FY 06/07 BUDGET MESSAGE

Mayor & City Council

The Operating Budget FY 2006/07 is balanced and consistent with the City's strategic goals.

Strategic Goals

- Quality of Life: Providing Woodland with quality facilities, programs and services, and protecting the public's safety and security.
- Community Vitality. Promoting a thriving economy, planning and managing growth, and creating a positive community image and identity.
- Government Effectiveness: Ensuring citizens' satisfaction with city services, providing timely and accurate information, and creating a healthy workplace; and

Fiscal Reform - Primary Goal

- Predictable and discretionary funding for key services including police, fire, libraries, parks, planning, streets and roads, and
- Revenue stability to sustain good governance and promote long term thinking, innovation, and regional cooperation, and
- Connection between service costs and revenues to promote balanced planning

Approach

The City Council for the past seven years has provided solid guidance to maintain a balance of services within fiscal limitations, to save money where possible, and to consolidate and improve services. I am pleased to report that all departments have controlled expenses that are within their discretion and are holding the line with the FY06/07 budget.

Personnel

Personnel expenses represent 64.5% of the General Fund Budget. During the past two years improvements to public safety staffing, in both police and fire, has been the number one priority.

The Springlake Development is in full swing; and, we anticipate more than 400 new housing units to be constructed in Springlake this fiscal year and an additional ~150 elsewhere in the city. We are following the Springlake financial and fiscal plan to add three new police officers with staggered hiring dates. We are working to time the delivery of services to the Springlake area based on service demand and revenue generation.

The Community Development Department – Development Services has moved to the former police station next to city hall on Court Street. We are strategically aligning resources and staffing to improve development services. I am recommending a new position to manage the development services office with specific emphasis on customer service, project management, permit services and coordination of front office activity. I have asked all department directors to assist me to reassign personnel where development services can be improved. The City Council made significant policy improvements by increasing the user fees to pay for development related costs. Our goal is to use a combination of contract professional services and city staff to meet the development and construction activity demand.

The new Community Senior Center will be constructed and operational by the end of this calendar year and I am recommending that we hire three facilities maintenance workers to serve this new center. As reported in November 2002 the opening of the new center will require additional staffing and

additional costs for operations and maintenance budgets to serve the center. We are anticipating the centers net new cost will be ~\$250,000.

While the Operating Budget is balanced with sufficient resources to cover the proposed operating budget, there is significant need for additional staff services. With the exception of a few prioritized staff augmentations discussed above, I am recommending that we <u>not</u> move forward to fill any other requested positions until the council has further discussion in the fall regarding GASB 45 and other potential demands against the scarce resources. Positions that I do not recommend that we fill at this time include: Administrative support for the City Clerk, Fire Administration and finance accounting. Code Compliance, adding ~5 police officers to patrol and a detective. A third facilities maintenance worker is expected to be needed for the Community Senior Center. Public Works staffing needs include an electrician/electronics Tech, a fleet and facilities maintenance worker, environmental conservation coordinator, and a utility maintenance worker meter tech.

The City Council has given guidance on personnel and labor contracts and all contracts are currently under negotiation with the goal to complete all negotiations by July 1, 2007.

Bottom Line

The General Fund is balanced \$37,597,688 with ~\$4.9 million in working capital. The Combined Funds Statements show the total City Budget is ~\$125.4 million.

Fiscal Improvements, Opportunities and Challenges

Management is pleased to report that the recovery plans on various fund deficits including the vehicle replacement fund, Prop. 172 fund, and information services are on track; the funds are expected to be in the black by FYE 07.

The City continues to have challenges with the annual operating deficits in Dubach Sports Park, Parking Fund, North Park and Streng Pond L&L, and the Storm Drain utility funds. Staff seeks Councils policy guidance on addressing these imbalances.

The ten year General Plan update is a substantial work effort that will be discussed as part of the budget preparation. Also, in recent weeks discussions with the Woodland Joint Unified District, Woodland Community College and the 2x2 representatives Mayor Rexroad and Councilmember Pimentel raised the opportunity to develop a statement of intent that could lead to a partnership to fund and develop a lighted synthetic football/soccer field with track and seating, with ADA parking. Staff will be prepared to discuss these issues during the May 9th Council budget workshop.

Policies contained in the General Plan speak to the need to work with other public and community groups to jointly use facilities. Council is requested to discuss and provide staff guidance on a joint use partnership agreement between the Woodland Joint Unified School District, the Woodland Community College and the City of Woodland to consider a joint use and construction partnership to build a recreational/athletic facility at Pioneer High School.

Better Communities Deserves Excellence

A quality community is the responsibility of every citizen of the community. On December 10, 2005, the City Council took action to place on the June 6, 2006 ballot an opportunity for the citizens to invest ~\$67.2 million to improve Woodland. The City Council Arguments in Favor of the ½ cent sales tax extension reads:

A YES vote means we the citizens support safe and decent roads, completing the community and senior center, the sports park for our youth & active adults, and renovating and improving our parks, recreation facilities and swimming pools. A YES vote will protect and improve our 100 year old

Carnegie library, expand and make ADA compliant our city hall, expand and create a performing youth center at the Woodland Opera House. A YES vote means that we the people are taking an active role in improving our quality of life and we will bring meaning to the General Plan that we voted for.

Better Communities Deserve Excellence.

➤ Sunset: This authorization will expire in 12 years on September 30, 2018.

> Accountability: We the citizens will receive an annual report of how much money is collected and is being spent.

Fairness: The ½ cent is a fair way to provide financing. About 1/3 of the money will come from taxable sales made to people who live outside of Woodland, who also use city services. This ½ cent sales tax will remain 100% in Woodland to serve our citizens. Woodlanders have a history of paying their own way. This measure simply extends the existing sales tax we currently pay.

This ½ cent sales tax is enough for the following improvements:

	Road Improvements	(Measure B)	\$30.2 million
	Phase II Community and Senior Center; Sports Park)		
	Facilities; and City Park & Pools Renovations	(Measure C)	\$21.9 million
Jan 1	Library, City Hall and Opera House Improvements		•
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Conclusion

As a community, we must help Woodlanders help themselves. We must support each other, be engaged, informed and support sustainable progress. And so, this Budget continues to support the basic services, but it is up to the community to reinvest in the future of our community by restoring the services lost and providing the resources to implement the standards and guidelines contained in the General Plan.

Finally, this Budget reflects the goals and policies of the City Council and maintains a fragile balance of services that is directly dependent on the action of its citizens. The core programs and services have been prioritized, revenues aligned to insure that we achieve a "pay as you go" approach to spending. It is important that we set aside appropriate reserves and plan for the financial future of the community. We promise to continue to do out best to insure that the taxpayers receive fair value for their money.

We are excited about the numerous opportunities facing us, and we will rise to those challenges facing this community.

Respectfully submitted,

Richard L. Kirkwood

City Manager

CITY OVERVIEW

The City of Woodland is located in what continues to be one of the most prosperous and fastest growing areas of the State. The City is eighty-five miles northeast of San Francisco, and, thus, feels the impact of growth in suburban areas of the Greater Bay Area.

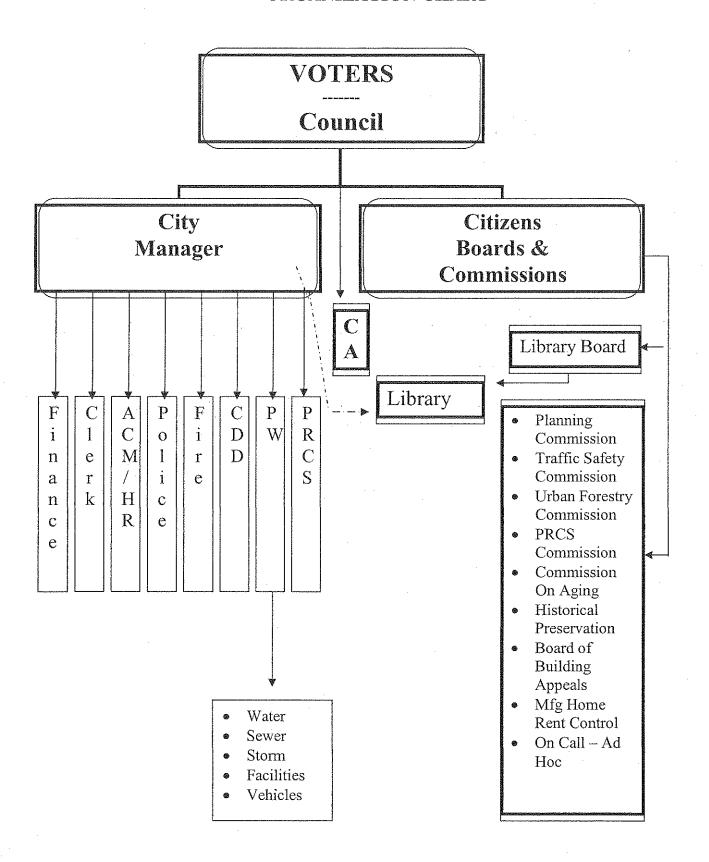
Even more importantly, Woodland is only eighteen miles northwest of Sacramento and shares in the economic trends of the Sacramento Valley Region. A pleasant, mild climate coupled with excellent access to rail and highway transportation continue to make Woodland a leading location for residential, commercial and industrial development.

The City's diversified economic basis includes agriculture, manufacturing, warehousing and retail. Such businesses as Walgreen's and Payless have located large distribution centers in the City. Over the next few years, retail growth is expected with projected residential growth in the area, particularly the Spring Lake Specific Plan, which assumes build-out of over 4,000 new single family and multi-family units over a 12-15 year period.

GOVERNANCE

The City of Woodland, first incorporated in 1871, is a general law City under the provisions of the State of California. A directly elected five-member City Council represents citizens in determining services and regulations to be provided by the City. From among its members, the Council elects the City's Vice-Major every two years. That individual holds office for two years and is then confirmed as Mayor. The Council appoints a full time City Manager whose job is to carry out the Council's policy directives and coordinate, control and direct City operations, functions and projects. In making its policy determinations, the Council works with advisory committees and receives other citizen input from the public at its regular and special meetings. The Council's business meetings are scheduled for the first and third Tuesday of each month in the Council Chambers of City Hall. Other special or study session meetings are scheduled as needed and are open to the public. The public is always invited and is encouraged to attend.

CITY OF WOODLAND ORGANIZATION CHART



CITY MANAGEMENT

City Manager – Under the Council/Manager form of government, the City Manager is appointed by and responsible to the City Council to serve as the administrative head of the municipal organization and to direct the overall performance and coordination of all City services and programs. Pursuant to the City Code, the City Manager is responsible for the enforcement of all City ordinances and the implementation of City policies. The City Manager prepares and administers the City's budgets, appoints and evaluates department heads, and keeps the City Council advised as to the needs of the City. This division contains the expenditures for the City Manager's Office. This City Manager's Office is comprised of the City Manager, Assistant City Manager, City Clerk, City Attorney and the Human Resources Department.

Human Resources – This is a support department to the seven departments in the City organization and is primarily responsible for recruitment, testing and selection; records management, position control, classification and compensation, benefit and retirement administration, employee and labor relations, centralized training; development and monitoring of the City's personnel rules and policies; enforcement of labor related federal/state laws and regulations, monitoring City-wide performance evaluations; coordination of worker's compensation claims; and, promotion of safety in the workplace.

Finance Department – This department reports to the City Manager and its operations include responsibility for overall department management, debt service and assessment district management, development of financial reports and analysis, and special projects related to City financial issues. This department provides oversight for all City fiscal operations, including the Redevelopment Agency. Also included in this department is the City Treasurer function, which is responsible for administration of the City's investment program.

Police Department – This department is responsible for law enforcement services in the community. The department is committed to maintaining a safe and healthy environment for all Woodland residents, businesses and guests, which is free from violence, property damage or loss, and injuries resulting from criminal acts.

Fire Department – This department provides emergency responses for fires, medical emergencies, rescue services and hazardous material releases. The Department also provides non-emergency services including – plan checking, inspections, hazard abatement and fire safety education programs.

Parks, Recreation & Community Services – This department through its volunteer, donated and fiscal resources provides facilities, programs and services to meet the recreational and park needs of the community through planning, plan implementation, effective and efficient use of resources, and the collaborative efforts of public-private, non-profit and joint intergovernmental partnerships.

Community Development Department - This department is composed of five divisions; Administration, Planning, Building Inspection, Redevelopment and Economic Development. This department is responsible for the overall management and coordination of all activities concerning environmental review, building inspections, stimulation of redevelopment within the

City and focuses on specific actions that are under the control of the city government and that provide the engine to stimulate private business and industry retention, expansion and development.

Public Works Department – This department plans, programs, designs, constructs and maintains the public works facility and utility infrastructure in Woodland. Public Works facility and utility infrastructure includes the transportation system (pavements, parking, traffic signals/signage, street lighting), utility systems (water supply and treatment, sanitary sewer treatment and disposal, storm drainage/flood protection), and City Buildings and parks. Public Works also manages the City's tree program, vehicle and equipment fleet and environmental compliance and conservation program.

AUTHORIZED POSITIONS

The fiscal year 2007 Budget includes 373 positions, 98.35% are full-time permanent personnel and 1.65% are part-time personnel. The following table provides a comparison of authorized positions for the fiscal years 2004, 2005, 2006 and 2007.

Type	Actual Budget	Actual Budget	Actual Budget	Actual Budget
	FY 03/04	FY 04/05	FY 05/06	FY 06/07
Full-time	318	332	358	368
Part-time	9	9	8	5
TOTAL:	327	341	366	373

DEPARTMENTAL BREAKDOWN SUMMARIES

Department	FY 04 Authorized Positions	FY 05 Authorized Positions	FY 06 Authorized Positions	FY 07 Authorized Positions
City Manager*	7	7	7	7
Community Development	19	19	21	27
Finance	19	20	21	21
Parks, Recreation & Comm. Svcs	37	37	39	39
Police	91	94	94	97
Fire	48	57	62	62
Library	14	14	14	12
Public Works	92	93	106	108
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TOTAL:	327	341	364	373

NOTE: Total excludes Department Directors

BUDGET PROCESS

The budget itself is the process of allocating scarce resources to attain specific goals and objectives as defined by the City Council. The process itself is dynamic and changing in tune with the public interest and needs.

All departments become extensively involved in a detailed review of their current operating budgets, and their goals and objectives. From this cogent analysis, the need for financial resources is quantified. Through this deliberative process, guided by the City Manager and monitored by the Finance Department, a budget is produced.