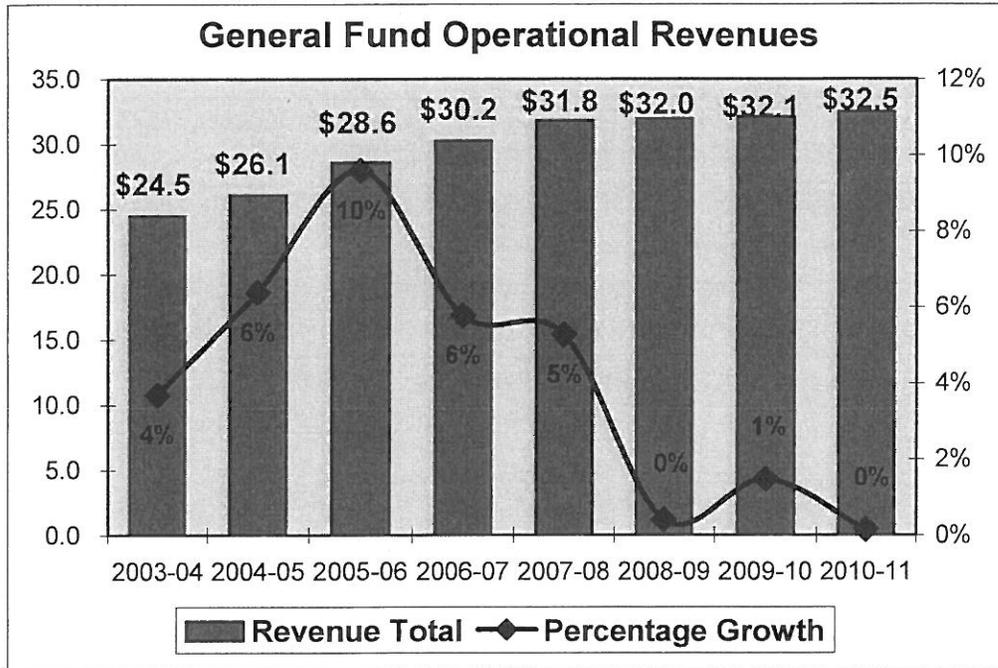


## GENERAL FUND OVERVIEW

The following pages are included in the Budget Document to allow a more detailed picture of the City's main revenue and expenditure trends. During the course of the last year, these main indicators have experienced large fluctuations in the face of rapidly changing economic climates and it has been very difficult to predict the outcome from quarter to quarter. Nevertheless, the following will provide brief highlights of each, especially those in the General Fund.

The total General Fund revenues for the past six years and the adopted revenues for the next two years are listed below. As you can see, the revenues have stabilized considerably since our last few budget reviews. In December we were experiencing a number of steep declines that have reversed their trend in March, April and early May. The General Fund revenues are forecast to have a 1% growth rate in FY 2009-10 and almost no growth in FY 2010-11.

*Chart 1.*

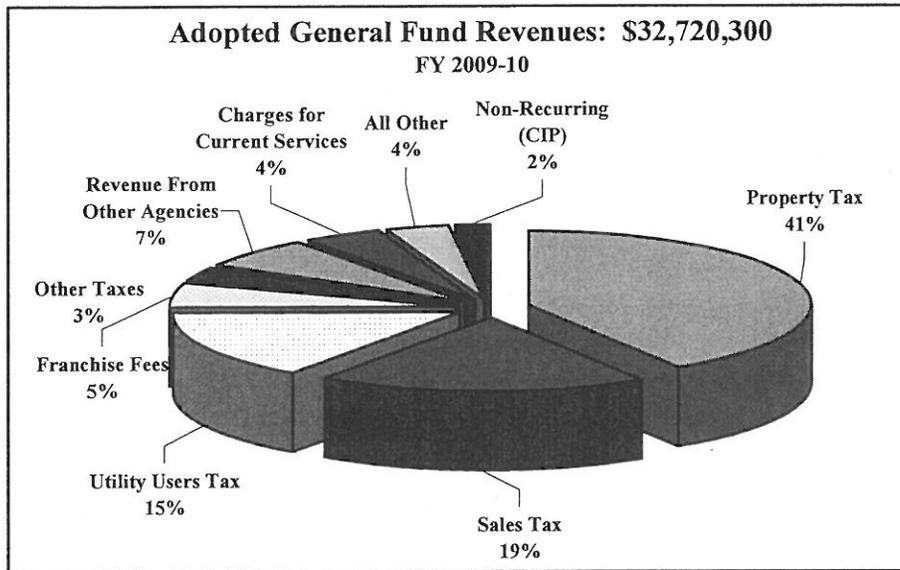


Category	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Amended 2008-09	Adopted 2009-10	Adopted 2010-11
Property Tax	10,502,270	11,348,460	12,493,680	12,020,585	13,089,330	13,250,795	13,485,515	13,484,515
Sales Tax	4,017,725	4,346,105	5,136,960	6,048,985	6,456,440	6,146,435	6,131,840	6,333,430
Utility Users Tax	2,747,945	2,826,370	3,001,315	3,822,195	4,190,515	4,403,510	4,929,875	4,973,940
Franchise Fees	1,383,940	1,112,110	1,399,660	1,407,815	1,589,755	1,851,220	1,735,470	1,785,470
Other Taxes	770,530	1,091,400	1,221,665	1,268,800	1,038,480	979,660	1,023,000	1,078,680
Revenue From Other Ag	1,312,345	1,866,950	2,048,645	2,168,635	2,153,755	2,141,735	2,244,055	2,288,555
Charges for Current Ser	1,689,765	1,355,665	1,452,240	1,623,525	1,466,200	1,458,780	1,390,400	1,390,400
All Other	2,097,410	2,143,825	1,839,730	1,886,195	1,858,795	1,743,550	1,160,145	1,163,100
<b>Revenue Total</b>	<b>\$ 24,521,930</b>	<b>26,090,885</b>	<b>28,593,895</b>	<b>30,246,735</b>	<b>31,843,270</b>	<b>31,975,685</b>	<b>32,100,300</b>	<b>32,498,090</b>

The first year distribution of total General Fund revenues can be seen in *Chart 2.* below and the second year is shown in the following page in *Chart 3.* As you can see, property taxes and sales

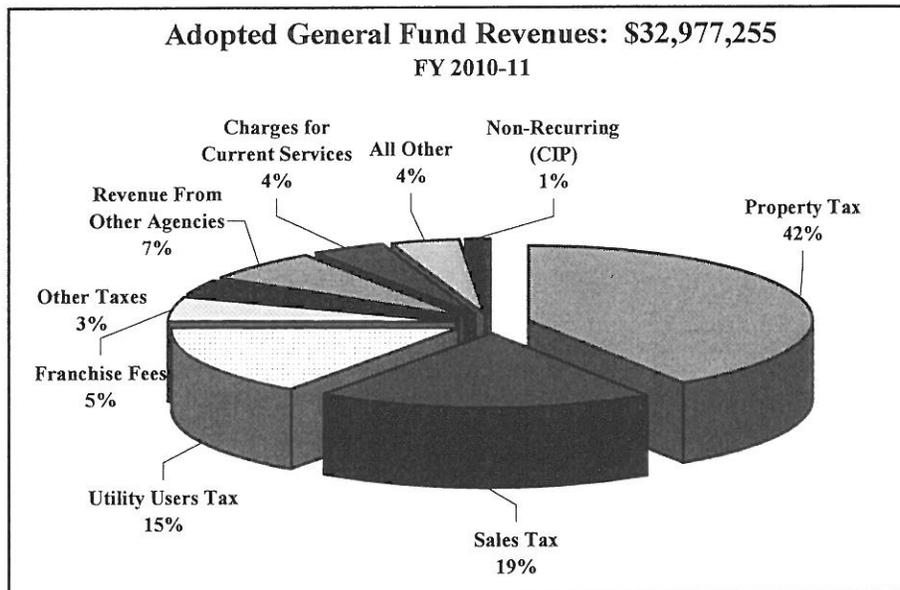
taxes comprise over 60% of General Fund revenues and are fluctuating widely during this economic recession.

*Chart 2.*



Category	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Amended 2008-09	Adopted 2009-10	Adopted 2010-11
Operating Revenue	\$ 24,521,930	26,090,885	28,593,895	30,246,735	31,843,270	31,975,685	32,100,300	32,498,090
Non-Recurring	211,040	2,264,870	825,250	2,140,390	1,358,625	1,781,680	620,000	479,165
<b>Total Revenues</b>	<b>\$ 24,732,970</b>	<b>28,355,755</b>	<b>29,419,145</b>	<b>32,387,125</b>	<b>33,201,895</b>	<b>33,757,365</b>	<b>32,720,300</b>	<b>32,977,255</b>

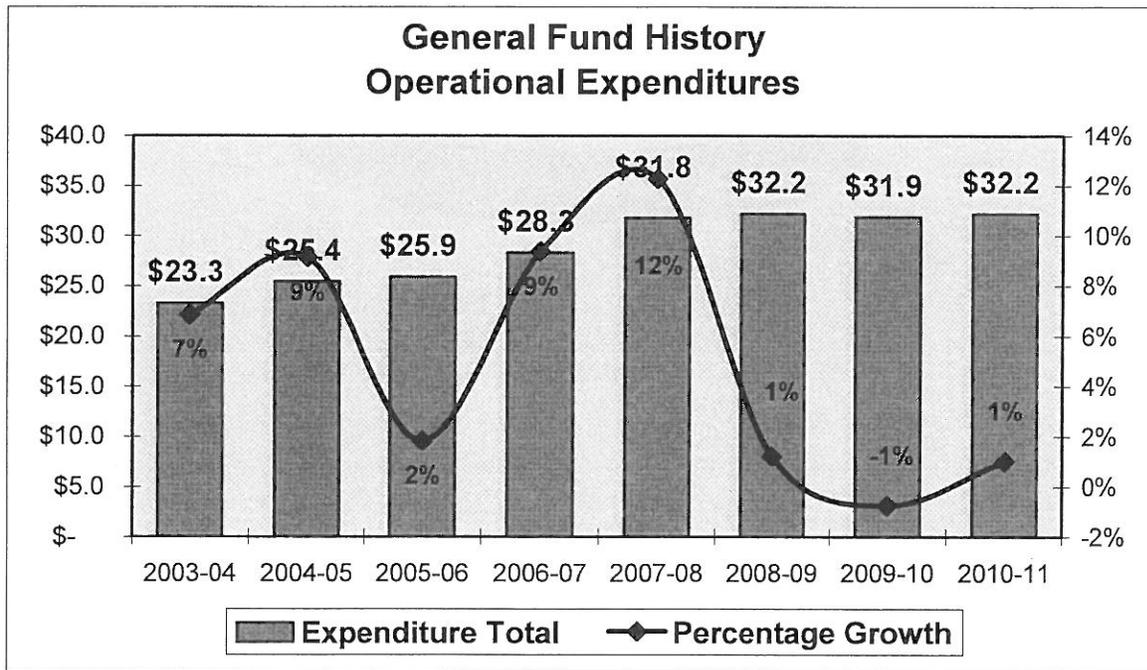
*Chart 3.*



The General Fund Operational Expenditures have followed a similar path with revenues, due to the Balanced Operating Budget Policy. *Chart 4.* below shows that the adopted operating budgets

for the next two fiscal years will exactly match revenues. This was a very difficult task, as early budget forecasts indicated an 8% gap between revenues and expenditures totaling \$2.4 million each year. The exact match was accomplished by extensive budget reductions, followed by final adjusting contributions to the Internal Service Funds. These include the Facility Maintenance Fund, the Vehicle Replacement Fund and the Equipment Replacement Fund. The shortfall for all three amounted to approximately \$818,000 in FY 2009-10 and \$970,000 in FY 2010-11.

Chart 4.



General Fund Adopted Operating Expenditures

Category	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Amended 2008-09	Adopted 2009-10	Adopted 2010-11
Administration	2,340,465	2,674,765	2,396,535	2,644,375	2,603,720	2,898,190	2,948,735	3,044,250
Police	5,630,985	6,348,055	6,611,815	7,293,635	8,026,425	8,125,060	8,458,590	8,659,670
Fire	4,457,240	5,013,130	5,772,525	6,203,785	6,899,210	6,961,220	7,157,220	7,311,810
Community Dev.	1,036,635	1,142,985	1,166,155	1,227,030	1,433,840	1,487,550	1,433,985	1,477,985
Public Works	1,911,845	2,142,435	1,661,840	1,774,765	1,956,655	2,086,645	1,902,495	1,934,260
Library	927,390	955,795	1,013,665	1,144,595	1,209,775	1,273,790	1,269,695	1,232,770
Parks & Recreation	3,206,675	3,479,315	3,977,935	4,366,800	5,268,170	5,443,905	5,204,930	5,318,015
All Other	3,790,810	3,677,350	3,301,880	3,677,000	4,413,865	3,946,905	3,477,840	3,206,440
<b>Expenditure Total</b>	<b>\$ 23,302,045</b>	<b>25,433,830</b>	<b>25,902,350</b>	<b>28,331,985</b>	<b>31,811,660</b>	<b>32,223,265</b>	<b>31,853,490</b>	<b>32,185,200</b>

Charts 5, 6, 7, & 8 below display the category percentages for the General Fund.

Chart 5.

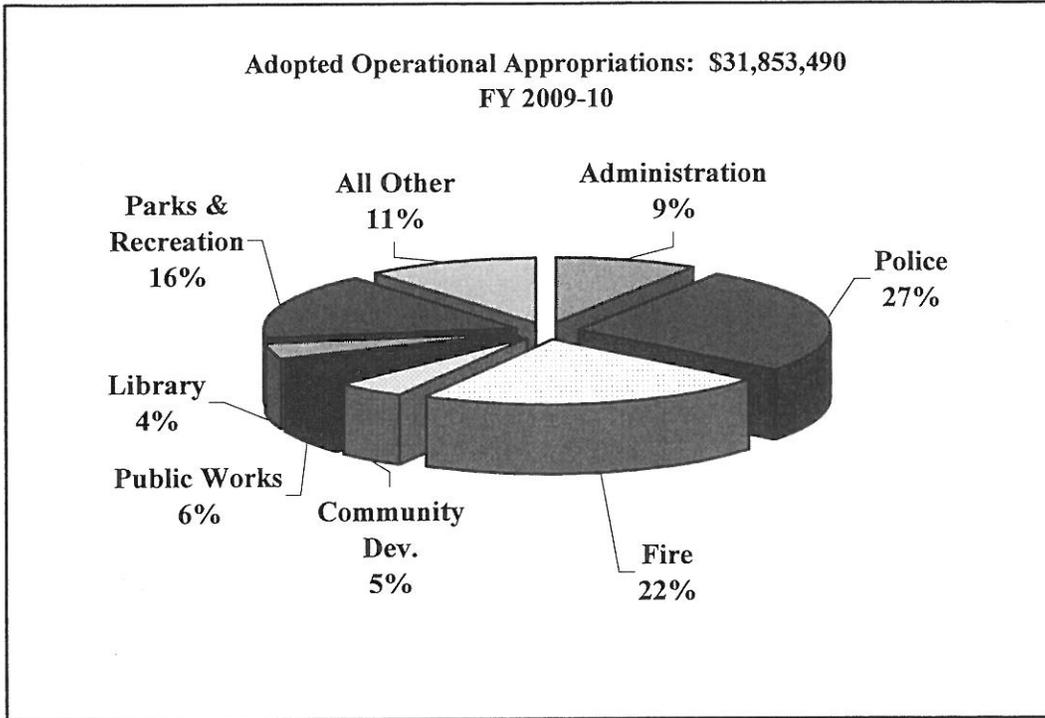


Chart 6.

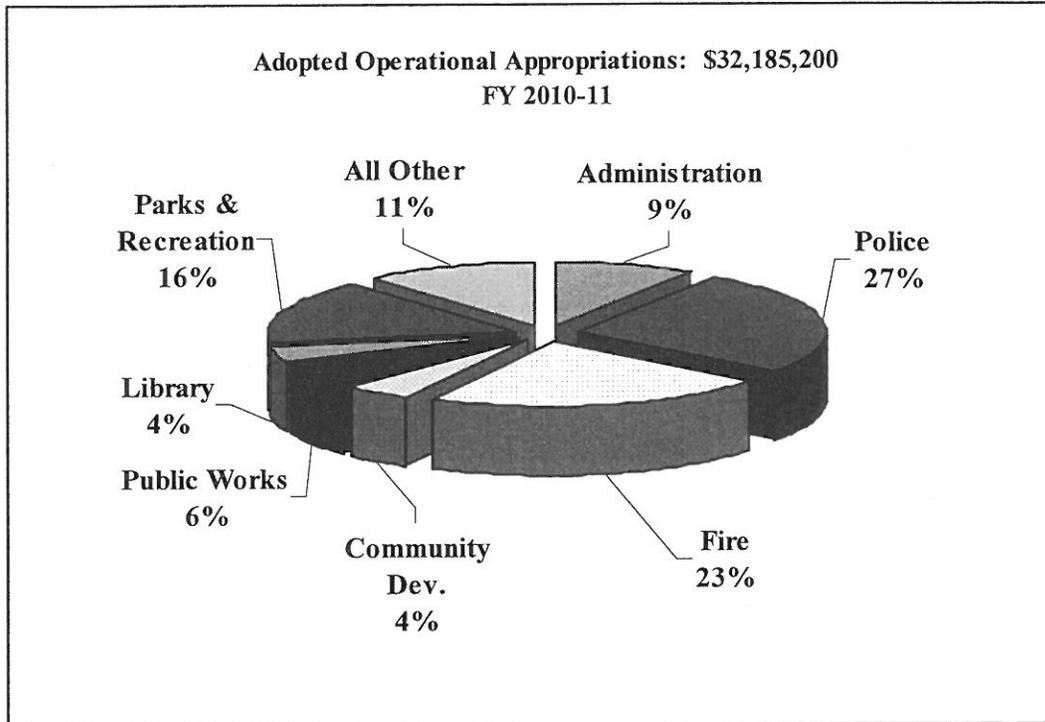
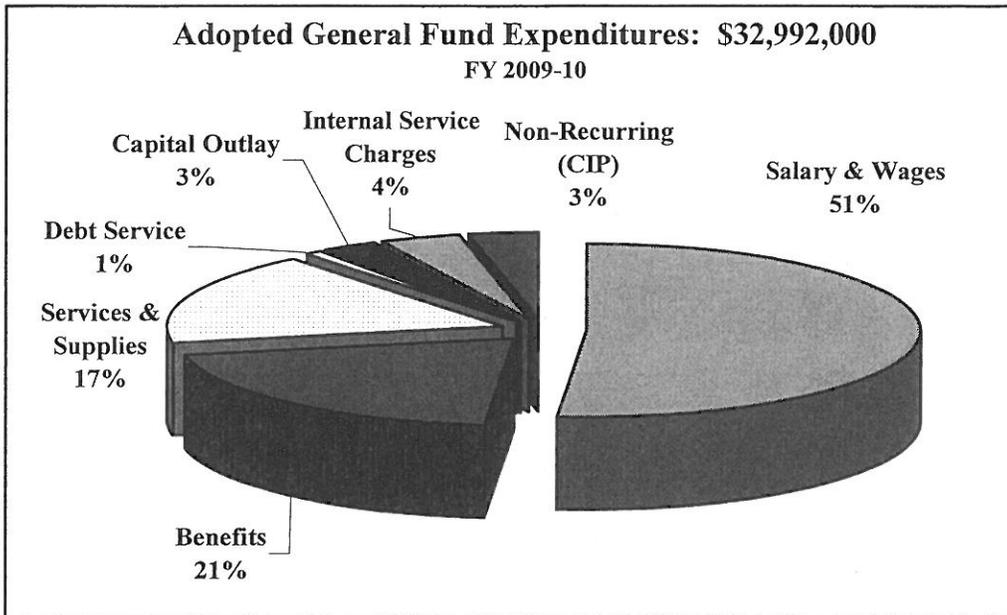


Chart 7.



Category	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Amended 2008-09	Adopted 2009-10	Adopted 2010-11
Salary & Wages	\$ 12,941,975	13,622,515	13,474,590	14,661,990	16,187,355	16,638,135	16,920,190	17,020,345
Benefits	3,550,020	4,955,235	5,025,480	5,577,030	6,368,550	6,791,590	6,844,040	7,074,190
Services & Supplies	5,644,425	5,942,665	5,465,990	5,842,965	6,366,135	6,326,625	5,638,770	5,685,620
Debt Service	0	53,040	206,000	0	364,730	289,325	260,000	260,000
Capital Outlay	1,082,230	860,375	472,960	922,405	900,890	983,370	965,170	993,185
Internal Service Charges	0	0	1,257,330	1,327,595	1,624,000	1,172,220	1,225,320	1,151,860
Non-Recurring (CIP)	1,107,550	1,558,615	2,108,835	1,754,520	1,580,235	4,057,475	1,138,510	893,510
<b>Expenditure Total</b>	<b>\$ 24,326,200</b>	<b>26,992,445</b>	<b>28,011,185</b>	<b>30,086,505</b>	<b>33,391,895</b>	<b>36,258,740</b>	<b>32,992,000</b>	<b>33,078,710</b>

Chart 8.

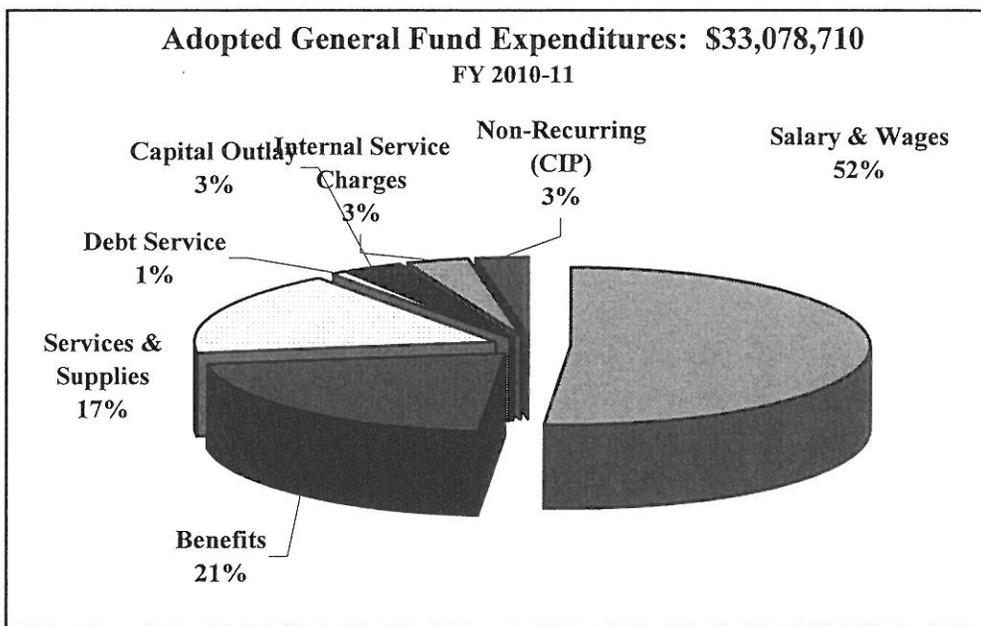
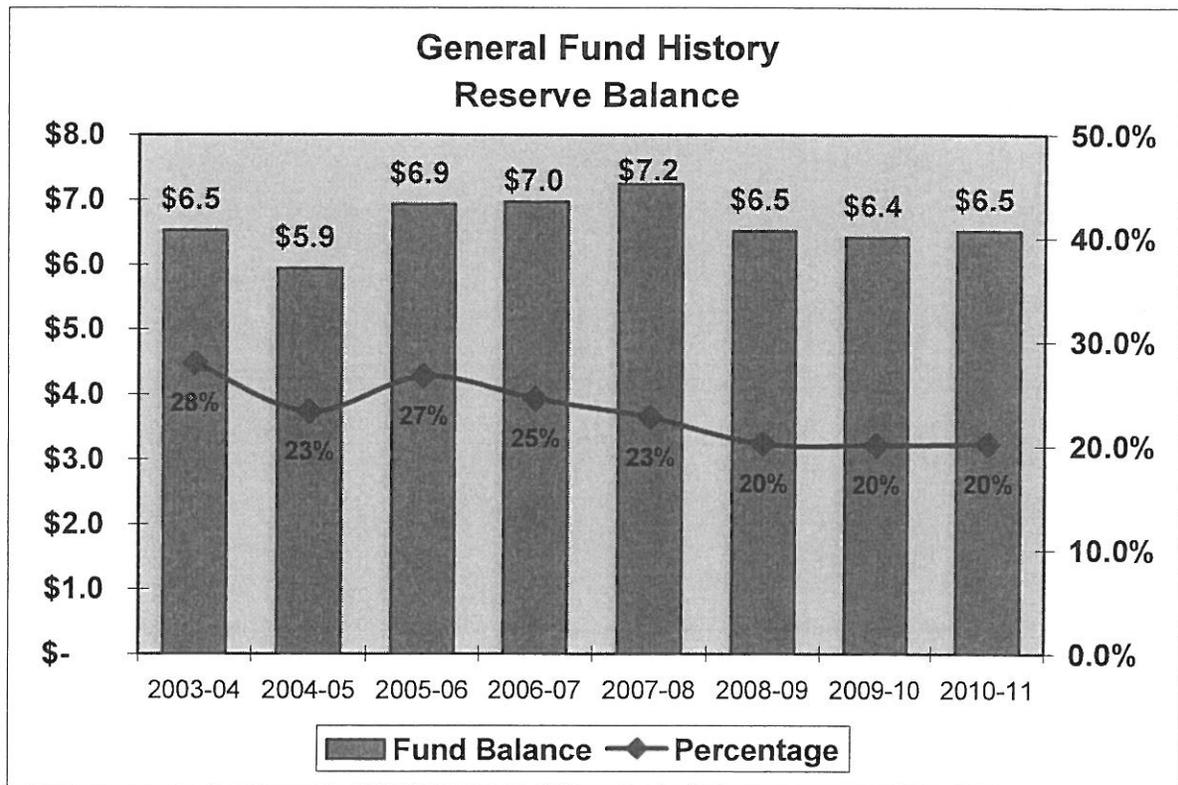


Chart 9. below shows the history of the Fund Balance Reserve and the maintenance of the 20% threshold in the adopted budget. By reducing the transfers to the Internal Service Funds, the goal of balancing the operations fund was achieved and, at the same time, allowed for a surplus above the 20% Fund Balance Reserve requirement. These funds have been adopted for the capital improvement projects mentioned in the City Manager's budget transmittal.

Chart 9.



**Undesignated Fund Balance Reserve**

Category	Actual 2003-04	Actual 2004-05	Actual 2005-06	Actual 2006-07	Actual 2007-08	Amended 2008-09	Adopted 2009-10	Adopted 2010-11
Fund Balance	6,522,125	5,938,110	6,928,885	6,966,135	7,242,575	6,513,785	6,417,170	6,516,260
Percentage	28.0%	23.3%	26.8%	24.6%	22.8%	20.2%	20.1%	20.2%

## General Fund Summary - By Department

	Actual 2006-07	Actual 2007-08	Amended 2008-09 (1)	Estimated 2008-09	Adopted 2009-10 (2)	% (2/1)	Adopted 2010-11 (3)	% (3/2)
<b>Revenues</b>								
City Council	0	200	0	1,280	500		500	
City Clerk	50	0	0	0	0		0	
City Treasurer	52,570	56,850	92,510	92,710	97,860	6%	100,815	3%
City Manager	190	570	0	2,400	500		500	
City Attorney	130	0	0	0	0		0	
Economic Development	0	1,000	0	30	0		0	
Human Resources	505	515	0	0	0		0	
Finance	30	0	0	0	0		0	
Library	74,195	67,365	72,770	61,505	64,505	-11%	64,505	0%
Community Development	510,100	482,585	363,450	361,600	361,900	0%	361,900	0%
Police	483,210	453,825	409,630	401,830	406,700	-1%	406,700	0%
Fire	286,275	335,435	402,080	392,080	360,000	-10%	360,000	0%
Public Works	198,000	45,255	89,500	84,550	41,500	-54%	41,500	0%
Parks & Community Services	961,310	1,023,270	948,220	1,032,280	1,023,560	8%	1,023,560	0%
Insurances	0	6,640	23,900	23,900	0		0	
Non-Departmental	27,511,940	29,291,595	29,493,210	29,407,725	29,662,860	1%	30,057,695	1%
Interfund Transfer-In	168,230	78,165	80,415	80,415	80,415	0%	80,415	0%
<b>Revenue Total</b>	<b>\$ 30,246,735</b>	<b>31,843,270</b>	<b>31,975,685</b>	<b>31,942,305</b>	<b>32,100,300</b>	<b>0%</b>	<b>32,498,090</b>	<b>1%</b>
<b>Expenditures</b>								
City Council	82,420	97,075	101,575	102,235	102,100	1%	105,180	3%
City Clerk	69,175	78,010	80,910	77,100	79,715	-1%	81,435	2%
City Treasurer	52,570	56,850	92,510	92,710	97,860	6%	100,815	3%
City Manager	418,230	454,430	546,205	545,355	565,665	4%	583,860	3%
Economic Development	383,335	454,740	501,495	502,770	439,880	-12%	440,085	0%
Human Resources	450,820	365,100	375,385	337,880	349,700	-7%	360,930	3%
City Attorney	571,485	569,185	579,195	585,940	620,030	7%	635,570	3%
Finance	999,675	983,070	1,122,410	1,137,405	1,110,365	-1%	1,154,520	4%
Community Grants & Programs	388,225	486,255	506,750	506,750	420,460	-17%	419,180	0%
Library	1,144,595	1,209,775	1,273,790	1,260,860	1,267,045	-1%	1,230,160	-3%
Police	7,293,635	8,026,425	8,125,060	8,176,180	8,434,240	4%	8,634,190	2%
Fire	6,203,785	6,899,210	6,983,220	7,127,615	7,132,670	2%	7,285,540	2%
PW & Community Development	3,001,795	3,390,495	3,574,195	3,458,210	3,118,940	-13%	3,175,765	2%
Parks & Community Services	4,366,800	5,268,170	5,443,905	5,227,920	5,174,520	-5%	5,287,955	2%
Insurances	725,110	712,735	516,625	581,630	528,855	2%	539,700	2%
Non-Departmental & Debt Service	1,547,545	2,164,320	1,701,290	1,782,685	1,660,680	-2%	1,369,090	-18%
Interfund Transfer-Out	632,785	595,815	698,745	695,055	750,765	7%	781,225	4%
<b>Expenditure Total</b>	<b>\$ 28,331,985</b>	<b>31,811,660</b>	<b>32,223,265</b>	<b>32,198,300</b>	<b>31,853,490</b>	<b>-1%</b>	<b>32,185,200</b>	<b>1%</b>
<b>Operational Surplus/(Deficit)</b>	<b>1,914,750</b>	<b>31,610</b>	<b>(247,580)</b>	<b>(255,995)</b>	<b>246,810</b>		<b>312,890</b>	
<b>Capital Projects &amp; Non-Recurring</b>								
Non-Recurring Revenues	2,140,390	1,358,625	1,781,680	1,795,110	620,000	-65%	479,165	-23%
Non-Recurring Expenditures	1,754,520	1,580,235	4,057,475	4,063,235	1,138,510	-72%	893,510	-22%
<b>Combined Surplus/(Deficit)</b>	<b>2,300,620</b>	<b>(190,000)</b>	<b>(2,523,375)</b>	<b>(2,524,120)</b>	<b>(271,700)</b>		<b>(101,455)</b>	
Transfers to B.S. Loans Receivable	(190,115)	(281,145)	(66,440)	(145,810)	(175,085)		(200,545)	
Transfers to Project Reserves	2,550,535		(1,728,145)	(1,728,145)				
Misc Adj to Fund Balance	(97,050)	(185,295)						
<b>Fund Balance</b>	<b>\$ 6,966,135</b>	<b>7,242,575</b>	<b>6,513,785</b>	<b>6,592,410</b>	<b>6,417,170</b>		<b>6,516,260</b>	
<b>Reserve Percentage</b>	<b>24.6%</b>	<b>22.8%</b>	<b>20.2%</b>	<b>20.5%</b>	<b>20.1%</b>		<b>20.2%</b>	
<b>Over/(Short) of 20% Requirement</b>	<b>1,299,738</b>	<b>880,243</b>	<b>69,132</b>	<b>152,750</b>	<b>46,472</b>		<b>79,220</b>	