

West Covina in a financial hole on Sportsplex; and a new health department? Not this year

A handful of residents gathered to meet with city officials this week to discuss West Covina's 2023-24 proposed \$129 million spending plan, and they were met with a sobering outlook.

While the city's finances were presented as a "rollover budget," with no new city positions, the small but inquisitive crowd learned that a highly touted Sportsplex facility is \$600,000 in the hole, and an independent health department – once the dream of some local leaders wanting to escape the thumb of the L.A. County Public directives during the pandemic – was not in the cards – at least not any time soon.

Officials also are projecting a shortfall in revenue, and major overtime costs, which are stretching the city's piggy bank at a time when economists are warning of a potential national recession.

As the city's proposed budget states: "Fiscal due diligence is necessary."

Specifically, residents wanted to know: How much is the West Covina Sportsplex facility costing city taxpayers? And what is the status of the West Covina Health Department initiative?

In 2021, the city added the Sportsplex on Azusa Avenue to its list of parks, boasting its replica baseball fields on nearly 30 acres, batting cage, picnic areas, lighting for night sports events and "multi-sport pavilion." But the city also took over its costs.

For the upcoming fiscal year, \$853,915 is estimated to be spent on it from the city's general fund, with estimated revenue of only \$161,567, putting the city about \$600,000 in the hole.

As such, many residents at the meeting opposed the city managing operations for the facility.

Last fall, the city published proposals for vendors to lease and operate one or both of the two full-service clubhouse restaurants with bars located within the facility, but so far has not received any bids,

according to assistant City Manager Roxanne E. Lerma, who was present during the meeting. Add this to the fluctuating field usage over the past year, and the possibility of cutting down on the losses appears low.

"Right now we have invested; we've invested the time, energy and money into bringing those facilities back up to standard — a lot of things that we could not avoid, such as deferred maintenance that had been there for years that needed to be addressed," Lerma said.

Lerma added that the city hopes to increase reservations as the year continues.

Health Department

Responding to direction from former Mayor Tony Wu in 2021, the city sought provisional approval from the California Department of Public Health for the creation of a fiscally sustainable municipal health department. If it ever got going, it would be among a sparse number of municipal health departments that includes Long Beach and Pasadena.

According to city officials, for the past three years, the CDPH has not provided direction regarding the regulations and services the city may assume.

Bottom line, officials said, the West Covina Health Department initiative is on pause.

While last year's budget did estimate a cost for the health department under the guidance of TransTech consultants, this year's 2023-24 budget does not include revenue and expenditures for a health department.

"At that time the city was assuming that we would be able to move forward sooner than later on the health department but since then we've discovered that's not the case," said West Covina's Finance Director Stephanie Sikkema. "It's going to be a very slow-moving process before we can ever move into operational. So, last year's fiscal budget did include a

placeholder budget for health department operations, however, none of those transactions ever occurred.”

The project was to be funded via the American Rescue Plan Act, totaling \$19,566,027. According to city officials, these funds were specifically meant for COVID recovery initiatives. The health department being in line with such, the city contracted with the engineering firm TransTech for \$598,000. The company then appointed and added a West Covina health director to its payroll — Dr. Basil Vasantachart.

Vasantachart, who works in family medicine in El Monte, said that there are grants that could provide funding for public health needs in West Covina.

“Each public health department has their own unique public health programs to address their health needs and gaps of their community that they serve,” Vasantachart said. “Depending on the health needs and gaps of their community, there may be additional funding and grants available to help support those programs.”

He noted that officials were continuously exploring other potential grants that could apply to the city, including the CITED (Capacity and Infrastructure, Transition, Expansion, and Development) funding from the California Department of Health Services. But he noted that arrangements were still in the works “with our community partners before we can move forward.”

Vasantachart did not confirm what health needs and which gaps the West Covina Health Department will address, nor what community partners or ongoing programs the department intend to collaborate with.

The push for a local health department came in the thick of the pandemic, as the L.A. County Public Health Department was issuing public health directives in a jurisdiction that for nearly 60 years included West Covina. Such directives rubbed some in the city wrong.

In December of 2020, the city — in response to what officials said were “complaints from residents and the business community and a desire to provide a more appropriate response to the pandemic based on West Covina’s data,” the West Covina City Council directed staff to explore methods to “improve local public health.”

That same month, the city engaged with Valley Physicians Medical Group, through Vasantachart, to provide consulting services on options for creating a health department.

By February of the following year, the City Council sought to terminate the services of the L.A. County health officer, and by May 2021 had authorized the city manager to hire its own public health officer, through Transtech, which provides municipal services to public agencies.

City Councilmember Brian Tabatabai, who had voted no on the measures, said this week that “the Health Department will not be a part of the budget. They have placeholders, but since the city is working off a fantasy premise that it will be self-funded but there hasn’t been any analysis.”

Such criticism echoed similar concerns over the health department and the Sportsplex.

“The Sportsplex had been treated similar to the health department — it is an unknown,” said longtime resident Jefferson DeRoux. “We don’t know what the health department will bring us, if it will correct the problem ... the city is actually taking on a business and it’s really failed to solicit interest that is meaningful and has dragged it along for quite some time. That raises concerns — budgetary concerns — because when these two entities take off all these unknowns are going to hit us. There is going to be a large impact on the city finances.”

While the majority of speakers at this budget session were against the health department, Matthew Smith, who operates West Covina’s Nothing Bundt Cakes on Covina Parkway, is in favor of the city’s endeavor.

He believes that by independently establishing an in-house health department, the city can bridge the gap between health department and city building code enforcement to streamline entrepreneurial build outs in West Covina.

“We release power to the county to shut down your favorite restaurant that the city cannot keep it,” Smith added. “I am not sure that I am comfortable with letting an outside county agency shut down West Covina businesses.”

The Outlook

With regard to the overall budget projection,

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