



Meeting Date: 07/07/09

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 checked="" type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Grace Magistrale Hoffman *GMH* Agenda Item No. L-1

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) \_\_\_\_\_

DATE: June 29, 2009

TO: City Council  
Community Development Commission  
Housing Authority

FROM: *Grace Magistrale Hoffman*  
Grace Magistrale Hoffman, Deputy City Manager, City Manager's Office  
Jim Cameron, Chief Financial Officer *James Cameron*

SUBJECT: **Presentation and Adoption of the Fiscal Year (FY) 2009-2010 City, Community Development Commission, and Housing Authority Operating and Capital Improvement Budgets**

**RECOMMENDATION**

1. That City Council conduct a public hearing on the FY 2009-2010 operating and capital improvement budgets for the City of Oxnard (City), Community Development Commission (CDC), and Housing Authority.
2. At the conclusion of the public hearing, at the discretion of City Council, adopt resolutions: (a) approving the City's Operating and Capital Improvement Budgets for FY 2009-2010; (b) authorizing full-time equivalent positions in the City effective July 1, 2009; (c) authorizing the Classification and Salary Schedule effective July 1, 2009; and (d) establishing FY 2009-2010 Financial Management Policies.
3. At the conclusion of the public hearing, at the discretion of the Commissioners, adopt a resolution approving the CDC's Operating and Capital Improvement Budgets for FY 2009-2010.
4. At the conclusion of the public hearing, at the discretion of the Commissioners, adopt a resolution approving the Housing Authority's Operating Budget for FY 2009-2010.

## **DISCUSSION**

The Executive Budget Summary (Attachment #1) provides information and supporting documentation on the FY 2009-2010 Budget.

This two-year budget has been developed in accordance with the direction provided by the City Council during the budget study session on June 9, 2009 and consistent with the City's vision and priorities established by the City Council:

“The City of Oxnard will have clean, safe, prosperous and attractive neighborhoods with open, transparent government.”

### **Recommended Actions by the City Council**

1. Budget Approval Resolution (Attachment #2) The proposed budget resolution for FY 2009-2010 includes the appropriations recommended for approval by Council for each fund and department.

The City as well as the State and rest of the nation has experienced possibly the most severe recession since the great depression. The challenging economic conditions required a concerted effort from all levels of the organization to balance the FY 2009-2010 budget. The City Council provided clear direction and set the tone for developing a budget that protected critical City services while achieving the necessary savings to balance a general fund revenue shortfall of \$10.2 million. City employees responded with over 400 ideas and departments identified \$3.7 million in general fund savings as well as \$2.5 million in other funds.

The recommended FY 2009-2010 general fund budget represents a decrease of approximately \$7.1 million from the FY 2008-2009 adopted budget of \$119.4 million. The recommended savings to address the \$10.2 million dollar shortfall included \$3.1 million in transfers from other funds, resulting in the net \$7.1 million budget decrease. While the revenue shortfall was balanced with several short-term recommendations, the general fund operating reserve will not be impacted.

*General Fund Operating Reserve:* The operating reserve policy states “The City Council will endeavor to maintain an operating reserve equal to 18 percent of the General Fund Operating Budget. The operating reserve shall be to: cover cash flow requirements; meet unanticipated revenue shortfalls; take advantage of unexpected opportunities; invest in projects with a rapid payback; ensure against physical or natural disasters; and provide interest earnings.”

The City's General Fund recommended budget is \$112.3 million for FY 2009-2010; and 18 percent is \$20.26 million. Currently, the General Fund Operating Reserve is \$18.3 million. The recommendations in the FY 2009-2010 Budget bring the General Fund Operating Reserve to an estimated 16 percent of the operating budget.

*Key Highlights of the Budget:* The Recommended Budget contains the following key elements:

- *Recommended Savings:* The FY 2009-2010 recommended budget includes \$11.4 million in savings that were presented to the City Council on June 9, 2009. In addition to the \$3.7 million in direct departmental savings, a rolling vacant position management plan is targeted to save \$2.9 million, additional reductions to capital equipment and travel/training budgets will save \$1.3 million, a refund of workers compensation charges provides \$1 million, and Community Development Commission property tax pass-through payments will add \$2.4 million in general fund resources.
  - *Additional Requirements for Structural Budget Shortfalls:* Increases to several department budgets are recommended to address on-going structural deficits. Included are \$278,000 for Fire overtime and related costs, \$351,000 for Parks utilities, and \$100,000 for unfunded Human Services (Recreation) requirements. In addition, \$400,000 from savings are reserved for Council approved unfunded requirements.
  - *No Salary Adjustments:* The recommended budget for both fiscal years does not include funding for salary or benefit increases. At the same time, no layoffs or furloughs are anticipated. Many cities as well as counties and the State have resorted to a combination of salary reductions, furloughs, and layoffs to help balance their budgets. The City recognizes that layoffs and furloughs would have a negative impact on services and was able to identify alternatives to avoid layoffs or furloughs for the FY 2009-2010 Recommended Budget.
2. Authorized Position Resolution and City Classification and Salary Schedule (Attachment #3 and #4) The Authorized Position Resolution establishes the number of positions (full-time equivalents) authorized by Council in each department. The City Classification and Salary Schedule establishes the type and kind of classification and appropriate salary range for each position.
  3. Financial Management Policies (Attachment #5) The Council initially adopted the Financial Management Policies on February 7, 1989. These policies are reviewed and updated each year to guide staff and the Council in the development and implementation of the budget. These changes include the update to guidelines to serve for the FY 2009-2010 budget.

### **Recommend Actions by the Community Development Commission**

Budget Approval Resolution (Attachment #6) The proposed budget resolution for FY 2009-2010 includes appropriations recommended for approval by the Community Development Commission for administration and each project area.

### **Recommended Actions by the Board of Commissioners of the Housing Authority**

Budget Approval Resolution (Attachment #7) The proposed budget resolution for FY 2009-2010 includes appropriations recommended for approval by the Board of Commissioners of the Housing Authority for the Housing Department.

### **Capital Improvement Plan**

Capital Improvement Project Plan (Attachment #8) The total Capital Improvement Project Plan recommended for FY 2009-2010 is \$5,795,029. The FY 2009-2010 Capital Improvement Budget was reviewed by the City Planning Commission on June 18, 2009.

- Attachment #1 - Executive Budget Summary  
#2 - Resolution Approving FY 2009-2010 City Operating and Capital Budgets  
#3 - Resolution Authorizing Employee Positions  
#4 - Resolution Authorizing Classification and Salary Schedule  
#5 - Resolution Establishing Financial Management Policies  
#6 - Resolution Approving Community Development Commission Budget  
#7 - Resolution Approving Housing Authority Budget  
#8 - Capital Improvement Project Plan