

FY 11/12 BUDGET

Measure F Oversight/Citizens Finance Committee

June 9, 2011



EMERGENCY RESERVES = MAINTAINING 15% POLICY

Fiscal Year Ending June 30	Emergency Reserve Fund Balance	Required Reserves – 15% of GF Expenditures	Use of Reserves for Deficit
2006	\$7,784,078	\$4,525,529	
2007	\$7,119,002	\$5,116,539	Since 2007, city has used \$3.8 M in reserves for deficit
2008	\$5,538,625	\$5,090,582	
2009	\$4,849,136	\$5,162,252	
2010	\$4,550,078	\$4,729,563	
2011 Est. *	\$5,317,712	\$4,634,616	\$332,000
2012 Budget	\$4,847,139	\$4,767,290	\$350,000

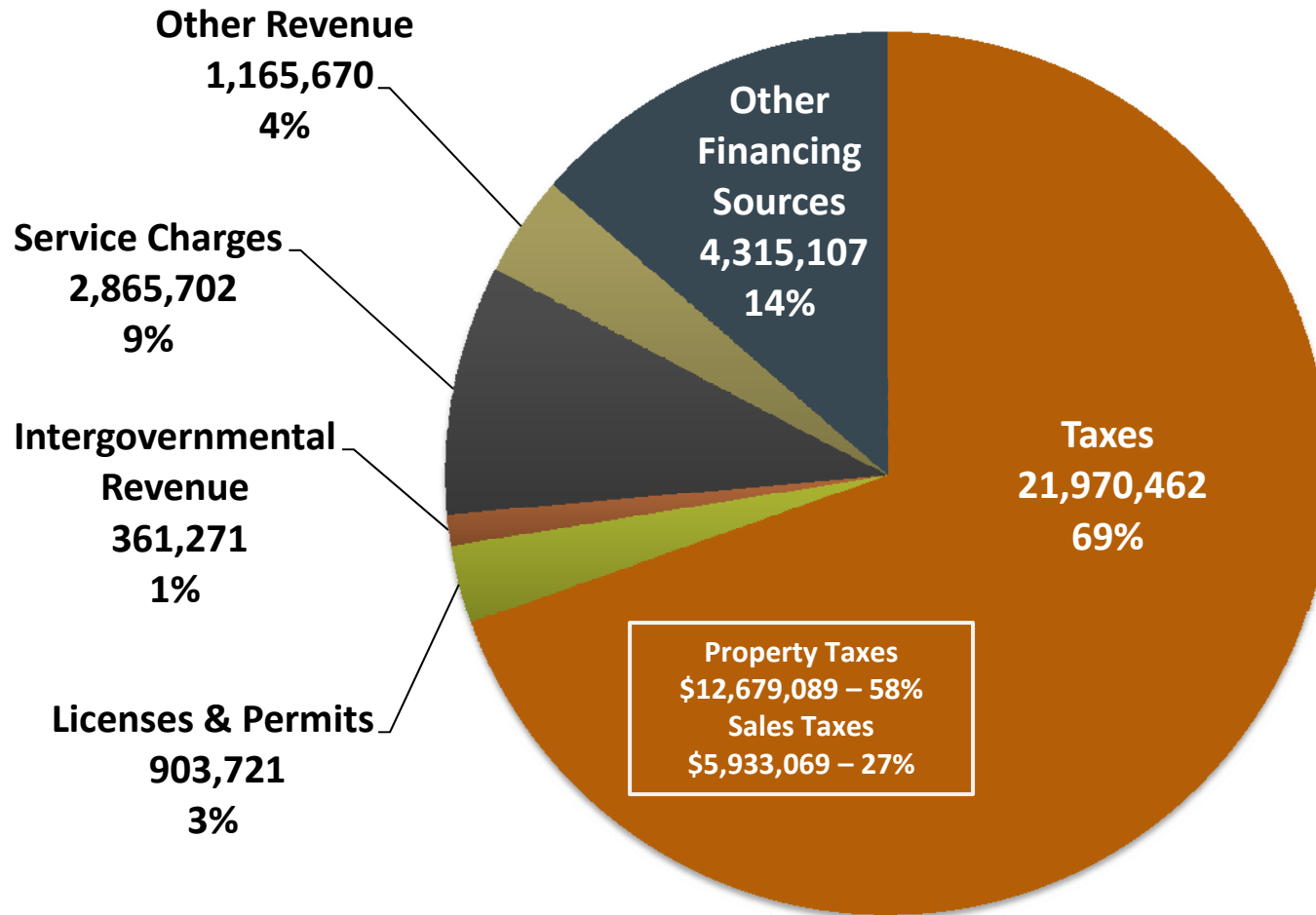
* Note: Increase in fund balance due to \$750,000 loan repayment from redevelopment agency (one-time increase)

OPERATING BUDGET – GENERAL FUND

Budgeted Resources by Type — FY 10/11–FY 11/12

Revenue Type	FY 10/11 Adopted Budget	FY 11/12 Proposed Budget	Change
Taxes	21,635,408	21,970,462	335,054
Licenses & Permits	988,506	903,721	(84,785)
Intergovernmental	450,380	361,271	(89,109)
Service Charges	3,051,881	2,865,702	(186,179)
Fines, Forfeits & Penalties	552,500	542,967	(9,533)
Use of Money & Property	387,454	467,607	80,153
Miscellaneous Revenue	130,650	155,096	(24,446)
Operating Transfers	2,593,061	2,425,107	(167,954)
IF Loan Repayments	915,600	1,890,000	974,400
TOTAL	\$30,705,440	\$31,581,933	876,493
% Budget Change			2.85%

GENERAL FUND REVENUE BY CATEGORY - FY 11/12



OPERATING BUDGET – GENERAL FUND

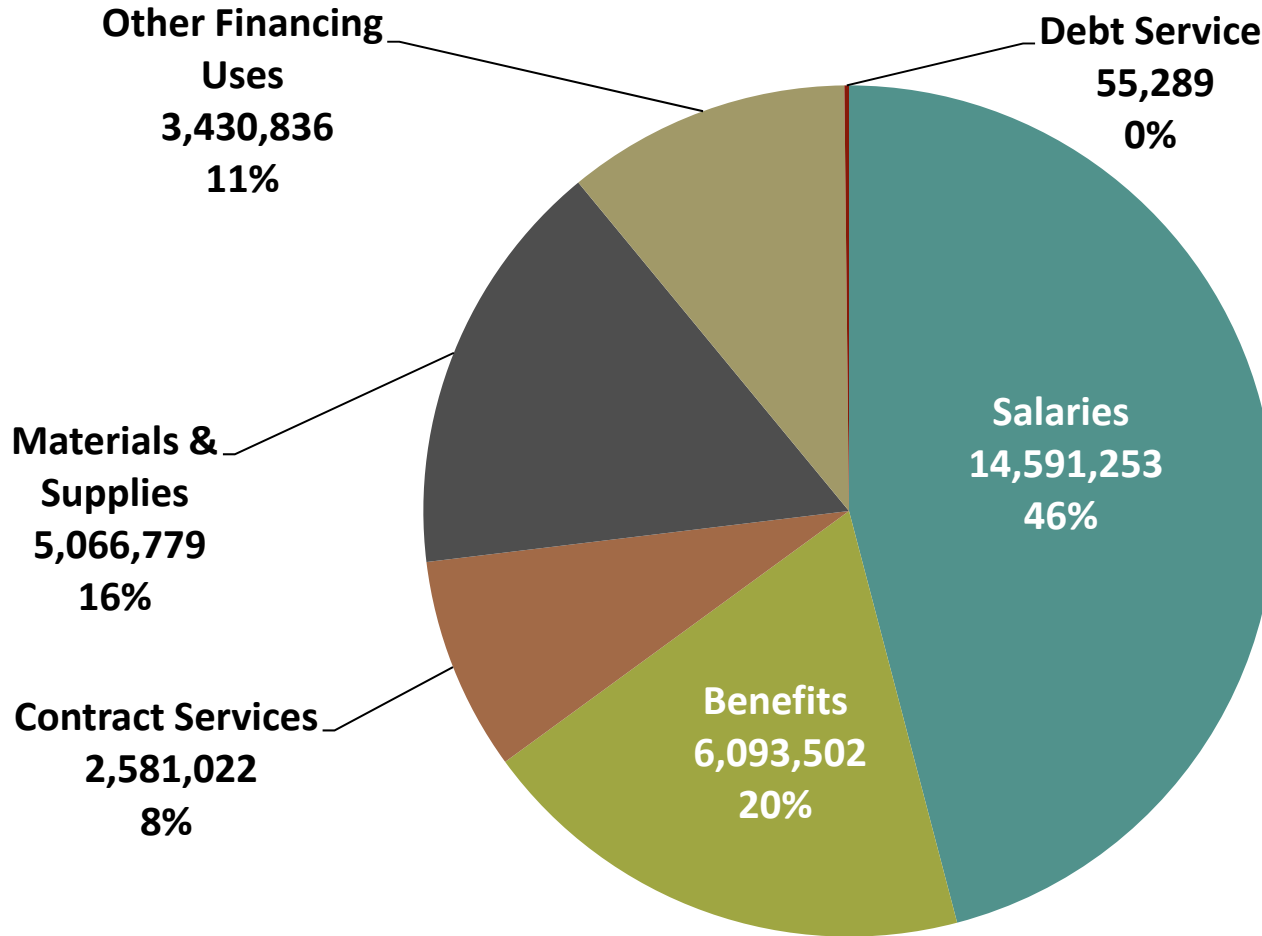
Budgeted Expenditures by Department — FY 10/11–FY 11/12

Department	FY 10/11 Adopted Budget	FY 11/12 Proposed Budget	Change
Central Administration	1,517,106	1,574,740	57,634
Administrative Services	1,840,502	2,045,275	<i>Note*</i> 204,773
Citywide Programs	2,936,078	2,437,406	(498,672)
Police	11,837,864	11,724,584	(113,280)
Community Development	1,772,996	1,831,993	58,997
Public Works	5,903,366	5,769,749	(133,617)
Parks, Recreation & Community Services	3,084,745	2,971,350	(113,395)
Operating Transfers	2,004,783	3,426,836	1,422,053
Vacancy Factor	(200,000)	(200,000)	0
TOTAL	\$30,697,440	\$31,581,933	883,963
% Budget Change			2.9%

**Note* -- Moved \$200,000 in telephone charges from Citywide Programs to Administrative Services to reflect oversight by IT staff and future integration of technology and phone service opportunities.

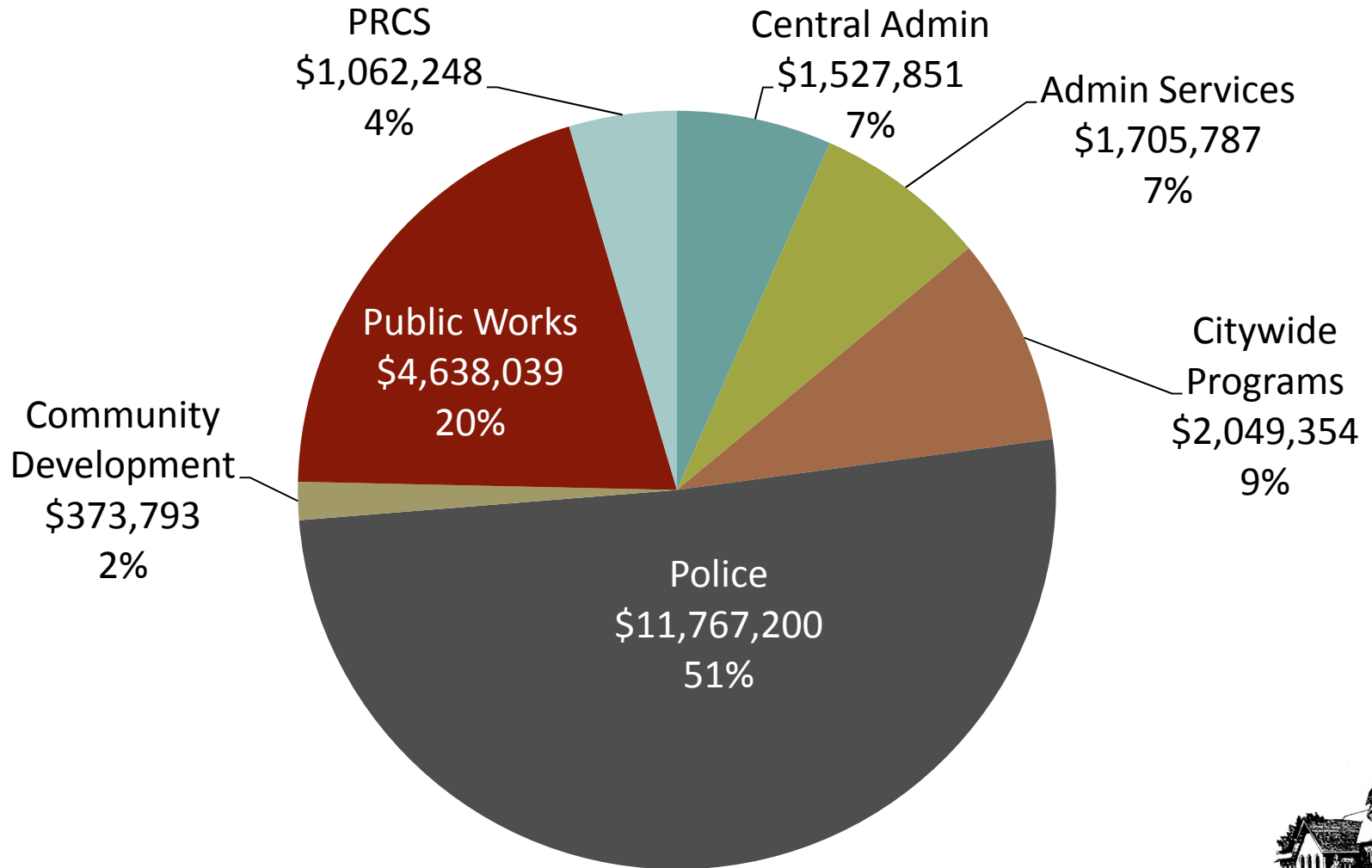


GENERAL FUND EXPENSES BY CATEGORY - FY 11/12



GENERAL FUND INVESTMENT FY 11/12

\$23,124,272



CAPITAL IMPROVEMENT PROGRAM

FY 2011-2012



CIP EXPENDITURES FY 11/12

CIP EXPENDITURES	EXPENDITURE AMOUNT
Carryover Expenditures from Prior Years	\$11,572,511
New Project Funding for 2011/2012	\$3,755,431
<u>Total CIP Expenditures for 2011/2012</u>	<u>\$15,327,942</u>



CIP BUDGET – NEW PROJECT FUNDING FOR 11/12

CATEGORY	TYPES OF PROJECTS FUNDED	NEW FUNDING
Municipal Facilities	Improve, build, and provide major maintenance for City-owned facilities.	\$1,425,031
Parks, Recreation and Community Facilities	Improve, build and provide major maintenance for facilities that are used by the community for recreational purposes	\$190,291
Transportation, Drainage and Utilities	Improve, build and provide major maintenance for City infrastructure	\$1,763,109
Technology and Organizational Investments	Provide new technology, training and special studies for organizational improvement and deficit reduction measures	\$377,000
		<u>TOTAL = \$3,755,431</u>



CIP BUDGET – SIGNIFICANT PROJECTS FOR 11/12

CATEGORY	MAJOR PROJECTS
Municipal Facilities	<ul style="list-style-type: none">• City Offices Project
Parks, Recreation and Community Facilities	<ul style="list-style-type: none">• Replace Hamilton Gym• Hill Gymnasium Improvements
Transportation, Drainage and Utilities	<ul style="list-style-type: none">• Traffic Signal @ Redwood/Olive• Pavement Rehabilitation (Measure A)• Street Resurfacing/Reconstruction
Technology and Organizational Investments	<ul style="list-style-type: none">• Telephone System Replacement• Organizational Studies and Facility Plans

KEY MESSAGES

■ Structural Deficit Remains

- Economy remains slow to recover
- Expenditures have been reduced beyond what is sustainable in some areas
- Revenues are beginning to stabilize yet uncertain
 - Sales tax is improving slightly
 - Private development and construction activity continue to decline
- FY 11/12 projecting to need \$350,000 in reserves
- Underlying structural problem continues to worsen

● Fiscal prudence by Council and support by the community

- Difficult decisions have been made to take major steps to reduce deficit
- Passage of Measure F creates breathing room

■ Passage of Measure F provides financial resources in interim (5 years) to prevent additional painful reductions and gives time to transition the organization and services

- Fiscal sustainability discussion this summer
- Difficult policy issues ahead
- Major multi-year initiative



CONCLUSION OF PRESENTATION

Committee Questions?

