

CITY COUNCIL

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Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: _____
Date: 03/03/2009

TO: Honorable Mayor and Members of the City Council

FROM: Gilbert Rojas, Director of Finance on Behalf of the Budget Subcommittee

SUBJECT: Discussion and Action to Amend FY 2009/10 Budget

RECOMMENDATION:

It is requested that Council approve the following actions:

1. Lower General fund revenue estimates from \$72.9 million to \$66 million
2. Reduce the General Fund Budget by \$967,000 and authorize \$280,000 in transfers from the Fleet Fund and the Building Maintenance Fund
3. Appropriate an additional \$600,000 to be used for street maintenance
4. Transfer \$17.6 million dollars of the Economic Incentive Reserve to the Economic Uncertainty Reserve

FISCAL ANALYSIS:

This action will save the General Fund \$1.2 million dollars during FY 2009/10. However, it is proposed to add \$600,000 to street maintenance.

PREVIOUS ACTION:

The FY 2009/10 budget was adopted on June 29, 2009.

BACKGROUND:

On January 13, 2010 Council was informed that the anticipated deficit for FY 2009/10 was going up \$6.9 million dollars from \$3.5 million to \$10.5 million. Since then, staff has had seven meetings with the Budget Subcommittee and three meetings with the entire City Council.

The Budget Subcommittee has agreed on the following recommendations:

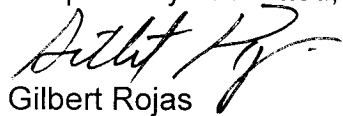
- No change in Uncertainty Reserve policy
- Do not use redevelopment payback of loan in reserves
- Transfer \$17.6 million Economic Incentive Reserve to the Uncertainty Reserve
- Review user fees and revenue enhancements in April

- Discuss funding to outside agencies & events in April
- Continue library study
- Continue graffiti program

Also, the General fund revenue estimates need to be lowered from \$72.9 million to \$66 million as previously presented to the City Council.

The Budget Subcommittee is also in agreement with reducing service levels in Code Enforcement, Building, Planning, Police and Fire. In addition, an interfund transfer from the Fleet Fund and the Building Maintenance Fund needs to be authorized. These actions will save the General Fund \$1.2 million dollars. The carryover effect of these and additional cost cutting measures will lower the FY 2010/11 budget by \$5.2 million dollars.

Respectfully submitted,



Gilbert Rojas
Director of Finance