



Meeting Date: 02/03/09

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

Prepared By: James Cameron Agenda Item No. 0-1
 Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] - Other (Specify) _____

DATE: January 28, 2009

TO: City Council

FROM: James Cameron [Signature]
Chief Financial Officer

SUBJECT: Mid-Year Budget Report

RECOMMENDATION

That City Council provide direction to staff based on the mid-year budget report.

DISCUSSION

Staff will be presenting revenue projections based on recent economic trends and options for responding to the negative impact of the current recession on the current year budget. While the focus will be on the general fund, proposed savings will be applied to other major funds as well, including enterprise funds.

The current economic recession is projected to have a \$6.2 million impact on general fund revenues. At the national level, the current recession began in December of 2007, but in all likelihood, began several months earlier in the State of California. The \$6.2 million revenue shortfall, which represents more than 5% of the \$119.5 million general fund budget, is based on updated revenue trends and sales tax data not previously available.

FINANCIAL IMPACT

The options presented today are anticipated to generate in excess of \$6 million in savings.