



Staff Report

PUBLIC HEARING TO CONSIDER PROPOSED BUDGET FOR FISCAL YEAR 2008

Honorable Mayor and Council Members:

Summary

At the close of the public hearing, and after consideration of testimony given, it is recommended that the City Council approve the attached resolutions implementing the Fiscal Year 2008 Budget, Appropriations Limit, Master Fee Schedule, Solid Waste Collection Fees and the Special Library Tax for the City of Belmont.

Background

On May 22nd, City Council received a report from staff introducing the FY 2008 Budget. Prior to the City Council meeting, the Finance Commission reviewed the document on May 17th in detail and the questions and responses have been provided. After hearing testimony, the City Council gave direction to the Finance Commission and set June 12th as the public hearing to adopt the budget. On June 7th, the Finance Commission held a session with staff to discuss the budget and consider direction from City Council.

Discussion

The purpose of the public hearing is to hear testimony regarding the FY 2008 Budget and consider any adjustments, if any, and adopt the budget. A resolution for this purpose is shown as Attachment A.

▪ Housecleaning

Since publication of the proposed budget, some housecleaning is necessary. First, the South Bayside Systems Authority budget amount was received after production and the amount needs to be revised to \$1,985,114 which is a decrease of \$99,216 in the proposed budget. Finally, we need to add a capital project for \$50,000 for improvements to a portion of City Hall that is used as rental property. The later project will be paid by rental income.

▪ Gann Limit

Proposition 4, approved by California voters in 1979, requires cities to calculate and establish an appropriations limit every year. The limit is based on actual appropriations in the 1978-79 fiscal year and is allowed to increase each year to the extent of population growth and inflation.

The City of Belmont’s FY 2008 Appropriations Limit is \$11,759,971. The FY 2008 budget is within the stated limit. The calculations are attached to the implementing resolution, which is Attachment B.

▪ **Master Fee Schedule**

As part of the annual budget process, departments review their fee structure to ensure compliance with the City’s fee policy that specifies, where possible, the fee recovers the full cost (direct and indirect) of providing the service.

Consistent with policy, the Master Fee Schedule has been revised to reflect the following adjustments:

Type	Description	Amount
CPI	To reflect general increase in cost of service when not specifically based on level of effort.	3.0 %
Hourly Rate	To reflect increase or decrease in productive hourly rates for service provided	Various
Markup	To reflect increase or decrease in markup for staff time and related costs to manage consultant work	No change
Level of Effort	To reflect increase or decrease in level of effort to complete one unit of service	Various

To facilitate City Council’s review of the proposed changes, both the current and proposed fees are shown in the exhibit with Attachment C, the implementing resolution. Shading is used to denote the prior fee.

▪ **Sewer/Stormdrain**

On May 22nd, staff provided the Council with a summary report of the proposed sewer rates. As a result of a recent California Supreme Court decision, those rates are now subject to the 45 day noticing provisions of Proposition 218 which includes a protest hearing. In order to meet the County’s deadline for placement of the sewer charges on the FY 2008 tax roll, the notice will be distributed to property owners on June 8th. The notice itemizes the proposed rates and sets July 24th for the protest hearing. See Attachment D for a copy of the Notice.

In order to provide a better understanding of the rate implications and the associated capital improvements to be funded, on June 26th, John Farnkopf, P.E., will present his rate findings to the Council. In addition, the Council will also receive a companion presentation of the Sewer & Storm Drain Master Plans. At that time, information will be presented to show the nexus between rates, construction plans and the use of debt.

Following the presentation on June 26th, it is anticipated that Council will be well informed prior to consideration of adoption of the rates on July 24th as part of the protest hearing.

▪ **Solid Waste Collection Fees**

The Public Works Department provided a comprehensive review of the City's solid waste management program in FY 2007. At that time, a multi year collection rate was set. The resolution shown as Attached E continues those rates in effect for FY 2008.

▪ **Special Tax for Community Facilities District No. 2000-1 (Library Project)**

Annually, the City Council is required to authorize the annual special tax for library (Community Facilities District No. 2000-1). The resolution shown as Attachment F accomplishes this requirement for FY 2008 and requests that the County of San Mateo collect the special tax on the property tax rolls.

▪ **Finance Commission Budget Review**

On May 22nd, the Finance Commission reviewed the FY 2008 Budget. The Commission was supportive of the budget and staff has provided Council with copies of their questions and staff's response.

On June 7th, the Finance Commission is scheduled to meet and take formal action with regard to their recommendation on the proposed budget. Staff will provide an update on that action for the meeting on the 12th and the Commission will be represented and available to City Council for any questions and/or comments.

▪ **Budget Adoption**

1. Implementing Resolution

Attached for the Council's review and approval are the following resolutions implementing the FY 2008 Budget:

- Resolution establishing the base revenue, appropriation (expenditure) and capital improvement program budgets for the year (Attachment A).
- Resolution approving Article XIII B appropriations (Gann Limit) (Attachment B)
- Resolution adopting Master Fee Schedule (Attachment C)
- Resolution adopting Proposed Solid Waste Rates (Attachment E)
- Resolution Establishing the Special Tax for Community Facilities District No. 2000-1 (Library Project) (Attachment F).

2. Recommended Process

To facilitate implementing the FY 2008 Budget, at the close of the public hearing and after hearing from the Finance Commission, staff recommends the following actions be taken:

- Step 1 Make motion to adopt FY 2008 Budget as proposed in the attached Resolution (Attachment A). Entertain a second to that motion.
- Step 2 Prior to voting on main motion, entertain motion(s) to amend main motion to reflect any individual amendments. Each proposed amendment would require a second and should be voted upon separately.
- Step 3 Take a vote on main motion, as amended, to adopt FY 2008 Budget.
- Step 4 Make motions and take vote on other resolutions.

Follow Up

1. Revise documents as directed.
2. Publish budget.
3. Update website.

Fiscal Impact

Establish the City of Belmont's Base revenue budget at \$34,268,200, appropriation budget at \$32,560,841 and Capital Improvement Program budget at \$6,942,798, Net Other Sources (Uses) at \$85,000 and permanent staffing at 129.65 full time equivalents for Fiscal Year 2008.

Public Contact

Public hearing was legally noticed. The Finance Commission has been informed of the meeting and the will be represented.

Recommendation

Adopt budget and related resolutions as proposed.

Alternatives

1. Amend the resolution(s) and adopt an alternative budget.
2. With direction, refer the budget back to staff for further consideration.

Attachments:

- A. Budget Resolution
- B. Appropriations Limit Resolution
- C. Master Fee Resolution
- D. Notice of Public Hearing for Proposed Sewer Rate Increase
- E. Solid Waste Collection Fees Resolution
- F. Library CFD Resolution

Respectfully submitted,

Thomas Fil, Finance Director

Jack R. Crist, City Manager

Staff Contact:

Thomas Fil, Finance Director
(650) 595-7435
tfil@belmont.gov

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RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
ADOPTING THE PROPOSED FY 2008 BASE BUDGET REVENUE,
APPROPRIATIONS, CAPITAL IMPROVEMENT PROGRAM BUDGETS AND
PERMANENT STAFFING PLAN FOR THE CITY OF BELMONT**

WHEREAS, the City Council desires to have a fiscal and staffing plan for the City of Belmont in order to plan for anticipated revenues and control expenditures; and,

WHEREAS, the fiscal year revenue, appropriation, capital improvement program and permanent staffing plan for the City of Belmont is expressed in the budget documents entitled “City of Belmont FY 2008 Budget”; and,

WHEREAS, the City Council and the Finance Commission reviewed the proposed budgets for compliance with the goals and objectives of the community; and,

WHEREAS, the City Council has held Public Hearings on the programs and fiscal policies to obtain public comments regarding the Proposed Budget document.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont that the Revenue, Appropriations and Capital Improvement Program (CIP) budgets for Fiscal Year 2008 shall be adopted as follows:

Fund	Fund Title	Revenue	Appropriation	Capital Improvement Program	Net Other Sources (Uses)
101	General Fund	\$14,746,605	\$14,538,867		\$ (885,286)
205	Recreation Services	968,421	1,690,157		714,444
206	Library Maintenance & Operation	333,871	293,625		
208	City Tree Fund	21,314			
210	Development Services	1,355,277	1,669,029		156,370
212	General Plan Maintenance Fee	61,599			
225	Public Safety Grants	1,806			
227	Supplemental Law Enforcement Services	100,000	104,676		4,676
229	Police Education Services	61,000	45,425		
231	Street Maintenance (Gas Tax)	1,096,670	1,338,051		(192,068)
234	Street Improvements (Measure A/Grants)	2,527,695	15,177	\$2,822,298	192,068
235	Traffic Mitigation	3,587			
240	Police Communications Consortium JPA	112			
308	General Facilities	15,981			
310	Unanticipated Infrastructure Repair	191,573			
312	Comcast PEG Fund	10,812		30,000	
341	Planned Park	39,369	3,397	443,000	
343	Open Space	130			
401	Debt Service		9,796		9,796

406	Library CFD Bond	668,606	660,302		
501	Sewer Enterprise-Operations	6,209,850	4,143,958		(1,855,319)
503	Sewer Enterprise-Capital	361,006	1,372,778	2,200,000	(373,812)
	Sewer Enterprise-Treatment Plant				
505	Expansion	86,615	391,160		539,350
525	Storm Drainage Enterprise	621,210	1,213,318	1,135,500	1,689,781
530	Solid Waste Fund	386,044	442,579		
601	Workers' Compensation	439,436	344,289		
605	Liability Insurance	511,330	473,863		
607	Self Insured Vision	28,887	28,887		
620	Fleet & Equipment Management	1,973,821	2,254,970	262,000	85,000
625	Facilities Management	968,772	1,071,036	50,000	
704	Special Assessment Districts	10,856			
708	Benefit Stabilization	465,945	455,501		
Totals		\$34,268,200	\$32,560,841	\$6,892,798	\$85,000

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Belmont establishes the permanent staffing plan at 129.65 full time equivalent positions.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
APPROVING THE ARTICLE XIII B APPROPRIATIONS LIMIT
FOR THE FISCAL YEAR 2008**

WHEREAS, the voters of California on November 6, 1979 added Article XIII B to the State Constitution placing various limitations on the appropriations of the State and local governments; and,

WHEREAS, Proposition 111 adopted by the California voters on June 5, 1990, amended Article XIII B to provide that the Appropriations Limit for each fiscal year be calculated by adjusting the base year appropriations of fiscal year 1986-87 for changes in the cost of living and populations; and,

WHEREAS, Article XIII B requires public entities in the State of California to set an annual appropriations limit; and,

WHEREAS, the appropriations limit is based on factors which include the appropriations limit for the prior fiscal year; and,

WHEREAS, the League of California Cities issued in March, 1991, uniform guidelines for the implementation of the provisions of Article XIII B; and,

WHEREAS, Article XIII B requires the City Council to select the population and inflation factors for each year's appropriations limit calculation; and,

WHEREAS, information for making this limit calculation for the City of Belmont has been available for public inspection in the City offices for the 15 days prior to the scheduled adoption of this resolution, in accordance with Government Code Section 7910 requirements; and,

WHEREAS, the information necessary for making these adjustments is attached; and,

WHEREAS, Exhibit 1 attached hereto is provided in support of the Gann Limit calculation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont takes the following action:

Section 1. The Appropriations Limit for the City of Belmont for the FY 2008 shall be \$11,759,971.

Section 2. The inflation factor being utilized to calculate the FY 2008 appropriations limit is the California per capita income.

Section 3. The population factor being utilized to calculate the FY 2008 appropriations limit is the City of Belmont's population growth provided by the County of San Mateo.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
ADOPTING FY 2008 MASTER FEE SCHEDULE**

WHEREAS, the City Council has determined the need to charge fees for general government, police, recreation, development, engineering, park in-lieu, sewer, storm drainage and other services; and,

WHEREAS, DMG-Maximus completed a comprehensive study of the City's fee structure based on a full cost allocation model in FY 2002; and,

WHEREAS, staff reviewed and updated the Master Fee Schedule to ensure that an appropriate fee is charged by reflecting one of the following adjustments:

Type	Description	Amount
CPI	To reflect general increase in cost of service	3.0%
Hourly Rate	To reflect increase or decrease in productive hourly rates for service provided	Various
Markup	To reflect increase or decrease in markup for staff time and related costs to manage consultant work	No change
Level of Effort	To reflect increase or decrease in level of effort to complete one unit of service	Various

WHEREAS, the City of Belmont desires to have all fees located in one document; and,

WHEREAS, a public hearing was held and all objections or protests were heard on the proposed fees.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont adopts the attached Master Fee Schedule (Exhibit 1).

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
SETTING SOLID WASTE COLLECTION FEES – FY 2008**

WHEREAS, the City Council has determined the need to charge fees for solid waste; and,

WHEREAS, staff has completed an update of the solid waste balancing account through December 31, 2010 with no change to solid waste collection fees (Exhibit 1); and,

WHEREAS, a public hearing was held and all objections or protests were heard on the proposed fees.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont takes the following action:

Section 1. The solid waste collection fees for FY 2008, as established in Exhibit 1 shall be adopted and made part of the City’s FY 2008 Master Fee Schedule.

Section 2. Said fees shall be effective beginning July 1, 2007 and implemented by solid waste franchise operator on a prospective basis as billings cycles are processed.

Section 3. The solid waste franchise operator is hereby authorized to collect said solid waste collection fee as part of the solid waste billing process, and City staff are hereby directed to take all steps necessary to assist said collections.

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I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont

EXHIBIT 1

Solid Waste Service Rates

Residential Service - Progressive Rates, 1x per week garbage service		
Volume (gallons)	Typical Service Subscriptions	Quarterly bill
0-32	32 gallon	\$60.55
33-64	64 gallon	\$61.88
65-96	96 gallon	\$63.21
97-128	128 gallon	\$64.65
129-160	160 gallon	\$65.98
Commercial Can Service- Progressive Rates, Frequency Surcharges Service 1 to 3 times per week		
Pickup Frequency	Volume (gallons)	Monthly bill
1 x weekly	32.00	\$20.18
2 x weekly	32.00	\$21.07
3 x weekly	32.00	\$21.55
1 x weekly	64.00	\$41.25
2 x weekly	64.00	\$42.14
3 x weekly	64.00	\$43.10
Commercial Bins - Progressive Rates, Frequency Surcharges Service 1 to 3 times per week		
Pickup Frequency	Volume (yards)	Monthly bill
1 x weekly	1	\$96.69
2 x weekly	1	\$98.12
3 x weekly	1	\$99.55
1 x weekly	2	\$193.38
2 x weekly	2	\$196.24
3 x weekly	2	\$200.54

Commercial Compactor - Cost per
Compacted Yard

Wet	Recyclable
\$57.30	\$42.97

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
ESTABLISHING THE ANNUAL SPECIAL TAX FOR COMMUNITY FACILITIES
DISTRICT NO. 2000-1 (LIBRARY PROJECT) FOR FISCAL YEAR 2008 AND
REQUESTING THAT THE COUNTY OF SAN MATEO COLLECT THE SPECIAL
TAX ON THE REAL ESTATE TAX ROLLS**

WHEREAS, the City Council of the City of Belmont, California (hereinafter referred to as the “legislative body”), has initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors relating to the levy of a special tax in a community facilities district, as authorized pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California. This Community Facilities District is designated as Community Facilities District No. 2000-1 (Library Project), hereinafter referred to as the “Community Facilities District”; and,

WHEREAS, this legislative body, by Ordinance as authorized by Section 53340 of the Government code of the State of California, has authorized the levy of a special tax to pay for costs and expenses related to said Community Facilities District, and this legislative body is desirous to establish the specific rate of the special tax to be collected for the fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont of Belmont of the Community Facilities District No. 2000-1 (Library Project) as follows:

- Section 1. That the above is true and correct and adopted as findings.
- Section 2. That the specific rate and amount of the special tax for each Taxable Property (as such term is defined in the Rate and Method of Apportionment of Special Tax applicable to the Community Facilities District) is to be collected to pay for the costs and expenses for Fiscal Year 2008.
- Section 3. That the rate as set forth in Section 2 above does not exceed the amount as previously authorized by Ordinance of this legislative body, and is not in excess of that as previously approved by the qualified electors of the Community Facilities District.
- Section 4. That the proceeds of the special tax shall be used to pay, in whole or in part, the costs and expenses of authorized “library project”; construction of a new City library located in the City, the necessary equipment and facilities required to relocate the existing library to the new location, and improvements to the park area adjacent to the library.

Section 4. The special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected, and shall be subject to the same penalties and same procedure and sale in cases of any delinquency for ad valorem taxes, and the Tax Collector is hereby authorized to include reasonable administrative costs incurred in collected any said tax

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on June 26, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont