TO: Redevelopment Agency Board

FROM: Mike Compton, Director of Administrative Services

SUBJECT: Two Year Operating Budget & Four Year Financial Plan – Fiscal Years 2008 to

2011

DATE: July 17, 2007

Needs: For the Agency to adopt the two year operating budget and four year financial plan.

Facts:

- 1. In conjunction with the development of the City's Two Year Budget/Four Year Financial Plan, a two year operating budget and four year financial plan was developed for the Redevelopment Agency.
- 2. While it is required that the City adopt the Redevelopment Agency budget by ordinance, the Agency need only adopt the budget by resolution.
- 3. In past years, pass through payments made directly by the County Auditor-Controller's Office to other taxing agencies were recorded as debt expenses in our records with an equal offsetting entry to tax increment revenues. The auditors have recommended in change in this practice. There is no net change in available resources to the Agency. The budget reflects this accounting change.
- 4. In prior years, all unallocated tax increment revenues are dedicated to repay the City for debt service on City Hall/Library. Given the Council's decision not to pursue the construction of a new city hall, unallocated tax increment revenues will be used to fund the preparation of the Uptown Specific Plan, the Town Centre Plan as well as issuing debt for transportation and education related projects.

Analysis & Conclusion:

As noted above, the budget provides for an accounting change that has no net impact upon available Agency resources. The budget as proposed does provide a contribution of \$500,000 for the preparation of the Uptown Specific Plan. The estimated cost is \$1,000,000. The City is applying for a grant for the remaining balance.

Also included is funding for the preparation of the Town Centre. The cost is \$1.5 million and will be spread over two years.

Finally, the budget provides financial assistance for the development of the First Five Commission facility. The assistance is in the form of a contribution sufficient to cover the debt service cost for \$1,000,000. The budget provides \$80,300 for this purpose.

Other than these noted exceptions, the base operating budget remains unchanged.

PAC will be reviewing the budget at their July 11, 2007 meeting. Staff will report their comments/actions.

<u>Fiscal</u> <u>Impact</u>:

The proposed budget reflects a major policy change by the Agency and City Council. All available resources remaining after providing for debt coverage and operating budget expenditures were allocated to repaying the Agency's obligation for City Hall debt service.

The amounts repaid to the City were being earmarked for the construction of a new city hall. This proposed budget provides that a significant portion of available resources will be re-directed towards preparation of the Uptown Specific Plan, the Town Centre Master Plan and financial assistance to the development of the First Five Commission's facility.

Additionally, it is highly probable, that the Agency will be asked to issue debt to finance various "substitute" projects in lieu of constructing a new city hall but the details of this plan are yet to be developed. They will be presented to PAC once developed.

Options:

- a. That the Agency adopt Resolution No. 07-XX approving the two year operating budget/four year financial plan for fiscal year 2008 through 2011; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 07-

A RESOLUTION OF THE REDEVELOPMENTAGENCY OF THE CITY OF EL PASO DE ROBLES ADOPTING TWO YEAR MAINTENANCE AND OPERATIONS APPROPRIATIONS FOR FISCAL YEARS 2007-08 THROUGH 2008-2009

WHEREAS, the Redevelopment Agency was prepared in conjunction with the development of the City's operating budget; and

WHEREAS, the Agency desires to adopt operating appropriations for two fiscal years; and

WHEREAS, there are sufficient tax increment revenues to fund operating appropriations.

NOW THEREFORE BE IT RESOLVED by the Redevelopment Agency of the City of El Paso de Robles does hereby approve the Two Year Operating Budget attached herewith as Exhibit "A".

PASSED AND ADOPTED by the Redevelopment Agency of the City of El Paso de Robles, this 17th day of July 2007 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAIN:	
	Frank Mecham, Board Chairman
ATTEST:	
Deborah Robinson, Deputy Agency Clerk	

City of El Paso de Robles Operating and Maintenance Budget Four Year Financial Plan Fiscal Year 2005-06 to 2008-09

Summary

redevelopment agency Department No. 810		7)	Summary	<u>~</u>				
	Actual Expended FY 2004-05	Actual Expended FY 2005-06	Approved Budget FY 2006-07	Base Budget FY 2007-08	Base Budget FY 2008-09	Base Budget FY 2009-10	Base Budget FY 2010-11	
Total Employee Services Total Maintenance & Operations Total Debt Service Total Capital Outlay	249,724 1,038,877	1,020,037 1,431,918	95,000 1,283,000	1,405,300 529,700	155,300 515,500	155,300 520,800	155,300	
DEPARTMENT TOTAL	1,288,601	2,451,955	1,378,000	1,935,000	670,800	676,100	675,600	
Funding Sources: Property Tax Increment	1,288,601	2,451,955	1,378,000	1,935,000	670,800	676,100	675,600	
Allocation to Other Departments				3				
TOTAL FUNDING SOURCES	1,288,601	2,451,955	1,378,000	1,935,000	670,800	676,100	675,600	
	Authorized FY 2003-04	Authorized FY 2004-05	Authorized FY 2005-06	Authorized FY 2006-07	Authorized FY 2007-08		Annual Compensation Approved Salary Range	tion Range
Authorized Staffing (FTE):								

Operating and Maintenance Budget Four Year Financial Plan Fiscal Year 2005-06 to 2008-09 City of El Paso de Robles

810

REDEVELOPMENT Department No.

5101 5102 5103

Details of Expenses

	Actual Expended FY 2004-05	Actual Expended FY 2005-06	Approved Budget FY 2006-07	Base Budget FY 2007-08	Base Budget	Base Budget	Base Budget
EMPLOYEE SERVICES						01.5007.11	17-010-11
Full Time Regular							
Part Time							
Overtime							
Total Salaries & Wages	-	I					
Employee Benefits							
Total Employee Services	100	1	1	1	1		1
MAINTENANCE & OPERATIONS							
Materials & Services	84	648	5,000	5,000	5,000	5.000	000
Utilities			3,000	3,000	3,000	3,000	3,000
Facility Maintenance				•			
Equipment Maintenance							
Vehicle Maintenance							
Professional Services	98,516	123,116	85,000	65,000	65,000	65,000	65,000
Legal Services	1,103				-		
Education, Travel & Meetings			2,000	2,000	2,000	2,000	2,000
Equipment Replacement						_	
Insurance Prop./Liability							
Special Projects	150,021	896,273		1,330,300	80,300	80,300	80,300
Allocated Overhead							•
Total Maintenance & Operations	249,724	1,020,037	95,000	1,405,300	155,300	155,300	155,300
DEBT SERVICE							
Principal Retirement		165,000	165.000	195,000	190 000	205 000	015 000
Interest Expense	174,707	345,699	345,700	329,700	320,500	310.800	300,300
Paying Agent Fees	3,140	3,140	5,000	5,000	5,000	5.000	000,8
Fiscal Agreement Payments	861,030	918,079	767,300	•			
Total Debt Service	1,038,877	1,431,918	1,283,000	529,700	515,500	520,800	520,300
CAPITAL OUTLAY Land Acquisition							
Buildings							
Improvements Other Than Bldgs.							
Right of Way Acquisition							
Equipment							
rocar capital outray	1	1	1	1	-	1	1
DIVISION TOTAL	1,288,601	2,451,955	1,378,000	1,935,000	670,800	676,100	675,600

5212 5216 5221 5221 5223 5225 5225 5226 5229 5233 5233

5340 5341 5342 5343

5450 5451 5452 5453 5454

Revenue Projections

City of El Paso de Robles Schedule of Revenue Projections Fiscal Year 2007-08 to 2010-11

	Actual FY 2004-05	را 1-05	Actual FY 2005-06		Estimated FY 2005-07	Projected FY 2007-08	oted 17-08	Projected FY 2008-09	Pro FY:	Projected FY 2009-10	Z L	Projected FY 2010-11
GOVERNAENTAL FONDS												
Redevelopment Agency Property Tax Increment - IMI Sale of Surplus Property Miscellancous	396	362, 484	440,854	6.4	545, 600	Ϋ́	580,000	611, 300		644, 200		678, 400
Ĕ	1:	13, 263	23, 175	75	8,000		5,000	5,000		5,000		5,000
Total Resources	\$ 37	375,747	\$ 464,029	\$ \$	553,600	\$ 55	\$ 000'585	9	es-	649,200	s-	683,400
DEBT SERVICE FONDS												
Redevelopment Agency Property Tax Increment Miscellaneous	1,955	1,959,643	2,358,870	70	2, 600, 000	2,70	2, 704, 000	2,812,200	61	2, 924, 700	m	3,041,700
Interest Earnings	1,	14,688	27, 431	31	25,000	64	25,000	25, 000		25,000		25,000
Total Resources	\$ 1,974	1,331	\$ 1,974,331 \$ 2,386,301	\$ 10	2,625,000	\$ 2,7%	2,729,000 \$	2,837,200 \$	8	2,949,700 \$	ı	3,066,700