

City Beat

www.modestogov.com

(209) 577-5200

TDD (209) 526-9211

THE CITY BUDGET

*Budget Workshops to be held May 12, 13 and 16**

Overview of the City's Finances

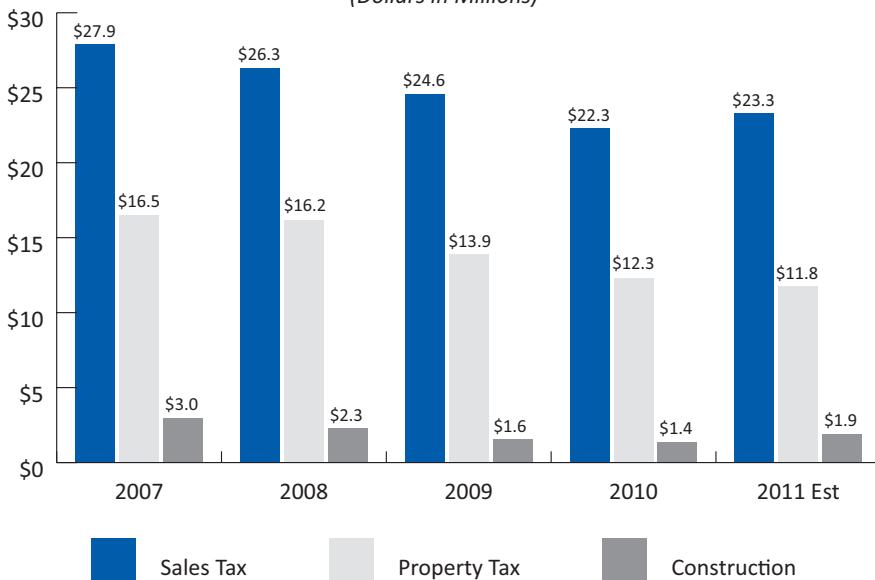
Recovery from this depressed economy is still a way off; however, there are glimmers of hope that we have reached the bottom and are now in the process of resetting to a new norm. Recent projections indicate that sales tax is trending up ever so slightly and property tax is still trending down slightly. Over the past three years, the City Council and City Management have worked diligently to focus on prudent spending that aligns with revenues so that the City can continue providing core services to Modesto residents.

Across all City funds, the Fiscal Year (FY) 2010-11 adopted budget included staff reductions of approximately 63 employees from the prior year and expense reductions of more than \$10.7 million. In the last two years combined, the budget has been slashed by \$25 million and the City's workforce has been reduced by approximately 213.

The General Fund supports a wide variety of City services including some of the most visible to citizens – fire, police, park maintenance, recreation programs, graffiti abatement, economic development as well as general government. So where does General Fund money come from? Sales and property tax are two of the largest revenue sources for the General Fund – they have also experienced the most dramatic decline in recent years which is why the General Fund has endured the majority of staff and expense reductions. The chart to the left illustrates the decline in three of the City's largest revenue sources:

Sales Tax, Property Tax & Construction Revenues

(Dollars in Millions)



There are still many financial challenges that lie ahead. While the gap between expenses and revenues is tackled each year, there are still significant structural changes that need to be addressed. Two of the largest financial liabilities to the City are pensions and retiree health benefits. The City has begun the process of meeting with all of its employee labor associations to address these issues and identify and agree upon permanent solutions.

Building the Budget... you can get involved!

The Modesto City Council is again reviewing its revenues, expenses, services and programs to determine the most prudent path going forward on behalf of the community for the coming fiscal year. As the effect of staffing and service reductions has accumulated over the last several years, cuts have had to go deeper into important services. Tough choices will be made, and you have a chance to be part of the discussion by participating in the May Budget Workshops with the Finance Committee of the Modesto City Council.

The Finance Committee takes the lead role in reviewing the Mayor's Proposed Budget which is a collaborative effort between City Management, the City Manager and the Mayor. The Finance Committee budget review takes place at budget workshops held in May. The budget workshops are open to the public and are meant to increase the public's understanding, participation and input into the City budget process. It is more important than ever for your voice to be heard regarding which services you value most.

The budget workshops are scheduled* as follows:

- Monday, May 9
- Thursday, May 12
- Monday, May 16 (if needed)

*All workshops are tentatively scheduled to begin at 9 a.m. in the Council Chambers at Tenth Street Place. For up-to-date information, visit www.modestogov.com and click on "Budget Information" or call (209) 577-5369.

Partner with us!

We want to partner with you to make our community better. After all, we all live and work here! There are many ways to get involved; how much is up to you. Here are just a few ways:

Attend the Budget Workshops!

The Finance Committee reviews the Proposed Budget during budget workshops held in May of each year. Citizens are encouraged to attend and participate as it is a good avenue to express concerns, priorities, etc. See the article above for more information on when and where the FY 2011-12 Budget Workshops will be held.

Be Informed!

City services, policies and spending are discussed year-round at the City Council meetings. Come to the meetings, view them on our local cable channel, view them live online, or review archived meetings online.

Know Your Council member!

Go online to www.modestogov.com and click on "City Council" under the "Government" tab. You can view the bios of your elected officials, find out which District you live in and who your District-specific Council member is. You can also find information on the various Council Committees, terms of office, as well as review agendas and minutes.

Attend a Community Forum and Take Our Survey!

The Modesto City Council and City Management team invite you to attend the Community Forums being held through the end of April. They are a great opportunity to provide input regarding the current Strategic Plan as well as which City services are most important to you. You'll be asked to take a survey (at the meeting or online) that will be used as a gauge to compare with future survey results to help us track our progress. Learn more at <http://embraceit.modestogov.com>.