

STAFF REPORT
City of Lancaster, California
Lancaster Redevelopment Agency

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06/26/07
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Date: June 26, 2007

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

From: Robert S. LaSala, City Manager

Subject: **Fiscal Year 2007-08 Redevelopment Agency/
City of Lancaster Budget**

Redevelopment Agency Recommendations:

- a. Adopt Resolution No. 06-07, adopting the proposed Lancaster Redevelopment Agency Fiscal Year 2007-08 budget as submitted.
- b. Adopt Resolution No. 07-07, finding that the acquisition of property or construction of various improvements as approved pursuant to the adoption of the Fiscal Year 2007-08 Budget will be of benefit to the Redevelopment Project.
- c. Adopt Resolution No. 08-07, 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 2007-08 Budget.

City Council Recommendations:

- a. Adopt Resolution No. 07-119, adopting the proposed City of Lancaster Fiscal Year 2007-08 General Fund Operating Budget, Special Funds Budget, and Capital Improvements Budget, as specified in the Staff Report and Budget Document.
- b. Adopt Resolution No. 07-120, finding that the acquisition of property or construction of various improvements as approved pursuant to the adoption of the Fiscal Year 2007-08 Budget will be of benefit to the Redevelopment Project.
- c. Adopt Resolution No. 07-121, establishing the annual Appropriations Limit for Fiscal Year 2007-08.
- d. Adopt Resolution No. 07-122, 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 2007-08 Budget.
- e. Adopt Resolution No. 07-123, amending Resolution 06-231 by establishing a compensation schedule for various classifications of employees of the City.

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 special budget workshop to review the budget was held on May 15, 2007, followed by a Public Hearing on June 12, 2007.

Total revenues for fiscal year 2007-08 are estimated at \$180,346,473 with expenditures recommended at \$183,408,801. The difference between estimated revenues and proposed expenditures are one-time projects that are funded with available fund balance that has been carried forward from the prior year.

The proposed budget is broken into the following categories:

	City	Agency
Operating	\$ 82,020,450	\$ 77,057,855
Capital Improvement	<u>22,893,125</u>	<u>1,437,371</u>
TOTAL	\$104,913,575	\$ 78,495,226

The General Fund budget for next fiscal year is proposed at \$52,117,170 operating and \$2,414,238 capital improvement projects, with revenues estimated at \$56,371,498.

The budget recommends adding seven positions, five to the City and two to the Redevelopment Agency. The positions include:

- Public Safety Supervisor
- Crime Prevention Officer
- Law Enforcement Technician
- Senior Crime Analyst
- Code Enforcement Officer
- (2) Redevelopment Assistants

The Capital Improvement Program is proposed at \$24,330,496, with an additional \$49.2 million in projects carried forward from FY 2006/07. Project categories are broken down as follows:

Parks, Recreation & Arts:	\$ 4,431,125
Streets and Traffic:	16,280,000
Drainage, Flood Control & Utilities:	1,216,000
Community Development:	<u>2,403,371</u>
TOTAL	<u>\$24,330,496</u>

The proposed Fiscal Year 2007-08 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 \$78,495,226.

Since the budget was presented to the City Council/Agency Directors changes have occurred requiring adjustments to be made to the final adopted budget: an increase to the North Downtown Transit Village – Sacred Heart Relocations project in the amount of \$282,000 is needed to complete that project.