PUBLIC HEARING

SUBJECT: CONSIDERATION OF THE PROPOSED 2006/07 FY CITY BUDGET

SOURCE: City Manager's Office

Consistent with the City Charter the City Manager has submitted for Council consideration a draft Budget for the 2006/07 Fiscal Year. Section 51 of the City Charter provides that the city manager shall provide not later than thirty days before the end of the city’s fiscal year, an estimate of expenditures and revenues of the city departments for the ensuing year.

Budgetary Approach: Attached is the budgetary message presented with the draft document at its release. The budgetary approach consists of:

- A three year strategic budget plan
- A one year budget
- Periodic review of budget targets
- Revision of expenditures when necessary to accomplish budget targets

Financial Factors: The level of revenue, expenditure and standing for City funds proposed in the 2006/07 FY budget are:

- All Fund Revenues for 06/07 FY of $72,044,427
- All Fund Expenditures for 06/07 FY of $83,466,256
- General Fund revenues and transfers for 06/07 FY of $24,393,704
- General Fund expenditures and transfers for 06/07 FY of $25,890,800
- General Fund cash deficit for 06/07 FY of ($1,497,096)
- General Fund structural deficit for 06/07 FY of ($31,550)

Generally, the overall reduction in fund balances proposed will result from using monies accumulated for capital expenditure being used to implement projects.

Item No. 18
Budget Adoption: The Charter also provides that “after duly considering the estimate and making such corrections or modifications thereto as shall seem advisable to it, the council shall by resolution adopt a general budget and such resolution shall operate as an appropriation of funds to the amounts and for the purposes set forth in the budget so adopted.”

Coordinated Agenda Items: Along with this public hearing item regarding the budget, other related matters are presented for Council consideration in the course of the public hearing. They include:

- Transportation for Youth Program Participants
- Council Member Request for Consideration of Hiring a Full Time Grant Writer
- Chamber of Commerce Funding Request
- Public Works Director Analysis about Street Maintenance

Options for Consideration, Modification, And Adoption: Because each of these matters involves funding requirements, they should be specifically considered. If the Council desires to incorporate them into the Budget, then existing or proposed programs may be curtailed to offset any cost. The Council may also determine to fund projects out of reserves, however, such action should be considered very carefully because it is a slippery slope between unfunded one-year programs and a significant structural deficit.

This year, the recent election will cause some change in City Council positions. As a result, the Council considering the Budget at this meeting will not have the same membership as the Council which implements the Budget over the 2005/06 Fiscal Year.

All spending authority from the current budget expires after June 30, 2006. Therefore, it is critical that a budget be adopted which allows payroll to be paid and routine expenditures to be incurred. Essentially, there are two approaches in this regard:

- (Option 1) Adopt the draft budget (as modified by the City Council) subject to the ratification of the new City Council after it has been seated.
- (Option 2) Adopt a continuing resolution to allow expenditures for salary and routine items.

It is suggested that the former course be implemented, since it will permit the City organization to fully and effectively operate. The adopted budget would be presented to the newly seated City Council at their meeting of July 5, 2006. The Porterville City Charter addresses this contingency in the following language:

Sec 51 . . . . At any meeting after the adoption of the budget, the council, by a vote of three (3) members, may amend or supplement so as to authorize the transfer of unused balances for one purpose to another purpose or to appropriate available revenue not included in the budget.
Program Proposed in Draft Budget Presented for Council Consideration And Action: The proposed Budget includes many programs. A summary of important initiatives includes the following proposals.

- Police officer sworn staffing is projected to increase from the 2005 base of 46 to 57 sworn officers.¹

- Fire sworn staffing is projected to increase from the 2005 base of 29 to 36 firefighters.

- Continuing the major service ramp-up to newly annexed areas.

- Initiate an improved code enforcement system including a full-time code enforcement officer in the Fire Department.

- Expand Library hours from the 2005 base of 40 hours per week to 56 hours per week.

- Complete the hillside ordinance.

- Complete the comprehensive general plan update.

- Complete the Murry Park Master Plan.

- Review and coordinate the classification and compensation analyses consulting with employee organizations and presentations to the City Council.

- Investigate and consider utility service efficiency upgrades.

- Using street monies, complete the development of Indiana Avenue from Putnam to Olive and using various funding sources, complete the development of Date Avenue from South Main Street to Orange Avenue.

- Using grant monies complete the bicycle path project.

- Using local and CMAQ funds, complete CORE areas 2 and 4 concrete improvements.

- Using local and CMQAQ funds, construct a traffic signal at Mathew and Olive.

- Using local and CMAQ funds, design and construct a traffic signal at Newcomb and Westfield.

¹ For 2005/06, the permanent staffing level of the Police Department began at 45 sworn positions. In addition, there is one Indian Gaming Grant funded officer that takes the total sworn to 46. With the 11 new officers allocated through 2006/07, the department will have a total of 57 sworn officers; 56 allocated positions and 1 grant funded position.
• Using local and CMAQ funds, design and construct concrete improvements along Newcomb Street from Morton Avenue to Olive Avenue.

• Proposed street department activity for FY 2006/07 include the installation of pavement material to complete pave-out requests for single-family home projects. A significant number of streets are in need of asphalt paving attention. LTF funds in the amount of approximately $175,000 allocated for FY 2006/07 will go towards potholing and providing a one-inch overlay on the major street materials. Candidates for this action include Henderson Avenue east of Indiana, Newcomb Street south of West North Grand Avenue and Main Street north of Henderson Avenue.

• Using local and CIEDB monies complete necessary sewer improvements to comply with the cease-and-desist order issued by the Regional Water

• Implement water projects using local and CIEDB monies including the Eastside tank sites and the inter-tie to the Porterville Airport and the completion of well sites #29 and #30.

• Implement the curbside recycling program.

• Consider and support expanding the number of days of congregate meal site service and continuing the availability of a site for congregate senior meals within Porterville. These actions will require additional appropriations beyond those currently defined in the proposed budget.

• Complete the Skateboard Park and rails-to-trails projects.

• Initiate master plans for Zalud House improvement and a new primary City library facility.

• Retain a part-time event assist to schedule activities, especially at the Centennial Park venue.

• Create an audit committee consisting of City Council and staff members to closely monitor financial transactions.

**Recommendation:** The City Manager proposes that the City Council adopted the proposed 2006/07 FY Budget, as modified (Option 1), subject to the ratification of a newly seated City Council at the July 5, 2006 meeting.

**Attachments:**
Proposed Spending Plan
Major Fund Summaries
Option #1 - Draft Resolution for General Fund Budget
Option #1 - Draft Resolution for Enterprise, Internal Service and Capital Budgets
Option #2 - Draft Resolution for Temporary Continuation of 05/06 Budget
May 10, 2006

To Honorable Mayor and Council Members,

For the Council’s consideration, we are transmitting the proposed spending plan for the 2006/07 Fiscal Year. The document, which is presented, is consistent with the following budget approach:

- A three year Strategic Budget plan
- A one year Budget
- Periodic review of Budget targets
- Revision of expenditures when necessary to accomplish budget targets

**General Fund Targets:** The following specific budgetary targets are proposed to be achieved within 5%.

The following targets which are recommend are:

**General Fund revenues and transfers:** $24,393,704 which is up 22.5% from new Measure H sales tax, grants, and the ending of the negotiated State “take away” of City monies.

**General Fund expenditures and transfers:** $25,890,800 which is up 24% from new Measure H sales tax monies, grants, the allocation of carry-over monies for projects, the payment of one-time additional debt service for the newly issued certificates of participation and the cost of improving the employee retirement programs.

**General Fund cash deficit for 06/07 FY:** ($1,497,096) which is primarily the result of the use of carry-over monies for projects and programs, and additional debt service for a one-time payment for certificates of participation.

**General Fund structural deficit for 06/07 FY:** ($31,550) which is a structurally balanced budget for the Fiscal Year

**General Fund cash deficit for 07/08 FY:** ($531,692) which is primarily the result of anticipated carry-over expenditures projected for next fiscal year. This amount does not include a 3% modifications to employee compensation.

**General Fund cash surplus for 08/09 FY:** $511,181 which does not include any carry-over monies but an additional 3% increase in cost and revenues.
General Fund Deficit: The proposed General Fund Cash Deficit for 06/07 FY is equivalent to 6.1% of anticipated General Fund Revenues. Nearly all of this deficit is non-reoccurring. The projected General Fund Structural Deficit for the 06/07 FY is estimated to be ($31,550) which is less than 1%.

Budgetary Allocation of General Fund Monies: Because of specific accounting principles, the Consolidated Financial Report does not specifically allocate cash within the General Fund. For many years, however, the budget has defined cash allocations. Based upon ending FY 2005/06 monies, the following allocations of General Fund cash are defined (rounded to the nearest thousand).

<table>
<thead>
<tr>
<th>Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lock Box (Rainy Day) Cash</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Debt Service Lock Box</td>
<td>$459,000</td>
</tr>
<tr>
<td>Equipment Replacement Funds</td>
<td>$3,810,000</td>
</tr>
<tr>
<td>Carry-Over Monies</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Grants/Success Reservoir</td>
<td>$282,000</td>
</tr>
<tr>
<td>High/Low Month Cash Cover</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Non-Allocated Cash</td>
<td>($418,000)</td>
</tr>
<tr>
<td><strong>Total Cash</strong></td>
<td><strong>$9,133,000</strong></td>
</tr>
</tbody>
</table>

Allocation of General Government Appropriations: A major feature of the proposed 2006/07 FY Budget is the allocation of monies for specific programs and projects. These allocations are defined as both appropriations for new activities and re-appropriations for activities which have been carried forward from other years.

General Government Appropriations

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skateboard Park</td>
<td>$412,636</td>
</tr>
<tr>
<td>Tule River Parkway</td>
<td>$250,000</td>
</tr>
<tr>
<td>Rails to Trails</td>
<td>$455,000</td>
</tr>
<tr>
<td>Library RFID (Partial)</td>
<td>$80,000</td>
</tr>
<tr>
<td>Tule River/Porter Slough Clean-Up</td>
<td>$10,000</td>
</tr>
<tr>
<td>Success Lake JPA</td>
<td>$7,500</td>
</tr>
<tr>
<td>Tule River JPA Administration</td>
<td>$8,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,223,136</strong></td>
</tr>
</tbody>
</table>

General Government Re-Appropriations

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan/Water Study/Biological Study</td>
<td>$250,000</td>
</tr>
<tr>
<td>Success Lake Reservoir Enlargement</td>
<td>$253,925</td>
</tr>
<tr>
<td>Eldeberry Mitigation Monitoring</td>
<td>$40,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$543,925</strong></td>
</tr>
</tbody>
</table>
**Allocation of Carry-Over Monies:** Because of savings in previous fiscal years, monies have been allocated this year for carry-over expenditures. A total of $2,000,000 in savings from previous fiscal years have been defined. For Fiscal Year 06/07, carry-over expenditures in the amount of $921,621 have been specified. Based on the total allocation, an additional amount of about $1,000,000 will be used for Fiscal Year 07/08. Further savings from the $2,000,000 allocation in addition to savings from Fiscal Year 2006/07 will be allocated to 2008/09 FY carry-over allocations.

The proposed Budget for the 2006/07 Fiscal Year includes the following proposed carry-over expenditures:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan Update</td>
<td>$100,000</td>
</tr>
<tr>
<td>Date Street Reconstruction</td>
<td>$300,000</td>
</tr>
<tr>
<td>City Clerk Election</td>
<td>$33,000</td>
</tr>
<tr>
<td>Police Communications System Upgrades</td>
<td>$112,161</td>
</tr>
<tr>
<td>Fire Building &amp; Equipment Maint/Remodel</td>
<td>$78,361</td>
</tr>
<tr>
<td>Fire Repeater, Duplexer, Base Station</td>
<td>$60,000</td>
</tr>
<tr>
<td>Comm Development Planning Technician</td>
<td>$43,277</td>
</tr>
<tr>
<td>Pub Works Salaries for Capital Projects</td>
<td>$65,895</td>
</tr>
<tr>
<td>Street Lighting Utilities</td>
<td>$15,000</td>
</tr>
<tr>
<td>Park Leisure Sv's Parking Acquisition Match</td>
<td>$32,000</td>
</tr>
<tr>
<td>Park Leisure Sv's Skateboard Park</td>
<td>$10,000</td>
</tr>
<tr>
<td>Park Leisure Sv's Project</td>
<td>$19,657</td>
</tr>
<tr>
<td>Park Leisure Sv's Zalud House Master Plan</td>
<td>$15,000</td>
</tr>
<tr>
<td>Park Leisure Sv's Street Tree Trimming</td>
<td>$37,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$921,351</strong></td>
</tr>
</tbody>
</table>

**2005/06 Fiscal Years:** Financially, the 05/06 FY was transitional regarding financial factors. The most important matter was the approval by the voters of Measure H. This will allow both Police and Fire to grow in staffing and resources to meet public safety challenges within the community.

Another very important action was the approval of a very large island annexation program. These islands will add more than 5,000 inhabitants, increasing the City’s population by more than 10% in a single Fiscal Year. The Council allocated utility users’ tax monies to increase police protection to address the new populations. Fiscal analysis indicates that the amount of fiscal impact will be about $650,000 per year. This impact will be experienced in increased demands for services with similar staffing levels, except in public safety.

Other important 2005/06 financial actions were the refinancing of the City’s General Fund Certificates of Participation. The monies which have been raised will be used primarily for Jaye Street improvements associated with large commercial projects. A financial significant factor is the overall improvement in retirement programs for both police and miscellaneous employees. The financial impact of the COP refinancing will
be a relatively large additional cost for debt service in fiscal year 2006/07, while the enhanced retirement programs will add some cost for employee compensation into the future. Both of these actions have positive effects in that Jaye Street improvements will support important new commercial development in the area, while the enhanced retirement program meets a continuing stated compensation priority by City employees.

**Budgetary Objectives:** In the previous budget, a series of objectives were stated. Below is a summary of how the objectives were addressed in the 2005/06 FY and additional actions contemplated for the 2006/07 FY.

- Increase police officer staffing to 46 employees and then 52 employees: It is projected that by the end of 2006, the Police Department will have 56 sworn officers.

- Increase fire sworn staffing to 36 fire fighters: It is projected that by the end of 2006, the Fire Department will have 36 fire fighters and officers.

- The proposed 2006/07 FY Budget will retain a full-time code enforcement officer in the Fire Department. A system to coordinate with police, community development, and finance departments will be established to assure full coordination and communications.

- Restore funding to assure the Library is open: With the passage of Measure H additional monies have been allocated to assure that Library hours will be re-established and important programs relating to literacy will be undertaken. Planning is beginning to consider the feasibility of undertaking the development of a new Library facility.

- The General Plan update has been expanded to include a hillside ordinance and the expected completion date will be in December, 2006 or early 2007.

- The City has completed Well number 28 and will complete in the 2005/06 FY the Henderson project. The skateboard parking lot has been completed. Additional sludge drying beds have been completed. The lighted street crossing project was completed by force account. For Fiscal Year 2006/07, the skateboard project has been awarded as a construction project and funding is proposed for the completion of Indiana to Olive Avenue and the Date Street reconstruction. The Eastside/Hillside Reservoir and Martin Hill Reservoir projects should be designed and bid. Monies are being proposed in the 2006/07 FY Budget for the Rail to Trail project and Tule River Parkway property purchase.

- Work is proceeding on the completion of the Murry Park Master Plan.

- The Council reviewed and acted upon City of Porterville service charges. This action allowed the City Manager to submit a budget which fully funds allocations for equipment replacement.
• For a second year the amount of subsidy from the Risk Management Fund has been reduced for the health care program. During 2006/07, the staff will monitor closely costs incurred through the program. This will be fully coordinated with the Health Care Task Force. It is anticipated that some adjustment in premium amounts may be necessary.

• The review and coordination of classification and compensation analyses will be an important activity during the 2006/07 Fiscal Year. The new Administrative Services Manager will focus on this activity.

• The new Administrative Services Manager will also work to complete the analysis of a proposal by Johnson Controls for an energy audit and a program to replace equipment with more energy efficient options.

• The City Council approved island annexation projects during the 2005/06 FY. An additional annexation has been initiated and should be completed in the 2006/07 FY.

• The processing of monumental commercial and residential projects should continue through the 2006/07 FY.

• Financial support in the amount of $5,000 has been proposed in the proposed Budget for the Sequoia Regional Institute for Higher Education which is being implemented through the Tulare County Economic Development Corporation.

• The City continues to closely coordinate with the Tule River Tribal Council to development projects in Porterville that will enhance the area’s economy.

• As a financial safeguard, it is proposed that the hiring freeze should be continued into the 2006/07 Fiscal Year. It is proposed that on at least a quarterly basis, the open positions should be cleared and positions should be fully staffed. As in the prior year, there will be exceptions to the freeze for sworn public safety employees, those required by contract or otherwise necessary to the public health and safety.

• The Kings Tulare Area Agency on Aging has requested $2,000 to support the meals program during 2006/2007. This is being paid out of community promotion. A request has been made by the seniors who use the congregate meal site, to expand the program to five days a week. This can be accomplished by about $5,000 in additional support from the City. This has not been programmed into the Budget. The City Manager recommends that this be considered as an additional appropriation, along with about $6,000 to $7,000 which will be necessary to pay utilities to support the current congregate meal site. The source of this funding would be from City General Funds. A combined $12,000 appropriation could be seen as non-material in terms of the overall expenditure.
This would increase the General Fund structural deficit 2006/2007 from $31,550 to $43,500

In conclusion, the proposed budget reflects a comprehensive and pro-active approach to the priorities of the City as directed by the City Council. This three-year plan and one-year budget is the result of an extensive analysis of the City’s revenues, expenditures, and priorities. Three items with a significant impact on this year’s process were the passage of Measure H, the implementation of the Maximus cost recovery program, and the island annexations. Another key component of the methodology used was to adjust each department’s budget to cover anticipated cost increases in labor, fuel, electricity, natural gas, risk management, and equipment replacement.

We have defined the major fund summaries and budgetary objects. We have also listed specific special allocations under General Government Re-Appropriations and Carry-Over, which will be used to complete projects identified or appropriated in prior years.

Staff will diligently monitor the economic and political landscape over the next fiscal year and its implications to the City’s financial stability. As the fiscal year progresses, staff will make any necessary corrections to the budget to achieve the goals and objectives set by Council which is a key element in the continued delivery of “The Good Life.”

Sincerely,

John R. Longley, Jr.
City Manager

S. Frank Guyton
Deputy City Manager / Fire Chief

Susan J. Slayton
Chief Financial Officer

Maria L. Bemis
Accountant II
Memorandum

TO: Honorable Mayor And Councilmembers
FROM: John Longley, City Manager
DATE: May 23, 2006
RE: Major Fund Summaries
    Recommendation to Establish Audit Committee

The following information should be included with this Fiscal Year’s Budget Message. It provides a summary of major city funds. It also makes a recommendation that the Council should establish a separate audit committee consisting of council members and staff.

**Gas Tax Funds, Local Transportation Funds:** Money for street projects are being drawn down to complete work, which has been in the queue for several years. Progress is being made on priority projects and additional monies are being sought. The City has received notification of award for seven (7) CMAQ ($5,200,000) projects beginning with the CNG fueling station to be located at Prospect adjacent to the Corporation Yard. The projects will be completed over a three year time frame and will require about $600,000 in local match monies. For the 2006/07 Fiscal Year, about $190,000 in match monies will be required for these projects. These monies have been budgeted from carry over, LTF and special gas tax funds. Other CMAQ projects include: Traffic Signal #8, Traffic Signal #9, purchase of hybrid vehicles, design of Traffic Signal #10.

**Zalud Estate:** Though the City has attempted to find funding solutions for the Zalud House, it has not been successful to date. The annual draw down is projected to be around $14,000. At this rate, the fund will have about another 7 years of life. Monies are being budgeted by Parks and Leisure Services to master plan the Zalud House. This should provide some insight about optional strategies for the City asset.

**Community Development Block Grant:** The amount of CDBG monies is being reduced by Federal action. This is an area of legislative advocacy. Though program reductions are under consideration, this program has provided vital opportunities to the community. Our primary focus with CDBG monies at this time is to service debt consisting of about 44% of this year’s entitlement. The remaining monies are used to pay administrative costs and to support the City’s Youth Center and Murry Park improvements.

**Transit Fund:** The Transit Fund shows a drawdown of monies. The critical factor for this fund is to meet the 20% fare box ratio. Because of increasing costs, the return is in
jeopardy and the Council should consider system modifications to ensure that the fare box factor is met.

**Sewer Funds:** The Sewer Funds are in order and appear stable. Significant project work should be completed during the 2006/07 Fiscal Year to address cease-and-desist order issues. The City has modified the agreement for the Farming Operation and will begin in January, 2007 the development of an RFP for the Farming operation services and management.

**Solid Waste Funds:** With the implementation of the curbside recycling program, the City’s solid waste operations will expand. The proposed fund balance shows a positive balance, which is consistent with the Fund’s financial plan. To cover the cost of the recycling program, the City will present a $.90 rate increase, consistent with the City’s RFP.

**Airport Operating:** During the 2005/06 Fiscal Year, the Airport has not posted a strong return. This is because there was no major fire in the area during the year and the level of gas sales decides the stability of the Fund. Also, gas prices have increased which means less general aviation flying overall. In future years, monies may be reduced from lower lease returns on Airport lands that are farmed. There will be some reduction in the overall balance of the Fund because of match monies paid for a slurry project at the Airport.

**Golf Course Operations:** With the reorganization of the Golf Course operation, the goal is to enhance returns on the enterprise. The proposed Budget projects a stable year financially. Over the past year, play was up at the golf course and resultantly revenue has been up. There are some additional expenditure as a result of enhanced maintenance of the facility.

**Water Funds:** The Budget defines a major drawdown of water fund monies. This is because the City will undertake during 2006/07 FY important projects including Eastside tank sites and the inter-tie with the Porterville Airport. The City is seeking loan monies to cover these costs through the CIEDB. Last year, the City lost monies because of the effectiveness of its water conservation program. This will probably be repeated in FY 2006/07, which places pressure on rate levels. The City will continue to develop supply by drilling Well #29. The City remains in negotiation to purchase a well near the Airport (Well #30).

**Risk Management Fund:** The City has experienced some cost increases from liability, which are being allocated to the Departments. The health care program still requires an annual subsidy of around $160,000, but this is greatly reduced from the $550,000 loss in 2003.

**Building Construction Fund:** With the receipt of funds from the sale of property at Thurman and Main Street, monies will be used from the Building Construction Fund to
repair the City Hall roof and to install a sound system for Centennial Park and its environs.

**Proposed Audit Committee:** The City Manager proposes for Council consideration, the formulation of an audit committee. The committee should consist of Council members and officers of the City. A proposed membership could be two Council members, the City Manager, City Attorney and Chief Financial Officer. The Committee could meet on call and would be responsible for submitting the annual audit to the Council, and performing special financial reviews and audits.
RESOLUTION NO. __-2006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF PORTERVILLE ADOPTING THE GENERAL FUND
BUDGET FOR FISCAL YEAR 2006-2007

WHEREAS, The City Manager, under provisions of the City Charter of the City of Porterville, has presented to the City Council for its consideration, a proposed General Fund Operating and Capital Improvement Budget for the period beginning July 1, 2006, and ending June 30, 2007; and

WHEREAS. The City Council after thorough review, has determined said budgets, as modified and corrected, are in all respects suitable and adequate for the purposes of said budgets and cover the necessary expenses of the General Fund of the City of Porterville for the 2006-2007 Fiscal Year based on the cash reserves balance;

NOW. THEREFORE, BE IT RESOLVED

1. The City of Porterville General Fund Budget for the 2006-2007 fiscal year is adopted in the following amounts:

<table>
<thead>
<tr>
<th>Budget</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget</td>
<td>$21,587,522</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>1,767,061</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,167,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$24,522,083</strong></td>
</tr>
</tbody>
</table>

2. It is the intention of Council that expenditures for 2006-2007 fiscal year for General Fund operating functions include the restoration of 100% funding of the equipment replacement program for all General Fund equipment.
3. Staff will update Council on the condition of the budget and ongoing validity of assumptions utilized to create it during the months of November and January and April of the fiscal year, or at any time information becomes available that would alter the viability of this budget.

4. The City Manager is authorized to transfer General Fund operating budget appropriations between functions as required.

5. Increased service levels that require additional appropriations shall not be implemented without prior City Council approval.

ATTEST:

Pedro R. Martinez, Mayor

John Longley, City Manager
RESOLUTION NO. ____-2006

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF PORTERVILLE ADOPTING THE
ENTERPRISE, INTERNAL SERVICE AND CAPITAL
BUDGETS FOR FISCAL YEAR 2006-2007

WHEREAS, The City Manager, under provisions of the City Charter of the City of Porterville, has presented to the City Council for its consideration, a proposed Operating and Capital Improvement Budget for the period beginning July 1, 2006, and ending June 30, 2007; and

WHEREAS, The City Council after thorough review, has determined said budget, as modified and corrected, is in all respects suitable and adequate for the purposes of said budget and covers the necessary expenses of the Enterprise and Internal Service Fund of the City of Porterville for the 2006-2007 fiscal year:

NOW, THEREFORE, BE IT RESOLVED:

1. The City of Porterville Enterprise and Internal Service Funds budgets for the 2006-2007 fiscal year are adopted in the following amounts:

   Operating Budget $ 23,525,299
   Capital Projects 32,953,035
   Debt Service    2,465,799
   Total   $ 58,944,133

2. Increased service levels that require additional appropriations shall not be implemented without prior City Council approval.

____________________________________
Pedro R. Martinez, Mayor

ATTEST:

__________________________________
John Longley, City Manager
RESOLUTION NO. ___-2006


WHEREAS, the Porterville City Council has reviewed proposed revenues and expenditures for Fiscal Year 2006/2007; and

WHEREAS, the City Council has determined that the successor City Council which is scheduled to be seated on June 27, 2006, should act on the adoption of the proposed City Budget.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Porterville, that for the months of July and August 2006, the Porterville City Manager is authorized to make expenditures to cover normal and routine expenses, including personnel costs and the continuation of projects previously approved for implementation by the City Council in amounts not to exceed the following:

- For Total General Fund Purposes - $4,087,000
- For City Government Expenses Other than General Fund Purposes - $9,824,022

BE IT FURTHER RESOLVED that these monies may not be used to initiate new projects unless specifically approved by the City Council, to hire new personnel beyond those authorized on June 30, 2006, except for public safety positions approved for hire under Measure H.

ATTEST:

__________________________
Pedro R. Martinez, Mayor

__________________________
John Longley, City Manager