



PRESS RELEASE

City of Camarillo

Office of the City Manager

601 Carmen Drive, Camarillo CA 93010 • (805) 388-5300/Fax (805) 388-5318

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PRESS CONTACT:

Misty V. Cheng, Interim Director of Finance
(805) 388-5320

2016/17 Adopted Budget Spending Plan of \$121,519,591 focuses on Capital Improvement Projects

On June 22, 2016, the City Council adopted a balanced \$121.5 million annual budget for Fiscal Year 2016/17, which provides for services and projects important to Camarillo citizens.

The City Council's Budget and Fiscal Policy provides guidance for budget development, implementation and periodic reporting. In establishing annual goals and objectives, the City Council has further maintained the City of Camarillo's commitment to *maintain sound and conservative financial practices*, with the objective of ensuring the City's ability to *provide a safe and enriched environment, maintain effective communication with the community, provide cost-effective efficient services to the public*, and to *maintain a positive environment for new business and business retention*. Those goals provided the backdrop for development of the Proposed 2016/17 Budget.

Proposed Spending Plan Highlights

- ◆ **Public Safety and Emergency Operations: \$18.9 Million.** The City will continue to deliver the same high level of law enforcement services through its contract relationship with the County of Ventura Sheriff's Department. This relationship allows us to maximize our fiscal resources and provide effective police services.
- ◆ **Library Operations: \$4.2 Million.** The Library continues to experience growth in the number of patrons, programs and collections offered. The services provided continue to be enhanced and improved, including a wireless technology upgrade and a new young adult area.
- ◆ **Community Service Grants, Community Development Block Grant Programs and Cultural Arts: \$1.1 Million.** The City Council awarded grants totaling \$49,536 to community service organizations for programs or projects that directly benefit the community. In addition, Cultural Arts Services Division has budgeted \$738,830 to continue support of City-sponsored projects and annual community events in FY 2016/17 such as Holiday Parade, 4th of July Celebration, Fiesta, Concerts in the Park, Vietnam Veterans' Recognition, Interface 2-1-1, and Senior Meals on Wheels.
- ◆ **Citywide Lighting, Landscape & Street Maintenance: \$7.4 Million.** The City will continue to maintain streets, lighting, and landscaping to ensure an aesthetically pleasing environment for those that live, work, and play in Camarillo, while minimizing water usage.

◆ **Capital Outlay Planned: \$28.4 Million.** The City plans and pre-funds capital projects over five years, thus ensuring that when a project is scheduled to begin it has the funding available to move forward; very few cities have the financial capacity to do this. Thirty projects in FY 2016/17 are included in the 2016 Five-Year Capital Improvement Program (CIP) as presented at the April 27, 2016 CIP Study Session. These projects include:

- **Street Improvements: \$3.7M** – Several projects to improve City streets are planned, including pavement maintenance program, median turf replacement, Las Posas Road bike lanes, continuing Calleguas Creek bike trail, and storm drain improvements.
- **Water Repairs/Improvements: \$17.7M** – Various projects are planned, including the regional groundwater desalter to reduce reliance on imported water, well and reservoir rehabilitation, water infrastructure repairs, and a reclaimed water storage reservoir to increase reclaimed water supply reliability.
- **Sewer Improvement Projects: \$6.8M** – Rehabilitation and upgrades at Pump Station #3 will include higher capacity pumps and electrical wiring upgrades, improving operations efficiency and reducing the potential of sewer spills. Sewer improvements at Dawson Drive and Lewis Road, will upgrade the system and improve safety.

General Fund and Operating Transfers for FY 2016/17. General Fund revenues are projected at \$36.1 million, a \$1.5 million decrease from 2015/16 levels. The City is projecting modest growth in several key revenues: Property Tax revenue is increasing by \$281,636 due primarily to increasing home sale prices. Transient Occupancy Tax (TOT; i.e. Hotel Bed Tax) is increasing by \$111,969 due to more people staying in Camarillo hotels. These year over year increases are offset by a reduced level of revenue in Development Services and Building Permits with the absence of one-time developer revenues received in 2015/16. Sales Tax is projected to decrease \$346,434, primarily due to business close-outs such as Solar World and Cemex Construction Materials. Overall, FY 2016/17 recurring revenues are projected to continue to exceed and outpace recurring expenditures in the General Fund.

The General Fund FY 2016/17 Spending Plan totals \$36.0 million, when combining budgeted expenditures and operating transfers. This is a decrease of \$3.8 million from revised FY 2015/16 expenditures and operating transfers, primarily due to operational efficiencies, a lack of over \$2.0 million that was expended for Camarillo Springs Debris Flow remediation costs in FY 2015/16, and lower capital improvement project related transfers. Operating Transfers from the General Fund include: Community Service Grants Fund (\$48,535), Gas Tax Fund (\$1,900,000), Citywide Lighting/Landscape Maintenance Fund (\$2,160,000), Storm Water Management Fund (\$850,000), Library Operations Fund (\$2,200,000), Library Debt Service Fund (\$488,600), Vehicle & Equipment Fund (\$65,750), and Camarillo Chamber Facility Fund (\$10,000).

In addition to the operating transfers, the General Fund provides contributions to the CIP Fund, based on a formula for the applicable projects as outlined in the annual Five-Year Capital Improvement Plan. Based on the 2016 Five-Year Capital Improvement Plan, there are no required transfers to the CIP Fund in FY 2016/17.

Reserves Projected at Appropriate Levels. Adequate reserve levels are imperative. The Reserve policy sets a goal for a General Fund Reserve at a minimum of 50% of expenditures, including operating transfers. While the General Fund is projected to continue to meet/exceed the established reserve level, given the draw required to subsidize operations in other funds, and the planned capital improvement programs, it is important to continually monitor its level. The Reserve Policy goals for the majority of funds will be met or exceeded in FY 2016/17, 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.

Fiscal Outlook. Overall, the City's financial position remains in good condition. As stated in its goal of Fiscal Management, the City affirms its commitment to sound and conservative financial practices to ensure the City's fiscal sustainability.