



CITY COUNCIL STUDY SESSION REPORT

MEETING DATE: MAY 24, 2011

ITEM NUMBER: 1

SUBJECT: PRESENTATION AND DISCUSSION OF THE PRELIMINARY OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR FISCAL YEAR 2011-2012

DATE: MAY 19, 2011

FROM: FINANCE DEPARTMENT, FINANCIAL PLANNING DIVISION

PRESENTATION BY: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER

FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER
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RECOMMENDED ACTION:

Receive and comment.

BACKGROUND:

Staff uses the Study Session to present to the City Council in more detail, the Preliminary Operating & Capital Improvement Budget for Fiscal Year 2011-2012. The budget is the City's spending plan for a fiscal year.

ANALYSIS:

The total preliminary appropriations for all funds are \$117,705,201. Compared to the Fiscal Year 2010-2011 adopted budget, the Fiscal Year 2011-2012 preliminary budget represents an increase of \$8.2 million or 7.50%, as shown in the following table. The preliminary budget includes the operating and capital improvement budgets for the following funds: General Fund, Special Revenue, Capital Projects, and Internal Service Funds.

Appropriations/ All Funds	Preliminary FY 11-12	Adopted FY 10-11	Increase (Decrease)		Percent of Total
			Amount	Percent	
Operating Budget	\$107,156,079	\$103,594,966	\$3,561,113	3.43%	91.04%
Transfers Out	100,000	2,076,064	(1,976,064)	(95.18%)	0.08%
Capital Budget	10,449,122	3,818,588	6,630,534	173.63%	8.88%
Total	<u>\$117,705,201</u>	<u>\$109,489,618</u>	<u>\$8,215,583</u>	<u>7.50%</u>	<u>100.00%</u>

The following table is a summary of the Fiscal Year 2011-2012 total appropriations by fund type for all funds, compared with the adopted budget for the current year:

Fund Type	Preliminary FY 11-12	Adopted FY 10-11	Increase (Decrease)		Percent of Total
			Amount	Percent	
General Fund*	\$97,871,613	\$ 94,585,285	\$3,286,328	3.47%	83.15%
Special Revenue Funds*	10,322,953	6,265,333	4,057,620	39.31%	8.77%
Capital Projects Funds*	4,301,535	3,172,652	1,128,883	35.58%	3.65%
Internal Service Funds*	5,209,100	5,466,348	(257,248)	(4.71%)	4.43%
Total	<u>\$117,705,201</u>	<u>\$109,489,618</u>	<u>\$8,215,583</u>	<u>7.50%</u>	<u>100.00%</u>

* Includes transfers out

The following table illustrates the total estimated revenue, total appropriations, and total fund balances used for the General Fund as the single largest portion of the City's budget and all other funds.

Description	General Fund	All Other Funds	Total
Estimated Revenue	\$ 94,578,394	\$ 16,786,020	\$ 111,364,414
Transfers In	-	100,000	100,000
Use of Fund Balances	3,293,219	2,947,568	6,240,787
Total Resources	<u>\$ 97,871,613</u>	<u>\$ 19,833,588</u>	<u>\$ 117,705,201</u>
Preliminary Operating Budget	\$ 97,771,613	\$ 9,384,466	\$ 107,156,079
Preliminary Capital Budget	-	10,449,122	10,449,122
Transfers Out	100,000	-	100,000
Total Appropriations	<u>\$ 97,871,613</u>	<u>\$ 19,833,588</u>	<u>\$ 117,705,201</u>

CONCLUSION:

The preliminary budget for all funds is \$117.7 million. Of that amount, \$97.9 million is for the General Fund. Currently, the preliminary budget for the General Fund assumes a \$3.3 million use of fund balance. The final CEO's Proposed Budget will include additional measures to close this gap to ensure the submittal of a balanced budget for consideration by the City Council. Staff is available to answer any questions you may have about the Fiscal Year 2011-2012 preliminary budget at your convenience.



BOBBY YOUNG
Budget and Research Officer