

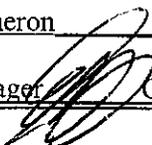


Meeting Date: 01/26/10

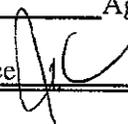
ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/>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

Prepared By: James Cameron

Agenda Item No. R-1

Reviewed By: City Manager 

City Attorney 

Finance 

Other (Specify) _____

DATE: January 15, 2010

TO: City Council

FROM: James Cameron, Chief Financial Officer
Finance Department 

SUBJECT: Fiscal Year 2009-10 Mid-Year Budget Presentation

RECOMMENDATION

That City Council receive the mid-year budget presentation for fiscal year 2009-10.

DISCUSSION

Staff will be presenting revenue projections based on the 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 continuing economic recession is projected to have a \$3.9 million impact on general fund revenues. While various national economic indicators have improved, local revenues throughout California, such as sales taxes, continue to be impacted by the recession. Although the current budget assumed declining revenues, high unemployment combined with falling property values have had a negative impact on the City's major revenue sources. The \$3.9 million revenue shortfall represents 3% of the \$112.3 million general fund budget and 7% of \$56.3 million in unexpended general funds as of December 31, 2009. These amounts do not include the Measure O 1/2 cent sales tax.

FINANCIAL IMPACT

City staff has begun to evaluate opportunities within the unexpended general fund balances to balance the \$3.9 million shortfall consistent with the priorities established by the City Council.