



CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Councilmembers
DATE: June 1, 2010
THROUGH: John W. Donlevy, Jr., City Manager
FROM: Shelly A. Gunby, Director of Financial Management *Shelly*
SUBJECT: Fiscal Years 2010-2011/2011-2012 Budgets

RECOMMENDATION:

1. Consider Options and Solutions for reducing the projected deficits for each of the fiscal years 2010-2011 and 2011-2012.
2. Review reductions for City Wide Assessment District and provide staff direction on expenditure reductions for the City Wide Assessment District.

BACKGROUND:

Revenues have decreased from 2008-2009 and are projected to continue to decrease for 2010-2011 and 2011-2012 (the increase projected for 2010-2011 is due to the expected fee from the Fire District when the City starts its new Fire Department and provides service to the Fire District) Expenditures are projected to increase in both 2010-2011 and 2011-2012. Some of the increase is the increased cost of the Fire Department, which will be reimbursed by the Fire District. The balance of the increase in expenditures is due to projected increases in both CALPERS and the cost of health insurance for employees.

Staff has identified that a significant impact to the General Fund is the subsidy provided to the City Wide Assessment District for providing park maintenance and street lighting. This impact to the General Fund needs to be eliminated in order for the General Fund to have sufficient resources to provide the core services to our citizens.

Revenue Assumptions:

Revenues as shown in Table A are down for almost every category and are forecast lower with each year. General Fund Revenues for the FY 2010-11 are \$156,491 lower than 2008-2009 and FY 2011-2012 will be \$193,351 lower than the same year. The reductions for individual revenue sources are as follows:

- **Property Taxes:** Generally, the reduction in property taxes is a reflection of declining property values (due to county reassessments, foreclosures and short sales) and the lack of development within the community. Property taxes are projected to be 6% less in 2010-2011 than in 2008-2009. Property Tax in Lieu of Sales Tax (triple flip) has declined by 45% since 2008-2009 due to the State's miscalculation of revenue payments to cities in previous years. Property Tax in Lieu of VLF follows the increase or decrease in the assessed value of property throughout the City and therefore is impacted by the same items that impact property taxes.
- **Sales Taxes:** In 2009-2010, sales taxes fell 5.94% and are expected to decline an additional 4.8% in FY 2010-2011 with a recover in 2011-2012 to approximately the amount collected in 2009-2010. With the limited tax base of gasoline and restaurants, the economy's effect on our sales tax producing businesses has been significant.
- **Licenses and Permits:** The lack of construction and permit activity has created a significant burden financially for the planning and building functions. The development horizon is viewed as limited with permits down 48.2% in FY 2009-10 and cumulative reductions of 22.5% and 61.6% in the ensuing years.
- **Transfers:** The accumulated PERS Fund has been depleted and there are now no transfers to offset escalating retirement contributions and significantly reduce interest rates on the Service Reserve Fund has reduced the amounts of transfers the General Fund will receive from other funds.
- **Service Charges:** Increases in fees at both the Community Center and the Swimming Pool will provide large percentage increases to offset current costs of operations as well as the addition of ambulance fees collected once the City has its own Fire Department.
- **Other Revenues:** The addition of a new City Fire Department that contracts with the Winters Fire Protection District has added revenues to the Other Revenue Category for the contractual payment to be received by the City from the Fire District for services.
- **Development Assumptions:** The revenue projections assume that the Catholic Church, Orchard Village, the Gas Station/Burger King and the Almondwood Apartment Complex Rehabilitation will all be issued building permits during the 2010-2011 Fiscal Year providing \$86,968 of the projected \$108,071 in license and permit revenues. The Gas Station/Burger King is the only project in the 2010-2011 group of projects that will be outside of the Community Development Agency Project Area, and will be of benefit to the General Fund both in terms of Property Taxes and Sales Taxes. Current estimates are that building permits will be issued sometime in early calendar year

2011 with the completion of the project anticipated around April 2012. The revenue estimates included in the budget include \$5,000 in sales tax for FY 2011-2012. Anticipated yearly sales tax estimates for such a project (both gas station and Burger King) is \$90,000. This will be reflected in the 2012-2013 budget estimates. In addition to the sales tax, the City will receive Property taxes of approximately \$87,500 per year beginning in 2014-2015. In aggregate, this one project could produce yearly revenues of \$177,500.

Projects expected to be issued building permits during 2011-2012 include the development at the Jordan Property and the development of the Grant Avenue Commercial Property owned by the Winters Community Development Agency, providing \$32,282 of the projected \$53,582 in licenses and permit revenues. The actual make up of these projects remains to be determined, however, should another gas station/food service be completed at the Jordan Property, it too is outside the Community Development Project area and would be expected to produce revenue equivalent to the Gas Station/Burger King project.

Table A City of Winters
Revenues 2008-2009 through 2011-2012

	Actual 2008-2009	Estimated 2009-2010	Proposed 2010-2011	Proposed 2011-2012
TAXES:				
Property Tax	\$ 734,193	\$ 703,951	\$ 689,872	\$ 691,597
Property Tax in Lieu of Sales Tax	130,808	66,353	71,621	75,912
Property Tax in Lieu of VLF	526,512	528,176	517,612	518,906
Sales Tax	254,801	239,678	227,379	238,063
Other Taxes	1,022,648	988,958	991,510	1,004,552
TOTAL TAXES	\$ 2,668,962	\$ 2,527,116	\$ 2,497,994	\$ 2,529,030
SERVICE CHARGES:				
Community Center Rental	16,840	28,000	63,920	63,920
Swimming Pool	14,575	24,264	40,650	40,650
Ambulance	-	-	7,500	7,500
Other Service Charges	81,549	94,142	58,485	43,191
TOTAL SERVICE CHARGES	\$ 112,964	\$ 146,406	\$ 170,555	\$ 155,261
LICENSES AND PERMITS	139,614	72,275	108,071	53,582
TRANSFERS	133,060	11,000	5,000	5,000
OTHER REVENUES	108,800	59,193	232,641	234,528
TOTAL REVENUES	\$ 3,163,400	\$ 2,815,990	\$ 3,014,261	\$ 2,977,401

Expenditures: Table B shows the expenditures as projected for FY 2010-2011 and 2011-2012.

City of Winters
Expenditures Actual 07-08 through Projected 11-12

	Actual 07-08	Actual 08-09	Estimated 09-10	Projected 10-11	Projected 11-12
City Council	\$ 683	\$ 92	\$ 1,591	\$ 2,052	\$ 2,097
City Clerk	5,990	11,938	14,158	8,441	15,441
City Treasurer	341	348	323	338	338
City Attorney	61,807				
City Manager	39,790	29,419	36,836	35,451	35,991
Administrative Services	180,945	155,219	167,856	170,032	172,412
Finance Dept	5,201	2,017	2,750	2,695	2,727
Police	1,588,778	1,662,137	1,799,603	1,789,110	1,775,093
Fire	409,872	412,658	410,741	631,736	640,390
Community Development	398,181	392,997	295,341	281,400	279,026
Building Inspection	134,630	106,796	121,569	101,170	102,287
Public Works	236,520	305,026	340,802	337,581	335,271
Recreation	116,282	133,436	56,906	8,050	8,050
Community Center	87,512	76,913	85,677	92,116	92,364
Pool	93,399	77,567	77,274	69,862	69,862
Total General Fund Expenditures	\$ 3,359,931	\$3,366,562	\$ 3,411,427	\$3,530,034	\$3,531,350

General Fund Solutions:

Staff has identified a number of areas for reduction of general fund expenditures in order to reduce the projected deficit for 2010-2011 and 2011-2012. This include:

1. Employee compensation/benefit reductions
2. Addressing expenditures in the City Wide Assessment District so that it is self-supporting
3. Reclassification/Reassignment of Staff
4. Freeze hiring of recently vacant Police Officer Position

Table Option 1 is projected results of implementing all recommendations above, with 2 staff reclassifications.

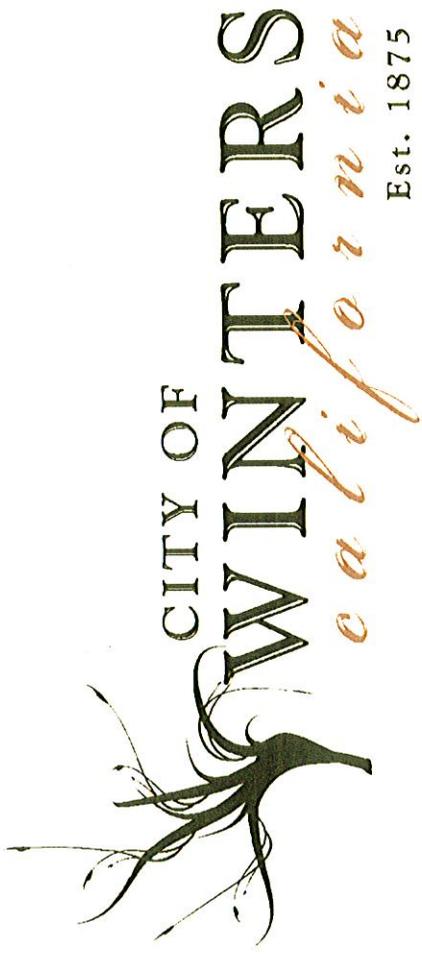
Option 1	2010-2011	2011-2012
City Wide Assessment District Self Supporting	98,922	100,230
Employee Compensation/Benefit Reductions	80,450	80,714
Reclassify Employee to Water and Sewer Only	48,486	49,190
Reclassify Employee to 100% Finance	30,475	30,475
Freeze Police Officer Position Recruitment for 6 mos	115,112	17,592
Total Savings	373,445	278,201
Original deficit as proposed 5/18/10	515,773	553,948
Proposed Deficit after making adjustments	142,328	275,747

Table Option 2 is projected results of implementing all recommendations above, with 3 staff reclassifications.

Option 2	2010-2011	2011-2012
City Wide Assessment District Self Supporting	98,922	100,230
Employee Compensation/Benefit Reductions	80,450	80,714
Reclassify Employee to Water and Sewer Only	48,486	49,190
Reclassify Employee to 100% Finance	30,475	30,475
Reclassify Employee 100% Parks	25,167	25,167
Freeze Police Officer Position Recruitment for 6 mos	115,112	17,592
Total Savings	398,612	303,368
Original deficit as proposed 5/18/10	515,773	553,948
Proposed Deficit after making adjustments	117,161	250,580

FISCAL IMPACT:

Potential Savings to General Fund Balance of \$398,612 for 2010-2011 and \$303,368 for 2011-2012.



June 1, 2010

Budget Workshop

Table A City of Winters
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City of Winters

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Public Works	236,520	305,026	339,956	336,267	340,062
Recreation	116,282	133,436	56,906	8,050	8,050
Community Center	87,512	76,913	85,677	92,116	92,364
Pool	93,399	77,567	77,274	69,862	69,862
Total General Fund Expenditures	\$ 3,359,931	\$ 3,366,562	\$ 3,410,581	\$ 3,528,720	\$ 3,536,141

General Fund Deficit as Presented on May 18, 2010

2010-2011 2011-2012

(515,773)

(553,948)

Deficit Composed of:

	2010-2011	2011-2012

General Fund Issues

416,851

453,718

City Wide Assessment Subsidy

98,922

100,230

City Wide Assessment Expenditures

	<u>2010-2011</u>	<u>2011-2012</u>
City Council Allocation	1,026	1,049
Finance Cost Allocation	16,168	16,364
Plants	400	400
Internal Service Fund Allocation	59,356	59,356
Maintenance Supplies	600	600
Department Supplies	11,090	11,090
Minor Tools	300	300
Safety Equipment	300	300
Electricity-Street Lighting	62,000	62,000
Water	3,000	3,000
Miscellaneous Professional Services	10,500	10,500
Janitorial	5,500	5,500
Miscellaneous Repairs	1,000	1,000
Park Maintenance	114,519	115,913
Total Costs	<u>285,759</u>	<u>287,372</u>

City Wide Assessment Must be Self Supporting

In the current economic environment, the City Wide Assessment Costs should not be more than the Revenues collected in order not to impact the General Fund

We cannot increase revenues in the City Wide Assessment District, so we must lower expenditures

City Wide Assessment Expenditure

Reduction Options

Option 1

	Savings	Savings
	2010-2011	2011-2012
1 Reclassify Employee to Water & Sewer Fund only	27,173	27,511
2 Turn off Street lights (but not Little League lights when in season	57,000	57,000
3 Reduce supplies used to maintain the parks	5,849	6,249
4 Turn off water to the parks	3,000	3,000
5 Stop outside janitorial service and assign to public works staff	5,500	5,500
6 Remove budget for planting trees and plants	400	400
7 Remove budget for minor tools		300
8 Reduce budget for Maintenance Supplies		270
Total Savings	98,922	100,230

City Wide Assessment Expenditure Reduction Options Option 2

	Savings	Savings
	2010-2011	2011-2012
1 Reclassify Employee to Water & Sewer Fund only	27,173	27,511
2 Reclassify Public Works employee to be "Parks" only	(61,470)	(62,480)
3 Remove Allocation of all other Public Works Staff	87,346	88,402
4 Stop outside janitorial service and assign to public works staff	5,500	5,500
5 Turn off 75% of Street lights	40,273	41,297
	98,822	100,230
Total Savings		

City Wide Assessment Expenditure Reduction Options Option 3

	Savings	Savings
	2010-2011	2011-2012
1 Reclassify Employee to Water & Sewer Fund only	27,173	27,511
2 Stop all Park Maintenance	87,346	88,402
3 Add additional Janitorial costs for daily cleaning of restrooms	(8,000)	(8,000)
4 Allow for Mowing of Little League Field Only	(7,597)	(7,683)
Total Savings	98,922	100,230

General Fund Solutions

The General Fund Solutions begin with the assumption that we have solved the deficit of the City Wide Assessment District.

Option 1 is based on the assumption that we have chosen option 1 or 3 from our discussion of the City Wide Assessment District.

General Fund Solutions

	2010-2011	2011-2012
Option 1		
City Wide Assessment District Self Supporting	98,922	100,230
Employee Compensation/Benefit Reductions	80,450	80,714
Reclassify Employee to Water and Sewer Only	48,486	49,190
Reclassify Employee to 100% Finance	30,475	30,475
Freeze Police Officer Position Recruitment for 6 mos	115,112	17,592
	Total Savings	278,201
	Original deficit as proposed 5/18/10	553,948
	Proposed Deficit after making adjustments	275,747

General Fund
Projected Fund Balance
Option 1

	<u>2010-2011</u>	<u>2011-2012</u>
Projected Fund Balance Option 1		
Estimated Beginning Fund Balance	1,668,485	1,526,157
Projected Decrease in Fund Balance	<u>142,328</u>	<u>275,747</u>
Projected Year End Fund Balance	<u>1,526,157</u>	<u>1,250,410</u>

General Fund Solutions

Option 2 is based on the assumption that we have chosen option 2 from our discussion of the City Wide Assessment District.

	<u>2010-2011</u>	<u>2011-2012</u>
Option 2		
City Wide Assessment District Self Supporting	98,922	100,230
Employee Compensation/Benefit Reductions	80,450	80,714
Reclassify Employee to Water and Sewer Only	48,486	49,190
Reclassify Employee to 100% Finance	30,475	30,475
Reclassify Employee 100% Parks	25,167	25,167
Freeze Police Officer Position Recruitment for 6 mos	115,112	17,592
	<u>398,612</u>	<u>303,368</u>
Total Savings	398,612	303,368
	<u>515,773</u>	<u>553,948</u>
Original deficit as proposed 5/18/10	515,773	553,948
	<u>117,161</u>	<u>250,580</u>
Proposed Deficit after making adjustments	117,161	250,580

General Fund
 Projected Fund Balance
 Option 2

	2010-2011	2011-2012
Projected Fund Balance Option 1	1,668,485	1,551,324
Estimated Beginning Fund Balance	117,161	250,580
Projected Decrease in Fund Balance	1,551,324	1,300,744
Projected Year End Fund Balance		

Reserve Policy Status

We will not be meeting our Reserve Policy Status under either General Fund proposed solution.

We will have less than 50% of expenditures in reserves for both 2010-2011 and 2011-2012.

However, by proposing the changes in the budget included in tonight's review, we maintaining our fund balance at approximately 48% of expenditures for 2010-2011 and 41% of expenditures for 2011-2012

City of Winters
Governmental Funds
2008-2012 Summary of Estimated Financial Sources and Uses
(For Budgetary Purposes Only)

	2008 Actual	2009 Actual	2010 Estimate	2011 Budget	2012 Budget
Financial Sources:					
Property Taxes	\$ 728,428	\$ 734,193	\$ 703,951	\$ 689,872	\$ 691,597
Property Tax in Lieu of VLF	520,373	526,512	528,176	517,612	518,906
Property Taxes in Lieu of Sales Tax	70,177	130,808	66,353	71,621	75,912
Sales and Use Taxes	327,596	282,075	263,940	250,117	261,870
Other Taxes	993,364	995,374	964,697	968,771	980,745
Service Charges	93,145	112,964	146,406	170,555	155,261
Fines and Penalties	45	1,300	1,000	-	-
Rents and Concessions	35,574	38,500	38,500	38,500	38,500
Interest	55,074	46,420	3,000	3,000	3,000
Licenses and Permits	85,267	139,614	72,275	108,071	53,582
Grants	4,960	1,500	1,600	1,500	1,500
Impact Fees					
All other Revenues	100,992	21,081	15,093	189,642	191,528
Total Estimated Financial Sources	\$ 3,014,993	\$ 3,030,341	\$ 2,804,990	\$ 3,009,261	\$ 2,972,401
Expenditures					
General Government	\$ 294,758	\$ 199,033	\$ 223,514	\$ 219,009	\$ 229,007
Public Safety	1,588,778	1,662,137	1,799,603	1,789,110	1,775,093
Fire Protection	410,312	412,658	410,741	631,736	640,390
Public Works	236,520	305,026	340,802	337,581	335,271
Streets and Transportation	-	-	-	-	-
Community Development	532,811	499,793	416,910	382,570	381,314
Debt Service					
Parks	-	-	-	-	-
Recreation	297,193	287,915	219,857	170,028	170,275
Total Budget	\$ 3,360,371	\$ 3,366,562	\$ 3,411,427	\$ 3,530,034	\$ 3,531,350
General Contingencies and Reserves	-	-	-	-	-
Total Use of Resources	\$ 3,360,371	\$ 3,366,562	\$ 3,411,427	\$ 3,530,034	\$ 3,531,350
Net Increase (Decrease) In Fund Balance	(345,378)	(336,222)	(606,437)	(520,773)	(558,948)
Fund Balance July 1	2,601,265	2,458,887	2,263,076	1,667,639	1,151,866
Adjustments	-	-	-	-	-
Transfers In	203,000	140,411	11,000	5,000	5,000
Transfers Out	-	-	-	-	-
Fund Balance June 30	\$ 2,458,887	\$ 2,263,076	\$ 1,667,639	\$ 1,151,866	\$ 597,918



CITY COUNCIL
STAFF REPORT

TO: Honorable Mayor and Councilmembers
DATE: May 18, 2010
FROM: John W. Donlevy, Jr., City Manager
SUBJECT: Fiscal Years 2010-11/2011-12 Budgets

RECOMMENDATION:

That the City Council conduct a workshop regarding the 2010-11 and 2011-12 Fiscal Year Budgets.

BACKGROUND:

The City of Winters is now entering into a third year of economic downturn and budget concerns. Staff has prepared a two year budget to help forecast revenues and expenditures to maximize financial planning.

In FY 2009-10, the revised forecasted structural deficit is \$595,437. This has been driven through a combination of declining revenues, (mostly permits, property taxes and sales taxes) and rapidly increasing costs, mostly in police overtime (homicide case) and increased pension contributions for the Public Employees Retirement System.

The General Fund is also experiencing the impacts of depletions of previously accumulated reserve funds. Funds to offset increases in PERS and accumulated balances in the State COPS Program are now gone and the General Fund is now paying those costs.

Under the current budget projections, the structural deficits are projected at -\$515,773 for FY 2010-11 and -\$553,948 in FY2011-12. Again, these deficits are driven mostly by reductions in revenues and increases in pension costs.

Total revenue and expenditure projections are shown on Exhibit A.

Revenues:

Revenues as shown in Table A are down in almost every category and are forecast lower with each year. General Fund Revenues for the FY 2010-11 are \$156,491 lower than FY 2008-09 and FY 2011-12 will be \$193,351 lower than the same year. The reductions for individual revenue sources are as follows:

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- **Licenses and Permits:** The lack of construction and permit activity has created a significant burden financially for the planning and building functions. The development horizon is viewed as limited, with permits down 48.20% in FY2009-10 and cumulative reductions of 22.5% and 61.6% in the ensuing fiscal years.
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Expenditures:

General Fund Expenditures by Department are shown on Table B. This table includes 2 prior fiscal years, the current fiscal year, and projections for the next two years.

All departmental budgets have been either reduced or programs completely eliminated to bring the expenditures into line. All meetings and travel budgets have been limited to League Departmental seminars and a strict \$1,000 limit per individual has been implemented to cap spending.

Expenditures for each department over five year period indicates a trend of either slight increases or being flat for most departments with the exception of the Police and Fire Departments. Increases for those departments are due to the following:

- Expenditure of the accumulated COPS (Citizen Oriented Police Services) monies which has been expended over a five year period for positions, causing those positions to be fully funded by the General Fund.
- Exhaustion of the PERS Reserve Fund.
- Overtime- The homicide in 2009 created a significant burden on the police department. Overtime budgets were expended and the investigation caused a marked spike in personnel costs.
- Addition of the Fire Department as a City Department, revenues from the Fire District will offset the increased expenditures for this department.

Table B City of Winters
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Community Development	398,181	392,997	295,341	281,400	279,026
Building Inspection	134,630	106,796	121,569	101,170	102,287
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Recreation	116,282	133,436	56,906	8,050	8,050
Community Center	87,512	76,913	85,677	92,116	92,364
Pool	93,399	77,567	77,274	69,862	69,862
Total General Fund Expenditures	\$ 3,359,931	\$ 3,366,562	\$ 3,411,427	\$ 3,530,034	\$ 3,531,350

Expenditure increases include administrative costs that are outside of staff's control. The primary expenditures that are outside of staff control include:

- **PERS Expenditures** have seen an almost 8% increases due to the issues surrounding the investment trust. This has been compounded by the depletion of the PERS Reserve Fund which has been spent over the past five (5) years to offset ongoing increases. These impacts are shown in Table C.
- **Employee benefit** costs have also seen significant increases which are depicted in Table

Table C City of Winters
 PERS Impact Actual 07-08 through Projected 11-12

	Actual 07-08	Actual 08-09	Estimated 09-10	Projected 10-11	Projected 11-12
City Manager	23,967.00	32,960.00	32,323.00	31,819.00	34,332.00
Administrative Services	18,791.00	21,096.00	20,199.00	20,134.00	21,487.00
Finance Dept	22,022.00	25,025.00	23,307.00	21,374.00	22,720.00
Police	129,381.00	170,571.00	179,455.00	189,650.00	196,248.00
Fire	-	-	-	70,275.00	73,509.00
Community Development	12,077.00	18,273.00	11,164.00	9,639.00	10,277.00
Building Inspection	9,935.00	11,357.00	11,484.00	11,302.00	12,091.00
Public Works	28,465.00	32,666.00	39,965.00	39,247.00	41,622.00
Recreation	4,279.00	4,942.00	1,459.00		
Community Center		882.00	-		
Total Pers Expenditures	\$ 248,917	\$ 317,772	\$ 319,356	\$ 393,440	\$ 412,286
Remove Fire for Comparison				(70,275)	(73,509)
Total Pers Expenditures	\$ 248,917	\$ 317,772	\$ 319,356	\$ 323,165	\$ 338,777

- Note: the Fire Department information has been removed so that we are comparing the same staffing levels.

Table E City of Winters
 Employee Insurance Actual 07-08 through Projected 11-12

	Actual 07-08	Actual 08-09	Estimated 09-10	Projected 10-11	Projected 11-12
City Manager	\$ 25,724	\$ 34,341	\$ 37,371	\$ 37,440	\$ 38,349
Administrative Services	22,990	24,033	25,041	24,368	26,719
Finance Dept	28,581	38,050	37,374	40,368	42,262
Police	101,500	104,824	115,597	112,927	123,106
Fire	-	-	-	47,002	47,002
Community Development	22,891	21,069	25,715	14,899	15,606
Building Inspection	16,272	18,782	18,609	19,462	20,317
Public Works	68,826	69,585	82,971	88,922	95,815
Recreation	10,853	11,169	3,558	-	
	\$ 297,637	\$ 321,853	\$ 346,236	\$ 385,388	\$ 409,176
remove fire for comparison				(47,002)	(47,002)
Total Employee Insurance	\$ 297,637	\$ 321,853	\$ 346,236	\$ 338,386	\$ 362,174

- Note: the Fire Department information has been removed so that we are comparing the same staffing levels.

Summary: Staff has submitted a budget proposal that encompasses 2 years so that the Council and citizens can readily see the impact of the economy on the City Finances for the next 2 years. Table E below is the financial results of 2007-2008 and 2008-2009, the estimated results for 2009-2010 and the proposed results for 2010-2011 and 2011-2012. This table shows the estimated fund balance for the General Fund as of the end of each fiscal year 2009-2010 through 2011-2012.

**Table E Governmental Funds
 2008-2012 Summary of Estimated Financial Sources and Uses**

(For Budgetary Purposes Only)

	2008 Actual	2009 Actual	2010 Estimate	2011 Budget	2012 Budget
Financial Sources:					
Property Taxes	\$ 728,428	\$ 734,193	\$ 703,951	\$ 689,872	\$ 691,597
Property Tax in Lieu of VLF	520,373	526,512	528,176	517,612	518,906
Property Taxes in Lieu of Sales Tax	70,177	130,808	66,353	71,621	75,912
Sales and Use Taxes	327,596	282,075	263,940	250,117	261,870
Other Taxes	993,364	995,374	964,697	968,771	980,745
Service Charges	93,145	112,964	146,406	170,555	155,261
Fines and Penalties	45	1,300	1,000	-	-
Rents and Concessions	35,574	38,500	38,500	38,500	38,500
Interest	55,074	46,420	3,000	3,000	3,000
Licenses and Permits	85,267	139,614	72,275	108,071	53,582
Grants	4,960	1,500	1,600	1,500	1,500
Impact Fees					
All other Revenues	100,992	21,081	15,093	189,642	191,528
Total Estimated Financial Sources	\$ 3,014,993	\$ 3,030,341	\$ 2,804,990	\$ 3,009,261	\$ 2,972,401
Expenditures					
General Government	\$ 294,758	\$ 199,033	\$ 223,514	\$ 219,009	\$ 229,007
Public Safety	1,588,778	1,662,137	1,799,603	1,789,110	1,775,093
Fire Protection	410,312	412,658	410,741	631,736	640,390
Public Works	236,520	305,026	340,802	337,581	335,271
Streets and Transportation	-	-	-	-	-
Community Development	532,811	499,793	416,910	382,570	381,314
Debt Service					
Parks	-	-	-	-	-
Recreation	297,193	287,915	219,857	170,028	170,275
Total Budget	\$ 3,360,371	\$ 3,366,562	\$ 3,411,427	\$ 3,530,034	\$ 3,531,350
General Contingencies and Reserves	-	-	-	-	-
Total Use of Resources	\$ 3,360,371	\$ 3,366,562	\$ 3,411,427	\$ 3,530,034	\$ 3,531,350
Net Increase (Decrease)In Fund Balance	\$ (345,378)	\$ (336,222)	\$ (606,437)	\$ (520,773)	\$ (558,948)
Fund Balance July 1	\$ 2,601,265	\$ 2,458,887	\$ 2,263,076	\$ 1,667,639	\$ 1,151,866
Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	203,000	140,411	11,000	5,000	5,000
Transfers Out	-	-	-	-	-
Fund Balance June 30	\$ 2,458,887	\$ 2,263,076	\$ 1,667,639	\$ 1,151,866	\$ 597,918

Staff has committed to reducing all non-personnel costs as they submitted their requests for expenditure authorization for the next two years.

Staff has increased user fees for some operations as directed by the City Council, and those increased fees have been included in the revenue projections presented.

There are costs that are outside the control of staff that have significant impacts on the General Fund budget such as the PERS rate increase and the increase in the cost of Medical Insurance for our employees. Budget staff has attempted to make as reasonable of projections as possible for these costs, but for the medical in particular, we have not received notification of the proposed rates, for the PERS rates, we have the proposed rates as issued by CALPERS.

The overall "takeaway" from this workshop is that the City currently faces a structural deficit of \$555,000. This is not a one time deficit, but based on our "new normal" this is the deficit the City of Winters faces in the General Fund each year as we move forward.

FISCAL IMPACT:

None at this time.