



City Manager Report

Neighborhood Council Breakfast
November 13, 2010

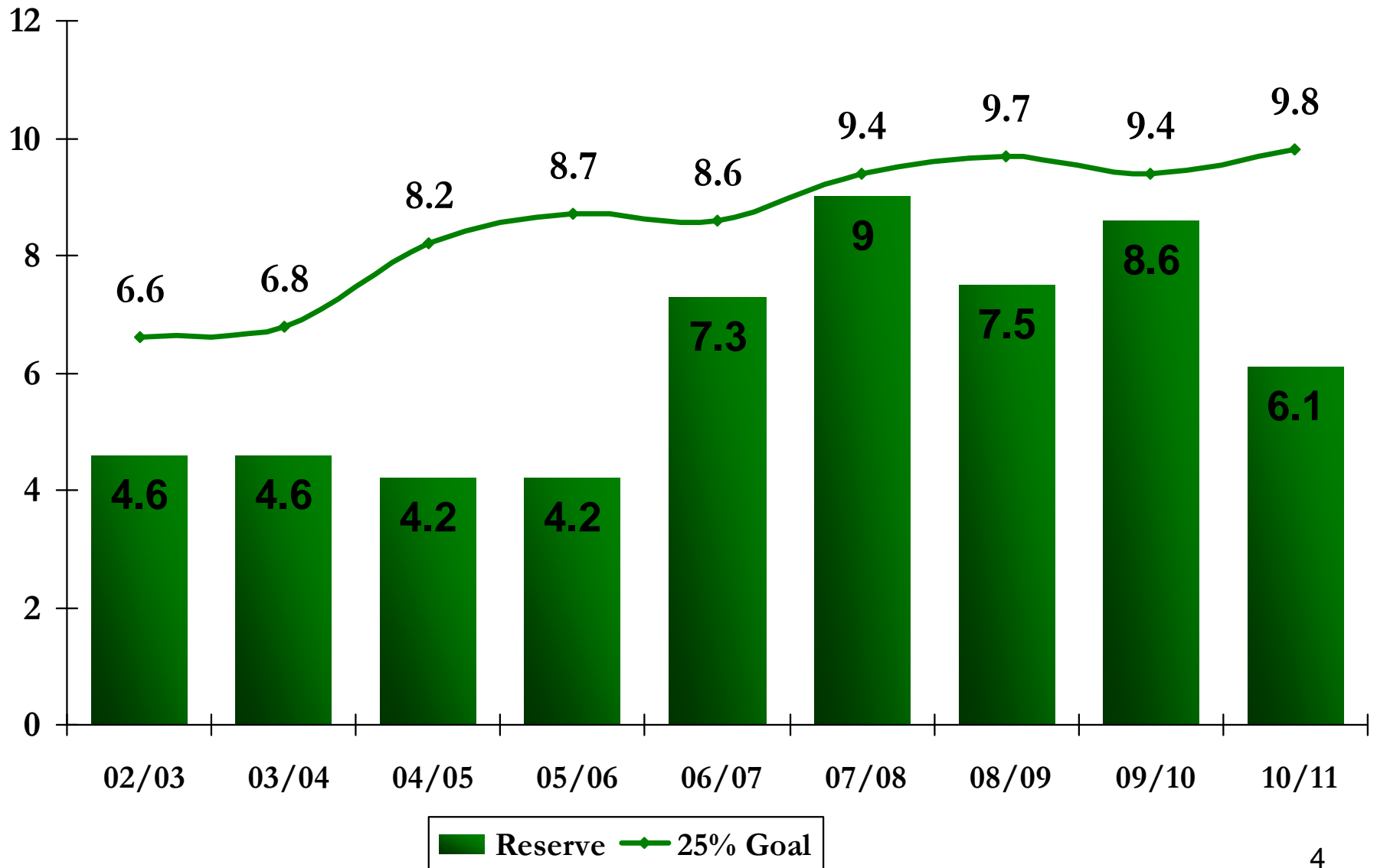
City Manager Report Overview

- National City safer with better facilities
- National City streets and parks improved
- National City outreach via website, community events, Neighborhood Councils improved
- National City Housing is improved
- National City has strong partnerships
- National City doing more with less employees
- National City weathering worst economic climate since the Great Depression

City Manager Financial Report

- Clean financial audits
- Standard & Poors Rating remains at A-
- Continuous review of operating costs & seeking revenue enhancements
- Limited Debt
- Reserves projected @ \$6.1 million which is 13% contingency reserve policy (25% - 50%)

History of Contingency Reserve



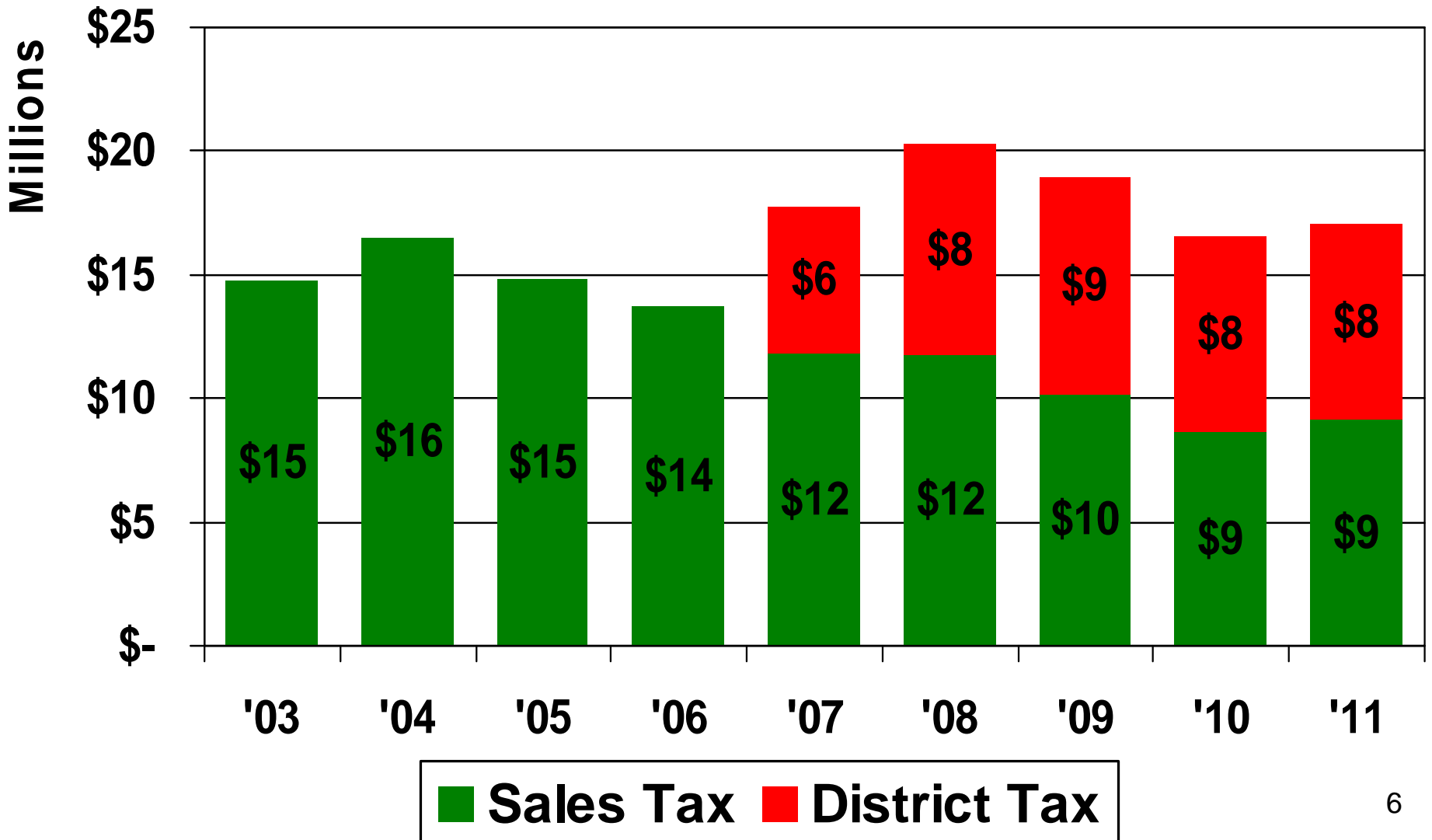
Budget Overview

(all funds as of June 2010)

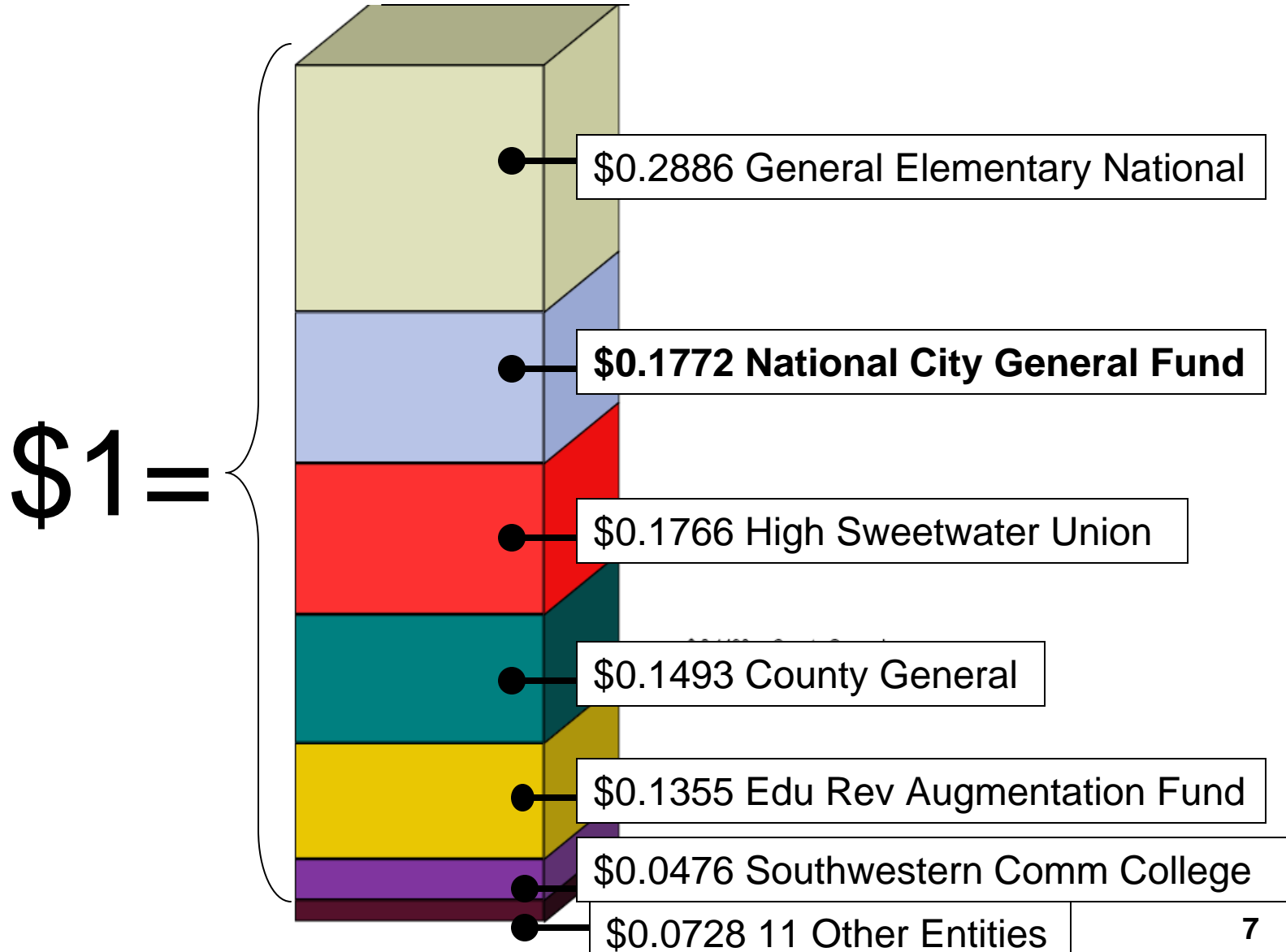
<u>Description</u>	<u>Revenue & Transfers In</u>	<u>Expenditures & Transfers Out</u>
General Fund *	37.2 M	39.2 M
Special Revenue Funds *	30.2 M	29.6 M
Capital Projects Funds	7.7 M	11.5 M
Debt Service Funds	12.6 M	12.7 M
Internal Service Funds *	<u>8.8 M</u>	<u>9.8 M</u>
TOTAL ESTIMATED BUDGET	\$96.5 M	\$102.8 M

SALES TAX

History and 10-11 Budget



City of National City Property Tax Dollar Breakdown



City of National City Property Tax Dollar Breakdown



28.86%
National School
District

17.72%
National City
General Fund

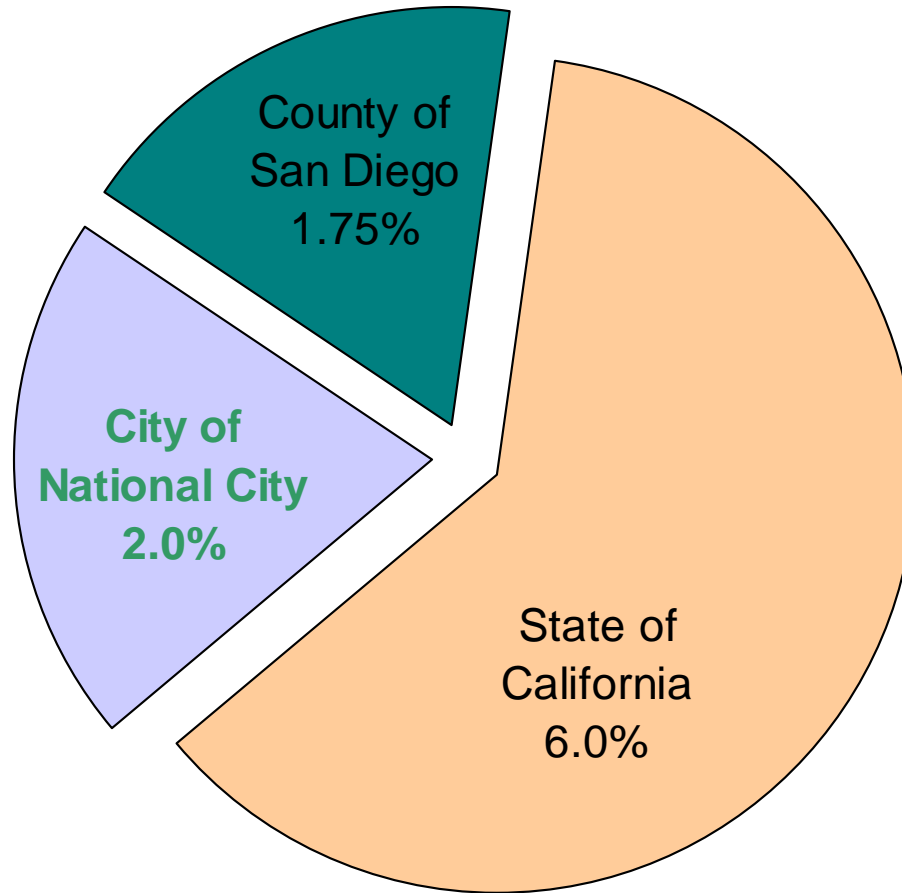
17.66%
Sweetwater
Union High
School
District

14.93%
County
General

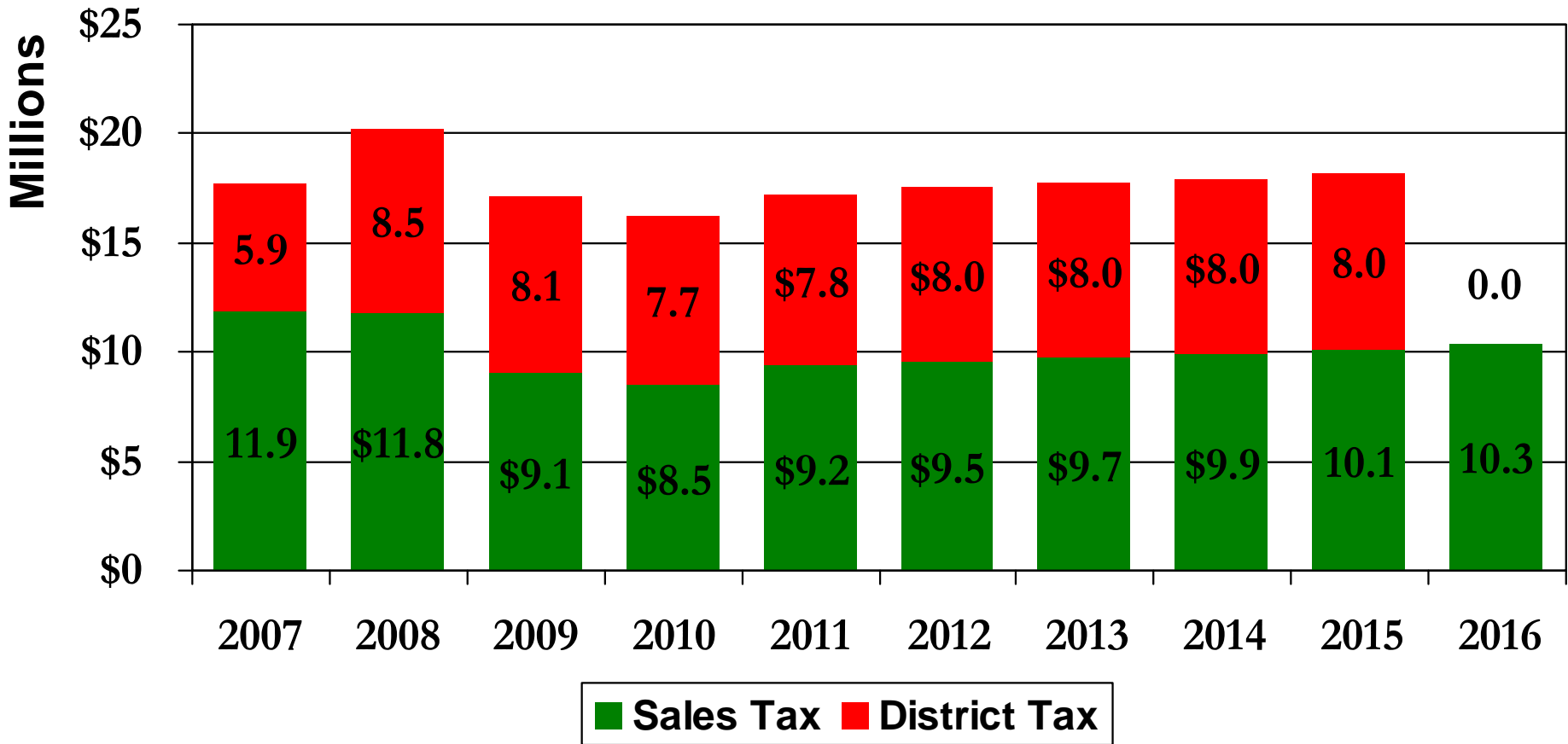
13.55%
Education
Revenue
Augmentation
Fund

7.28%
Other

9.75% Sales Tax Revenue Allocation



Projected Sales Tax and District Tax 2016 – DISTRICT TAX TERMINATES



*Assumes District Tax @ \$ 8 million/year and Sales Tax increase @ 2%/year 10

Tax Increment Fund State Takeaways

- May 10, 2010 – Supplemental Educational Revenue Augmentation Fund **paid** to State in the amount of **\$5.1 million**
- FY 10-11 Supplemental Educational Revenue Augmentation Fund **payment** is budgeted at **\$1,067,127**

What we have been doing to confront the budget gap

- Community sales tax support for 10 year period
- New development - (Plaza Bonita, Marina Gateway)
- Pension reform - (Employee contribution, 2 Tiering)
- Contract revision - (Lower Sweetwater , AMR)
- Position Review Committee
- Purchasing Review Committee
- Labor Unit Participation & C.A.R.E. Committee
- Dipping into reserves - (High of approximately \$1M to current \$6.1M in 2010)

Current Efforts

\$4.7 million in offsets to the Budget

- Reorganizations
- Departmental budget reductions
- 36 frozen/unfunded positions (\$2.7M)
- Employee retirement cost sharing from FY 2008 through first quarter of FY 2011 (\$670,543)
- Employee Voluntary Separation Program (\$1,186,415)

\$4.7 million in offsets to the Budget

(continued)

- Refinanced commercial paper TransNet loan (increase in cash for street programs in FY 10-11 of \$700,000 and future years)
- Refinanced police facility bond (\$137,000)
- Renegotiating agreement with AMR for an ongoing increase to franchise fee revenue (\$119,421/year)
- Lower Sweetwater Board agreed to purchase a fire apparatus with ownership to the City of National City (No cost to the City, value at \$550,000) and additional ongoing revenue of \$71,305/year
- Fire Cost Recovery Program

Employee Voluntary Separation Program

City-wide Staffing Reductions since 2004

- 14 management and executive level positions eliminated (reorganizations)
- 44 vacancies (managed attrition)
- 24 voluntary separations (employee voluntary separation program)

82 positions total