



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Budget Presentation, Invite Public Comments and Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2009 and Ending June 30, 2010 and Approving the Fiscal Year 2009/10 Appropriation Spending Limit

MEETING DATE: June 3, 2009

PREPARED BY: City Manager

RECOMMENDED ACTION: Receive Budget presentation, invite public comments and adopt Resolution approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2009 and ending June 30, 2010 and approving the Fiscal Year 2009/10 Appropriation Spending Limit.

BACKGROUND INFORMATION: The City Council will continue to receive the budget presentation and the public is invited to comment on the Fiscal Year 2009/10 budget. Council has previously received information on this budget at Shirtsleeve meetings on May 5th, May 12th and May 19th. A Special Council meeting was held on May 26th and another Special Meeting is scheduled for June 2nd. The budget was reviewed by the Budget and Finance Committee and their recommendations are included in the presentation.

The General Fund Budget for FY 2009/10 is balanced without the use of reserves. However, it is expected that expenditures incurred during the current FY 08/09 will exceed revenues and General Fund reserves will be drawn on.

Improvements have been made to the budget document itself. Summaries of full department budgets are provided vs. a collection of division budgets. Narratives are clearer and more concise. Additional supplemental information is included. This budget introduces the use of footnotes to explain variances and key items.

Although not required, the public has been invited to make comments through an advertisement in the Lodi News-Sentinel.

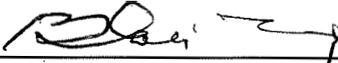
A resolution adopting the financial plan and budget is attached. Included in the budget resolution is the adoption of the Appropriation Spending Limit for the 2009/10 fiscal year. This limit represents the maximum spending authority for the City based upon population and inflation changes over the last year. The 2009/10 Appropriation Limit is \$77,022,287, an increase of

APPROVED: _____


Blair King, City Manager

\$794,752 over prior year. Details of the calculations are attached as Attachment 1 and Exhibits A through G.

FISCAL IMPACT: The 2009/10 budget provides an expenditure plan for all funds. The all funds budget is \$170,270,688 a decrease of \$16.8 million, or about 9% from the previous year, and a two-year decline of approximately \$43.4 million. The General Fund Budget is \$39,870,901, \$2.4 million less than the previous year and \$5.8 million less than two years ago.


Blair King, City Manager

APPROPRIATIONS SPENDING LIMIT

2009-10 APPROPRIATIONS SPENDING LIMIT

				AMOUNT
Last Year's Limit				76,227,535
Adjustment Factors				
1	Population %		1.0042	
2	Inflation %		1.0062	
Total Adjustment %				1.0104
Annual Adjustment				794,752
Adjustments				None
Total Adjustments				794,752
2009-10 APPROPRIATIONS SPENDING LIMIT				77,022,287

2009-10 APPROPRIATIONS SUBJECT TO LIMITATION

		AMOUNT
PROCEEDS OF TAXES		30,614,117
EXCLUSIONS		-
APPROPRIATIONS SUBJECT TO LIMITATION		30,614,117
CURRENT YEAR LIMIT		77,022,287
OVER(UNDER) LIMIT		(46,408,169)

City of Lodi
 Appropriations Spending Limit
 Fiscal Year 09-10

		Amount	Source
A. Last Year's Limit		76,227,535	
B. Adjustments Factors			
1	Population Yo	1.0042	(Exhibit B)
2	Inflation Yo	1.0062	(State Finance)
C. Annual Adjustment		794,752	(B*A)
D. Other Adjustments		None	
E. Total Adjustments		794,752	(C+D)
F. This Year's Limit		77,022,287	(A+E)

City of Lodi
 Appropriations Spending Limit
 Growth Factors/Calculations

EXHIBIT B

GROWTHFACTORS:			
Fiscal Year	Per Capita Income	%Increase City Population	%Increase County Population
87-88	3.47	5.72	3.33
88-89	4.66	4.96	3.32
89-90	5.19	2.52	2.20
90-91	4.21	2.26	2.23
91-92	4.14	1.19	2.64
92-93	-0.64	0.97	2.41
93-94	2.72	0.73	2.13
94-95	0.71	0.51	1.57
95-96	4.72	1.31	1.59
96-97	4.67	1.68	1.85
97-98	4.67	0.70	1.21
98-99	4.15	1.16	1.47
99-00	4.53	1.94	1.44
00-01	4.91	1.29	1.78
01-02	7.82	1.90	2.71
02-03	-1.27	2.14	3.07
03-04	2.31	1.69	2.86
04-05	3.28	0.75	2.54
05-06	5.26	0.96	2.65
06-07	3.96	0.30	2.00
07-08	4.42	0.90	1.73
08-09	4.29	0.68	1.59
09-10	0.62	0.42	1.07

CALCULATIONS:			
Fiscal Year	Calculation	=	Appropriation Spending Limit
87-88	1.0347 x 1.0572 = 1.0939 1.0939 x \$22,654,787	=	\$24,782,072
88-89	1.0466x1.0496=1.0985 1.0985 x \$24,782,072	=	\$27,223,106
89-90	1.0519 x 1.0252 = 1.0784 1.0784 x \$27,223,106	=	\$29,357,398

90-91	1.0421 x 1.0226 =1.0657 1.0657 x \$29,357,398	=	\$31,286,179
91-92	1.0414 x 1.0264 =1.0689 1.0689 x \$31,286,179	=	\$33,441,797
92-93	.9936 x 1.0241 =1.0175 1.0175 x 33,441,797	=	\$34,027,028
93-94	1.0272 x 1.0213 = 1.0491 1.0491x 34,027,028	=	\$35,697,755
94-95	1.0071 x 1.0157 = 1.0229 1.0229 x 35,697,755	=	\$36,515,234
95-96	1.0472 x 1.0131 =1.0609 1.0609 x 36,515,234	=	\$38,739,012
96-97	1.0467x1.0168=1.0643 1.0643 x 38739012	=	\$41,229,332
97-98	1.0467x1.0070=1.0540 1.0540x 41,229,332	=	\$43,456,825
98-99	1.0415x1.01160=1.0536 1.0536x 43,456,825		\$45,785,303
99-00	1.0453x1.0194=1.0656 1.0656x45,785,303		\$48,787,849
00-01	1.0491x1.0129=1.0626 1.0626x48,787,849		\$51,843,597
01-02	1.0782x1.0190=1.0987 1.0986858		\$56,959,824
02-03	.9873x1.0214=1.00843 1.00842822		\$57,439,894
03-04	1.0231x1.0169=1.0404 1.04039039		\$59,759,913
04-05	1.0328x1.0075=1.040546 1.040546		\$62,182,939
05-06	1.0526x1.0096=1.06270496 1.06270496		\$66,082,118
06-07	1.0396x1.0030=1.0427188 1.0427188		\$68,905,066
07-08	1.0442x1.0090=1.0535978 1.0535978		\$72,598,226
08-09	1.0429x1.0068=1.0499917 1.0499917		\$76,227,535
09-10	1.0062x1.0042=1.01042604 1.01042604		\$77,022,287

09-10 Appropriations Subject to Limit:

\$30,614,117	=	39.75%
\$77,022,287		

APPROPRIATIONS SUBJECT TO LIMITATION

City of Lodi
Fiscal Year 09-10

	AMOUNT	SOURCE
A. PROCEEDS OF TAXES	30,614,117	(Exhibit F)
B. EXCLUSIONS	0	(Exhibit D)
C. APPROPRIATIONS SUBJECT TO LIMITATION	30,614,117	(A-B)
D. CURRENT YEAR LIMIT	77,022,287	(Exhibit A)
E. OVER(UNDER) LIMIT	(46,408,169)	(C-D)

$$\frac{30,614,117}{77,022,287} = 39.75\%$$

EXCLUDED APPROPRIATIONS

City of Lodi
Fiscal Year 09-10

CATEGORY	Amount						
COURT ORDERS	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td>Subtotal</td></tr><tr><td>None</td></tr></table>					Subtotal	None
Subtotal							
None							
FEDERAL MANDATES	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td>Subtotal</td></tr><tr><td>None</td></tr></table>					Subtotal	None
Subtotal							
None							
QUALIFIED CAPITAL OUTLAYS	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td>Subtotal</td></tr><tr><td>None</td></tr></table>					Subtotal	None
Subtotal							
None							
QUALIFIED DEBT SERVICE	<table border="1"><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td> </td></tr><tr><td>Subtotal</td></tr><tr><td>None</td></tr></table>					Subtotal	None
Subtotal							
None							
TOTAL EXCLUDABLE	<table border="1"><tr><td>None</td></tr></table>	None					
None							

(Copy to Exhibit C & G)

City of Lodi
 Schedule to Match User Fees to Costs
 Fiscal Year 09-10

EXHIBIT E

	User Fee Collections	Cost Associated With User Fees	Amount in Excess of User fees
Public Safety Fees	305,000	23,651,720	0
Parks and Recreation Fees	1,327,188	4,096,236	0
Community Center Fees	443,578	1,859,673	0
Community Development Fees	441,000	1,210,238	0
PW Engineering Fees	216,032	945,540	0
Library Fees	50,000	1,419,910	0
Total	<u>2,782,798</u>	<u>33,183,317</u>	<u>0</u>

Calculation* Proceeds of Taxes

City of Lodi
Fiscal Year 09-10

REVENUE	PROCEEDS OF TAXES	NON-PROCEEDS OF TAXES	TOTAL
TAXES:			
Property Taxes	8,475,000		8,475,000
Sales & Use Tax	7,479,255	266,000	7,745,255
Business License Tax	1,089,750		1,089,750
Franchise Tax	1,641,000		1,641,000
Transient Occupancy Tax	411,000		411,000
Real Property - Documentary Tax			
In-Lieu Franchise Tax	6,976,670		6,976,670
FROM STATE			
Motor Vehicle In Lieu	4,335,771		4,335,771
State H-way Maintenance		11,405	11,405
Gas Tax		1,062,000	1,062,000
Cigarette tax			0
Transportation Development Act		1,876,800	1,876,800
TDA -Pedestrian/Bike Path		0	0
SB 300 Transportation Partnership			
Measure K Funds		900,000	900,000
State Reimbursements-POST		90,000	90,000
Public Library grants		50,000	50,000
PERS Rebate			
SB90 Reimbursements			
Asset Seizure Funds/Auto Theft		0	0
Drug Suppression Grant		238,000	238,000
State special grants		100,000	100,000
State STIP reimbursement		0	0
LOCALLY RAISED			
Fines, Forfeitures, Penalties		1,231,000	1,231,000
Licenses and permits		694,595	694,595
Rent of City Property		789,475	789,475
Development Fees		977,071	977,071
USER FEES			
(from Exhibit E)	0	2,782,798	2,782,798
OTHER MISCELLANEOUS			
Sale of Property		3,500	3,500
Restitution-Damageto Property		0	0
Other revenue		503,390	503,390
Interfund Transfers			
		5,932,983	5,932,983
SUB-TOTAL			
(for Exhibit G)			
INTEREST EARNINGS			
(from Exhibit G)	65,671	37,629	103,300
TOTAL REVENUE			
(use for Exhibit C)	30,614,117	17,541,648	48,155,765
RESERVE WITHDRAWALS			
(Including appropriated Fund Balance)			
TOTAL OF THESE FUNDS			
OTHER FUNDS NOT INCLUDED			
GRAND TOTAL BUDGET			

Interest Earnings
Produced by Taxes

City of Lodi
Fiscal Year 09-10

	AMOUNT	SOURCE
A. NON-INTEREST TAX PROCEEDS	30,548,446	^(Exhibit F)
B. MINUS EXCLUSIONS		(Exhibit D)
C. NET INVESTED TAXES	30,548,446	(A-B)
D. TOTAL NON-INTEREST BUDGET	48,052,465	^(Exhibit F)
E. TAX PROCEEDS AS PERCENT OF BUDGET	63.57%	(C/D)
F. INTEREST EARNINGS	103,300	
G. AMOUNT OF INTEREST EARNED FROM TAXES	65,671	(E*F)
H. AMOUNT OF INTEREST EARNED ON NON-TAXES	37,629	(F-G)
I. Take the result of steps #G & H Copy on to Exhibit F		



CONSIDER ADOPTION OF 2009/10 FINANCIAL PLAN AND BUDGET

The Lodi City Council invites members of the public to attend the June 3, 2009 City Council meeting, at which residents will be encouraged to comment on the proposed 2009/10 Financial Plan and Budget

Time: 7 p.m.
Date: Wednesday, June 3, 2009
Location: Carnegie Forum, 305 W. Pine St.

The 2009/10 Financial Plan and Budget is available for review at City Hall, the Lodi Public Library, and at www.lodi.gov.

Please call the City Clerk's Office at (209) 333-6702 if you have any questions regarding this matter.