

REPORT TO CITY COUNCIL

DATE: MAY 10, 2006

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: NATHAN HAMBURGER, ASSISTANT TO THE CITY MANAGER

SUBJECT: FY 2006-07 BUDGET PRIORITIES

At this time, staff is requesting input from the City Council on those projects/programs you collectively foresee as appropriate for the upcoming operating budget. Following (under Projected Work Plan) we have provided a framework formulated from previous Council input. Based upon your direction, we will then be prepared to discuss those items in greater detail when we bring back the draft budget for review. Your input is vital to the final budget preparation and will act as our guide throughout the year as competing interests arise.

Moreover, staff wanted to take this opportunity to review a handful of items with the Council as we initiate this process, these items include:

1. General Fund Expenditures
2. General Fund Reserves
 - a. Reyes Adobe Interchange
 - b. Recreation Center
3. Fee Analysis
4. Projected Staff Workload FY 2006-07
5. Pavement Management System
6. Community Services – New Program Review

General Fund Expenditures

In preparing the draft budget for fiscal year 2006-07, staff would like to make the City Council aware of several expenditure increases. Although several of the proposed changes in General Fund expenditures are reoccurring costs, staff is confident that operational adjustments can be made and that a balanced budget will be presented to the City Council in June.

Payment of the Civic Center bond will impact the General Fund for the first time in FY 2006-07 (\$356,056). Over the past 3 years this payment has been made from the proceeds of various land sales including the “Old Library” (L.A. County) property, Kanan Family property (donation), and land adjacent to the Civic Center that were kept in a separate account with the intention to make this payment for as long as there were funds remaining. These funds will be fully exhausted this coming year and the full payment of \$668,080 will be paid as a General Fund obligation starting in fiscal year 2007-08.

The second phase of the General Plan update will also take place in fiscal year 2006-07, which is on schedule to be completed in fiscal year 2007-08. Cost of the second phase update is \$200,000. Staff is pleased with the progress made and will periodically bring updates to the City Council as necessary. Cost recovery for the General Plan update is also part of the fee study that is discussed in more detail later in this report.

Various contract services provided by Los Angeles County will have proposed increases starting this next fiscal year. Sheriff services will increase by approximately 5% above the current expenditure, which is expected to increase the City's public safety budget by \$131,000. In addition, the City has received notification that the Animal Control services could increase by as much as 8% this next fiscal year (approximately \$9,800).

Unanimously the Council has expressed a strong desire to improve the "infrastructure" of Agoura Hills. Consistent with this priority, staff is working towards the successful completion of several capital projects, which include the Kanan Road Interchange project and Reyes Adobe bridge widening. Staff has budgeted \$500,000 for the design and engineering of the Reyes Adobe bridge widening in this preliminary budget. Moreover, this year's overlay will include \$750,000 of General Funds in addition to the \$184,000 of Gas Tax and Prop 42 funding to expedite the repairs necessary to bring the City's roads up to the desired structural level of the City Council.

Finally, staff would also like to bring forth the fact that the City will be reaching its 25th Anniversary since incorporation this next year. The Community Services Department has prepared a schedule of events that are proposed to take place throughout the year, which will be discussed further in this report. These costs are not expected to be recurring expenditures in future fiscal budgets.

General Fund Reserves

In preparation for future projects as directed by the City Council, staff is recommending dedicating \$2 million (\$1 million each) of General Fund reserves for the Reyes Adobe Interchange project and the development of a Recreation Center.

The Reyes Adobe Interchange project will expand the bridge at the US 101 to allow for more efficient and safer traffic flow. The cost of this project is estimated at \$7 million (construction \$5.6 million and support services \$1.4 million) based on the preliminary project report which was completed in December 2005. The City has received federal grants totaling \$2.35 million to assist with this project. Staff has prepared an RFP for the Engineering and Design portion of this project which was recently advertised and distributed.

The current Recreation Center has been located on Thousand Oaks Boulevard (St. Paul Lutheran Church site) since 1989. The City leases this site and has identified the need to expand and relocate the facility for future use and enjoyment of the Agoura Hills community. The proposed new Recreation Center has an overall cost estimated at \$7 million, which would be scheduled to begin construction in fiscal year 2010-11. The City has set aside \$2 million for this project; staff is recommending an additional \$1 million set aside for fiscal year 2006-07 to continue building the appropriate funding base for this project. Staff will also continue to work closely with the City's lobbying firm with the intention of gaining earmarked federal and state grant funding for this project.

Fee Analysis

As part of the 2005-2006 budget discussions, Council directed staff to hire a consultant to conduct a fee study for the Planning, Engineering and Building & Safety departments. In November of 2005 the City entered into an agreement with Public Resource Management Group (PRM) in the amount of \$20,000. PRM, a cost consulting firm based in Roseville, California has provided cost consulting services for over 400 cities, counties, special districts and state agencies. PRM consultants average fifteen years local government consulting experience. Mr. Jeff Wakefield, Project Manager from PRM, will be in attendance at the meeting to present a draft report of the fee study and answer questions from the City Council.

This item will also be presented to the Finance Committee and brought back to the City Council in June. The preliminary numbers presented to staff are reflected in the revenue projections (Attachment A) and are based on the assumption of full cost recovery by the City for these services.

Projected Work Plan for FY 2006-07

The following is a list of projects/programs that staff anticipates be starting, continuing, or completing in Fiscal Year 06-07 (**not listed in any specific order**):

Planning and Development:

1. Agoura Village Specific Plan Implementation
 - ♣ Parking Management and Facility Study
 - ♣ Sheriff's Substation
 - ♣ Streetscape Plan
 - ♣ Public Infrastructure and Enhancement Funding Strategy
 - ♣ Trail Plan
 - ♣ Village Identity and Sign Program
- **Expedite Development Applications**
2. Comprehensive Self-storage Zoning Ordinance Amendment
3. General Plan Phase II
4. Non-Conforming Building Ordinance
5. Temporary Use Permit Zoning Ordinance Amendment
6. Mansionization Ordinance
7. Sign Ordinance Adjustments
8. Affordable Housing Issue/Comprehensive Analysis (Housing Fund)
9. Ladyface Mountain Specific Plan Modifications

Based on the direction from the City Council, staff has analyzed the cost of utilizing a consultant (Joyce Parker) to complete a number of these projects, which is estimated to cost \$40,000 for this proposed fiscal budget.

Public Works:

1. Complete Kanan Interchange Project
2. Annual Overlay
3. Grant Funding - Horse Trail Enhancements
4. Kanan Road Medians (Laro to northerly City limits)
5. Kanan Road/Canwood Street Signal – Protected Left Turn
6. Annual Playground Equipment Replacement Program
7. Reyes Adobe Interchange Project Design
8. Redesign North Reyes Adobe Road Narrowing (Yerba Buena school entry)
9. Citywide Sidewalk Repair
10. Signal Synchronization (Redesign for Kanan Road Only)
11. Tree Trimming and Replacement (Ongoing)
12. Trash and Weed Abatement (Ongoing)
13. Stormwater Quality Compliance
14. Street Sign Replacement
15. Traffic Sign Replacement
16. Illuminated Intersection Signs

Community Services:

1. City's 25th Anniversary Events

2. Community Center Operational Audit
3. Movies in the Park
4. Reyes Adobe Days (addition of carnival)
5. Summer Shuttle Program

Administrative Special Projects:

1. Cable & Trash Franchise Agreements
2. Grant Funding
3. Reyes Adobe Property Acquisition
4. Update and Enhance City Website

In addition to these projects, staff will explore several conceptual projects such as a volunteer policing program and expanding fingerprinting capabilities. Although this work load is aggressive, staff feels confident that it can meet these established goals. This list does not include everything that is done on a day to day operational level, it is considered to be an appropriate time allocation based on the direction given by the City Council.

Pavement Management System

A Pavement Management System (PMS) is a key tool for municipalities to assess and improve the overall condition of their roadway surfaces. The PMS provides the conclusions to decision-makers to ensure the most effective and efficient strategy is applied towards the allocation of limited available funding for maintenance, resurfacing and reconstructing the City's roads.

The PMS is a requirement of municipalities for Gas Tax funding and to be eligible for other types of State and Federal funds, and is updated every third year. In general, the PMS evaluates all City streets using a criterion that includes pavement condition, traffic volume, roadway structural section and pavement age. It then takes all the data and creates a priority ranking of all streets and their maintenance/improvement costs to produce the most cost effective multi-year paving program for staff's consideration and recommendation to Council for an annual street rehabilitation program.

Staff will be providing further information through a presentation to the City Council in order to provide an in depth explanation of the program and possible costs associated with retaining a desired level of road conditioning.

Community Services

In the upcoming FY 2006-07, the Department of Community Services is presenting a budget that includes a variety of new features to the Special Events program. In addition to the already existing programs (Summer Concerts in the Park and Reyes Adobe Days), the Department is proposing: new additions to Reyes Adobe Days, including a Carnival; a "Movies in the Park" program; and, a city of Agoura Hills' 25th Anniversary series of events to take place throughout the calendar year. The following is an outline of what the Department of Community Services will be bringing forth to the City Council:

Reyes Adobe Days

This year, the Reyes Adobe Days (R.A.D.) program budget will include: a teen dance, senior luncheon, mile-long parade, all day event at the adobe, pancake breakfast, an 8K race and an equestrian event. Each of these events will offer new and exciting things to the residents of Agoura Hills and all those in attendance. Besides authenticating the R.A.D. budget, staff has included a proposal for a family carnival component for council consideration. The "Family Fun" Carnival is being proposed to take place in the parking lot of the Whizin's shopping center. The carnival would operate Friday and Saturday nights and all day Sunday; and would have food booths, rides for all

ages, entertainment and lots of game booths. In order to offset some of the expenses, a small admissions fee could be charged.

Movies in the Park

The Department of Community Services would like to introduce a new feature to the Special Event program, "Movies in the Park." "Movies in the Park" would be offered four times a year, alternating park sites including Reyes Adobe, Sumac, Old Agoura and Forest Cove Parks. The event would consist of a high quality, family based movie projected on a very large inflatable black and white screen. The company who offers outdoor movies is an all inclusive service. The cost of the program includes all audio/visual equipment, the outdoor screen, the movie and the labor to operate the movie. This is a new, very neighborhood-based program that would be free to the community. The cost to operate these four events would be approximately \$12,000.

25TH Anniversary

Since the City of Agoura Hills will be celebrating its 25th anniversary, staff would like to put forward a concept for consideration. The Agoura Hills 25th Anniversary would include a year-long celebration culminating in a black-tie, gala event at a local hotel. Some of the events planned encompass a full marketing campaign that would be seen throughout the community. Another event being considered is the excavation of the City's time capsule. This very historical event would take place at the Reyes Adobe Days event. New street banners would be erected, along with an extraordinary concert during the Summer Concerts in the Park. The overall goal of the 25th Anniversary would be to offer a first class series of events that focus on the historical aspect, while promoting city pride.

Summer Shuttle Express

Lastly, the Department would like to recommend a Summer Shuttle Express. This shuttle will have destination of various schools in the City of Calabasas (high school, middle school and elementary-summer school sites this year) and will operate similar to the Summer Beach Bus. There will be three pick-up stops within the Agoura Hills city limits, along with two round trips to the Calabasas area. Staff is proposing that the shuttle require a minimal fare (or none at all) and be available to people of all ages in the community and surrounding areas. The Shuttle Express would be a great service to the residents who need transportation to the Calabasas area. This program is proposed to be funded through the City's Proposition A allotment that can only be utilized for transportation related programs.

Agoura Hills/Calabasas Community Center

It is recommended that the Agoura Hills City Council allocate \$37,500 to the Community Center in the FY 2006-07. Over the past couple of years, the Community Center has consistently requested funding from both cities of Agoura Hills and Calabasas in the amount of \$25,000 to assist with the center's budget shortfall. The JPA Board is once again requesting this money, along with an additional \$12,500. The additional money will be allocated towards the operational audit that both city councils requested to take place.

RECOMMENDATION

Staff is recommending that the City Council provide direction as to their priorities for the upcoming fiscal year considering the information provided.

Attachments:

- A. Preliminary Budget Overview
- B. Draft Capital Improvement Plan (CIP)

- C. Proposed Project/Program Cost Overview
- D. Proposed 25th Anniversary Schedule
- E. Draft Fee Study Report