

INTRODUCTION

The total proposed appropriations for all City funds for FY 2010-11 are \$50,183,238, which is a \$7,465,675 (17.5%) increase from the FY 2009-10 Adopted Budget of \$42,717,563. The City fund types contained in this document are the General, Special Revenue, Capital Projects and Debt Service Funds. The General Fund appropriations of \$23,534,453 equate to approximately 47% of the City's total appropriations. Also included in this document, but separate from the City, are the budgets for the Redevelopment Agency and the Cypress Recreation and Park District. While the summary below is limited to the funds of the City, the budget activities of both the Redevelopment Agency and the Cypress Recreation and Park District are discussed later in this transmittal letter.

	Proposed FY 2010-11	Adopted FY 2009-10	Percent Change
General Fund	\$23,534,453	\$24,069,627	(2.2%)
All Other Funds	<u>26,648,785</u>	<u>18,647,936</u>	42.9%
Total-All Funds	<u>\$50,183,238</u>	<u>\$42,717,563</u>	17.5%

The proposed budget meets the following standards: maintaining the City's infrastructure through Capital Improvement funding, continuing the current level of services to the City's residents without decreases to current staffing levels through layoffs or furloughs, incorporating the City Council's adopted goals, implementing no increases to current tax rates, maintaining reserve levels and spending within the State appropriation limit.

The City continues to be proactive in its effort to promote economic development, to enhance revenues where feasible, and to stabilize costs through better efficiency and technology. The following sections summarize the highlights of the FY 2010-11 Budget.

REVENUES

The City's projected revenues for FY 2010-11 are \$34,092,562 and do not include any tax rate increases from the previous year. The FY 2010-11 revenue budget is 4.8% less than the FY 2009-10 adopted revenue budget of \$35,799,895.

The major changes in revenues for the FY 2010-11 Budget are as follows:

- ◆ Decreased Sales Tax revenues (including backfill amounts classified as other taxes) of slightly over \$1.07 million are expected. The decrease is due to the economic downturn and is derived from the latest sales tax collection trends and projections made by the City's sales tax consultant. While added development over the years has increased the number of sales tax providers in the City, the negative impact of the overall economy has caused another significant decrease (approximately 9.0%) in anticipated receipts for the coming year.
- ◆ Other Taxes (excluding the sales tax backfill discussed above) are projected to decrease by approximately \$292,000 due to several factors. First, the City expects satellite wagering taxes to decrease \$100,000 due to recent trends and the potential impact of closures of racing facilities. Second, transient occupancy taxes are projected to fall \$400,000 which is directly attributed to the economy and its impact on business travel. These decreases are partially offset by an increase of \$100,000 in the ERAF Vehicle License Fee (VLF) backfill paid by the State.

- ◆ Decreased investment earnings of approximately \$300,000 are expected as a result of two factors: 1) the market interest rate earned on the City's cash balances has continued to decrease over the past year as a result of the banking crisis and the actions of the Federal Reserve and all indications are that the rates will remain very low through FY 2010-11 and are projected at approximately .75%; and 2) the City's cash balances will continue to decrease due to implementing another year of the City's Capital Improvement Program which totals over \$24.1 million for FY 2010-11.
- ◆ Property taxes, based on projections made by the County, are expected to increase slightly when compared to the prior budget. Due to a large portion of the City's property tax base being assessed below current market values due to Proposition 13, the ongoing downturns in the local housing market tends to be offset by the 2% growth associated with the properties controlled by Proposition 13. While it is expected that some additional properties that have been sold in the past five or six years may be reassessed downward in the coming year, the exact impact to City revenues resulting from these reassessments will likely not be known until future budget years. Actual property tax receipts for FY 2009-10 were less than the budget due to the State triggering the Educational Revenue Augmentation Fund (ERAF) shift in accordance with Proposition 1A. However under the terms of Proposition 1A, the ERAF shift cannot be triggered again until the amount previously "borrowed" is paid back in full. Therefore, the FY 2010-11 budget does not incorporate an ERAF shift.
- ◆ Despite a decrease of nearly \$80,000 in the amount the Recreation and Park District will reimburse the City for charges associated with maintaining the park facilities, total service charges are projected to increase by slightly more than \$675,000. The reason for the overall net increase is the multi-step adjustment to sewer fees that was approved last fiscal year. These additional sewer fees will help pay for the necessary capital improvements associated with maintaining and enhancing the City's sanitary sewer system over the next several years.

Despite experiencing one of the worst economic downturns in memory during the past two years which has resulted in significantly lower revenue streams, the outlook for the City remains relatively stable. The City has historically limited growth in its operating budget and built up reserves, with the expectation that it would be able to weather any such downturns without having to make drastic budget cuts or decrease levels of service. Despite this proactive approach that has been undertaken in controlling costs, the City remains vulnerable to both the continued uncertainties associated with the overall economic climate and the staggering State budget deficits that has become an annual occurrence. While the majority of the City's revenue sources are not under the control of State legislators, the City will continue to take a proactive approach to limiting growth in operating expenditures to stay in line with projected revenues. The history of legislative actions at the State level which took away, or shifted, local funding serves as a constant reminder that the City's long-term autonomy is not a certainty. While the passage of Proposition 1A several years ago abolished many of the methods historically used to divert City revenues, past experiences indicate that if the State is desperate for revenues they will likely find creative new ways to route revenues away from local governments. It is important to remember that the two-year ERAF shift which ended back in FY 2005-06 and the ERAF shift of FY 2009-10 was in addition to the ERAF shift in the early 1990's which has permanently decreased annual property tax revenues by more than \$3.0 million (between the City and Recreation and Park District).

Although ongoing State budget deficit problems are known to exist at this time, the impact to local governments cannot be predicted. Since the State "borrowed" property tax revenues via the ERAF shift in FY 2009-10, we know that the State cannot "borrow" any additional property

tax monies until they pay back the outstanding balance on the “loans” from the City. Therefore, the City budget submitted here has been prepared under the assumption that there will not be any additional cuts to the City’s revenue sources controlled by the State. As has been done in the past, staff will be closely monitoring future economic developments and legislative actions at both the Federal and State level to determine the precise long-term and short-term impacts they may have to local governments.

EXPENDITURES

The FY 2010-11 Budget once again includes funding of the City’s goals and objectives as established by the City Council in April 2007. Some funded objectives include: 1) continuing with the City’s BRACE and AGENT programs for local businesses and continuing to diversify the City’s economic base through economic development programs in the General Fund and Redevelopment Agency activities; 2) communicating with residents and business and fostering community well-being through quarterly newsletters, website maintenance and enhancements, and the continuance of the City’s banner program; 3) funding of the Capital Improvement Program, enhancing the GIS system, maintaining the funding of the tree trimming program, and help ensure that adequate replacement funds will exist for public facilities and infrastructure; 4) ongoing funding of Community Oriented Policing and the replacement of four vehicles and 15 patrol rifles to help sustain and enhance public safety; and 5) providing for effective government operations through each department continuing to review their operations to optimize the use of resources which has resulted in an overall reduction in the operating budget from the prior year.

Other major highlights in the expenditures for the FY 2010-11 Budget are as follows:

- ◆ Maintaining current service levels.
- ◆ Year one of the City’s latest Seven Year Capital Improvement Program totals \$24,095,201, of which \$7,905,000 is being funded with General Fund/Infrastructure Reserve Fund monies, \$6,960,000 is funded with monies accumulated in the Storm Drainage Fund and \$5,720,201 is funded by Sewer Fund monies.
- ◆ Capital Outlay funding of \$730,003 to acquire and/or replace various computer hardware and software, tools and equipment, and seven replacement vehicles used by the police and public works departments.
- ◆ The General Fund operating portion of the budget reflects an overall decrease of 2.2%. This decrease is a result of each department once again thoroughly reviewing their budgets and identifying controllable expenditures that could be adjusted downward or delayed without impacting current operations or current service levels. Some of the major components that can be attributed to the net decrease include: the elimination during the mid-year budget review of multiple full-time positions that were vacant and had not been frozen in the prior budget year, the continuation of freezing currently vacant positions that were not eliminated as part of the mid-year budget review, the continuation of limiting overtime and out-of-area travel, and limiting all capital outlay purchases to non-General Fund sources.

As discussed earlier, the City has attempted to limit growth in its operating budget and as a result the outlook for the City’s financial condition remains solid despite all the uncertainties surrounding the national and local economy. During the course of preparing each of the last two annual budgets, all departments were asked to thoroughly review their operating costs and identify areas for reductions. In addition to these departmental reductions, a total of 15 vacant full-time positions were eliminated during the past year. This reduction in staffing has

not resulted in any cuts to service levels, as the job duties associated with these positions have been absorbed by other positions or have been incorporated into contract services. An area of particular concern to the City's ongoing operating expenditures, relates to the annual amount required to be paid to fund employee pensions through California Public Employees Retirement System (CALPERS). Based on recent actuarial projections by CALPERS, the amount the City will be required to contribute on behalf of all employee groups is expected to increase several percent over the next few years. These annual CALPERS increases are in addition to any pay increases that may be negotiated by the various employee associations and are outside the control of the City. As always, City staff will continue to look at methods for containing ongoing operating costs and ensuring that such costs are within the parameters created by the City's annual revenue receipts.

FUND BALANCES AND RESERVES

The FY 2010-11 Budget reflects the City's policy of fully funding the capital outlay replacement schedule, and the employee benefit and self-insurance liabilities. These liabilities are funded in the Internal Service Funds through charge-backs to the operating funds.

The Budget also reflects the City Council policy of a 25% Contingency Reserve in the General Fund as well as the 30% reserve policy for the cash flow/emergency reserve in the CIP Fund. Additionally, the Infrastructure Reserve Fund was established as part of the FY 2009-10 budget to track monies accumulated for the replacement and enhancement of the City's infrastructure in accordance with the Seven Year Capital Improvement Program. This new fund provides an effective mechanism to project available resources to fund the many infrastructure needs of the City. The General Fund reflects projected revenues/sources to exceed expenditures/uses for FY 2010-11 by \$49,526. Included in total expenditures/uses is a total of \$4.0 million which will be set aside in the Infrastructure Reserve Fund during the next budget year to pre-fund future capital improvement projects. The remaining fund balance amounts projected to be available at the end of the upcoming fiscal year will be available for supplemental appropriation by Council should any unforeseen needs develop during FY 2010-11. The City's general policy is to use eligible fund balance amounts that are legally restricted before using discretionary amounts such as the General Fund. The proposed budget has been prepared factoring in the restricted fund balance amounts that are available to pay for various City programs. As a result, the net changes in the restricted fund balances are consistent with using restricted monies in advance of discretionary funding options.

CYPRESS REDEVELOPMENT AGENCY

The total proposed FY 2010-11 appropriations for the Cypress Redevelopment Agency are \$3,912,768. This represents a decrease of \$804,151 over the budget for FY 2009-10. The decrease is largely the result of the Agency appropriating \$250,000 in development assistance in the low and moderate income housing fund for pending projects compared to appropriating \$1.1 million in FY 2009-10. Other significant recurring appropriations include:

- ◆ Commercial development assistance on Lincoln Avenue.
- ◆ Development assistance in the Los Alamitos Race Track Project Area.
- ◆ First-time homebuyer and rehabilitation housing assistance.
- ◆ Transfer of low and moderate housing set aside funds to the Housing Fund.

The Agency's budgeted net tax increment revenues (excluding any ERAF shifts) are projected to decrease over the previous year budget by \$17,000. The decrease is a result of current trends indicating lower receipts for unsecured property taxes in the Los Alamitos Racetrack (LART) Project Area. The FY 2010-11 tax increment projections assume that the State will once again attempt to institute the ERAF shift during the year. At the time this budget document is going to press, local governments are awaiting the results of the likely appeal of an ongoing court case which had deemed this shift of revenues unconstitutional. While it is uncertain if a resolution will be reached soon, the budget has been prepared assuming the appeal will fail and the State will prevail and be allowed to raid property tax revenues of Redevelopment Agencies on an annual basis.

CYPRESS RECREATION AND PARK DISTRICT

The total FY 2010-11 appropriations for the Cypress Recreation and Park District are \$4,240,126, which represents a \$54,290 increase over last year. The operating budget is \$120,373 (2.9%) less than the previous budget, with potential increases in personnel costs and contract services being offset by various budget decreases including a decrease in the costs reimbursed by the District to the City associated with facility and park maintenance. The District recently completed a facility assessment which yielded the information necessary to develop a multi-year capital improvement program for the District. No capital projects were included in the originally adopted FY 2009-10 budget due to the facility assessment not being completed at the time the budget was prepared. However, a supplemental appropriation of \$392,500 was made during FY 2009-10 to immediately implement the first phase of the first year of the capital improvement program yielded by the facility assessment. The second phase of the first year of this capital improvement program has been incorporated into the FY 2010-11 budget with total capital appropriations of \$146,695. As a result, the increase in capital projects included in the proposed budget is responsible for the overall increase in the District's budget. Additionally capital outlay expenditures totaling \$27,968 (for chairs at the Community Center) are being requested to be funded with operating monies in FY 2010-11. No capital outlay items were included in the prior year budget.

The District's revenue is projected to increase by \$27,713 and total \$4,649,593. The overall revenue increase is the result of several factors. First, modest growth in net property tax revenues over the prior year adopted budget amount is anticipated and has resulted in estimated property tax revenues increasing by approximately \$67,300 (1.9%). The market interest rates earned on the District's cash balances have continued to decrease, resulting in a decrease of \$73,500 in interest earnings over the prior year. The District revised their fee structure in 2008 and the impact on annual revenues has been positive, with amounts received from contract classes, user fees and building rents increasing by more than \$32,000 over the prior year budget.

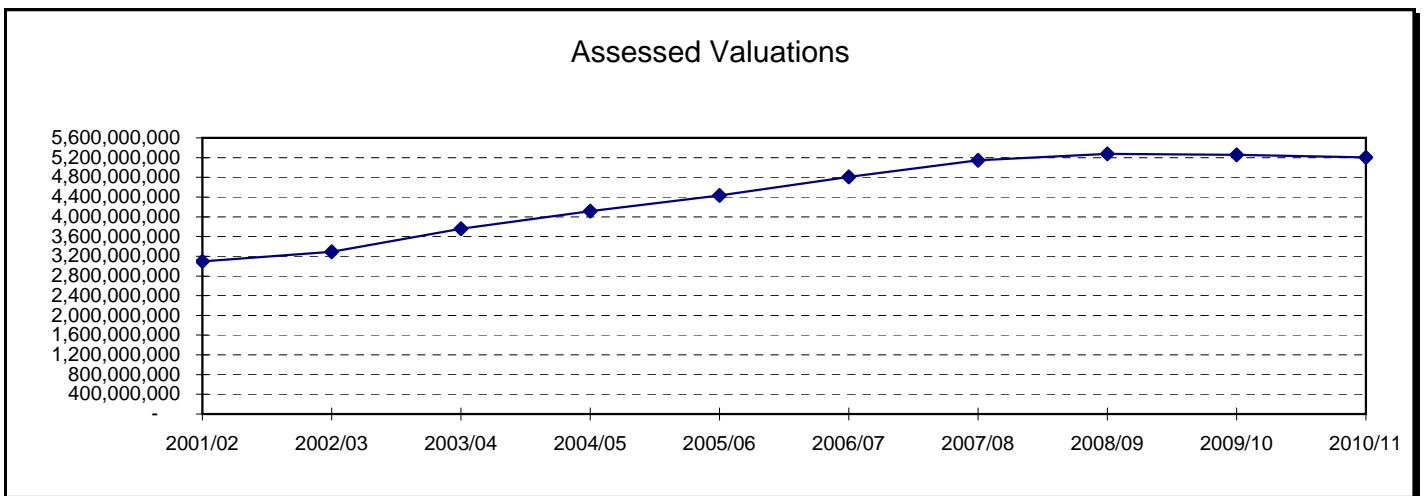
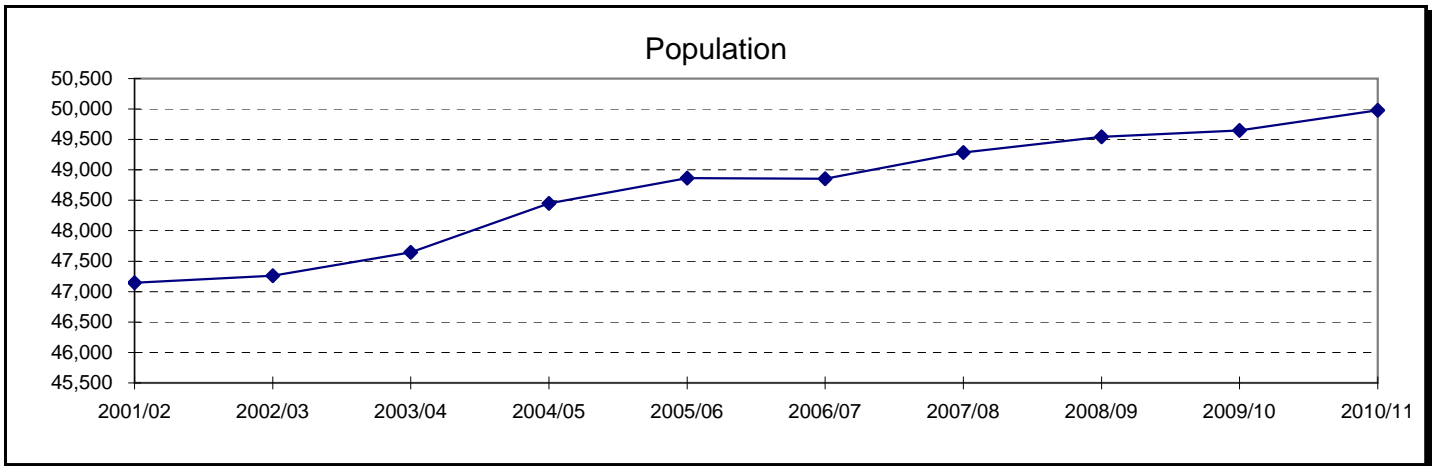
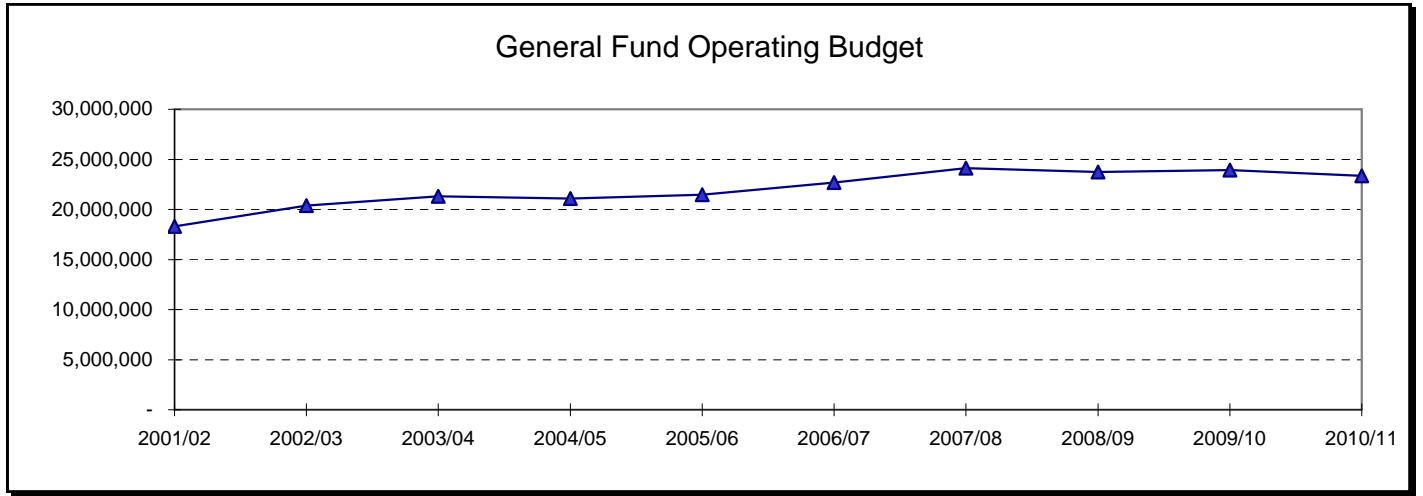
CITY OF CYPRESS
SUMMARY OF RESOURCES AND APPROPRIATIONS BY FUND
Fiscal Year 2010-11

FUND	BEG. FUND BALANCE	PROPOSED REVENUE	FUND TRSFR-IN	OPERATING BUDGET	CAPITAL BUDGET	DEBT BUDGET	FUND TRSFR-OUT	OTHER*	END. FUND BALANCE
111 General Fund	\$ 22,925	\$ 28,363,345	\$ 1,470,634	\$ 23,354,453	\$ 180,000	\$ -	\$ 5,650,000	\$ (600,000)	\$ 72,451
112 Mello Roos	149,216	15,720	-	15,720	-	-	-	-	149,216
114 General Fund Grants	-	26,231	-	26,231	-	-	-	-	-
221 Traffic Safety	-	220,000	-	-	-	-	220,000	-	-
231 Spec Gas Tax 2105	-	263,000	-	-	-	-	263,000	-	-
232 Special Gas Tax 2106	1,369,216	177,800	425,000	-	790,000	-	-	-	1,182,016
233 Special Gas Tax 2107	-	536,000	-	-	-	-	536,000	-	-
234 Traffic Mitigation Assmt	1,740,369	15,000	300,000	-	2,025,000	-	-	-	30,369
235 Regional Traffic Fee	326,111	-	-	-	-	-	-	-	326,111
236 Measure M Gas Tax	1,063,031	552,500	-	-	-	-	725,000	-	890,531
237 Traffic Cong Relief	271,107	492,500	-	-	-	-	300,000	-	463,607
251 Lighting Dist No 2	3,420,981	852,862	-	789,226	20,000	-	116,134	-	3,348,483
261 Storm Drain Fund	6,971,691	362,500	4,800,000	536,868	11,260,000	-	-	-	337,323
262 Plan Local Drain Fac	31,779	2,500	-	-	-	-	-	-	34,279
271 Corp Ctr Maint Dist #1	24,324	70,000	-	63,400	-	-	9,000	-	21,924
281 Narc Asset Seizure	241,815	143,000	-	184,114	-	-	63,500	-	137,201
291 Cable TV PEG	326,327	38,250	-	-	-	-	1,500	-	363,077
301 Supp Law Enforcement	-	100,100	-	100,100	-	-	-	-	-
311 AB 2766	200,218	56,000	-	1,500	-	-	124,100	-	130,618
321 Sewer Fund	5,054,422	1,662,034	-	290,437	6,095,201	75,000	-	-	255,818
415 Capital Projects	2,934,192	120,000	3,725,000	-	3,725,000	-	-	-	3,054,192
416 Infrastructure Reserve	15,399,682	-	3,400,000	-	-	-	5,975,000	-	12,824,682
510 Debt Svc-Refin Civ Ctr	1,138,745	23,220	440,168	-	-	463,388	-	-	1,138,745
TOTAL	\$ 40,686,151	\$ 34,092,562	\$ 14,560,802	\$ 25,362,049	\$ 24,095,201	\$ 538,388	\$ 13,983,234	\$ (600,000)	\$ 24,760,643

* Denotes decrease (increase) in designated or reserved fund balances anticipated during the fiscal year

Transfer-in of \$325,000 is made from the Equipment Replacement Internal Service Fund to the General Fund for Capital Outlay items that will not be replaced.
 Transfer-out of \$63,500 is made from the Narcotics Asset Seizure Fund to the Equipment Replacement Internal Service Fund for Capital Outlay.
 Transfer-out of \$124,100 is made from the AB 2766 Fund to the Equipment Replacement Internal Service Fund for Capital Outlay.
 Transfer-in of \$440,168 is made from the Redevelopment Agency to the Debt Service-Civic Center Refinancing Fund per debt agreement.

CITY OF CYPRESS TEN YEAR TREND ANALYSIS



Fiscal Year 2010/11 assessed valuations are not currently available; therefore, the amount presented is estimated.

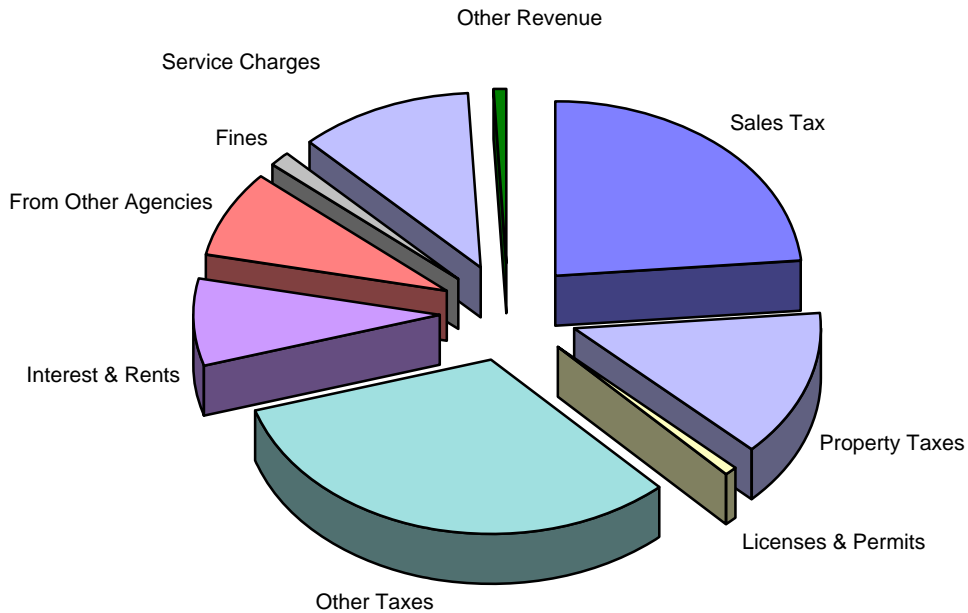
CITY OF CYPRESS
Ten Year Financial Trend Indicators

<u>Fiscal Year</u>	<u>Population</u>	<u>General Fund Operating Budget</u>	<u>General Fund Per Capita</u>	<u>Total City Budget*</u>	<u>Total Budget Per Capita</u>
2001-02	47,148	\$ 18,299,442	\$ 388	\$ 24,716,717	\$ 524
2002-03	47,263	19,223,162	407	25,501,185	540
2003-04	47,644	20,167,746	423	31,112,252	653
2004-05	48,450	21,084,273	435	30,048,905	620
2005-06	48,863	21,454,734	439	28,695,926	587
2006-07	48,854	22,669,791	464	33,225,110	680
2007-08	49,284	24,123,568	489	32,732,063	664
2008-09	49,541	23,735,924	479	43,142,355	871
2009-10	49,647	23,925,015	482	42,717,563	860
2010-11	49,981	23,354,453	467	50,183,238	1,004

* Includes Adopted Operating Budget, Capital Project Budget, Capital Outlay Budget and Debt Budget for all funds of the City.

SUMMARY OF RESOURCES

Fiscal Year 2010-11



TOTAL RESOURCES \$34,092,562

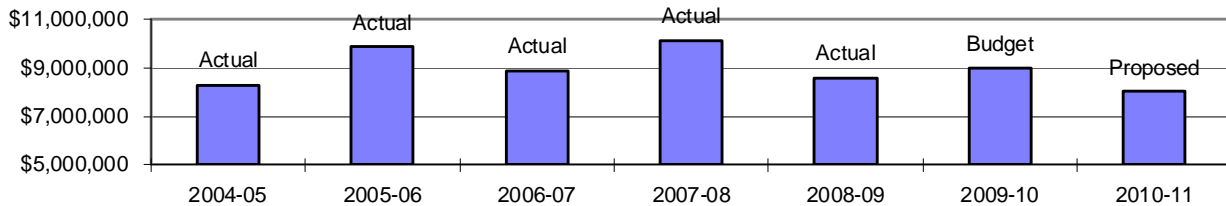
	<u>TOTALS</u>	<u>PERCENT OF BUDGET</u>
Sales Tax	\$ 8,020,720	23.5%
Property Taxes	4,622,792	13.6%
Licenses & Permits	302,650	0.9%
Other Taxes	11,009,217	32.3%
Interest & Rents	2,758,820	8.1%
From Other Agencies	2,741,585	8.0%
Fines	468,000	1.4%
Service Charges	3,927,058	11.5%
Other Revenue	241,720	0.7%
Total Resources	<u>\$ 34,092,562</u>	<u>100%</u>

MAJOR REVENUE SOURCES

SALES TAX

The City of Cypress single largest revenue source is Sales Tax. Sales Tax is collected by the State and distributed to the local jurisdictions in monthly installments based on the prior year's actual collections. At the end of each quarter a "clean-up" payment is made to adjust the current period distributions to actual. Beginning in FY 2004-05, the State now shifts approximately 25% in local sales tax revenues as part of the "triple flip" whereby the sales tax takeaway is backfilled with property tax revenues. As currently implemented, the "triple flip" has created an equal exchange with no net impact to total City revenues. The amount of the back-fill is classified as Other Taxes in the City budget.

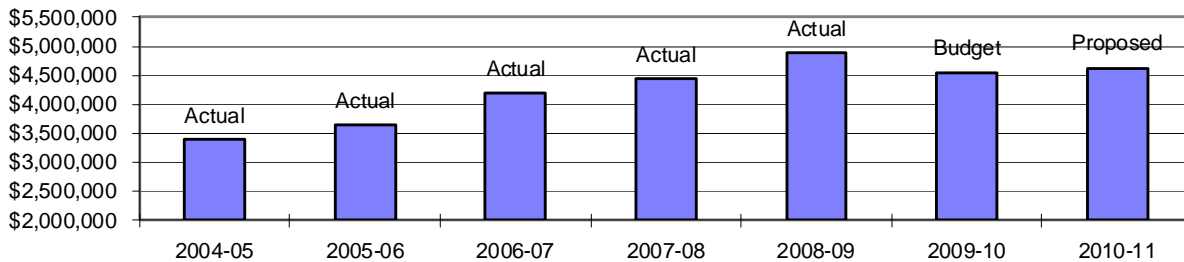
The Sales Tax rate for the County of Orange is 8.75%. The City of Cypress receives 1% (between Sales Tax Revenues and the State Backfill amount) of the 8.75% tax generated within the City limits. Additionally, with the passage of Proposition 172 the City receives 5% of the ½ cent of Sales Tax up to a maximum of \$222,740. These funds are restricted and can only be used for public safety purposes and are included in the Other Taxes revenue category. The City also receives Measure M turnback funds which equal approximately 3% of ½ cent of Sales Tax that requires a matching contribution from the City towards infrastructure improvements. These turnback funds are categorized as Revenue from Other Agencies.



PROPERTY TAX

Property Taxes include assessments on both secured and unsecured property. Secured Property Taxes attach and become an enforceable lien on the assessed property. Taxes on the secured rolls are payable in two installments: November 1 and March 1 of each year, and become delinquent on December 10 and April 10, respectively. Unsecured Property Taxes are assessed and payable each March 1 and become delinquent the following August 31. The County of Orange Tax Collector bills and collects the Property Taxes, then apportions them to the City in accordance with an established schedule.

The County is permitted by the State under Proposition 13, which became effective July 1, 1978, to levy taxes at 1% of the full market value at the time of purchase or reassessment, and can increase the Property Tax assessed valuation no more than 2% annually. The City receives a share (7.83%) of the basic levy (1%) proportionate to what it received prior to the passage of Proposition 13, adjusted by the State shift to the Educational Revenue Augmentation Fund and the county administration fee.



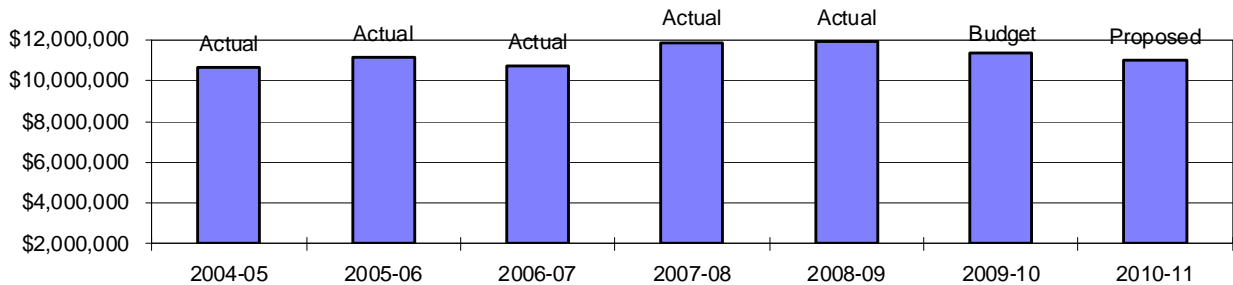
MAJOR REVENUE SOURCES

LICENSES AND PERMITS

The majority of license and permit revenue is generated from fees charged to contractors for building, plumbing, heating and electrical permits to endure compliance with the City's building and safety codes.

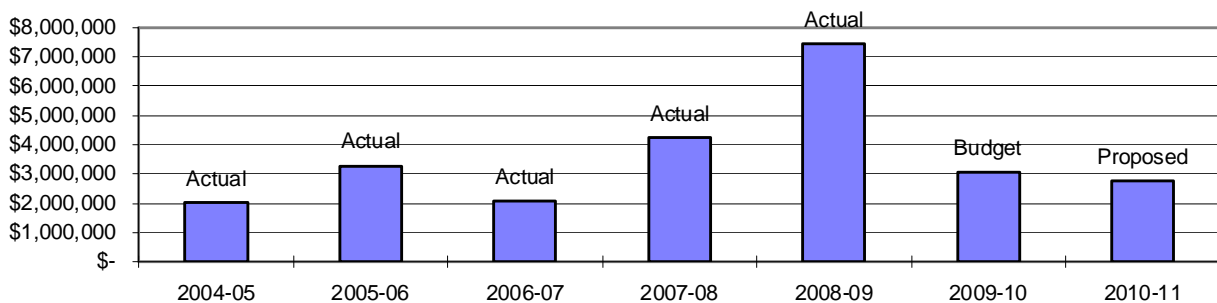
OTHER TAXES

This revenue source is comprised of Franchise Fees, Business License Tax, Transient Occupancy Tax, Real Property Transfer Tax, Parimutual Taxes and the Property Tax Backfill for both Motor Vehicle License Fees and Sales Tax. The Franchise Fees are taxes paid to the City of Cypress by companies who have negotiated the right to provide a service exclusively within the City of Cypress. Such companies include Southern California Water Company, Southern California Gas Company, Southern California Edison, Briggeman Disposal and Media One. Business License Tax is generated from the regulation of businesses and professions within the Cypress City limits. Transient Occupancy Tax is collected by hotels and motels from guests on behalf of the City. The City's Transient Occupancy Tax rate is 10%. Real Property Transfer Tax revenue is collected by the County Recorder for recording the conveyance of property deeds at the time of sale. Parimutual and Satellite Wagering Taxes are derived from the Los Alamitos racetrack wagering. The City receives 0.33 percent of each dollar wagered. The backfill amounts resulting from the sales tax "triple flip" and the reduction in the Motor Vehicle License fees were first recorded in Other Taxes in FY 2004-05. The backfill amounts recorded as Other Taxes are property tax monies committed by the State to make local governments whole after raiding funding sources such as sales tax and licensing fees previously earmarked for local governments.



INTEREST AND RENTS

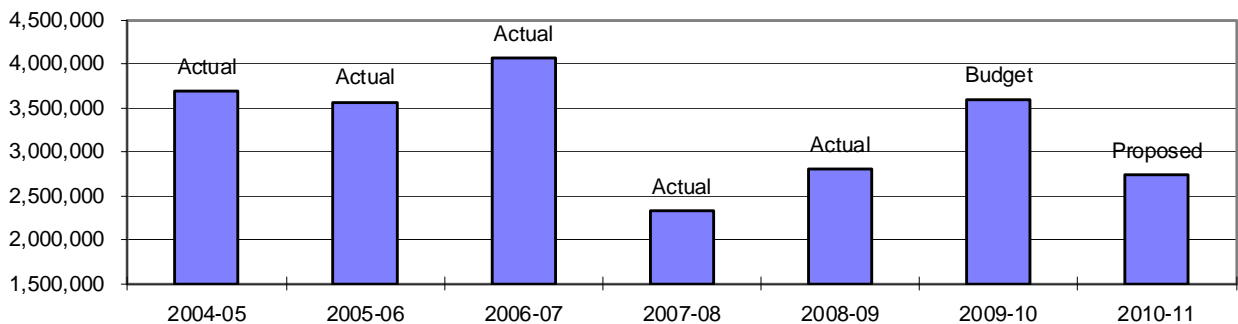
This category represents investment earnings received from the investment of the City's funds and any rents received for the use of City property. All investments are made in accordance with the City's adopted investment policy and all applicable State Government codes.



MAJOR REVENUE SOURCES

REVENUE FROM OTHER AGENCIES

This category includes such significant revenue sources as State Gas Tax, County Measure M Turnback monies, Motor Vehicle License fees and other competitively funded grant monies received from various agencies. Grant revenues tend to fluctuate from year to year depending upon both the availability of funding and the number of projects eligible for such funding. Additionally, the City receives public safety monies from the State for funding supplemental law activities and training reimbursement (POST). In years prior to FY 2003-04, the State had back-filled the cut in Motor Vehicle Licensing Fee to pre-reduction levels. Beginning in FY 2005-06, the State backfill for licensing fees was shifted to a backfill to the City in the form of property tax monies. These backfill monies are now recorded in the City's budget in Other Taxes.



FINES AND FORFEITURES

This revenue is generated from various ordinance violations and alarm fines.

CHARGES FOR SERVICES

These fees are charged by various City departments to recover the cost of providing specific services. The largest revenue source in this category is from the reimbursement of expenses and services provided to the Recreation and Park District.

OTHER REVENUE

This category represents all other miscellaneous and non-recurring revenue and fees.

BUDGET SUMMARY

OPERATING REVENUES

Fiscal Year 2010-11

	2008-09 Actual	2009-10 Budget	2010-11 Proposed	Percent Change
<u>GENERAL FUND 111</u>				
Sales Tax	\$ 8,592,906	\$ 9,000,000	\$ 8,020,720	-10.88%
Property Taxes	4,027,823	3,734,730	3,799,950	1.75%
Other Taxes	11,875,155	11,355,000	10,970,967	-3.38%
Licenses & Permits	340,497	238,650	302,650	26.82%
Fines	269,575	247,500	248,000	0.20%
Interest & Rents	6,647,006	2,467,000	2,432,000	-1.42%
Revenue from Other Agencies	404,270	195,612	226,500	15.79%
Service Charges	2,365,775	2,417,080	2,329,558	-3.62%
Other Revenue	65,397	41,000	33,000	-19.51%
Total	<u>\$ 34,588,404</u>	<u>\$ 29,696,572</u>	<u>\$ 28,363,345</u>	<u>-4.49%</u>
<u>MELLO ROOS FUND 112</u>				
Other Revenue	\$ 10,196	\$ 16,549	\$ 15,720	-5.01%
Total	<u>\$ 10,196</u>	<u>\$ 16,549</u>	<u>\$ 15,720</u>	<u>-5.01%</u>
<u>GENERAL FUND GRANTS FUND 114</u>				
Revenue from Other Agencies	\$ -	\$ 35,388	\$ 26,231	-25.88%
Total	<u>\$ -</u>	<u>\$ 35,388</u>	<u>\$ 26,231</u>	<u>-25.88%</u>
<u>TRAFFIC SAFETY FUND 221</u>				
Fines	\$ 200,504	\$ 245,000	\$ 220,000	-10.20%
Total	<u>\$ 200,504</u>	<u>\$ 245,000</u>	<u>\$ 220,000</u>	<u>-10.20%</u>
<u>SPECIAL GAS TAX 2105 FUND 231</u>				
Revenue from Other Agencies	\$ 265,931	\$ 284,000	\$ 263,000	-7.39%
Total	<u>\$ 265,931</u>	<u>\$ 284,000</u>	<u>\$ 263,000</u>	<u>-7.39%</u>
<u>SPECIAL GAS TAX 2106 FUND 232</u>				
Interest & Rent	\$ 37,046	\$ 5,000	\$ 10,000	100.00%
Revenue from Other Agencies	328,607	-	-	n/a
Other Revenue	177,639	293,626	167,800	-42.85%
Total	<u>\$ 543,292</u>	<u>\$ 298,626</u>	<u>\$ 177,800</u>	<u>-40.46%</u>
<u>SPECIAL GAS TAX 2107 FUND 233</u>				
Revenue from Other Agencies	\$ 532,940	\$ 566,000	\$ 536,000	-5.30%
Total	<u>\$ 532,940</u>	<u>\$ 566,000</u>	<u>\$ 536,000</u>	<u>-5.30%</u>
<u>TRAFFIC MITIGATION ASSNT FUND 234</u>				
Interest & Rents	\$ 112,002	\$ 15,000	\$ 15,000	0.00%
Revenue from Other Agencies	40,000	-	-	n/a
Service Charges	37,652	5,000	-	-100.00%
Total	<u>\$ 189,654</u>	<u>\$ 20,000</u>	<u>\$ 15,000</u>	<u>-25.00%</u>
<u>REGIONAL TRAFFIC FEE FUND 235</u>				
Service Charges	\$ 8,091	\$ 500	\$ -	-100.00%
Total	<u>\$ 8,091</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>-100.00%</u>

BUDGET SUMMARY

OPERATING REVENUES

Fiscal Year 2010-11

(continued)

	2008-09 Actual	2009-10 Budget	2010-11 Proposed	Percent Change
<u>MEASURE M GAS TAX FUND 236</u>				
Interest & Rents	\$ 36,225	\$ 5,000	\$ 2,500	-50.00%
Revenue from Other Agencies	612,650	700,000	550,000	-21.43%
Total	<u>\$ 648,875</u>	<u>\$ 705,000</u>	<u>\$ 552,500</u>	<u>-21.63%</u>
<u>TRAFFIC CONGESTION RELIEF FUND 237</u>				
Interest & Rents	\$ 4,716	\$ 2,500	\$ 2,500	0.00%
Revenue from Other Agencies	419,391	425,000	490,000	15.29%
Total	<u>\$ 424,107</u>	<u>\$ 427,500</u>	<u>\$ 492,500</u>	<u>15.20%</u>
<u>LIGHTING DISTRICT #2 FUND 251</u>				
Property Taxes	\$ 848,396	\$ 810,026	\$ 815,862	0.72%
Interest & Rents	79,942	90,000	30,000	-66.67%
Revenue from Other Agencies	5,957	7,000	7,000	0.00%
Other Revenue	2,466	-	-	n/a
Total	<u>\$ 936,761</u>	<u>\$ 907,026</u>	<u>\$ 852,862</u>	<u>-5.97%</u>
<u>STORM DRAIN FUND 261</u>				
Interest & Rent	\$ 110,701	\$ 100,000	\$ 40,000	-60.00%
Revenue from Other Agencies	6,397	-	-	n/a
Service Charges	332,617	322,000	322,500	0.16%
Other Revenue	1,633	-	-	n/a
Total	<u>\$ 451,348</u>	<u>\$ 422,000</u>	<u>\$ 362,500</u>	<u>-14.10%</u>
<u>PLAN LOCAL DRAIN FAC FUND 262</u>				
Interest & Rents	\$ 45,535	\$ 5,000	\$ 2,500	-50.00%
Other Revenue	18,949	5,000	-	-100.00%
Total	<u>\$ 64,484</u>	<u>\$ 10,000</u>	<u>\$ 2,500</u>	<u>-75.00%</u>
<u>CORP CTR MAINT DIST #1 FUND 271</u>				
Service Charges	\$ 68,932	\$ 70,000	\$ 70,000	0.00%
Total	<u>\$ 68,932</u>	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>0.00%</u>
<u>NARCOTICS ASSET SEIZURE FUND 281</u>				
Interest & Rents	\$ 5,776	\$ 10,000	\$ 5,000	-50.00%
Other Revenue	264,818	105,000	138,000	31.43%
Total	<u>\$ 270,594</u>	<u>\$ 115,000</u>	<u>\$ 143,000</u>	<u>24.35%</u>
<u>CABLE TELEVISION FRANCHISE AGREEMENT FUND 291</u>				
Service Charges	\$ 42,492	\$ 38,000	\$ 38,250	0.66%
Total	<u>\$ 42,492</u>	<u>\$ 38,000</u>	<u>\$ 38,250</u>	<u>0.66%</u>
<u>SUPPLEMENTAL LAW ENFORCEMENT FUND 301</u>				
Interest & Rents	\$ -	\$ 492	\$ 100	-79.67%
Revenue from Other Agencies	75,843	100,000	100,000	0.00%
Total	<u>\$ 75,843</u>	<u>\$ 100,492</u>	<u>\$ 100,100</u>	<u>-79.67%</u>

BUDGET SUMMARY

OPERATING REVENUES

Fiscal Year 2010-11

(continued)

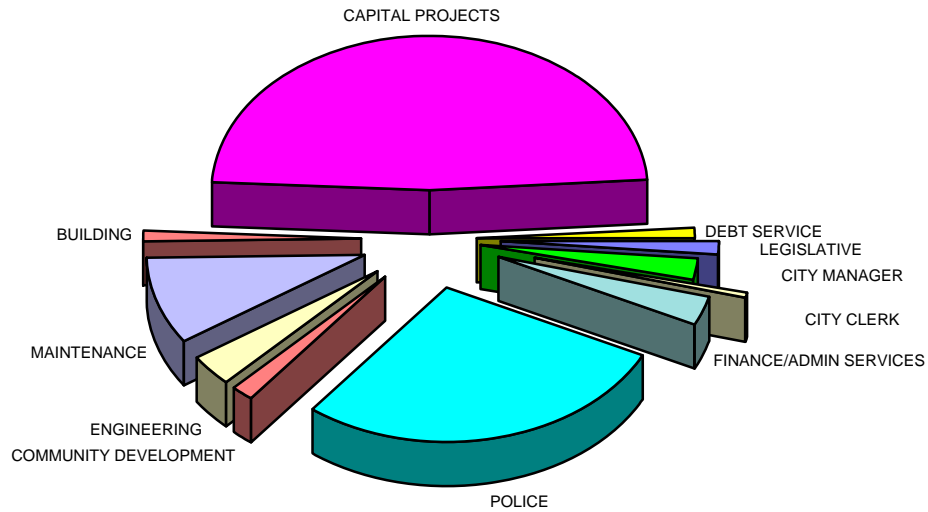
	2008-09 Actual	2009-10 Budget	2010-11 Proposed	Percent Change
<u>AB 2766 FUND 311</u>				
Interest & Rents	\$ 2,175	\$ 2,000	\$ 1,000	-50.00%
Other Revenue	57,218	54,000	55,000	1.85%
Total	<u>\$ 59,393</u>	<u>\$ 56,000</u>	<u>\$ 56,000</u>	<u>0.00%</u>
<u>SEWER FUND 321</u>				
Property Taxes	\$ 7,800	\$ 6,515	\$ 6,980	7.14%
Interest & Rents	38,280	5,000	75,000	1400.00%
Revenue from Other Agencies	62	260,054	375,054	44.22%
Service Charges	438,307	437,000	1,205,000	175.74%
Other Revenue	1,121	-	-	n/a
Total	<u>\$ 485,570</u>	<u>\$ 708,569</u>	<u>\$ 1,662,034</u>	<u>134.56%</u>
<u>CIP FUND 415</u>				
Interest & Rents	\$ 309,139	\$ 325,000	\$ 120,000	-63.08%
Revenue from Other Agencies	112,152	732,673	-	-100.00%
Other Revenue	15,074	-	-	n/a
Total	<u>\$ 436,365</u>	<u>\$ 1,057,673</u>	<u>\$ 120,000</u>	<u>-88.65%</u>
<u>DEBT SVC-REFIN CIVIC CTR FUND 510</u>				
Interest & Rents	\$ 23,799	\$ 20,000	\$ 23,220	16.10%
Total	<u>\$ 23,799</u>	<u>\$ 20,000</u>	<u>\$ 23,220</u>	<u>16.10%</u>
TOTAL OPERATING REVENUES	<u>\$ 40,327,575</u>	<u>\$ 35,799,895</u>	<u>\$ 34,092,562</u>	<u>-4.77%</u>

CITY OF CYPRESS
SUMMARY OF APPROPRIATIONS BY FUND
Fiscal Year 2010-11

<u>FUND</u>	<u>SALARIES & BENEFITS</u>	<u>OPERATIONS & PROJECTS</u>	<u>DEBT SERVICE</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
111-General Fund	\$ 15,583,993	\$ 7,950,460	\$ -	\$ -	\$ 23,534,453
112-Mello Roos Fund	1,570	14,150	-	-	15,720
114-General Fund Grants	19,231	7,000	-	-	26,231
232-Special Gas Tax 2106	69,465	720,535	-	-	790,000
234-Traffic Mitigation Assmt Fund	98,359	1,926,641	-	-	2,025,000
251-Lighting Dist No 2 Fund	52,134	757,092	-	-	809,226
261-Storm Drainage Fund	489,348	11,307,520	-	-	11,796,868
271-Corp Ctr Maint Dist #1	3,898	59,502	-	-	63,400
281-Narc Asset Seizure	57,503	126,611	-	63,500	247,614
301-Supp Law Enforcement Fund	100,100	-	-	-	100,100
311-AB 2766 Fund	-	1,500	-	124,100	125,600
321-Sewer Fund	286,384	6,099,254	75,000	-	6,460,638
415-Capital Projects Fund	158,986	3,566,014	-	-	3,725,000
510-Debt Svc-Refin. Civic	-	-	463,388	-	463,388
TOTAL	<u>\$ 16,920,971</u>	<u>\$ 32,536,279</u>	<u>\$ 538,388</u>	<u>\$ 187,600</u>	<u>\$ 50,183,238</u>

SUMMARY OF APPROPRIATIONS

Fiscal Year 2010-11



TOTAL APPROPRIATIONS \$50,183,238

	<u>TOTALS</u>	<u>PERCENT OF BUDGET</u>
LEGISLATIVE	\$ 656,579	1.3%
CITY MANAGER	1,142,520	2.3%
CITY CLERK	350,960	0.7%
FINANCE/ADMIN SERVICES	1,457,944	2.9%
POLICE	14,222,947	28.3%
COMMUNITY DEVELOPMENT	837,720	1.7%
ENGINEERING	1,662,126	3.3%
MAINTENANCE	4,633,918	9.2%
BUILDING	584,935	1.2%
CAPITAL PROJECTS	24,095,201	48.0%
DEBT SERVICE	538,388	1.1%
TOTAL APPROPRIATIONS	\$ 50,183,238	100.0%

BUDGET SUMMARY
OPERATING EXPENDITURES
Fiscal Year 2010-11

FUNCTION/Responsible Department Program Number/Description	2009-10 Budget	2010-11 Budget	Percent Change
MANAGEMENT AND SUPPORT SERVICES			
City Management			
City Council/Commissions			
10101 Legislative	\$ 163,509	\$ 177,089	8.31%
10104 Traffic Commission	29,621	30,433	2.74%
10109 Support Services - Legislative	107,448	114,242	6.32%
Subtotal	<u>\$ 300,578</u>	<u>\$ 321,764</u>	<u>7.05%</u>
Legal Services			
10105 City Attorney	\$ 245,025	\$ 334,815	36.65%
City Manager/City Clerk			
20111 City Manager	\$ 755,754	\$ 746,573	-1.21%
20115 City Clerk	244,340	196,417	-19.61%
20116 Elections	6,546	97,524	1389.83%
20118 Records Management	51,310	57,019	11.13%
20119 Cable TV	119,473	110,869	-7.20%
20120 Solid Waste	19,702	29,700	50.75%
20121 City Administration Grants	35,388	19,231	-45.66%
20608 Central Warehouse	56,958	-	n/a
20270 Animal Control	180,508	145,542	-19.37%
Subtotal	<u>\$ 1,469,979</u>	<u>\$ 1,402,875</u>	<u>-4.56%</u>
Community Promotion			
20117 Community Promotion	\$ 94,308	\$ 90,605	-3.93%
Finance/Admin Services Department			
Human Resources/Staff Development			
40151 Human Resources	\$ 363,000	\$ 365,544	0.70%
Accounting/Treasury			
40141 Finance Administration	\$ 278,240	\$ 307,311	10.45%
40142 General Accounting	546,479	624,873	14.35%
40143 Purchasing	68,039	65,216	-4.15%
40144 Business Licenses	87,019	79,280	-8.89%
40200 Mello Roos Administration	16,549	15,720	-5.01%
Subtotal	<u>\$ 996,326</u>	<u>\$ 1,092,400</u>	<u>9.64%</u>
Total Management and Support Services	<u><u>\$ 3,469,216</u></u>	<u><u>\$ 3,608,003</u></u>	<u><u>4.00%</u></u>

BUDGET SUMMARY

OPERATING EXPENDITURES

Fiscal Year 2010-11

(continued)

FUNCTION/Responsible Department Program Number/Description	2009-10 Budget	2010-11 Budget	Percent Change
POLICE PROTECTION			
Police Department			
Program Administration			
50161 Police Administration	\$ 1,252,935	\$ 1,268,939	1.28%
50174 Crime Prevention/Comm Relat.	200,533	203,622	1.54%
Subtotal	<u>\$ 1,453,468</u>	<u>\$ 1,472,561</u>	1.31%
Field Operations			
50162 Field Operations Management	\$ 518,984	\$ 312,722	-39.74%
50163 Field Operations	5,908,449	5,947,549	0.66%
50173 Traffic and Parking Operations	628,977	635,173	0.99%
50187 Mobile Command Post	24,347	17,607	-27.68%
50186 Police Reserves	10,663	3,500	-67.18%
Subtotal	<u>\$ 7,091,420</u>	<u>\$ 6,916,551</u>	-2.47%
Investigations			
50165 General Investigations	\$ 1,834,890	\$ 1,832,023	-0.16%
50166 Court Liaison	140,445	141,705	0.90%
50177 SWAT Operations	45,965	50,134	9.07%
50179 Narcotics Asset Seizure	60,834	184,114	202.65%
Subtotal	<u>\$ 2,082,134</u>	<u>\$ 2,207,976</u>	6.04%
Support Services			
50167 Police Training	\$ 102,140	\$ 103,484	1.32%
50168 Support Services Management	983,031	1,129,580	14.91%
50169 Communications	940,403	986,006	4.85%
50170 Records	449,397	448,788	-0.14%
50171 Property and Evidence	127,864	115,299	-9.83%
50172 Jail Operations	381,960	344,601	-9.78%
50176 Crossing Guards	160,000	160,000	0.00%
50178 Police Laboratory	106,870	80,891	-24.31%
50180 Emergency Services	90,902	86,610	-4.72%
50181 Supp Law Enforcement Act	100,492	100,100	-0.39%
50183 Police Grants	-	7,000	n/a
Subtotal	<u>\$ 3,443,059</u>	<u>\$ 3,562,359</u>	3.46%
Total Police Protection	<u><u>\$ 14,070,081</u></u>	<u><u>\$ 14,159,447</u></u>	<u>0.64%</u>

BUDGET SUMMARY
OPERATING EXPENDITURES
Fiscal Year 2010-11

(continued)

FUNCTION/Responsible Department Program Number/Description	2009-10 Budget	2010-11 Budget	Percent Change
COMMUNITY PLANNING AND DEVELOPMENT			
Community Development Department			
Management			
60199 Economic Development	\$ 75,895	\$ 110,343	45.39%
60191 Planning Administration	143,405	161,506	12.62%
Subtotal	<u>\$ 219,300</u>	<u>\$ 271,849</u>	<u>23.96%</u>
Property Development			
60193 Current Planning	\$ 509,283	\$ 510,882	0.31%
Long Range Planning			
60192 Advanced Planning	\$ 91,282	\$ 54,989	-39.76%
Building Safety and Property Abatement			
60241 Building Division Supervision	\$ 260,685	\$ 262,662	0.76%
60242 Permits	57,713	57,823	0.19%
60243.6243 Inspections - Building	100,000	120,000	20.00%
60243.6244 Inspections - Electrical	15,000	15,000	0.00%
60243.6245 Inspections - Plumbing & Heating	15,000	15,000	0.00%
65247 Plan Checks	139,504	114,450	-17.96%
Subtotal	<u>\$ 587,902</u>	<u>\$ 584,935</u>	<u>-0.50%</u>
Total Community Planning & Development	<u><u>\$ 1,407,767</u></u>	<u><u>\$ 1,422,655</u></u>	<u><u>1.06%</u></u>
TRAFFIC SAFETY			
Public Works Department			
Traffic Maintenance			
70212.7214 Traffic Safety	\$ 183,993	\$ 121,929	-33.73%
70215 Traffic Signal Maintenance	182,267	196,765	7.95%
Subtotal	<u>\$ 366,260</u>	<u>\$ 318,694</u>	<u>-12.99%</u>
Street Lighting			
70223 Street Lighting	\$ 553,492	\$ 592,461	7.04%
Traffic Engineering			
70264 Traffic Engineering	\$ 83,088	\$ 66,198	-20.33%
Total Traffic Safety	<u><u>\$ 1,002,840</u></u>	<u><u>\$ 977,353</u></u>	<u><u>-2.54%</u></u>

BUDGET SUMMARY
OPERATING EXPENDITURES
Fiscal Year 2010-11

(continued)

FUNCTION/Responsible Department Program Number/Description	2009-10 Budget	2010-11 Budget	Percent Change
PUBLIC RIGHT OF WAY MAINTENANCE			
Public Works Department			
Management			
70201 Public Works Administration	\$ 440,911	\$ 445,562	1.05%
70209 Ridesharing	1,497	1,500	0.20%
70266 Geographical Information Syst (GIS)	69,363	70,485	1.62%
Subtotal	<u>\$ 511,771</u>	<u>\$ 517,547</u>	<u>1.13%</u>
Engineering Services			
70260.7260 Engineering Administration	\$ 103,175	\$ 98,947	-4.10%
70261.7261 Engineering Plan Checking	48,522	47,282	-2.56%
70261.7262 Engineering Counter Services	41,988	50,909	21.25%
70260.7263 General Engineering Services	62,317	57,389	-7.91%
Subtotal	<u>\$ 256,002</u>	<u>\$ 254,527</u>	<u>-0.58%</u>
Street, Curb & Sidewalk Maintenance			
70211 Maintenance Administration	\$ 426,069	\$ 392,778	-7.81%
70212.7212 Street Maintenance	318,519	240,786	-24.40%
70212.7213 Street Cleaning	156,938	122,319	-22.06%
70212.7227 Graffiti Removal	81,907	87,502	6.83%
70212.7238 Sidewalk Repair	269,846	282,602	4.73%
Subtotal	<u>\$ 1,253,279</u>	<u>\$ 1,125,987</u>	<u>-10.16%</u>
Right of Way Landscape Maintenance			
70212.7216 Street Tree Maintenance	\$ 366,159	\$ 285,024	-22.16%
70212.7217 Parkway Maintenance	950,720	653,216	-31.29%
Subtotal	<u>\$ 1,316,879</u>	<u>\$ 938,240</u>	<u>-28.75%</u>
Total of Public Right of Way	<u>\$ 3,337,931</u>	<u>\$ 2,836,301</u>	<u>-15.03%</u>
PARK FACILITIES MAINTENANCE SERVICES			
Public Works Department			
70218 Building Maint.-Boys & Girls Club	\$ 3,581	\$ 5,758	60.79%
70228.7224 Landscaping - Senior Center	17,844	14,061	-21.20%
70228.7228 Park Landscape and Maintenance	622,782	670,999	7.74%
70228.7229 Athletic Field Maintenance	311,580	259,447	-16.73%
70228.7230 Park Building Maintenance	154,249	149,821	-2.87%
70228.7231 Senior Citizens Cntr Maintenance	161,485	146,518	-9.27%
70228.7232 Community Center Maintenance	242,775	192,710	-20.62%
Total Park Facilities Maintenance Services	<u>\$ 1,514,296</u>	<u>\$ 1,439,314</u>	<u>-4.95%</u>

BUDGET SUMMARY
OPERATING EXPENDITURES
Fiscal Year 2010-11

(continued)

FUNCTION/Responsible Department Program Number/Description	2009-10 Budget	2010-11 Budget	Percent Change
DRAINAGE, SEWAGE & OTHER MAINT SVCS			
Public Works Department			
Drainage			
70221 Retarding Basin	\$ 19,398	\$ 11,463	-40.91%
70281 Storm Drain Maintenance	557,899	536,868	-3.77%
Subtotal	<u>\$ 577,297</u>	<u>\$ 548,331</u>	<u>-5.02%</u>
Other Maintenance Services			
70233 Library Maintenance	18,617	16,808	-9.72%
70239 Stanton Channel Berm Maint.	56,596	63,400	12.02%
Subtotal	<u>\$ 75,213</u>	<u>\$ 80,208</u>	<u>6.64%</u>
Sewer Maintenance			
70219 Sanitary Sewer Maintenance	\$ 237,417	\$ 255,809	7.75%
70251 Fats, Oils and Grease (FOG)	37,747	34,628	-8.26%
Subtotal	<u>\$ 275,164</u>	<u>\$ 290,437</u>	<u>5.55%</u>
Total Drainage, Sewage & Other Maint. Svcs.	<u>\$ 927,674</u>	<u>\$ 918,976</u>	<u>-0.94%</u>
TOTAL OPERATING EXPENDITURES	<u><u>\$ 25,729,805</u></u>	<u><u>\$ 25,362,049</u></u>	<u><u>-1.43%</u></u>

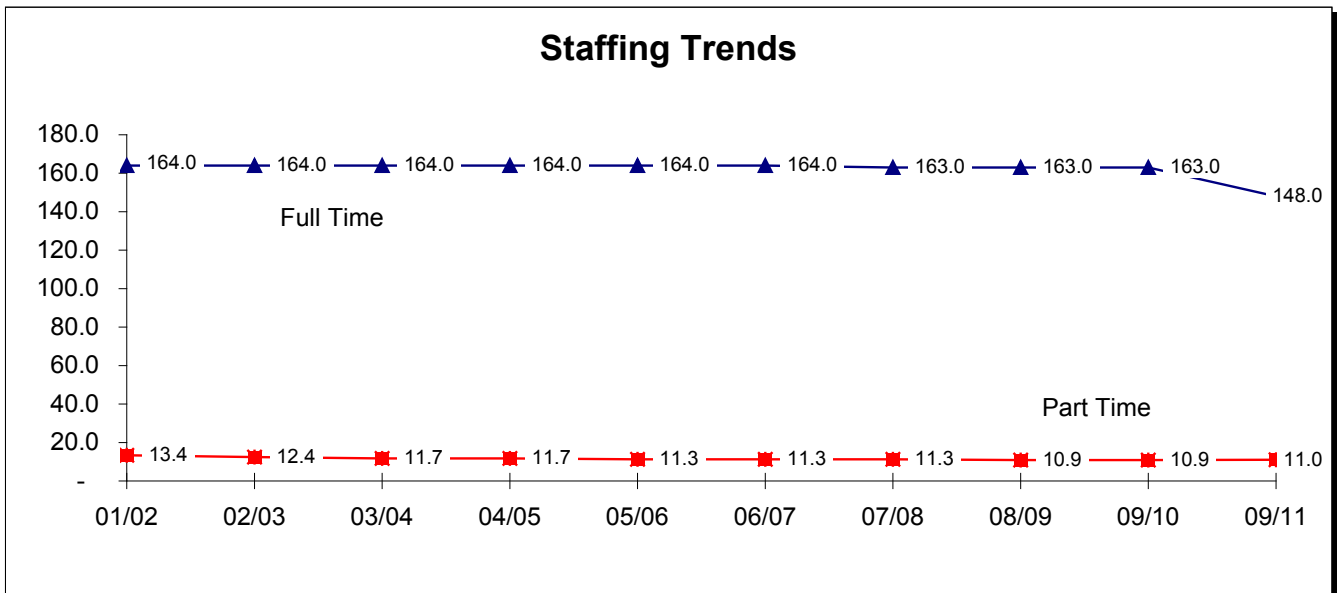
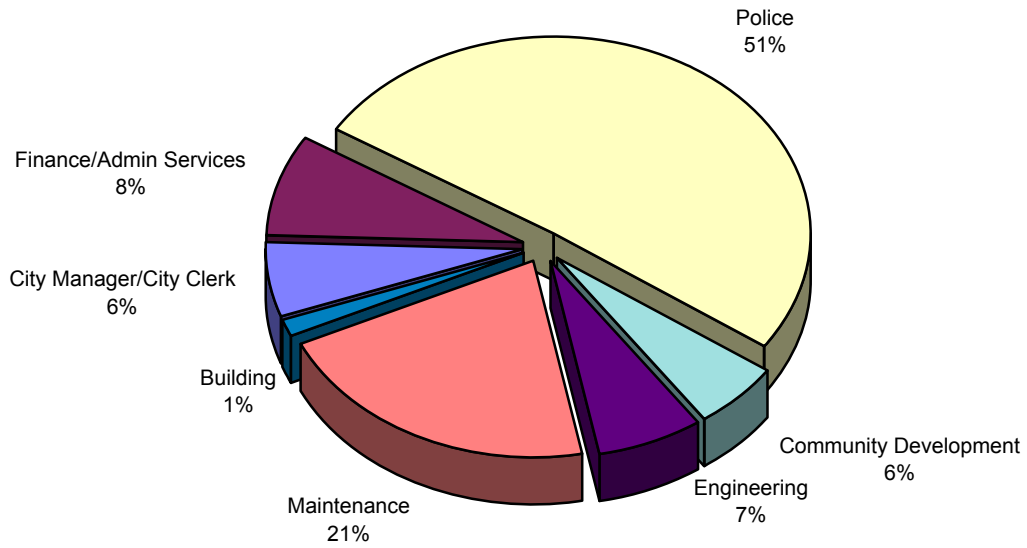
BUDGET SUMMARY
DEBT SERVICE, CAPITAL PROJECTS AND CAPITAL OUTLAY
 Fiscal Year 2010-11

	<u>2009-10 Budget</u>	<u>2010-11 Budget</u>	<u>Percent Change</u>
Summary of Debt Service			
2001-LR Civic Center Refinancing	\$ 468,300	\$ 463,388	-1.05%
2009-GF Sewer Fund Loan	-	75,000	n/a
Total Debt Service Expenditures	<u>\$ 468,300</u>	<u>\$ 538,388</u>	<u>14.97%</u>
Summary of Capital Projects			
80100 Street Projects	\$ 3,065,626	\$ 2,820,000	-8.01%
80200 Traffic Signal Projects	1,750,000	1,725,000	-1.43%
80300 Storm Drain Projects	6,175,883	11,260,000	82.32%
80400 Sanitary Sewer Projects	2,143,966	6,095,201	184.30%
80500 Parkway and Median Projects	3,125,000	1,925,000	-38.40%
80600 Public Facility Projects	250,000	250,000	0.00%
80700 Street Lighting Projects	-	20,000	n/a
Total Capital Projects Expenditures	<u>\$ 16,510,475</u>	<u>\$ 24,095,201</u>	<u>45.94%</u>
Summary of Capital Outlay			
Equipment-Additions			
Tools & Equipment	\$ 8,983	\$ 187,600	1988.39%
Total Capital Outlay Expenditures	<u>\$ 8,983</u>	<u>\$ 187,600</u>	<u>1988.39%</u>
TOTAL BUDGET	<u>\$ 42,717,563</u>	<u>\$ 50,183,238</u>	<u>17.48%</u>

CITY OF CYPRESS

Summary of Staff

Fiscal Year 2010-11



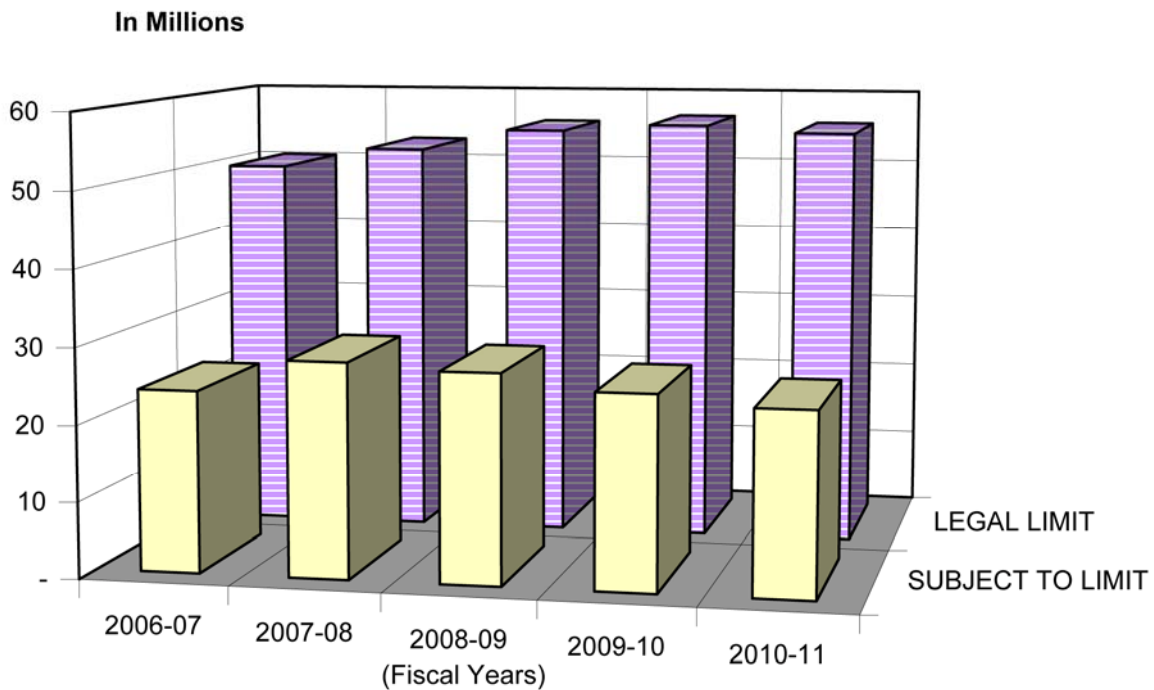
CITY OF CYPRESS ANNUAL APPROPRIATIONS LIMIT

Fiscal Year 2010-11

Under Article XIII B of the California Constitution, State and local government agencies are subject to an annual "appropriations limit". Article XIII B, adopted in 1979 and more commonly known as the "Gann Initiative", limits the proceeds of tax revenue which the City can legally appropriate. The appropriations are based on the City's 1978-79 actual appropriations adjusted annually by a formula utilizing the percentage growth in California Per Capita Income and under Proposition 111 either the population growth in the City or County.

As provided by Proposition 111, the City of Cypress has elected to utilize the percentage of population growth in the County of Orange population to calculate the fiscal year 2010-11 Appropriation Limitation of \$55,677,500. The total appropriations subject to the limitation for 2010-11 are \$23,974,179 which is \$31,703,320 or 56.9% below the calculated appropriation limit.

APPROPRIATIONS



CITY OF CYPRESS
Property Tax Base Rate
Tax Rate Area - 19-001

	<u>Rate</u>	<u>Tax on Home</u> <u>AV-\$320,000</u>
Cypress Recreation & Park District*	0.0728	\$ 233
City of Cypress*	0.0783	251
City Lighting District	0.0160	51
City of Cypress Sewer Fund	0.0000	-
Orange County General Fund	0.0459	147
Orange County Library District	0.0123	39
Orange County Fire Department	0.0831	266
Orange County Flood Control District	0.0146	47
Orange County Harbors, Beaches & Parks	0.0113	36
Orange County Vector Control	0.0008	3
Orange County Transit District	0.0021	7
Orange County Water District	0.0057	18
Orange County Water District Reserve	0.0001	0
Anaheim Union High School District	0.1267	405
North Orange Co Community College District	0.0516	165
Cypress Elementary School District	0.2816	901
Orange County Department of Education	0.0274	88
Orange County Sanitation District	0.0238	76
Education Revenue Augmentation Fund	0.1459	467
Total	<u>1.0000</u>	<u>\$ 3,200</u>

The above schedule represents a breakdown of the basic levy component included on the typical property tax bill. The City of Cypress unrestricted portion is 7.83% of each property tax dollar paid. For a home with an assessed value of \$320,000, the City would receive \$251 annually to use for providing police, street maintenance and other City services.

CYPRESS REDEVELOPMENT AGENCY
BUDGET SUMMARY OF RESOURCES AND APPROPRIATIONS BY FUND
Fiscal Year 2010-11

FUND	BEG. FUND BALANCE	PROPOSED REVENUE	FUND TRSFER-IN	OPERATING BUDGET	DEBT BUDGET	FUND TRSFER-OUT	END. FUND BALANCE
451 Low and Moderate Hsg	\$ 1,956,230	\$ 290,000	\$ 1,327,230	\$ 875,670	\$ -	\$ -	\$ 2,697,790
452 Civic Center Projects	852,747	5,000	-	76,563	-	700,000	81,184
453 Lincoln Ave Projects	996,182	8,000	-	134,605	-	-	869,577
454 LART Projects	(397,084)	5,000	700,000	207,262	-	-	100,654
552 Debt Svc-Civic Center	414,169	2,309,500	-	-	378,000	1,210,868	1,134,801
553 Debt Svc-Lincoln Ave	1,626,225	800,500	-	-	158,000	2,094,000	174,725
554 Debt Svc-LART	(542,158)	721,650	1,800,000	-	1,642,500	262,530	74,462
TOTAL	\$ 4,906,311	\$ 4,139,650	\$ 3,827,230	\$ 1,294,100	\$ 2,178,500	\$ 4,267,398	\$ 5,133,193

Fund 552 Transfer-out: \$440,168 is to the City's Debt Service Fund per debt agreement.

CYPRESS RECREATION AND PARK DISTRICT
SUMMARY OF RESOURCES AND APPROPRIATIONS BY FUND
Fiscal Year 2010-11

<u>FUND</u>	<u>BEG. FUND BALANCE</u>	<u>PROPOSED REVENUE</u>	<u>OPERATING BUDGET</u>	<u>CAPITAL BUDGET</u>	<u>FUND TSFR-OUT</u>	<u>END. FUND BALANCE</u>
212 - CRPD General Fund	\$ 4,712,083	\$ 4,648,093	\$ 4,065,463	\$ 146,695	\$ 27,968	\$ 5,120,050
213 - CRPD Park Development	156,083	1,500	-	-	-	157,583
TOTAL	\$ 4,868,166	\$ 4,649,593	\$ 4,065,463	\$ 146,695	\$ 27,968	\$ 5,277,633

Transfer-out of \$27,968 is made from the CRPD General Fund to the CRPD Capital Replacement Fund for the purchase of capital outlay in FY 2010-11.

**CYPRESS RECREATION AND PARK DISTRICT
BUDGET SUMMARY
OPERATING, CAPITAL PROJECTS AND CAPITAL OUTLAY EXPENDITURES
Fiscal Year 2010-11**

FUNCTION/Responsible Department Program Number/description	2009-10 Budget	2010-11 Budget	Percent Change
LEISURE SERVICES			
Department of Recreation and Parks			
90303 Adult Sports	\$ 79,138	\$ 83,367	5.34%
90304 Teen Programs	40,115	33,664	-16.08%
90305 Aquatics Instruction	84,555	79,071	-6.49%
90306 Playgrounds	62,754	54,518	-13.12%
90307 5K/10K Run	41,519	36,479	-12.14%
90310 Youth Sports	90,884	85,369	-6.07%
90313 Community Events & Promotion	156,892	137,846	-12.14%
90314 Cultural Arts	94,421	86,281	-8.62%
90316 Contract Classes	304,279	320,833	5.44%
90317 Senior Citizen Program	369,993	347,383	-6.11%
90324 Day Camp	102,614	86,377	-15.82%
90326 Facilities/Field Permit	35,380	26,367	-25.47%
90327 Kids Corner	90,931	81,678	-10.18%
Total Leisure Services	<u>\$ 1,553,475</u>	<u>\$ 1,459,233</u>	<u>-6.07%</u>
MGMT & ADVISORY COMMISSION SVCS			
Department of Recreation and Parks			
90301 Recreation & Parks Administration	\$ 714,694	\$ 771,276	7.92%
90328 Recreation & Comm Svcs Commission	49,616	67,045	35.13%
90330 Senior Citizen Commission	34,452	37,768	9.62%
Total Mgmt & Advisory Commission Svcs	<u>\$ 798,762</u>	<u>\$ 876,089</u>	<u>9.68%</u>
MAINTENANCE SERVICES			
Department of Public Works			
90302.9302 Maintenance - Community Center	\$ 243,698	\$ 193,663	-20.53%
90302.9308 Landscaping - Parks	640,626	685,060	6.94%
90302.9311 Maintenance - Athletic Facilities	311,580	259,447	-16.73%
90302.9312 Maintenance - Park Buildings	161,156	162,323	0.72%
90302.9318 Maintenance - Senior Center Building	161,485	146,518	-9.27%
90319 Custodial	126,390	141,227	11.74%
90323 Facility Operations	168,664	121,403	-28.02%
90332 Youth League Improvements	20,000	20,500	2.50%
Total Maintenance Services	<u>\$ 1,833,599</u>	<u>\$ 1,730,141</u>	<u>-5.64%</u>
TOTAL OPERATING BUDGET	<u>\$ 4,185,836</u>	<u>\$ 4,065,463</u>	<u>-2.88%</u>

**CYPRESS RECREATION AND PARK DISTRICT
BUDGET SUMMARY
OPERATING, CAPITAL PROJECTS AND CAPITAL OUTLAY EXPENDITURES
Fiscal Year 2010-11**

(Continued)

	<u>2009-10 Budget</u>	<u>2010-11 Budget</u>	<u>Percent Change</u>
<u>SUMMARY OF CAPITAL PROJECTS</u>			
80700_8071 Park Projects	\$ -	\$ 146,695	n/a
Total Capital Projects	<u>\$ -</u>	<u>\$ 146,695</u>	<u>n/a</u>
<u>SUMMARY OF CAPITAL OUTLAY</u>			
95400 Capital Outlay - Furniture	\$ -	\$ 27,968	n/a
Total Capital Outlay	<u>\$ -</u>	<u>\$ 27,968</u>	<u>n/a</u>
TOTAL BUDGET	<u>\$ 4,185,836</u>	<u>\$ 4,240,126</u>	<u>1.30%</u>

CYPRESS RECREATION AND PARK DISTRICT

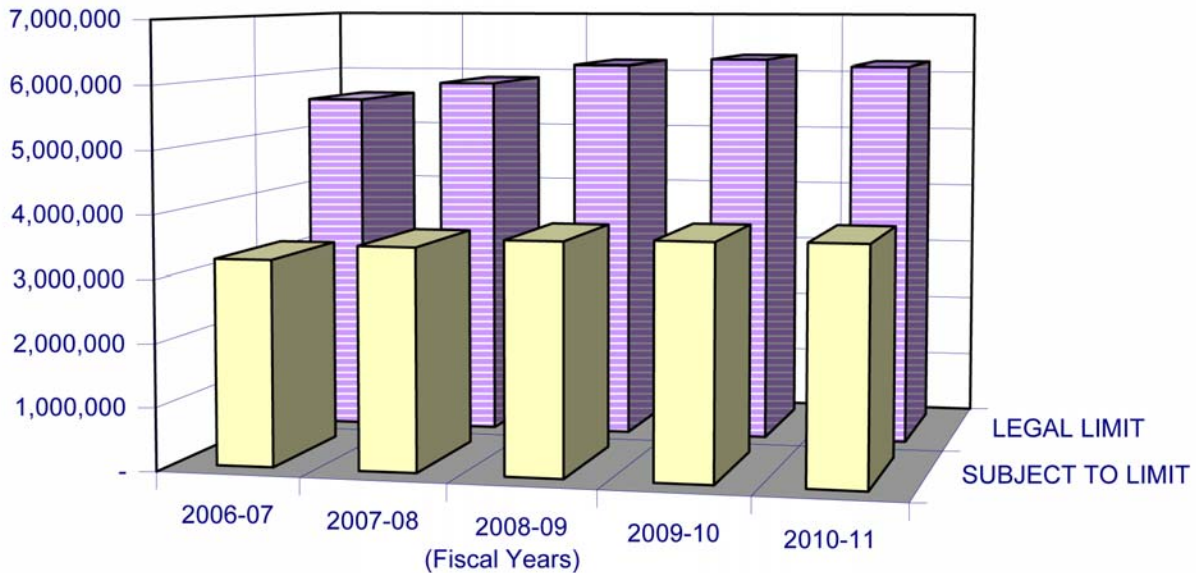
Fiscal Year 2010-11

ANNUAL APPROPRIATIONS LIMIT

Under Article XIII B of the California Constitution, state and local government agencies are subject to an annual "appropriations limit". Article XIII B, adopted in 1979 and more commonly known as the "Gann Initiative", limits the proceeds of tax revenue which the District can legally appropriate. The appropriations are based on the District's 1978-79 actual appropriations adjusted annually by a formula utilizing the percentage growth in California Per Capita Income and under Proposition 111 either the growth in the City's or the County's population.

As provided by Proposition 111, the Cypress Recreation and Park District has elected to utilize the percentage growth in the County's population to calculate the fiscal year 2010-11 Appropriation Limitation of \$6,195,013. The total appropriations subject to the limitation for 2010-11 are \$3,706,764 which is \$2,488,249 or 40.2% below the calculated appropriation limit.

APPROPRIATIONS



CITY OF CYPRESS GOALS

Not listed in any order of priority
Updated April 2007

Pursue retail development and continue to diversify City's economic base.

Communicate with residents and businesses, and foster community well-being.

Continue to implement plans for adequate replacement funds for public facilities and infrastructure.

Sustain and enhance public safety.

Provide for effective government operations.

CITY OF CYPRESS FUND DEFINITIONS

CITY BUDGET:

General Fund- This fund accounts for all revenues and expenditures that are not accounted for separately. The revenues consist of general taxes, user charges, certain fines, and investment earnings. The expenditures include police services, city public works engineering and maintenance, city planning, building safety and administrative services.

Capital Improvement Projects (CIP) Fund- This fund was established to account for capital improvement projects funded from the general revenues of the City. The primary funding source for these projects is an annual transfer from the General Fund. Types of projects funded include annual residential street resurfacing, sidewalk repair, public facility projects and the reimbursement of Warland Drive construction.

Infrastructure Reserve Fund- This fund was established to account for accumulated monies that will be used to fund capital improvement projects funded from the general revenues of the City. This fund provides a reserve to accumulate funds for projects that could not be funded within the fiscal constraints of a single year. The primary funding source for the accumulation of these monies is an annual transfer from the General Fund. Annual transfers out are made to fund specific projects budgeted in the City's CIP fund and the Storm Drainage Fund. The Infrastructure Reserve Fund has loaned a portion of these accumulated monies to the Sewer Fund and the Redevelopment Agency, which causes a significant portion of the accumulated fund balance to be reserved and thus unavailable to fund infrastructure improvements until the loans are repaid.

Traffic Safety Fund- This fund is established as a result of Vehicle Code section 42200, which provides that fines and forfeitures received as a result of arrest by city officers for vehicle code violations must be deposited in a special fund. The fund may only be expended for traffic control devices and the maintenance thereof, the maintenance of equipment and supplies for traffic law enforcement and traffic accident prevention, the maintenance, improvement, or construction of public streets, bridges, and culverts, and the compensation of school crossing guards who are not full-time members of the police department. The funds may not be used to compensate traffic or police officers. The City annually transfers these funds to cover appropriate expenses in the General Fund. At year end there is no fund balance.

Special Gas Tax Funds: The State Gas Tax equals 18 cents per gallon and Cities receive a portion (3.39 cents) based on population under different sections of the Streets and Highway Code. A separate fund is established under each section as follows:

Section 2105 Revenue Fund- Under this fund, the Cities receives 11.5% of the state tax over 9 cents a gallon (1.035 cent). The monies received must be used for street purposes under a maintenance of effort (MOE) requirement. All street maintenance costs are accounted for in the General Fund and an annual transfer is made from this fund to the General Fund when the MOE is achieved.

Section 2106 Revenue Fund- Under this fund, Cities receive \$400 per month plus a portion rationed by assessed valuation of tangible property by county and then allocated by population. The amount allocated to the Cities amounts to 1.04 cents a gallon. These funds must be used for street construction, improvements and right of way. These types of capital improvement expenditures are accounted for in the special fund and funds may be carried over.

Section 2107/2107.5 Revenue Fund- Under this fund, Cities receive an amount equal to 1.315 cents per gallon. The section 2107 amount is allocated to cities based on population and is restricted to street maintenance expenses. The section 2107.5 revenue is allocated to cities

CITY OF CYPRESS FUND DEFINITIONS

based on a population range in amounts from \$1,000 to \$20,000. Cypress receives \$6,000 annually. These funds are restricted to engineering costs and administrative expenses with respect to city streets. The costs are accumulated in the General Fund and an annual transfer is made to cover the approved expenses.

Traffic Mitigation Assessment Fund- This fund was established to account for traffic fees assessed to developers. The funds may only be expended for traffic mitigation purposes as defined in the fee resolutions.

Regional Traffic Fee Fund- This fund accounts for the impact fee charged to development and used to mitigate regional traffic impacts.

Lighting District No. 2 Fund- This special district was established in 1961 to pay for street lights in the City. The ad valorem taxes received are a portion of the 1% Basic Property Tax levy. The expenses are restricted to lighting costs (operating, repairing and replacing) as defined under the Street Lighting Act of 1919. The City, under its charter powers, has expanded the use of these funds to include traffic signal maintenance and park lighting.

Planned Local Drainage Facilities Fund- This fund accounts for fees charged developers for citywide drainage facilities. These monies are restricted for the drainage facilities and may not be used for ongoing maintenance. The funds are being accumulated for future projects as defined in the fee resolution/ master drainage plan.

Stanton Channel Maintenance District Fund- This fund accounts for a special assessment charged to the certain businesses for the maintenance of the Stanton Channel landscaped berm in the business park. The monies received through the special assessment are restricted for only expenses defined in the annual resolution adopted by Council.

CATV PEG Grant Fund- This fund accounts for monies received from Time Warner TWE, the City's cable television operator, per the terms of a cable franchise transfer agreement and MOU approved in June 2006 for a 10-year period. The Initial PEG Grant and the Ongoing PEG Grant funds may be used for equipment, facilities, and ongoing staffing and non-capital support for both one-way video PEG access services and two-way interactive PEG access services (collectively, "PEG Access Support"), at the City's sole discretion.

Narcotics Asset Seizure Fund- This fund accounts for monies received under Federal and State laws relevant to drug asset seizure. The monies received must be accounted for separately, but are otherwise unrestricted on their use as long as the funds do not supplant the budget. Asset Seizure funds are distributed to the agency under a formula listed in HS 11489.

Supplemental Law Enforcement Services Fund- This fund accounts for funds allocated statewide to law enforcement in a block grant format under AB3229. Also known as the State Citizens' Option for Public Safety (COPS) program, monies are allocated annually by the State based on population, and require a separate fund be established. The funds can only be spent for "front line municipal police services" submitted by the Police Chief and acted upon by the City Council.

Mello-Roos District Administration Fund- This fund accounts for the City's administration of the Community Facilities District (Sorrento Homes). These funds are restricted to the CFD costs as they were assessed for that purpose from the landowners in Sorrento.

Measure M Gas Tax Fund- This fund accounts for the City's share of Measure M monies. Measure M is the half cent sales tax for countywide transportation improvements, approved by Orange County voters in November 1990 and extended in November 2006. Based on population ratio, Cities receive "local turnback" monies which are equivalent to 14.6% of the net sales tax received by the OCTA. Cities must fulfill the maintenance of effort spending and certain administrative

CITY OF CYPRESS FUND DEFINITIONS

requirements, such as a Growth Management Plan, to receive the funds. This money must be used for local street projects as well as ongoing maintenance of local streets and roads. In addition, the City competes for Combined Transportation Funding Programs (CTFP) approved by the OCTA Board of Directors. These CTFP funds are additional revenues beyond the "turnback" and are restricted for the specific projects approved by the OCTA Board.

AB 2766 Fund- This fund accounts for revenues received under the AB 2766 Subvention which is collected as part of the Motor Vehicle registration. The funds received are restricted to expenditures that relate to reducing vehicle emissions.

Sewer Fund- This fund accounts for the maintenance of and improvements made to the City's sewer system. Revenues consist of property taxes and fees on the water bills to all residents and businesses. The City's Infrastructure Reserve Fund has also provided additional funding in the form of a loan which will be repaid from future user charges when such monies are available. The monies in this fund are restricted to sewer maintenance and construction costs.

Storm Drain Fund- This fund accounts for the maintenance of the City's storm drainage system. Revenues consist of a designated portion of the City Services Charges on the bimonthly water bills to residents and businesses, as well as annual operating transfers from the General Fund and the Infrastructure Reserve Fund. The monies are designated for storm drainage maintenance and construction costs.

Traffic Congestion Relief Fund- This fund accounts for revenues received from the State of California under Proposition 42 that are restricted to use for certain street maintenance and street improvement costs.

Civic Center Refinancing Debt Service Fund- This fund accounts for the receipts and debt service payments on the 2001 Lease Revenue Bonds which refinanced the 1991 Certificates of Participation. The receipts are tax increment monies from the Civic Center Redevelopment Area that are transferred from the Redevelopment Agency to the City per the Reimbursement Agreement dated July 1, 1991. The expenses are restricted to principal and interest payments to the certificate holders and trustee costs.

RECREATION & PARK DISTRICT BUDGET:

Cypress Recreation and Park District General Fund- This fund accounts for all the receipts and expenditures of the Recreation and Park Special District. The revenues of the District include a portion of the 1% Basic Property Tax, user fees and special funding from other government agencies (including grants, subventions, etc.). The expenses are restricted to recreation and park activities, including park maintenance and recreation programs.

Park Development Fund- This fund accounts for the development fees collected under the Quimby Act of 1965. The Act authorizes the City/District to require from a subdivider the dedication of land, the payment of fees in-lieu thereof, or a combination of both, for park or recreational purposes as a condition of a subdivision map. All fees paid in-lieu thereof must be used only for the purpose of providing park or recreational facilities to serve the subdivision. These funds cannot be used for operations.

REDEVELOPMENT AGENCY BUDGET:

The Redevelopment Agency consists of three types of funds; project area operating funds, project area debt service funds, and a 20% low and moderate housing set aside fund.

The operating funds account for the operations of the project area including administration,

CITY OF CYPRESS FUND DEFINITIONS

development assistance and property purchases. The source of monies for the operating funds occurs by transferring monies from the debt service funds subsequent to receiving proceeds of debt. These proceeds of debt include loans from the City, long term debt instruments and owner participation agreements.

The debt service funds account for the payment of the debt established by the operating funds and the receipts of tax increment revenue. The expenses are restricted to principal and interest payments on the debt, pass through payments to other agencies per agreements, and the transfer of 20% of the tax increment to a separate housing fund.

While the three project areas were merged in 2005, the Agency continues to budget each project area separately, with each project area having its own separate operating and debt service funds. The Redevelopment Agency's funds are as follows:

Civic Center Project Area Operating and Debt Service Funds
Lincoln Avenue Project Area Operating and Debt Service Funds
Los Alamitos Racetrack & Golf Course Project Area Operating and Debt Service Funds

The **20% Low and Moderate Housing Set Aside Fund** accounts for the transfer of tax increment monies and the expenses relating to low and moderate housing as defined by Redevelopment Law.

INTERNAL SERVICE FUNDS:

The Internal Service Funds (ISF) are used to account for goods and services provided to other departments on a cost reimbursement basis. Since the other departments/funds are charged within their budgets for these services, the internal service funds are not included in the adopted budget as that would duplicate costs. The ISF accounts are informally budgeted to determine the amounts to be charged to the operating departments. The ISF include the following funds:

The **Central Services/Print Shop/Warehouse/Information Systems/Equipment Replacement Funds** account for print shop and warehouse activities, the central garage, the maintenance of City facilities and equipment, data processing and website services, and the purchase and replacement of capital outlay. The equipment replacement fund maintains a replacement reserve for capital outlay items to allow for purchase of replacement equipment without large fluctuations in the annual operating budgets. Both the City and Recreation and Park District maintain Central Services/Equipment Replacement Funds.

The **Employees' Benefit Fund** accounts for leave time accumulated by employees, employee benefits and payroll liabilities, and the liabilities associated with other post retirement benefits. The operating funds are charged a fringe rate based on the payroll and those amounts are accumulated in this fund and paid out for items like health insurance, pension, leave time taken and retiree's medical reimbursements. This allows operating programs to be allocated for all personnel costs based on actual time worked. Both the City and Recreation and Park District maintain Employee Benefit Funds. These funds allow both the City and Park District to remain fully funded for leave time accrued.

The **Insurance Internal Service Funds include Public Liability and Workers' Compensation funds.** These funds are self-retention funds to fund claims that the City is self-insured for and pay insurance premiums. The City maintains a fund balance to cover outstanding claims and a actuarially determined reserve for claims incurred but not reported at a 90% confidence level. The operating departments are charged for these costs through the fringe rate (workers' compensation) and under insurance accounts in the operating budget (liability insurance).

GLOSSARY OF BUDGET TERMS

ADOPTED BUDGET: The official budget as approved by the City Council at the start of each fiscal year.

AMENDED BUDGET: The official budget as adopted and as amended by the City Council through the course of a fiscal year.

APPROPRIATION: A legal authorization by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and to the time when it may be expended.

BUDGET: A plan of financial operation comprised of estimated expenditures for a given period (a single fiscal year for the City) and the proposed means of financing the expenditures (through revenues).

BUDGET MESSAGE: A written discussion of the proposed budget presented by the City Manager to the City Council.

CAPITAL PROJECTS FUND: In governmental accounting, a fund that accounts for financial resources to be used for the acquisition or construction of capital facilities. The total cost of a capital project is accumulated in a single expenditure program which accumulates until the project is completed, at which time the program ceases to exist and the asset is capitalized for financial accounting purposes.

CAPITAL IMPROVEMENT PROGRAM: A plan for capital improvements to be implemented each year over a fixed period of years to meet capital needs arising from the assessment of long-term needs. It sets forth each project in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

CAPITAL IMPROVEMENT PROJECT: The budget unit to group all activities and costs necessary to implement a specific capital improvement and/or acquisition. A project can include the construction, acquisition, expansion, replacement, or rehabilitation of a physical facility or infrastructure improvement. Projects often include planning and design, land acquisition, and project management costs related to such facilities and improvements.

CAPTIAL OUTLAY: Expenditures which result in the acquisition of or additions to fixed assets. Examples include machinery, equipment and vehicles.

CDBG (COMMUNITY DEVELOPMENT BLOCK GRANT): Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the City from the County of Orange. The City primarily uses these funds for housing rehabilitation and eligible capital improvements.

CONTRACTED SERVICES: Services rendered in support of City operations and activities by external parties. These may be based upon either formal contracts or ad hoc charges.

DEBT SERVICE FUND: A fund established for the payment of interest and principal on all debt other than payable exclusively from special assessments.

DEPARTMENT: A major organizational group of the City with overall management responsibility for an operation or a group of related operations within a functional area.

DIVISION: An organizational subgroup of a department.

GLOSSARY OF BUDGET TERMS

EXPENDITURES: Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays (projects and assets).

EXPENSES: Decreases in net total assets. Expenses represent the total cost of operations during a period regardless of the timing of related expenditures.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position, the results of the operations, and adopts a budget for the coming year. The City of Cypress' fiscal year is from July 1 to June 30.

FIXED ASSETS: Equipment costing \$1,000 or more, including tax, that has a life of over one year and does not qualify as a capital improvement project.

FRINGE BENEFITS: These include retirement/pension, health, life and disability insurance, worker's compensation, vacation, administrative, medical, and other leave of absence time.

FUND: A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities of attaining certain objectives in accordance with special regulations, restrictions, or limitations.

FUND BALANCE: A term used to express the equity (assets minus liabilities) of governmental fund types. However, for budgeting purposes, a working capital definition of current assets minus current liabilities is used for the computation.

GENERAL FUND: The general fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and other costs which are not paid through other restricted funds.

INTERNAL SERVICE FUND CHARGES: Charges paid to other City funds for services rendered and/or materials supplied.

INTERNAL SERVICE FUND: The Internal Service Fund is used to finance and account for activities involved in rendering services to departments within the City. Costs of materials and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services rendered.

LICENSES AND PERMITS: Revenue earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

MEASURE M: An initiative that increases sales taxes by one-half percent approved by Orange County Voters in 1990, which provides funding for transportation improvements.

OBJECTIVE: A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. A good statement of objective should imply a specific standard of performance for a given program.

OBJECT CODE: The classification of expenditures in terms of what is bought and paid for grouped into major object codes by subject.

GLOSSARY OF BUDGET TERMS

OPERATING TRANSFERS: Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended, such as transfers from the General Fund to the Capital Projects Fund.

PRELIMINARY BUDGET: A budget in its preliminary preparation stage prior to review and formal adoption by the City Council. In the preliminary stage, a budget forecasting current costs into the future and new or modified spending proposals for the future.

PROGRAM BUDGET: A budget organized by programs. A program used in this application is a grouping of related activities, projects and services which are similar in purpose. The expenditure focus of a program budget is related to the nature of work and services performed.

PROPOSED BUDGET: The budget as formulated and proposed by the City Manager. It is submitted to the City Council for review and approval.

RDA: Redevelopment Agency

REDEVELOPMENT: The planning, development, re-planning, redesign, clearance, reconstruction or rehabilitation, or any combination of these, of all or part of a survey area, and the provision of such residential, commercial, industrial, public, or other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them.

RESOLUTION: A special or temporary order of a legislative body requiring less formality than an ordinance.

RESOURCES: Total dollars available for appropriations including estimated revenues, fund transfers and beginning fund balances.

REVENUE: Money that the City receives as income such as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues, and interest income.

SALARIES AND BENEFITS: Compensation paid to or on behalf of City employees for salaries and wages, including overtime. Benefits include retirement/pension, health, life and disability insurance, worker's compensation and vacation, administrative, medical and other leave of absence time.

SELF-INSURANCE: A term often used to describe the retention of liabilities, arising out of the ownership of property or from some other cause, instead of transferring that risk to an independent third party through the purchase of an insurance policy. The City currently provides self-insurance for a portion of its workers' compensation and general public liability coverage. The City has purchased outside insurance for excess coverage in these areas.

SERVICES AND SUPPLIES: Payments made to vendors for goods/services used for City operations.

TAXES: Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered only to those paying such charges as, for example, user charges.