



PRESS RELEASE

City of Camarillo

Office of the City Manager

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2011/12 Budget Spending Plan of \$113,148,445 focuses on maintained/constant:

- City Services and Public Safety Levels
- Community Services Grants/Cultural Arts
- Capital Projects
- Adequate Reserves

On Wednesday, June 22, 2011, the City Council will be presented with the Fiscal Year 2011/12 Proposed Budget Spending Plan for adoption. In the midst of a sluggish economic recovery, City staff is presenting a balanced budget that continues to meet the City's mission statement -

“Dedicated to providing effective and efficient municipal services that promote a high quality of life, economic vitality, and a safe environment.”

Current City Services and Public Safety Levels are Maintained. The City's staffing, facility hours of operation and services will be maintained at the current level. Contracted Police Services also remain at 2010/11 levels, with no reduction in patrols, community services, or operating staff at the Camarillo station helping to provide a safe environment for our citizens.

General Fund for FY 2011/12. General Fund revenues are projected to be down approximately 1.4% from FY 2010/11 levels, primarily due to a one-time influx of investment income in 2010-11 and anticipated reductions in State grant funding. To offset the decline, a soft hiring freeze which is in its third year continues into FY 2011/12. Additionally, “one-time” expenditures were deferred where possible without affecting service levels, and certain capital improvement projects have been rescheduled thereby reducing the General Fund contribution. As a result, the FY 2011/12 proposed budget for General Fund includes revenues that exceed expenditures.

\$19.8 Million Capital Projects Planned. The City pre-funds capital projects over five years, thus allowing several projects to commence, even in lean years. Projects in 2011/12 are reflective of the 2011 Five-Year Capital Improvement Program (CIP) as presented at the April 13, 2011, CIP Study Session and amendments that were presented at the June 8, 2011, Budget Study Session. These projects include -

- Conference Center Drain Cover - \$5 million** – Construct drainage improvements for new Conference Center in order to facilitate a more useable parcel configuration.
- Annual Pavement Overlay/Slurry Maintenance Program - \$3 million** - Continue the annual Pavement Management Plan to restore and maintain pavement to minimize major reconstruction and extend pavement life span.
- Bike Trail Phases 2, 3 & 4 - \$1.5 million** - Extend the Calleguas Creek Bike Trail from Adolfo Road to Mission Oaks Boulevard, crossing the US101 Freeway and join with Village at the Park bike path improvements.

•Other Projects Funded in 2011/12 -

- Adolfo/Santa Rosa Road Turn Lanes - \$1,242,000** - Widen eastbound Adolfo Road to provide dual left-turn lanes and dual right-turn lanes.
- Daily Dr. Bike Lanes/Widening - \$400,000** - Install bike lanes between Lewis Rd. and Las Posas Rd.
- Water Repairs/Improvements - \$1.4M** - Improvements include \$700,000 to upgrade system and improve safety from the Airport water area to Wood Road and rehabilitation of Airport Well #3. Also, \$300,000 to build a portion of the water reclamation backbone distribution system to increase local water supply and decrease dependence on imported water.
- Sewer Improvement Projects - \$2.8M** - \$1M is planned for sewer main improvements, which may include, partial replacement, lining or coating depending on the conditions of the sewer. \$600,000 is budgeted to construct 5,400 feet of sewer pipeline along Ponderosa Drive between Arneill Road and Las Posas Road. Wastewater Pump Station Rehabilitation includes the purchase of higher capacity pumps, rehabilitate wet well to accommodate new pumps and upgrade electrical wiring for \$690,000. To re-route sewer flows to a new 1,800 feet sewer line that will connect from Carmen Drive/Ponderosa Drive to east of Lantana/Paseo Camarillo the City has budgeted \$340,000.

\$990,630 in Community Service Grants and Cultural Arts to be Funded. Annually, the City Council awards grants to community service organizations for programs or projects that directly benefit the community. The City will continue the program granting \$80,900 to nineteen organizations in 2011/12. In addition, Cultural Arts Services Division has budgeted \$909,730 to continue support of City-sponsored projects and annual community events in 2011/12 such as Fiesta, Holiday parade, July 4th Celebration, Concerts in the Park, Art & Jazz Festival, Interface 2-1-1 and Senior Meals Home Delivery.

Reserves Projected at Appropriate Levels. Adequate reserve levels are imperative in these uncertain times. Should the economy get worse or the State take away additional City revenues, healthy reserves can bridge the gap to economic recovery. The Reserve Policy sets a goal for the General Fund reserve as 50% of expenditures, including operating transfers. The General Fund will continue to exceed the established reserve level. 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 the majority of funds will be met or exceeded in 2011/12 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 citizens of Camarillo.

State Budget / Proposed Legislation. Monitor several issues of direct concern exist for cities given the State's ongoing budget crisis.

1. **State Budget** – A budget was presented on June 15, 2011, that contained a number of tax extensions totaling \$9.4 billion, expenditure related solutions of \$2.2 billion, and proposed eliminating redevelopment agencies. On June 17, 2011, the Governor vetoed the budget as presented. As of June 21, 2011, the State Controller is blocking pay for lawmakers stating the spending plan as insufficient to satisfy a voter-approved law on timely budgets. The Legislature will forfeit their pay until a balanced budget is sent to the Governor. As of this writing, no revised budget has been presented.
2. **Redevelopment Agencies** – The State budget as presented on June 15, 2011, included the complete elimination of Redevelopment Agencies (ABX1 26). The impact of complete elimination to the Camarillo Community Development Commission would be a loss of tax increment necessary to fund redevelopment activities. For 2011/12, that amount is \$7.2 million, which would greatly restrict the funding for capital improvement projects within the City's redevelopment area. Additional legislation being proposed (ABX1 27) would exempt any redevelopment agency from elimination if they make specified payments to schools. Redevelopment agencies that make payments will pay a large amount the first year and an ongoing amount every year thereafter for the remaining life of the agency.

In Summary. As in the past years, it is anticipated that the City of Camarillo will remain in solid financial condition throughout the next fiscal year. The City has been very committed to establishing and maintaining good fiscal health. The ever changing horizon of the State Budget impacts and the regulations and mandates placed on the City continue to shape our financial future. The City has several impacts to revenue from the current economy which will be monitored carefully. Steps have been taken over the past few years to become fiscally sound by focusing on economic development.