

2012 Council priorities. At this time, the anticipated FY 2011 surplus of \$9.19 million has been committed in the City Manager’s proposed budget to the following:

Commitments and Uses

August 2010 Storm	\$0.80 million
FY 2012 Operating Budget	2.75 million
FY 2012 CIP	2.53 million
FY 2011 Incomplete Projects	2.25 million
Total Commitments	\$8.33 million
Increase to Spendable Fund Balance	\$0.86 million
Total	\$9.19 million

The City’s General Fund Balance declined in both FY 2008 and FY 2009 as a result of the City’s response to the national economic crisis, the use of fund balance funding of the City’s OPEB Trust, and some other planned use of fund balances. (City financial policy prohibits the use of fund balances for recurring operating expenses for more than two years in a row.) The Spendable (Unreserved) General Fund Balance fell to 9.3 percent of FY 2008 actual General Fund revenues as of June 30, 2009, below the minimum of 10.0 percent set by City Council in 1986. In part due to the additional FY 2010 surplus, the City was able to increase the General Fund Balance by \$9.8 million by the end of FY 2010 and bring the Spendable (Unreserved) General Fund balance to 11.1 percent of General Fund revenues, in line with the City’s financial policy minimum of 10.0 percent.

EXPENDITURE COMPARISONS: The table below compares actual City General Fund expenditures for the last five fiscal years to the approved and amended budgets. These amounts are part of the budget surpluses previously committed. (The transfer for Schools operating expenses is excluded.)

Expenditures				
	Approved	Amended	Actual	Actual/Amended
FY 2010	\$313.1 million	\$311.2 million	\$299.5 million	(\$11.8 million)
FY 2009	\$320.3 million	\$317.7 million	\$306.9 million	(\$10.8 million)
FY 2008	\$297.2 million	\$303.1 million	\$297.8 million	(\$5.3 million)
FY 2007	\$286.2 million	\$296.7 million	\$290.2 million	(\$6.5 million)
FY 2006	\$264.9 million	\$270.4 million	\$263.8 million	(\$6.6 million)

In the pre-crisis years (FY 2006 to FY 2008), City expenditures came in below the amended budget by an average of 2.11 percent. Primarily as a result of fiscal restraint by all City departments to stop spending in order to manage potential declines in the City’s revenue base, expenditures for FY 2009 and FY 2010 averaged 3.59 percent below the amended budget.

STAFF:

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