in each of the department divisions, Landscape Maintenance, Facilities Maintenance and Recreation. The department will:

- Ensure proper care and maintenance of landscaping and trees in City parks, parkways and medians.
- Maintain safe, clean facilities for public use.
- Provide residents of all ages the opportunity to participate in a variety of recreation programs and activities.
- Develop well-designed public parks and facilities.

**** Projects requiring City Council comment/direction**

FACILITIES MAINTENANCE DIVISION

Facilities Maintenance Projects to be prioritized and completed:

- Continue to effectively evaluate and plan for the short and long term maintenance needs of City facilities.
- Senior Citizen/Community Center
 - evaluate HVAC system for replacement
 - replace carpet throughout
 - paint interior throughout
 - rehab restrooms
 - evaluate Multipurpose room flooring for replacement
 - replace acoustic tiles as necessary throughout
- Swim and Racquet Club
 - annual floor maintenance on racquetball courts
 - replace heater tube bundle on competition pool
 - replace HVAC unit in Aerobics Room
 - install roof access ladders to upper roof areas
 - purchase ADA accessible lifts
 - designate handicap parking and accessible route in conjunction with BUSD Performing Arts Center project.
- Ladera Serra Park Recreation Building:
 - repair/replace wood beam and roof cap
- SportsPlex Restroom:
 - replace snack bar door
- Marchant Park:

- replace restroom
- Martin House.
 - paint interior
 - replace carpet
 - ******consider Holiday lights
- City Hall; Swim & Racquet Club, Senior Citizen/Community Center
 - purchase Automated External Defibrillators
- All Facilities/Parks.
 - ******ADA Access Audit and Evaluation
 - wrap sink pipes
- Walker House
 - ******Holiday lights in trees
 - seal red brick exterior walls
- Downtown
 - ******purchase additional Holiday Decorations

LANDSCAPE MAINTENANCE DIVISION

Landscape Maintenance Projects to be prioritized and completed:

- Continue to utilize the Cal-Sense Irrigation Software program for control and monitoring of irrigation systems for more efficient water use
- Parks.
 - evaluate playground equipment replacement and fund one park
 - repair playground equipment as necessary
 - powder coat and repair trash enclosure doors
 - participate in Walnut Creek Open Space planning process
- Loma Vista Park:
 - resurface basketball court
- Horsethief Canyon Park:
 - repair/replace transformer at Equestrian Arena pad
- Marchant Park:
 - replace irrigation mainline
 - ******Park Assessment
 - ******Little League requests
 - Dugout expansion
 - Bullpen improvements
 - Facility Space – larger building
 - Enhanced infield maintenance
 - Field lights
- Via Verde Park:
 - repaint walking path
 - security light upgrades
- SportsPlex:
 - annual infield maintenance and improvements
 - retrofit access gate
 - automate storage room roll up door

- Parkways/Medians.
 - continue Park and Ride lot tree removals (year 3 of 3 year phasing)
 - continue liquidamber tree removals and reforestation
 - ****improve Foothill/Cataract median landscape (Mayer tract)**
 - hardscape improvements in Foothill Boulevard median needles
 - replace mainline water supply to Via Verde median in conjunction with Public Works street project
- Trails.
 - continue project work on Poison Oak Trail if not completed in 2010-11
- Continue annual projects.
 - tree replacement/planting program
 - park and median island landscape and hardscape improvements
 - park and median island irrigation upgrades
 - park sidewalk repair/replacement
 - park trash receptacles, barbecues, tables and bench replacement
 - Cal Sense irrigation upgrades
 - vinyl trail fence repair/replacement

RECREATION DIVISION

Recreation Projects to be prioritized and completed:

- Continue to provide quality recreation activities for participants of all ages, youth, teens, adults, and seniors, considering new and innovative programs in the following areas.
 - family recreation programs and activities
 - health and fitness programs
 - outdoor recreation activities
 - recreation activities for the Special Needs population
- Continue with staff training for the use and development of Active Net Software
- Continue to develop a comprehensive marketing and promotions plan for all Parks and Recreation Department facilities, programs and events.
- Continue to develop an enhanced training program for all Parks and Recreation Department personnel.
- Continue to develop a formalized volunteer program in an effort to increase recreation services through the assistance of trained volunteers.
- Continue to work collaboratively with Youth Organizations, Bonita Unified School District and other service providers to expand service opportunities where possible.
- Continue to provide an Activity Scholarship Program to provide financial assistance for participation on Recreation activities.
- Swim and Racquet Club
 - evaluate conversion of one racquetball court to a cardio exercise room
 - purchase fitness equipment
 - evaluate operational and programmatic changes

PARKS AND RECREATION COMMISSION PROJECT LIST

- Youth Center or Student Union addition

- Lighted Basketball Courts at SportsPlex or a Park
- Marchant Park
 - new restroom building
 - lighted baseball fields
- Horsethief Canyon Park Phase III development
 - 3rd dog area for rotational turf management
 - lights for dog park
 - overnight campground
- Splash Pad
- Bike Park/BMX Track

GOLF COURSE AND BANQUET FACILITY CAPITAL IMPROVEMENT FUND

- Parking lot repairs including driveways
- Cart path enhancements
- Refurbish Irrigation System
- Refurbish restrooms on the course
- Replace water line in banquet facility

VEHICLE AND EQUIPMENT REPLACEMENT

- Replace Recreation Van (1999)



CITY OF SAN DIMAS

Public Works Department

2011-2012 Budget Study Session
February 22, 2011

General Description of the Department's 2011-2012 Anticipated Activity:

The Public Works Department and its Engineering and Street Maintenance Divisions will effectively continue to manage its prime responsibilities of planning, designing, inspecting private street improvements and maintaining the public infrastructure within the right-of-way, including the maintenance of vehicles and equipment.

The Department will:

- Provide prompt, courteous and professional customer service for the community
- Safely, efficiently and effectively protect the City's physical investment of the right-of-ways through periodic maintenance, replacement and repairs of assets.
- Provide a safe, clean and pleasant environment for the public.

Due to the State budget issues, possible impacts to our City budget in the year 2011-2012, the Public Works Department will continue to steadily focus on a combination of projects that will be carried forward from this year, together with new major projects.

Department's Capital Improvement, Annual and Special Projects

Projects Carried to Fiscal Year 2011-2012

The project listed below will likely be carried over due to lack of timely progress, technical issues, delay or approval from other agencies.

- Eucla @ RR Crossing north of Bonita- Project pending adjacent development
- Puddingstone Drive/San Dimas Avenue- Storm Drain (design only)

Engineering Division Major Capital Improvement Projects

In addition to the above project, the projects Public Works would like to focus on are.

- Widening of Foothill Blvd Bridge at San Dimas Wash near Walnut Ave (design only)
- Lone Hill Ave/Arrow Highway Median and Signal Modifications
- Via Verde Reconstruction and Rehabilitation between Puente and Covina Hills Rd.- Possible cooperative project with County to extend improvements to near the 10 Freeway
- Lone Hill Ave Reconstruction and Rehabilitation between Overland Court and Cienega Ave (design only)
- Gladstone Street Rehabilitation between Amelia Avenue and Lon Hill Avenue (design only)

Special Projects

- City Sidewalks- continue with comprehensive evaluation and combined assessment of sidewalks
- Downtown Boardwalks- extraordinary maintenance needs, Long term vs short term
- Terrebonne Avenue Archway Sign rehabilitation

Major Annual Projects

- Town core Decorative Street Light installation (program doubled- two street blocks) 3rd Street - San Dimas to Walnut Ave
- Pavement Preservation for Zone F- Southwest portion of City north of Via Verde and Puente Street, and Streets west of Valley Center
- Continue Annual Hazardous Sidewalk Repairs including Guardrail Replacement Projects and Programs
- Alley north of 2nd Street (between Eucla and Acacia St)

Equipment Replacement/Modification

- Sweeper- Repairs or replacement necessary

Projects to Track for Future Consideration

- Comprehensive Forecast of Projects needed to maintain City's Street, Sewer, and Storm Drain Systems and funds to accomplish these projects
- Improve the efficiency and plan for future needs of Maintenance Yard
- Full Street Improvements on Baseline Road (Amelia Ave to San Dimas Canyon Rd)
- Downtown Municipal Parking Lots- set aside funds for major reconstruction and rehabilitation of 5 Parking Districts
- Replace downtown street light wood poles along Bonita Ave (San Dimas Ave to Walnut Ave)
- Reconstruction, Rehabilitation, and undergrounding of San Dimas Ave between Railroad crossing to Alley south of 2nd St
- Reconstruction and Rehabilitation of Gladstone Street between Lone Hill Ave and Amelia Avenue
- Reconstruction and Rehabilitation of Bonita Ave between Eucla and San Dimas Canyon Road
- Reconstruction and Rehabilitation of Lone Hill Ave between Overland Court and Covina Blvd.
- Reconstruction and Rehabilitation of Cienega Ave between Arrow Highway and Lone Hill Ave
- Intersection and Alignment improvements of Cataract Ave and Bonita Ave

kp/02-11-16

cc: Blaine Michaelis, City Manager

COMMUNITY DEVELOPMENT DEPARTMENT

FY 2011-12 BUDGET STUDY SESSION

The Community Development Department oversees Development Services, Building & Safety and Public Works facilitating interdepartmental coordination. The primary focus is long range planning projects, redevelopment and regional planning. In the upcoming year the focus is expected to be on the following:

- Reviews of various housing standards per established Housing Element goals including mixed use and high density zones, senior housing standards and inclusionary standards
- Completion of residential rezoning(s) committed to in Housing Element
- Increase in use of 20% set aside for rehab loans and grants to achieve Housing Element goals (70 per year)
- Progress on Villas at San Dimas & Voorhees Village as substantial rehabilitation projects
- Implementation of Façade Program
- Review of opportunities using Johnstone Block seismic study
- Monitor progress on Gold Line Station/EIR/EIS
- Monitor SCAG's SCS and RHNA and Metro's Congestion Mitigation Fee to balance their potential effects on San Dimas
- Participate in energy conservation program through SGVCOG
- Participate in Master Plan development for Walnut Creek Nature Preserve
- Continuing progress on other highest priority projects on List including entry signs/wagon, storage containers, zoning code updates and possibly signs (after evaluating outcomes of forum)
- Completion of Downtown Specific Plan
- Working with new developer on the incomplete portions of Grove Station
- Working with San Dimas Station on enhancement opportunities

**DEVELOPMENT SERVICES DEPARTMENT
PRELIMINARY FOCUS FOR FY 2011-12 BUDGET**

General Description of the Department's 2011-12 anticipated activity:

The Development Services Department staff will continue to efficiently utilize available resources to effectively deliver services in each of the department divisions: Planning, Building & Safety, and Code Enforcement.

Major Projects

- Grove Station / Loma Bonita Residences – Both residential projects have been on hold due to the weak economy; however, potential developers may be interested in buying projects. New developers may want to redesign projects. Staff will continue to work with potential developers.
- General Plan Update – Comprehensive update of all elements and EIR.
- Housing Programs - There are 24 housing programs identified in the 2008 Housing Element (see Table V-3). Implementation of the following programs are the responsibility of Development Services Department:
 - 1 Housing Code Enforcement and Abatement to bring all housing into code compliance. Objective conduct 50 inspections annually
 2. Residential and Mixed-Use Sites Inventory to meet RHNA, including educational program to inform developers of incentives for affordable housing.
 - 3 Mixed-Use and Higher Density Residential Zones – adopt both a mixed-use and higher density residential zoning ordinance, rezoning sites at 30 dwelling units per acre to meet RHNA, and review Noise Ordinance for possible amendments.
 - 4 Inclusionary Housing Ordinance – evaluate economic impacts of implementing a 20% inclusionary requirement for multiple-family residential development within RDA project areas.
 - 5 Senior housing - Municipal Code Text Amendment to update development standards if necessary
- Code Enforcement Program – Staff will continue to pro-actively enforce ordinances. We will be using nuisance abatement hearing officer process on more code enforcement cases as a cheaper alternative to prosecution. It is expected that this will reduce City Prosecutor costs, but result in small allocation for hearing officer

Special Projects

- The following first priority projects and tasks will be addressed:
 - 1 Signs – community forum
 2. SF-DR setbacks
 3. Status of M&E property
 - 4 SFA rezoning / equestrian standards
 - 5 Storage container policy