

TO: Redevelopment Agency Board

FROM: Mike Compton, Director of Administrative Services

SUBJECT: Two Year Operating Budget & Four Year Financial Plan – Fiscal Years 2008 to 2011

DATE: July 17, 2007

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Needs: For the Agency to adopt the two year operating budget and four year financial plan.

Facts:

1. In conjunction with the development of the City's Two Year Budget/Four Year Financial Plan, a two year operating budget and four year financial plan was developed for the Redevelopment Agency.
2. While it is required that the City adopt the Redevelopment Agency budget by ordinance, the Agency need only adopt the budget by resolution.
3. In past years, pass through payments made directly by the County Auditor-Controller's Office to other taxing agencies were recorded as debt expenses in our records with an equal offsetting entry to tax increment revenues. The auditors have recommended in change in this practice. There is no net change in available resources to the Agency. The budget reflects this accounting change.
4. In prior years, all unallocated tax increment revenues are dedicated to repay the City for debt service on City Hall/Library. Given the Council's decision not to pursue the construction of a new city hall, unallocated tax increment revenues will be used to fund the preparation of the Uptown Specific Plan, the Town Centre Plan as well as issuing debt for transportation and education related projects.

Analysis & Conclusion:

As noted above, the budget provides for an accounting change that has no net impact upon available Agency resources. The budget as proposed does provide a contribution of \$500,000 for the preparation of the Uptown Specific Plan. The estimated cost is \$1,000,000. The City is applying for a grant for the remaining balance.

Also included is funding for the preparation of the Town Centre. The cost is \$1.5 million and will be spread over two years.

Finally, the budget provides financial assistance for the development of the First Five Commission facility. The assistance is in the form of a contribution sufficient to cover the debt service cost for \$1,000,000. The budget provides \$80,300 for this purpose.

Other than these noted exceptions, the base operating budget remains unchanged.

PAC will be reviewing the budget at their July 11, 2007 meeting. Staff will report their comments/actions.

Fiscal  
Impact:

The proposed budget reflects a major policy change by the Agency and City Council. All available resources remaining after providing for debt coverage and operating budget expenditures were allocated to repaying the Agency's obligation for City Hall debt service.

The amounts repaid to the City were being earmarked for the construction of a new city hall. This proposed budget provides that a significant portion of available resources will be re-directed towards preparation of the Uptown Specific Plan, the Town Centre Master Plan and financial assistance to the development of the First Five Commission's facility.

Additionally, it is highly probable, that the Agency will be asked to issue debt to finance various "substitute" projects in lieu of constructing a new city hall but the details of this plan are yet to be developed. They will be presented to PAC once developed.

Options:

- a. That the Agency adopt Resolution No. 07-XX approving the two year operating budget/four year financial plan for fiscal year 2008 through 2011; or
- b. Amend, modify, or reject the above option.

**RESOLUTION NO. 07-**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY  
OF THE CITY OF EL PASO DE ROBLES  
ADOPTING TWO YEAR MAINTENANCE AND  
OPERATIONS APPROPRIATIONS  
FOR FISCAL YEARS 2007-08 THROUGH 2008-2009**

**WHEREAS**, the Redevelopment Agency was prepared in conjunction with the development of the City's operating budget; and

**WHEREAS**, the Agency desires to adopt operating appropriations for two fiscal years; and

**WHEREAS**, there are sufficient tax increment revenues to fund operating appropriations.

**NOW THEREFORE BE IT RESOLVED** by the Redevelopment Agency of the City of El Paso de Robles does hereby approve the Two Year Operating Budget attached herewith as Exhibit "A".

**PASSED AND ADOPTED** by the Redevelopment Agency of the City of El Paso de Robles, this 17th day of July 2007 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Frank Mecham, Board Chairman

ATTEST:

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Deborah Robinson, Deputy Agency Clerk

City of El Paso de Robles  
 Operating and Maintenance Budget  
 Four Year Financial Plan  
 Fiscal Year 2005-06 to 2008-09

## Summary

REDEVELOPMENT AGENCY  
 Department No. 810

	Actual Expended FY 2004-05	Actual Expended FY 2005-06	Approved Budget FY 2006-07	Base Budget FY 2007-08	Base Budget FY 2008-09	Base Budget FY 2009-10	Base Budget FY 2010-11
Total Employee Services	-	-	-	-	-	-	-
Total Maintenance & Operations	249,724	1,020,037	95,000	1,405,300	155,300	155,300	155,300
Total Debt Service	1,038,877	1,431,918	1,283,000	529,700	515,500	520,800	520,300
Total Capital Outlay	-	-	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>1,288,601</b>	<b>2,451,955</b>	<b>1,378,000</b>	<b>1,935,000</b>	<b>670,800</b>	<b>676,100</b>	<b>675,600</b>
<b>Funding Sources:</b>							
Property Tax Increment	1,288,601	2,451,955	1,378,000	1,935,000	670,800	676,100	675,600
Allocation to Other Departments							
<b>TOTAL FUNDING SOURCES</b>	<b>1,288,601</b>	<b>2,451,955</b>	<b>1,378,000</b>	<b>1,935,000</b>	<b>670,800</b>	<b>676,100</b>	<b>675,600</b>
Authorized Staffing (FTE):	Authorized FY 2003-04	Authorized FY 2004-05	Authorized FY 2005-06	Authorized FY 2006-07	Authorized FY 2007-08	Authorized FY 2008-09	Annual Compensation Approved Salary Range

City of El Paso de Robles  
 Operating and Maintenance Budget  
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# Details of Expenses

REDEVELOPMENT  
 Department No. 810

	Actual Expended FY 2004-05	Actual Expended FY 2005-06	Approved Budget FY 2006-07	Base Budget FY 2007-08	Base Budget FY 2008-09	Base Budget FY 2009-10	Base Budget FY 2010-11
<b>EMPLOYEE SERVICES</b>							
5101 Full Time Regular							
5102 Part Time							
5103 Overtime							
Total Salaries & Wages							
Employee Benefits							
<b>Total Employee Services</b>							
<b>MAINTENANCE &amp; OPERATIONS</b>							
5212 Materials & Services	84	648	5,000	5,000	5,000	5,000	5,000
5216 Utilities			3,000	3,000	3,000	3,000	3,000
5221 Facility Maintenance							
5222 Equipment Maintenance							
5223 Vehicle Maintenance							
5224 Professional Services	98,516	123,116	85,000	65,000	65,000	65,000	65,000
5225 Legal Services	1,103						
5226 Education, Travel & Meetings			2,000	2,000	2,000	2,000	2,000
5229 Equipment Replacement							
5230 Insurance Prop./Liability							
5235 Special Projects	150,021	896,273		1,330,300	80,300	80,300	80,300
5238 Allocated Overhead							
<b>Total Maintenance &amp; Operations</b>	<b>249,724</b>	<b>1,020,037</b>	<b>95,000</b>	<b>1,405,300</b>	<b>155,300</b>	<b>155,300</b>	<b>155,300</b>
<b>DEBT SERVICE</b>							
5340 Principal Retirement		165,000	165,000	195,000	190,000	205,000	215,000
5341 Interest Expense	174,707	345,699	345,700	329,700	320,500	310,800	300,300
5342 Paying Agent Fees	3,140	3,140	5,000	5,000	5,000	5,000	5,000
5343 Fiscal Agreement Payments	861,030	918,079	767,300				
<b>Total Debt Service</b>	<b>1,038,877</b>	<b>1,431,918</b>	<b>1,283,000</b>	<b>529,700</b>	<b>515,500</b>	<b>520,800</b>	<b>520,300</b>
<b>CAPITAL OUTLAY</b>							
5450 Land Acquisition							
5451 Buildings							
5452 Improvements Other Than Bldgs.							
5453 Right of Way Acquisition							
5454 Equipment							
<b>Total Capital Outlay</b>							
<b>DIVISION TOTAL</b>	<b>1,288,601</b>	<b>2,451,955</b>	<b>1,378,000</b>	<b>1,935,000</b>	<b>670,800</b>	<b>676,100</b>	<b>675,600</b>

# Revenue Projections

	Actual FY 2004-05	Actual FY 2005-06	Estimated FY 2006-07	Projected FY 2007-08	Projected FY 2008-09	Projected FY 2009-10	Projected FY 2010-11
<b>GOVERNMENTAL FUNDS</b>							
Redevelopment Agency							
Property Tax Increment - LMI	362,484	440,854	545,600	580,000	611,300	644,200	678,400
Sale of Surplus Property							
Miscellaneous							
Interest Earnings - LMI	13,263	23,175	8,000	5,000	5,000	5,000	5,000
<b>Total Resources</b>	<b>\$ 375,747</b>	<b>\$ 464,029</b>	<b>\$ 553,600</b>	<b>\$ 585,000</b>	<b>\$ 616,300</b>	<b>\$ 649,200</b>	<b>\$ 683,400</b>
<b>DEBT SERVICE FUNDS</b>							
Redevelopment Agency							
Property Tax Increment	1,959,643	2,358,870	2,600,000	2,704,000	2,812,200	2,924,700	3,041,700
Miscellaneous	14,688	27,431	25,000	25,000	25,000	25,000	25,000
Interest Earnings							
<b>Total Resources</b>	<b>\$ 1,974,331</b>	<b>\$ 2,386,301</b>	<b>\$ 2,625,000</b>	<b>\$ 2,729,000</b>	<b>\$ 2,837,200</b>	<b>\$ 2,949,700</b>	<b>\$ 3,066,700</b>