



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Approving Fiscal Year 2009/10 Mid year Budget Adjustments
MEETING DATE: January 20, 2010
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving Fiscal Year 2009/10 Mid-year budget adjustments.

BACKGROUND INFORMATION: City staff has done an admirable job of managing the organization during a time of significant fiscal turmoil. Despite falling revenues and shrinking staff numbers, staff has maintained most services at levels consistent with prior years. The City has enjoyed the cooperation of all of its bargaining units in helping to maintain a balanced budget.

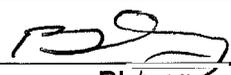
The City of Lodi has weathered the recent fiscal storm without having to resort to significant layoffs and/or service eliminations to balance the most recent budgets. Over the last five years, although not without difficulty, the City has remained relatively healthy from a fiscal perspective as a result of continuous, active fiscal management. In short, the City managed cost reductions and staffing reductions in concert with declining revenues. While other cities have had to make sudden and severe course corrections, Lodi has met reductions in revenue with prompt but more gradual declines in expenditures.

In spite of this economy, Lodi has worked to bring itself back from the brink and develop a modest General Fund reserve. The projected unreserved fund balance of \$3.3 million represents 8.3 percent of General Fund expenditures, well short of the targeted minimum reserve level of 15 percent. Revenues for 2009/10 are projected to be \$5.5 million (13 percent) lower than FY 2006/07. During the same time period, the City has seen significant increases in salary and benefits for some represented employees. Salary and benefits were reduced during the latter part of FY 2008/09 and have continued into FY 2009/10 as a result of contributions provided by the bargaining groups and voluntary reductions in staff. Employee contributions, coupled with early retirement incentives, have allowed the City to avoid significant lay-offs and provided the opportunity to manage the decline in revenues.

The following details how the City addressed a number of issues over the course of the last five years.

Personnel

Authorized staff levels have gone from a high of 480 in FY 2003/04 to the current level of 421 funded positions. Current filled positions total 406. The City has adopted a philosophy of examining the need for each vacant position before filling. This analysis has resulted in cost stabilization and decreased the amount of personnel increases.

APPROVED: 
Blair King, City Manager

Operational Efficiencies

One of the mantras during tight fiscal times is to do more with less. The City has taken this concept to heart and has implemented a number of operational efficiencies that allow City staff to offer high levels of service with reduced staffing. For the past few years, the City has embarked on a series of studies and reviews to ensure that our operations were managed efficiently and effectively. These studies included an analysis of the organizational structure, duties and responsibilities, and staffing; the results of these studies have been a more prudent stewardship of the City's resources. This has enabled the City to continue offering a high level of service while weathering a significant recession.

In particular, efficiencies have been realized by the City by:

- Streamlining the plan-check function between the Fire Department and Community Development, thus reducing staff.
- Allowing utility customers to pay bills either online or through pay stations. This has reduced walk-in traffic at the Finance Department and provided a higher level of service.
- Completing a project that converted paper check payments to electronic bank transfers, thereby freeing staff time for other customer service functions within the Finance Division. Additionally, this project results in reduced bank service charges, creating ongoing savings.
- Providing retirement incentives to 15 employees resulting in positions remaining vacant and generating salary savings.
- Reducing reliance on outside benefits program management and labor negotiators. Bringing these activities in-house results in permanent cost reductions.
- Settling the PCE/TCE lawsuits resulting in the elimination of outside legal services for this matter.
- Converting from Social Security to PARS for part-time staff. This decision resulted in a permanent reduction in City costs as the City no longer pays the employer share of Social Security for these staff.

In addition to operational efficiencies, the City has exercised its entrepreneurial muscle in a number of areas:

- Charging market rent for the Court space.
- Increasing the solid waste franchise fee.
- Negotiating market-based rent for the land lease for the Lodi Energy Center.
- Establishing a market-rate for tertiary-treated water for the Lodi Energy Center.
- Creating Special Revenue funds for Community Development, Community Center and Recreation to better account for these activities.

Service Modifications

As a result of budget reductions, the City is not performing all of the services it had performed at the same level, or at all. Furloughs of City staff reduce customer service hours to the public by about 5 percent. Some of the service reductions include:

- Longer wait times on the telephones for utility customer service.
- Lack of availability to the public one day a month due to furloughs.
- Library closed on Fridays and three hours earlier on Thursdays.
- Browning out of a fire engine.
- Slower response time to Council requests and requests from the public.
- Less-thorough research related to special requests.
- Reduced bike patrols.
- Reduced staffing in the Police Department lobby.
- Smaller Fourth of July fireworks show.

Looking Forward

As noted earlier, the City is relatively healthy from a fiscal perspective. Our past activities have allowed for a "glide path" approach to responding to reducing revenues. We expect the balance of FY 2009/10 to continue on the glide path already established. As we look forward to FY 2010/11, we are not seeing significant signs of recovery. It is expected that we will need to remain frugal in the coming year just to stay level with our current standing. As such, it is expected that the current level of employee contributions will be needed to allow the City to stay level.

General Fund

Revenues:

Overall, revenues are estimated at budgeted levels. No budgetary adjustments are proposed for revenue at this time. Overall, General Fund revenues within the Fund are expected to match estimates, but variances within individual line items are expected.

The primary General Fund Revenue sources are property taxes, sales taxes, PILOT and Vehicle License Fees. It is projected that property taxes will come in slightly below (\$40,000) budgeted levels. Sales tax revenue is anticipated to be short of budgeted levels by about \$230,000. Vehicle License Fees are expected to be about \$200,000 over budgeted levels. PILOT revenue will match the budgeted amount. Other revenues are showing minor variances that, in total, bring estimated revenue in line with overall budgeted revenue. Additionally, staff is reviewing all revenue throughout the City to make sure that it is recorded properly, and is focusing on entrepreneurial-type revenue.

Expenditures:

Initial projection of General Fund expenditures is \$39,935,000, a level that exceeds expected revenue by \$64,000. Without action, the fund balance will be reduced by that amount. A solution is proposed.

During the discussion of how the City would adjust its budget in response to the State's Proposition 1A seizure of local government funds, staff proposed eliminating central purchasing as a means of reducing General Fund expenditures. Council requested staff further explore this concept and report back. Staff is now recommending that the City move away from the current central store and central purchasing concept and adopt a more de-centralized purchasing philosophy. Staff has surveyed other similar-sized jurisdictions and found that the majority of them have also adopted de-centralized purchasing processes. Best practices for purchasing show that costs are typically reduced by just-in-time purchasing as opposed to a classic central store operation.

Staff is recommending that two positions in the Purchasing Division be transferred to the Electric Utility. Staff has reviewed the activities of the positions of Buyer and Senior Storekeeper and has determined that these two positions primarily serve the Electric Utility and the Water/ Wastewater Utilities. Electric Utility and Water/ Wastewater Utility management agree that this transfer makes operational sense. This transfer of staff will result in a savings to the General Fund of approximately \$64,000 through the remainder of the fiscal year.

The remaining position in the Purchasing Division, Purchasing Technician, will remain in the Division, but will be located within the Finance offices. The central purchasing duties of this position will be distributed city-wide and the central store concept will be eliminated. Staff is developing instructions for departmental staff to assume the purchasing of those commodities that were formerly handled centrally. At this time, the Purchasing Technician will retain city-wide purchasing training functions and will be available as a resource to departments. Accounts payable duties will be added to the position in place of the removed duties.

We have met and conferred with the bargaining unit for these employees, AFSCME, and the bargaining unit has not objected to this proposal. We expect to be revising the job descriptions for all three classes and our initial analysis indicates that such changes would not result in changes to the current classification of the positions. Additionally, we will be revising the City's Purchasing Policy.

Wastewater Fund

Council adopted increased wastewater rates earlier this fiscal year. At the time of adoption, estimated revenues were not increased for the expected impact of the rate increase. The attached resolution includes the impact of the rate increases in the wastewater fund for the current fiscal year. Estimated revenues are increased by \$1,750,800 for the current fiscal year.

Public Works Staffing

Council adopted the Sanitary Sewer Master Plan (SSMP) earlier this year and approved two additional positions for Public Works. Public Works also requested an additional position that was not approved at that time. Since the adoption of the SSMP, Public Works has reviewed the associated staffing requirements and is proposing a number of staffing changes and reorganizations.

Approval of the following position additions and changes is requested.

Deputy Public Works Director-Water/Wastewater/Streets

This position would combine the existing Water Services Manager and Streets and Drainage Manager positions, resulting in the net reduction of one position. The Deputy Public Works Director would provide expanded engineering oversight of the Streets and Drainage and Laboratory & Environmental Compliance Divisions. The storm drainage permit, sanitary waste discharge permit, wastewater collection permit and Air Quality District compliance requirements for controlling fugitive particulates greatly increases the need for knowledge and understanding of engineering sciences in these divisions' operations, thereby requiring management by a registered civil engineer. Four Superintendents would directly report to the Deputy Public Works Director. Future duties would include management of the Mokelumne Water Treatment Plant. Salary is expected to be at the same level as the existing classification of City Engineer/Deputy Public Works Director, \$9,065.32 to \$11,012.40 per month with the initial salary fixed at the C step (\$9,994.49) until the salary is properly aligned with the Public Works Director. Costs for the balance of the fiscal year are estimated to be \$5,400 and will be funded through the water, wastewater and streets funds.

Laboratory Services and Environmental Compliance Superintendent

This position is a reclassification of the existing Laboratory Services Supervisor position. The need for the Superintendent position is driven by the SSMP and includes duties that were previously performed by the Water/Wastewater Superintendent. In addition to the duties of the former Supervisor classification, the Superintendent is responsible for management of the DBCP Settlement Case, management of the water system reporting requirements to the California Department of Public Health, preparation of the Annual Water Quality Report, maintenance of well performance records, calculation of charges to new development for wastewater treatment capacity and coordinating operational adjustments such as chlorine dosing and system operation with water system operators to maintain water quality requirements. Over the years, the job duties have evolved to become more technical, requiring more specialty knowledge in order to maintain compliance with the State's monitoring and reporting requirements at the wastewater treatment plant. These new duties require a higher level of knowledge, skills and abilities. Compensation is expected to be parallel with Water/Wastewater Superintendent (\$6,120.82 to \$7,439.90 monthly). Savings for the balance of the fiscal year are estimated to be \$200.

Water/Wastewater Supervisor

This position is a reclassification of an existing Senior Plant and Equipment Mechanic. The role of this Senior Plant and Equipment Mechanic has evolved into a working supervisory role as new staff members and responsibilities were added to the maintenance operations of the wastewater treatment plant. Recently completed plant upgrades include additional treatment infrastructure, process enhancements and the addition of technologically advanced systems, such as the ultraviolet disinfection facilities, the de-nitrification facilities in the aeration basins, and the rotating fine screens at the head works along with an additional clarifier and digester. These changes have presented the need for separating the maintenance activities from the operations activities and drive the creation of a separate maintenance unit. The Supervisor position is responsible for the maintenance team of four positions. No changes to the salary for this existing classification are proposed. Salary for the Water/Wastewater Supervisor is

\$4,770.83 to \$5,799.13 monthly. Costs for the balance of the fiscal year are estimated to be \$5,700, which would be absorbed by the Water and Wastewater utilities.

Streets and Drainage Superintendent

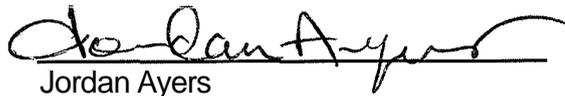
This position is intended to combine the remaining duties of the Streets and Drainage Manger with the Assistant Streets and Drainage Manager and create a single new position of Streets and Drainage Superintendent. A portion of the duties of the Streets and Drainage Manager were folded into the Deputy Public Works Director position described above. Compensation is expected to be parallel with Water/Wastewater Superintendent (\$6,120.82 to \$7,439.90 monthly). This reclassification is cost neutral as the incumbent is currently paid out-of-class at the target level.

Compliance Engineer

This position is a new position required to handle the additional professional level analytical work needed under the SSMP. This position will have leadership and collaborative responsibilities for a variety of highly complex tasks and projects within the Public Works department. This position will provide guidance and support to management staff in the areas of budget development, rate models and rate analysis, development and oversight of various contracts and agreements, environmental analysis and impacts and the generation and publication of various strategic reports. The position will require an individual with an engineering registration and a strong background in financial, program and management analysis, written and oral communication skills and knowledge of water, wastewater and streets functions within a municipal public works department. Proposed salary is equal to that of an Associate Civil Engineer (\$5,813.22 to \$7,066.00 monthly). Costs for the balance of the fiscal year are estimated to be \$10,200 paid through the Water and Wastewater funds.

The above position changes result in no change in total positions authorized within Public Works. Aggregate net costs for the balance of the fiscal year are estimated to be \$21,100.

FISCAL IMPACT: Absent any actions, the General Fund is projected to close the year with a shortfall of about \$64,000. Staff is recommending a reorganization of the Purchasing function that will result in General Fund savings that will eliminate that shortfall. Additionally, staff is recommending a number of position changes within Public Works that will result in additional costs of \$21,100 within the Wastewater Utility. The additional costs will be absorbed by the additional revenues generated from the previously approved rate increase.


Jordan Ayers
Deputy City Manager

JA/ja
Attachment:
Resolution

RESOLUTION NO. 2010-06

A RESOLUTION OF THE LODI CITY COUNCIL
AMENDING THE CITY OF LODI FINANCIAL PLAN AND
BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1,
2009 AND ENDING JUNE 30, 2010

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WHEREAS, the City Council adopted a balanced Financial Plan and Budget for Fiscal Year 2009-10 on June 10, 2009; and

WHEREAS, the adopted 2009-10 Financial Plan and Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, revisions to the adopted 2009-10 Financial Plan and Budget are necessary to address operating changes and previously approved revenue increases.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby revise the adopted 2009-10 Financial Plan and Budget as follows:

1. Approve the de-centralization of the purchasing function by:
 - a. transferring one Buyer and one Senior Storekeeper position to the Electric Utility, and
 - b. eliminating the central store operation, and
 - c. reducing the appropriations in the Purchasing business unit (100422) by \$64,000, and
 - d. absorbing the increased costs within the Electric Utility.
2. Increase estimated revenues in the Wastewater fund by \$1,750,800.
3. Approve the re-organization of Public Works including:
 - a. creating the position of Deputy Public Works Director - Water/Wastewater and Streets and deleting the positions of Water Services Manager and Streets and Drainage Manager, and
 - b. reclassifying the position of Laboratory Services Supervisor to Laboratory Services and Environmental Compliance Superintendent and deleting the position of Laboratory Services Supervisor, and
 - c. reclassifying the position of Senior Plant and Equipment Mechanic to Water/Wastewater Supervisor and deleting the position of Senior Plant and Equipment Mechanic, and

- d. reclassifying the position of Assistant Streets and Drainage Manager to Streets and Drainage Superintendent and deleting the position of Assistant Streets and Drainage Manager, and
- e. creating the position of Compliance Engineer, and
- f. absorbing increased costs of \$21,100 within existing appropriations.

Dated: January 20, 2010

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I hereby certify that Resolution No. 2010-06 as passed and adopted by the City Council of the City of Lodi in a regular meeting held January 20, 2010, by the following votes:

1) In reference to the **de-centralization of the purchasing function:**

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, and Mayor Katzakian

NOES: COUNCIL MEMBERS – Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

2) In reference to the **re-organization of Public Works:**

AYES: COUNCIL MEMBERS – Hansen, Johnson, and Mayor Katzakian

NOES: COUNCIL MEMBERS – Hitchcock and Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

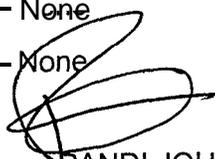
3) In reference to the **increase in estimated revenues in the Wastewater fund:**

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk

FY 2009/10 Mid-Year Budget Update

Lodi City Council
January 20, 2010



FY 2009/10 Mid-Year

Local economy is struggling

Unemployment rate doubled in two years

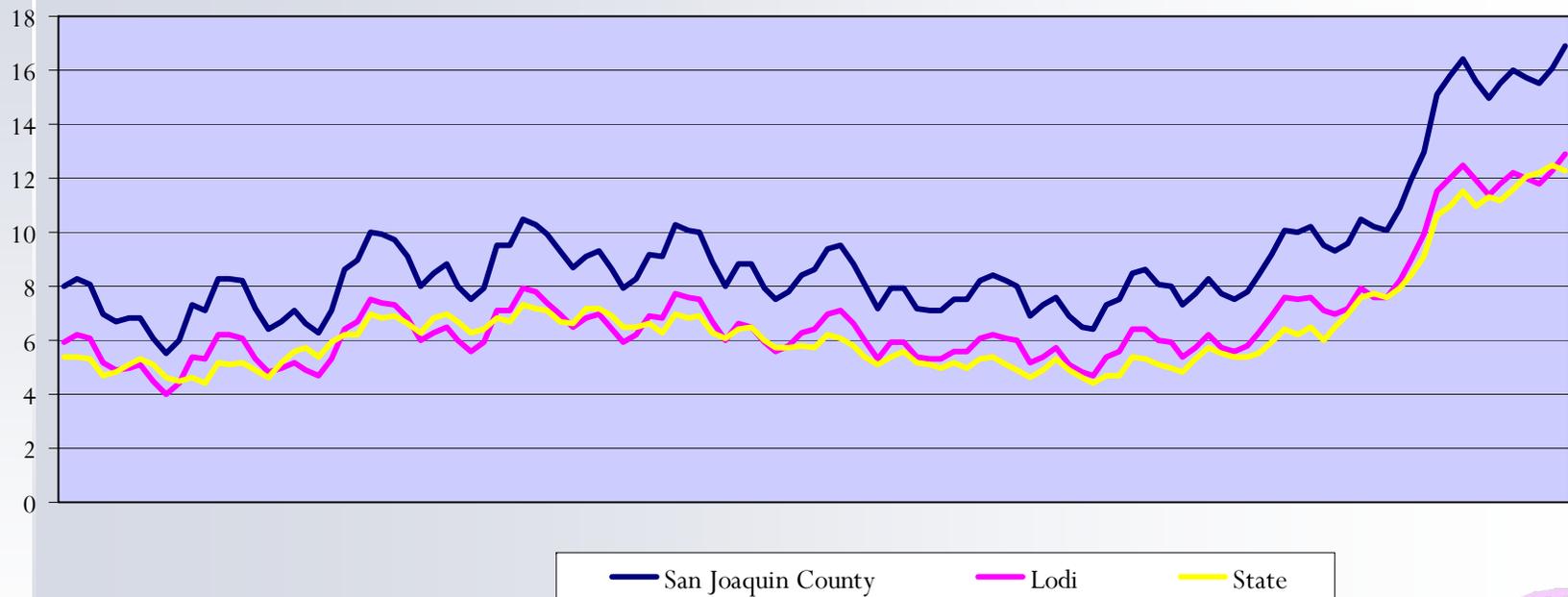
Foreclosures lower than in SJC overall, but still twice national average

Significant downturn in merchant sales



FY 2009/10 Mid-Year

Unemployment rate, 2000-2009



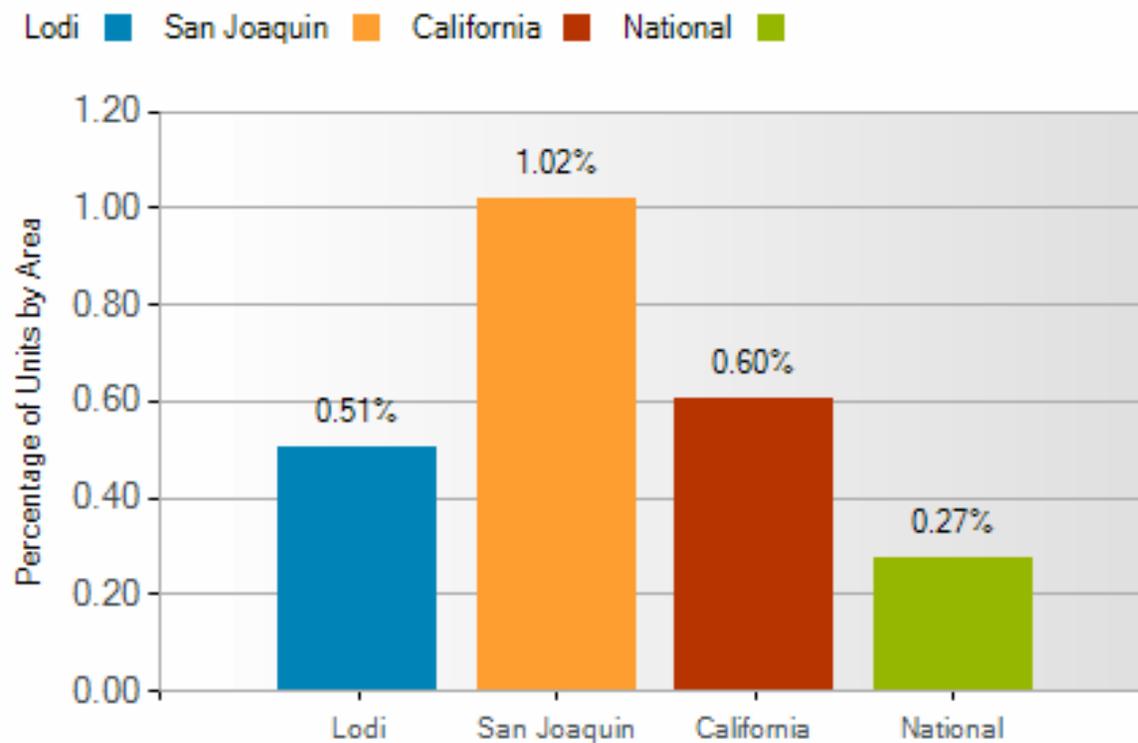
Source: California Employment
Development Department,
Jan. 2000-Nov. 2009



FY 2009/10 Mid-Year

Foreclosures

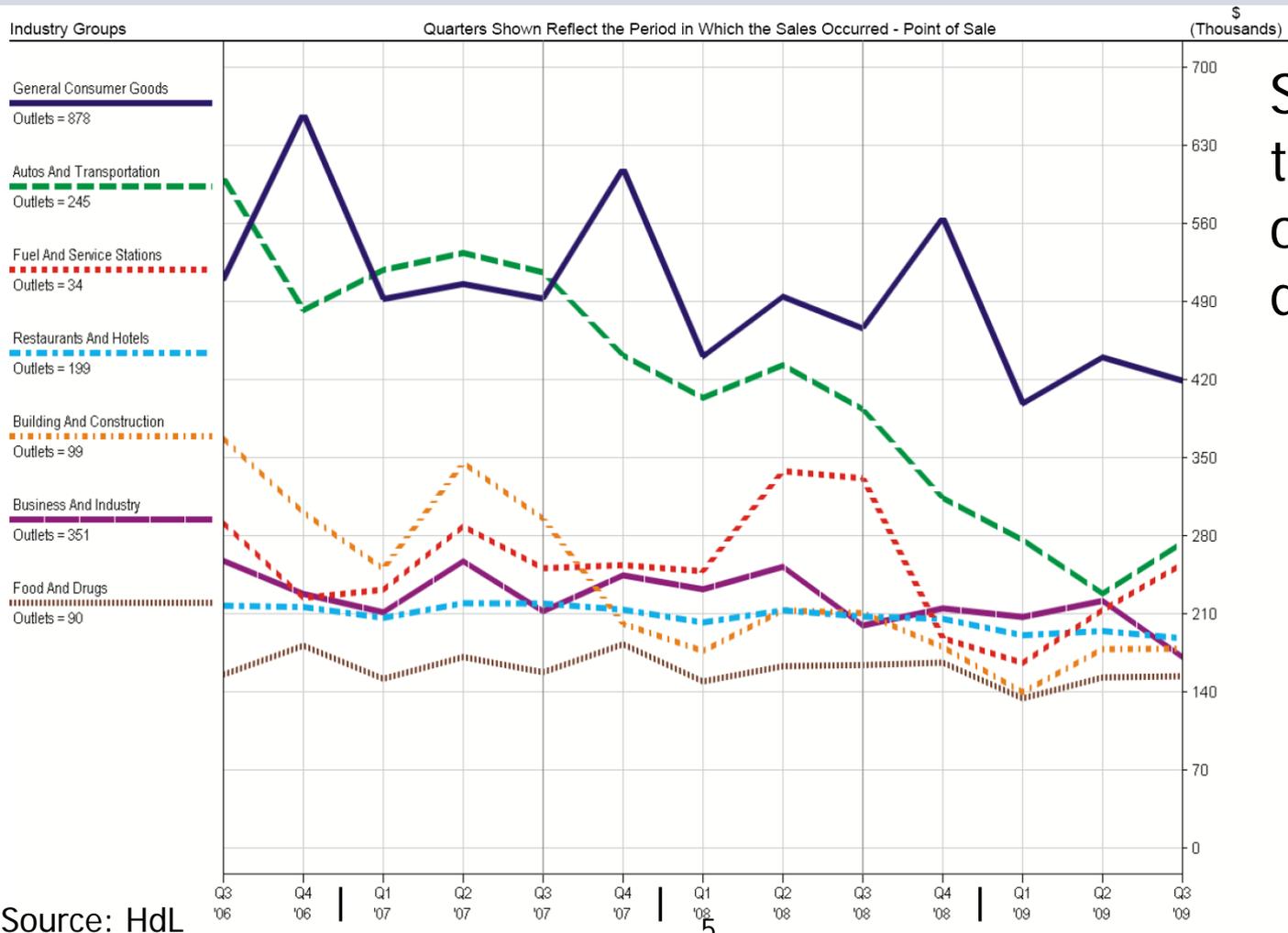
December
2009



Source: RealtyTrac



FY 2009/10 Mid-Year

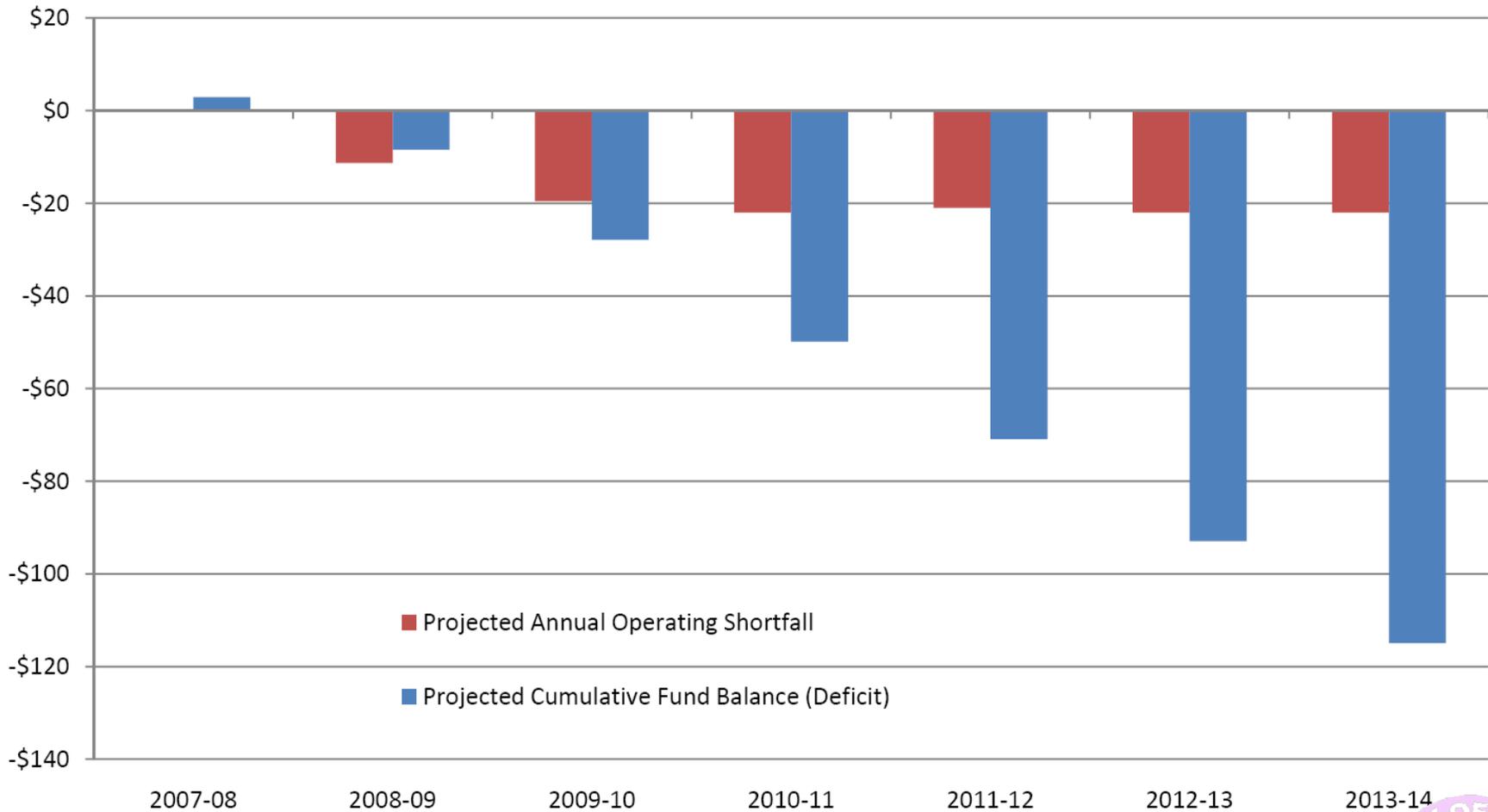


Sales trends over 13 quarters

Source: HdL



Projected State Budget Shortfalls (In Billions)



Source: LAO's Office



FY 2009/10 Mid-Year

- With continued monitoring, General Fund will be close to expenditures matching revenues
- \$64,000 shortfall without proposed modification
- Not seeking additional employee contributions, but need to extend current levels into FY 2010/11



FY 2009/10 Mid-Year

General Fund is under pressure



FY 2009/10 Mid-Year

General Fund Activities

Legislative, Legal, Administrative, Risk Management, Police, Fire, Code Enforcement, Parks, Emergency Preparedness, Special Events, Street Maintenance, Animal Services

Dependent Activities

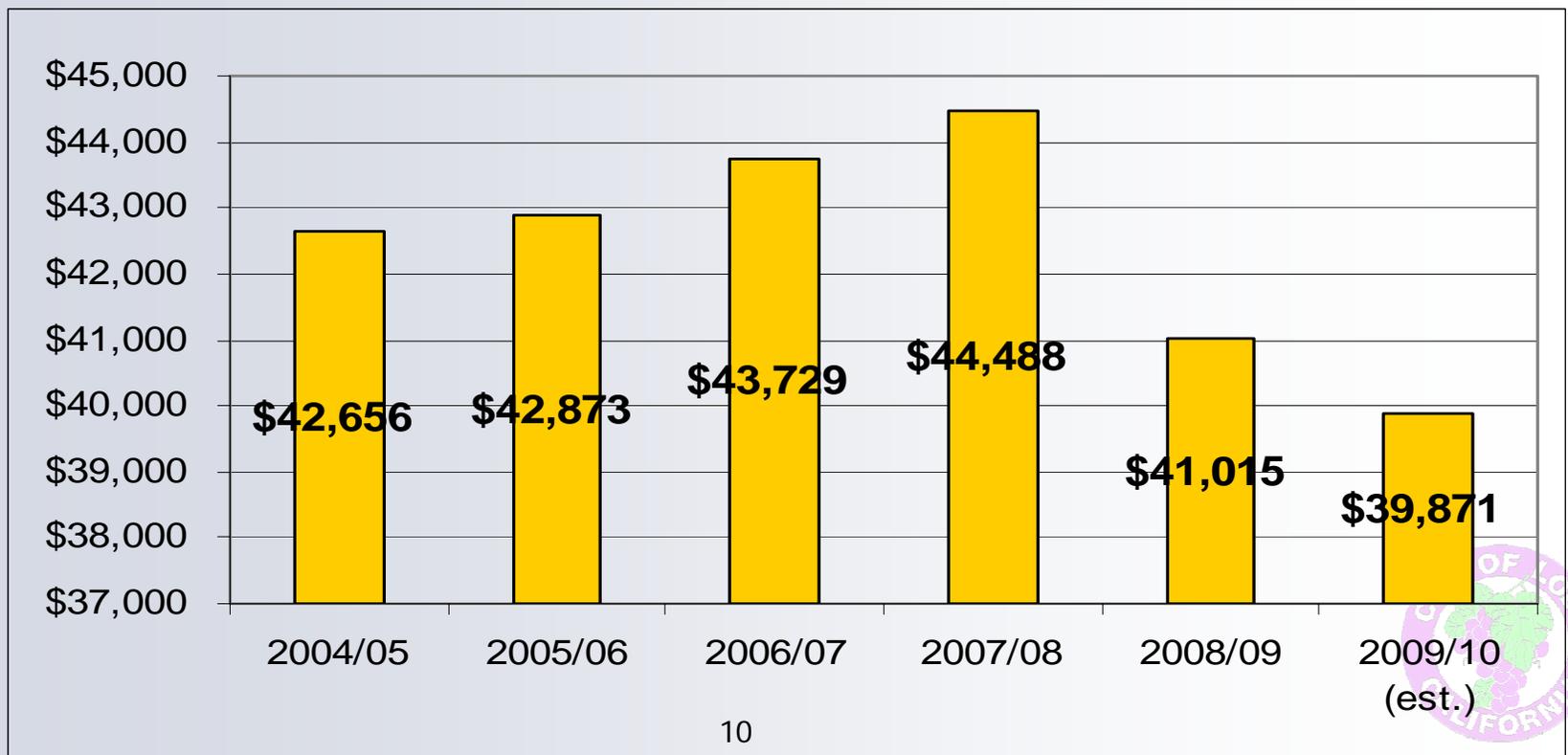
Library, Hutchins Street Square, Recreation
Community Development support



FY 2009/10 Mid-Year

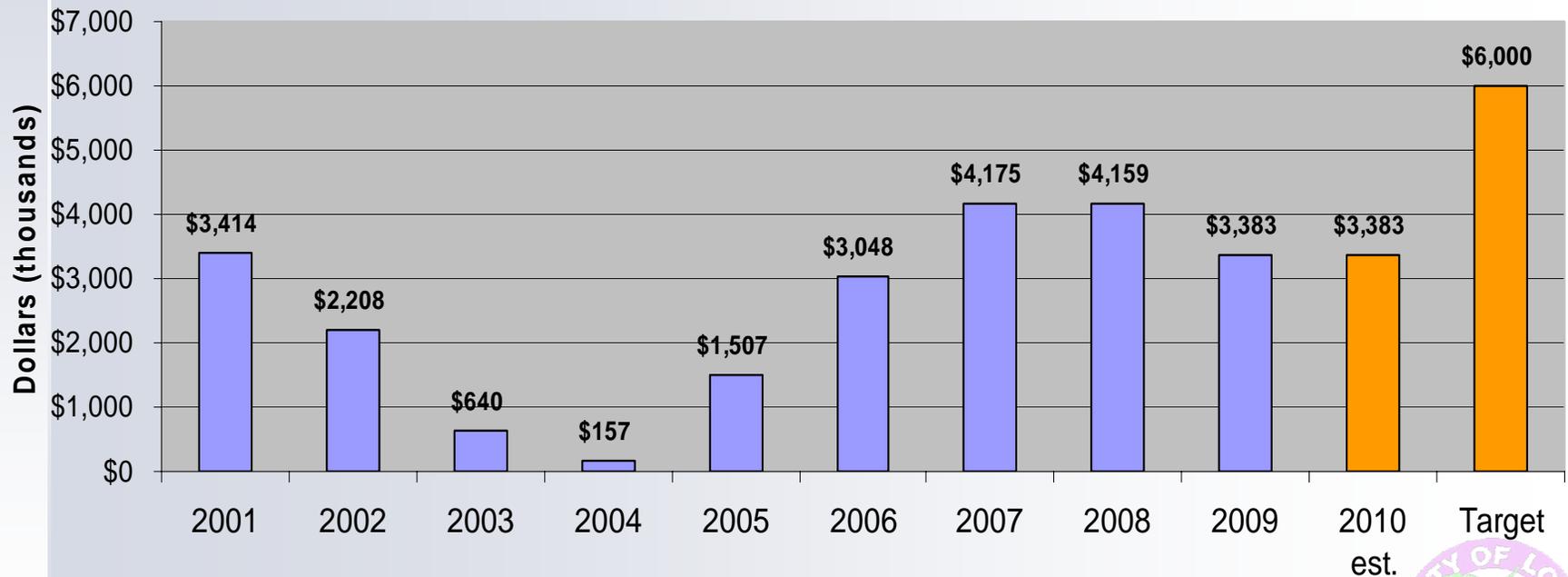
General Fund Revenue

(in thousands)



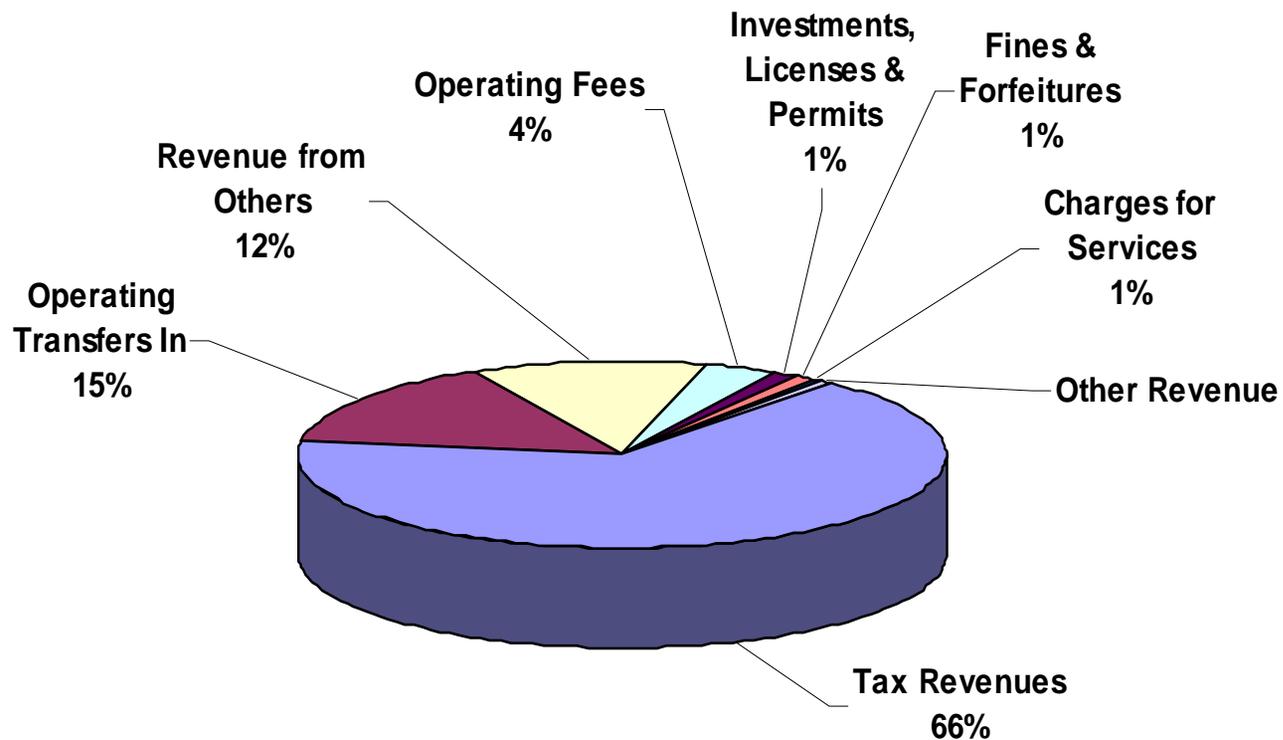
FY 2009/10 Mid-Year

Unreserved General Fund Balances



FY 2009/10 Mid-Year

General Fund Revenue



FY 2009/10 Mid-Year

Top General Fund Revenues

(in thousands)

	2007/08	2008/09	2009/10
Property Tax	\$9,210	\$8,887	\$8,435
Sales Tax	\$9,296	\$8,028	\$7,250
PILOT	\$6,873	\$6,942	\$6,977
Franchise Fees	\$ 976	\$1,415	\$1,640
VLF	\$4,797	\$4,784	\$4,397
TOT	\$ 396	\$ 405	\$ 411



FY 2009/10 Mid-Year

General Fund data

	Revenues	Expenditures	Fund Balance
2007/08	\$44.5M	\$44.5M	\$4.2M
2008/09	\$41.0M	\$41.8M	\$3.4M
2009/10	\$39.9M	\$39.9M	\$3.4M



FY 2009/10 Mid-Year

Continued Monitoring

What strategies have we employed to manage financial resources?

- Reduce Work Force
 - Early Retirements
 - Leave vacancies unfilled
 - Layoffs
- Reduce Training and Travel
- Reduce Employee Costs
 - Furloughs
 - Employee cooperation



FY 2009/10 Mid-Year

- Squeeze expenses
- Be more entrepreneurial
- Transfer allowable costs to enterprise funds
- Ensure General Fund revenue is directed to General Fund
- Charge enterprise funds for General Fund support
- Review insurance costs
- Reduce service levels

THERE IS NO ONE ANSWER
HOPE IS NOT A STRATEGY



FY 2009/10 Mid-Year

Doing more with less: Efficiencies

- Online banking
- Pay stations
- Online access to utility account information
- Minor reorganization for greater effectiveness:
 - Consolidated admin. functions into Internal Services
 - Consolidated dept. head and Deputy CM position
 - Fire plan check and construction inspection to CD
 - Traffic engineering managing Transit services



FY 2009/10 Mid-Year

- Substituting PARS for Social Security for part-timers
- Coordination of aquatics function
- Self-serve stations at library
- Energy efficiency
- Combined online registration for P&R and HSS
- More information online, reducing call volume
- Absorbing additional duties without position backfill
- Granicus



FY 2009/10 Mid-Year

- PALS contract providing staffing for Animal Shelter
- Convert real estate assets to cash
- Maximize use of City property
- Use stimulus funds where available
- Labor negotiations in-house
- Settling PCE/TCE lawsuits
- Modernizing business practices
 - Charge market rate for leases and rents
 - Charge market for franchise fees



FY 2009/10 Mid-Year

What we're doing less of:

- City Hall closed one Friday/month
- Reduced library hours (closed Fridays and three hours earlier Thursdays)
- Fire engine browned out
- National Night Out
- Reduced Fourth of July fireworks
- Reduced outside grants



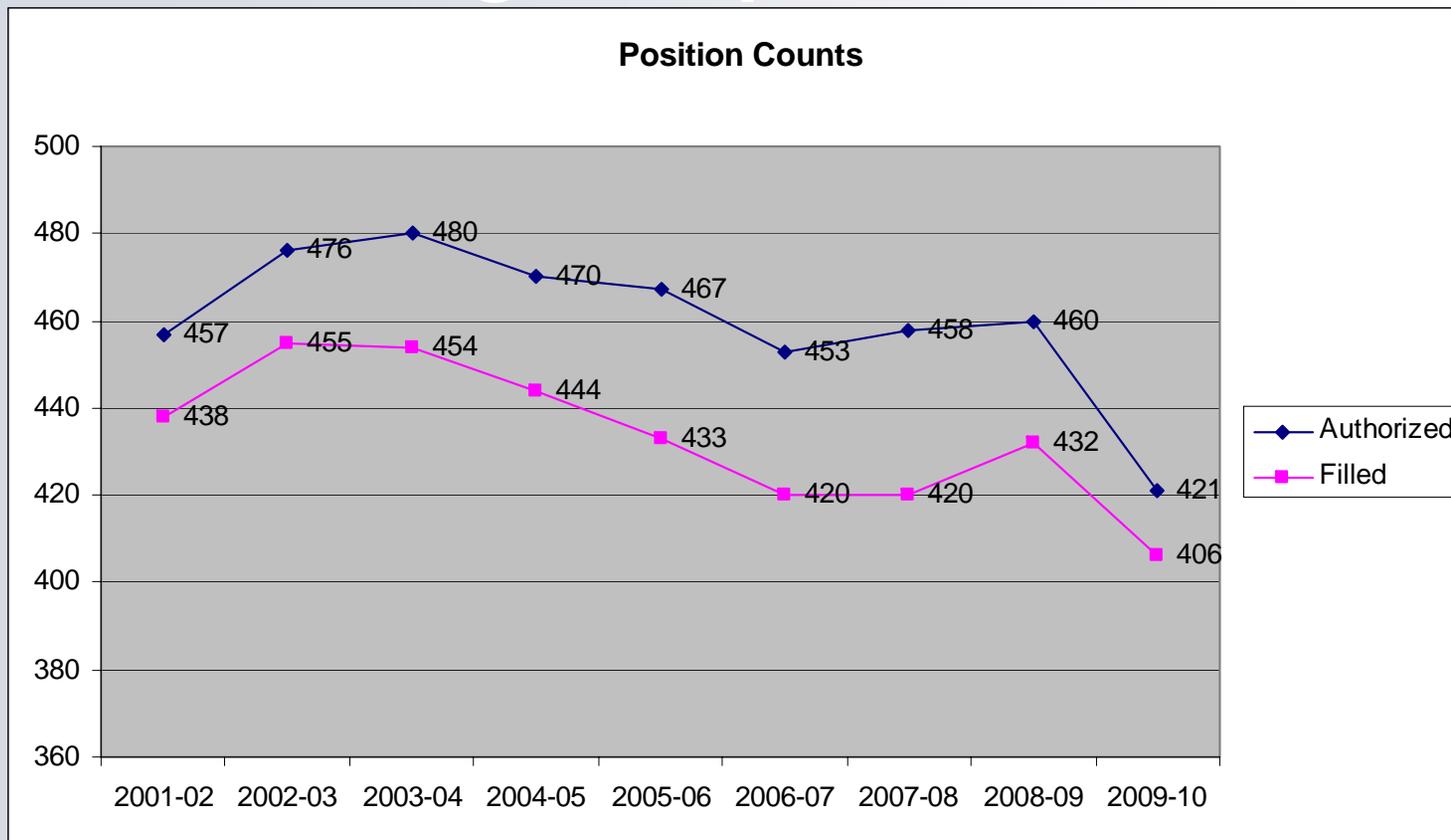
FY 2009/10 Mid-Year

- Bike officer hours reduced – officers on regular patrol
- Park patrol eliminated
- Reduced staffing in Police Department lobby
- Reduced hours at Animal Shelter (prior to PALS contract)
- Delayed response time to citizen requests
- Deferred maintenance
- Limited counter personnel



FY 2009/10 Mid-Year

Fewer budgeted positions



FY 2009/10 Mid-Year

Workforce reductions

15 early retirements

FY 2009/10 Mid-Year

- Eliminate the Central Store/Central Purchasing concept
- Transfer 2 positions to Utilities
 - Net savings to General Fund of about \$64,000
- Move 1 position to Finance offices
 - Stays in Purchasing business unit



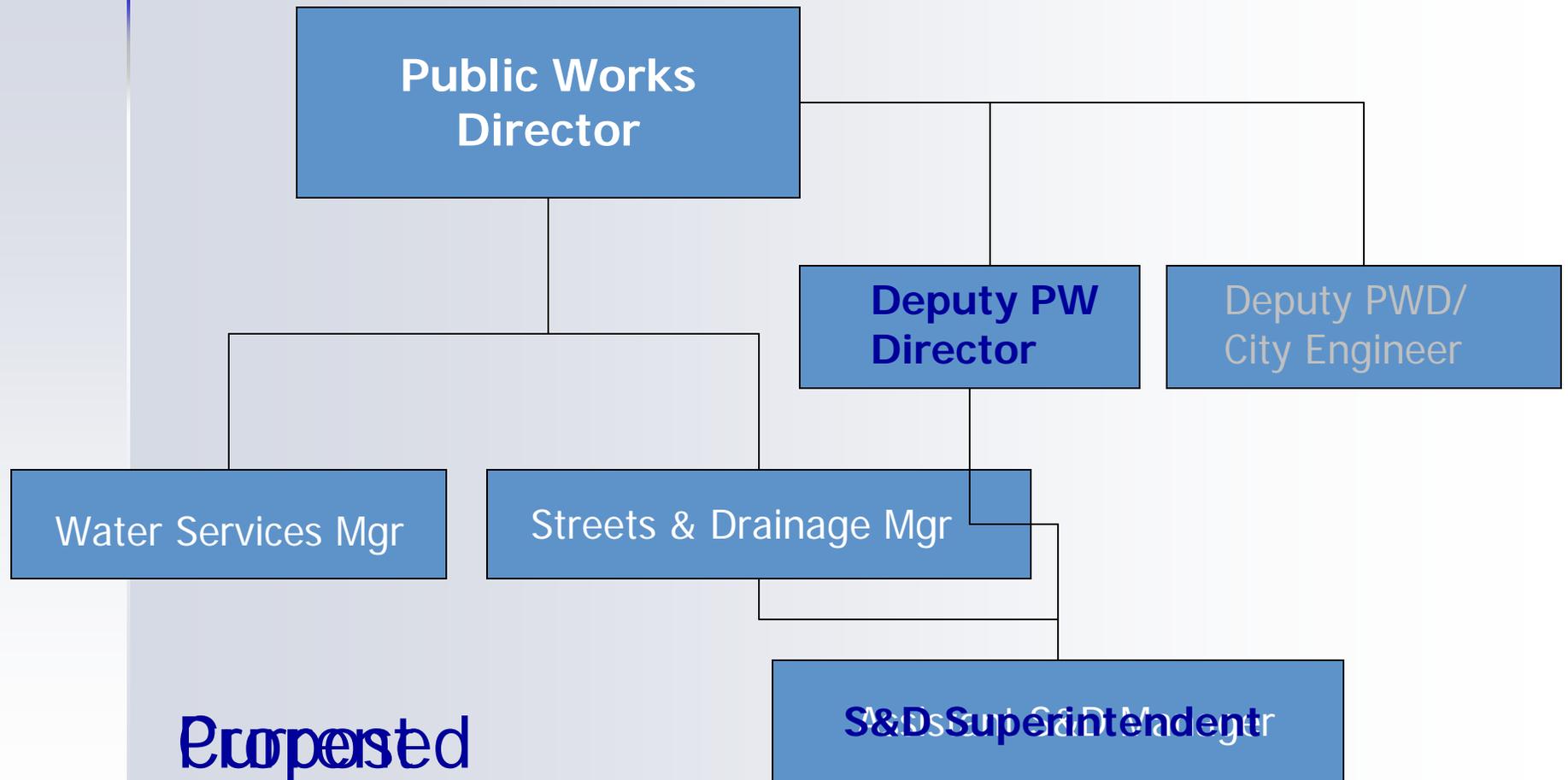
FY 2009/10 Mid-Year

General Fund

	Audited 2008-09 Actuals	2009-10 Budget	2009-10 Estimated Actuals	Budget to Est Actuals Variance \$	Budget to Est Actuals Variance %
General Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	4,159,007	3,831,962	3,383,191	(448,771)	
Revenues	41,015,454	39,870,901	39,862,039	(8,862)	0.0%
Expenditures	41,791,270	39,870,901	39,926,039	55,138	0.1%
Net Difference (Revenues Less Expenditures)	(775,816)	-	(64,000)	(64,000)	
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>3,383,191</u>	<u>3,831,962</u>	<u>3,319,191</u>	<u>(512,771)</u>	

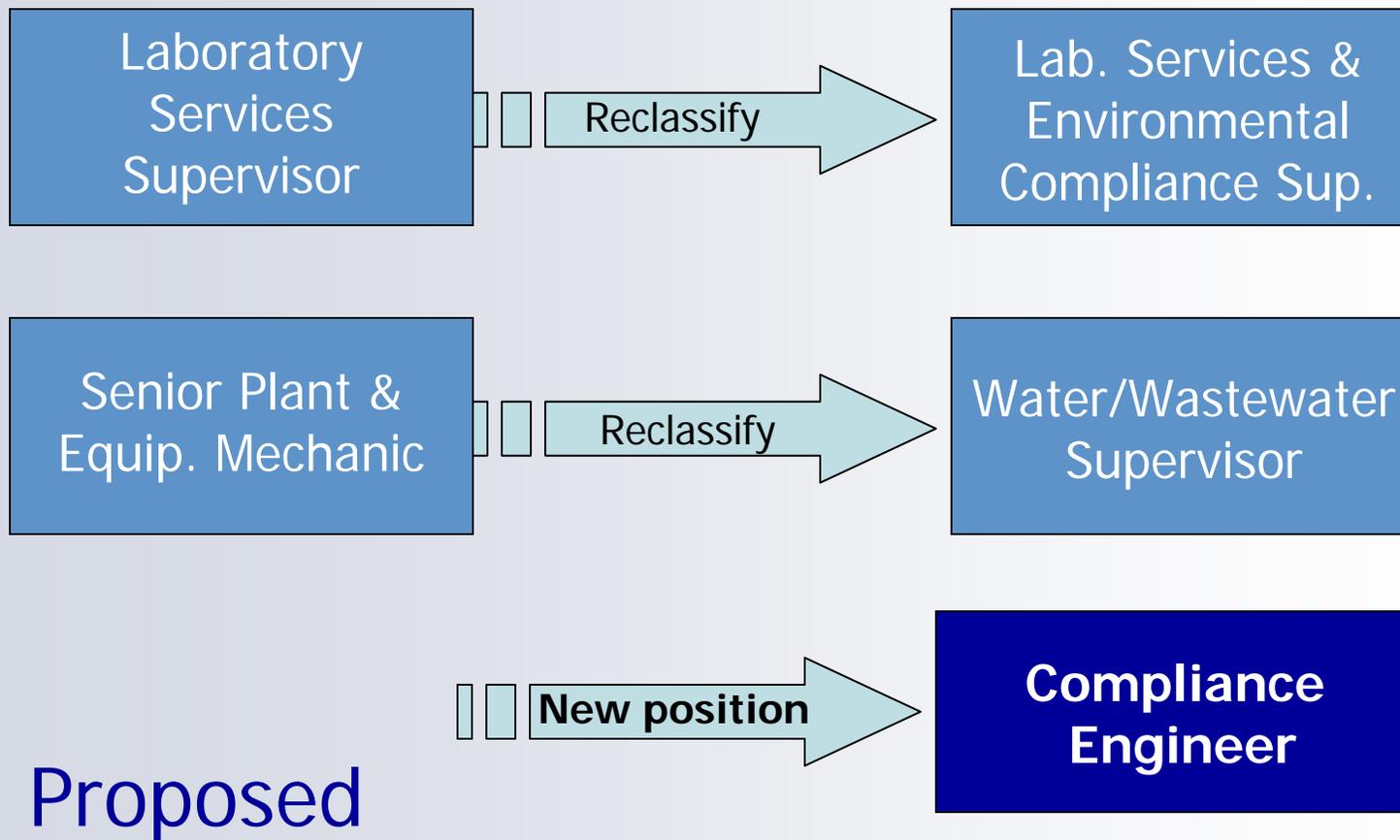


FY 2009/10 Mid-Year



Proposed

FY 2009/10 Mid-Year



FY 2009/10 Mid-Year

Water Fund

	Audited 2008-09 Actuals	2009-10 Budget	2009-10 Estimated Actuals	Budget to Est Actuals Variance \$	Budget to Est Actuals Variance %
Water Utility Enterprise Fund					
<u>Fund Balance (Cash)</u>					
Beginning Fund (Cash) Balance	13,434,921	15,761,074	20,272,801	4,511,727	
Revenues	17,343,265	14,186,738	13,992,174	(194,564)	-1.4%
Expenditures	<u>10,505,385</u>	<u>12,500,365</u>	<u>9,547,318</u>	<u>(2,953,047)</u>	-30.9%
Net Difference (Revenues Less Expenditures)	6,837,880	1,686,373	4,444,856	2,758,483	
<u>Fund Balance (Cash)</u>					
Ending Fund (Cash) Balance	<u>20,272,801</u>	<u>17,447,447</u>	<u>24,717,657</u>	<u>7,270,210</u>	



FY 2009/10 Mid-Year

Wastewater Fund

	Audited 2008-09 Actuals	2009-10 Budget	2009-10 Estimated Actuals	Budget to Est Actuals Variance \$	Budget to Est Actuals Variance %
Wastewater Utility Enterprise Fund					
Fund Balance (Cash)					
Beginning Fund (Cash) Balance	6,766,472	4,568,929	7,499,323	2,930,394	
Revenues	11,146,850	13,821,930	15,433,571	1,611,641	10.4%
Expenditures	<u>10,413,999</u>	<u>16,343,361</u>	<u>16,855,381</u>	<u>512,020</u>	3.0%
Net Difference (Revenues Less Expenditures)	732,851	(2,521,431)	(1,421,810)	1,099,621	
Fund Balance (Cash)					
Ending Fund (Cash) Balance	<u>7,499,323</u>	<u>2,047,498</u>	<u>6,077,513</u>	<u>4,030,015</u>	



FY 2009/10 Mid-Year

Electric Fund

	Audited 2008-09 Actuals	2009-10 Budget	2009-10 Estimated Actuals	Budget to Est Actuals Variance \$	Budget to Est Actuals Variance %
Electric Utility Enterprise Fund					
<u>Fund Balance (Cash)</u>					
Beginning Fund (Cash) Balance	11,339,624	13,072,819	12,003,103	(1,069,716)	
Revenues	74,034,868	73,752,410	73,451,825	(300,585)	-0.4%
Expenditures	<u>73,371,389</u>	<u>72,634,564</u>	<u>73,222,229</u>	<u>587,665</u>	0.8%
Net Difference (Revenues Less Expenditures)	663,479	1,117,846	229,596	(888,250)	
<u>Fund Balance (Cash)</u>					
Ending Fund (Cash) Balance	<u>12,003,103</u>	<u>14,190,665</u>	<u>12,232,699</u>	<u>(1,957,966)</u>	



FY 2009/10 Mid-Year

Library Fund



FY 2009/10 Mid-Year

Community Development Fund

	Audited 2008-09 Actuals	2009-10 Budget	2009-10 Estimated Actuals	Budget to Est Actuals Variance \$	Budget to Est Actuals Variance %
Community Development Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	(702,127)	(713,886)	(921,716)	(207,830)	
Revenues	1,126,039	1,427,891	1,468,290	40,399	2.8%
Expenditures	<u>1,345,628</u>	<u>1,123,218</u>	<u>1,112,797</u>	<u>(10,421)</u>	-0.9%
Net Difference (Revenues Less Expenditures)	(219,589)	304,673	355,493	50,820	
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>(921,716)</u>	<u>(409,213)</u>	<u>(566,223)</u>	<u>(157,010)</u>	



FY 2009/10 Mid-Year

Looking ahead

- Tax base improvement
 - New retail on horizon
 - Lodi Energy Center
 - Focus on economic development
- Continue to manage personnel costs
- Unknown forces
 - State of California
 - Weather
 - Labor agreements
 - Market
- Invest in the City of Lodi



FY 2009/10 Mid-Year

MOU terms

Group	Expiration
General Services	12/31/10
Maintenance & Operators	12/31/10
Mid-Management	12/31/10
Firefighters	12/31/10
Fire Mid-Management	12/31/10
Police Dispatchers	4/30/11
Police	9/30/11
IBEW	12/31/13



FY 2009/10 Mid-Year

PERS rate increases

2% annual increase in employer contribution rate for next several years



FY 2009/10 Mid-Year

Summary

- Continued difficult and uncertain economic times
- Minor adjustments and proper management will allow for balanced budget
 - Conservative revenue estimates
 - Reduced costs
- No extraordinary actions proposed
- Continued employee assistance is necessary



FY 2009/10 Mid-Year

- Continue on glide path – look for efficiencies
- State of California is a wildcard
- Long-term – leaner organization, focus on core services, economic development efforts will be positive in the long run

