

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council
From: Wally Bobkiewicz, City Manager
Subject: **FY 2005/06 Proposed Budget**
Date: June 8, 2005

Recommendation: It is recommended that the City Council: 1) consider the Fiscal Year 2005/06 budget; 2) set a public hearing for June 20, 2005 to review the proposed wastewater and refuse rate increases; 3) provide direction to staff on funding options for the Las Piedras Park Police Storefront and providing additional benches for the public throughout the City; and 4) lay this item over to the Regular City Council Meeting of June 20, 2005 for further discussion.

General Discussion: Transmitted for your consideration are the proposed operating and capital budgets for Fiscal Year 2005/06. The proposed General Fund operating budget totals \$9,334,840, the budgets for the City's non-General Fund operations totals \$11,601,401 and the City's capital budget totals \$6,760,394 for an overall budget of \$27,696,635. The proposed budget is the culmination of months of effort by the entire City staff to balance available resources with the actual and desired services required by our residents, businesses and visitors. We are pleased to present this budget for your policy consideration and adoption.

Staff is presenting to the City Council a proposed General Fund budget that continues to provide the same level of services that are being provided during the current year with adjustments for salary, benefit, insurance and retirement system contribution increases. Staff is also proposed selected expenditure increases for critical issues. This proposed budget contains a deficit of \$239,912. Staff is proposing expenditure reductions and revenue enhancements to balance this deficit. These reductions propose the elimination of two positions, which may require layoff of one employee. No one-time money or money from the General Reserve Fund is being used to finance on-going operational deficits. These recommended changes to the budget still leaves a deficit of \$181,457

Staff is requesting that the City Council receive this initial presentation of the budget and provide direction to staff to bring back options to the City Council for funding the remaining \$181,457 deficit.

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The proposed budget would leave a balance of \$1,202,187 in the City's Operations Reserve Fund as of June 30, 2006. Staff is recommending an allocation of \$60,000 for a contingency reserve account in the General Fund.

In addition, the City Council has asked staff to provide information during the budget deliberation process on funding for the Las Piedras Park Police Storefront and on providing additional benches for public seating throughout the community. This information can be found in Attachment 2 to this report.

In the Enterprise Fund operations of the City, staff is proposing a 33% increase (\$8.00/month) in wastewater service fees in order to assist in the funding for the planning and construction of a new water recycling facility (sewer plant). In order to replace deteriorated equipment in the Solid Waste Enterprise Fund, an 7.85% increase (\$2.00/month) in refuse fees is proposed.

The City Council has significantly adjusted the current year FY 2004/05 budget twice. On December 2, 2004, the City Council made budget adjustments and revenue enhancements totaling \$291,406. These adjustments included the hiring of three Fire Captains, the elimination of 1.5 positions, the reclassification of two positions and other cuts, which impacted public service. On April 11, 2005, the City Council made additional budget adjustments and revenue enhancements of \$58,760, which included a further reorganization of the Finance Department, a reduction in City Attorney expenses and an increase in fees in the Community Services Department. These adjustments also created a \$174,351 reserve account of on-going funds that has been allocated into this proposed budget.

STATE OF THE CITY

Santa Paula remains a community in transition. We face a tremendous number of issues to enhance and maintain the quality of life in our community. The City has the proper resources to provide municipal services at the bare minimum level. I believe that Santa Paulans deserve and require services at a level much higher than we have the resources to provide. It is the job of your staff to provide the community maximum service with the resources available. I believe we do this. However, much still needs to be done to identify resources to supplement these services.

CELEBRATING OUR SUCCESSES

Despite these constraints, I would like to highlight some of the great successes we have achieved in the past year as well as discuss some of the additional challenges I see Santa Paula facing in the coming year. First, let me highlight a few successes:

Economic Development/Redevelopment: The City and the Redevelopment Agency staff have worked tirelessly this past year to execute the City Council's Economic

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Development/Redevelopment Implementation Plan. Enhancing economic activity in the community is key to the financial future of the City government and the community at large. The area that has seen the greatest impact this past year has been Main Street and the entire downtown area. The old Plumbing Building Paseo will be a reality later this year. The revived Mupu Grill is set to open later this summer. The Glen Tavern Inn is being renovated back to the glory of year's past and its hotel restaurant will reopen this summer. The Mill is now under the control of the Ventura County Transportation Commission and plans are underway for its renovation and revitalization.

The Limoneira Company has opened its successful Limoneira Mercantile and is working cooperatively with the City on master planning East Area 1 for future development. The commitment of the Limoneira Company to Santa Paula is a true cornerstone for the economic revitalization of Santa Paula.

California State University Channel Islands Small Business Institute has been working with several local businesses on business plans. Calavo Growers, Inc. has moved their corporate headquarters from Orange County to Santa Paula bringing with them executive level jobs. The Santa Paula Shopping Center continues to upgrade its stores and movie theater. The City has also completed developing a brand for Santa Paula and will be using this brand to help attract people to our community.

Jobs and job creation are also an important component of the City's economic health and the City is working with California Lutheran University on strategies for the active creation of new jobs in Santa Paula.

All of these successes are just a beginning. Staff is committed to investing even more time and resources in these efforts in the coming year to strengthen the economy of Santa Paula.

Public Health and Safety: The City Council has focused extensively on health and safety issues this past year. The City has worked extensively to ensure that Santa Paula continues to have a hospital. Earlier this year, the City helped broker a deal with the County of Ventura, Comstock Homes and the committee of unsecured creditors of the hospital that has the County of Ventura purchasing the hospital, Comstock Homes purchasing the property to the north of the hospital that will allow the hospital to come out of bankruptcy. The County plans to reopen the hospital later this year and the City has already approved the construction of 76 single family homes on the remainder hospital property. The reopening of the hospital has been a major objective of the City Council for nearly two years and is about to become a reality.

The City Council has also spent much time this year working to improve Police and Fire services in the community. The City Council sponsored Measures J and K on the November, 2004 ballot that would have provided additional funding for both departments. Unfortunately, the initiative failed. The City Council however decided in December, 2004 to make \$291,406 worth of budget reductions and revenue enhancements to allow for the hiring of three Fire Captains. The hiring of these new

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full-time employees combined with the conversion of our paid-call Firefighters to Reserve Firefighters allowed the City to open Fire Station 2 full-time in February, 2005.

Work still needs to be done to support the Santa Paula Police Department and this proposed budget works to further implement the Police Department Management Audit.

Finally in the area of public safety, the staff of the City of Santa Paula distinguished themselves with their efforts in keeping our community safe through two declared emergencies because of heavy rains in February, 2005. The staff worked excellently together and the City came out of the storms with moderate damage, specifically at Santa Paula Airport, along State Highway 150 and Santa Paula Creek. Long after the rains, staff continues to provide assistance in recovery efforts along Santa Paula Creek and at the Airport.

Internal Process Improvements: The City Council approved several initiatives this past year to help make the City more efficient and effective in providing services to the public. The City Council approved a major overall to the City's Municipal Code pertaining to development so that the Code more closely reflects the City's General Plan. The City Council also approved new personnel rules for the City and a new Employer/Employee Relations Resolution. These documents were last completely revised over thirty years ago. New rules and procedures will help the City better deal with all ranges of personnel issues. The City Council also approved long needed improvements to our information technology division, allocating funds for a Information Technology Assistant and funds needed to overall our computer network and e-mail system. More modern IT support makes all staff more effective.

Planning and Implementing for the Future: Last year, the City Council completed a Citywide Vision Plan and a revision to the Downtown Improvement Plan. This year, community works have been working on the implementation of these plans. The City Council adopted a Vision Implementation Plan and appointed a steering committee to review the progress of its implementation. Staff also works closely with the Santa Paula Downtown Merchants Association and City Economic Development Committee on the implementation of the Downtown Plan. Some of the initiatives completed under these plans this year include the opening of the Skate Park, the adoption of an Inclusionary Housing Ordinance, approval for the Santa Paula Museum of Art to move forward with plans to construct a museum on the site of the former Union 76 gas station on Main Street next to the California Oil Museum.

The City Council also continues to set annual goals and priority projects for itself. FY 2005/06 will be the fourth year of specific deliverables set by the City Council for staff to implement throughout the year. This year, the City Council also revised its Economic Development/Redevelopment Implementation Plan to accurately reflect the Council's current direction on these important issues.

All of this planning is important. It helps set a clear direction for the City in the short, medium and long term. However, what is more important is the implementation of these

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plans. The City Council has put in place an oversight committee for the implementation of the Vision Plan, has the City's Economic Development Committee to oversee the implementation of the downtown plan and economic development efforts and has asked staff for a quarterly report on implementation of its goals and priority projects. It is the implementation of these plans that are key to the future vitality of Santa Paula.

Good to Live and Work in Santa Paula: Another important accomplishment of the City Council in the past year is spreading a new feeling in Santa Paula. No longer is there such pessimism about Santa Paula in the community. The initiatives launched by the City over the last three years have shown residents and business owners alike that the City Council is working actively to improve the community. The Santa Paula Beautiful program, with its attention to keeping Santa Paula clean and graffiti-free, is just one example of this success. The new success of the Santa Paula Citrus Festival, Christmas Parade and continued successes of the De Colores Art Festival and Fandango show the vibrant community spirit of Santa Paula. This new spirit is contagious and helps the City move forward on a variety of fronts. This spirit may even help Santa Paula's favorite son, Senator Arnold Vinick, be elected President of the United States (on the NBC television program, "The West Wing.")

FUTURE CHALLENGES

In order for Santa Paula to continue meeting the current and future demands of the community, the City must also address some pivotal issues in the coming year:

Redevelopment/Housing Creation: The City must continue to be aggressive in creating new economic development opportunities through redevelopment and the creation of new housing. The City needs to attract new retail and commercial tenants that will help bring revenue to the City as well as create needed jobs in the community. Further implementation of the City's Economic Development/Redevelopment Plan is critical to the ability of the City of Santa Paula to continue to provide needed services in the community. Also important is the creation of new housing at all levels of affordability. While Santa Paula has few opportunities to create large amounts of new housing, the City must continue to support housing developments that make sense for the community providing the right mix of affordability, plus appropriate parking and amenities that enhance our city. A major focus in the coming year will be the review of the proposed Fagan Canyon housing project. Staff continues to review staffing of our Economic Development efforts and is committed to ensuring sufficient staffing to keep these initiatives moving forward.

Public Health and Safety: The City's unsuccessful efforts to receive voter approval last year for additional resources for Police and Fire services does not stop the need for additional resources for our Police and Fire Departments.

The Police Department must have additional resources for additional officers and increased salaries in order to retain and attract qualified employees. While we are enjoying a period of low crime in Santa Paula, I believe that we are not properly staffed

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to handle inevitable changes in crime statistics. With the retirement of Police Chief Bob Gonzales later this year, I will be working closely with the new Chief to develop new initiatives to address these issues and bring them before the City Council for consideration.

While the Fire Department has received additional resources during the year, the department must continue to move toward a full-time staffing of both fire stations. The next step in this direction should be the hiring of three full-time Fire Engineers. Also the Fire Department has capital equipment needs and will need to purchase a new engine sometime in FY 2005/06. There exists no equipment replacement fund for fire engines, so money will need to be identified for these purchases.

Another important area of public health and safety is both residential and commercial code enforcement. Staff is in the midst of providing updates to the City Council on proposed improvements in these areas and it may be appropriate for discussion of needed additional resources in this area as part of the Council's budget deliberations.

Education and Job Training: The City Council's FY 2005/06 Goals and Priority Projects clearly demonstrates the City Council's focus on education and job training. The City is committed in the coming year to reach an agreement for a location of a new Ventura College East Campus on property owned by the Limoneira Company in the East Area 1 General Plan Expansion Area. This new campus is a cornerstone for helping to move Santa Paula and Santa Paulans forward. In the coming year, the City is also committed to working even more closely with the Santa Paula Elementary School District and Santa Paula Union High School District on issues of new school site location and programs that will serve all of our youth.

Costs of Insurance/Retirement Benefits: The cost to the City for Retirement, Health Insurance and worker's compensation insurance as well as costs associated with other employee benefits are a significant portion of our General Fund expenses. In FY 2005/06, the City will spend \$2,501,926, amounting to 26% of our General Fund budget or 55% of Salaries for employee benefits.

A major cost factor that is rising at an ever-increasing rate are our deposits into the California Public Employees Retirement System (PERS). The city's deposits have increased 1020% over the last four years (from \$151,188 in FY 2001/02 to \$1,694,315 in FY 2005/06). Unfortunately, we are in good company facing this problem along with most all cities in California who increased the value of their employee retirement benefits over the last three to four years on promises that the increase in cost would be marginal. Now the increases are causing many cities significant financial difficulties. There is no apparent easy solution to this problem, but the issue is being addressed in current negotiations with our employee bargaining units.

Fiscal Condition of Enterprise Funds: As I mentioned last year, I am concerned about the current fiscal condition of our enterprise funds. The Water Enterprise Fund is in the best fiscal condition where rates are covering expenses. The City has now geared up

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to invest sufficient resources each year for capital improvements in the Water utility. With regular rate increases to cover additional costs, this enterprise should continue to be fiscally stable. The Wastewater Enterprise Fund must finance the construction of the new Water Recycling Facility. With aggressive rate increases over the next several years, staff is confident that the City will be able to finance the construction of the new facility and cover operations. This however will leave ratepayers paying substantially more for wastewater services than they did just a few years ago.

The fund with the greatest challenges is the Refuse Enterprise Fund. Revenue from this fund is struggling to cover expenses. Staff is recommending a rate increase this year to ensure a fund balance at the end of the fiscal year that is needed to replace aging equipment. The management audit of the Public Works Department is nearing completion and in the audit there will be recommendations identifying solutions for making this enterprise more self sufficient.

Infrastructure/City Facilities: City infrastructure issues are many. The City is moving forward with long delayed improvements to our water and wastewater infrastructure. A major project is the construction of a new Water Reclamation Facility. The Environmental Impact Report for the project has been approved and plans for a December, 2008 completion of the new plant remain on-schedule. The City must also now develop plans for improving our streets and parks. In addition, plans for the City's Corporation Street and Palm Avenue Yards are moving forward and will be completed along with the new Water Recycling Facility.

Employee Salaries and Benefits/Impacts of Reduced Staffing: Santa Paula has consistently paid among the lowest salary and benefits to its employees of any community in the area. For the on-going success of the organization and to continue to provide quality customer service to our residents, the City must begin working toward providing parity pay to our staff so that the City provides salary and benefits that are more comparable to area cities. We must address equitable salaries and benefits for all our employees. We are living on borrowed time when it comes to adequately addressing this issue.

One consequence of personnel cuts have been reduced office hours to the public. In August, 2004, the City began closing every other Friday to ensure full staffing when we are open for business. Earlier this year, the development services departments closed their doors to the public on Wednesday afternoons in order to focus on other work.

CITY COUNCIL GOALS AND PRIORITY PROJECTS

The foundation of the FY 2005/06 budget is the City Council's Goals and Priority Projects. The City Council held a goals setting session on May 14, 2005 to set goals for the coming year. The listing of City Council Goals and Priority Projects for FY 2005/06 appears on page CCG-1 of the proposed budget. Staff is proposing that following allocations be approved in the proposed budget to further these goals:

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- I. MAINTAIN AND ENHANCE QUALITY OF LIFE
 - 1. \$15,000 to support on-going special events
 - 2. \$30,00 for Las Piedras Park Tot Lot Repairs

- II. FOSTER BALANCED COMMUNITY AND HOUSING DEVELOPMENT
 - 1. Several initiatives detailed further in the proposed budget of the Redevelopment Agency of the City of Santa Paula.
 - 2. Carryover from FY 2003/04 of \$XXXX to support preparing and applying for grants.

- III. ENSURE COMMUNITY HEALTH AND SAFETY
 - 1. \$688,000 – (Wastewater Enterprise Fund) to continue forward with planning and construction of new water recycling facility
 - 2. \$70,000 for two new Police patrol vehicles.
 - 3. \$7,000 for Fire EMT training
 - 4. \$30,334 for Fire radio/computer system upgrades

- V. ENHANCE CUSTOMER FOCUS AND BUSINESS FRIENDLINESS OF CITY GOVERNMENT
 - 1. \$111,473 to continue one-and-a-half additional planning positions (paid for through fees and charges)
 - 2. Carryover from FY 2004/05 of \$60,000 for Public Works Department Management Audit (\$20,000 General Fund, \$40,000 Enterprise Funds)

PROPOSED FY 2005/06 GENERAL FUND BUDGET

The proposed General Fund budget continues to provide the same level of services that are being provided during the current year with adjustments for salary, benefit, insurance and retirement system contribution increases that have been previously approved. The only significant expenditure changes to the proposed General Fund operating budget compared to FY 2004/05 are the following increases and revenue changes:

Significant Expenditure Changes

\$315,806 Increases in salary and benefits (including PERS, Cafeteria, & Worker's Comp)

Significant Revenue Changes

\$67,305 Increase in Sales Tax

\$33,500 Increase in Building & Safety Activity

(\$24,402) Decrease in Vehicle License Fees

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(\$74,989)	Decrease in Overhead Allocation
\$323,557	Increase in Property Tax in Lieu of MVLFF Tax
\$64,615	Other Revenue Changes
(\$233,227)	Governor's Proposed Reduction to Santa Paula in FY 2005/06 State Budget

FY 2005/06 is the second and hopefully last year that the City of Santa Paula will forego property tax revenue to the State. The un-replaced funding will be \$233,227 for the current year, which will be the City's contribution to assist the State in resolving their budget deficit.

On-going projected expenses exceed projected revenues by \$239,912. I am proposing that the City Council balance the proposed budget using the plan outlined in Attachment 1 to this staff report. This plan generates sufficient on-going resources to balance the budget without using one-time revenues.

Recommended Changes to the Proposed Budget/On-Going Operations

The following is a summary of the major expenditure changes contained in Attachment 1:

Elimination of the Police Commander Positions in Police (\$232,555): These two positions in Police (both are filled) would be eliminated and replaced with a new Assistant Police Chief position. Net savings to the General Fund would be approximately \$110,232.

Salary, Overtime and Other Benefit Adjustments (\$124,006): This increase consists of \$30,000 overtime costs for Fire Personnel, with the remainder in employee Salary and Benefit Adjustments.

Recommended Changes to the Proposed Budget/One-Time Adjustments

The following is a summary of the major revenue generating areas of the recommended changes for one-time/special circumstance adjustments contained in Attachment 1 that have not been previously discussed. These changes are:

Planning Department Service Fees (\$150,000): These are fees that are being generated for current services for specific projects. Staff estimates that these fees will not constitute continuing revenue. This revenue will be offset by \$111,473 of direct employee expenses and \$38,527 of consultant expenses.

Continue Freeze Vacant Recreation Superintendent Position (\$57,505): The work of this Superintendent has been allocated to other staff temporarily. This reallocation is

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causing a hardship in the department, but I believe that freezing this position is necessary to help fund other needed one-time expenses. I recommend that the freeze be evaluated January 1, 2006 to determine if it can be lifted and the position filled.

School Resource Officer (\$84,288): The City is currently allocating a Police Officer to Isabelle Middle School. The school is reimbursing the City the costs associated with providing this Officer. There is no net financial impact to the City by this item.

CAPITAL IMPROVEMENT PROGRAM

Public Facilities: Staff is proposing to include \$15,000 in General Fund expenditures to fund roof repairs at the Community Development Building and the Community Development Trailer Annex. Another \$15,000 in General Fund expenditures is included for roof repairs at the Oil Museum. An additional \$20,000 is required from the General Fund to re-roof Fire Station No. 1 and \$75,000 to re-roof Station No. 2. An exhaust extraction system for both fire stations will be funded with \$7,000 from the General Fund and \$63,000 from FEMA

CDBG: Staff is proposing to include \$100,000 of CDBG Funding to fund soccer field improvements at Teague Park and Las Piedras Park and \$30,000 to fund improvements at the Boys and Girls Club. There is \$50,000 in CDBG carry-over funding of the Paseo Improvement project at 926 E. Main Street and there is new funding for FY 2005/2006 in the amount of \$272,000 from FEMA.

Streets: Staff is proposing to include \$29,177 of LTF matching funds, \$54,523 of Traffic Congestion funds and \$729,630 of federal STP Grant funds for the Arterial Street Paving program. \$15,484 in LTF matching funds will be used for School Crossing Warning Lights, Phase III and the balance of \$120,580 will come from a Safe Routes To School (SR2S) grant. Handicapped Access Ramp Improvements will be funded with \$10,000 in LTF funds and \$10,000 from a TDA grant. The initial phase of the Historic Santa Paula Street Trees Replacement program will be funded with \$20,000 of LTF funds. The balance of the LTF funds not allocated for matching of grants will be spent directly on street maintenance and repair.

Parks: Staff is proposing to include funding of \$30,000 from the General Fund for sand replacement and Parking Lot surface rehabilitation at the Las Piedras Park. \$380,000 is being carried over from prior years for the Harding Park Master Plan Improvements.

Water: Staff is proposing to carry forward \$3,479,599 of water capital improvement from FY 2004/05 that are in the process of completion, or are awaiting confirmation from the City's water master plan, and an additional \$4,632,000 of capital projects for FY 2005/06. The projects include an update of the Urban Water Management Plan, well rehabilitation, new well siting studies, design of new water storage facilities, pump and booster station design, water main replacements, and a Water Softening Facility.

Wastewater: Staff is proposing to carry forward approximately \$688,368 in Sewer Enterprise funds. Additional expenditures of \$8,108,000 from a funding sources yet to

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be determined, is expected in FY 2005/06 to continue and complete the environmental review, and begin the design and property acquisition for the City's new Water Recycling Facility. Staff intends on requesting an allocation for those expenditures once the funding sources have been determined.

OTHER FUNDS

Solid Waste Enterprise Fund

The revenue for the Solid Waste Enterprise Fund is estimated at \$1,968,073. Estimated Fund Balance as of June 30, 2006 is \$139,303. The fund balance will be used to purchase a new trash truck that is needed to replace an existing deteriorated vehicle. Staff is recommending that solid waste rates be increased by 7.85% (\$2.00/month) on August 1, 2005 to cover the costs of rising operational costs including fuel prices and the reduction in County provided recycling support services. The City of Santa Paula provides one of the highest levels of solid waste services in the County and increase is consistent with several of our neighboring cities.

Water Enterprise Fund

The revenue for the Water Enterprise Fund is estimated at \$5,820,277, with maintenance and operations expenditures of \$5,480,367. Estimated Fund Balance as of June 30, 2006 is \$6,257,448. No changes in water rates are recommended at this time, but staff will likely propose a rate adjustment in early 2005 in keeping with the water rate study completed earlier this year. A focus for the coming year will be water infrastructure projects with an estimated \$4,632,000 in new projects and \$3,479,600 carried over in capital improvement projects.

Wastewater Enterprise Fund

The revenue for the Wastewater Enterprise Fund is estimated at \$3,980,000, with maintenance and operations expenditures of \$2,082,386. Estimated Fund Balance as of June 30, 2006 is \$2,402,375. Staff will be focused in the coming year on planning and design for the new water recycling facility. Because of costs associated with the planning for the new plant and increased costs associated with the operations of the existing plant, staff is proposing a 33% increase (\$8.00/month) in wastewater fees. This will generate approximately \$907,000 in increased revenues.

Street Funds

Revenues for the Street Funds (composed of State Gas Taxes, Local Transportation, and Traffic Congestion Funds) are approximately \$1,431,273. The maintenance and operational expenditures are \$1,467,123. A focus for the coming year will be various improvement projects with an estimated \$198,684 in new projects. Estimated Fund Balance as of June 30, 2005 is \$126,900. These funds are used primarily to support the City's Streets and Engineering Divisions, the City's Storm Water Quality Program, street

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sweeping, and to pay for streetlights. The balance of the funds is used for street maintenance and sidewalk repair projects.

CONCLUSION

In closing, I believe the proposed budget for FY 2005/06 is in keeping with stated City Council policy and the fiscal realities, as we understand them. The long-term financial health of every California city is in serious jeopardy because of the arcane and archaic California tax system. I believe the leadership of the League of California Cities and the apparent willingness of Governor Schwarzenegger to assist us is the most positive development toward long-term stability for cities in a long time.

The residents of Santa Paula deserve the best community services possible. The City of Santa Paula does not have the resources to provide the proper level of service I believe is required to serve our residents. As a city government, we must continue to strive to develop ways to better fund existing services and identify resources to expand services. If avenues are not immediately available to do this, then as a city government we must nevertheless continue to develop options and approaches to achieve these goals until Santa Paulans can enjoy the higher levels of municipal services enjoyed by their neighbors in other Ventura County communities.

The proposed budget has been developed by the citywide budget team under the direction of Financial Services Director Alvertina Rivera. Ms. Rivera has worked many long hours in reviewing all existing accounts and developing strategies to address our budget issues. In addition, she has spent much time actually creating much of the document before you. Assisting Ms. Rivera were temporary accounting clerk Tara Loughran Taylor, Assistant to the City Manager Melissa Grisales, Accountant Eden Alomeri, and Customer Service Representative Annette Talon. All Department Heads worked closely with Ms. Rivera and her staff in development of department budgets. Deputy Public Works Director Rene Salas, Public Works Superintendent Teresa Young and Management Analyst Bob Kiesewetter provided much appreciated assistance in the development of the Public Works Department's large and complicated budgets. I extend my thanks to all of these hard working individuals for a job well done.

Attachments:

1. Recommended Changes to the Proposed General Fund Budget
2. Information on Las Piedras Park Police Storefront and Additional Public Benches Throughout the Community

FY 2005/06
Recommended Changes to Proposed General Fund Budget

		ONE-TIME	ONGOING
REVENUES			
1	FY 2004/05 General Fund Balance	200,000	
2	Building and Safety Fees & Charges		33,500
3	Fire Services Fees & Charges		12,000
4	Planning Services Fees & Charges		9,520
5	Planning - Developer Staff Reimbursements	150,000	
6	School Resource Officer	84,288	
7	Public Works Services Activity		12,300
8	Other Department Revenues		(5,400)
9	CPI Rent Increase to Wastewater		4,960
10	CPI Rent Increase to Water		700
11	Prop. 172 (Public Safety) Tax		18,884
12	Property Tax		13,927
13	State Take-away \$1.3 Billion (ERAF 3)	(233,227)	
14	Property Tax in Lieu of Sales Tax		(12,226)
15	Sales Tax		67,305
16	Motor Vehicle License Fee (MVLFF)		(24,402)
17	Property Tax in Lieu of MVLFF		323,557
18	Other Non-Departmental Revenues		9,950
19	Overhead Allocation		(74,989)
	Total Revenues	201,061	389,586
EXPENSES			
	Proposed FY 2005/06 Budget Deficit		239,912
Personnel:			
1	Salary, Overtime & Other Benefit Adjustments		124,006
2	Customer Service Supervisor Retirement Cost	5,812	
3	Continue 1/2 Analyst Position - Planning	39,886	
4	Continue Associate Planner	71,587	
5	Continue Freeze of Vacant Recreation Supervisor	(57,505)	
6	School Resource Officer	84,288	
7	Eliminate Police Commanders		(232,555)
8	Add Assistant Police Chief		122,323

Services & Supplies:

1	Building & Safety - Code Books	1,170		
2	Misc. Operating Expenses			(475)
3	Community Services - Special Events	15,000		
4	Finance - Temp. Personnel (Budget Preparation)	5,000		
5	Fire Operations - Safety Supplies	5,700		
6	Fire Operations - EMT Training			7,000
7	Fire Operations - Utility Expense			500
8	Vehicle Fuel & Maintenance- All Departments			10,040
9	Fire - Radio/Computer System	30,334		
10	Planning - Software Upgrades	1,000		
11	Two Police Patrol Vehicles	70,000		
12	Police - Criminal Justice Online			5,000
13	Public Works - Engineering Misc. Savings			(3,000)
14	Public Works - Rugs & Mats	4,000		
15	Public Works - Wide Capacity Printer	1,080		
16	General Fund Contingency Account	60,000		

Capital Improvement Projects:

1	Roof Repairs - Museum	15,000		
2	Roof Repairs - Community Develop. Building	15,000		
3	Fire - Exhaust Extraction System	7,000		
4	Fire - Roof Repairs	95,000		
5	Las Piedras - Park Tot Lot Sand Replacement	25,000		
6	Las Piedras - Park Tot Lot Rehab.	5,000		
	Total Expenses	499,352		272,751

Unallocated Revenue

(298,291)

116,835

ATTACHMENT 2

INFORMATION ON LAS PIEDRAS PARK POLICE STOREFRONT AND ADDITIONAL PUBLIC BENCHES THROUGHOUT THE COMMUNITY

Las Piedras Park Police Storefront

The City Council has requested that staff examine issues related to the staffing of the Las Piedras Park Police Storefront. Since its inception, volunteers have operated the storefront. However, qualified volunteer support is in question and the City Council requested to look at other options.

Chief Gonzales and City Manager Bobkiewicz believe it would cost \$15,600 to hire a part-time worker (30 hours/week) to staff the storefront. The storefront has also had a \$5,000 annual budget for materials and supplies. Staff believes it would be problematic to have a volunteer supervise the part-time employee, so it may be necessary to hire a second employee for approximately the same cost (\$15,600).

Rather than grapple with the issues of hiring part-time City staff, Chief Gonzales and City Manager Bobkiewicz instead recommend allocating a fixed sum (between \$21,000 and \$36,000) for the operation of the storefront and put the operation out to bid to a non-profit organization. Staff has not identified a funding source for this effort.

Public Benches Throughout the Community

The City Council has requested staff to review options of placing additional benches around the community. There are current eight benches along Main Street, thirteen in the Railroad Plaza area, two around the Moreton Bay Fig Tree and seven currently around Veteran's Park. There will also be benches in the renovated Green Street Alley. The numbers of sitting areas in this project are still to be determined. Staff is also working with the Santa Paula Rotary Club on improvements adjacent to "The Warning" monument next to the Train Depot, which will also have an undetermined number of benches.

Benches cost approximately \$600.00 a piece. Staff is currently considering purchasing three additional benches for Veteran's Park and a game table. The cost of a game table is approximately \$1,200.00. There are potential funding sources available for benches made of recycled materials (new benches in Veteran's Park). Other funding sources can also be identified.