

Leadership in a Time of Uncertainty, Fear and Recovery



Promoting and encouraging *excellence* in city management

October 7, 2020

League of CA Cities Annual Conference

Your Panel



President
Karen Pinkos
City Manager,
El Cerrito



Jason Holley
City Manager,
American Canyon



John Pietig
City Manager,
Laguna Beach



**Cameron
Smyth**
Mayor, Santa
Clarita





“BE NOT AFRAID OF GREATNESS: SOME ARE BORN GREAT, SOME ACHIEVE GREATNESS, AND SOME HAVE GREATNESS THRUST UPON THEM.”

WILLIAM SHAKESPEARE

© Lifehack Quotes

California COVID-19 By The Numbers

September 21, 2020 | Numbers as of September 20, 2020

CALIFORNIA COVID-19 SPREAD

781,694 (+3,294)

CASES

Ages of Confirmed Cases

- 0-17: **80,508**
- 18-49: **468,969**
- 50-64: **147,624**
- 65+: **83,683**
- Unknown/Missing: **910**

Gender of Confirmed Cases

- Female: **394,632**
- Male: **380,480**
- Unknown/Missing: **6,582**

15,018 (+31)

Fatalities

Hospitalizations

Confirmed COVID-19

2,573/811

Hospitalized/in ICU

Suspected COVID-19

886/149

Hospitalized/in ICU

For county-level
hospital data:
bit.ly/hospitalsca

Your actions **save lives.**

For county-level data:
data.chhs.ca.gov
covid19.ca.gov



Economic Impact

Written Testimony of

Mark Zandi

Chief Economist, Moody's Analytics

Before the Congressional Oversight Commission

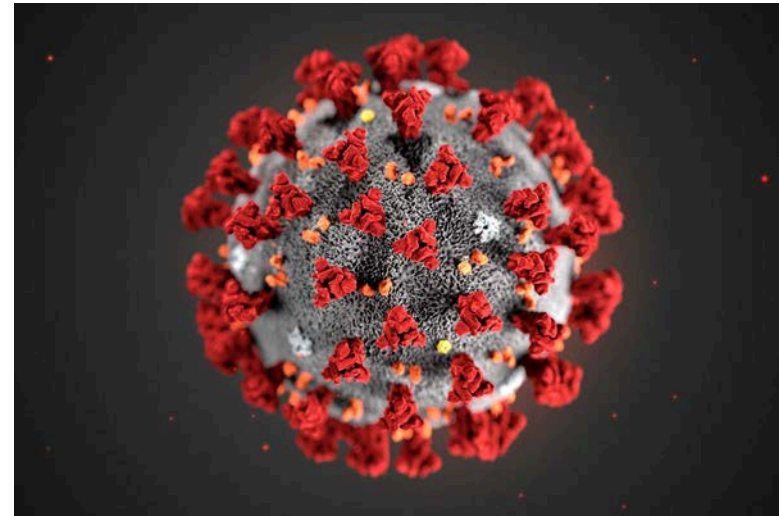
September 17, 2020

The finances of state and local governments across the country have been hit hard by the COVID-19 crisis. Moody's Analytics estimates that state and local governments will suffer budget shortfalls of \$450 billion to \$650 billion due to the pandemic. Without additional financial support from the federal government, state and local governments will have no choice but to further cut payrolls, essential government services, and critical programs. This will severely impact Americans in nearly every community and exacerbate the nation's serious economic problems.

“Disaster” Doesn’t Discriminate

Cities still have to:

- Protect public health
- Maintain public order
- Re-establish services/programs
- Be nimble/flexible with policies
- Support the most vulnerable



What You'll Hear/See Today

- Stories of how city leaders quickly responded to directives from County, State & Federal
- Insights from learning how to conduct City business digitally/virtually
- Decision processes for drastic budget adjustments
- Lessons from communicating to anxious communities
- Ideas for reviving your local economy



City of American Canyon



Jason Holley
City Manager



League of California Cities Presentation
Jason Holley, City Manager
October 7, 2020

Virtual City Hall



Simple Ideas For Complicated Times

- Recognize energy/momentum.
- Foster youthful enthusiasm.
- Leaders adapt.
- “Double-down” on success.
- Maximize training.
- Communicate.



Organic Enthusiasm

- Pre-COVID-19, the City invested in software training.
 - Existing platform.
 - Broad cross-section of staff.
 - Do you remember your first work conference?
 - Organic enthusiasm for process improvement.
- By Mid-March 2020, COVID-19 forced City Hall to a 100% remote service environment.
- Project Team used recent training and existing software to replicate City Hall *virtually* overnight.



Virtual City Hall

- Pay utility bills
- SeeClickFix
- Recreation programming and volunteer opportunities
- Commission/committee openings
- Requests for public records
- Links to important information
- City Council meeting broadcasts on YouTube
- Electronic plan submittal
- Automatically archiving



Focused on a Bright Future



LEAGUE OF CALIFORNIA CITIES PRESENTATION

JOHN PIETIG, CITY MANAGER





CITY OF LAGUNA BEACH

- Population 23,000; 100,000 with visitors
- 8.8 square miles
- \$108M Citywide Budget/\$73M Gen Fund
- 292 Fulltime; 150 PT/Seasonal Employees
- Full-Service City that includes:

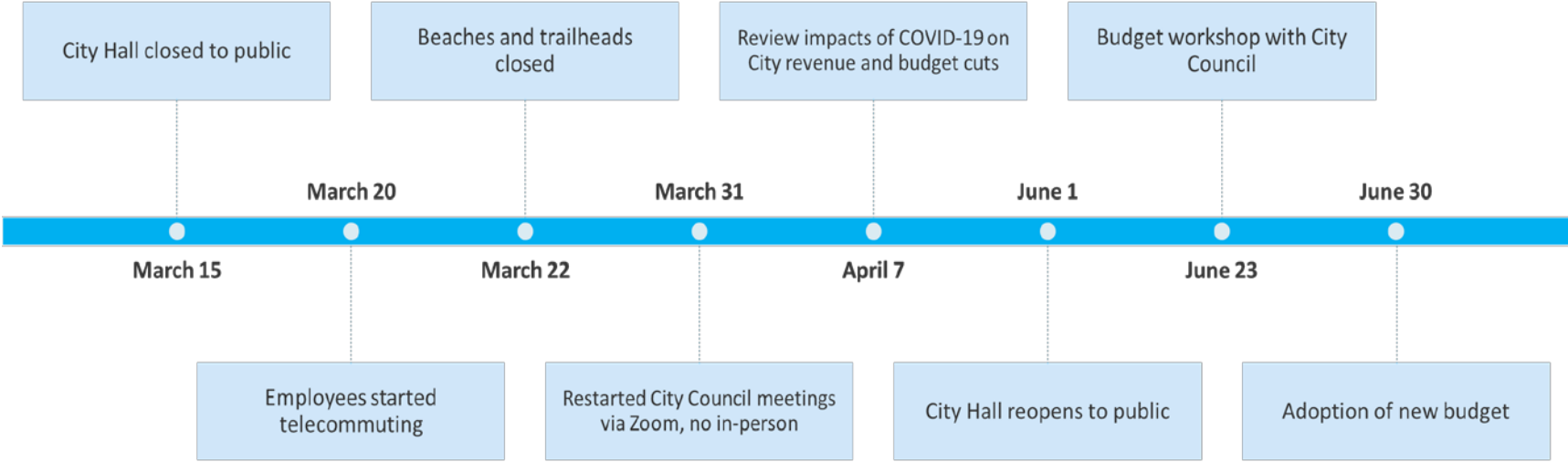
Police, Fire, Lifeguards, Transit, Recreation, Wastewater (Sewer Services), Public Works, Community Development, & other services

TWO-YEAR BUDGET FY 19-20 & FY 20-21

- \$73M General Fund
- Revenue from three major sources
 - 56% Property Tax
 - 12% Transient Occupancy Tax
 - 10% Sales Tax
- General Fund Reserves
 - 20% General Fund Reserve
 - 10% Disaster Reserve



TIMELINE

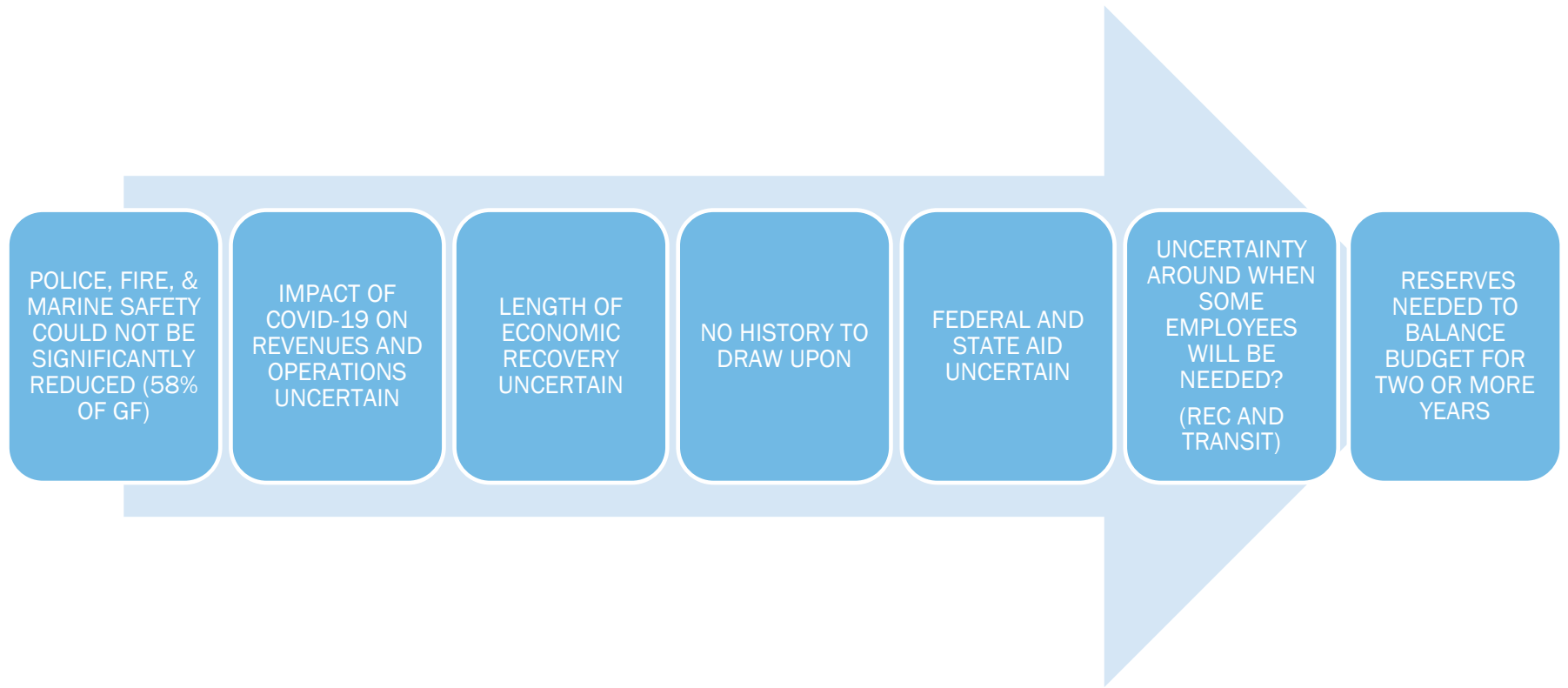


APRIL 7, 2020 BUDGET CUTS – 1ST ROUND

- Three weeks after City Hall closed
- Facing \$12M Revenue Loss (10.7%); \$6M in Gen Fund (8.2%)
- Cuts quickly prepared by Finance team and discussed with all departments
- Reductions included operations, capital projects, equipment, and consultants.
- Public safety reductions minimal (In fact, added \$500K)
- Impacts to General Employees:
 - 80 hours of paid leave provided by the City/Vacation and Sick leave/Federal Programs (tip: compensated absence reserves)
- Cut \$12.5M in Citywide expenditures
- Cut \$5.8M in General Fund – Departments worked to save \$2.5M
 - Needed to use \$700K in General Fund Reserves to balance



ENVIRONMENT AND CONSIDERATIONS FOR FY 2020-21 BUDGET



FY 20-21: 2nd Round of cuts based on “Bad” and “Worse” Scenarios

.....

Bad

- Citywide loss \$18M (-16%)
- General Fund \$9.4M (-13%)
- Stay-at-home order through early summer
- Recession through most of FY 20-21
- 30-45% reductions in TOT and Sales Tax
- Slow growth in use of hotels and restaurants
- Use of General Fund reserves and prudent budgeting will sustain most services until economy recovers

Worse

- Citywide loss \$24.4M (-22%)
- General Fund \$12.9M (-18%)
- Second wave of stay-at-home orders
- Severe recession for all of FY 20-21
- 60-70% reductions in TOT and Sales Tax
- Extremely limited capacity in hotels and restaurants all year
- Rapid depletion of reserves requires reductions in core services, including public safety



FOCUSED ON “BAD” SCENARIO FOR FY 20-21

- Did not want to cut too much, too fast...
- Cut \$9.2M in operations; Cut/Deferred \$7.3M projects; and used \$1.5M in reserves
- GF: Cut \$6.7M; Cares Act \$300K; \$900K fund balance & other adjustments; and \$1.5M in reserves
- Most employees gave up a 2.5% salary increase
- 6 vacant FT & 30 PT positions eliminated
- No layoffs & furloughs limited to transit and rec svcs
- Budgeted \$250K for contingencies/unknowns
- Going forward:
 - Regular check-ins and adjustments as necessary
 - Structural imbalance still needs to be addressed

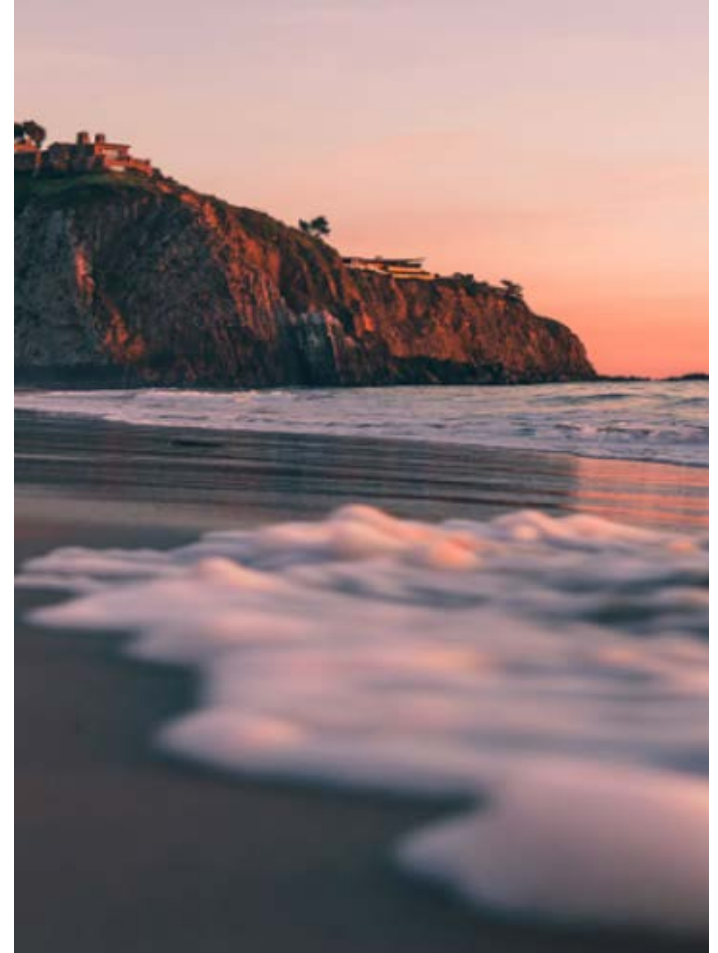
TAKEAWAYS

- ✓ Fight for adequate reserves before a crisis
- ✓ React quickly when crisis strikes
- ✓ Involve department heads and management teams in discussions
- ✓ Be candid:
 - Safety Department will not get significant budget cuts
 - “Bad” and “Worse” scenarios
 - Reserve will be needed to balance the budget under any scenario
- ✓ Engage Community Experts – Visitor’s Bureau, Chamber of Commerce, etc.



TAKEAWAYS

- ✓ Communication was key:
 - Daily briefings with department head, managers, and communications team
 - Daily briefings with Mayor, City Attorney, and Assistant City Manager
 - Frequent updates to employees
 - Inform labor groups
 - Weekly briefings with community partners – hospital, schools, seniors, non-profits, etc.
 - Community newsletters every two or three days
- ✓ Prompt City Council support/action is essential



LEADERSHIP IN A TIME OF UNCERTAINTY, FEAR AND RECOVERY



CITY OF SANTA CLARITA
Mayor Cameron Smyth

OVERVIEW



- Coordination with our Business Community
- Peaceful Protests
- Trails and Open Space access and use





- Nearly 50 protests over 3 month period
- Approximately 1,000 protestors on June 4, 2020
- No arrests, injuries, or property damage/theft



Thank You!



For more info about CCMF:
www.cacitymanagers.org

