

CITY COUNCIL

Gary Hansen, Mayor
Vince Holvik, Vice Mayor
Jeff Cobb, Council Member
Sandie Hobbs, Council Member
Jim Yoder, Council Member

CITY MANAGER
Steve Holsinger

CITY CLERK
Natalie Butler



201 North Lassen Street
Willows, CA 95988
(530) 934-7041

CITY COUNCIL SPECIAL BUDGET MEETING AGENDA

Council Chambers, 201 North Lassen Street

Wednesday, March 30, 2011

10:00 a.m.

1. **Call to Order – 10:00 a.m.**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **FY 2011/2012 Budget Overview**
 - a) **Public Comment is welcome on any agenda topics listed below only:**
 - **Review of 2011/2012 Estimated General Fund Budget before Adjustments**
 - **Council Review of Targeted 2011/2012 Budget Status**
 - **Discussion of Budgetary Adjustments**
5. **Items to be added by City Council or Administrative Staff for Discussion Purposes Only**
6. **Adjournment**

CERTIFICATION:

Pursuant to Government Code § 54954.2 (a), the agenda for this meeting was properly posted on or before March 24, 2011.

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

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CITY OF WILLOWS
2011/12
GENERAL FUND BUDGET PRELIMINARY REPORT
STATUS @ 3/30/11

Preliminary Budget As Presented- The attached General Fund Budget Projection provides the baseline starting point for projected revenues and expenditures for 2011/2012. The budget, as presented at this time, provides the basis for maintaining service levels within the City, with the exception of a 25% cut in planning services. The preliminary budget is based on the following assumptions:

- Contracted wage increases for the WPSA and WEA members remain deferred
- Those who have already taken a 10% pay reduction continue to do so

Based on these assumptions and projection of revenues and requested expenditures, the starting point for the 2011/12 General Fund budget is a deficit of \$332,824 (please refer to the projected total of expenditures, revenue, and reserve at the bottom of the projection sheet).

Differences from 2010/11- The original projected deficit for the current year (2010/11) was \$243,557, while the baseline projection for 2011/12 notes a deficit approximately \$89K greater at \$332,824. Several factors have played into this difference:

Pension Cost- PERS pension cost will be approximately \$70K higher in 2011/12 vs. 2010/11. Pension rates are actuarially calculated each year based on a number of factors, including employee demographics, age, life expectancy, etc. In addition, investment performance is factored into the calculation. There is a 3 year lag between investment return levels and the annual calculation. Based on this, the 2008 market downturn is now factored into the actuarial calculation. As such, the rate for all PERS covered employees has risen for the upcoming fiscal year.

Healthcare- Health insurance rate increases ranging from 7% to 17.% went into effect on 1/1/11. This had an effect on the second half of the current fiscal year but will have a full impact on 2011/2012.

Effect of Outside Funding on Items Presented- The City relies on a number of outside sources besides the General Fund for day-to-day operations. This preliminary budget assumes all of these items will stay in tact. However, decisions by other governmental entities may play a significant role in how the City prioritizes General Fund expenditures. Examples of outside funding used for City operations include:

Public Works

Gas Tax (State of California)- \$34,074 personnel costs
\$41,786 street lighting
\$33,250 ongoing street maintenance

Please note that other transportation funding pertaining to specific projects is not outlined here.

Library

(County of Glenn)- \$45,007 personnel at City Branch (does not include EC/Bayliss)
\$5,477 print material

(State of California) \$4,864 print material

Police

SLESF (State of California) \$100,000 personnel
Booking Fee (State of CA) \$ 11,500 booking fees (est.)
Willows Unified School Dist. \$ 25,000 personnel

In addition, the Police Department funds one entire position with a Federal Cops Hiring Grant that will expire in September, 2012. While this grant remains in tact for the entirety of 2011/2012, it will no longer be available beyond three months into the following budget cycle.

Please keep in mind that this represents only operational items and not specific projects that may/may not continue into the future.

Direction-Staff is seeking direction from the City Council as to priorities and methods to move toward balancing the 2011/12 General Fund budget or to provide consensus acceptable alternatives..

City of Willows
 Targeted Budget Levels
 FY 2011-12 General Fund Budget
 As Presented 3/30/11

	2010/11 General Fund Original Budget	2010/11 General Fund Projection (Mid Year)	2011/2012 Baseline
LEGISLATIVE			
CITY COUNCIL	\$ 15,062	\$ 14,062	\$ 15,153
ADMINISTRATIVE			
CITY MANAGER	\$ 159,924	\$ 160,924	\$ 166,300
FINANCE DEPARTMENT	\$ 166,811	\$ 166,811	\$ 169,106
GENERAL OFFICE	\$ 157,497	\$ 149,497	\$ 158,981
CAPITAL-IT ITEMS	\$ 5,000	\$ 5,000	\$ 2,500
	\$ 489,232	\$ 482,232	\$ 496,887
BUILDING			
BUILDING	\$ 81,298	\$ 86,298	\$ 92,006
OUTSIDE SERVICE			
CITY ATTORNEY	\$ 18,000	\$ 18,000	\$ 15,000
PLANNING	\$ 35,900	\$ 35,900	\$ 27,400
ENGINEERING	\$ 15,000	\$ 15,000	\$ 15,000
	\$ 68,900	\$ 68,900	\$ 57,400
POLICE			
POLICE DEPARTMENT	\$ 1,219,141	\$ 1,215,641	\$ 1,259,501
LIBRARY			
LIBRARY	\$ 182,366	\$ 182,366	\$ 173,325
RECREATION			
RECREATION	\$ 86,299	\$ 86,599	\$ 90,465
SWIMMING POOL	\$ 30,880	\$ 31,380	\$ 30,401
	\$ 117,179	\$ 117,979	\$ 120,866
PARKS AND PUBLIC WORKS			
PARKS & PUBLIC WORKS-GENERAL	\$ 464,701	\$ 465,701	\$ 480,103
PARKS DIVISION	\$ 29,763	\$ 32,263	\$ 32,420
MALL DIVISION	\$ 7,200	\$ 8,100	\$ 7,600
MUSEUM DIVISION	\$ 2,500	\$ 2,600	\$ 2,150
PUBLIC WORKS/STREETS DIVISION	\$ 47,842	\$ 48,242	\$ 47,156
STORM DRAINS DIVISION	\$ 10,692	\$ 10,692	\$ 9,767
CIVIC CENTER MAINT.	\$ 26,941	\$ 27,341	\$ 27,141
	\$ 589,639	\$ 594,939	\$ 606,337
FIRE			
FIRE DEPARTMENT	\$ 606,458	\$ 675,708	\$ 638,117
FIRE-CAPITAL	\$ 52,603	\$ 52,603	\$ 52,603
	\$ 659,061	\$ 728,311	\$ 690,720
Total General Fund Expenditure	\$ 3,421,878	\$ 3,490,728	\$ 3,512,195
Projected General Fund Revenue	\$ 3,178,321	\$ 3,208,321	\$ 3,179,371
Projected Deficit	\$ (243,557)	\$ (282,407)	\$ (332,824)
Beginning General Fund Balance	\$ 1,230,544	\$ 1,230,544	\$ 948,137
Projected Ending Fund Balance	\$ 986,987	\$ 948,137	\$ 615,313

City of Willows - General Fund Revenue
 Projection 2011/12

Revenues:	Actual 2009/10 Final	2010/11 Projection	2011/12 Projection
PROPERTY TAX	\$ 768,918	\$ 730,000	\$ 730,000
PG&E FRANCHISE	\$ 38,299	\$ 38,000	\$ 38,000
WATER FRANCHISE	\$ 30,873	\$ 31,000	\$ 31,000
CABLE TV FRANCHISE	\$ 26,164	\$ 23,500	\$ 23,500
GARBAGE FRANCHISE	\$ 42,000	\$ 42,000	\$ 42,000
SALES TAX	\$ 1,086,062	\$ 1,045,000	\$ 1,065,000
TRANSFER TAX	\$ 4,669	\$ 5,000	\$ 5,000
OCCUPANCY TAX	\$ 390,992	\$ 425,000	\$ 435,000
BUSINESS LICENSE	\$ 22,396	\$ 22,500	\$ 22,500
BUILDING PERMITS	\$ 29,025	\$ 55,000	\$ 25,000
ENCROACHMENT PERMITS	\$ 7,875	\$ 11,000	\$ 11,000
FINES & FORFEITURES	\$ 19,220	\$ 30,000	\$ 30,000
GENERAL INTEREST	\$ 38,375	\$ 25,000	\$ 25,000
RENTAL OF PROPERTY	\$ 14,856	\$ 15,000	\$ 15,000
MOTOR VEHICLE IN LIEU	\$ 519,477	\$ 510,000	\$ 510,000
PLANNING FEES	\$ 3,925	\$ 5,000	\$ 5,000
PLAN CHECK FEES	\$ 23,769	\$ 17,500	\$ 10,000
FIRE DEPARTMENT FEES	\$ 37,480	\$ 32,500	\$ 32,500
POLICE REPORTS	\$ 318	\$ 2,000	\$ 2,000
SEWER ADMIN FEE	\$ 68,935	\$ 68,935	\$ 68,935
OTHER REV & FUNDS	\$ 3,234	\$ 5,000	\$ 5,000
WEED ABATEMENT	\$ 11,701	\$ 40,000	\$ 7,500
CAL TRANS STREET SWEEP	\$ 3,935	\$ 3,936	\$ 3,936
PARKING, AVA & VEH RELEASE	\$ 1,965	\$ 1,000	\$ 1,000
SWIM POOL RECEIPTS	\$ 24,188	\$ 8,000	\$ 8,000
PARK PERMITS	\$ 1,561	\$ 1,250	\$ 12,500
PUB SAFETY SALES TAX	\$ 13,570	\$ 13,500	\$ 13,500
BOOKING FEES	\$ 1,891	\$ 1,500	\$ 1,500
TOTAL GENERAL REVENUES	\$ 3,235,673	\$ 3,208,121	\$ 3,179,371

City of Willows
 Budget Analysis-General Fund Positions
 Effect of Across the Board 10% Reduction

NOTE: City Council, City Manager, Finance, General Office, Recreation and Building
 Departments not included in analysis. 10% already in effect department-wide.

	Compensation (Salary, OT, Other)	PERS	EMP PERS	Social Security
Baseline for 2011-2012				
Police	\$ 556,513	\$ 174,637	\$ 34,025	\$ 42,573
Library	\$ 35,592	\$ 6,963	\$ 2,375	\$ 2,723
Fire	\$ 304,871	\$ 94,939	\$ 17,754	\$ 23,318
PPW	\$ 279,049	\$ 52,773	\$ 18,210	\$ 21,347
Baseline Total	\$ 1,176,025	\$ 329,312	\$ 72,364	\$ 89,961
10% Reduction for 2011-2012				
Police	\$ 503,559	\$ 157,032	\$ 30,506	\$ 38,522
Library	\$ 32,033	\$ 6,267	\$ 2,130	\$ 2,451
Fire	\$ 285,784	\$ 88,253	\$ 16,464	\$ 21,862
PPW	\$ 252,075	\$ 47,496	\$ 16,322	\$ 19,254
10% Reduction Total	\$ 1,073,451	\$ 299,048	\$ 65,422	\$ 82,089
Difference	\$ 102,574	\$ 30,264	\$ 6,942	\$ 7,872
Total		\$ 147,652		