



CITY OF CARSON

Legislation Text

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Report to Mayor and City Council

Tuesday, May 04, 2021

Discussion

SUBJECT:

FISCAL YEAR 2021-2022 BUDGET WORKSHOP NO. 2 (CITY COUNCIL)

I. SUMMARY

This is the second of three planned Budget Workshops being presented to the City Council before its considering adoption of the Fiscal Year 2021-2022 budget in June 2021. The first Budget Workshop took place on March 16, 2021 where staff presented detailed information on the City General funds revenues including forecast and 5 year forecast. This report includes updated information regarding the General Fund Reserve, projections for the Fiscal Year 2021-2022 General Fund personnel expenditures, departments' operating expenditures and a preliminary estimate of the Los Angeles County Sheriff contract. The third and final budget workshop will include Capital Improvement Projects, Special revenue Funds and Special Events fund.

The American Rescue Plan Act (ARPA) of 2021 was passed by both houses of the U.S. Congress and signed into law by President Biden March 11, 2021. The bill was intended to mitigate many of the worst financial effects of the COVID-19 pandemic and includes \$1.9 trillion in stimulus measures with a preliminary estimate indicating that the City of Carson will be receiving about \$20 million. Staff will return at later date to propose to the City Council a framework for the use of the ARPA funds.

Below are the General Fund revenue line items discussed in detail at the first Budget Workshop, including actual and forecast.

Revenues	FY 2021-22	FY 2022-23	FY 2023-24
Sales Tax	\$27,355,883	\$30,049,000	\$31,551,450
Property Tax	\$16,972,574	\$17,295,053	\$17,640,954
Transient Occupancy Tax (TOT)	\$1,935,000	\$1,958,384	\$1,997,385
Utility Users Tax (UUT)	\$7,450,000	\$7,450,000	SUNSET
Transaction and Use Tax (Measure K)	\$13,900,000	\$14,348,136	\$14,706,839
Oil Industry Business Tax (Measure C)	\$4,700,000	\$4,700,000	\$4,700,000

License and Permits	\$2,900,000	\$2,900,000	\$2,900,000
Franchise Tax	\$9,500,000	\$9,500,000	\$9,500,000
Fines and Forfeitures	\$2,400,000	\$2,400,000	\$2,400,000
Charges for Services	\$5,800,000	\$5,800,000	\$5,800,000
Total	\$92,913,457	\$96,400,573	\$91,196,628

As was stated at the City Council's Workshop on Mission, Vision and Priorities held on February 4, 2021, the City is positioned to achieve a structurally balanced budget for Fiscal Year 2021-2022. This will be the first time since Fiscal Year 2012-2013 that the City's recurring expenditures do not exceed recurring revenues.

The nine City Council priorities identified at the Workshop on Mission, Vision and Priorities will serve as the foundation for financial planning in formulating the Fiscal Year 2021-2022 budget. Departments proposed expenditures will be prioritized in alignment with the newly defined City Council priorities highlighted below:

- 1) Quality of life improvements (infrastructure, maintenance, beautification)
- 2) Economic development
- 3) Governance policies and procedures pertaining to districts
- 4) Housing
- 5) Increase public safety
- 6) Make progress on development that provides community benefits in the long term
- 7) Maintain quality City programs and services
- 8) Advocacy for funds from county, state and federal government
- 9) Increased outreach and information to the community

Of these nine priorities, the City Council concluded that Economic Development, Increased Public Safety, Maintaining Quality City Programs and Services and Quality of Life Improvements are its top four priorities.

II. RECOMMENDATION

PROVIDE direction to staff on any expenditure line item that will be used to build the draft budget.

III. ALTERNATIVES

TAKE another action deemed appropriate by City Council.

IV. BACKGROUND

On March 16, 2021, the City Council conducted its first Budget Workshop for Fiscal Year 2021-2022 that included a detailed analysis of the City's major General Fund revenues:

- Sales Tax

- Property Tax
- Transaction and Use Tax (Measure K)
- Utility Users Tax
- Transient Occupancy Tax

Tonight is the second of three planned Budget Workshops prior to the public hearing to consider adoption of the Fiscal year 2021-2022 budget, currently scheduled for June 15, 2021. This Workshop will focus on updated information regarding the General Fund Reserve, projections for the Fiscal Year 2021-2022 General Fund personnel expenditures, departments' operating expenditures and a preliminary estimate of the Los Angeles County Sheriff contract.

General Fund Reserve

The City's independent financial statement auditor, CliftonLarsonAllen LLP, has completed the audit for Fiscal Year 2019-2020. The auditor found the financial statements to be presented fairly, in all material respects, including the financial position and activities of the City and its component units. The Comprehensive Annual Financial Report is available on the City's website and may be viewed in City Hall at the City Clerk's Office.

The General Fund is the primary operating fund of the City. The following is 3-year summary of actual numbers.

	FY 17-18*	FY 18-19*	FY 19-20*
Beginning Fund Balance	\$18,963,002	\$35,219,969	\$47,587,999
Revenues	\$94,502,017	\$95,627,840	\$91,543,590
Expenditures	\$78,245,050	\$83,259,810	\$93,947,193
Ending Fund Balance (Reserve)	\$35,219,969	\$47,587,999	\$45,184,396

** Audited financial reports*

Fund Balance is the City's "reserve." It provides a measure of the City's ability to mitigate future risks associated with providing important services in times of economic uncertainties. To provide funding for emergencies, the City Council has adopted a policy that requires maintaining a "minimum reserve" for economic activity equal to 20% of expenditures of the current year General Fund exclusive of Restricted and Assigned fund balance. Exhibit No. 1 depicts Fund Balance for four previous fiscal years with forecasts for the current and upcoming fiscal years (six years in total). The City has maintained a healthy Fund Balance ("reserve") and it is anticipated that the upcoming fiscal year will continue to follow this trend.

Revenue Expectations

On March 16, 2021, the City Council received a detailed analysis and forecast of the City's General Fund revenue. The following is a summary forecast of the General Fund revenues.

Revenues	FY 2021-22	FY 2022-23	FY 2023-24
Sales Tax	\$27,355,883	\$30,049,000	\$31,551,450
Property Tax	\$16,972,574	\$17,295,053	\$17,640,954
Transient Occupancy Tax (TOT)	\$1,935,000	\$1,958,384	\$1,997,385
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Franchise Tax	\$9,500,000	\$9,500,000	\$9,500,000
Fines and Forfeitures	\$2,400,000	\$2,400,000	\$2,400,000
Charges for Services	\$5,800,000	\$5,800,000	\$5,800,000
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Federal and State Resources

On March 10, 2020, the U.S. House of Representatives voted to pass the American Rescue Plan, which includes \$65 billion in direct and flexible relief for every city in the United States. City allocations are to be divided according to the Community Development Block Grant (CDBG) formula. The CDBG formula is based upon population, poverty, and the age and density of housing, as it was designed for grants administered by the U.S. Department of Housing and Human Services (HUD) to promote affordable housing and expand economic opportunities for low-income household. Preliminary estimates indicate that the City of Carson will be receiving about \$20 million. Funds must be provided directly from the Treasury within 60 days of City submitting a Certification of Need. This will be extremely flexible funding in terms of use and funds may be used for:

- Costs associated with responding to the COVID-19 public health emergency or its negative economic impacts, including but not limited to, assistance to households, small businesses, and nonprofits or aid to impacted industries such as tourism, travel, and hospitality
- To support workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers or by providing grants to eligible employers that have eligible workers who perform essential work
- To cover revenue losses caused by the COVID-19 public health emergency
- To make necessary investments in HVAC, water, sewer, or broadband infrastructure

The Federal emergency declaration enabled the Federal Emergency Management Agency

(FEMA) to reimburse for eligible activities related to the activation of the Emergency Operation Center (EOC). In the past, expenses under the FEMA Public Assistance Program were reimbursed at 75%. Recent Executive Orders by the new administration indicate that the Public Assistance Program for Category B (Emergency Protective Measures) is 100% reimbursable for eligible expenses through September 30, 2021. This includes personal protective equipment and measures taken by safety personnel in direct response to saving lives due to COVID-19. Also, possibly eligible are supplies, services and equipment used by other City staff performing emergency protective measures. Staff will continue to track and submit eligible expenses through the first quarter of 2021-2022 and continue to monitor the progress of any pending legislation or grant opportunities and maximize any possible funding resources that become available.

Structurally Balanced Budget

For the first time in about a decade, it will be possible for the proposed Fiscal Year 2021-2022 budget to be adopted as a structurally balanced budget where projected ongoing revenues are expected to balance the proposed operating expenditures. For that to occur into the future, we will need to continue to manage ongoing expenditures with an eye toward potential downward fluctuations in long term revenue. For example, we need to be mindful that our Utility Users Tax sunsets in 2023 and resist the desire to make assumptions about its continuation past that date, without knowing if it will win voter approval. A summary of the Utility Users tax revenue actuals and projection is as follows.

FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024*
\$7,458,906	\$7,450,000	\$7,450,000	\$7,450,000	SUNSETS

*The tax is currently scheduled to sunset June 30, 2023

Employee Compensation Expectations for Fiscal Year 2021-2022

Employee compensation is approximately 43% of the General Fund. Employee compensation includes wages and benefits. The primary benefit costs are health insurance (City contribution capped), employee pension, and retiree health insurance. Employee pension and retiree health insurance expectations are included in the following preliminary Fiscal Year 2021-2022 forecast.

Department	FY 21-22 Total Personnel Budget
City Clerk	\$782,443
City Council	\$962,481
City Manager	\$5,410,823
City Treasurer	\$649,172
Community Development	\$1,900,955
Community Services	\$11,495,243
Finance	\$3,859,526
Human Resources	\$1,620,126
Public Works	\$12,577,983
Grand Total	\$39,258,753

Exhibit No. 2 shows the City's vacancy report and the following table summarizes the City adopted 309 FTEs and also includes the proposed addition of 3.0 FTEs with a projected \$203,987 General Fund budget increase:

- 2.0 FTEs in the Information Technology division
- 1.0 FTE in Human Resources department

Department Name	FY 2020-2021 Approved FTEs	FY 2021- 2022 Proposed FTEs	FTE Increase
Public Works	128	128	
Community Services	64	64	
Community Development	20	20	
Human Resources	11	12	1
Public Safety	25	25	
Finance	32	32	
City Manager's Office	6	6	
Information Technology	8	10	2
City Clerk's Office	4	4	
City Treasurer's Office	4	4	
City Council's Office	4	4	
Public Information Office	3	3	
TOTAL	309	312	3

Information Technology Division (2.0 FTE add; budget neutral):

Staff is proposing the addition of the following 2.0 FTEs in the Information Technology Division: 1.0 FTE "Audio Visual Assistant" and 1.0 FTE "Information Technology Support Technician". The total cost of the two positions is estimated at \$148,000, which will be fully offset by:

- The elimination of 5 part-time positions resulting in budget reduction of \$77,000, and
- The elimination of \$71,000 from the professional services budget account. This decrease will not result in any reductions of services.

The total budget reduction is \$148,000, which is equal to the additional 2.0 FTEs, making this proposal budget neutral with no fiscal impact to the General Fund. Staff is proposing to fill these 2.0 FTEs positions for the following reasons:

- IT has a Systems Coordinator role as the most entry level role in the division. Front-line entry level needs have been filled by part-time interns who have been

trained to provide routine customer and vendor support. Due to the critical need of broadcasting Council Meetings, creating City tailored videos and the increased need for front line computer support, staff is recommending creating 2.0 entry level full-time positions - Audio Visual Assistant and IT Support Tech. These entry level roles will respond to the high number of incoming IT support requests and administer the audio/video equipment during City Council meetings. These entry level IT support roles will also provide back-up resources when needed.

- As a result of Part-Time IT Interns reaching the maximum work hours of 960 in the fiscal year, work hours decrease to less than 10% in April of each fiscal year. Interruptions in staff support impact the audio/video broadcasting for City meetings, the creation of city videos and computer service delivery.
- Specific knowledge, skill set, and experience are required to manage the City Council Chamber AV equipment, the creation of city videos and technical support of the City's computing environment. Part-time intern staff are limited in knowledge and experience in these required areas and have an average retention of 2 years. Two entry level full-time staff with the required knowledge and experience would provide the additional support for the increased IT needs.

Human Resources Department (1.0 FTE add; \$203,987 budget appropriation):

Staff is proposing the addition of the following 1.0 FTE "Risk Manager" in the Human Resources/Risk Management Department. The total cost of the position is estimated at \$203,987.

The former employee in the Senior Risk Management Analyst role retired in 2018. Thereafter, the City utilized the services of an external consultant while conducting the search. The incumbent Senior Risk Management Analyst is the only staff assigned 100% to risk management. Currently, the Human Resources & Risk Management Department does not have any staff at the Manager level. The Department previously had five (5) staff in Risk Management to properly address the City's risk needs. The last staff retired in 2018 and the others transitioned to other departments/divisions and/or left. None of the positions were backfilled after being vacated.

The Risk Manager role will provide critical functions in the Human Resources & Risk Management Department, including implementation of key City-wide programs such as safety, return-to-work, workers compensation, liability and first-party property claims, City's insurance policies and vendor insurance at a management level. This Manager would be the City's point person for health and safety compliance including interactions with external agencies such as the LA County Department of Public Health (LADPH), emergency/pandemic response protocols and CAL/OSHA regulations. In conjunction with the Director of HR & Risk Management, the incumbent Sr. Risk Analyst led the City's response during the COVID-19 outbreak at City Hall including environmental health inspections, implementing Health Officer Orders and interviews with the County Health staff. A Manager is the appropriate level to manage the City-wide response to emergency concerns. The Manager will coordinate the Americans with Disabilities Act (ADA), including reasonable accommodation/interactive meetings with employees and/or applicants; and

investigate/process ADA complaints regarding City facilities. The role will manage division staff and external vendors for specialized needs - worker's compensation law firm, brokers, actuarial and claims consultants, and third-party administrative services. The role interacts with residents, other departments, the Executive team, City Attorney and Risk Managers in neighboring cities. The role represents the City in mediations, settlement conferences and risk management organizations/forums.

Short and Long-Term Measurable Goals include the following:

- Significant reduction in Worker's Compensation legacy claims - success on settling and closing as our litigated claims inventory has been reduced from 50+ cases in 2018 to 28 cases currently.
- Reduction in Property/General Liability legacy claims - success on settling and closing as our open claims inventory has been reduced from 40+ cases to 16 cases currently.
- Proper management, oversight and accountability of our 3rd party vendors and consultants.
- Contract management: consistent review of City-wide contracts for indemnity/insurance requirements to ensure compliance.
- Safety: administer City's Injury/Illness Prevention Program, conduct periodic inspections to ensure compliance with CAL/OSHA and LA County requirements.
- Respond to emergencies and special situations to ensure the health and safety of employees and to protect City's assets.
- Gather underwriting data and manage the annual insurance renewal process to provide comprehensive and cost-effective coverage.
- Manage the first party claims process for loss recovery of damages to City property.
- Events: ensure appropriate risk management for City sponsored events, including safety and insurance/indemnity review.

Departmental Reorganizations Under Consideration

(i) Public Works Department:

The Public Works Department will be proposing a reorganization to ensure that the department can operate more efficiently to provide a higher level of service to the public and our internal customers that will include reviewing stated responsibilities and assessing talent needs. The proposed reorganization will allow the Department to manage projects, based on size and complexity, that are aligned with City Council priorities. Staff will return to the City Council for review and approval after meeting with the appropriate bargaining

units.

(ii) Community Development Department:

The Community Development Department will be proposing a reorganization to ensure that the department can operate more efficiently to provide a higher level of service to the public and our internal customers that will include reviewing stated responsibilities and assessing talent needs. Staff will return to the City Council for review and approval after meeting with the appropriate bargaining units.

(iii) Community Services department:

Community Services staff are completing a proposal to reorganize the Department in efforts to create operational and service efficiencies as well as balance out reporting chains of command. The Department has not had significant structural adjustments in many budget cycles despite service demands gradually changing over time. Given the need for remote oversight and leadership in specific program areas, the Department will look to provide better supervisor and leadership to staff at satellite locations. Additionally, many clerical tasks have been and will continue to be automated, requiring less manual support on a daily basis. As a result, technical administrative analysis will be highlighted in the new structure. Staff will return to the City Council for review and approval after meeting with the appropriate bargaining units.

Los Angeles County Sheriff Contract

The Sheriff's contract is approximately 24% of the General Fund budget. On June 18, 2019, the City Council approved a five-year contract renewal agreement with the Los Angeles Sheriff's Department for the period of July 1, 2019 through June 30, 2024. The billing rates of the Contract City Law Enforcement Services is adjusted by the County Auditor-Controller annually effective July 1 of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the County Board of Supervisors. The Sheriff's Department has provided preliminary rate increases for Fiscal Year 2021-2022. Services will increase by \$320,062 or 1.5%, which includes an increase in overhead costs and assumes a status-quo to the number of units.

	Fiscal Year 2020-2021	Fiscal Year 2020-2021	Increase
Sheriff Contract	\$22,073,228	\$22,393,062	\$320,062

Departments Operating Expenditures

The following table shows the proposed Fiscal Year 2021-2022 in City departments' non-personnel operating budget.

Departments	FY 2020-21	FY 2021-22	Increase/(Decrease)
City Clerk's Office	\$536,814	\$641,483	\$104,669
City Manager's Office	\$459,889	\$459,889	
City Treasurer's Office	\$121,506	\$121,506	

Community Development Department	\$4,428,135	\$4,276,765	(\$151,370)
Community Services Department	\$2,379,922	\$3,081,814	\$701,892
Finance	\$662,395	\$662,395	
Human Resources	\$1,730,193	\$1,824,751	\$94,558
Information Technology	\$1,771,418	\$1,863,182	\$91,764
Public Information	\$346,827	\$346,827	
City Attorney	\$2,900,000	\$2,900,000	
Public Safety	\$23,304,414	\$23,800,861	\$496,447
Public Works	\$5,656,806	\$6,789,592	\$1,132,786
Non-Departmental	\$6,874,984	\$6,874,984	
Total	\$51,173,303	\$53,640,049	\$2,466,746

City Clerk's Office

The City Clerk's Office will be managing the Special Elections this November. Based on estimate from the Los Angeles County Registrar, the November 2021 City special elections will cost \$575,000. This is \$104,669 increase compared to last fiscal year.

Community Services Department:

Staff is proposing \$701,892 to be allocated to the following areas:

(i) ADA-mandated Aquatics Lifts \$25,000

The Americans with Disabilities Act (ADA) mandates that lifts must be available to permit disabled individuals access to commercial pools. This proposal would purchase permanently installed lifts at all four Aquatics facilities; thus, satisfying this requirement. Currently, Aquatics has mobile lifts that need to be replaced due to normal wear and tear. This proposal would purchase permanent lifts at each pool and aquatic center. The \$25,000 total cost of this purchase will be split between the four Aquatics facilities:

- Carson Pool Account No. 101-90-950-601-6009. \$6,250
- Foisia Pool Account No. 101-90-950-602-6009, \$6,250
- Dominguez Aquatic Center Account No. 101-90-950-603-6009, \$6,250
- Hemingway Aquatic Center Account No. 101-90-950-604-6009, \$6,250

(ii) Furniture Replacement at Recreation Facilities \$190,000

To ensure that funds are readily available to replace site furnishings at 19 Recreation facilities, a proposed \$217,000 budget allocation is proposed for Fiscal Year 2021-2022 to cover the City's 12 parks, 4 mini parks, Veterans Sports Complex, and two pools (Foisia Pool and Hemingway Aquatics Center). These funds will ensure that the amenities at each facility are safe and/or available for public use, as well as meet the aesthetic expectations of residents.

(iii) Mobile Stage \$220,000

Staff is proposing the purchase of a mobile stage to be used at City special events and programs.

Currently, City-owned stage pieces are used, and other needed equipment is rented. A fully automated mobile stage with its amenities would facilitate an easier and quicker set-up and tear-down, enhance the stage appearance, and save on labor and rental equipment costs. If there was an interest, we could explore potentially generating revenue by renting the equipment to other agencies or organizations for their programs, but this would also result in more wear and tear.

(iv) New Pool Covers \$26,000

In June of 2013, new pool covers were purchased for the Main Pool at Carson Park and two pools - Main and Catch Pool (slide area) - and one repurposed for the Play Pool (kiddie area) at Dominguez Aquatic Center. Due to age, the elements, and wear and tear, new pool covers are needed at Carson Pool and Dominguez Aquatics Center. This expense will protect the pools from dirt and debris and would result in a decrease in the amount of pool chemicals used at both sites. Staff is proposing the allocation of \$26,000 to cover the total anticipated cost for this expenditure.

(v) Youth Sports Program \$205,000

To streamline and maintain consistency in the style and appearance of Youth Sports uniforms, staff would like to consolidate the purchase of all the uniforms, for all sports leagues, at all park sites. The cost of the uniforms will be charged to the parents; essentially creating a pass-through for this expense. The funds in the amount of \$205,000 will cover the initial cost of outlay to cover the cost of uniforms (subject to reimbursement), as well as photos and trophies, for four sports seasons - baseball, soccer, football, and basketball.

Human Resources Department:

Staff is proposing \$94,558 to be allocated to cover the Insurance Premium increases. The increase is based on:

- Market conditions
- City's claims
- Anticipated impact of adding the new corporate yard to the property insurance

Information Technology Division:

Staff is proposing \$91,558 to be allocated to cover the following areas:

- **City Hall Rewiring** - Rewire the antiquated data lines on the first floor at the City Hall to bring them up to compliance and technical standards. This will not only increase the line speeds and network traffic between users (greater productivity) but will also ensure compatibility with newer VOIP technologies to take advantage of telephony price cuts.
- **Tyler Munis Cloud Solution**- Lower overall complexity, support, and hardware/software cost by deploying Tyler Munis off-premise (Cloud).
- **Managed SIEM solution** - To actively monitor and detect computer security

- threats on the City's network infrastructure and alert the IT staff for quick remediation.
- **Workstation Upgrades** - Ensure all user workstations are current and can run the City's latest operating system and application software. 80% of workstations have been upgraded and we are looking to replace the final 20%. These workstations will have a shelf life of 5 years.

Public Safety Division:

Staff is proposing \$496,447 increased General Fund appropriation to be allocated to cover the anticipated increase in the following areas:

i. Sheriff's contract \$320,062

The Sheriff's Department has provided preliminary rate increases for Fiscal Year 2021-2022. Services will increase by \$320,062 or 1.5%, which includes an increase in overhead costs and assumes a status-quo to the number of units.

ii. Emergency Services \$176,385

On August 4, 2020, City Council approved a new contract with ACMS (All City Management Services) for crossing guard services covering 22 elementary and middle school sites. The new partial year contract resulted in an increase from \$276,252 to \$379,124 for FY2020-21. For FY2021-22, the contract costs will increase to \$452,837 due to it being the first full contract year as well as an hourly wage increase from \$22.59 to \$24.19 for contracted crossing guards.

The contracted crossing guard program maintains coverage for 22 elementary school and middle school sites throughout the city. The 22 crossing guards and one field supervisor keep children safe at street intersections during the morning pick-up and afternoon pick-up hours over 180 school days. Crossing guards work four hours per school day with the field supervisor working five hours. There are also five relief crossing guards available to fill in for our sick or unavailable crossing guards.

Public Works Department:

The Public Works Department is committed to providing the community with a safe, clean and healthy environment through the design, construction, maintenance, and management of the vital municipal infrastructure system. The department is responsible for civil and traffic engineering, waste management, street sweeping, street operations, city trees and landscape. Public Works manages a General Fund Operating budget that totaled \$5.7 million in Fiscal Year 2020-2021 with 128 FTEs and 32 Part-time staff. The cost of Utilities makes up 25% of the budget followed by contracts and professional service agreements related to Streets & Building Maintenance. Increases in compliance-related fees have been added to the budget.

For Discretionary spending, to be able to promptly address requests from the City Council and residents to update equipment, plant trees, repair potholes, and sidewalks, staff is recommending increasing the Public Works Department budget for FY 2021-2022 by \$1.1M. The City of Carson is responsible for the repair and maintenance of approximately

203.1 centerline miles of streets, of which 49.2 miles are arterials, 5.7 miles are secondary arterials, 18.1 miles are collectors, and 130.1 miles are residential streets. Roads and pavements are among the City's most valuable assets. It is always the City's goal to keep this infrastructure in excellent and safe condition for its residents to enjoy. With businesses re-opening and people resuming their regular activities, we anticipate more traffic on our streets and an increase in usage of our public park facilities. Of the additional \$1.1M for Discretionary spending, \$140k will be allocated to various purchases for "One Time" equipment needs required for facility and street maintenance; \$450k to the Asphalt & Concrete Program; \$100k for contractual work with LA County for additional street striping; and \$400k for as-needed professional services. The proposed Public Works budget for Fiscal Year 2021-2022 will provide the department much needed funding to provide a superior level of public service and to ensure a sound infrastructure and a healthy environment that contributes to the overall mission of the City.

V. FISCAL IMPACT

Fiscal Impact will be provided in conjunction with direction received from the City Council for the preparation of the Fiscal Year 2021-2022 Budget.

VI. EXHIBITS

Exhibit no. 1: General Fund Reserve. (Pg. 14)

Exhibit no. 2: Vacancy Rate. (Pg. 15)

Prepared by: Tarik Rahmani, Finance Director