

# PREFACE

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## HOW TO USE THE BUDGET DOCUMENT

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This document reflects the City's continued use of a two-year financial plan, which emphasizes long-range planning and effective program management. The benefits of a two-year plan include:

- Ability to maintain long-range planning efforts;
- Ability to focus on developing and budgeting for significant objectives;
- Encourage more orderly spending patterns;
- Ability to set realistic schedules for completing program objectives; and
- Save time and resources allocated to preparing annual budgets.

This document represents a proposal for the City's two-year budget, covering the period July 1, 2010 through June 30, 2012. As in the past, staff concentrated on the first year of the two-year budget (2010-11). The second year of the two-year budget has been developed from the first year's funding and revenue levels.

This budget is proposed as "two one-year budgets." Amendments to this document may be necessary, at the end of 2010-11, depending on economic circumstances, and will be addressed during the Mid-Cycle Budget Review in June 2010. For that reason, the budget summary schedules, financial tables, and graphic presentations in this document only show proposals for the 2010-11 budget year. In 2010-11, each department and budget unit that is proposed is shown in the Proposed Department Budgets – Section C.

The City's two-year budget document serves four primary roles:

1. Policy Guide;
2. Financial Plan;
3. Operations Guide; and
4. Communications Device.

To meet these roles, the budget document is organized into the following sections:

### ***Section A: Budget Message***

The City Manager's Budget Message provides an overview of the 2010-12 financial plan, a summary of the major operating program changes, and policy issues requiring City Council determination.

### ***Section B: Graphics and Budget Summary Schedules***

The Graphics and Budget Summary Schedules section provides charts and tables, which highlight key financial relationships and summarize the overall budget document.

### ***Section C: Proposed Departmental Budgets***

The Proposed Department Budgets section presents the proposed budget for each department, grouped along the following programmatic and functional lines:

- Public Safety;
- Utilities;
- Public Ways and Facilities;
- Leisure and Cultural Services;
- Community and Economic Development; and
- General Government.

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### Section C: Proposed Departmental Budgets, continued

Below is an illustration on how to read the Department Budget sheets:

**Title** → Indicates department, division, and the major source of funding. Descriptions of funds are in the Appendices.

**Program Expenses/Revenues** → Four years of historical and projected expenditure and (if applicable) revenue information. All costs for salaries and benefits, as well as related costs of services and supplies are reflected.

**Employee Count** → Four years of full-time, part-time and/or temporary position staffing levels by job classification.

**Program Description** → A narrative of the fundamental programs and services.

**Subprograms and Their Objectives** → Specific activities and objectives of the program and their stated objectives.

**Performance/Workload Measures** → Performance/workload measures are categorized in two forms: The activities associated with service demand or workload; and any tangible, specific actions, quantitative results or effectiveness and efficiencies of providing that service.

**Goals/Objectives** → Goals are stated desirable outcomes in specific program areas, with objectives being specific, well-defined, measurable attainments that are achievable within a specific time frame.

**Major Budget Changes** → Identifies any notable or significant changes to the program in the coming year, including any enhancements and/or reductions and changes in personnel.

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**INTERNAL SERVICE FUNDS**

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**DEPARTMENT:** City Manager  
**DIVISION:** Liability, Workers' Compensation Insurances, and Unemployment Insurance  
**PROGRAM:** Risk Management  
**FUND:** Insurance Funds

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	Actual 2008-09	Adopted 2009-10	Year-End Estimated 2009-10	Proposed 2010-11	Proposed 2011-12
<b>PROGRAM EXPENSES/REVENUES</b>					
Salaries & Benefits	\$ 173,990	\$ 174,700	\$ 166,720	\$ 170,360	\$ 178,170
Services & Supplies	5,764,450	2,555,080	2,976,640	2,551,040	255,1090
Total Operating Cost	5,938,440	2,729,780	3,143,360	2,721,400	2,729,260
<b>FULL-TIME</b>					
Risk Manager	1	1	1	1	1
<b>TOTAL</b>	1	1	1	1	1
<b>GRAND TOTAL</b>	1	1	1	1	1

**PROGRAM DESCRIPTION**

The City Manager's Office administers the Insurance Funds. Funding for the various programs is generated by allocations to operating departments based on historical use of insurance resources and exposure to risk. These appropriations do not represent additional costs to the City, but rather report the manner in which departmental allocations will be spent.

**SUBPROGRAMS AND THEIR OBJECTIVES**

Risk Management

Analyze general liability claims experience and ensure that adequate reserves are maintained.

PERFORMANCE/WORKLOAD MEASURES	ACTUAL 2006-08	ESTIMATED 2008-10	PROJECTED 2010-12
<b>DEMAND/WORKLOAD</b>			
Workers' Compensation Claims Processed	182	150	150
<b>EFFECTIVENESS/EFFICIENCIES</b>			
Safety Inspections	12	15	18
Wellness Workshops	5	9	9

**GOALS AND OBJECTIVES**

- Introduce Web-based training options (video-streaming) for safety-related training to City employees.

**MAJOR BUDGET CHANGES**

- During each of the next two fiscal years, in an effort to help balance the General Fund budget, adjustments were made to the workers' compensation cost allocation formula to allow for decreased allocation amounts to General Fund departments.

# **PREFACE**

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### ***Section D: Special Revenue Funds***

The Special Revenue Funds section presents the proposed budget for programs and assessment districts, that are funded through special revenue funds. These budgets are grouped along the following programmatic and functional lines:

- Capital Improvements
- Landscaping Services;
- Park Acquisition and Development Services;
- Public, Education, & Government Television;
- Parking and Lighting Maintenance.

### ***Section E: Internal Service Funds***

The Internal Service Funds section summarizes the budgets for internal funds providing service to City departments, such as fleet services; business, communications, telephone equipment replacement; and liability, workers' compensation and unemployment insurance services.

### ***Section F: Capital Projects***

The Capital Projects section presents the City's Capital Improvement Plan (CIP), which includes all of the City's construction and maintenance projects financed by various funding sources. The section summarizes on-going operational costs associated with the projects. Through the CIP, the City systematically plans, schedules, and finances capital projects to ensure cost-effectiveness and conformance with policy.

### ***Section G: Debt Service Schedules***

The Debt Service Schedules section summarizes the City's debt obligations and outlines the repayment periods.

### ***Section H: Glossary***

The Glossary section lists specialized words and definitions to aid the reviewer in understanding this budget document.

### ***Section I: Appendices***

The Appendices section contains supplementary material that has corresponding significance to information provided within this budget document.

### ***Section J: Index and Notes***

The Index and Notes section is an alphabetical list of subjects that can be found in this budget document. The Index is intended to aid the reviewer in locating an item on subject matter in the budget document. The Notes page provides the reviewer space to record budget-related notes.

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## GUIDE FOR READERS

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The City of Santa Maria's budget is a plan that allocates available resources to meet the direction of the City's mission, vision and values, and the priorities of the City Council's. The budget balances the planned expenditures with the projected revenues.

The 2010-12 Budget is intended to serve four purposes:

1. ***The Budget as a Policy Guide***

As a policy document, the biennial budget indicates the services that the City will provide during the two, 12-month periods beginning July 1, 2010 and July 1, 2011, and why those services are provided. The Budget Message summarizes the challenges facing Santa Maria and how the budget addresses those challenges, as well as highlighting any significant changes and/or programs over the next two-year period. The Summary of Key Revenue Assumptions provides detailed information such as revenue sources and trends. Within the Appendices, descriptions of All Operating Funds are provided, as well as major goals and objectives for each department and the budget and financial policies of the City.

2. ***The Budget as a Financial Plan***

As a financial plan, the budget outlines the cost of City services and how those services will be funded. The Budget Message and the Graphics and Budget Schedules sections provide an overview of the budget, including major revenue and expenditure categories. Within the Appendices, there is a discussion of the City's accounting structure and budgetary policies. The Capital Improvement Plan and information about the City's bonded debt is summarized within the Appendices.

3. ***The Budget as an Operations Guide***

As an operations guide, the budget indicates how services will be delivered to the community. The Proposed Department Budgets section outlines the number of authorized full-time and part-time positions and department appropriations approved by the City Council for the provision of services by each department. An organizational chart is also provided for each department to show how the City is structured for efficient performance.

4. ***The Budget as a Communications Device***

The budget is designed to be user-friendly with summary information in text, tables, charts, and graphs. A glossary of budget terms, as well as an index is included for the reader's reference. In addition to this Guide for Readers, the following Table of Contents provides a listing of the various topics in the budget document. Finally, the budget includes the Budget Message, which provides the reader with a condensed analysis of the City's Financial plan for the next two fiscal years.

The City's fiscal year begins July 1 and ends June 30. This is the same time frame used by the State of California and all other local government budgets. The City Manager has the power and duty to prepare the annual budget and submit it to the City Council together with a message describing the important features. The City Manager is responsible for administration and implementation of the budget following its adoption by the City Council.

City monies are budgeted and accounted for in a number of different "funds." This allows monies, which must be spent for certain purposes to be separated, and helps to show the full cost of certain City operations. The main types of funds in the City's budget are explained in the Appendices, under Description of Funds.

Budget documents are available online at [www.ci.santa-maria.ca.us](http://www.ci.santa-maria.ca.us) and copies of the budget are available for review at the Main Public Library.