



Fiscal Year 2005 Proposed Budget Budget Adoption

Gerald R. Miller, City Manager
September 7, 2004



FY 05 Budget Deliberations

- **As mentioned on August 17, additional structural and one-time revenue opportunities exist to address critical service restorations**
- **Staff has identified approximately \$1.5 million in additional offsets for high priority concerns**
- **Restorations considered based upon input received from the Mayor and City Council, the Budget Oversight Committee and the community**



Requested FY 05 Budget Adjustments

● Mobile Recreation (General Fund)	\$122,000
● Library Youth Programming	168,000
● Day Camps	143,000
● PAL/DARE (one-year restoration pending study)	434,000
● Extended Day Program	88,000
● Restore Current Tree Trimming Cycle	200,000
● Park Resource Reallocation*	151,000
● Establish Infrastructure Reserve	<u>200,000</u>
● Value of Restorations	\$1,506,000

* Restores Neighborhood Parks Supervision and 4th Season of Youth Sports



Proposed Offsets to Requested FY 05 Budget Adjustments

● Gang Prevention Optimization	\$382,000
● Parking Revenue	190,000
● Renegotiated Verizon Agreement	300,000
● Unanticipated Statutory Pass-through	200,000
● Use of Unrestricted Ending Fund Balance	<u>434,000</u> **
● Total Offsets Available	\$1,506,000

**Ending FY 05 Fund Balance, after use of \$434,000, projected to be approximately \$1,916,000



Impact of State's FY 05 Budget on the City's General Fund

- **State take-aways impact FY 05 Proposed Budget**
- **State has once again looked to local government resources to solve its fiscal problems**
- **Three main forms of take-aways in FY 05 and FY 06**
 - Proposition 57 Sales Tax "Triple Flip"
 - Vehicle License Fee (VLF) Swap
 - State General Fund Contribution
- **FY 04 net impact is \$7.7 million**
- **FY 05 net impact is \$6.3 million**
- **FY 06 net impact is \$5 million**



Solutions to Address State Take-aways

- **FY 04 loss (\$7.7 million)**
 - FY 04 ending fund balance reduced by \$7.7 million (repaid in FY 05)
- **FY 05 loss (\$6.3 million)**
 - Subsidence Fund interest earnings of \$4 million
 - Redevelopment Agency request for loan repayment of \$1.3 million
 - Surplus City property sales proceeds of \$1 million



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