



**AGENDA**  
**SPECIAL CITY COUNCIL MEETING**  
**TUESDAY, FEBRUARY 25, 2014, 5:00 P. M.**  
**SAN DIMAS COUNCIL CONFERENCE ROOM**  
**245 E. BONITA AVE.**

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**CITY COUNCIL:**

Mayor Curtis W. Morris  
Mayor Pro Tem Denis Bertone  
Councilmember Emmett Badar  
Councilmember John Ebner  
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 2013-14 budget review and Preliminary Report on 2014-15 City of San Dimas Budget.

**4. ADJOURNMENT**

The next meeting is on Tuesday, February 25, 2013, 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>.

**POSTING STATEMENT:** ON FEBRUARY 21, 2014, A TRUE AND CORRECT COPY OF THIS AGENDA WAS POSTED ON THE BULLETIN BOARDS AT 245 EAST BONITA AVENUE (SAN DIMAS 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 the City Council  
*For the meeting of February 25, 2014 Study Session*

**From:** Blaine Michaelis, City Manager

**Initiated By:** Ken Duran, Assistant City Manager

**Subject:** Mid-Year Budget Update and FY 14-15 Budget Preparation

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The objective of the Study Session is three-fold. To provide a mid-year FY 13-14 financial update, outline staff's objectives and ideas for the preparation of the FY 14-15 budget and obtain City Council's thoughts and ideas for the FY 14-15 budget.

## **MID-YEAR FY 2013-14 BUDGET REVIEW**

### **OVERVIEW**

In June 2013 the City Council adopted the FY 2013 – 14 budget. The adopted General Fund budget was balanced with anticipated revenues of \$18,996,000 and expenditures of \$17,824,735. Total expenditures for all Funds were budgeted at \$32,364,115.

In October the City's auditors had finalized the year end audit for FY 2012-13 and the City Council received a report on yearend revenues and expenditures and ending fund balance. The audited year end General Fund fund balance was \$14,959,598 which represents 78% of FY 12-13.

As has become practice, staff and the City Council take the opportunity this time in the fiscal year to review the revenues and expenditures of the current fiscal year. We also take this opportunity to review the status of budgeted capital improvement projects. We have completed 7 months of the fiscal year so the following analysis is based revenues and expenditures to date.

### **REVENUE**

#### **General Fund**

Property Tax - Property tax revenue was budgeted at \$2.382 million, just about the same as FY 12-13. Based upon remittance to date and in consultation with our property tax consult we estimate that we will be very close to our budget for this fiscal year. In addition, with the dissolution of the Redevelopment Agency the City began to receive residual property tax

distributions. This year that amount is budgeted at \$260,000 and we anticipate that we will be close to budget.

Sales Tax - Sales Tax projections were budgeted at \$5.543 million. This budgeted amount is down from last year due to anomalies in the triple flip calculation and the residual loss in tax from the significant tax generator who relocated last year. In general, the overall sales tax generated by all business in the City has increased. We anticipate the actual sales tax collected for the year to be right at about budget.

Franchise Taxes – Collectively franchise taxes were budgeted at \$2.116 million. All utility franchises are tracking to meet budget.

Transient Occupancy Tax – (TOT) – TOT was budgeted at \$1,070,000. This anticipated the increase in the TOT from 8% to 12% effective July 1, 2013. Not being sure of the impact of the increase the budget did not anticipate any growth in occupancy. Remittance to date reflects an increase in occupancy for each of the 6 hotels/campgrounds, which should result in an overall increase in revenues collected over budget.

Business License – Budget for business license was \$413,000. Revenue is expected to be approximately \$426,000 a 3% increase.

Document Stamp Tax – The document stamp tax is a fee collected by the County on property transactions. In prior years the amount had decreased due to the fewer number of property sales. The amount of property sales have increased in the past year so the amount of revenue is increasing. The budgeted amount was \$120,000 with the revised estimate of \$145,000.

Building Permits and Plan Check Fees – With the building industry still very unpredictable we budgeted very conservatively. The budget amount was \$413,200, even though the actual amount collected for the last fiscal year was \$940,884. However, year to date we have already collected \$713,254. Obviously, this amount will continue to increase for the remainder of the fiscal year and we will be well above budget.

Vehicle License Fees – The projected budget for Vehicle License Fees is \$2.931 million, approximately the same as last year. We anticipate collections to be about \$3.027, an approximate \$96,000 increase.

Planning Fees – Like building fees, planning fees which include DPRB, zoning, subdivision and environmental review fees, were budgeted conservatively at \$46,500 even though last year's actual was \$96,371. However, year to date we already collected \$30,283 and it is anticipated we will exceed budget.

Recreation and Swim & Racquet Club Fees – Recreation revenue was budgeted at \$514,000 and Swim and Racquet Club revenue at 257,890. Recreation fees are estimated to be right at about budget with some program revenue tracking slightly above and some slightly below budget. The SRC revenue is estimated to be slightly above budget with swim lesson and monthly memberships up.

Parking Permits / Local Violation and Vehicle Fines – Overnight parking fines, budgeted at \$248,000, are projected to be at budget. Local violations and vehicle code violation have both been down dramatically over the past few years. The budget reflected these reductions. Local

violations were budgeted at \$120,000 and are estimated to be about \$130,000. Vehicle violations were budgeted at \$68,000 and estimated to be about budget.

Administrative Cost Reimbursements – With the dissolution of the Redevelopment Agency the amount of administrative cost reimbursement to the General Fund is capped at \$250,000 including reimbursement for Successor Agency staff costs. The amount budgeted for staff reimbursement was \$145,000. It is anticipated the amount will be \$167,000.

## **Restricted Funds**

Gas Tax (02) – The Gas Tax is an excise tax on various transportation fuels. In 2010 as one of the State budget fixes, the State imposed, one of their tax swaps or triple flips, to take away gas tax and backfill the amount. The backfill is based upon formulas and estimates. The result being that there may be times when estimates may be off. This year is one of those times. Based upon estimates from the State we budgeted \$1.080 million. We have recently been informed that the revised estimate is \$1.046 million a reduction of \$33,360. What's worse is that next year's estimate is another \$113,000 less than this year. Even with this reduction, there is still enough in the Gas Tax fund to fund the project in this year's budget.

Sewer Fund (06) – Budgeted revenue of \$52,829. Year to date revenues are \$70,168, primarily due to a significant increase in sewer connection fees.

City Wide Lighting District (07) – Budgeted property tax revenue of \$968,000 is estimated to be met. In addition, the Lighting District is the recipient of residual tax increment revenue from the dissolved Redevelopment Agency. The District/Fund is estimated to receive \$128,000 this year.

Landscape Parcel Tax (08) – Budgeted assessment revenue was \$777,000, actual collections are estimated at \$792,000.

Infrastructure Fund (12) – The General Fund budget did not include a transfer of any additional funds to the Infrastructure Fund. However, in October 2013 with the review of the FY 12-13 audit, the City Council authorized the transfer of \$856,305 from the General Fund to Fund 12. The transferred funds are above and beyond the funds necessary to fund the approved capital projects for FY 13-14.

Park Development - Community-Wide (20) – An unbudgeted amount of \$85,662 in development fees from the Olson and Avalon Bay projects has been received this year.

Open Space District #2 (East) (22) – An unbudgeted amount of \$122,822 in Quimby Fees from the Olson project was received.

Golf Course (53) – Golf Course lease revenues are on pace to meet or slightly exceed the budget of \$485,000.

COPS Grant (41) – The City received \$100,000 from the State COPS Grant.

Equipment Replacement Fund (70) – The General Fund budget did not include a transfer of any additional funds to the Equipment Replacement Fund. However, in October 2013 with the review of the FY 12-13 audit, the City Council authorized the transfer of \$200,000 from the

General Fund to Fund 70. This transfer increased the funds available to \$612,000 with budgeted expenditures of \$246,815.

Prop A, Prop C and Measure R (72, 73, 74) – Revenue for all of these Funds, which comes from County-wide sales tax, are estimated be right at budget.

## **EXPENDITURES**

Collectively General Fund operating expenses appear to be on track to remain within budget. There are some specific line items expenses that may be slightly above budget but there are others that will be below budget. There are only a few additional items of note as follows:

- Employee Cost of Living Increase – In November, after the results of the annual financial audit were available the City Council elected to approve an across the board 2.5% cost of living adjustment for all employees effective November 10, 2013. The fiscal impact for the remainder of FY 13-14 is approximately \$106,000.
- In July 2013 the City Council approved a budget adjustment for the reorganization of the staffing levels for the Finance Division as the result of a staff retirement. The net budget impact was a slight cost savings this fiscal year.
- In the first six months of this fiscal year there has been the turn-over of two full time maintenance positions resulting in a cost savings due to the interim vacancies.
- In October 2013 the City Council took action based upon the results of the FY 12-13 year-end audit to transfer from the General Fund \$856,305 to the Infrastructure Fund and \$200,000 to the Equipment Fund.
- It is anticipated that the expenditures for water will increase by approximately 8% or over \$50,000 reflected over several Funds due to the unusually dry and warm winter weather.

## **FY 13 – 14 CAPTAL PROJECT UPDATE**

The attached spreadsheets provide a status update of capital project funded in FY 13 -14.

## **FY 2014 – 15 BUDGET PREPARATION**

The following is an outline of the general strategy staff proposes to take in approaching the preparation of this year's budget.

### Overall Goals for FY 14-15 Budget

- Given the state of a still rebounding economy and the still uncertainties of the full impacts of the Redevelopment Agency dissolution, we plan to prepare a balanced General Fund budget utilizing conservative revenue projections and “live within our means” expenditures.

- Continue to rebuild capital improvement and equipment Funds

#### Approaches in Building the Budget

- Assume minimal growth in on-going revenue sources
- Continue to develop strategies to rebuild capital improvement and equipment funds ( i.e. – Funds 12, 20 and 70)
- Fit capital projects within available staffing/funds
- Continue to evaluate ways to complete non-capital projects
  - Contract assistance
  - Project reassignment
  - Eliminate projects
- Continue to explore long term fiscal stabilization opportunities
  - Contract opportunities
  - Use of Housing funds

Department Directors will provide an oral presentation on some of their preliminary ideas for their respective Department budgets.

In addition staff is seeking direction from the City Council regarding things to include in the budget review process. Staff will then include an analysis of these items and include them in the budget decision making process.

## Parks & Recreation Budget Project Possibilities 2014-15

Meyer Tract Median Landscape

Marchant Park

- New Restrooms
- Park Assessment
- Playground Equipment Replacement
- Recreation Building - replace flooring; replace metal doors

Horesthief Canyon Park

- New Road and Trail Access form Foothill - with development
- Paint Arena fence

Walnut Creek Open Space

- CEQA
- Phase 1 development

Walker House

- Paint complete exterior
- Replace carpet tin restroom hallway

Martin House

- Repair soft areas in porch

Swim & Racquet Club

- Replace carpet throughout
- Replace linoleum in locker rooms
- Replace comp pool covers and reel
- Pool plaster and gutter repairs
- Evaluate entry gate to eliminate turnstyle
- Replace all shower mats
- Replace metal spa door
- Exterior paint and beam repair
- Rehab walking path around exterior

Senior Citizen/Community Center

- Exterior paint

Lone Hill Park

- Paint restroom/snack bar interior and exterior; re-apply anti-graffiti
- Concrete walkways to softball field dugouts

Via Verde Park

- Paint walking path
- Analyze playground equipment installation

Ladera Serra Park

- Rehab basketball court and area adjacent

Medians

- Via Verde Ave - re-design for drought tolerant (PW road work 2015-16)
- City-wide - turf reduction - tree wells, mulch, DG, rocks

Parks

- City-wide - replace bbq grills, install tree wells for turf reduction
- Security Light assessments

Parkways

- San Dimas Rd planting (replace Oleanders)

ADA - Assessment and Compliance Plan

**PW-Infrastructure Maintenance & Capital Improvement Projects FY2013-2014 Schedule - Updated February 20, 2014**

As of 2/21/2014

Project		Amount	NIB Public.	Bid Date	Start Construction	Complete Construction	COMMENTS
<b>CIP CONSTRUCTION PROJECTS</b>							
1	Alley N/O 2nd/Acacia/Cataract Design - RKA	\$ 175,000			completed		Final alley paving finish substandard; contractor proposing remedial for compliance to specifications.
2	Chip Seal Design - In House	\$ 189,000			completed		Phase 2 pilot program to test its use on San Dimas Canyon Road - Foothill to Ramola Ave. (Approximately \$64,000 from Cal Recycle for using rubberized binder. Chip seal overlaid with slurry.
3	Rennell Storm Drain Porject (IH)	\$ 140,000			completed		Awaiting County to finalize both City and developer installed MTD storm drain for transfer to County.
4	County Library Walkway - Design - In House (cooperative project)	\$ 10,000			completed		County share approx. \$45,000. Awaiting final County approvals of additional work.
5	Downtown Decorative Lighting (IH) 3rd & 4th Streets from Eucla to west end	\$ 120,000	Mar 2014	Apr 2014	May 2014	Jun 2014	Awaiting Edison to complete electrical design
6	Lone Hill Rehab Arrow/Cienega Design - DJP/Architeira Lone Hill - Arrow Hwy Light Median Modification Design - RKA	\$ 1,555,000.00	Mar 2014	Apr 2014	May 2014	Dec 2014	FDR project-Phase 1 mid-June plan is to close Lone Hill Ave to thru traffic up to 15 days in each direction after schools are in summer recess; advance detour Cienega to Valley Ctr to Arrow Hwy to Lone Hill; Phase 2 in mid-September Arrow/Lone Hill signal and widening. Recontacted impacted business owners, obtained new permit to enter property from Jack-in-the-Box. Waiting for both Big 5 and Arco to sign off. Relocate/remove street light.
6A	Gladstone - San Dimas Avenue to Monte Vista	\$ 80,000.00	Apr 2014	May 2014	Jun 2014	Dec 2014	Include the rehabilitation of the street with the above larger project
7	Pavement Preservation Design - In House	\$ 650,000	n/a	n/a	Oct 2013 May 2014	Nov 2013 Jun 2014	Phase 1 completed in October, all streets Zone E crack filled Phase 2 May 2014- all streets south of Badillo and w/o 57 Fwy
8	San Dimas High School Design - Rachlin Architects	\$ 100,000	n/a	n/a	Jun 2014	Aug 2014	Coordinating design ADA/parking/circulation for both Swim & Racket Club and Performaing Arts with school district and architect
<b>Grand Total</b>		\$ 2,655,000.00					
<b>DESIGN PROJECTS/MISCELLANEOUS (DESIGN ONLY)</b>							
9	Foothill Blvd @ SD Wash R.O.W. /Acquisition Services by County	\$ 95,000	n/a		Mar 2013	Feb 2014	ROW Acquisition Services delayed instead of Oct. 13, completed in Feb. 14. Filed with Caltrans for ROW certifications (45 to 60 days process) upon approvals, file for E76 construction (60 to 90 day process) funding. Anticipate construction to start July/August 14 approx. 6 months behind initial programmed schedule.
10	Foothill Blvd @ SD Wash RFP for Project Management Services	\$ 300,000	Mar 2014	Apr 2014	May 2014	complete	Prepare RFP for Project managemnet services to include construction management, soil and material testing and construction survey
11	Alley Design N/O 2nd/Cataract/Monte Vista Design - RKA	\$ 35,000		Feb 2014	Mar 2014	Jun 2014	Schedule survey
12	Sewer Master Plan Study Design - RKA	\$ 80,000					on going analysis and review of study
<b>Grand Total</b>		\$ 510,000					

Project	Amount	NIB Public.	Bid Date	Start Construction	Complete Construction	COMMENTS
<b>DESIGN PROJECTS/MISCELLANEOUS</b>						
13 Cienega Ave Design (Super Project) Design - DMS	\$ 75,000.00	n/a	Jul 2013	Aug 2013	May 2014	Complete 60% design completion; start coordinating of any utility upgrades or relocation work as necessary
14 San Dimas Ave to 57fwy /Via Verde to 57fwy Design - RKA (Super Project)	\$ 85,000.00	n/a	Jul 2013	Aug 2013	May 2014	Complete 60% design completion; start coordinating of any utility upgrades or relocation work as necessary
15 Via Verde - Puente to Covina Hills Road Design - DMS (Super Project)		n/a	n/a	n/a	May 2014	Possible cooperative project with County to extend repairs from Covina Hills to the Mall for FY15-16
16 Rhoades Park Drainage Design	\$ 18,000.00	n/a		Feb 2013	Apr 2014	Conduct soil percolation test; upon outcome of test select design option and consultant
17 South Cliff Drainage Channel	\$ 30,000.00			"on hold"		Project on hold - HOA not willing to grant access easement for construction and maintenance
18 Via Vaquero Pump & Sewer Study	\$ 20,000.00			"on hold"		Project on hold - pending resolution with County Consolidated Sewer Maintenance District regarding maintenance responsibilities.
<b>Grand Total</b>	<b>\$ 228,000.00</b>					
<b>MS4 - NPDES PERMIT</b>						
	<b>Amount</b>			<b>Start</b>	<b>Complete</b>	<b>Comments</b>
<b>MS4 / NPDES Permit Implementation</b>		On going as of December 28, 2012				<ul style="list-style-type: none"> <li>Implement new Planning &amp; Land Development requirements (finalize checklist)</li> <li>Respond to, track, and follow up with Illicit Connections and Illegal Discharges (IC/ID)</li> <li>Respond to, track, and follow up with construction site BMP violations</li> </ul>
<b>Annual NPDES Report</b>				12/15/13	12/15/13	<ul style="list-style-type: none"> <li>Collect corresponding data</li> <li>Submit directly to the Regional Board via email no later than December 15 2013</li> </ul>
<b>Watershed Management Plan - MWH</b>	\$ 131,229.36			Aug 2013	Dec 2014	<ul style="list-style-type: none"> <li>Coordinate with Claremont, La Verne, Pomona to finalize draft WMP</li> <li><b>Extensive BMP, Monitoring, and Watershed data collection for MWH submitted</b></li> <li>Coordinated Integrated Monitoring Plan (CIMP) - <b>Due December 2013</b></li> </ul>
<b>LID Ordinance</b>		Begin Process in February 2014 Commence in June 2014		Feb 2014	Jun 2014	<ul style="list-style-type: none"> <li>Council 1st reading <b>April 2014</b></li> <li>Adopt and submit final copy to RB by <b>June 28, 2014</b></li> </ul>
<b>Green Streets Policy</b>		Begin Process in February 2014 Commence in June 2014		Feb 2014	Jun 2014	<ul style="list-style-type: none"> <li>Meet with Planning to finalize draft</li> <li>Council adopt by resolution - <b>April 2014</b></li> <li>Submit final copy to RB - <b>June 28, 2014</b></li> </ul>
<b>Catch Basin Categorization</b>		Change in frequency to be included in new service order request (SOR) - June 2014				<ul style="list-style-type: none"> <li>Identify areas of high, medium, and low traffic volumes</li> <li>Re-classify catch basins based on traffic classification as Priority A, B, or C</li> </ul>
<b>Grand Total</b>	<b>\$ 131,229.36</b>					