

CITY OF ELK GROVE
CALIFORNIA



BUDGET IN BRIEF
2010-2011





To the Residents of Elk Grove:

I am pleased to present you with the City's first annual Budget in Brief for the fiscal year (FY) 2010-2011. This report provides an overview of the City's financial planning and a brief analysis of where the City revenues are expected to derive from and where those dollars are expected to be spent.

Most of the information in this report is drawn from the financial information appearing in the FY 2010-2011 Annual Budget. The Annual Budget is a more detailed and complete presentation. Both the Annual Budget and this document are available for viewing at local public libraries, City Hall and on the City's website at www.elkgrovecity.org.

The Adopted FY 2010-2011 Budget maintains the Council's effort to recalibrate the City's fiscal reality while preserving the current level of service to the citizens of Elk Grove. Although FY 2009-2010 presented the greatest financial challenges Elk Grove has endured in its relatively short history, economic conditions are slow to improve.

The City exercised prudent planning for the current fiscal environment by cutting nearly ten percent of the General Fund budget in FY 2009-10. As economic recovery gets underway, growth will be much more moderate than the growth rates the region experienced in the mid-2000s. Consequently, the next two to three fiscal years will likely see major revenue sources trending at flat-to-modest growth. Thus, this budget proposal continues the recalibration effort of FY 2009-10 through a balanced approach of:

- Reducing operational expenses
- Suspending components of employee compensation
- Using one-time resources on a limited basis.

Through a series of Town Hall Meetings and Strategic Planning Sessions held in early 2009, the City Council adopted five goals to guide City activities for FY 2009-10 and FY 2010-11:

- **Create a vibrant, diverse economy**
- **Grow and support safe, livable, attractive neighborhoods**
- **Promote Elk Grove as a recreational and cultural center that attracts visitors**
- **Serve as wise, responsible stewards of fiscal resources**
- **Develop an efficient and effective City organization with a regional perspective.**

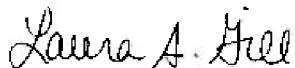
The activities planned for FY 2010-2011 are in support of these priorities. Some of the major initiatives in our work plan include:

- Implementing economic development incentives to attract employers to Elk Grove
- Improving Elk Grove's emergency preparedness
- Designing initial concepts for the Civic Center and Community Park
- Preparing multi-year financial forecasts for prudent planning
- Conducting a fee study for our development services to facilitate competitive rates and a business-friendly environment.

I hope the summary of the FY 2010-11 Annual Budget is informative and useful to you. Your feedback and questions are welcomed by myself or Budget Manager Katy Baumbach, available at (916) 478-2229 or kbaumbach@elkgrovecity.org.

I also encourage your participation in the development of future budgets, beginning with community meeting opportunities on January 31, February 1, and February 10, 2011. Please consult the City's website for further details. I look forward to working with you.

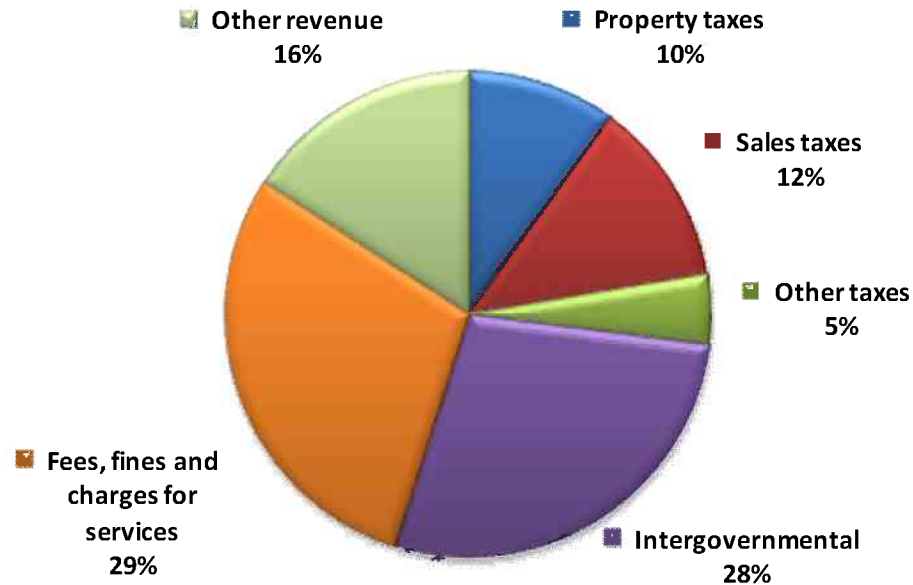
Sincerely,








Laura S. Gill

Budgeted Citywide Revenues

Where the money comes from...

\$105 Million



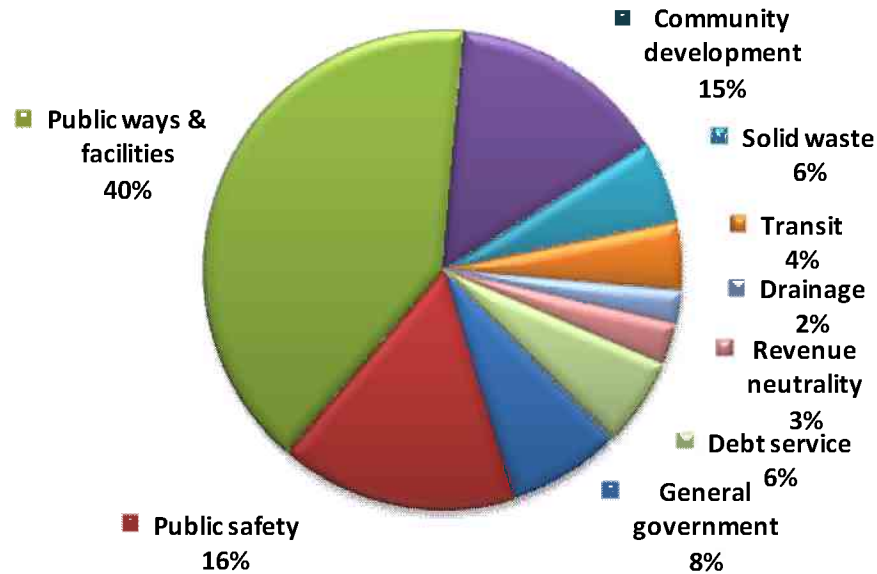
-  Fees, fines and charges for services - payments received directly by the City for services performed. This would include utility payments, business license fees, development services fees and public safety fines.
-  Intergovernmental - monies received from other government agencies for operating or capital programs. This would include items such as State public safety grants and Measure A financing for constructing roadways and highway interchanges.
-  Other revenue - any revenue that does not readily fit into the other categories.
-  Sales taxes - 1% sales tax collected on retail sales in the City.
-  Property taxes - about 1% of property tax collected by the County is allocated to the City. The City further shares 80% of this gross revenue with the County of Sacramento per the Revenue Neutrality agreement implemented at incorporation.
-  Other taxes - miscellaneous taxes such as the Transient Occupancy Tax.

Detailed budget information can be found in the City's FY 2010-2011 Annual Budget available on the City's website at www.elkgrovecity.org or at City Hall, 8401 Laguna Palms Way.

Budgeted Citywide Expenses

Where the money goes...

\$204 Million



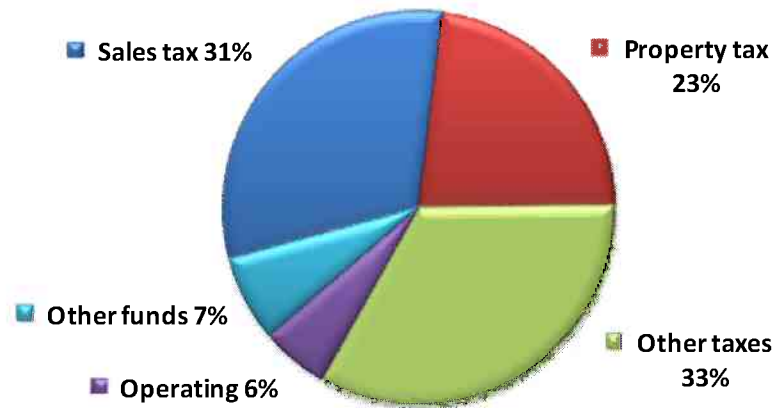
- Public ways and facilities - reflects expenses associated with the repair, construction, acquisition and maintenance of public roads and facilities.
- Public safety - includes all aspects of law enforcement.
- Community development - reflects services provided to residents and businesses including Planning, Building, Animal Control, Code Enforcement, Communications and Youth Services.
- General government - includes expenses for the administrative offices including the City Council, City Manager, City Attorney, Finance, Human Resources, City Clerk, Insurance and General Administration of the City.
- Solid Waste - expenses associated with refuse and recycling.
- Transit - represents expenses associated with operation of public transportation, including busses and paratransit.
- Drainage - maintenance of storm water drainage system.
- Revenue neutrality - property tax sharing agreement between City and County at incorporation lasting 25 years to ensure the County remains revenue neutral.

Budgeted General Fund Revenues

The City uses many separate funds to track revenues and expenses. Many funds are dedicated to specific activities such as road maintenance or solid waste management. One of the largest funds is the General Fund, which is used primarily for the day-to-day operations of the City. Since the General Fund's revenues are not restricted to a specific purpose, the City Council is afforded much discretion over its appropriations.

Where the money comes from...

\$47,650,350



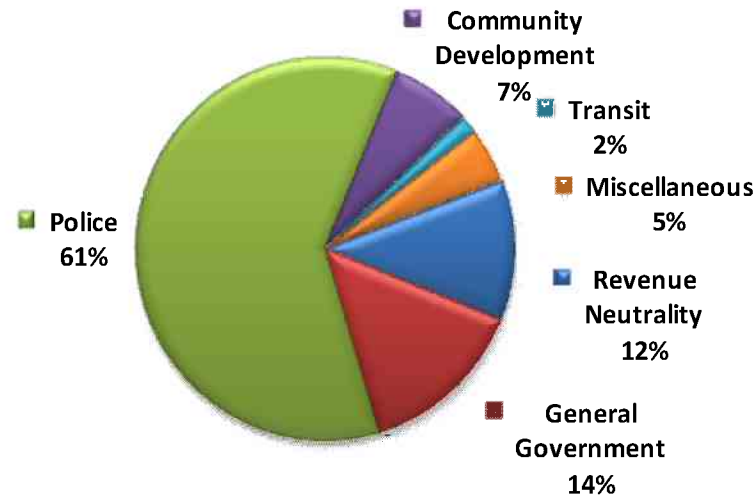
- Other taxes - includes miscellaneous taxes such as Vehicle Licensing Fees, Transient Occupancy Tax, and Utility User Tax.
- Sales tax - 1% sales tax collected on retail sales in the City.
- Property tax - about 1% of property tax collected by the County is allocated to the City. The City further shares 80% of this gross revenue with the County of Sacramento per the Revenue Neutrality agreement implemented at incorporation.
- Other funds - any revenue that does not readily fit into another category.
- Operating - payments received directly by the City for services performed. This would include fees such as business licenses, traffic violations, and code enforcement fines.

Budgeted General Fund Expenses

According to Council-adopted policy, the budget is balanced when expenditures are equal to or less than the sum of total revenues and the use of reserves. The 2010-11 General Fund budget draws \$1,675,000 from reserves for one-time expenses—a prudent budgetary practice. The remaining balance exceeds the minimum reserve threshold by a healthy margin.

Where the money goes...

\$49,325,350

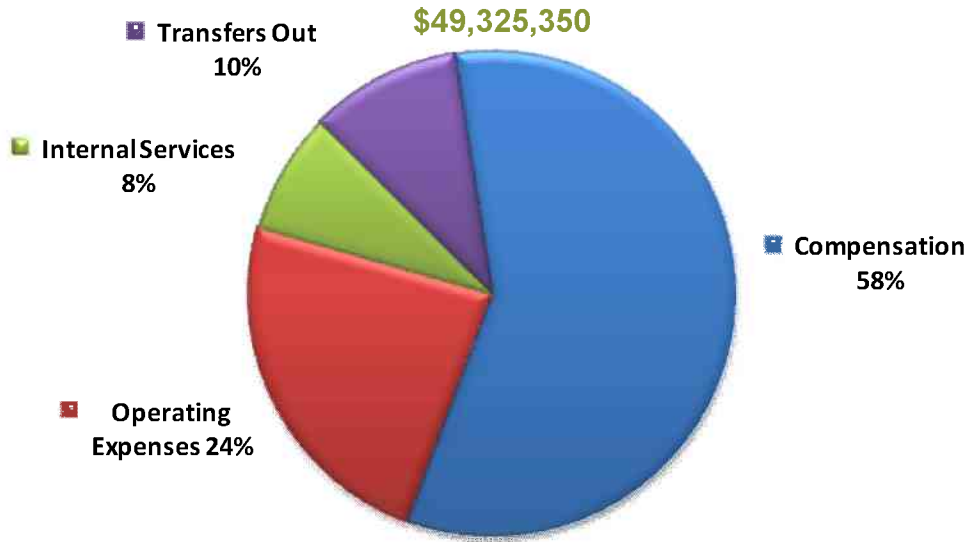


- Police - includes all aspects of law enforcement.
- General government - includes expenses for the administrative offices including the City Council, City Manager, City Attorney, Finance, Human Resources, City Clerk, Insurance and General Administration of the City.
- Revenue neutrality - property tax sharing agreement between City and County at incorporation lasting 25 years to ensure the County remains revenue neutral.
- Community development - reflects services provided to residents and businesses including Planning, Code Enforcement, youth and senior services.
- Miscellaneous - any expense that does not readily fit into another category, including indirect cost allocation and transfers.
- Transit - represents expenses associated with subsidy of public transportation, including busses and paratransit.

Budgeted General Fund Expenses

The General Fund compensates 90% of the City's 278 employees. Salaries and benefits, therefore, make up the General Fund's largest category of expense. Implementing furloughs and suspending other components of employee compensation are two strategies, in addition to reducing operational expenses, that have helped maintain the General Fund's fiscal health during the economic downturn.

Where the money goes, from another perspective...



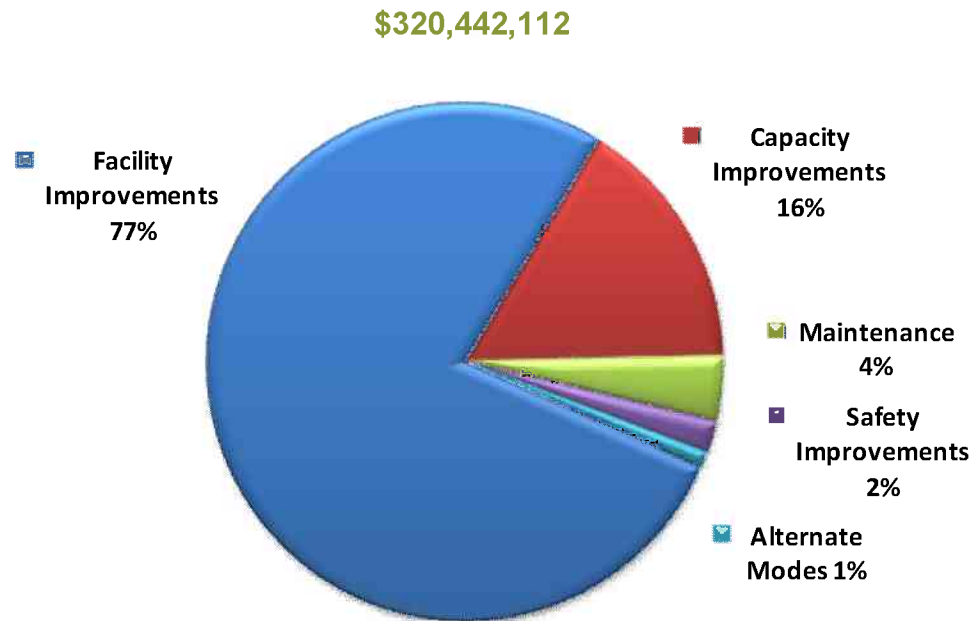
Position Count

Department	2009-10	2010-11	Change	Department	2009-10	2010-11	Change
General Fund				Other Funds			
City Council	2.0	5.0	3.0	Dev Services	3.0	4.0	1.0
City Manager	6.0	8.0	2.0	Planning	1.0	1.0	-
City Attorney	5.0	5.0	-	Building	1.0	2.0	1.0
City Clerk	5.0	4.0	-1.0	Public Works	1.0	5.0	4.0
Finance	15.0	14.0	-1.0	Integrated Waste	3.2	3.4	0.2
Human Resources	4.0	4.0	-	Utility Billing	5.0	5.0	-
Police	200.0	200.0	-	Transit	4.0	4.0	-
Code Enforcement	8.0	8.0	-	Risk Mgmt.	1.0	1.0	-
				Facilities/Fleet	4.0	4.0	-
Subtotal	245.0	248.0	3.0	Grand Total	268.2	277.4	9.2

Capital Improvement Program 2010-15

The 2010-15 Capital Improvement Program (CIP) describes transportation, drainage, and facility capital improvements planned by the City for the five-year period from FY 2010-11 through FY 2014-15 and sets forth a funding strategy for their implementation.

The City of Elk Grove plans to invest approximately \$320 million over the next five years through the 2010-15 CIP. Citizens can expect the investment to benefit the community in multiple ways. Many of the projects and programs in the CIP serve multiple purposes. The following chart illustrates CIP expenditure categorized by project/program primary purpose.



Implementation of the 2010-15 CIP will result in significant improvements to the City's facilities—most notably, the future Civic Center Complex. Residents will also benefit from nearly \$55 million in transportation projects dedicated to increasing roadway capacity. These capacity improvements will be key to easing existing congestion and maintaining a high quality of life for residents over the next five years.

Capital Improvement Program 2010-15

The CIP includes all active transportation, drainage, and facility projects and those expected to have identifiable funding sources and be undertaken during the coming five fiscal years. Specific projects and their scheduled completions were selected based on:

- Implementation of the City's General Plan
- Existing traffic patterns and associated improvement needs
- Projected traffic patterns, based on assumptions regarding the quantity and location of expected development
- The need to establish a coherent roadway network, with strategic connections that distribute traffic flows efficiently
- Minimizing disruptions associated with construction activity
- Availability of funding
- City Council direction.



Major projects include:

- Annual Pavement Resurfacing
- Civic Center
- Elk Grove Blvd/State Route 99 Interchange Improvements
- Grant Line Road Widening
- Household Hazardous Waste Collection Facility
- Intelligent Transportation System

City of Elk Grove Quick Facts*

Population	143,885**	Area	42 square miles
Elevation	45 feet	Miles of Streets	506
Miles of Sidewalk	993	Streetlights	11,148
Traffic Signs	3,333	Manholes	7,526
Feet of Pipe	2,140,120	Storm Drain Inlets	12,450

Averages

Low Temperature	24-44 °F
High Temperature	80-115 °F
Annual Precipitation	22" October through April
Median Income	\$82,784
Median Age	32 years

*Estimates

**Population has increased 72% since incorporation in 2000 and 1.6% over the previous year. The City is the second largest incorporated city within Sacramento County.



Steven Detrick
Mayor

District 3



Jim Cooper
Vice-Mayor

District 1



Patrick Hume
Councilmember

District 2



Gary Davis
Councilmember

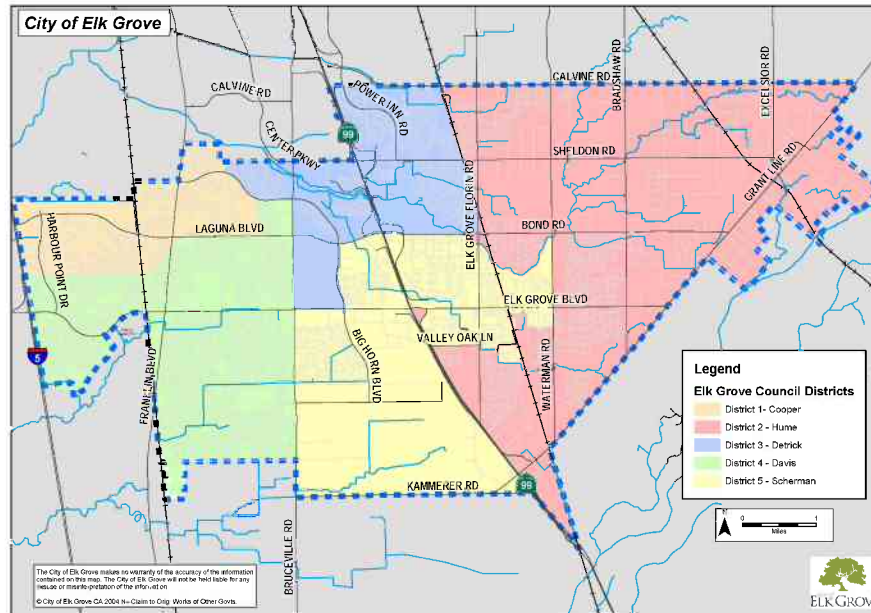
District 4

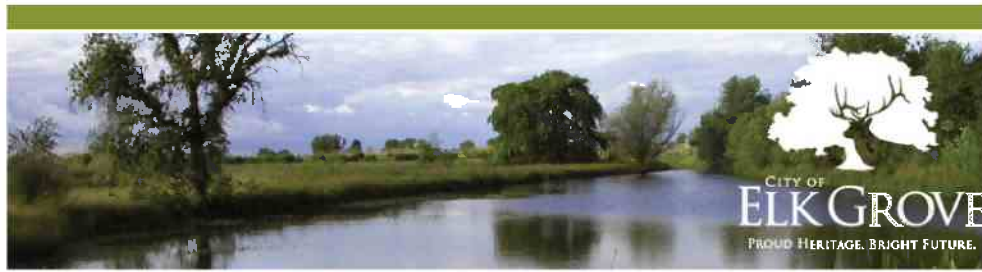


Sophia Scherman
Councilmember

District 5

City of Elk Grove Council District Map





Visit the City of Elk Grove Website at:

www.elkgrovecity.org

General Information

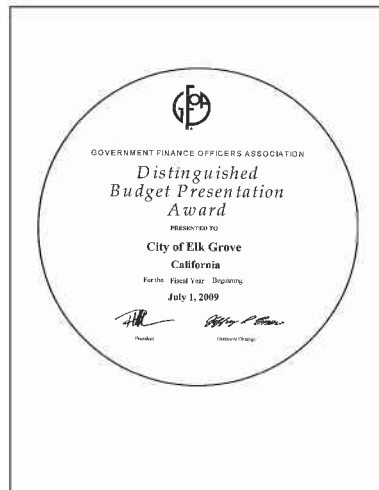
- Councilmembers
- Council Meetings
- Council Agenda
- Job Opportunities
- City Permits and Forms
- City Newsletter
- Department Contact Information
- Purchasing Bid Solicitation

Financial Information

- Budget
- Annual Financial Statements (CAFR)
- Elk Grove Annual Report to the Community
- Development Related Fee Information
- Mello Roos CFDs
- Development Impact Fee Deferral Program

Online Services

- City of Elk Grove Police Department
 - EGPD Daily Watch Summary
- Transit Services:
 - Purchase e-tran and e-van passes
 - e-tran Interactive Route Map
- GIS Mapping Tools
- View Building Permits
- Apply or Renew Business Licenses
- Track your Code Enforcement Case
- Pay Utility Bill
- Apply for City Jobs



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Elk Grove, California for its annual budget for the fiscal year beginning July 1, 2009. In order to receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and have submitted it to GFOA to determine its eligibility for another award.