



Meeting Date: 06/28/11

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input checked="" type="checkbox"/> Other Study Session

Prepared By: James Cameron *JC* Agenda Item No. R-1

Reviewed By: City Manager *JRB* City Attorney *AA* Finance *JC* Other (Specify) \_\_\_\_\_

**DATE:** June 21, 2011

**TO:** City Council

**FROM:** James Cameron, Chief Financial Officer *James Cameron*  
Finance Department

**SUBJECT:** Fiscal Years 2011-12 and 2012-13 Budget Study Session

**RECOMMENDATION**

That City Council consider and discuss the fiscal years (FYs) 2011-12 and 2012-13 two year recommended budget.

**DISCUSSION**

On June 14, 2011, the FY 2011-2013 Recommended Budget was provided to the City Council and made available to the public including the City web page. Today's study session is intended to provide Council and the public the opportunity to ask questions and discuss the recommended two-year budget. Staff will make a short presentation on the budget with a focus on the General Fund.

While the total budget of \$368.3 million is proposed to increase \$7.2 million, the recommended General Fund budget of \$107 million reflects a reduction of \$1.4 million. Several revenue increases have been offset by reductions in one-time sources used to balance prior budgets and a \$1.2 million reduction on franchise fees from the Gas Company. This budget includes a 2% salary increase effective January 2012, as previously approved for various employee bargaining units, as well as pension fund increases. These increases were more than offset with reductions in internal charges for worker compensation, based on trends over the past several years.

The revenue projections for the General Fund overall represent a moderate increase. Although recent economic data published for May have been somewhat negative, the first four months of the calendar year were positive, and the second half of the fiscal year are anticipated to reflect a continuing recovery. At the same time, it will be important to be vigilante in managing the financial resources of the City in the future, including the two years covered in this budget.

**FINANCIAL IMPACT**

The attached overview summarizes the FYs 2011-2012 and 2012-13 Recommended Budget.

Attachment #1: FYs 2011-2012 & 2012-13 Recommended Budget Summary

**FYs 2011-12 & 2012-13**  
**Recommended Budget Summary**  
(\$ millions)

	<u>FY 2011-12</u>	<u>FY 2012-13</u>
General Funds	\$ 107.1	\$ 111.2
Measure O ½ Cent Sales Tax	4.4	2.8
Special Revenue Funds	27.2	25.1
Other Governmental Funds	28.7	29.2
Enterprise Funds	94.2	94.4
Housing Authority (non-City)	24.4	24.4
Capital Improvements	19.8	-
Debt Service	34.4	34.4
Internal Service Funds	28.3	28.3
Total Recommended Budget	<u>\$ 368.5</u>	<u>\$ 349.8</u>