



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 17, 2008

ITEM NUMBER:

SUBJECT: ADOPTION OF THE FISCAL YEAR 2008-2009 BUDGET

DATE: JUNE 13, 2008

FROM: FINANCE DEPARTMENT, ADMINISTRATION DIVISION

PRESENTATION BY: MARC R. PUCKETT, DIRECTOR OF FINANCE

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG AT (714) 754-5241

RECOMMENDED ACTION:

- 1) Adopt the attached Resolution Number 08-__ approving the Fiscal Year 2008-2009 Operating and Capital Improvement Budget.
- 2) Provide direction on the outstanding items as listed herein.

BACKGROUND:

Staff presented to the City Council, the Proposed Operating & Capital Improvement Budget for Fiscal Year 2008-2009 during the budget study session held on June 10, 2008. The attached Resolution reflects the recommended adoption of the proposed budget as the City's spending plan for Fiscal Year 2008-2009.

ANALYSIS:

The total proposed appropriations for all funds are \$145,170,180. The adjustments made to the proposed budget (after the document was distributed to the City Council) increased the total appropriations by \$570,050 per Attachment 2. Compared to the Fiscal Year 2007-2008 adopted budget, the Fiscal Year 2008-2009 proposed budget represents an increase of \$14.4 million or 11.01%, as shown in the following table. The proposed budget includes the operating and capital improvement budgets for the following funds: General Fund, Special Revenue, Capital Projects, and Internal Service Funds.

<u>PROPOSED BUDGET - ALL FUNDS</u>					
<u>Appropriations/ All Funds</u>	<u>Proposed FY 08-09</u>	<u>Adopted FY 07-08</u>	<u>Increase (Decrease)</u>		<u>Percent of Total</u>
			<u>Amount</u>	<u>Percent</u>	
Operating Budget	\$128,454,503	\$120,871,894	\$ 7,582,609	6.27%	88.49%
Transfers Out	5,565,200	2,419,780	3,145,420	%	3.83%
Capital Budget	11,150,477	7,485,000	3,665,477	48.97%	7.68%
	<u>\$145,170,180</u>	<u>\$130,776,674</u>	<u>\$14,393,506</u>	<u>11.01%</u>	<u>100.00%</u>
Total	<u>0</u>	<u>4</u>	<u>6</u>	<u>11.01%</u>	<u>%</u>

The following table is a summary of the Fiscal Year 2008-2009 total appropriations by fund type for all funds, compared with the adopted budget for the current year:

Fund Type	Proposed FY 08-09	Adopted FY 07-08	Increase (Decrease)		Percent of Total
			Amount	Percent	
General Fund*	\$118,849,714	\$110,664,535	\$ 8,185,179	7.40%	81.87%
Special Revenue Funds*	7,797,753	6,791,814	1,005,939	14.81%	5.37%
Capital Projects Funds*	7,173,565	5,220,000	1,953,565	37.42%	4.94%
Internal Service Funds*	11,349,148	8,100,325	3,248,823	40.11%	7.82%
Total	\$145,170,180	\$130,776,674	\$14,393,506	11.01%	100.00%

* Includes transfers out

The following table illustrates the total estimated revenue, total appropriations, and total fund balances used for all funds. A total of \$11.0 million of available fund balances may be used to balance the budget for all funds. The \$4.5 million “use of fund balances” listed under the “All Other Funds” column represents the net effect of both the use of fund balance by some funds and total resources exceeding total appropriations by other funds.

Description	General Fund	All Other Funds	Total
Estimated Revenue	\$107,334,823	\$21,299,854	\$ 128,634,677
Transfers In	5,042,200	523,000	5,565,200
Use of Fund Balances	6,472,691	4,497,612	10,970,303
Total Resources	\$118,849,714	\$26,320,466	\$ 145,170,180
Total Appropriations*	118,849,714	26,320,466	145,170,180
Estimated Balance	\$ -	\$ -	\$ -

* Include transfers out

The Fiscal Year 2008-2009 proposed budget includes the use of fund balance by some funds including the General Fund. The estimated amounts of fund balances to be used by those funds are listed in the following table:

<u>ESTIMATED FUND BALANCES TO BE USED</u>	
<u>Fund</u>	<u>Amount</u>
General Fund*	\$ 6,472,691
Prop 172 Fund	1,249
AQMD Fund	259,300
HOME Program Fund	369,719
Community Development Block Grant Fund	304,094
Park Development Fees Fund	267,806
Drainage Fees Fund	28,400
Supplemental Law Enforcement Fund	50,880
Fire System Development Fees Fund	232,950
Capital Improvement Fund	1,496,000
Self Insurance Fund	4,203,290

Total use of fund balances

\$ 13,686,379

ALTERNATIVES CONSIDERED

The State Government Code requires the annual budget to be adopted prior to the beginning of the fiscal year, which is July 1. Therefore, no alternatives were considered.

FISCAL REVIEW

The proposed budget, as presented, provides for adequate resources to fund the total proposed appropriations and maintains the City's current General Fund Operating Reserve at \$14.125 million.

LEGAL REVIEW

The City Attorney has reviewed and approved the attached resolution as to form.

CONCLUSION:

The proposed budget continues to provide an outstanding level of service and is balanced within existing resources. Staff is available to answer any questions you may have about the Fiscal Year 2008-2009 proposed budget at your convenience.

BOBBY YOUNG
Budget & Research Officer

MARC R. PUCKETT
Director of Finance

Attachment 1: [Resolution Adopting the Budget for FY 08-09](#)

Attachment 2: [Reconciliation of Changes to the Proposed Budget for FY 08-09](#)

Attachment 3: [Capital Improvement Project Detail – Safe Route to School Improvements](#)

Attachment 4: [Capital Improvement Project Detail – Gateway Monument Signs](#)