

Section A

Question 5



OPERATING BUDGET SAMPLE BOOK: FY 2000-2001

- Does letter/message highlight major organization priorities and their funding sources?
 - Talk about what's going on in the Community (the hot items).
 - Talk about City Goals and how they will be implemented and funded.

CITY OF TEMECULA- 1
June 22, 1999

Honorable Mayor and Members of the City Council

During the 1995-96 fiscal year, the City began a strategic planning process to expand the City's vision beyond the scope of the elements listed above. Team building workshops were held with all City staff which resulted in the development of a value statement by the employees of the City. This value statement, found on page 12, is used as 1) a tool in the employee hiring/selection process, 2) a guide in conducting City business, and 3) a statement to the citizens affirming what the City, as an organization, stands for and the level of service they can expect from the City.

A goal and priority setting workshop was held with the City Council in November, 1998. The primary area of focus was in addressing deficiencies in the City's traffic circulation system. Other items of discussion included a review of City reserve policies, and economic development/redevelopment strategies.

Departmental goals and objectives are updated annually and are included in the Operating Budget section of this document. Goals and objectives are listed by program within each department. The following is a partial listing of the Fiscal Year 1999-00 performance objectives as they relate to key elements of the City's Mission Statement and Vision Statement.

Maintain fiscal stability:

- Maintain a 30% reserve for economic uncertainty
- Emphasize safety and liquidity over yield when investing City funds.

Maintain a safe/secure environment:

- Respond to calls for police services in a timely manner. Perform public safety education programs, maintain neighborhood watches, and conduct timely traffic investigations. The FY 1999-00 budget includes the addition of two patrol officers, a traffic officer, and a special enforcement (narcotics) officer.
- Respond to all fire emergency calls within five (5) minutes. Conduct a comprehensive fire education program. Continue to improve emergency services through the funding of a paramedic squad to supplement existing emergency medical services.

Provide quality jobs and promote commerce:

- Encourage the growth and expansion of existing industries by providing high quality municipal services, facilities, and economic development assistance.
- Promote retail and other support activities that provide a broader selection of high quality goods and services for residents, workers, and tourists.
- Use redevelopment powers and opportunities to enhance development opportunities.
- Target high quality businesses from the following industry categories: small to mid-sized businesses, high-tech manufacturing and communication services, paper and plastics, health-related manufacturing services, and vineyards/vintners.
- Utilize the award-winning "Temecula Fast Track Process" to provide one-stop streamlined development permitting.
- Develop and maintain an effective marketing program to publicize the virtues of Temecula.
- Develop Temecula as a comprehensive, recognizable tourist destination with a range of attractions.

Encourage programs for all ages:

- Increase the number of family oriented program opportunities at the Temecula Community Center.
- Determine the feasibility of providing City-sponsored recreation opportunities at the Promenade Mall site, such as a story time for kids, musical presentations, and art exhibits.

Provide adequate infrastructure concurrent with development:

- Update the Five-Year Capital Improvement Program (CIP). Design and construct capital projects within funding and time requirements specified in the CIP.
- Allocate \$28.1 million in 1999-00 for Citywide circulation projects to improve traffic flow and alleviate traffic congestion on the City's major freeway overpasses and near the Promenade Mall.

Utilize human resources effectively:

- Meet with City Council in a strategic planning forum.
- Conduct an annual retreat for department directors to establish service level and program goals.
- Provide in-house training opportunities for all employees to enhance productivity and performance.
- Administer an employee recognition program including quarterly Temecula Pride/Good Deed Award luncheons.

Enhance and revitalize historic area:

- Work with Old Town merchants, property owners, civic groups, and the development community to:
 - 1) Make private and public improvements in Old Town
 - 2) Develop projects that will revitalize the Old Town economy
 - 3) Assist in the private rehabilitation of buildings in Old Town
- Promote and encourage participation in the Façade Improvement Program.

“The City’s economic development focus...will be to develop and implement an aggressive marketing strategy that will highlight Fremont as a destination for the commercial, high-tech industrial, hospitality, and film industries.”

Economic Development: The City’s economic development focus for FY 1999/00 will be to develop and implement an aggressive marketing strategy that will highlight Fremont as a destination for the commercial, high-tech industrial, hospitality, and film industries. Economic development projects will focus on attracting new businesses and strengthening existing ones in the historical redevelopment areas, and creating interest from brokers and developers in the Central Business District area.

Advocacy on Strategic Legislative Issues: In FY 1999/00, time and resources will be dedicated to advocating appropriate and equitable solutions to issues that affect our community and the region, including transportation issues and the fiscal stability of our City. Resources are being allocated to allow the City Council the opportunity to take a more direct role in this advocacy work. Funds for staff and advocacy consultants have also been added to the budget. A portion of the costs for advocacy work will be offset by Measure B funding.

Redevelopment of Historical Neighborhoods and Commercial Areas: A focus for FY 1999/00 will be engaging the community, staff, and policymakers on community development and redevelopment in the historical neighborhoods and commercial areas. Planned actions include developing consensus visions about the future of Niles and the Central Business District, and implementation of the Commercial Rehabilitation Program and the Centerville Concept Plan. The Unreinforced Masonry Loan Program will be implemented in FY 1999/00 to stimulate reinvestment in and revitalization of affected districts. Numerous capital projects will be undertaken in each of the redevelopment project areas. It is anticipated that the Redevelopment Agency will issue up to \$20 million in debt to finance these merged area projects and affordable housing projects.

System and Organizational Improvements: In FY 1999/00, major system improvements will continue throughout the organization. New human resources, payroll, and timekeeping software will be purchased and installed, vastly improving and streamlining many of the City’s core processes. A pilot classification and compensation system for clerical positions will be implemented in a subset of the Fremont Association of City Employees (FACE) bargaining unit and evaluated for application throughout the organization. Organization-wide training and development of leadership capacity will continue to be a priority, as will interest-based problem solving, community engagement strategies, technology training, performance measures, and diversity training. Two more teams of staff and community members will participate in the School for Managing and Leading Change so they can gain skills to foster community engagement and problem solving.

Y2K Preparations: Resources are being allocated to replace and upgrade non-year 2000 compliant computers and software in order to ensure the City is prepared for any system failures, should they occur. In addition, departments are preparing contingency plans for service delivery, and the City is informing the public through the community newsletter, Community Emergency Response Teams, and meetings with facility managers and local utilities about how they can be prepared for Y2K problems.

“The City Council and staff will...be involved in policy development with... regional organizations.”

Regional Leadership: The focus on providing leadership on issues that affect the entire region, such as transportation and economic development, will continue in FY 1999/00. The City Council and staff will continue to be involved in policy development with Joint Venture Silicon Valley, the Economic Development Alliance for Business, the Association of Bay Area Governments, the Bay Area Council, the Alameda County Transportation Agency, the Metropolitan Transportation Commission, and many other regional organizations.

Strategic Opportunities for the Future: We recognize the importance of taking a long-range view for both the City and the organization. In FY 1999/00, the City Council and executive management team will work together to discuss community issues and develop priorities for change and improvement. Among other strategic planning efforts are the completion of the multi-agency Youth Action Plan and a partnership between the Family Resource Center and the Greater Bay Area Family Resource Network to develop a five-year strategic plan for the Family Resource Center.

Budget Assumptions

1. Fremont’s economy will continue to grow in FY 1999/00, but slower than in the two previous fiscal years. We assume overall revenue growth in FY 2000/01 through FY 2003/04 will be healthy but not as strong as what we experienced in FY 1997/98 and FY 1998/99. For the first three quarters of FY 1998/99, property tax receipts grew by 9.5% over the same period in FY 1997/98. For FY 1999/00, property tax is forecasted to grow only 4% over the estimated FY 1998/99 actual revenues. We are concerned about the number of large property tax appeals, which may affect the actual growth rate in property tax revenues in the coming year. We assume property tax revenues will grow at a greater pace than inflation over the five-year forecast period.

Sales tax revenues dropped 12% during the first half of FY 1998/99 compared with that collected in the first two quarters of the previous fiscal year. This is a significant drop in the City’s largest revenue source. For FY 1999/00, we are assuming that sales tax revenues will rebound and grow by 5% over the projected FY 1998/99 revenues. Growth in several General Fund revenues, such as construction tax and general business license tax, has and will continue to slow.

2. Public Employees’ Retirement System (PERS) cost estimates have been reduced. In the past, we were limited in our ability to accurately predict our PERS-related costs for both public safety and non-safety employees. Changes to the actuarial model PERS uses, coupled with our increased focus on understanding their model, have resulted in our ability to forecast rates with a greater level of certainty. Modifications to employee benefit levels or economic fluctuations could change these forecasted PERS rates.