

**STAFF REPORT**  
**City of Lancaster**  
**Lancaster Redevelopment Agency**

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06/28/11
MVB

Date: June 28, 2011

To: Mayor Parris and City Council Members  
Chairman Parris and Agency Directors

From: Mark V. Bozigian, City Manager

Subject: **Fiscal Year 2011-12 Redevelopment Agency/  
City of Lancaster Budget**

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**Redevelopment Agency Recommendations:**

- a. Adopt **Resolution No. 12-11**, adopting the proposed Lancaster Redevelopment Agency Fiscal Year 2011-12 budget as submitted.
- b. Adopt **Resolution No. 13-11**, finding that the acquisition of property or construction of various improvements as approved pursuant to the adoption of the Fiscal Year 2011-12 Budget will be of benefit to the Redevelopment Project.
- c. Adopt **Resolution No. 14-11**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the revolving fund of the Lancaster Redevelopment Agency pursuant to the implementation of the fiscal year 2011-12 budget.
- d. Adopt **Resolution No. 15-11**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the revolving fund of the Lancaster Redevelopment Agency pursuant to the year end adjustment of the fiscal year 2010-2011 budget.

**City Council Recommendations:**

- a. Adopt **Resolution No. 11-38**, adopting the proposed City of Lancaster Fiscal Year 2011-12 General Fund Operating Budget, Special Funds Budget, and Capital Improvements Budget, as specified in the Staff Report and Budget Document, as amended in Attachment A.
- b. Adopt **Resolution No. 11-39**, finding that the acquisition of property or construction of various improvements as approved pursuant to the adoption of the Fiscal Year 2011-12 Budget will be of benefit to the Redevelopment Project.
- c. Adopt **Resolution No. 11-40**, establishing the annual Appropriations Limit for Fiscal Year 2011-12.
- d. Adopt **Resolution No. 11-41**, amending Resolution No. 10-47 establishing a compensation schedule for various classifications of employees of the City.

- e. Adopt **Resolution No. 11-42**, amending Resolution No. 09-91 establishing the citywide fee schedule related to cost of services.
- f. Adopt **Resolution No. 11-43**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the revolving fund of the Lancaster Redevelopment Agency pursuant to the implementation of the fiscal year 2011-2012 budget.
- g. Adopt **Resolution No. 11-44**, amending Fiscal Year 10-11 Budget
- h. Adopt **Resolution No. 11-48**, establishing the terms and conditions and authorizing the execution of a promissory note in favor of the City of Lancaster for the distribution of funds to the revolving fund of the Lancaster Redevelopment Agency pursuant to the year end adjustment of the fiscal year 2010-2011 budget.

**Background:**

The City and the Redevelopment Agency are required to adopt a budget by July 1 of each year that establishes appropriations and estimated revenues for the fiscal year. The proposed budget is a culmination of many months of work by the City Council/Agency Board and staff in reviewing priorities and evaluating programs to meet those priorities. A Public Hearing to review the budget was held on June 14, 2011.

Expenditures are proposed at \$154,185,595 for fiscal year 2011-12. Total revenues are estimated at \$149,080,740 with \$5,104,855 coming from reserved fund balances that are restricted to the uses proposed in the budget. The 10% operating reserve and a 14% financial stability reserve in the general fund are preserved in the proposed budget.

The proposed budget is broken into the following categories:

	City	Agency
Operating	\$ 77,654,600	\$ 61,667,550
Capital Improvement	<u>14,793,445</u>	<u>70,000</u>
<b>TOTAL</b>	<b><u>\$ 92,448,045</u></b>	<b><u>\$ 61,737,550</u></b>

The General Fund budget for next fiscal year is proposed at \$50,967,775 operating with no funding for capital improvement projects. Revenues are projected at \$50,463,160.

New funding for the Capital Improvement Program is proposed at \$14,863,445. Project categories are segregated into as follows:

Streets & Pavement Mgmt:	\$ 5.8 M
Utilities:	3.5 M
Transportation Safety:	1.7 M
Facilities & Fixtures	1.5 M
Other Projects:	<u>2.4 M</u>
<b>TOTAL</b>	<b><u>\$14.9 M</u></b>

The proposed Fiscal Year 2011-12 budget for the Lancaster Redevelopment Agency is comprised of four distinct elements: economic development, housing, debt service and tax increment pass-throughs which, when combined, finance the various programs, projects and activities approved by the Redevelopment Agency Board. These four elements, excluding transfer payments within the Agency, account for a combined budget of \$61,737,550.

In addition to the budget adoption and necessary implementing resolutions, staff is recommending adjusting the fiscal year 2010-11 budget to account for unanticipated changes in revenues and expenditures. These expenditures represent activities previously authorized by the City Council; however, the budget was not previously amended.

**Attachments:**

1. Fiscal Year 2011-12 Budget – available for review in the City Clerk Department
2. Resolution No. 12-11
3. Resolution No. 13-11
4. Resolution No. 14-11
5. Resolution No. 15-11
6. Resolution No. 11-38
7. Resolution No. 11-39
8. Resolution No. 11-40
9. Resolution No. 11-41
10. Resolution No. 11-42
11. Resolution No. 11-43
12. Resolution No. 11-44
13. Resolution No. 11-48