

## BUDGET OVERVIEW

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The B Section of the FY 2008-09 Annual Budget serves as an Executive Summary to the budget document with an emphasis on the General Fund and Redevelopment Agency. Beginning with the General Fund, areas addressed in the Budget Overview include:

- General Fund structural analysis.
- Revenues including ongoing and one-time resources.
- Expenditures including general salary/benefit increases and new departmental requests (i.e., new positions, equipment, studies and service enhancements).
- Reserves.

With respect to the Redevelopment Agency, the Budget Overview highlights:

- Tax increment revenue before and after Agency pass-throughs.
- Agency and Housing Set-Aside funds.
- Resources and Use of Resources for (1) all Agency Funds combined and (2) by the nine individual funds that make up the RDA budget.
- Major operating programs and capital projects.

The Budget Overview concludes with a brief description of the information contained in each of the ten sections of the budget document.

**BUDGET OVERVIEW**

**GENERAL FUND**

Areas addressed include the structural analysis of the General Fund, ongoing and one-time revenues & resources, adjustments to expenditures (general increases and new requests) and reserves.

**Structural Analysis of the General Fund**

The FY 2008-09 budget is operationally a status quo budget. Given the current economic conditions facing both the private and public sector, this is, relatively speaking, a good thing. In spite of the status quo nature of this budget cycle, it is important to recognize that the FY 2008-09 General Fund still enjoys a structural operating surplus of nearly \$50,000. The structural operating surplus is calculated by subtracting ongoing expenditures from ongoing revenues. The projected surplus of nearly \$50,000 means that we are not relying on reserves to address ongoing operational needs (which would be a reasonable possibility during a limited-duration economic downturn).

As reflected in the summary table below, this operating surplus of nearly \$50,000 is the result of:

- Ongoing FY 2008-09 revenues of \$9.62 million.
- Less ongoing FY 2008-09 expenditures of \$9.57 million.

A more detailed discussion of revenues, expenditures and reserves follows thereafter.

<b>General Fund Structural Analysis</b>			
	<b>FY 06/07 Actual</b>	<b>FY 07/08 Estimated</b>	<b>FY 07/08 Recommend</b>
<b>Revenues &amp; Transfers</b>	\$11,157,450	\$10,025,557	\$10,130,500
LESS One-time	<u>(1,758,577)</u>	<u>(549,413)</u>	<u>(514,300)</u>
<b>Total Ongoing Revenue</b>	<b>\$9,398,873</b>	<b>\$9,476,144</b>	<b>\$9,616,200</b>
<b>Expenditures</b>	\$9,288,925	\$11,391,416	\$11,979,800
LESS One-time	<u>(877,664)</u>	<u>(2,219,974)</u>	<u>(2,410,300)</u>
<b>Total Ongoing Costs</b>	<b><u>\$8,411,261</u></b>	<b><u>\$9,171,442</u></b>	<b><u>\$9,569,500</u></b>
<b>Structural Surplus/(Imbalance)</b>	<b>\$987,612</b>	<b>\$304,703</b>	<b>\$46,700</b>

**BUDGET OVERVIEW**

**Revenues**

Total anticipated revenues for FY 2008-09 amount to \$10.1 million. With a beginning balance of \$4.7 million, this results in total anticipated resources for FY 2008-09 of \$14.9 million. The following table provides a summary of anticipated revenue for FY 2008-09 by revenue category, as well as historical data from FY 2006-07.

<b>General Fund Revenues</b>				
	<b>FY 06/07 Actual</b>	<b>FY 07/08 Amended</b>	<b>FY 07/08 Estimated</b>	<b>FY 08/09 Recommend</b>
Property Taxes	\$1,088,239	\$1,219,800	\$1,113,073	\$1,089,700
Local Taxes	2,007,540	1,943,000	1,804,712	1,878,200
Licenses & Permits	577,197	510,700	413,000	384,000
Fines & Forfeitures	263,535	256,000	166,626	129,000
Use of Money & Property	1,277,836	1,293,800	1,303,367	1,261,500
Intergovernmental Revenue	2,660,055	2,740,300	2,823,338	2,876,600
Intragovernmental Revenue	2,488,126	1,810,200	1,778,440	1,821,200
Charges for Services	766,153	1,001,900	600,026	656,200
Other Revenues	28,769	26,200	22,976	34,100
<b>Total Revenues &amp; Transfers</b>	<b>\$11,157,450</b>	<b>\$10,801,900</b>	<b>\$10,025,557</b>	<b>\$10,130,500</b>

Given the current economic climate, key revenue sources linked to consumer spending, new development and the housing market have been analyzed conservatively for the coming year. As indicated:

- **Property Taxes** are estimated at roughly 2% below the FY 2007-08 Estimated, and approximately 10% below the FY 2006-07 Amended Budget.
- **Local taxes** include sales taxes, property tax in-lieu of sales taxes, franchise taxes and transient occupancy taxes. As a combined revenue category, these revenues are projected to decline by 3% in comparison to the FY 2007-08 Estimated Budget, and increase by a modest 4% over the FY 2007-08 Amended Budget. Most of this increase (i.e., \$75,000), is from new TOT revenue tied to the planned opening of the new waterfront hotel in spring 2009. Sales tax forecasts have remained flat even though an argument could be made that higher gas prices could translate into increased sales taxes, as is occurring at the state level. By not increasing these latter forecasts, we have an additional cushion against the unknown.

## BUDGET OVERVIEW

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- **Licenses & Permits** are anticipated to decrease by nearly 7% from the anticipated FY 2007-08 Estimated budget and nearly 25% from the FY 2007-08 Amended budget, with **Charges for Services** expected to follow suit (down 9% from FY 2007-08 Estimated and nearly 35% from FY 2007-08 Amended). These decreases are based, primarily, on conservative forecasts of new residential and commercial development expected to be constructed in the new fiscal year.
- Adjustments for **Fines and Forfeitures** reflect, primarily, accounting changes that transfer Vehicle Fines to a new Traffic Safety Fund, as required by state law. Roughly 50% of these monies get transferred back to the Police Department, with the balance going to the Gas Tax Fund.
- **Use of Money & Property** is projected to decrease by roughly 2% to 3% in comparison to FY 2007-08 Amended and Estimated, respectively. This category does include \$400,000 from the sales of the Twin Sisters property. The reduction in this revenue source is tied to declining interest rates (i.e., just over 3% versus last year's projection of 4%), and a reduction in GF monies on hand.
- **Intergovernmental Revenue**, which includes the Vehicle License Fee (VLF) and Property Tax In-Lieu of VLF, is anticipated to grow by roughly 2% over the FY 2007-08 Estimated and nearly 5% over the FY 2007-08 Amended.
- **Intragovernmental Revenues** is projected to see a slight increase of 2% over FY 2007-08 Estimated and roughly 1% over Amended.

Overall, total revenues are anticipated to increase by nearly \$105,000 when compared to the FY 2007-08 Estimated Budget. In comparison to the FY 2007-08 Amended Budget, total revenues are anticipated to decrease by roughly \$670,000 – a sign of current economic conditions. (NOTE: The Estimated Budget is staff's latest and most accurate assessment of where revenues and expenditures will be by June 30, 2008. As we get closer to the end of the fiscal year, staff's forecast of both revenues and expenditures becomes tighter and more likely in line with what is most likely to occur, as compared with the same type of forecasts made over a year ago.)

### Expenditures

The Proposed General Fund operating costs for the FY 2008-09 Annual Budget amount to \$10.1 million. As indicated in the summary table on the following page, this includes:

- \$9.6 million for ongoing operating costs, which include personnel services, services & supplies and interdepartmental charges.
- \$602,900 for one-time, non-recurring expenditures.

**CITY OF SUISUN CITY FY 2008-09 ANNUAL BUDGET**

**BUDGET OVERVIEW**

<b>General Fund Expenditures</b>			
	<b>FY 06/07 Actual</b>	<b>FY 07/08 Amended</b>	<b>FY 08/09 Recommend</b>
Personnel Services	\$5,871,227	\$6,998,400	\$7,025,500
Services & Supplies	2,256,380	2,406,569	2,048,900
Interdepartmental Charges	300,135	491,500	409,600
Non-Recurring Costs	229,987	695,431	602,900
<b>Total Operating Costs</b>	<b>\$8,657,729</b>	<b>\$10,591,900</b>	<b>\$10,086,900</b>

When comparing the FY 2008-09 Recommended to the FY 2007-08 Amended, the overall reduction in operating costs is \$480,000. Significant adjustments (up and down) that are reflected in this change include:

- A minimal increase is reflected for merit adjustments, PERS, health insurance premiums, and the increase in the minimum wage. As indicated in the above table, the overall increase in Personnel Services from the Amended to Recommended budget is less than \$30,000. Part of this is from salary and benefit savings realized in the current year from vacant positions.
- Of the \$480,000 overall reduction indicated for total operating costs, \$400,000 is from the annual payment for the sale of the Twin Sisters property. In the current fiscal year, this money was programmed. In the proposed budget, this money is recommended to go into the General Fund Reserve.
- Interdepartmental charges have been reduced by roughly \$80,000. This reflects the one-time spike in investment made for the GIS system in FY 2007-08.
- Non-recurring costs, which include monies for one-time items such as equipment purchases, temporary staffing tied to temporary workload spikes, special studies, GIS implementation, and the like, is estimated at roughly \$600,000, which is nearly \$95,000 less than the FY 2007-08 Amended Budget.

The following table summarizes the most significant of these one-time requests, which are included in the recommended budget. Items that reflect expenditures from other than the General Fund are noted with an asterisk (note “\*” items). In broad categories, these one-time expenditures include:

- |                           |           |
|---------------------------|-----------|
| • Minor Capital           | \$ 94,500 |
| • Travel/Training         | 169,900   |
| • One-time Studies        | 126,000   |
| • Litigation              | 50,000    |
| • Operating Contingencies | 162,500   |

**CITY OF SUISUN CITY FY 2008-09 ANNUAL BUDGET**

**BUDGET OVERVIEW**

For a more comprehensive review of the proposed FY 2008-09 Annual Budget, please refer to C Section that presents the detailed operating budgets by Department/Division. Included therein are all service enhancements by department/division including both ongoing and one-time requests that are new to the FY 2008-09 budget.

<b>Major Service Enhancements Proposed FY 2008-09 Budget</b>			
<b>Department</b>	<b>Request</b>	<b>Amount (** Non-GF)</b>	<b>One-Time/ Ongoing</b>
Economic Development	Neighborhood Revitalization Program – Matching Grants/beautification/recognition	\$50,000 **	One-Time
	Business façade improvement program	\$50,000 **	One-Time
	Suisun City regional marketing and branding campaign (business development)	\$100,000 **	One-Time (initiation)
	Enhance Waterfront District Visibility & Destination Development	\$50,000 **	One-Time
	New and existing business development loan program (20% buy-down of approved bank loans)	\$300,000 **	One-Time
Housing	First-Time Home buyer program (foreclosures/new product downtown)	\$4.4 million **	One-Time
Planning	Housing Element Update	\$50,000 carry-over **	One-Time
Building Inspection/IT/Maint.	Senior Center Upgrades – Grease Trap	\$45,000**	One-Time (CIP)
	Lawler House Improvements (Phase I)	\$75,000 **	One-Time
	Bathroom enhancements (north Marina)	\$50,000 **	One-Time
	Replacement of various computer servers	\$20,000	One-Time
	Replacement of custodial vehicle	\$17,100 **	One-Time
	Continue with FT Temp Clerical to support cross use of Bldg Inspection staff to Construction Inspection (a potential savings of upwards of \$60,000)	\$37,500	One-Time
	Continue with FT Temp Custodial support	\$30,000	One-Time
Public Works	3 new Dump Bed Trailers w/hydraulic life	\$30,000 **	One-Time
	Motorized roll-up doors (Corp Yard)	\$10,000**	One-Time
	Parking enhancement (Kellogg/Solano – one way striping)	\$15,000 **	One-time
Recreation	Increased weekend programming – Friday concerts, 1 <sup>st</sup> Saturdays, Sunday Jazz concerts	\$50,000**	Approved Mid Year
	Continue afterschool programming at Dan O. Root II Elementary School	\$40,000	One-Time

**CITY OF SUISUN CITY FY 2008-09 ANNUAL BUDGET**

**BUDGET OVERVIEW**

<b>Major Service Enhancements Proposed FY 2008-09 Budget</b>			
<b>Department</b>	<b>Request</b>	<b>Amount (** Non-GF)</b>	<b>One-Time/ Ongoing</b>
	“Quality of Life” Non-Profit Grants (match grant program)	\$5,000	One-Time
	Enhanced Christmas Programming	\$15,000**	One-Time
Police	Tactical Team – Training and deployment (search & arrest warrant service; parole – probation checks; officer assists)	\$20,000 (\$5k equipment/ \$15k OT)	One-Time
	Two Community Clean-up Days	\$20,000** (top end)	Ongoing
Fire	New ladder truck & equipment (tied to new development)	\$1.1 million **	One-Time
	Replace Command Vehicle	\$61,000 **	One-Time
	Computer upgrades	\$10,000	One-Time
	EOC Laptop Computers	\$ 9,000	One-Time
Finance	Property tax audit service (similar to HDL’s sales tax audit)	\$12,000**	One-Time
Non-Departmental	Fuel/Energy Operating contingency	\$50,000	One-Time

A final note when reviewing historical information involving operating costs: The numbers shown in the initial summary table on Page B-5 do not include “transfers out” that have been handled in the past two budgets through what is referred to as “negative revenues”. To account for these transfers in a manner that is more in line with our accounting and auditing practices, Transfers are now shown in “Section E - Other Activities” of the budget document. Transfers Out for FY 2006-07 were \$472,427; FY 2007-08 Amended, \$769,100; and FY 2008-09 Recommended, \$332,900.

**Reserves**

Three components provide the comprehensive picture of the General Fund: revenues & resources, expenditures and reserves. The proposed FY 2007-08 Annual Budget contains total reserves of \$2.9 million *AFTER* allocating \$2.4 million from the GF reserves for Harbor Center expansion project. This figure likewise includes the annual \$400,000 payment for the sale of the Twin Sisters property.

With projected reserves of \$5.6 million in the original FY 2007-08 budget, the pre-Harbor Center project figure of \$5.3 million tracks well considering the number of major initiatives completed in FY 08.

**BUDGET OVERVIEW**

**REDEVELOPMENT AGENCY**

Areas to be addressed include revenues & resources, expenditures (operating and capital) and ending balances for the Recommended Redevelopment Agency FY 2008-09 Annual Budget. This includes nine individual Funds including:

- Fund 900 – Administration
- Fund 905 – Housing Set Aside
- Fund 908 – Asset Management
- Fund 912 – Acquisitions
- Fund 920 – Capital
- Fund 950 – Tax Increment/Debt Service
- Fund 951 – 1998 Bonds
- Fund 953 – 2003A Bonds
- Fund 966 – Housing Capital.

Individual Cash Position Summaries for each fund are presented in Section F of the budget document. These include information for the recommended FY 2008-09 budget, as well as historical information going back to FY 2006-07. Detail for the recommended Combined Agency Budget follows below, with the same information provided thereafter by individual Fund.

**Resources and Use of Resources: All Funds Combined**

The table below provides detailed revenue, expenditure and reserve information for the recommended FY 2008-09 budget year for all Agency Funds combined.

<b>Redevelopment Agency FY 2008-09 Budget All Funds Combined</b>		
Beginning Balance		\$10,076,300
<b>Resources:</b>		
	Local Taxes	-\$40,000
	Licenses and Permits	0
	Fines & Forfeitures	0
	Use of Money & Property	573,400
	Intergovernmental	0
	Charges for Services	2,500
	Intragovernmental Transfers	16,491,200
	Miscellaneous Revenues	660,700
	Subtotal:	\$18,587,800
	<b>TOTAL RESOURCES</b>	<b>\$28,664,100</b>

**BUDGET OVERVIEW**

<b>Redevelopment Agency FY 2008-09 Budget All Funds Combined</b>		
<b>Use of Resources:</b>		
Personnel Services		\$1,156,400
Services & Supplies		619,900
Interdepartmental Transfers		495,800
Non-Recurring		204,600
Transfers Out		176,400
	Operating Subtotal:	\$2,653,100
Debt Service		\$5,833,600
Major Capital		11,257,200
	Non Operating Subtotal:	\$17,090,800
	Ending Balance	\$8,306,300
	<b>TOTAL USE OF RESOURCES</b>	<b>\$28,050,200</b>

As indicated, total FY 2008-09 Agency revenues and resources are anticipated to be approximately \$28 million for all funds combined. With a beginning balance of roughly \$10.1 million, this results in total anticipated resources for the Agency of \$18.5 million *after* distributing \$5.3 million to other Agencies in the form of pass-throughs. Annual tax increment after pass-throughs to other agencies (excluding Housing Set-Aside funds) amounts to \$11.5 million.

On the following page, the same information is presented by individual Agency Fund, however, adjustments have not been made to avoid double counting in the cases where money from one RDA Fund is transferred to another RDA Fund (as was the case when looking at the combined fund summary presented above, which zeroed out tax increment and the beginning balance from Fund 950, and “transfers out” from Fund 905 (Housing Set Aside) and Fund 950 (Tax Increment/Debt Service)).

Major operating programs and capital projects incorporated in this figures include:

<b>Operating Programs</b>		<b>Housing Programs</b>	
Economic Dev. Admin.	\$1.3 million	First-Time Homebuyer	\$4.4 million
Asset Management	159,700	Continental Apts. Rehab.	3.6 million
Code Enforcement	163,200	Humphrey/Almond Assess.	150,000
Events (RDA Contribution)	431,000	Neighborhood Reinvest.	50,000
<b>Capital Projects</b>			
ADA Compliance	\$ 40,000	Bus. Dev./Loan Support	\$300,000
Downtown Blight Removal	100,000	Façade Improvement	50,000
Monument Signage	230,000	Lawler House (Phase I)	75,000
Regional Mktg. Campaign	100,000	Bathroom Rehab (Basin)	50,000

**CITY OF SUISUN CITY FY 2008-09 ANNUAL BUDGET**

**BUDGET OVERVIEW**

Destination Signage	\$ 50,000	Parking (Solano/Kellogg)	\$ 15,000
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**RDA FY 2008-09 ANNUAL BUDGET BY FUND**

Fund Name/Tag	900 Admin	905 Hsg Set Aside	908 Asset Mgmt	912 Acquisition	920 Capital	950 Increment	951 1998 Bonds	953 2003 A Bonds	966 Hsg Capital
Beg Balance	\$259,100	\$8,614,100	\$2,600	\$856,300		\$5,110,800	\$87,200	\$234,600	\$22,400
Local Taxes		-40,000				16,850,000			
Licenses & Permits									
Fines & Forfeitures									
Use of Money/Prop. Intergovernmental	12,500	300,000	71,900	2,000		183,000	2,000	2,000	
Charges for Services	2,500								
Intragovernmental	1,025,800	3,400,000	114,900		\$2,919,200	816,300			8,215,000
Misc. Revenues	500					660,200			
Subtotal	\$1,941,300	\$3,660,000	\$186,800	\$2,000	\$2,919,200	\$18,509,500	\$2,000	\$2,000	\$8,215,000
<b>TOTAL RESOURCES</b>	<b>\$2,200,400</b>	<b>\$12,274,100</b>	<b>\$189,400</b>	<b>\$858,300</b>	<b>\$2,919,200</b>	<b>\$23,620,300</b>	<b>\$89,200</b>	<b>\$236,600</b>	<b>\$8,237,400</b>
Personnel	\$913,600	\$242,800							
Services & Supplies	446,700	63,900	\$106,900			\$2,400			
Interdepartmental	431,500	39,100	25,200						
Non-Recurring	149,100	1,500						\$54,000	
Transfers Out		8,707,300	27,600			13,867,400	\$89,200	59,600	
Operating Subtotal	\$1,940,900	\$9,054,600	\$159,700			\$13,867,400	\$89,200	\$113,600	
Debt Service						\$5,833,600			
Major Capital					\$2,919,200			\$123,000	\$8,215,000
Non Oper. Subtotal					\$2,919,200	\$5,833,600		\$123,000	\$8,215,000
Cont./Reserves									
Ending Balance	\$259,500	\$3,219,500	\$29,700	\$858,300	\$0	\$3,916,900	\$0	\$0	\$22,400
<b>TOTAL USE OF RESOURCES</b>	<b>\$2,200,400</b>	<b>\$12,274,100</b>	<b>\$189,400</b>	<b>\$858,300</b>	<b>\$2,919,200</b>	<b>\$23,620,300</b>	<b>\$89,200</b>	<b>\$236,600</b>	<b>\$8,237,400</b>

**BUDGET OVERVIEW**

**SECTIONS OF THE BUDGET DOCUMENT**

The previous sections provided an overview of major components of the General Fund and Redevelopment Agency. The detail data supporting these summaries are contained throughout the balance of the FY 2007-08 Annual Budget document, which is organized into ten major sections.

Highlights of what can be found, as well as where it can be found is presented in the following table:

<b>OVERVIEW OF SECTIONS OF THE BUDGET DOCUMENT</b>		
<b>Section</b>	<b>Section Title</b>	<b>General Content</b>
A	Budget Guidelines	<ul style="list-style-type: none"> <li>• Changes to the budget document format.</li> <li>• Strategic initiatives to guide budget development.</li> <li>• Financial policies.</li> </ul>
B	Budget Overview	<ul style="list-style-type: none"> <li>• Executive summary of the FY 2007-08 budget with an emphasis on the GF and RDA.</li> <li>• Overview summary of the content of the budget sections.</li> </ul>
C	Department Operating Budgets	<ul style="list-style-type: none"> <li>• Program and staffing organization chart.</li> <li>• Departmental accomplishments.</li> <li>• Departmental goals.</li> <li>• Department/division work program.</li> <li>• Department/division service refinements.</li> <li>• Supporting expenditure, staffing and funding data.</li> </ul>
D	Major Capital Improvement Program	<ul style="list-style-type: none"> <li>• City and RDA major capital projects.</li> <li>• Funding summary.</li> <li>• Projects by fund.</li> <li>• Projects by category.</li> <li>• Project descriptions &amp; project schedules.</li> </ul>
E	Other Activities	<ul style="list-style-type: none"> <li>• Internal Service funded activities.</li> <li>• Debt Service activities.</li> <li>• Contingencies.</li> <li>• Transfer to other Funds or Agencies.</li> </ul>

**CITY OF SUISUN CITY FY 2008-09 ANNUAL BUDGET**

**BUDGET OVERVIEW**

<b>OVERVIEW OF SECTIONS OF THE BUDGET DOCUMENT</b>		
<b>Section</b>	<b>Section Title</b>	<b>General Content</b>
F	Cash Position Summaries	<ul style="list-style-type: none"> <li>• Resources and Use of Resources summarized for all individual Funds.</li> </ul>
G	Revenue & Expenditure Detail	<ul style="list-style-type: none"> <li>• Revenue and expenditure line item detail organized by Fund.</li> </ul>
H	Staffing Detail	<ul style="list-style-type: none"> <li>• Staffing history by Department.</li> <li>• Staffing history by job classification.</li> </ul>
I	Chart of Accounts	<ul style="list-style-type: none"> <li>• Description of the City's accounting &amp; budgeting structure.</li> <li>• Accounting classification structure.</li> <li>• Organization of funds.</li> <li>• Dept/Division/Program codes.</li> <li>• Revenue accounts.</li> <li>• Expenditure accounts.</li> </ul>
J	Budget Resolutions	<ul style="list-style-type: none"> <li>• City Annual Appropriation Resolution.</li> <li>• Agency Annual Appropriation Resolution.</li> <li>• Housing Authority Annual Appropriation Resolution.</li> <li>• Master Fee Schedule Resolution.</li> <li>• Salary Resolution.</li> <li>• Gann Limit Resolution.</li> </ul>