



**CITY OF EASTVALE  
CITY COUNCIL STAFF REPORT**

**ITEM 8.1**

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**DATE: JUNE 8, 2016**

**TO: MAYOR AND COUNCILMEMBERS**

**FROM: ANNA MONTOYA, DEPUTY FINANCE DIRECTOR**

**SUBJECT: BUDGET STUDY SESSION FOR THE ANNUAL OPERATIONS  
AND CAPITAL IMPROVEMENT BUDGET FISCAL YEAR 2016-  
2017 - DRAFT**

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**RECOMMENDATION: THIS INFORMATIONAL SESSION PRESENTS THE BUDGET DRAFT WHICH INCLUDES REVENUE AND EXPENDITURE PROJECTIONS OF GENERAL FUND RESULTS THROUGH THE END OF FISCAL YEAR JUNE 30, 2016. ALSO PRESENTED ARE COUNCIL REQUESTS AND PROPOSED CITY MANAGER AND DEPARTMENTAL RECOMMENDATIONS FOR THE 2016-2017 BUDGET YEAR.**

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**BACKGROUND**

Council requested a budget study session to discuss, in depth, the revenue projections and departmental expenditures. This study session is a continuation of the budget workshops held on March 9 and 23, 2016. In this workshop, staff will present the budget draft, will review Council goals and priorities, the continuation proposed operational and capital expenditures, and what resources can be appropriately allocated to accomplish these major initiatives.

The budgetary process begins as a team effort in February of each year, starting with a City Council budget workshops which were held on March 9 and 23, 2016. During the March 9, 2016 Council Meeting, Staff presented projections for the current 2015-2016 fiscal year, as well estimates for the upcoming 2016-2017 budget year. Also highlighted were the Strategic Plan accomplishments to date, the City's current fiscal reserves, and the financial forecast for the coming year. Also discussed were major long-term initiatives in the coming years. These initiatives were provided to foster discussion for City Council on public priorities and objectives, while keeping in mind the constraints of the City's committed reserve levels, increasing public safety costs and a conservative fiscal approach.

The March 23, 2016 provided in depth discussion on public safety priorities in addition to the methodology and composition of the Police and Fire contract rates with the County of Riverside.

The Finance Department works in cooperation with all City departments to formulate revenue projections for the upcoming fiscal year. From this, the individual departments use the projected revenues to prioritize and recommend the next fiscal year's objectives. The City Manager's Office and the Finance Department review each budget proposal, revenue assumptions, and all current financial obligations before preparing the proposed document for the City Council. The



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City Council reviews the proposed budget, and a public hearing is set with the final adoption scheduled no later than the second City Council meeting in June.

### **DISCUSSION**

Linking important objectives with necessary resources requires a process that identifies key goals at the beginning of budget preparation in order to set the City's course of action for the upcoming fiscal year.

#### General Fund

Staff will provide General Fund revenue projections and departmental expenditures for the current 2015-2016 fiscal year, as well estimates for the upcoming 2016-2017 budget year. In correlation to the Strategic Plan, goals and priorities will be discussed within the constraints of the projected Fund Balance, keeping in mind the need for continued reserves.

#### Capital Improvement Projects

Capital improvement projects are funded through restricted funding sources and are not expended out of the General Fund. Please see the Capital Improvement Program Summary (Budget page 115-116) for list of the proposed capital improvement projects and corresponding funding sources.

### **FISCAL IMPACT**

The proposed General Fund operational budget is balanced with revenues and expenditures both equaling \$14,224,215, with an additional capital transfer from reserves to fund in part the construction of the future City Hall in the amount of \$3,000,000.

### **ATTACHMENT**

1. Annual Operations and Capital Improvements Budget - DRAFT

Prepared by: Anna Montoya, Deputy Finance Director  
Reviewed by: Michele Nissen, City Manager  
Reviewed by: John Cavanaugh, City Attorney