

Canyon Lake City Council Mid Year Budget Review.

As the City of Canyon Lake nears the end of the 2008-09 fiscal year on June 30, city staff and City Council are working hard to make sure the budget is balanced and essential city services and programs remain intact.

Typically the city does a mid-year budget review in January. But because the state budget wasn't approved until late February, city finances were examined after eight months.

With two-thirds of the years already gone, the city is in reasonably good budgetary shape despite an uncertain economy.

Revenues in excess of what was budgeted are expected from court, vehicle and parking fees and miscellaneous income accounts. Decreased revenue is anticipated from the following areas: motor vehicle license fees, interest income and construction/building permit fees. Anticipated legal costs are running higher than expected this year because of ongoing litigation and costs associated with enacting the hillside ordinance.

However, City Council, city attorney and fire services departments will need an infusion from reserves or be allowed to run over budget with an adjustment at the end of the fiscal year only if revenues exceed expenditures.

In previous years, at mid-year, the City Council was able to fund new expenditures from an increase in revenue over what was budgeted. Traditionally, the city enjoyed a \$200,000 surplus at mid-year. Additionally, at the end of fiscal year 2007-2008, \$600,000 was available. Approximately \$200,000 was put into reserves and \$400,000 from a Measure 1B grant was placed into Capital Improvement reserves for the widening of Railroad Canyon Road.

The City Council was saddened to have to eliminate community grants this year. In previous years, these funds were used to pay for such items as Little League uniforms. Mayor Pro Tem Nancy C. Horton said she and the other members of the council were distressed that more could not be done to fund these worthy community causes. But the funds need to be applied to the general fund to make sure essential city services remain intact. In a bit of good news, the Council decided to continue funding the Riverside County Library System to the tune of \$10,000. Despite the budget constraints, the council felt it was important to fund a valuable community service like the library. In a down economy libraries have become an important resource for those looking for jobs and needing free access to computers. As a result, traffic at public libraries is up significantly.

To keep police and fire services at current levels, the City Council and staff are sharpening their pencils as they search for ways to trim expense but not service.

But there is only so much they can do. Deputy pay is expected to increase another five percent this year as a result of their union contract. The city has no say over the contract with their employee's unions. The city also may be facing new police service charges. Staff was recently informed that the city's share of the new sheriff's station in Perris will be \$53,251 annually. City staff is negotiating with the sheriff's department to reduce this amount by applying a credit for Canyon Lake Police Department storefront station.

To make up any public safety shortfall in future years, the City Council discussed a possible assessment/tax for public safety. The council doesn't want to initiate an assessment in this tough economy. Instead staff and the Council appointed Finance Committee will work tirelessly to cut wherever possible in the future 2009-10 budget to avoid a tax. But if those measures are not effective, the Council will have to look at others means to balance future budgets.