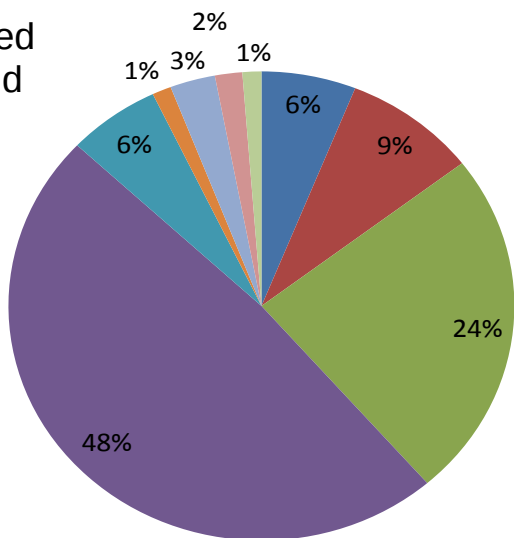


Balancing the budget is getting even tougher

City of Merced
General Fund



- Council/Manager/Attorney
- Finance/Purchasing
- Public Safety - Fire
- Public Safety - Police
- Parks Maintenance
- Economic Development/Visitor Services
- Transfer - Recreation & Parks
- Transfer - Development Services
- Transfer - Street Trees/Airport/Other

All City budget information is posted online for review at cityofmerced.org.

Right after the City Council approved the 2010/2011 budget, staff started preparing for the next year. The reason: the economy is not getting better anytime soon and money is running out.

This year the City had \$31.3 million in income, but its expenses were \$35.4 million. Reserves of \$4.1 million filled the gap, but they are dropping.

Most people know that the City has an unemployment rate around 20 percent, and they are familiar with the "Foreclosure Crisis" that has affected nearly every neighborhood. Those problems, and others, dramatically affect the City budget.

For example, property values have dropped 62 percent since 2006. This affects how much property tax we will collect. The home that had a value of \$336,743 in Spring of 2006, was

valued at \$127,585 by Fall 2009.

The revenue generated by sales taxes has also seen a steep decline. Overall, General Fund revenues have dropped \$8.1 million from the 2007-08 budget to the current budget year.

The General Fund is used to pay for a number of City services shown in the chart above. Money in the General Fund can be used for any purpose, compared to the Enterprise Funds that have limits on their use. (See right.)

For the past 4 years the City has been tightening its belt and cutting expenses, including:

- ✓ Workforce cut more than 17% (from 569 to 485)
- ✓ New union contracts with 0% pay raises
- ✓ Health benefits reduced and employee contributions increased
- ✓ The City has fewer vehicles,

changed fees and deferred maintenance on equipment. The City has used its reserves and some other one-time money to bridge the gaps and maintain service levels. At the current burn rate, the reserve funds will be gone by the 2012/13 budget year. Something that should be

explained is why the City is building the G Street Underpass, and other projects, while it is in dire financial straits.

The reason: The City receives state and federal dollars that must be spent on specific projects, say a bike path or park, and cannot be used for other purposes.

What exactly are these Enterprise Funds?

The largest component of the total City budget are the Enterprise Funds. These funds are generated when people pay their utility bills.

State law is very specific in saying that the money collected from your utility bill can only be spent to cover costs associated with the services.

For example, money collected as part of your sewer bill cannot be used to pay for a

police officer's salary.

However, that money can be used to pay the salaries of the people running the wastewater treatment plant and the crews that maintain our sewer lines. It can also be used to maintain and upgrade equipment and facilities.

While enterprise funds can't be used to pay for General Fund items, the General Fund can pay for enterprise fund items.

Merced City Council

Mayor Bill Spriggs
Council Members:
Bill Blake
John Carlisle
Michele Gabriault-Acosta
Noah Lor
Josh Pedrozo
Mary-Michal Rawling

Contact the City Council by email at Citycouncil@cityofmerced.org, by calling 385-6834 or writing to Council members at the Civic Center address below.

Council meetings

The Council usually meets on the first and third Monday of the month at 7 p.m. in the Council Chambers in the Civic Center. The agenda is posted online at www.CityofMerced.org.

Contacting us

The Web site, www.CityofMerced.org, contains City Council information, the Municipal Code, General Plan and other information. Contact the Newsletter at newsletter@CityofMerced.org, call the Public Information Office at 385-6232 or write:

Merced Civic Center
Attn: Public Information Office
678 W. 18th St.
Merced CA 95340

The Civic Center is open Monday-Friday 8 a.m. - 5 p.m., except holidays.

Call us

City Council	385-6834
City Manager	385-6834
City Attorney	385-6868
City Clerk	388-7100
Airport	385-6873
Code Enforcement.....	385-6861
Finance	388-7900
Inspection Services	385-6861
Personnel.....	388-7100
Planning Department.....	385-6858
Public Works (7:30-4:30) ...	385-6800
After hours	385-6905
Parks/CommServices	385-6855
Utility payments.....	388-7289

IN AN EMERGENCY DIAL 911

Fire Department.....385-6891
Police Department385-6912

Ask the City: Leaf collection program begins

Ask the City is an ongoing column answering questions that have been submitted to us by mail, email or phone. Readers can submit their questions to the addresses in the column on the left.

When will the City begin the leaf sweeping program?

A recent caller

The City begins its annual leaf sweeping program this month. Residents will be mailed a map with a

schedule showing when they can expect to have the leaf sweeper come through their neighborhood. The map also is on the City's web site.

The City of Merced is divided into four areas for leaf collection. The program will operate up to six days per week.

Each area will be allotted three days every two weeks for collection. There is no collection on Thanksgiving, Christmas or New Year's Day.

To make things

smoother:

- ✓ Do not park at curb on collection days.
- ✓ Sweep leaves in rows at least four feet from the curb.
- ✓ Do not put brush or grass in the rows because it will not be collected.

Street sweepers will follow the leaf collection schedule.

Collected leaves are used for mulch and compost on several area farms.

Campus Parkway opens

A red Mustang loaded with local officials drove through a banner saying, "Campus Parkway, this way to UC Merced" to officially open a new section of the road.

The section of Campus Parkway between Gerard Avenue and Childs Avenue was recently completed, including the light signals, at a cost of \$7.5 million.

Ultimately, Campus Parkway will extend from the Mission Interchange to Yosemite Avenue. The first phase is now completed, extending from the Mission Interchange at



Highway 99 to Childs Avenue. The next section scheduled for construction is from Childs Avenue to Yosemite Park Way/ Highway 140, but it is not fully funded.

Think Green

We need help spotting water leaks, too

Nothing runs up your water usage like a broken pipe. When it gushes into the street or soaks into the ground it wastes a valuable resource — water — and money, too.

This happens with the City, especially with sprinkler pipes. Somebody crossing a center median can stomp on a sprinkler head and break it. When the water turns on,

it creates a geyser shooting into the air. Sometimes the pipes are intact, but the sprinkler aims into the street.

We try to keep an eye on all of our sprinkler and irrigation systems, but we appreciate when people call us if they see something going wrong. If you spot a water leak or bad sprinkler, please call 385-6800.

Plan to improve Highway 59/MLK

The City has received a \$250,000 grant to improve transportation and economic development along part of South Highway 59/ Martin Luther King Jr. Way. The area included is between Childs Avenue and M, G and 13th streets.

As part of the grant, the City is creating an advisory committee of neighbors,

businesses and others to help develop the strategy that is due back to the Council by early 2012.

The City has already starting soliciting comments at SummerFest, the fair, block parties and other events.

If you are interested in joining the committee call Julie Sterling at 385-6929.

City celebrates two holidays this month

City offices will be closed for Veteran's Day, Nov. 11 and also for the Thanksgiving holiday, Nov. 25 and Nov. 26.

There will be no trash collection on those Thursdays. Regular Thursday collection will take place Friday, and people with a Friday collection date will have their trash collected on Saturday.