

**CITY OF TEMPLE CITY
CITY COUNCIL AND COMMUNITY REDEVELOPMENT AGENCY**

**SPECIAL MEETING – MID-YEAR BUDGET STUDY SESSION MINUTES
FEBRUARY 10, 2010**

1. CALL TO ORDER ALL AGENCIES

Mayor Vizcarra called the City Council and Community Redevelopment Agency Special Meeting to order at 6:35 p.m.

2. ROLL CALL

PRESENT: Councilmember-Chavez, Sternquist, Wong, Yu, Vizcarra
ABSENT: Councilmember-None

ALSO PRESENT: City Manager Pulido, Parks and Recreation Director Burroughs, City Clerk Flandrick, Assistant to the City Manager Flod, Community Development Manager Lambert, Financial Services Manager Molina, Public Services Manager Tidwell, Public Safety Officer Ariizumi

3. PLEDGE OF ALLEGIANCE

Mayor Vizcarra led those present in the Pledge of Allegiance to the Flag.

4. PUBLIC COMMENTS

Jerry Jambazian, Temple City businessman, felt it was important to tell people what state our city is in and to clear up the misconception of the amount of the City's reserves. He suggested that the Mayor or City Manager present a State of the City address.

5. MID-YEAR REVIEW OF CURRENT FISCAL YEAR 2009–2010 BUDGET

Financial Services Manager Molina, with the aid of a power point presentation, provided a review of the Fiscal Year 2009-2010 budget, and with City Manager Pulido, responded to questions from Council.

In June 2009, the City Council and the Redevelopment Agency held a budget study session for Fiscal Year 2009-2010. At that time, it was undetermined what possible impacts the State budget might have on the City's budget. An estimated \$500,000 was included in the budget for State borrowing under Proposition 1A. During that budget study session, the Council requested a mid-year review to see if additional cuts would be required. The actual amount the State borrowed from the City was \$505,250 of property tax revenues. The City participated in the Proposition 1A Securitization and will be allocated the total amount borrowed. Another pending item was the approval of American Recovery and Reinvestment Act (ARRA) funds for law enforcement services. Unfortunately Temple City did not qualify for this grant.

In preparing for the Fiscal Year 2009-2010 budget, revenues and expenditures were reduced to reflect the anticipated decrease in revenues. In comparison to Fiscal Year 2008-2009 adopted budget, revenues were reduced by 5% and expenditures by 4%. Even with all of the reductions made to the adopted budget, revenues have seen a greater reduction than expected.

A. REVENUES

As of January 31st, the Year-to-Date General Fund Revenues were \$4.8M which is 48% of the total General Fund Revenue Budget. Based on the analysis, staff requested the City Council approve the following proposed revenue adjustments:

Taxes – decrease by \$592,180;
License & Permits – increase by \$112,250;
Intergovernmental – increase by \$541,290;
Charges for Services – decrease by \$27,500;
Fines & Forfeitures – no adjustments;
Investment Income – decrease by \$200,000; and
Other Revenue – decrease by \$10,000.

A total decrease in General Fund revenues in the amount of \$176,140 was requested. This would amend the 2009-10 budget down from \$10,106,250 to \$9,930,110.

B. EXPENDITURES

As of January 31st, the total expenditures to date are \$4.8M which is 49% of the total allocated budget. Staff did not request any adjustments to expenditures at this time. With the proposed changes, the City is still producing a balanced budget, with a surplus for Fiscal Year 2009-10 estimated to be \$370,000. This includes the authorized carry-over of last year's surplus and subsidizing the Lighting and Landscape District.

As of July 1, 2009, the Landscape District is in a deficit of almost \$1.2M. Since Fiscal Year 2004-05, the General Fund has subsidized the District. Every year the deficit increases by \$200,000 - \$300,000. Approximately \$300,000 in assessment fees are received every fiscal year and about \$550,000 in expenditures. In order to reduce or eliminate the deficit, it is recommended that the Council consider options such as reducing services or increasing the assessment fees.

The Community Redevelopment Agency has slight adjustments and a reduction in investment income revenues is requested. The adjustments are:

Decrease investment income by \$41,000;
Increase tax increment by \$210,000; and
Supplemental Educational Revenue Augmentation Fund (SERAF) \$330,000.

Part of the State budget included a shift of approximately \$2.3M of redevelopment monies to the SERAF. Temple City's allocation is approximately \$330,000. The California Redevelopment Association has filed a lawsuit on behalf of cities in regard to the shift of redevelopment funds. If the lawsuit is ruled in favor of the cities, then payment will not be submitted.

Financial Services Manager Molina recommended that Council and Agency Members approve the amendment to the Fiscal Year 2009-10 General Fund and CRA revenues as presented and review additional expenditure reductions.

Possible expenditure reductions included reducing Parks and Recreation expenditures by \$100,000 to reflect reduction in revenues; and eliminating one law enforcement position for the remaining fiscal year for a savings of approximately \$75,000.

Staff responded to questions from the Council. Council consensus was to look at other areas to reduce expenditures rather than eliminate a law enforcement position. The Ad Hoc Budget

Committee, comprised of Mayor Vizcarra and Mayor Pro Tem Yu, will review other options in preparation of the Fiscal Year 2010-11 budget.

Jerry Jambazian, Temple City businessman, asked if the takeover of Rosemead Boulevard had affected the Landscape District, and expressed concern of an increasing number of new government fees imposed on businesses and felt it was important for people to know what the state is doing to cities also.

Financial Services Manager Molina stated to date the City's takeover has not had a financial impact on the Lighting and Landscape District, but it could in the future. The City is looking into creating an assessment district for that area.

Councilmember Chavez moved to approve the amendments to the Fiscal Year 2009-10 General and CRA revenues as presented, seconded by Councilmember Wong and unanimously carried by the following roll call vote:

AYES:	Councilmember-Chavez, Sternquist, Wong, Yu, Vizcarra
NOES:	Councilmember-None
ABSENT:	Councilmember-None
ABSTAIN:	Councilmember-None

6. ADJOURNMENT

The Special Meeting of the City Council and Community Redevelopment Agency was adjourned at 7:26 p.m.

Mayor

ATTEST:

City Clerk