



PRESS RELEASE

City of Camarillo

Office of the City Manager

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2010/11 Mid-Year Budget Spending Plan Review

A joint working session was held Wednesday, February 9 to present City Council with the Fiscal Year 2010/11 Mid-Year Budget Report. The budget is a dynamic document subject to a variety of adjustments and fine-tuning throughout the fiscal year. As changes occur in economic conditions, Council goals and objectives, and other areas affecting the budget, amendments are necessary to keep the document more reflective of the anticipated outcomes.

Overall, recommended Revenue adjustments reflect a net increase of \$3,262,263 (4.2%) over the December 31, 2010 adjusted budget. Highlights of the Revenue adjustments are:

- **Property Tax/Tax Increment (net) increase \$383,776** – This figure reflects \$149,050 Current Year Unsecured, Supplemental and In-lieu portion of Property Taxes in the General Fund, \$134,726 Supplemental Tax Increment in the Camarillo Community Development Commission Fund, and \$100,000 Current Year Secured Tax in the Sanitary District Fund.
- **Sales Taxes increase \$475,940** – Original budget projections were based on a slight increase in sales tax over the prior year budget. As our local economy continues to recover, the City has experienced a higher than projected increase in this revenue source. This can be attributable to the increased revenue generated from several of the City's major industry groups such as general consumer goods, building and construction and fuel and service station groups.
- **Transient Occupancy Tax increase \$175,000** – This reflects a higher month over month occupancy rate for the first 6 months of this fiscal year in comparison to prior year, now that a full year of operation from our newest hotel has been realized.
- **TDA Article 8 - Roads funding increase \$232,240** – Reflects revised apportionment received from the Ventura County Transportation Commission.
- **Development Related Fees decrease \$490,000** – Air Quality Fees are being decreased by \$150,000, Traffic Mitigation Fees by \$250,000 and Bridge Policy Fees by \$90,000. These fees are budgeted and adjusted as projects move forward and fees are collected. These decreases are directly related to delayed development projects.
- **Contributions increase \$356,939** – From the Watershed Protection District for a storm drain project carryover from 2008/09.
- **Water Sales increase \$1,000,000** – The anticipated reduction in water usage due to water conservation that was reflected in current year forecast of this budget has not been realized to date.
- **Sewer Regular Rate Charges increase \$300,000** – This revenue is tracking 2% higher than the prior fiscal year to date.

Overall, recommended Expenditure adjustments reflect a net increase of \$162,138 over the December 31, 2010 adjusted budget. Highlights of the Expenditure adjustments are:

- **Library Operations decrease \$157,872** – This reflects a \$735,083 reallocation for 6 months contract services and a fiscal year 2009/10 final reconciliation payment of \$577,211 to the County Library System.
- **Facility Maintenance budget increase \$62,500** – Established budget for maintenance and utility costs for the newly acquired Dizdar Park and facility.
- **Insurance and Legal budget increase \$249,935** – General liability insurance increased \$320,706, offset by a decrease in Earthquake/Flood insurance of \$180,000. Legal costs in the City Attorney department and the Human Resources Fund increased by \$140,750.

Reserves Projected at Appropriate Levels. Adequate reserve levels are projected should the economy get worse or the State take more of City revenues despite the recent passage of Proposition 22. The Reserve Policy sets a goal for the General Fund reserve as 50% of expenditures, including operating transfers. The General Fund will continue to meet/exceed the established reserve level; however, it will be important to continually monitor its level given the ongoing economic uncertainties at both the national and state levels. The Reserve Policy goals for other funds will meet/exceed in 2010/11 providing the City a cushion against short-term reduced revenues while maintaining effective and efficient municipal services and a high quality of life for the City's citizens.

Potential State Impacts. Issues of direct concern continue to exist for cities as the State seeks to address its projected budget shortfall. The current year budget reflects a 2nd year payment of \$359,173 from Redevelopment Agencies to a Supplemental Education Revenue Augmentation Fund (SERAF) that resulted from the total \$1.7 billion shift that was enacted in the State's Fiscal Year 2009/10 Budget. Additionally the budget proposed by the Governor in January 2011 threatens to totally eliminate Redevelopment Agencies along with several other proposals that could have significant impact upon local governments. Elimination of Redevelopment Agencies would result in a projected \$6.5 million loss of gross property tax increment to the Camarillo Community Development Commission including 20% set aside for affordable housing and approximately 27% for statutory pass through obligations to schools, Ventura County, fire districts, water agencies, park districts and health care agencies, as well as the Educational Revenue Augmentation Fund (ERAF). The City will continue to monitor the State Budget and its potential impact on our own budget and make appropriate adjustments in a prudent and timely manner.

Current City Services and Public Safety Levels Will Be Maintained. Overall, the city, the Camarillo Sanitary District and the Camarillo Community Development Commission remain in healthy condition. The City's staffing, facility hours of operation and services will be maintained at the current level. Contracted Police Services also remain at current levels, with no reduction in patrols, community services or operating staff at the Camarillo station helping to provide a safe environment for our citizens.