



Staff Report

INTRODUCE FISCAL YEAR 2010 BUDGET

Honorable Mayor and Members of the City Council:

Summary

The purpose of tonight's discussion is to introduce the Proposed FY 2010 Budget to the City Council. At the close of the discussion, and after consideration of testimony given, it is recommended that the City Council continue consideration of the Proposed Budget to a public hearing scheduled for June 23rd and then for adoption that evening.

Background

In March, the City Council held a work session and gave direction to staff on priorities for consideration in the Proposed FY 2010 Budget. Staff incorporated those priorities into their department work programs and developed a Proposed Budget.

Discussion

The purpose of this evening's discussion is to introduce the Proposed Budget to the City Council. The following topics will be covered:

- Budget Policies
- Budget Assumptions
 - Revenues
 - Expenditures
 - Capital Improvement Plan
- Other Fund Considerations
- Council Priorities in Budget
- 5% Budget Correction Plan
- Concluding Actions
 - Set public hearing for adoption of Budget - June 23, 2009

A copy of the Budget Brief is attached and Council Members have received the entire proposed budget.

As indicated above, the City Council is requested to set the Public Hearing to June 23rd for adoption of the budget as planned. This is designed to allow additional time to review the budget document and incorporate any changes thereto.

Staff will also schedule individual budget review sessions with the Council members prior to the June 23rd meeting.

Finance Commission Review

As part of the City’s budget development process, the Finance Commission is scheduled to receive a presentation of the Budget on June 4th. By June 8th, the Commission is to provide staff with their questions and comments concerning the Budget and on June 11th, the Commission will hold a special meeting to review staff’s responses to those questions and comments. The Finance Commission will be represented at this meeting and their recommendations will be provided to City Council prior to final adoption.

Follow-Up

Advertise public hearing on June 23rd for final adoption of the Budget.

General Plan/Vision Statement

No impact.

Fiscal Impact

Establish the City of Belmont’s Base revenue budget at \$54,838,317, appropriation budget at \$88,042,123 and Capital Improvement Program budget at \$19,841,545 and permanent staffing at 135.65 full time equivalents for Fiscal Year 2010.

Public Contact

Posting of City Council agenda.

Recommendation

Council should set the public hearing to June 23rd for final adoption of the Budget. No other action is required at this time but questions can be asked of staff.

Alternatives

1. With direction, refer the budget back to staff for further consideration.

Attachments

1. FY 2010 Budget Brief

Respectfully submitted,

Brooke Lazzari
Deputy Finance Director

Thomas Fil
Finance Director

Jack R. Crist
City Manager

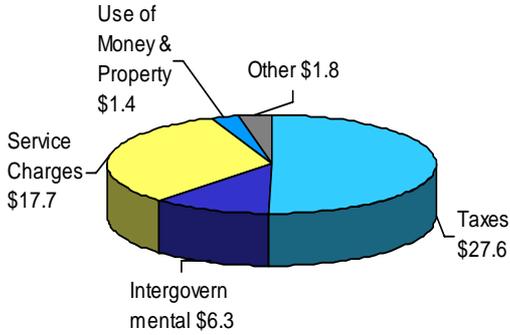
Staff Contact:

Brooke Lazzari, Deputy Finance Director
(650) 595-7434
blazzari@belmont.gov

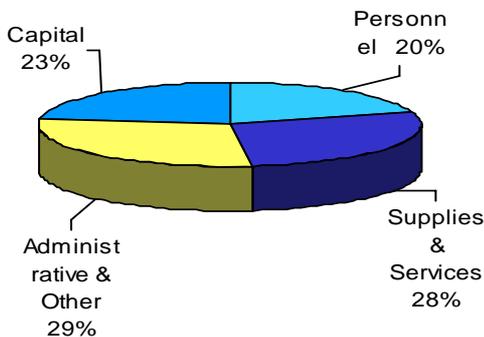
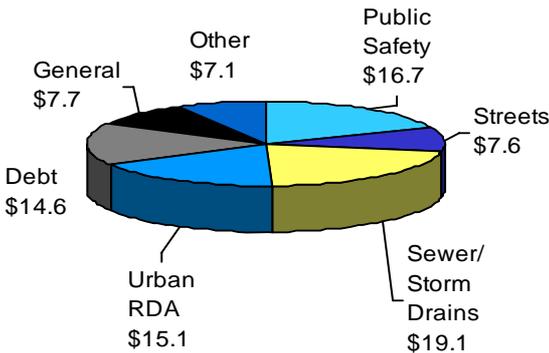


City of Belmont Budget Brief FY 2010

Where Does the Money Come From?



Where Does the Money Go?



Message From City Management

Honorable Mayor and Members of the Council:

We are pleased to submit the Proposed FY 2010 Budget for your review and consideration.

Summary

It is not since the Depression that governments have faced such financial adversity as they do now. There are no maps that can be relied on to chart a course through these troubled waters. Compounding the situation is a fiscally irresponsible state government facing a record, multi-billion dollar deficit. Moreover, who knows what effect the unprecedented federal government spending will have on the economy when trillions of dollars are pumped into it this summer? At this point, it is uncertain whether this recession's recovery will be "V", "U" or "W" shaped. For purposes of this budget, we are assuming a "U" shaped recovery beginning next calendar year.

Despite this adversity, the budget is balanced with a proposed ending General Fund balance of \$2.5 million. It is balanced because the City has been prudent with its financial resources and exercised cost containment as a matter of policy for years. By maintaining prior budget correction strategies the City has avoided the need for drastic budget cuts in vital services. Nonetheless, the City must do more to maintain fiscal stability in the future.

This budget proposes to use General Fund reserves. In fact, nearly \$1 million in reserves. Those reserves will be used to support and subsidize important activities such as Recreation, Development Services, Supplemental Law Enforcement and Facilities. The City has a long history of providing funding to these efforts. This budget continues that practice. Reserves were accumulated in good times to be used in difficult times, such as we face now. Rainy day funds make sense as they allow essential services to continue, uninterrupted. In the alternative, the City Council may choose to approve the "5% Correction Plan". Doing so would preserve the City's General Fund reserves.

The budget implements City Council's priorities while maintaining a reasonable financial position. As indicated previously, the budget is balanced in FY2010, consistent with established policy guidelines. The City also prepares a long term financial plan, titled *7 Year Trends & Projections*, with the budget. The purpose of the long term financial plan, which follows this section, is to project future fund balances to determine if any corrective action is needed now to achieve the policy reserve target of 20% operating expenditures or above the \$2 million minimum reserve.

Our long term financial projections suggest we take corrective action this year of approximately \$.8 million, or 5% of the General Fund operating budget, i.e. the "5% Correction Plan". However, it does not include any impacts from the state budget proposals which will be covered later. Due to the magnitude of this amount, the City Council is requested to take corrective action now. As such, staff will be presenting a companion report, as part of the budget, that itemizes options for City Council's consideration that would bridge the gap and place the City's finances on a trajectory to achieve the policy reserve target by FY2014. The benefit of long term planning is that issues can be identified and corrected earlier and more time can be devoted to solving a problem. These forces tend to moderate the impact when making budget cuts. City Council should be aware that the budget, as proposed, is balanced. There is no legal or policy requirement for the City Council to act now on the corrective action plan. The problem simply gets larger, and therefore, harder, to solve, if nothing is done. This is the approach the state has taken and we can clearly see the predicament they are in as a result of their inaction.

Message From the City Management (continued)

City Council may be asking what is driving the need for the corrective action? In short, it's a revenue problem being driven by the recession and the sustained impact of state takeaways. If these two forces were not at work, the City would have a balanced budget in both the near and long term, including taking into account recently adopted labor agreements and the effects of implementing the new accounting pronouncement for post employment benefits beginning this fiscal year (GASB 45).

As discussed earlier, the Correction Plan has not been incorporated into the budget. City Council is asked to consider the alternatives in the plan and take affirmative action to amend the budget by those proposals selected.

Due to the depth of the recession, the budget further assumes that, for the most part, correction strategies started in FY 2004 & FY 2005 continue. The noted exception to this is where City Council has restored select positions or authorized reclassification to either effectuate a reorganization plan, address changes in functional responsibilities, save costs or enhance recruitment efforts.

This budget addresses City Council's priorities as established through the Priority Calendar process. For instance, the budget includes focused efforts on infrastructure, General Plan update, Economic Development priorities, redevelopment of the Emmett House, Construction of the US 101/Ralston Pedestrian/Bike Bridge and Green Action Plan efforts. All of these endeavors are discussed in detail later in this Budget Brief.

Concerted efforts to contribute to sustainability have taken a lead role in Belmont. The City's Green Advisory Committee is expected to roll out their recommendations in the Summer 2009. Additionally, this budget continues the practice of issuing to Belmont residents a \$250 voucher for City services/programs to encourage purchases of Partial Zero Emission Vehicles (PZEV) and Zero Emission Vehicles (ZEV). Implementation of hybrids, plug-ins, clean diesel, and a Fleet Conversion Plan are examples of other efforts to make Belmont a Green City. Lastly, the City is a leader in offering solar permits at no cost to its residents.

Budget Analysis

General Fund revenues have been impacted by the recession. As discussed earlier, the budget assumes a "U" shaped recovery. Staff is calculating a slight increase from the FY 2009 estimate, which has been revised downwards by nearly \$.6 million from last June, to \$16.0 million this next year. Revenues are expected to continue to grow in property tax by \$.1 million, after taking into account the County Assessor's Property Tax Reassessment Program which automatically lowered assessed valuations on property that was sold recently and is now "below market". This one time adjustment offset nearly 3% of property tax growth that was on the tax rolls. Sales tax is expected to be flat.

General Fund revenues support basic services including police, public works, parks & recreation and general government operations. The General Fund revenues have several components:

Taxes	Property Tax	\$3.2 million
	Sales Tax	\$3.1 million
	Transient Occupancy Tax	\$1.1 million
	Vehicle License Fee	\$2.0 million
	Other Taxes	\$1.2 million
Licenses & Permits		\$0.7 million
Intergovernmental		\$0.4 million
Other		\$4.3 million
TOTAL		\$16.0 million

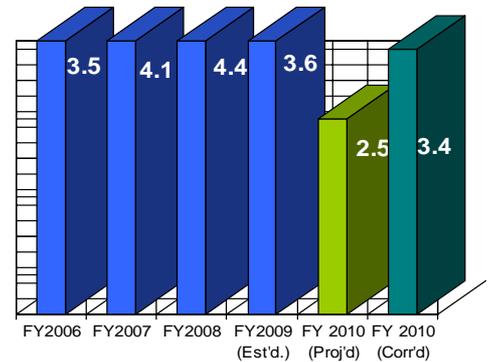
Total revenues for all other funds in FY 2010 are estimated at \$38.5 million, excluding transfers. Other fund revenues include \$7 million in service charges for sewer/storm drain operations and construction, \$6.4 million in property taxes to support fire protection services, and \$5.6 million in revenues supporting street maintenance and improvement activities.

The increase in enterprise revenue is attributable to a 7.0% increase in aggregate sewer service charges.

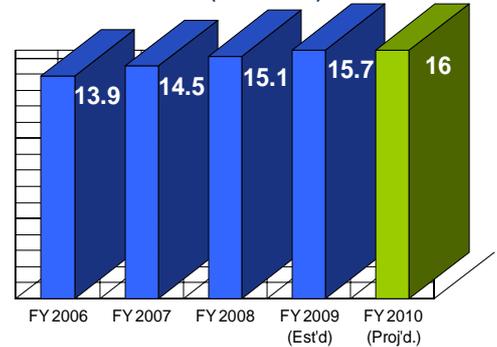
The Belmont Fire Protection District will also benefit from the 2.9% increase in property taxes discussed above.

General Fund Results & Trends

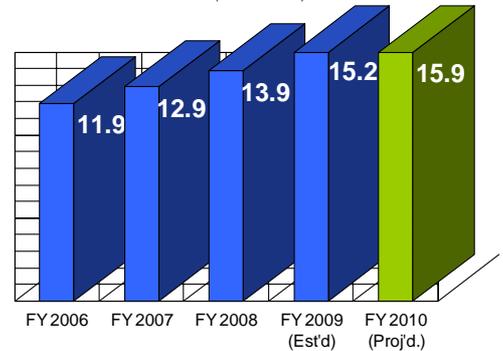
Fund Balance Trends
(in \$ millions)



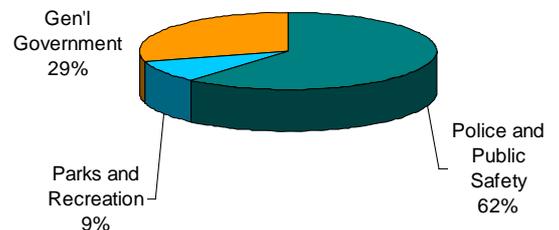
Revenue Trends
(in \$ millions)



Expenditure Trends
(in \$ millions)



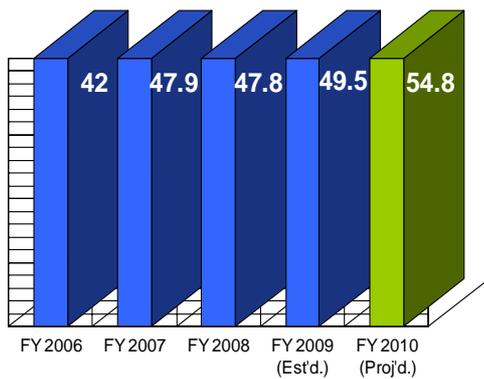
Expenditure by Function



City-wide Results & Trends

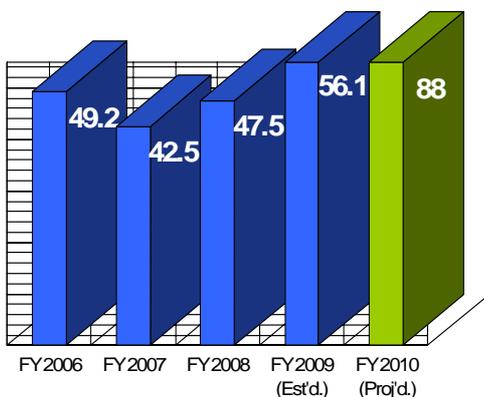
Total City Revenue Trends

(in \$millions)



Total City Expenditure Trends

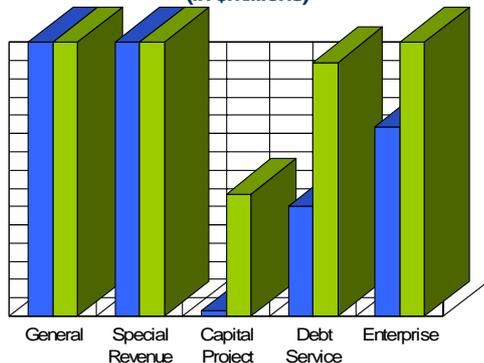
(in \$millions)



Fund Expenditures

FY 09 (Est'd) vs. FY 10 (Proj'd)

(in \$millions)



Message From the City Management (continued)

Street maintenance activities are largely supported by Measure A sales taxes, grants and engineering services. Measure A sales taxes are down considerably from previous estimates. The budget assumes no growth from this revenue source. By contrast, grants are up from \$.4 million in FY 2009 to \$3.8 million in FY 2010. Of this amount, \$2.6 million is from federal grants earmarked for the Ralston/101 Bike Bridge project. The balance of street funding comes from engineering charges to capital projects. This is for design work performed in-house by the City's professional engineering staff.

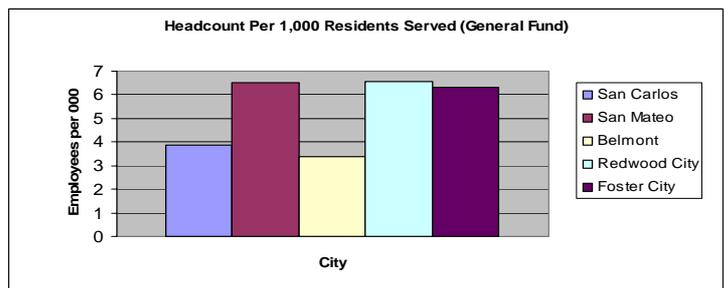
In FY 2010, General Fund expenditures total \$15.9 million, up \$.6 million from \$15.3 million estimated in FY 2009. The increase can be attributable to personnel costs due to the assumed filling of vacant positions, commitments in labor agreements and cost of living adjustments. This budget continues the best practice of fully funding the \$.8 million in ARC (Annual Required Contributions) costs associated with implementing GASB 45, Other Post Employment Benefits.

Total expenditures for all other funds in FY 2010 are estimated at \$80 million, excluding transfers. The City expects normalcy to return the debt markets in FY 2010 after the credit crisis of FY 2009 begins to unwind. As has been the case in prior years, the City continues to make progress towards improving its infrastructure where revenue sources are available. For instance, the budget assumes the City will issue nearly \$55 million in debt this year for sewer treatment, system collection and redevelopment purposes. Of this amount, \$28 million is contemplated to fund the sewer treatment facility renovation. Another \$8.6 million bond is envisioned for sewer system and storm drain corrugated pipe repairs. These improvements will address an aging infrastructure that is in a state of disrepair and alleviate wet weather inflow and intrusion of surface water in the treated waste water stream. The \$32.9 million planned last year as part of a comprehensive refunding of existing Redevelopment Agency debt, coupled with new debt issuance, is scheduled to go forward. The budget assumes interest rates will remain low and opportunities to save on borrowing costs will occur. New monies from the securitization of tax increment generated in the Redevelopment Agency will be used to support the 5 Year Capital Improvement Program which includes considerable financial resources towards implementing the Economic Development efforts.

The table below indicates the allocation of resources to key service areas.

Fire protection services	\$6.8 million
Street maintenance and improvements	\$6.2 million
Sewer/storm drains operations and capitals	\$19.1 million
RDA Low and Moderate Income Housing	\$8.7 million
RDA Refinancing	\$13.9 million
RDA downtown projects and improvements	\$5.5 million

It is important to place the budget into perspective. Belmont has been, and continues to be, a fiscally well managed city. For example, Belmont has the lowest General Fund budget and employee headcount per 1,000 residents served of any of the adjoining cities (2009 values).



The City has accumulated reserves. Reserves fund capital projects and largely account for the difference between total revenues and total expenditures, once debt issues have been factored out. In addition, City Council has established a prudent reserve level to protect against service reductions or raising taxes and fees due to temporary revenue shortfalls or unpredicted events.

Another key provision in this budget is the continuance of a \$50 thousand contingency reserve for unanticipated expenses. This reserve plays a critical role in addressing unforeseen emergencies without destabilizing the budget.

Base Assumptions

Demographics

- Inflation: 1.16 increasing for the region
- Office Vacancy: 25.8% and decreasing for the City.
- Unemployment: 7.6% and rising for County

Revenues

- Revenues: Moderate growth on reduced base with most key categories
- Property taxes: 2.29% for Belmont and 8.88% for the Redevelopment Agency (Long term 4 - 5%)
- Sales Tax: 1% for Belmont (Long term 3.5 - 5% growth)
- Interest rates: 1.9% for investments (Long term rising to 3-5% on assets)

Operations and Capital Improvements

- Personnel costs: 4% for entire projection
- PERS costs: 13.0% for Miscellaneous; 30.1% for Safety (Long term 13.26% Miscellaneous; 30.7% Safety)
- Supplies and services costs: 2.5% growth with exceptions for fuels, utilities, insurance, etc. (Long term 4%)
- Capital program: \$19.8 million allocated
- RDA Capital and Refunding: \$37 million

State Actions

- Governor's proposal
 - Delayed state mandated claims for 2 years
 - Sales tax swap (Triple Flip) continues until FY 2013
- Legislative Analyst's proposal
 - \$38,000 in booking fees reimbursements
 - \$100,000 in supplemental law enforcement funds
 - \$99,000 in Proposition 172 Law Enforcement sales tax

Message From the City Management (continued)

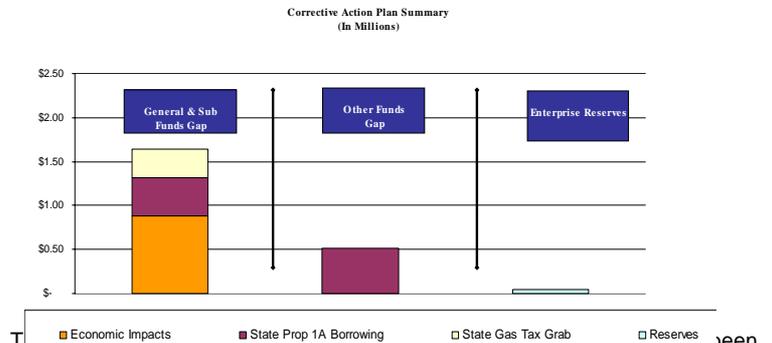
Perhaps the greatest emerging threat to the budget is not the recession, imposition of mandates like GASB 45, maintaining a competitive labor force or addressing an aging infrastructure, but instead, fending off budget raids by the State of California.

As of the drafting of this budget message, the state's massive budget deficit was estimated at \$24 billion. The Governor's May Revise, and two subsequent budget releases, take the state back to the days of unbridled revenue grabs of limited local government resources. Based on what has been proposed so far, the Governor is suggesting redirecting \$1.3 million from Belmont. Of this amount, \$.9 million is in the form of a one-time, 8% property tax borrowing (pursuant to Proposition 1A). \$.4 million can be attributed to the General Fund and \$.5 million to the Belmont Fire Protection District. According to the Constitution, which authorizes the Governor to take the action under a severe financial hardship, the redirects are to be treated as loans and repaid with interest in three years. A significantly more troubling proposal involves the balance of the redirects through the permanent taking of \$.3 million, or 71%, of local gas tax. These funds provide the primary funding source for street maintenance. The latter proposal has met significant resistance and may be restructured as a loan.

Perhaps the most important point to take from this is that the state is in financial disarray. City Council is likely to hear and read about numerous draconian budget measures which, if enacted, would significantly impact the City's ability to deliver services and would create massive deficits. Should the state take an adverse action, it is unlikely it will occur prior to this budget being adopted. Furthermore, no consensus has developed in Sacramento on what to do and, unlike years past, the state does have a FY2010 Budget in place, albeit unbalanced. What will likely drive the state to adopt a budget is the impending cash flow crisis which begins in July 2009. As such, the City may not know until months after the required June 30th budget adoption date of the state's final resolution to its budget dilemma. Nonetheless, the City must take reasonable precautions should the state proceed with its proposals. As such, the City has developed as part of the corrective action plan a proposal for addressing the \$.9 million borrowing provision. However, the remaining \$.3 million in gas tax takings has not been formally addressed but could be accommodated if the final outcome is a loan.

As mentioned earlier in this message, the budget is influenced by two forces: recessionary pressures and state revenue grabs. Exclusive of the potential \$1.3 million state impact, a separate corrective action of approximately \$.8 million, or 5% of the General Fund operating budget is suggested.

The schedule below highlights the combined impacts of the recession and state proposal on the City:



The information presented in this schedule has been incorporated into the budget. City Council is asked to consider the alternatives in the plan and take affirmative action to amend the budget by those proposals selected.

Conclusion

The City's financial picture has deteriorated and prudent fiscal management necessitates the budget correction strategies put into place in prior years continue and new efforts to raise revenues and reduce costs be considered.

We would like to express our appreciation to all the staff for the hard work and collaboration shown in developing this budget and, in particular, the Finance Department for their efforts. The City is fortunate to have such a dedicated team.

Jack Crist, City Manager
Thomas Fil, Finance Director

Other Policy Issues

• Special Fund Considerations

– Recreation Fund

•The Parks & Recreation Department continues to make positive progress toward achieving a self sufficient recreation fund, including being ranked in the top three Parks and Recreation Departments on the peninsula for cost recovery. The City Council established a policy of capping general fund support of the Recreation Fund at \$560,000, and for the third consecutive year the Department has made progress toward achieving that goal. Recreation class revenue generated over \$400,000 for the first time in FY09, which is an increase of \$132,000 in revenue from FY06. The Department will continue to take proactive efforts towards improving revenues and reducing costs through focused marketing strategies, reducing administrative costs, targeted fee increases for classes and facility rentals, and finding the right programs for the community including weekend youth activities for working parents and small community focused events.

– Development Services Fund

•The budget anticipates a deficits in the Development Services Fund. The gap is closed through a combination of General Fund subsidies and a short term loan in the amount of \$295,000 from the Fleet Management Fund is proposed. The subsidy is projected to be closed in future years through revenue growth and applicable fee increases to self support fund activities. The loan is expected to be repaid from significant one time revenues the department anticipates from large projects that are temporarily deferred to economic conditions. Prudence dictates close monitoring of interim operating results to ensure the fund remains financially viable.

• Staffing

•As part of the City's Corrective Action Plan, certain vacancies will be held open on a case by case basis to preserve the City's flexibility in the event that more dramatic corrective action is necessary on the FY10 Budget. While the overall headcount FTE remains unchanged at 135.65, there are positions that staff has no intention of filling during the course of the year. Those positions include the Assistant City Manager and the Cashier/Receptionist. Both of these positions have been included in the 5% Corrective Action Plan.

•Rates

•The City's rate consultant has updated the 5 Year Sewer Rate Study. The rates for FY 2010 include a required revenue increase of 7.0% over the previous fiscal year revenue requirement. Future rate increases are expected to be single digit, before consideration of potential capital requirements for the treatment plant which is estimated at \$45.2 million. The 45 day notice was mailed and received by property owners at least 45 days prior to the Public Meeting to vote on the sewer charges, per Proposition 218 requirements.

•NPDES fees will again be reviewed during FY 2010 for appropriateness.

•A study to determine the cost of infill has been commissioned and new community facilities district tax will be further explored in FY 2010.

•Debt Issues

•The budget contemplates refinancing the outstanding RDA debt issues and issuing new debt to complement the economic development effort. The combined issue will include both project and housing funds. The issue is estimated at \$33 million, comprising of \$16.2 million in project and \$16.7 million in housing proceeds.

•The sewer revenue study and 5 Year CIP are predicated upon issuing a \$8,550,000 revenue bond in FY 2010.

•The first of three debt issuances for the Sewer Treatment Facility Charge Bonds of \$27.8 million is planned for FY 2010.

•Other

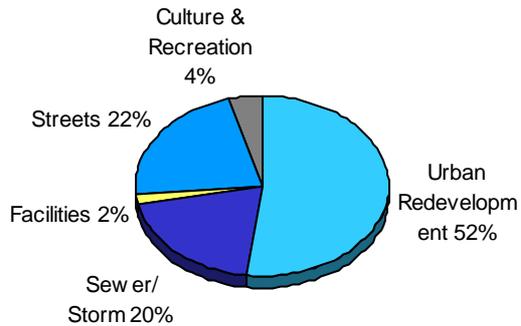
•The budget includes \$50,000 for contingencies.

5 Year Capital Improvement Plan and Capital Outlay Trends

The City's 5 year CIP is estimated at \$52.4 million.

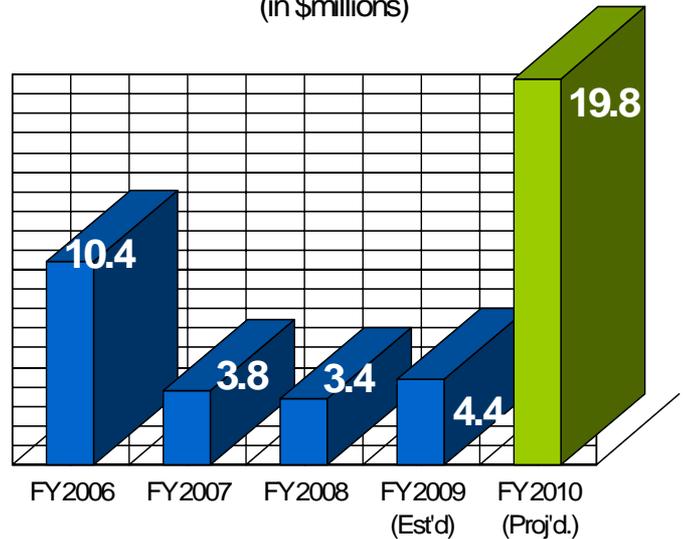
Projects proposed in FY 2010 total \$19.8 million.

Capital Projects by Function



Capital Outlay Trends

(in \$millions)



The coming fiscal year will include a very high rate of capital spending, reflecting the construction of a wide variety of projects for the community. Major projects for the upcoming year are highlighted below; the details of all projects can be found beginning in Tab 8.

- \$5.5 million for Redevelopment Agency projects, such as Street Improvements, Economic Development Target Sites and Façade Improvements
- \$3.9 million for a variety of sewer and storm drain improvements
- \$4.8 million for Emmett House, Economic Development Target Sites, Home Buyer Assistance and other Low to Moderate Income projects
- \$3.8 million for Highway 101 Bike/Pedestrian Bridge
- \$0.2 million for Technology Master Plan and Comcast PEG Program

The City Council adopted the following priorities for its two-year term:

•**Update the General Plan.** This project entails a multi-year, outside-consultant assisted, comprehensive update to the City's General Plan Elements and Specific Plans. Staff will utilize the City-wide Visioning Efforts, 2007-2014 Housing Element Update, and Economic Development/Village District Zoning Amendment Project as a precursor to commencing work on subsequent Elements of the General Plan.

•**Economic and Redevelopment Priorities.** The City continues to implement its comprehensive Economic Development program. The program includes three distinct strategies, which include targeting specific sites for economic development (business recruitment), annexing the Harbor Industrial Area (business recruitment and retention), and offering a host of services to the business community to encourage business retention and growth. The active target sites include large commercial development located on Shoreway Blvd. (Shoreway Place) and two mixed use sites along El Camino Real (Firehouse Square and Emmett's Plaza). A third mixed use site on Masonic Ave. (Belmont Station) is also being considered. The three mixed use sites form a connected, walkable, shopping and living experience that is themed as "The Villages at Belmont".

•**Parking Issues.** This is a concurrent effort with the Economic Development Target Site Policy Amendment project to review and develop a comprehensive parking management strategy for both on and off-street parking in the commercial business areas of the City.

•**Build a Bike/Pedestrian Bridge over 101.** The City previously secured \$2.6 million with the assistance of Congresswoman Eshoo, for the construction of the project, from new federal legislation (SAFETEA-LU) and other local grants. In 2009 the City secured an additional \$400,000 in local Grants and \$4.6 million in American Recovery and Reinvestment (ARRA) funds. Required reports, assessments, plans, and certifications have been completed on an expedited schedule with cooperation from the funding agencies, Caltrans, and Utility Companies. The City still needs to secure easements from the State Lands Commission, Environmental Permits, and retain the services of a Construction Management firm to manage the project during construction. The project is expected to be advertised in Fall 2009 and the contract awarded before the end of the year. The local share of the cost will consist of Redevelopment, Street, and some Measure A project specific funds to allow completion of the \$7.1 million project.

•**Emmett House Redevelopment.** The Emmett House has been relocated to its permanent site at Sixth and O'Neill. Foundation work was completed in the Summer of 2008. The construction contract has been awarded and remodeling the house into two affordable units will begin late summer of 2009 and will be completed by the summer of 2010.

•**Davey Glen and Semeria Parks.** The Parks and Recreation Department is in the process of designing two new parks in Belmont called Semeria Park and Davey Glen Park. The sites are very different in size, topography, and landscape and present fun and interesting challenges. Semeria Park is a small pocket park located in the Cipriani neighborhood at the intersection of Casa Bona and Semeria Avenues. The site is a flat dirt lot that will likely be transformed into a neighborhood meeting place with a play area for little ones and sitting areas for the adults. The project estimate for Semeria Park is \$288,000. Davey Glen Park is an acre in size with steep terrain in a dense Eucalyptus Forest located on Davey Glen Road. This park will likely be a more natural experience using the landscape to create both areas for active play and quiet reflection. The estimate for Davey Glen is \$450,000. Both designs are in process and the Department is planning on hosting site meetings for both parks in summer 2009. It is anticipated that designs will be complete by the end of the calendar year with construction scheduled for 2010.

•**Reduce City's Carbon Footprint and Greenhouse Gas Emissions.** The City Council has created a 20-member Green Advisory Committee organized into five research teams that will address 1) Waste Reduction & Recycling; 2) Transportation; 3) Building & Utilities; 4) Outreach and 5) Sustainability/Keeping It Green ideas; The committee continues to meet on a monthly basis and will be presenting a draft recommendation report to the City Council in Summer 2009. A final recommendation report is expected to be reviewed and adopted by Council within the next year.

•**Update City's Infrastructure.** Belmont is an older City with aging infrastructure. The City is taking a long term infrastructure approach to addressing long deferred maintenance. It is evaluating and diagnosing all aspects of its infrastructure including Parks & Open Space, Transportation, Water, Sewer, Regional Sewage Treatment, Drainage, Buildings and Technology. Financing plans and specific immediate action is being taken within the City's available resources. The City Council has created an "Infrastructure Sub-Committee" to guide these efforts.

•**Garbage Franchise.** The City has selected NorCal as its new garbage collection company beginning January 1, 2011. Contract negotiations are currently being initiated. Residents will receive new wheeled garbage totes in the winter of 2010. The collection system is concurrently being re-engineered to include "single stream" recycling and automated side loading collection trucks.

•**Code Enforcement.** Keeping the City clean and free from blight is a high priority of Council and staff. An internal multi department effort via the Administrative Code Enforcement Team (ACET) is assessing the City Council's highest priority areas. Initial areas of focus are Old County Road and El Camino Real. Subsequently, the ACET group will reorganize to implement a revolving inspection, education, and follow-up program that will address code enforcement issues on a city-wide basis during the next year.

Department Initiatives

The administrative departments provide direction and support the entire organization. The **City Manager's Office** will emphasize controlled spending in light of the recession and its dampening impact on City revenues. Every effort will be made to minimize negative impacts on City services in order to continue with the same high quality of life in our community. Belmont continues to promote citywide "best practices" and coordination of resident and Council inquiries or requests for City services. Belmont plans to reduce community greenhouse gas emissions by implementing the recommendations included in the Green Advisory Committee's report and by exploring the installation of a solar photovoltaic system on the Belmont Library roof, as well as implementing other energy conservation measures. The carbon footprint of City government operations and facilities has been developed and will be used as a benchmark to measure against future climate protection actions taken by the City. The **Information Services Department** continues the implementation of the 5-year Technology Plan adopted by Council. This plan includes a new Financial and Human Resources system as well as the development of enhanced e-commerce capabilities. The **City Clerk's Office** will be assisting with the coordination of a City Council election in November 2009. In addition, it will continue expanding the document imaging and agenda preparation system, which allows electronic storage and retrieval of public documents, available to the public via the City's website. The **Human Resources Department** will focus on attracting and retaining highly qualified, customer-service driven, and environmentally focused employees; develop a succession/work force program in preparation for planned and unplanned absences of management; provide opportunities for training and career development to ensure that employees are educated and trained on the best practices in their field; focus on performance evaluation management to ensure accountability and the highest level of service provided to the community; and negotiate a new labor agreement with the BSCFD Fire Management Unit that is fiscally sound and meets the important needs of each group. The **Finance Department** will continue implementation of a new financial system that aims to improve financial reporting and streamline accounting processes; further revitalization efforts, such as the Beautiful Belmont program and the City's Economic Development efforts.

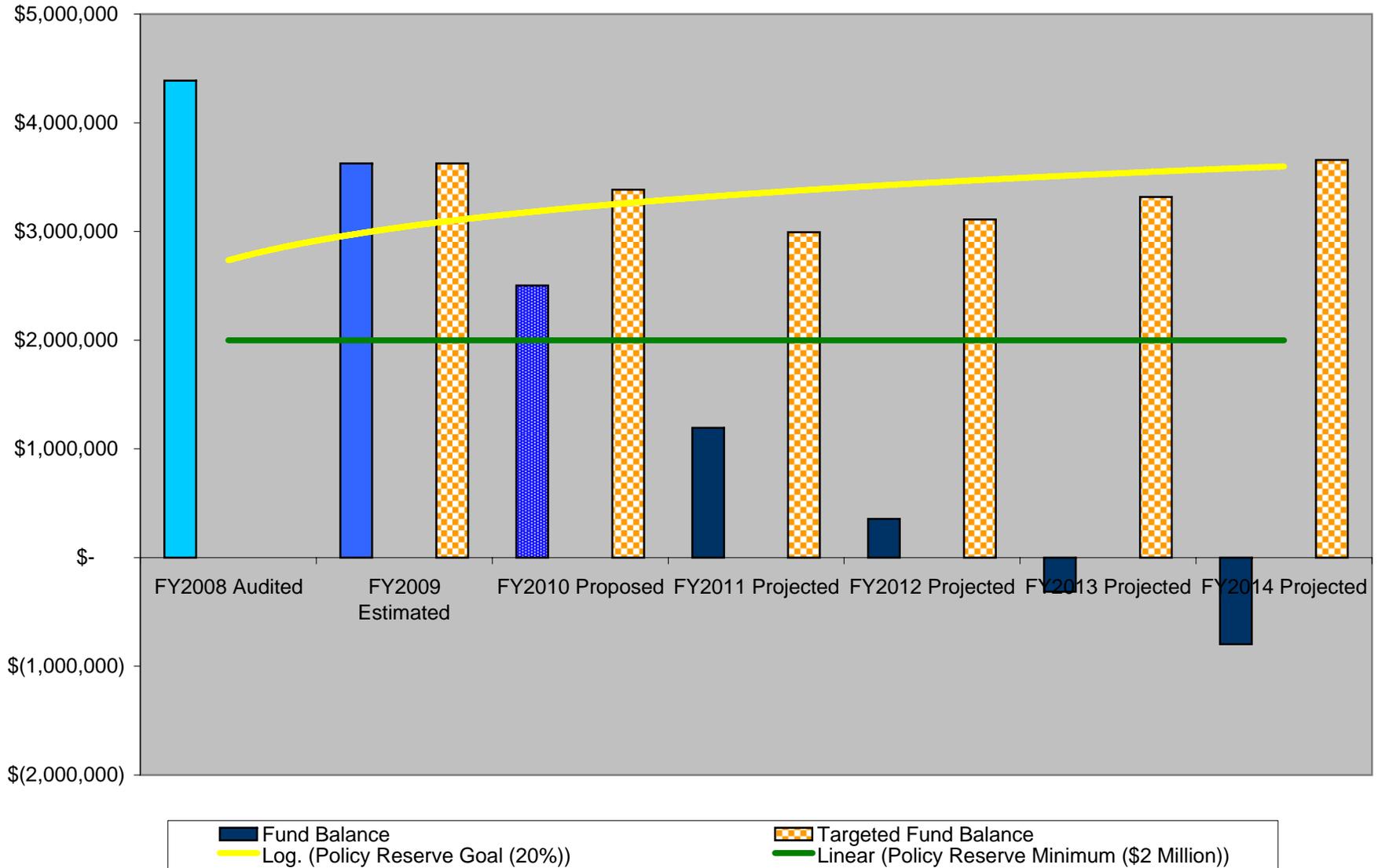
The **Community Development Department** continues to enhance customer service in concert with community preservation efforts via implementation of noise control, construction time limit, and administrative code enforcement ordinances to assure their success. Permit Efficiency Task Force (PETF) recommendations streamlining the permitting process continue to be implemented. Qualitative zoning amendment projects are underway to better protect trees/open space and historic resources, and assure reasonable and high-quality development to improve the look of the El Camino Real/Ralston Avenue Corridor. The department will continue its strong role in furthering the Economic Development Priority site efforts through land use/policy amendments, property acquisition, and creation/enhancement of affordable housing opportunities. Related projects to this effort include review and adoption of 1) the City's 2007-2014 Housing Element Update & 2) the Belmont Villages Zoning Amendment Project. Completion of a Residential Design Guidelines project, facilitation & adoption of Green Advisory Committee (GAC) recommendations, and implementation of an improved Façade Improvement Program for RDA commercial businesses is expected in FY10.

The **Parks & Recreation Department** is charged with environmental stewardship, while keeping 13 parks, 11 athletic fields, over 300 acres of open space, the medians and grade separation safe and aesthetically pleasing. The Parks Division also manages the major facilities in Belmont and is leading the design and construction of two new parks. The Recreation Division offers quality enrichment classes to promote learning opportunities for all ages and interests, Citywide special events, community service opportunities for teens, social opportunities and activities for seniors to maintain community connection, and a pre-school serving 70 children to foster human development. The Recreation Division also facilitates use of city properties for meetings, parties, and a host of other community events, and schedules use of 11 athletic fields for local youth and adult sports leagues, which promote active and healthy lifestyles. The Recreation Division is a significant contributor to the General Fund, being among the top three Recreation Departments on the Peninsula for return on investment. The Parks and Recreation Department is committed to providing outstanding services to our community and touching the lives of every Belmont citizen.

The **Police Department** will focus on five key areas: 1) Continue our integral role in the long-term problem solving process. 2) Improve the safe flow of traffic by utilizing a combination of enforcement, education, and technology. 3) Remain closely connected to our youth through school programs. 4) Work with the Belmont-San Carlos Fire Department to enhance Emergency Preparedness. 5) Prepare for predictable personnel vacancies through succession planning.

The **Public Works Department** will continue to provide a high level of customer service in the environmental, fleet maintenance and transportation areas. The Department will continue to implement a new, more cost effective approach for videoing, maintaining, and undertaking emergency repairs of the sewer system. Significant sewer and storm drain capital improvement projects are being designed and will go out for construction, and an innovative approach to our Pavement Management Plan is being implemented by bringing the slurry seal program in-house, allowing more streets to receive preventative maintenance. Public Works will also investigate feasibility of LED Streetlight for a pilot location as well as solar power for City pump stations. Staff will continue to work with residents and businesses to address traffic calming and parking issues throughout the City. Grants are being applied for additional roadway and storm water management projects and for the Pedestrian and Bicycle Bridge across US 101 north of Ralston Avenue.

General Fund Balance - 7 Yr Trends & Projections



**City of Belmont
FY 2010 Budget
General Fund and Subsidized Funds
Seven Year Trends & Projections
FY2008 - FY2014**



Fund		Major Sources & Uses	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	
Number	Description		Audited	Estimated	Proposed	Projected	Projected	Projected	Projected	
101 General Fund		Sources								
	<i>Property tax</i>	\$ 5,009,147	\$ 5,015,217	\$ 5,136,466	\$ 5,341,925	\$ 5,609,021	\$ 5,889,472	\$ 6,183,946		
	<i>Sales tax</i>	3,136,338	3,111,634	3,142,787	3,252,785	3,415,424	3,586,195	3,765,505		
	<i>Transient occupancy tax</i>	1,199,800	1,111,895	1,112,117	1,139,920	1,651,929	1,734,525	1,821,252		
	<i>Other taxes</i>	1,144,109	1,170,878	1,212,565	1,255,005	1,311,480	1,370,497	1,432,169		
	<i>License & permits</i>	701,575	747,691	747,691	762,645	789,337	816,964	845,558		
	<i>Use of money & property</i>	374,737	341,593	365,321	376,281	391,332	410,898	431,443		
	<i>Intergovernmental</i>	419,775	413,962	410,661	420,928	431,451	442,237	453,293		
	<i>Fines & forfeitures</i>	202,285	211,531	230,570	236,334	242,243	248,299	254,506		
	<i>Service charges</i>	2,914,051	3,340,753	3,456,015	3,576,976	3,720,055	3,868,857	4,023,611		
	<i>Miscellaneous & other</i>	46,513	218,273	222,000	229,770	237,812	246,135	254,750		
	<i>Non-subsidized transfers</i>	37,421	-	-	-	-	-	-		
	Subtotal	15,185,751	15,683,427	16,036,193	16,592,567	17,800,083	18,614,079	19,466,032		
		Uses								
	<i>General government</i>	4,101,772	4,354,569	4,640,723	4,736,859	4,997,562	5,154,734	5,318,653		
	<i>Public safety</i>	8,262,024	9,195,668	9,753,590	10,033,912	10,442,398	10,867,513	11,309,935		
	<i>Culture & recreation</i>	1,490,987	1,622,282	1,498,307	1,545,388	1,611,244	1,679,907	1,751,496		
	<i>Miscellaneous & other</i>	39,944	37,927	41,604	42,644	44,137	45,681	47,280		
	<i>Non-subsidized transfers</i>	671,999	490,465	116,114	-	-	-	-		
	Subtotal	14,566,726	15,700,911	16,050,338	16,358,804	17,095,341	17,747,835	18,427,364		
	Gross Available	619,025	(17,484)	(14,145)	233,763	704,742	866,244	1,038,668		
205 Recreation		Sources								
	<i>Service charges</i>	985,826	994,750	1,017,713	1,068,599	1,122,029	1,178,130	1,237,037		
	<i>Intergovernmental</i>	24,606	22,315	20,600	20,600	20,600	20,600	20,600		
	<i>Miscellaneous & other</i>	19,219	22,600	24,500	25,725	27,011	28,362	29,780		
	<i>Other financing sources</i>	1,494	404	-	-	-	-	-		
	Subtotal	1,031,145	1,040,069	1,062,813	1,114,924	1,169,640	1,227,092	1,287,416		
		Uses								
	<i>Recreation</i>	1,662,249	1,779,613	1,808,339	1,865,162	1,932,164	2,001,573	2,073,476		
	Subtotal	1,662,249	1,779,613	1,808,339	1,865,162	1,932,164	2,001,573	2,073,476		
	Net difference	(631,104)	(739,544)	(745,526)	(750,239)	(762,524)	(774,481)	(786,059)		
	Fund Balance Availability	6,254	-	-	-	-	-	-		
	Subsidy Requirement	624,850	739,544	745,526	750,239	762,524	774,481	786,059		

**City of Belmont
FY 2010 Budget
General Fund and Subsidized Funds
Seven Year Trends & Projections
FY2008 - FY2014**



Fund		Major Sources & Uses	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Number	Description		Audited	Estimated	Proposed	Projected	Projected	Projected	Projected
210 Development Services		Sources							
	License & permits	595,300	559,182	581,000	627,480	677,678	731,893	790,444	
	Service charges	549,517	498,060	607,600	656,208	708,705	765,401	826,633	
	Miscellaneous & other	10,543	7,374	8,000	8,240	8,487	8,742	9,004	
	Other financing sources	61,856	295,000	-	-	-	-	-	
	Subtotal	1,217,216	1,359,616	1,196,600	1,291,928	1,394,870	1,506,035	1,626,081	
		Uses							
	General Government	1,297,125	1,257,915	1,141,435	1,176,636	1,218,805	1,262,486	1,307,732	
	Highways and Streets	272,971	299,765	305,520	313,693	324,751	336,199	348,051	
	Subtotal	1,570,096	1,557,680	1,446,955	1,490,329	1,543,557	1,598,685	1,655,783	
	Net difference	(352,880)	(198,064)	(250,355)	(198,401)	(148,686)	(92,650)	(29,702)	
	Fund Balance Availability	194,813	67,112	60,725	1,687	-	-	-	
	Subsidy Requirement	158,067	130,952	189,630	196,714	148,686	92,650	29,702	
231 Street Maintenance		Sources							
	Gas tax	751,211	767,735	761,211	772,629	784,219	795,982	807,922	
	Service charges	467,733	481,100	542,100	566,495	589,154	612,720	637,229	
	Miscellaneous & other	33,682	21,870	16,791	17,630	18,512	19,437	20,409	
	Other financing sources	-	-	100,000	-	-	-	-	
	Subtotal	1,252,626	1,270,705	1,420,102	1,356,754	1,391,884	1,428,139	1,465,560	
		Uses							
	Highways & streets	1,316,492	1,478,549	1,722,837	1,768,926	1,831,283	1,895,839	1,962,671	
	Subtotal	1,316,492	1,478,549	1,722,837	1,768,926	1,831,283	1,895,839	1,962,671	
	Net difference	(63,866)	(207,844)	(302,735)	(412,172)	(439,399)	(467,700)	(497,111)	
	Fund Balance Availability	576,879	513,011	305,168	2,432	-	-	-	
	Subsidy Requirement	(513,013)	(305,167)	(2,433)	409,740	439,399	467,700	497,111	
625 Facilities Management		Sources							
	Service charges	594,283	618,518	612,812	628,132	650,117	672,871	696,422	
	Use of money & property	409,145	364,163	351,710	362,261	376,752	395,589	415,369	
	Other financing sources	15,406	-	-	-	-	-	-	
	Subtotal	1,018,834	982,681	964,522	990,394	1,026,869	1,068,460	1,111,790	
		Uses							
	General government	705,206	646,716	628,260	647,635	670,845	694,888	719,792	
	Culture & recreation	470,021	515,347	513,003	529,123	548,131	573,928	600,940	
	Subtotal	1,175,227	1,162,063	1,141,263	1,176,758	1,218,976	1,268,816	1,320,732	
	Net difference	(156,393)	(179,382)	(176,741)	(186,364)	(192,107)	(200,356)	(208,942)	
	Fund Balance Availability	84,037	3	-	-	-	-	-	
	Subsidy Requirement	72,356	179,379	176,741	186,364	192,107	200,356	208,942	

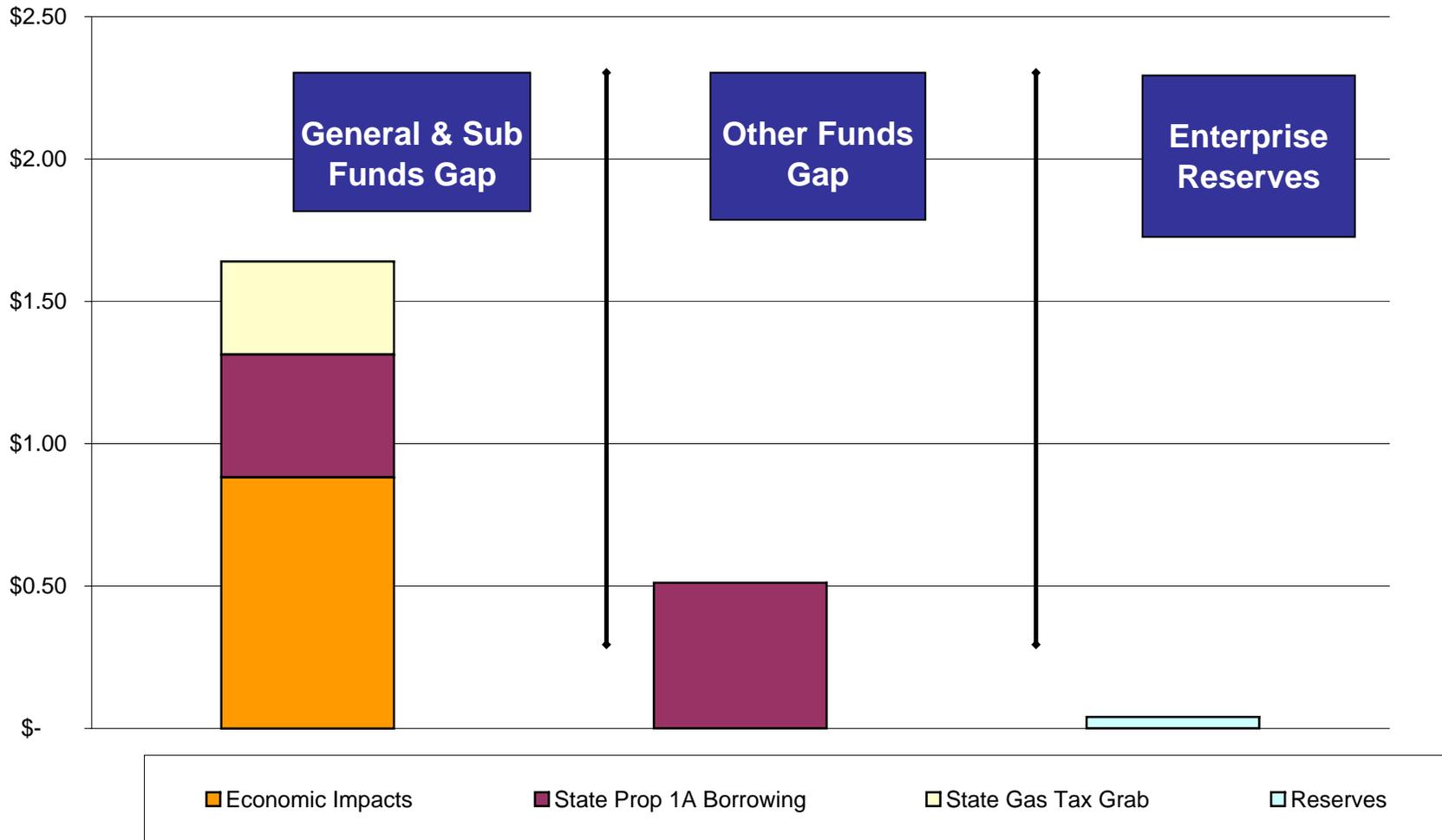
City of Belmont
 FY 2010 Budget
 General Fund and Subsidized Funds
 Seven Year Trends & Projections
 FY2008 - FY2014



Fund		Major Sources & Uses	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Number	Description		Audited	Estimated	Proposed	Projected	Projected	Projected	Projected
	General Fund Balance	Net Available	\$ 276,765	(762,191)	(1,123,609)	(1,309,294)	(837,975)	(668,943)	(483,146)
		Beginning Fund Balance	4,111,586	4,388,351	3,626,160	2,502,550	1,193,256	355,281	(313,663)
		Projected Ending Fund Balance	\$ 4,388,351	\$ 3,626,160	\$ 2,502,550	\$ 1,193,256	\$ 355,281	\$ (313,663)	\$ (796,808)
		Reserve Requirement	\$ 2,778,945	\$ 3,042,089	\$ 3,186,845	\$ 3,271,761	\$ 3,419,068	\$ 3,549,567	\$ 3,685,473
		Target Correction	N/A	N/A	\$ 882,500	\$ 917,800	\$ 954,512	\$ 992,692	\$ 1,032,400
		Targeted Ending Fund Balance	N/A	\$ 3,626,160	\$ 3,385,050	\$ 2,993,556	\$ 3,110,093	\$ 3,317,305	\$ 3,659,347

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**City of Belmont
FY 2010 Budget
Correction Plan Summary
(In Millions)**



City of Belmont FY 2010 Budget Budget Correction Plan Summary

	Strategy	Schedule Reference	Amount	
			Attributable to Belmont	Attributable to State
For Budget Gap	General Fund & Subsidized Fund Gaps			
	Economic Impacts	A	\$ 882,500.00	\$ -
	State Prop 1A Borrowing - City	B	\$ -	\$ 431,256.00
	State Gas Tax Grab	B	\$ -	\$ 326,693.01
	General Fund Gap		\$ 882,500.00	\$ 757,949.01
	Other Fund Gap			
	State Prop 1A Borrowing - Fire Distric	B	\$ -	\$ 511,925.52
	Other Fund Gap		\$ -	\$ 511,925.52
	Total Gap		\$ 882,500.00	\$ 1,269,874.53
	General Fund & Subsidized Fund Strategies			
	Proposed Target Plan-Expenditures	C	\$ 1,148,694.43	\$ -
	Proposed Target Plan-Revenues	D	\$ 1,936,659.84	\$ 431,256
	General Fund & Subsidized Fund Strategies		\$ 3,085,354.27	\$ 431,256.00
	Other Fund Strategies			
	Proposed Target Plan-Expenditures	C	\$ 119,771.32	\$ -
Proposed Target Plan-Revenues	D	\$ -	\$ 511,926	
Other Fund Strategies		\$ 119,771.32	\$ 511,926.00	
Total Strategies		\$ 3,205,125.59	\$ 943,182.00	
Difference		\$ 2,322,625.59	\$ (326,692.53)	

For Reserves	Enterprise Fund Strategies			
	Proposed Target Plan-Expenses	C	\$ -	\$ -
	Proposed Target Plan-Revenues	D	\$ 40,832.00	\$ -
	Enterprise Fund Strategies		\$ 40,832.00	\$ -

City of Belmont FY 2010 Budget Correction Strategies Schedule A

Economic Impacts to General Fund

General Fund Economic Impacts

FY 2009 Fund Balance Shortfall	\$	(351,085)
Estimated Revenue Shortfall	\$	(1,016,102)
Estimated Expenditure Savings	\$	764,945
Net General Fund Economic Impact	\$	(602,242)

Other Funds Economic Impacts

Development Services Subsidy	\$	(191,317)
Recreation Services Support	\$	(88,941)
Net Other Funds Economic Impacts	\$	(280,258)
Net Economic Impacts	\$	(882,500)

City of Belmont FY 2010 Budget Correction Strategies Schedule B

State Prop 1A Borrowing:

FY 2008/09 Estimated Property Taxes:	\$	5,390,700
8% (Maximum Prop 1A borrowing)		8%
Estimated General Fund Impact		\$ (431,256)

FY 2008/09 Estimated Property Taxes:	\$	6,399,069
8% (Maximum Prop 1A borrowing)		8%
Estimated Fire District Fund Impact		\$ (511,926)

Gas Tax Grab

FY 2010 Gas Tax		460,131.00
71% (Proposed reduction)		71%
Estimated Street Maintenance Impact		\$ (326,693)

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Proposed Correction Strategies					
Service Reductions					
City Clerk					
<p>Most of the proposals from the City Clerk's office are easily achievable. Reduction in deputy overtime could affect whoever the new deputy might be (previous deputy accrued comp time rather than charging OT). Reductions in advertising budget could affect mandatory advertising associated with ordinance revisions. Travel and training for a new deputy could be compromised with the reduction in that line item. General supplies reduction results from completion of one-time historic photo display project. City Clerk has declined anything but a COLA salary adjustment (i.e., no equity).</p>					
C1	Decline of equity adjustment for City Clerk.	City Clerk	101	1101	\$ 5,808.00
C2	Reduction in allocation for temporary part-time salaries from \$6,840 to \$4,550.	City Clerk	101	1101	\$ 3,913.00
C3	Reduction in overtime for Deputy from \$3245 to \$1622 (halved). Reduction in Repair and Maintenance Service from \$500 to \$250 (halved). Reduction in postage/delivery from \$1,200 to \$900. Reduction in advertising budget from \$5,500 to \$2,750 (halved). Reduction in Printing and Binding from \$1,030 to \$500. Reduction in Travel/Training from \$5,300 to \$3,000. Reduction in General Supplies account from \$7,080 to \$3,000.	City Clerk	101	1101	\$ 9,532.00
City Council					
<p>From the City Council's budget, \$4,200 was eliminated from the miscellaneous account, which may impact the City Council support for Closed Sessions. \$5,000 was deducted from the Council Contingency account. This will have no impact on current service levels.</p>					
C4	Delete \$3,800 from Special Projects 101-4100-8351 (no special projects for Council)	City Council	101	4100	\$ 3,800.00
C5	Delete \$28,000 from Special Projects - 101-4100-8351 (move Comcast payment to 312 PEG fund)	City Council	101	4100	\$ 28,000.00

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
C6	Delete \$4,200 from Misc - 101-4100-8599 (reduced food budget for Council meetings)	City Council	101	4100	\$ 4,200.00
C7	Reduce Misc. Contingency budgeted amount to \$45,000	City Council	101	4100	\$ 5,000.00
City Manager					
The elimination of the Assistant City Manager position will reduce the City general fund personnel costs by \$225,000. This action will have no impact on current service level. The position has been vacant since 2005 and given the current hiring freeze, there is no immediate plans to fill it. With the current state of the economy, there is little likelihood of filling the position within the next two years.					
C8	Delete Assistant City Manager Position	City Manager	101	1301	\$ 225,000.00
Community Development					
The resulting fund reductions (to 101-6201 & 822-6101) would also significantly diminish outside consultant services for policy review, zone text amendments, and general plan updates. Any significant policy efforts for FY09-10 will be required to be largely funded via the General Plan Maintenance Fee/Fund (212-6312). This action could create a delay in the completion of some Priority Calendar and/or other General Plan Update policy efforts.					
C9	Reduce allocation for "Other Professional/Planning" support from \$25,000 to \$10,000	Com Dev	101	6201	\$ 15,000.00
Finance					
The reallocation of job duties of a full-time Accounting Technician is predicated upon the continuance of reduced permit activity in the Permit Center. Should the Permit Center volume of activity increase, then this strategy will need to be reevaluated as the work-load of the Office Assistants may no longer support the additional work-load assigned.					
C10	Restructure cashier and reception support by the Accounting Technician assigned to the Permit Center. Temporary hiring freeze of vacant Accounting Technician	Finance	101	1501	\$ 93,154.00

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Human Resources					
<p>The 5% correction for the Human Resources Department totals to \$ 24,500. Deductions were made to the Other Professional/Technical account because we anticipate using less labor relations consulting; we have concluded two major labor negotiations but will need to begin strategic planning for the BSCFD Fire Management Unit due to expire in December 31, 2010. Although there is an anticipated need to do Executive Recruitment for a Department Head vacancy; due to the budget reductions Human Resources is planning to not use an Executive Recruitment firm. Traditionally, the City has used Executive Service Firms to recruit for Department Head positions even if there is an appointed Interim Director. Human Resources intends to do this high level recruitment in house. This means the Human Resources Director and Management Analyst will need to put other day-to-day work aside to focus on this very involved/time consuming recruitment process. Reductions were also made in the Pre-Employment Services account. In anticipation of a significant decline in recruitment, we anticipate a reduction in recruitment expenses and testing services.</p> <p>In the event, there are more recruitments than anticipated, the Human Resources Office will need to implement innovative, cost effective recruitment strategies and develop in house examinations that normally were outsourced. This will take away both Human Resources staff and operational/departmental subject matter experts time from doing other day to day operational duties to development in house written/performance examinations. The Advertising budget has also decreased due to anticipated decrease in recruitment although we do plan to create high quality brochures for an Executive recruitment normally done by external Search Firms. Lastly, the City-Wide Training has decreased which means less training opportunities for the City</p>					
C11	Reduce Other Professional Technical by \$5,000	HR	101	1601	\$ 5,000.00
C12	Reduce Pre-Employment Services by \$8,500	HR	101	1601	\$ 8,500.00
C13	Reduce Advertising	HR	101	1601	\$ 5,500.00
C14	Reduce City-Wide Training	HR	101	1601	\$ 5,000.00
C15	Reduce Miscellaneous	HR	101	1601	\$ 500.00

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Parks and Recreation The Parks and Recreation Department is proposing four actions that would result in a savings to the General Fund of an estimated \$195,000. Two of the actions involve shifting salaries from the general fund to the Library and the Redevelopment Agency to better reflect the time staff spends working on these facilities. The third action includes a reduction in the supplies and services budget for parks to reflect the reduction in water payments to the Belmont Redwood Shores School District and the fourth is a revenue increase at the Belmont Community Learning Center due to increased enrollment. These actions will not result changes to the level of service for the community, however shifting salaries onto other funding sources can lead to an erosion of Department flexibility to address future maintenance.					
C16	Reallocate \$35,000 of salary costs from Account 5101 to the Redevelopment Fund. P&R staff currently managing implementation of projects in the redevelopment area, including improvements to RDA resources. This transfer of funding sources is warranted because these projects are essential to ensuring the health and vitality of the Redevelopment Area for the long term.	Parks & Rec.	101	5101, 4631, 4622	\$ 35,000.00
C17	Reduce P&R Open Space budget (5101) by \$60,000 to reflect a reduced water payment to the Belmont/Redwood Shores School District.	Parks & Rec.	101	5101	\$ 60,000.00

Police
 The attached Budget correction plan sets in place the necessary cuts to the Belmont PD budget without reducing the number of total officers on the streets. The most significant change comes from reassigning our School Resource Officer assigned to the elementary schools and GREAT program back to patrol. Should that reassignment become necessary, we will look at new ways to continue our strong relationship with all of our schools.

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
C18	Reduce Regular Salaries (8101) by \$42,319.68; Reduce PERS Retirement (8211) by \$13,226.64; Eliminate Corporal Pay (8116) - \$20,944.11; Eliminate Auto Allowance (8253) - \$3,600; Eliminate Machinery & Equipment (9040) - \$20,000; Reduce Acting Pay (8114) by \$5,000; Reduce Travel/Training (8580) by \$50,006; Reduce Pre-Employment Services (8353) by \$15,000; Reduce Overtime (8111) by \$49,716; Reduce Safety Equipment (8613) by \$40,000; Reduce Gasoline (8639) by \$7,500; Reduce Booking Fees (8312) by \$11,000; Reduce Other Professional/Technical (8351) by \$9,000; Reduce Repair/Maintenance Services (8430) by \$1,200; Reduce Land/Building Rentals (8441) by \$1,200; Reduce Equip/Vehicle Rentals (8442) by \$2,100; Reduce Printing & Binding (8550) by \$1,100; Reduce General Supplies (8610) by \$9,900; Reduce Small Tools (8612) by \$5,100; Reduce	Police	101	2101	\$ 303,912.43
C19	Reduce Overtime (8111) by \$7,000; Reduce Small Tools (8612) by \$1,000	Police	101	2102	\$ 8,000.00
C20	Reduce Membership & Dues (8591) by \$525; Reduce Misc. (8599) by \$500; Reduce General Supplies (8610) by \$19,000; Reduce Small Tools (8612) by \$4,000; Eliminate Machinery & Equip (9040) - \$15,000	Police	101	2103	\$ 39,025.00
C21	Eliminate Books/Manuals (8680) - \$700; Reduce Small Tools (8612) by \$12,000; Reduce General Supplies (9610) by \$11,000; Reduce Misc (8599) by \$3,000; Reduce Printing & Binding (8550) by \$2,000; Reduce Postage/Delivery (8531) by \$2,100; Reduce Equip/Vehicle Rental (8442) by \$2,200; Reduce Other Professional/Technical (8351) by \$1,000; Reduce Communications (8530) by \$9,000; Reduce Overtime by \$4,000	Police	101	2104	\$ 56,000.00
Total General Fund \$					919,844.43

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Community Development					
<p>Resulting fund reductions (to 210-6301 & 210-6302) would diminish outside consultant services for plan checking, building inspection, building administration support services, geotechnical review, tree removals/assessments, and environmental review. On the premise that there is a continued slowdown in development activity during FY09-10, the reductions in these funds would generally be absorbed. The significant reductions in account 210-6301-8351 (Other Professional) may result in a longer turnaround for plans check and building inspections. Previously, overflow plan check applications were funneled to outside consultants. Similarly, in the event of vacations or prolonged absences, consultants provided building inspection and building administration services.</p>					
C22	Reduce allocation for "Other Professional/Technical" support from \$60,632 to \$10,000	Com Dev	210	6301	\$ 50,000.00
C23	Reduce "Other Professional/Technical" support from \$45,000 to \$25,000 and "CEQA Applicants" support from \$45,000 to \$15,000	Com Dev	210	6302	\$ 50,000.00
Public Works					
<p>The Public Works correction strategy combines efficient use of limited resources with a service approach adjustment and future year revenue enhancement. The service delivery approach is adjusted for traffic signals. Professional Services in development are reduced to reflect less development activity. Finally, material cost for the in-house slurry seal program are better reallocated to the Capital Improvement Program.</p>					
C24	Reduce: Other Professional/Technical (8351) to \$11,000; Postage/Delivery (8531) to \$100; Telephone (8532) to \$800; Printing & Binding (8550) to \$300; Travel/Training (8580) to \$600; Memberships & Dues (8591) to 200; General Supplies (8610) to \$700; Fuel (8639) to \$650	Public Works	210	6503	\$ 14,350.00

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
C25	Remove \$40,000 from Account 231-3301-8642. This money was budgeted for slurry seal materials, which will be charged to CIP account 234-4312 (Street Improvements)	Public Works	231	3301	\$ 40,000.00
C26	Eliminate the monthly maintenance services for traffic signals performed by Republic ITS. Contract with the City of SM for repairs and emergency call-out for traffic signals.	Public Works	231	3302	\$ 11,500.00
C27	Reduce: Travel/Training (8580) to \$1,000; Misc. (8599) to \$500; Small Tools (8612) to \$1,700	Public Works	231	3303	\$ 3,200.00
C28	Reduce: Other Professional/Technical (8351) to \$1,000; Technology Svcs (8356) to \$200; Computer Software Licenses (8359) to \$900; Repair & Maint. Svcs (8430) to \$250; Printing & Binding (8550) to \$1,000; Travel & Training (8580) to \$4,000; Misc (8599) to \$1,000; Small Tools (8612) to \$1,500	Public Works	231	3304	\$ 9,800.00
C29	Reallocate \$50,000 of salaries from 1701, 5101, and 5304 to the Library Maintenance Fund (4518)	Parks & Rec.	625	1701, 5101, 5304	\$ 50,000.00
Total General Fund Subsidized					
Funds \$					228,850.00
General Fund and Subsidized					
Funds Impact \$					1,148,694.43

Information Services

8359 – this majority in this fund is put into place if there is a need to have a stand alone (ArcGIS) Server. The application is currently shared on a select server. Degradation of response and calculation time could greatly impact users. Therefore, the amount was input to accommodate the move to a stand alone server if deemed necessary.

8612 and 9040 Reduction of the listed items will impact users if the move towards a centralized copy, print, fax and scan solution is not implemented. Any one of the identified pieces of equipment would not be replaced.

DLT tapes are used to backup data on all servers and replaced on a yearly rotational basis - reduced tapes would risk recovery of system files throughout server farm.

Any requests for additional licenses for Adobe Acrobat and Microsoft Project will go unfulfilled.

City of Belmont FY 2010 Budget Correction Strategies-Expenditures Schedule C

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
C30	Reduce 8359 - ArcGIS to \$20,012; ArcGIS Publisher to \$2,706; Acrobat & Project Licenses to \$495; Reduce 9612 - DLT Tapes to \$4,000; Fax Machines to \$4,000; Reduce 9040 - Printers to \$4,600.	IS	620	1401	\$ 35,813.00
Police					
C31	Eliminate \$1,708.32 from Overtime (8111)	Police	229	4223	\$ 1,708.32
Community Development					
C32	Reduce "Other Professional/Planning" support from \$60,000 to \$15,000	Com Dev	822	6101	\$ 45,000.00
Public Works					
The schedule for vehicle and other equipment replacement is extended.					
C33	Vehicles will be kept one additional year resulting in possible increase of maintenance cost.	Public Works	620	3201	\$ 37,250.00
Non-General Fund Supported					
Funds					\$ 119,771.32
TOTAL					\$ 1,268,465.75

City of Belmont FY 2010 Budget Correction Strategies-Revenues Schedule D

#	Type	Department	Fund	Division/Service Center Reference	Annualized Total
Proposed Correction Strategies					
Revenues					
D1	Implement 3% utility user tax for gas, electricity, water, phone, cable & sewer [requires voter approval 50% +1]	City Manager	101	1301	\$1,665,719
D2	2% Increase Transient Occupancy Tax (TOT) [requires voter approval 50% +1]	Finance	101	1501	\$220,971
D3	Increase in revenue due to increased enrollment at the Belmont Community Learning Center. Increase from FY08-09 budget of \$49,970 for FY09-10	Parks & Rec.	101	5303	\$49,970
D4	Portfolio loan to City for Prop 1A borrowing	Finance	101	1501	\$431,256
Total General Fund					\$2,367,916
D6	Portfolio loan to City for Prop 1A borrowing	City Manager	223	4228	\$511,926
Total Other Funds					\$511,926
D7	Increase NPDES Fees through new contract with solid waste franchise.	Public Works	525	3103	\$40,832
Total Enterprise Funds					\$40,832
TOTAL					\$2,920,674