

City of Piedmont
COUNCIL AGENDA REPORT

DATE: June 11, 2007

FROM: Mark Bichsel, Finance Director

SUBJECT: **Public Hearing on the Proposed Budget for FY 2007-08, the proposed levy of the Municipal Services Tax and the proposed levy of the Special Municipal Sewer Tax.**

RECOMMENDATION

Conduct a second public hearing on the proposed budget for FY 2007-08, the proposed levy of the municipal services tax and the proposed municipal sewer tax.

BACKGROUND

The Piedmont City Charter requires that a public hearing be held prior to the adoption of the budget, the levy of the municipal services tax and the levy of the municipal sewer tax. An initial hearing was held at the regular city council meeting of June 4, 2007. Before adopting the budget, a second and final public hearing must be held. All material related to the budget, including minutes of the city council study session held on May 19, 2007 and continued at the May 21, 2007 regular City Council meeting as well as minutes of the first budget public hearing held at the June 4, 2007 City Council meeting have been made available to the public. The City Council may make adjustments to the budget after this public hearing and the finance director is prepared to amend the figures in the budget to reflect such changes.

A public hearing on the Municipal Services Tax and the Sewer Tax is required under the ordinance adopting such tax, and that public hearing may occur simultaneously with the hearing on the budget for FY 2007-08.

The following reports have been prepared for your review:

- Summary of additions/deletions to FY 07-08 Budget
- Summary of changes to the FY 06-07 and FY 07-08 transfer schedule
- Impact of above changes upon FY 06-07 and FY 07-08 General Fund Balance
- Municipal Services Tax Rate Proposal
- Municipal Sewer Tax Rate Proposal

Summary of possible cost additions / deletions for FY 07-08

Administration	
1 Increase: Oakland Avenue Bridge Opening (from \$1,500 to \$6,500)	\$5,000
2 Delete: \$1,000 funding for e-waste disposal	(\$1,000)
3 Delete: \$1,000 allocation to League of California Cities meetings	(\$1,000)
KCOM	
4 Delete: JVC Remote Camera	(\$13,850)
5 Delete: Lecturn	(\$9,800)
Public Works	
6 Reduce Recycling Franchise Agreement Consultant (from \$90,000 to \$20,000)	(\$70,000)
7 Increase: Gasoline appropriation	\$12,000
8 Move CIP \$15,000 for Survey Monuments to Public Works Operations	\$15,000
Recreation	
9 Increase: Gasoline appropriation	\$6,000
Cost Savings to General Fund	(\$57,650)
Street Fund	
10 Increase: Sidewalks, Curbs, Gutters to \$325,000	\$25,000
Equipment Replacement Fund	
11 Delete Video Equipment Upgrade	(\$45,000)
Capital Improvement Fund	
Original appropriation in budget book	\$750,000
Proposed additional appropriation (funded by FY 06-07 transfers)	\$209,500
Sub-Total	\$959,500
Less: Survey Monuments (moved to Public Works Operations)	(\$15,000)
12 Revised sub-total	\$944,500
Total possible additional expenditures to the FY 07-08 budget	\$116,850

FY 07-08 Expenditures in budget book	\$24,564,839
Plus: above additions	\$116,850
Revised FY 07-08 Expenditures total	\$24,681,689

Transfers FY 06-07

Originally proposed transfers to Equipment Replacement Fund

1 Sidewalk, Curbs and Gutters	\$300,000	
2 Building Rehabilitation	\$100,000	
3 Artificial Turf: Beach Replacement	\$65,000	
4 Equipment Replacement	<u>\$535,000</u>	
Sub-total		\$1,000,000

Originally proposed transfers to Capital Improvement Fund

5 Coaches Field	\$400,000	
6 Pre-fund 07/08	<u>\$500,000</u>	
Sub-total		\$900,000

Grand Total **\$1,900,000**

June 4, 2007 Meeting

Council Proposed Transfers for FY 06-07

Capital Improvement Program

7 Civic Center Master Plan	\$0	
8 Community Pool	\$600,000	
9 Moraga (Blair Park)	\$100,000	
10 Coaches Field	\$300,000	
11 Pre-fund 07/08	<u>\$700,000</u>	
Sub-total		\$1,700,000

Master Street Fund

12 Sidewalk, Curbs and Gutters		\$325,000
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Facilities Maintenance Fund

13 Building Rehabilitation	\$100,000	
14 Artificial Turf: Beach Replacement	<u>\$65,000</u>	
Sub-total		\$165,000

15 Equipment Replacement Fund		\$350,000
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Grand Total **\$2,540,000**

Difference in FY 06-07 Transfers: \$640,000

Council proposed additional transfer to Sewer Fund \$250,000

Impact upon General Fund Balance @ 6/30/07

Estimated Fund Balance @ 6/30/07 per budget book	\$4,079,129
Additional estimated real property transfer tax revenues for June 07	\$400,000
Additional proposed council transfers for FY 06-07	(\$640,000)
Adjusted fund balance @ 6/30/07	\$3,839,129
Proposed transfer out for sewer fund	(\$250,000)
Revised fund balance @ 6/30/07	\$3,589,129

**Municipal Services Tax
Measure W**

Parcel Size in square feet	Voter Approved Rate for FY 05-06 at \$1,400,000	Maximum Rate for FY 07-08 at \$225,000	Proposed Rate for FY 07-08 at \$100,000	Proposed Rate for FY 07-08 \$0
Single Family Residences				
0 to 4,999	\$319	\$51	\$23	\$0
5,000 to 9,999	\$357	\$57	\$25	\$0
10,000 to 14,999	\$414	\$66	\$29	\$0
15,000 to 20,000	\$472	\$75	\$34	\$0
Over 20,000	\$538	\$86	\$38	\$0
Commercial Properties				
0 to 10,000	\$538	\$86	\$38	\$0
Over 10,000	\$806	\$129	\$57	\$0
Multi-family residential: per unit	\$221	\$35	\$16	\$0
Dual jurisdiction parcels: per parcel	\$327	\$52	\$23	\$0

Sewer Tax Rate: Measure H

Parcel Size in square feet	FY 2001-02 1st. Year Base Year	Maximum Rate <i>FY 2007-08</i>	Proposed Rate <i>FY 2007-08</i> <i>CPI adjustment</i> <i>(3.44% increase)</i>	Current Rate <i>FY 2006-07</i>
Single Family Residences				
0 to 4,999	\$379	\$433	\$401	\$388
5,000 to 9,999	\$432	\$494	\$459	\$444
10,000 to 14,999	\$498	\$569	\$528	\$510
15,000 to 20,000	\$581	\$664	\$617	\$596
Over 20,000	\$684	\$782	\$726	\$702
Commercial Properties				
0 to 10,000	\$684	\$782	\$726	\$702
Over 10,000	\$942	\$1,077	\$1,000	\$967
Multi-family residential: per unit	\$316	\$361	\$336	\$325
Dual jurisdiction parcels: per parcel	\$379	\$433	\$401	\$388