

Action Requested

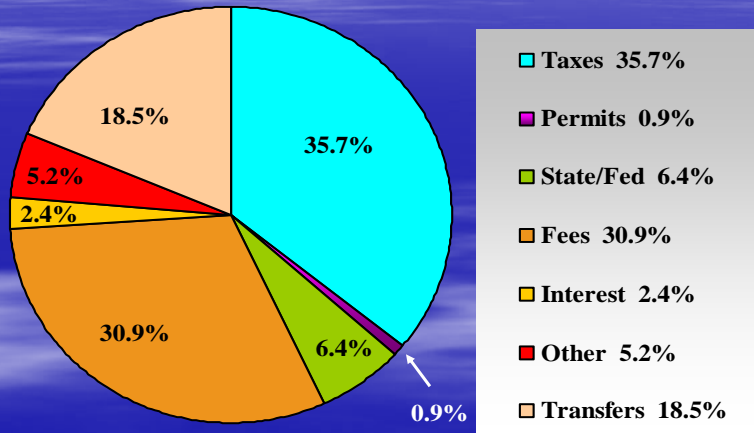
- Adopt Resolution approving proposed FY 09-10 Operating Budget
- Adopt Resolution approving proposed FY 09-10 Capital Improvement Program Budget and accept findings of consistency with the General Plan
- Adopt Resolution approving City's Appropriations Limit for FY 09-10

Overview

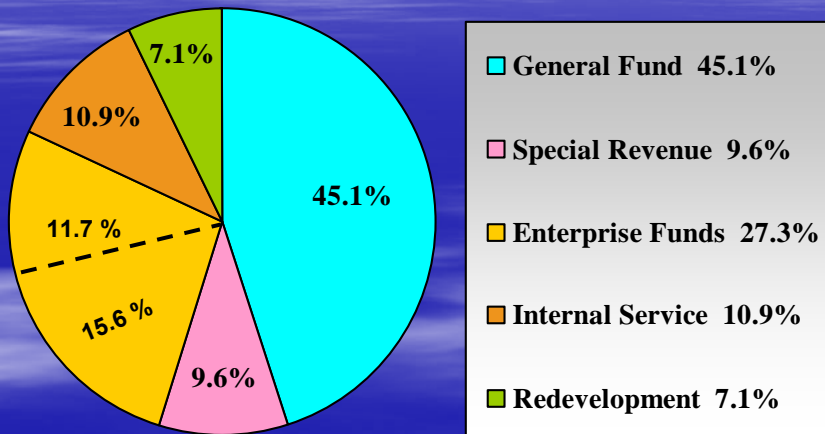
- Revenue Changes
- Expenditure Changes
- Personnel Changes
- One time Use of ISF Funds for Operating Deficit
- Capital Improvement Program

Citywide Overview

Citywide Revenues by Category
Total Revenues = \$77,312,643

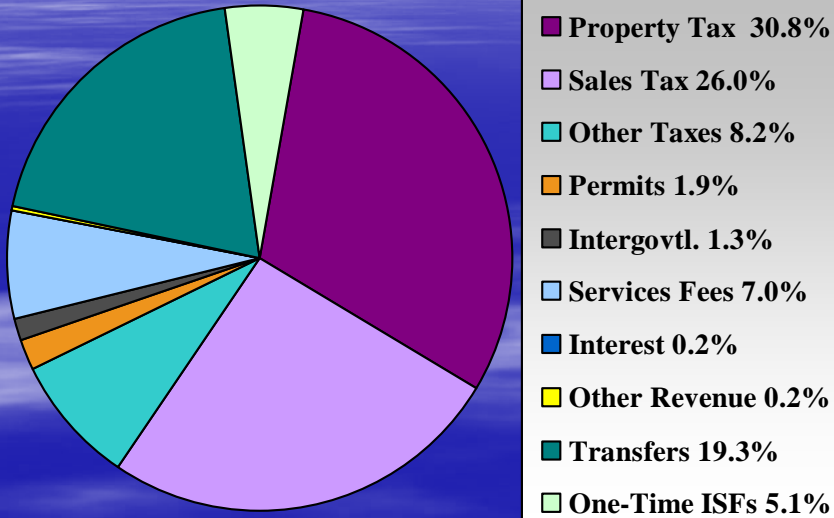


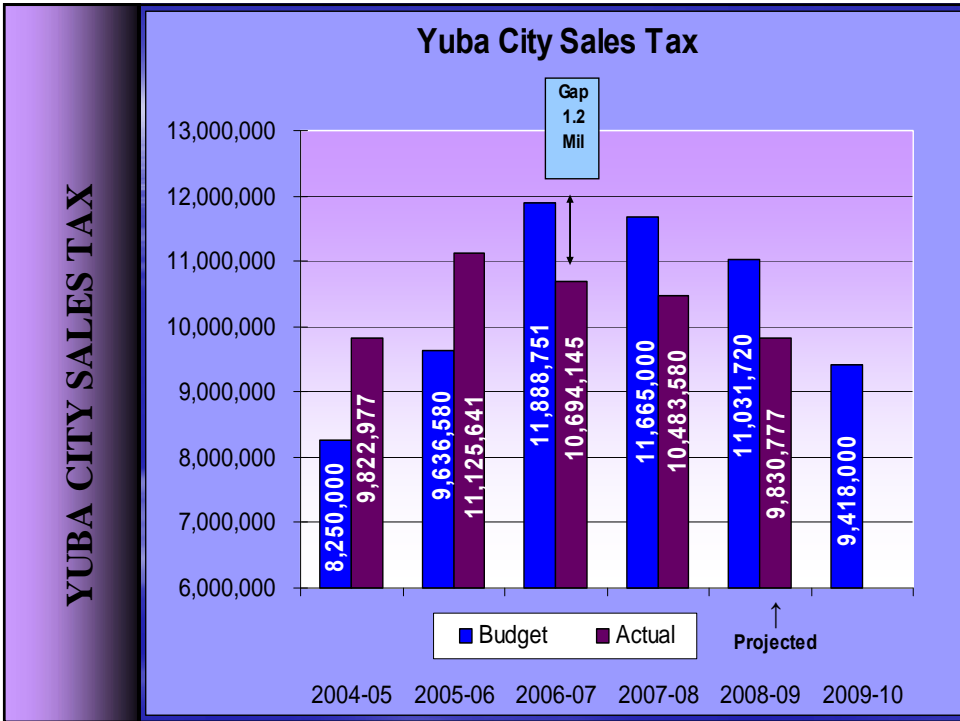
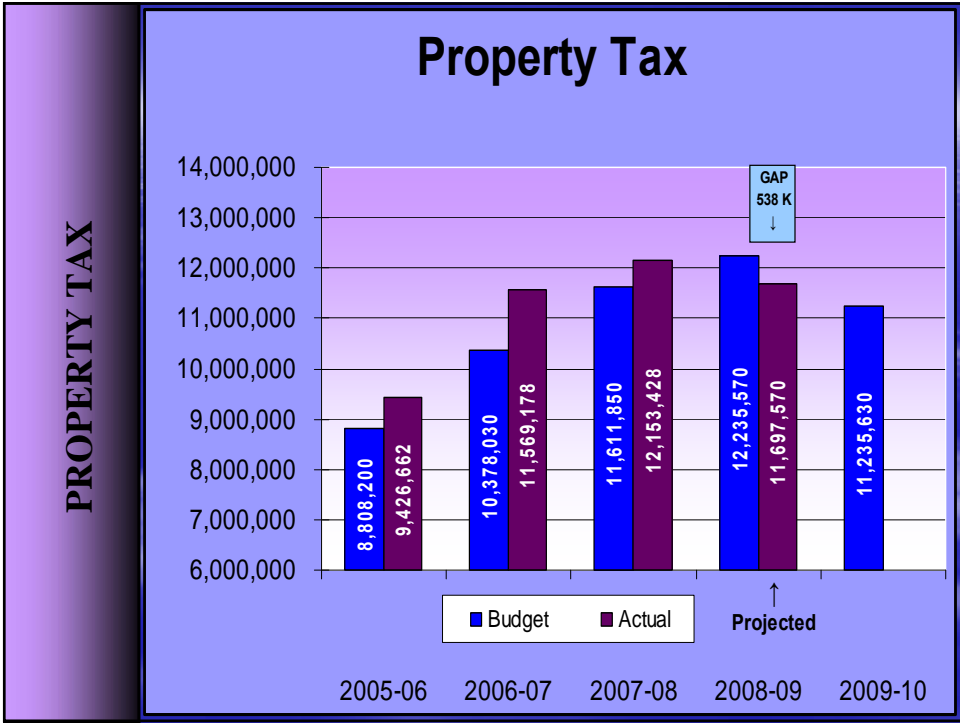
Citywide Expenditures by Funding Source
Total Expenditures = \$82,189,562



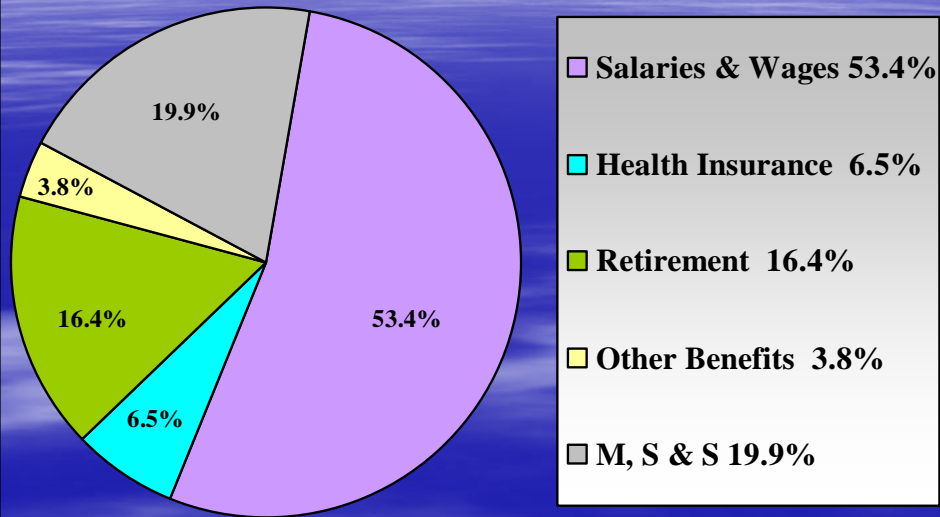
General Fund

General Fund Revenue \$36,482,883
By Category
56.8% of General Fund Revenue Comes From 2 Sources

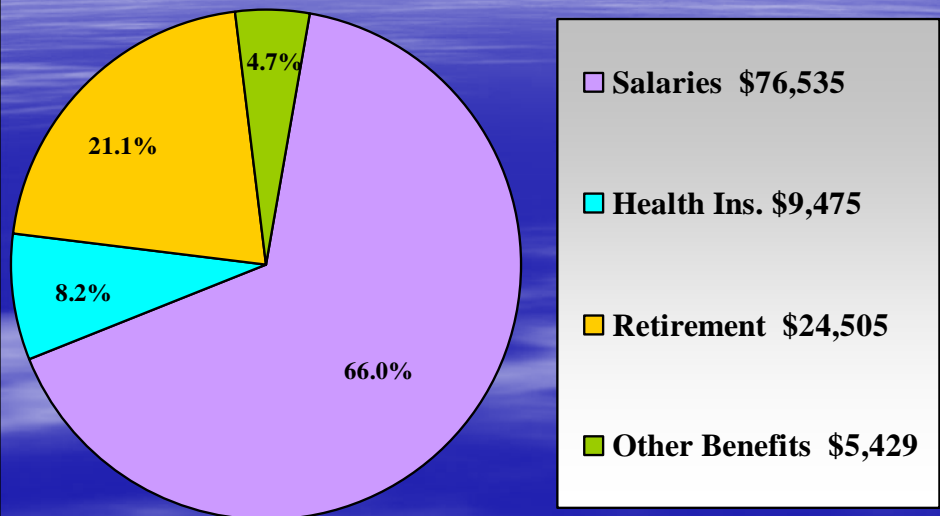


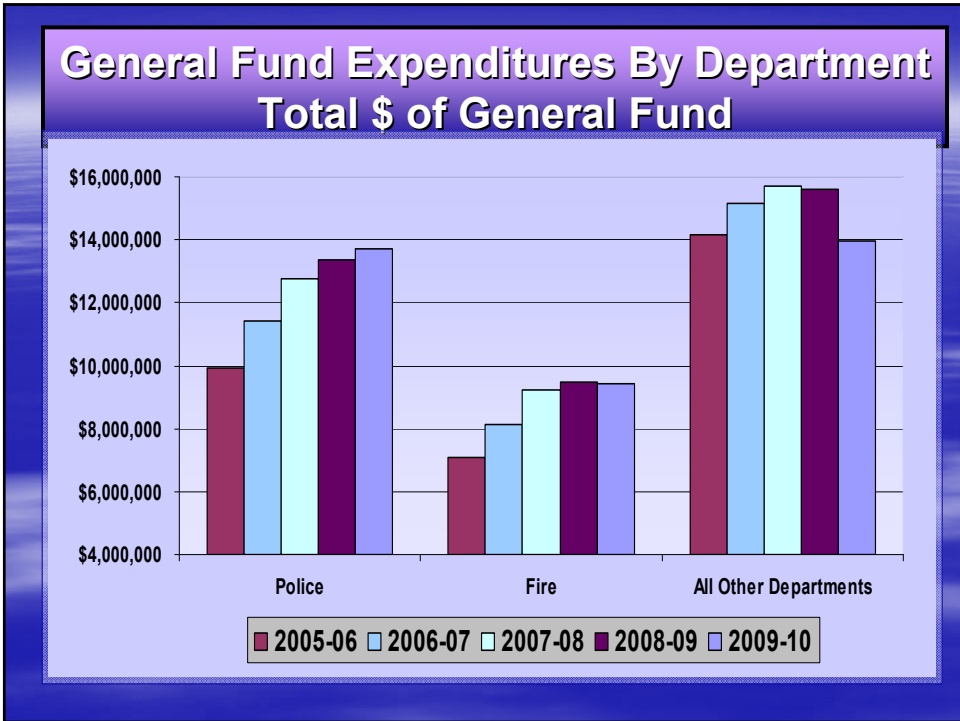
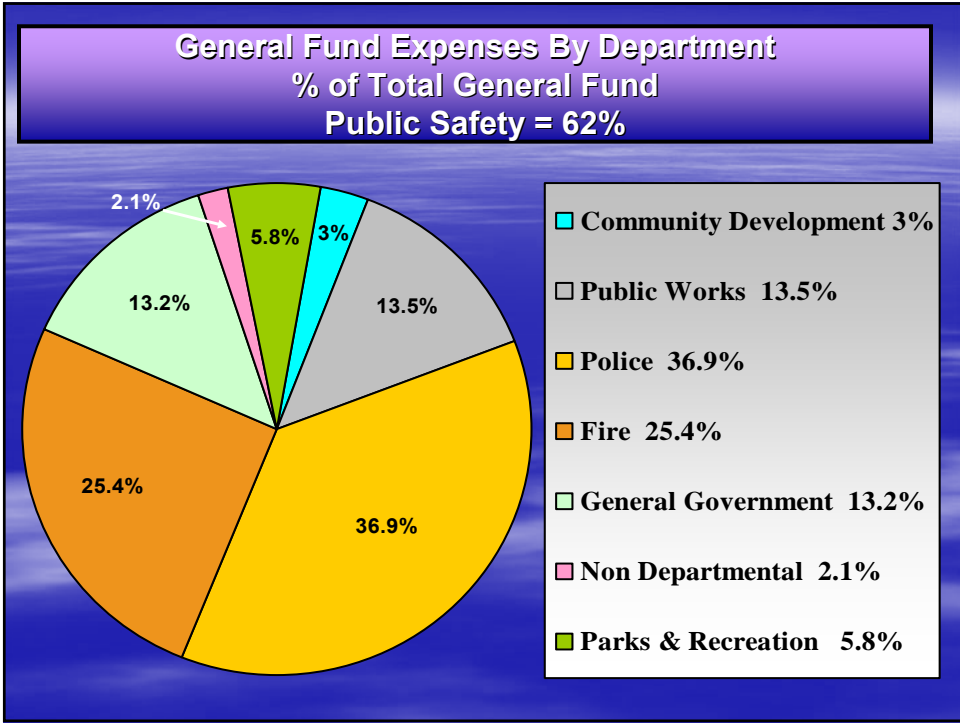


**General Fund Expenses \$37,071,097
By Category
80% of General Fund Expenses are for S & B**

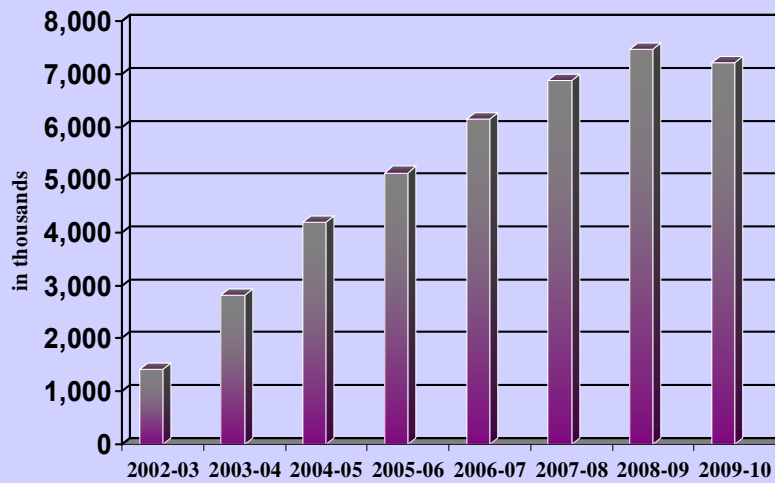


**General Fund Cost Breakdown of
"Average" Employee \$115,944**

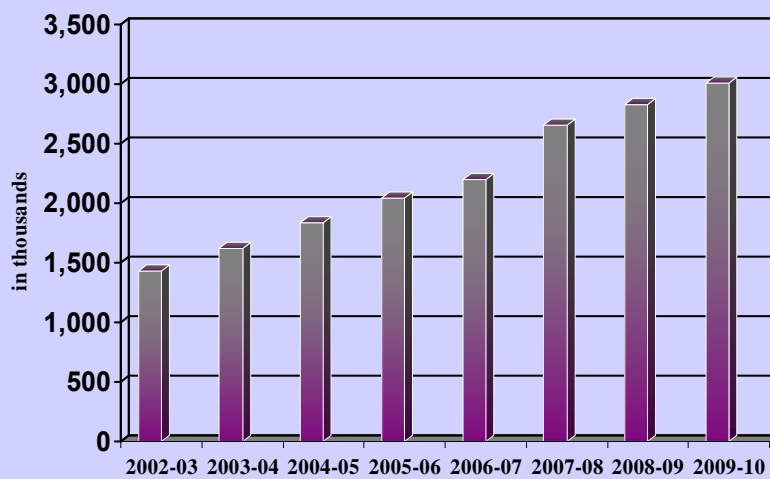




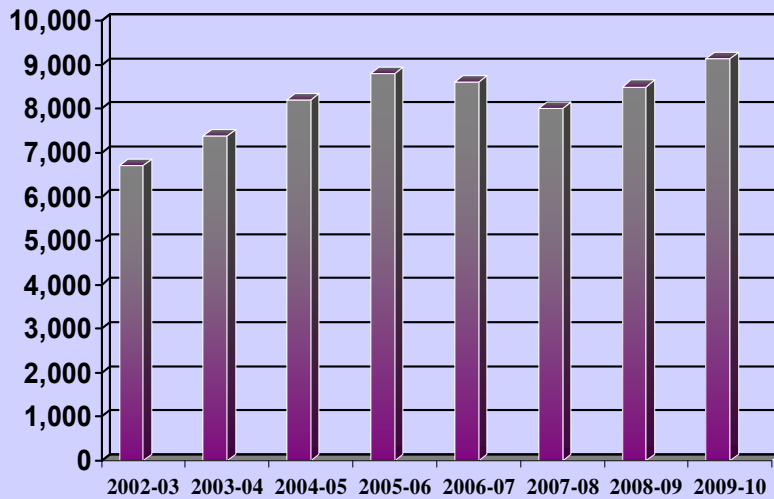
PERS Cost Comparison



Health Plan Cost Comparison



Per Employee Health Plan Cost



Cumulative Revenue Changes

■ Property Taxes	(\$1,001,000)
■ Sales Taxes	(\$1,593,000)
■ MTEA Sales Tax	\$175,000
■ Investment Earnings	(\$200,000)
■ Development Revenues	(\$317,000)
■ Motor Vehicle In Lieu	(\$122,000)
■ Other Revenues	(\$146,000)
■ Cost Allocation Transfers	(\$80,000)
Total Revenue Declines	(\$3,284,000)

Cumulative Expenditure Changes

■ Supplemental Appropriations FY 08-09	(\$337,000)
■ Jan. 09 Expenditure Reductions	\$956,000
■ One Time Savings	(\$216,000)
■ Furlough/Contract Amendments	\$1,150,000
■ Positions Eliminated	\$852,000
■ Budget Reduction Scenarios	\$273,000
■ FY 09-10 MS&S Reductions (Including Pooled Travel & Training)	\$476,000
■ Step Increases & Equity Adjustments	(\$411,000)
■ Employee Benefit Cost Increases	(\$459,000)
■ O/T & Extra Help Increases	(\$205,000)
■ Vehicle Replacement Fund	(\$675,000)
Total Expenditure Reductions	\$1,404,000

Positions Unfunded

- 1 Facility Manager
- 3 Customer Service Reps
- 1 Administrative Clerk I
- 1 Building Inspector I
- 1 Public Works Maintenance Worker III
- 1 Park Maintenance Manager
- 1 Park Maintenance Worker II
- 1 Recreation Manager
- 2 Administrative Analyst
- .5 Facility Aide (1/2 time)
- 1 Principal Planner
- 2 Electrical Technician
- 1 Records Clerk
- 1 Public Safety Dispatcher
- 1 Recreation Coordinator
- 18.5 Total Positions Unfunded

New Positions Added

- 1 Public Safety Dispatcher II
- 3 Fire Recruit/Firefighter I
- 1 Economic Development Mgr. (RDA Funded)
- 2 Construction Inspector – Limited Term
- 7 Total Positions Added

11.5 Net Positions removed in past 2 fiscal years

Reserves

General Funds Immediately Available for Contingency

■ General Fund Operating Reserve	\$3.8 million
■ General CIP Fund Unallocated	\$3.9 million
■ Economic Stabilization Reserve	\$1.3 million
■ Police Department Expansion	
Project Closeout Funds	\$1.2 million
Total	\$ 10.2 million
=	27.5% of the Operating Budget

Economic Stabilization Fund

■ Initial Balance Funded FY 08/09	\$2,300,000
■ Estimated for Operations FY 08/09	<u>(972,000)</u>
■ Remaining Carryover to FY 09/10	\$1,328,000
■ Estimated for Operations FY 09/10	<u>(588,000)</u>
■ Remaining Carryover to FY 10/11	<u>\$740,000</u>

One-Time Use of ISFs

■ Worker's Compensation	\$200,000
■ General Liability Self Insurance	\$100,000
■ Technology Replacement Fund	\$200,000
■ Vehicle Replacement	<u>\$1,350,000</u>
Total One-Time Use of ISFs	\$1,850,000

3 Year Sustainability Summary

FY 09/10 Operating Deficit	(\$588,000)
ISFs One Time Funding	<u>(\$1,850,000)</u>
Actual FY 09/10 Deficit	<u>(\$2,438,000)</u>

FY 10/11 Projections

Additional Revenue Declines	(\$362,000)
Cost Increases	<u>(\$638,000)</u>
Projected FY 10/11 Deficit	<u>(\$3,438,000)</u>

FY 11/12 Projections

Anticipated Revenue Turnaround	\$428,000
Cost Increases	(\$653,000)
PERS Cost Increases	<u>(\$1,550,000)</u>
Projected FY 11/12 Deficit	<u>(\$5,213,000)</u>

Summation

- Removal of 11.5 non-essential positions
- MS&S General fund budget savings \$476,000
- Pooled travel & training
- Use of Economic Stabilization Reserve \$588,000
- Use One-Time Funds from ISFs \$1,850,000
- Focus on maintaining service levels during downturn in economy

Carryover and Current CIP Requests

	Carry Over	Current	Total
General	\$ 1,231,000	\$ 116,000	\$ 1,347,000
Streets & Roads	1,577,000	1,499,000	3,076,000
Development Impact	10,121,000	3,423,000	13,544,000
CDBG	73,000	369,000	442,000
RDA	146,000	3,310,000	3,456,000
Water	2,620,000	4,251,000	6,871,000
Wastewater	1,154,000	1,054,000	2,208,000
Other	3,423,000	52,645,000	56,068,000
Total	\$ 20,345,000	\$ 66,667,000	\$ 87,012,000

CIP Overview

- Public Works
 - Mr. Musallam

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