



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Revised 1992-93 Operating Budget

MEETING DATE: November 4, 1992

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council complete its review of the amended 1992-93 Operating Budget and take action as deemed appropriate. Approval of the budget will be via the adoption of Resolution No. 92-185 which will accompany the revised budget document.

BACKGROUND INFORMATION: At its regular meeting of July 1, 1992, the City Council approved the Operating Budget for 1992-93. The Council was advised that this would serve as an interim budget until the State's budget was adopted and the extent of the revenue reductions to cities was known. At that time the Council would be requested to adopt a revised, final budget. We now know that the State's revenue reduction to the City of Lodi will be approximately \$430,000.

Budget reductions are now being reviewed with department heads and the recommended revised budget will be distributed to the City Council in advance of Wednesday night's meeting.

FUNDING: No additional funding required

Respectfully submitted,

Thomas A. Peterson
City Manager

TAP:br

CCCOM629/TXTA.07A

APPROVED _____

THOMAS A. PETERSON



recycled paper

RESOLUTION NO. 92-184

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A RESOLUTION OF THE LODI CITY COUNCIL
ADOPTING AN OPERATING BUDGET FOR THE SUPPORT OF VARIOUS DEPARTMENTS
OF THE CITY OF LODI AND A UTILITY OUTLAY BUDGET, BUT EXCLUDING
THEREFROM THE LODI PUBLIC LIBRARY, FOR THE FISCAL YEAR BEGINNING
JULY 1, 1992 AND ENDING JUNE 30, 1993.

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WHEREAS, it is necessary that the Lodi City Council adopt an
operating budget reflecting appropriate adjustments for loss of certain
State revenues; and

WHEREAS, it is desirable to separate therefrom funding for the
Lodi Public Library, which will be addressed by separate Resolution;

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby
adopts by reference as if fully set forth herein, an operating budget
for the support of various departments of the City of Lodi and a
Utility Outlay Budget, but excluding therefrom the Lodi Public Library,
for the fiscal year beginning July 1, 1992 and ending June 30, 1993, a
copy of which is on file in the office of the City Clerk.

Dated: November 4, 1992

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I hereby certify that Resolution No. 92-184 was passed and
adopted by the Lodi City Council in a regular meeting held November 4,
1992 by the following vote:

Ayes: Council Members - Pennino, Sieglock, Snider, and
Pinkerton (Mayor)

Noes: Council Members - Hinchman

Absent: Council Members - None

Alice M. Reimche
Alice M. Reimche
City Clerk

M E M O R A N D U M

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TO: The Honorable Mayor and
Members **of** the City Council

FROM: City Manager

DATE: November 2, 1992

SUBJ: 1992-93 Operating Budget

Presented herein for your information and review are the recommended reductions leading to the ultimate adoption of the 1992-93 Operating Budget. These reductions total \$644,410, approximately 50% in excess of the amount of the State's reduction in revenue to the City of approximately \$430,000. Included in the recommendations is the elimination of seven permanent full-time positions, each of which will be enumerated later. Also included is the elimination of a considerable number of part-time hours equating to approximately \$49,445. Other significant areas of reductions are: elimination of salary adjustments for mid-management personnel (\$78,045); suspension of administrative leave pay back (\$81,125); reduced fringe benefit costs (\$75,480); and business, conferences and training (\$77,320). These five categories alone total \$361,415. In addition, General Fund expenditures have been further reduced by allocating \$36,250 of Transportation Development Act monies to fund staff time devoted to transit administration.

The following is a summary discussion of the more significant recommendations by department and division.

CITY CLERK [\$5,020] . The reductions are in the categories of part-time hours, administrative leave, and business, conferences and training.

CITY COUNCIL [\$5,615] . This reduction is achieved via a 10% cut in City Councilmembers' compensation and a reduced amount for business, conferences and training, and the interim budget adopted in June already reflects this.

COMMUNITY INFORMATION
[\$16,000] . This is the result of the elimination of the City newsletter in the format introduced earlier this calendar year.

CITY ATTORNEY [\$2,680] . Administrative leave and business, conferences and training.

CITY MANAGER [\$7,055] - Administrative leave and business, conferences and training.

PERSONNEL [\$4,710] - This reduction is achieved by eliminating the mid-management salary adjustment of 4%, and elimination of administrative leave pay, and reduced expenditures for business, conferences and training.

COMMUNITY DEVELOPMENT [\$30,675]

- PLANNING [\$15,005] - Combined here are reductions in mid-management compensation, administrative leave and business, conferences and training.

- BUILDING INSPECTION [\$15,670] - These reductions here are in the same categories as Planning, with an additional cut in part-time hours.

FINANCE [\$87,950] The major item in this department is the elimination of the position of Assistant Finance Director. Other reductions are the result of the administrative leave compensation suspension and business, conferences and training.

POLICE [\$55,860] - The most significant factor contributing to this recommended reduction is the elimination of one Dispatcher position. Actually, the number of dispatchers assigned to the Dispatch Center will not be reduced. One dispatcher will be transferred from the Services Division to fill a current vacancy in the Dispatch Center and a Community Services Officer will be re-assigned to the Services Division. Other reductions are in the categories of administrative leave and business, conferences and training.

FIRE \$56,760 While there are some partially offsetting decreases in this budget in the areas of conferences and training, as well salary savings resulting from the six-month vacancy in one Battalion Chief position, previously negotiated salary adjustment effective October 1, 1992 result in this budget being increased by \$56,760.

PUBLIC WORKS [\$140,260]

- ADMINISTRATION (\$15,265) . The reductions here are in the categories of mid-management compensation, administrative leave and business, conferences and training.
- ENGINEERING [\$18,995] . The areas of reductions are mid-management compensation, administrative leave, and business, conferences and training.
- BUILDING MAINTENANCE
[\$5,535] . The areas here are the same as listed in Engineering.
- STREET MAINTENANCE
[\$7,000] . The areas of reductions here are in mid-management compensation, administrative leave and business, conferences and training.
- EQUIPMENT MAINTENANCE
[\$43,755] . The major contributing factor here is the elimination of one position, that of Equipment Service Worker. It is actually somewhat more involved than that. As a result of a reorganization of this division, one position will be eliminated and another reclassified to Mechanic.
- WASTEWATER ADMINISTRATION
[\$6,235] . The categories of reductions here are mid-management compensation, administrative leave, and business, conferences and training.
- PLANT MAINTENANCE (\$36 00)
(WHITE SLOUGH) The major factor in this recommended reduction is the elimination of one Laborer position at the White Slough Water Pollution Control Facility. Additional areas of reductions are the same as in the other Public Works divisions.

- WATER ADMINISTRATION
 [\$6,235] · The categories of reductions here are mid-management compensation, administrative leave, and business, conferences and training.

PARKS AND RECREATION [\$196,400]

- RECREATION ADMINISTRATION
 [\$76,655] · The major reduction here is the elimination of the Project Coordinator position. Another major category is a 33% reduction in part-time hours *in* clerical staffing. Other categories in which reductions are recommended are mid-management compensation, administrative leave and business, conferences and training.

- PARKS ADMINISTRATION
 (\$119,7451) · **The** elimination of two positions represents the major portion of the recommended reductions here. They are the positions of Park Naturalist and Laborer. There are also significant reductions in part-time hours in the budget categories of Parks Administration, Sports Facilities and Other Parks. Other categories are the same as in Recreation Administration.

ELECTRIC UTILITY [\$50,4251]

- ELECTRIC ADMINISTRATION
 (\$36,285) · The reductions here are in the areas of mid-management compensation, administrative leave and business and conferences.
- ELECTRIC ENGINEERING
 [\$5,510] · The reductions here are in the same categories as Electric Administration.

(There are additional minor reductions in other budget categories in the Electric Utility Department).

- COMMUNITY CENTER (\$5,845) (HUTCHINS STREET SQUARE) - The reductions here are in the two categories of part-time clerical hours, and administrative leave and business expenses.

- ARTS COMMISSION (\$6,980) - All pa-t-time hours. here have been eliminated. The Hutchins Street Square staff will assume the responsibility of providing assistance to this commission. There is also a slight reduction (\$2,250) in the amount available to be allocated by the commission to community arts groups.

- SENIOR COMMISSION [\$2,215] - The reductions here are in the categories of mid-management compensation and administrative leave.

A most significant decision faces the City Council with regard to the Library. Since the late 1970's, in the aftermath of the passage of proposition 13, funding for the Library has been 17.86% of the property tax revenue received by the City. This proportionate share was established by action of the City Council because at that time the City's property tax rate was \$1.68 per \$100 of assessed valuation. Of that figure, \$.30 was allocated to fund the Library. Applying that ratio to the Library now results in a revenue reduction of \$76,785, or approximately 7.6% of the total Library budget. Percentage-wise, other departments and divisions are not subjected to such a major reduction, although the cut in Parks and Recreation is almost 7%. On the other hand the City's General Fund Reserve as a percentage of the City's General Fund budget in no way approximates the percentage of the Library Reserve Fund as applied to the Library's operating budget. In all probability the Library Board will wish to address the Council seeking to reduce this impact.

It is recommended that in addition to the budget review appearing on the agenda for the regular meeting of Wednesday, November 4, 1992, the City Council devote the "Shirtsleeve" sessions of November 3 and November 10 (if necessary) to this topic. Based on previous discussions with the City Council, staff is well aware that the Council wishes to adopt this budget no later than the second meeting in November. (November 18). Staff will be pleased to arrange for whatever additional meetings the Council feels the need to schedule to meet its objective.

Attached are the appropriate revised budget schedules. The Assistant City Manager and the Finance Director will be present at Tuesday morning's "Shirtsleeve" session to assist the City Council in this budget review.

Respectfully submitted,

A handwritten signature in cursive script that reads "Thomas A. Peterson". The signature is written in black ink and is positioned above the typed name.

Thomas A. Peterson
City Manager

TAP :br

Attachment

OPERATING BUDGETS
SUMMARY OF THE BUDGET
1992-93

PAGE - 3

ESTIMATED FINANCING RESOURCES
OPERATING REVENUES

Property Taxes	\$ 5,194,700
Sales Tax	\$ 244,000
Other Taxes	464,000
Licenses, Fines & rent	952,800
Interest	803,735
Revenue from Other Agencies	3,155,705
Charges for Current Services	4,902,720
Other Revenues	317,020
Water Sales & Fees	2,772,315
Sewer Charges	3,194,700
Electrical Sales	34,436,560

Total

\$ 80,999,185

\$ 1,319,910

INTERFUND TRANSFERS

CONTRIBUTIONS FROM OTHER FUNDS AND RESERVES

Hotel/Motel Fund	\$ 204,905
Library Operating Reserve	29,625
Electric Operating Reserve	0

Total

\$ 234,530

TOTAL ESTIMATED FINANCING RESOURCES

\$ 82,341,405

ESTIMATED REQUIREMENTS

OPERATING EXPENSES

Personnel Services	\$ 21,517,420
Utilities & Transportation	1,955,590
Materials & Supplies	3,973,945
Depreciation of Equipment	319,900
Equipment, Land & Structures	300,045
Special Payments	5,904,050

Sub - Total Operating Expenses

\$ 33,989,950

Bulk Power Purchase

\$ 25,500,000

Total

\$ 59,489,950

CONTRIBUTIONS TO OTHER FUNDS AND RESERVES

Water Capital	\$ 729,750
Water Operating Reserve	322,595
General Fund Operating Reserve	374,115
Wastewater Capital Fund	271,900
Utility Contingency Reserve	249,935
PL & ED Insurance Fund	259,225
Equipment Fund	299,521

Total

\$ 2,517,031

TOTAL ESTIMATED REQUIREMENTS

\$ 62,006,981

Nov 2, 1992

GENERAL FUND
SUMMARY OF THE BUDGET
1992-93

SCHEDULE B

ESTIMATED FINANCING RESOURCES

OPERATING REVENUES

Property Taxes	\$ 4,148,650
Sales Tax	5,044,000
Other Taxes	484,000
Licenses, & Permits	311,650
Fines, Forfeits and Penalties	156,690
Revenue from Uses of Money & Property	505,915
Revenue from Other Agencies	3,106,705
Charges for Current Services	4,974,720
Other Revenues	165,100

Total \$ 19,807,430

INTERFUND TRANSFERS

1- Asset Seizure	\$ 0
1- Refuse Surcharge	123,910
Housing and Urban Development	47,630
Transportation Development Act	357,240
State Gas Tax	454,935
Wastewater	0
Water	0
Impact Fees	15,765
CIP	165,508
Work for Others	73,215
Public Liability Insurance Fund	13,595
Workers' Compensation Fund	67,125

Total \$ 1,319,910

CONTRIBUTIONS FROM OTHER FUNDS AND RESERVES

Hotel/Motel Fund	\$ 204,905
Water Utility Fund	756,000
Sewer Utility Fund	425,000
Electric Utility Fund	3,100,000

Total \$ 4,485,905

TOTAL ESTIMATED FINANCING RESOURCES \$ 24,612,045

ESTIMATED REQUIREMENTS

OPERATING EXPENSES

Personnel Services	\$ 17,104,365
Utilities & Transportation	924,245
Materials & Supplies	2,453,730
Depreciation of Equipment	0
Equipment, Land & Structures	139,590
Special Payments	4,582,540

Sub-Total Operating Expenses \$ 25,199,470

INTER-FUND TRANSFERS

General Fund Charges to Enterprise Fund	\$ (1,906,485)
Net Operating Expenses	\$ 23,292,985

CONTRIBUTIONS TO OTHER FUNDS AND RESERVES

General Fund Operating Fund	\$ 374,415
Community Center Fund	431,125
Equipment Fund	229,620
Public Liability Insurance Fund	200,000
Grant Reversions	0

Total \$ 1,035,160

TOTAL ESTIMATED REQUIREMENTS

Nov. 2, 1992

ELECTRIC UTILITY FUND
SUMMARY OF THE BUDGET
1992-93

SCHEDULE C

ESTIMATED FINANCING RESOURCES
OPERATING REVENUES

- Sale of Electricity \$ 34,436,560
- Total \$ 34,436,560

OTHER INCOME

- Sale of System - Joint Poles 20,000
- Sale of Property - Salvage 4,000
- Pole Rental (CATV) 13,390
Interest Income 12,260
Electric Miscellaneous 55,080
Revenue NGC 840
Capacity Charge 6,000
Total \$ 111,570

TOTAL ESTIMATED FINANCING RESOURCES \$ 34,548,130

ESTIMATED REQUIREMENTS
OPERATING EXPENSES

Personnel Services \$ 1,869,060
Utilities & Transportation 35,935
Materials & Supplies 703,890
Depreciation of Equipment 0
Equipment, Land & Structures 148,925
Special Payments 513,770
Sub-Total Operating Expenses \$ 3,291,580
Bulk Power Purchase \$ 25,500,000
\$ 28,791,580

INTER-FUND TRANSFERS

General Fund Charges \$ 1,367,500
Total \$ 1,367,500

CONTRIBUTIONS TO OTHER FUNDS AND RESERVES

General Fund \$ 3,100,000
PL & PD Insurance Fund 59,215
Utility Outlay Reserve 1,249,825
Total \$ 4,389,050

TOTAL ESTIMATED REQUIREMENTS \$ 34,848,130

Nov. 2, 1992

SEWER UTILITY FUND
SUMMARY OF THE BUDGET
1992-93
SCHEDULE D

ESTIMATED FINANCING RESOURCES		
OPERATING REVENUES		
Sewer Service Charges	\$ 2,794,700	
Sewer Connection Fees	400,000	
Total	\$ 3,194,700	
TAXES		
Property (Bond Redemption)	\$ 193,990	
Total	\$ 193,990	
OTHER INCOME		
Interest Income	\$ 158,220	
Rental of City Property	141,730	
Sewer Reimbursement Fees	1,000	
Other Revenue	1,000	
Sewer Tap Fees	8,000	
Sale of Property	20,000	
Total	\$ 325,950	\$ 3,694,640
TOTAL ESTIMATED FINANCING RESOURCES		
ESTIMATED REQUIREMENTS		
OPERATING EXPENSES		
Personnel Services	\$ 1,045,425	
Utilities & Transportation	310,560	
Materials & Supplies	301,715	
Depreciation of Equipment	0	
Equipment, Land & Structures	10,790	
Special Payments	8,235	
Total	\$ 1,674,925	
BOND DEBT SERVICE		
Special Payments	\$ 736,590	
Total	\$ 319,900	\$ 219,900
PLANT DEPRECIATION		
Total	\$ 244,715	\$ 244,715
INTER-FUND TRANSFERS		
General Fund Charges	\$ 244,715	
Total	\$ 244,715	
CONTRIBUTIONS TO OTHER FUNDS AND RESERVES		
General Fund	\$ 425,000	
Wastewater Costs Study	274,900	
PL & PD Insurance Fund	19,900	
Total	\$ 719,900	\$ 719,900
TOTAL ESTIMATED REQUIREMENTS		\$ 3,694,640

Nov. 2, 1992

WATER UTILITY FUND
SUMMARY OF THE BUDGET
1992-93

SCHEDULE E

ESTIMATED FINANCING RESOURCES
OPERATING REVENUES

Water Sales	\$	2,754,975	
Water Connection Fees		17,340	
Total	\$		2,772,315

OTHER INCOME

Rental of City Property	\$	30,000	
Interest Income		16,390	
Revenue NOC		8,000	
Total	\$		54,380

TOTAL ESTIMATED FINANCING RESOURCES \$ 2,826,695

ESTIMATED REQUIREMENTS
OPERATING EXPENSES

Personnel Services	\$	523,860	
Utilities & Transportation		445,055	
Materials & Supplies		169,745	
Depreciation of Equipment		0	
Equipment, Land & Structures		1,240	
Special Payments		15,090	
Total	\$		1,154,690

INTER-FUND TRANSFERS

General Fund Charges	\$	155,360	
Total	\$		155,360

CONTRIBUTIONS TO OTHER FUNDS AND RESERVES

General Fund	\$	756,000	
Water Capital		728,750	
Water Operating Reserve		22,395	
PL & PD Insurance Fund		9,200	
Total	\$		1,516,345

TOTAL ESTIMATED REQUIREMENTS \$ 2,826,035

Nov. 2, 1992

COMMUNITY CENTER
SUMMARY OF THE BUDGET
1992-93

SCHEDULE G

ESTIMATED FINANCING RESOURCES
OPERATING REVENUES

Rent of Property	\$	42,000		
Swimming Fees		28,000		
Total			\$	70,000

CONTRIBUTIONS FROM OTHER FUNDS

General Fund	\$	431,125		
Total			\$	431,125

TOTAL ESTIMATED FINANCING RESOURCES \$ 501,125

ESTIMATED REQUIREMENTS
OPERATING EXPENSES

Personnel Services	\$	277,455		
Utilities & Transportation		60,490		
Supplies and Materials		107,180		
Depreciation		0		
Equipment, Land & Structures		500		
Special Payments		35,500		
Total			\$	501,125

TOTAL ESTIMATED REQUIREMENTS \$ 501,125