



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 8, 2009
TO: Mayor and Councilmembers
FROM: Administration Division, Finance Department
SUBJECT: Fiscal Year 2010 Special Budget Work Session

RECOMMENDATION:

That Council hear a report from staff covering preliminary revenue and expenditure estimates for Fiscal Year 2011, and alternative strategies for addressing the projected deficit in the General Fund.

DISCUSSION:

On June 23, 2009, Council approved the Fiscal Year 2010 budget that included a number of measures, including budget cuts and revenue enhancements, to close a projected \$10.5 million deficit caused by rising costs and unprecedented declines in revenues. However, since June, revenues have further deteriorated beyond the levels assumed in the Fiscal Year 2010 adopted budget, creating a projected shortfall in revenues of approximately \$2.5 million. In addition, the City did not receive a federal public safety grant totaling approximately \$420,000 in connection with the American Recovery and Reinvestment Act, which would have funded four police officers.

Three special budget work sessions of the City Council have been scheduled. The first, held on September 3, focused on the current revenue outlook and strategy for addressing the projected \$2.9 million shortfall in revenues in Fiscal Year 2010. This second work session will include a discussion of the preliminary projected deficit for Fiscal Year 2011 and potential strategies to close that gap.

If necessary, the third meeting is scheduled for Wednesday, September 9th, from 9:00 a.m. to 1:00 p.m. in the City Council Chambers.

PREPARED BY: Robert Samario, Interim Finance Director
SUBMITTED BY: Robert Samario, Interim Finance Director
APPROVED BY: City Administrator's Office