

MONTCLAIR



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CITY OF MONTCLAIR
2004 — 2005 BUDGET

ADOPTED BUDGET

Fiscal Year 2004-05

City of Montclair

**2004-05 ADOPTED BUDGET
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June 6, 2004

**Honorable Mayor and City Council
5111 Benito Street
Montclair, California**

Dear Mayor and City Council Members:

INTRODUCTION

Transmitted for your consideration is the City of Montclair Fiscal Year 2004-05 Preliminary Budget. The total operating budget for Fiscal Year 2004-05 is \$28,855,438; total projected revenues are \$28,778,333.

The General Fund unreserved Fund Balance is projected to decrease from \$9,933,000 as of July 1, 2004, to \$8,036,593 by June 30, 2005. The Administrative Services Department also anticipates a \$400,000 carryover of unexpended appropriations at the end of Fiscal Year 2004-05. If this carryover is achieved, the Unreserved Fund Balance will be \$8,436,593.

As you review this Preliminary Budget, consider local challenges related to the opening of neighboring shopping malls, observe the state's fiscal problems, and ready for the inevitable diversion of local moneys as a means to resolve Sacramento's budget, it is appropriate to consider courses of action that may prepare us for financially difficult days ahead. In the 1990's, the City Council authorized the expenditure of available reserves to balance annual budgets. The threshold set at that time was \$3.5 million. In recent years, however, we have been fortunate to produce balanced budgets and witness the growth of reserves in excess of \$11 million. Though our recent fiscal position has been enviable, we are again impacted by the policies of a wayward state government, a slow economic recovery, and competition for Montclair's sales tax revenues.

It is, therefore, appropriate that we brace for a decline in our revenue assets. At the same time, it is appropriate to retain a viable governmental operation and a reserve fund that will sustain us for several years. Accordingly, I recommend the City Council consider the following:

- Establish a "spend-down" threshold of \$7.5 million in the Unreserved Fund—this threshold to be reviewed annually as need requires.
- At the February 2005 Mid-Year Budget Review, consider if fiscal requirements dictate the need to revive the "Committee 2000"

concept for the purpose of examining alternatives for dealing with significant revenue shortfalls.

Special Funds: Prudent planning on behalf of the City Council has allowed Montclair to set aside a portion of available reserves for special fund/account needs, including unfunded liabilities and City-facilities infrastructure repairs. The City is committed to continue funding future liabilities over time to minimize the direct impact to the General Fund.

Approximately 50 percent of the projected decrease in the General Fund unreserved Fund Balance represents the City's continuing policy to set aside funds for special purposes. Recommended in the Fiscal Year 2004-05 Preliminary Budget are transfers to other funds of \$933,000 for special purposes.

The following special funds and Contingency Fund set asides are included in the Fiscal Year 2004-05 Preliminary Budget.

- **Leave Liability.** Since Fiscal Year 1999-2000, the City has set aside funds in the Contingency Fund's Leave Liability account for post-employment leave liabilities. Earned leave balances are typically not paid until an employee separates from service. As of July 1, 2004, the total amount set aside for post-employment leave liabilities is \$860,000. No transfer is scheduled for Fiscal Year 2004-05, but future funding is recommended to maintain a 100 percent funding level. Establishing this fund has eliminated any undue financial burdens that may result from any normal or unusual attrition in future years. This factor is particularly important when considering that the City's workforce is aging, and employee retirements are expected to increase significantly.
- **Montclair Employees' Home Acquisition Assistance Program.** Incorporated in Fiscal Year 2004-05 is a carryover of \$50,000 in the Contingency Fund for the *Montclair Employees' Home Acquisition Assistance Program* (ME-HAAP). This account was established during Fiscal Year 2002-03 as an incentive-based program designed to encourage members of all employee classifications to buy homes in the City of Montclair. The program offers a forgivable loan up to \$10,000 for the purchase of a home in Montclair. ME-HAAP's use of General Fund revenues allows for a program that does not impose household income caps, geographical limitations, or urban-neighborhood requirements. The program is not available to members of the City Council and employees who are currently homeowners in the City.

To date, two employees have taken advantage of this incentive-based program, and several employees have expressed an interest in the program.

- ***Emergency Energy Cost Fund.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a carryover of \$50,000 in the Contingency Fund for unanticipated energy cost adjustments. This account was formerly named "Emergency Utility Cost Fund" and was originally established in Fiscal Year 2001-02 for unanticipated utility cost adjustments. The name was broadened for the Fiscal Year 2004-05 Preliminary Budget to incorporate increased motor fuel costs.
- ***Safety Retirement Liabilities.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a transfer of \$275,000 from the General Fund to the Contingency Fund in anticipation of 3 percent @ 50 safety retirement liabilities, bringing this component of the fund balance to \$800,000.
- ***City Facilities Improvement Fund.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a transfer of \$250,000 from the General Fund to the City Facilities Improvement Fund—created in Fiscal Year 2000-01 as a component of the City's Capital Improvement Plan to establish a funding base for Council-authorized improvements to City facilities.
- ***Technology Account.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a carryover of approximately \$200,000 in the Contingency Fund for future, major-technology upgrades.
- ***Health Insurance Conversion Account.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a carryover of \$200,000 in the Contingency Fund for future implementation of a health insurance cafeteria plan and/or costs associated with the extension of health insurance coverage to part-time employees in January 2006, as required by the State Health Purchasing Program (SB 2).
- ***Personnel Cost Assistance Account.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a carryover of \$261,000 in the Contingency Fund for labor costs resulting from implementation of provisions contained in current Memorandums of Understanding.
- ***Equipment Replacement Fund.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a transfer of \$158,000 from the General Fund to the Equipment Replacement Fund for future acquisition of rolling stock.

- ***Building Maintenance/Infrastructure Fund.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a transfer of \$250,000 from the General Fund to the Building Maintenance/Infrastructure Fund for curb, gutter, and other infrastructure repair in various locations throughout the City.
- ***Contingency Account.*** Incorporated in the Fiscal Year 2004-05 Preliminary Budget is a transfer of \$150,000 from the General Fund to the Contingency Account for unanticipated expenditures during the fiscal year.

FISCAL/LEGISLATIVE/POLITICAL CHALLENGES

In the following sections of this budget message, I will discuss challenges to, and key components of, the City's Budget. This discussion includes revenue estimates, operating expenditures, capital outlay, and infrastructure improvements.

The City of Montclair continues to face uncertain economic times, induced largely by the political and fiscal policies of Sacramento. An assertion made by numerous state officials since December 2002 is that local government shared in the state's good times and so should bear the pain of the state's budget problems. Based upon information provided by the League of California Cities, the state's annual assistance to California cities amounts to less than \$300 million—less than one half of 1 percent of the state general fund. The Vehicle License Fee backfill and other taxpayer programs provide tax relief but do not provide additional resources to local governments. The vast portion of state assistance goes to counties—government agencies that provide many programs and services on behalf of the state.

An overview of the most recent four fiscal years demonstrates that cities are actually net donors to the state, providing more funding through the ongoing ERAF shift of property tax than they received in state funding for all programs. In fact, over the past four years, cities have contributed over \$1.1 billion more in revenue than they received in all forms of state assistance.

As City Council Members consider the Fiscal Year 2004-05 Preliminary Budget, I direct your attention on several legislative, economic, and political issues facing California's local governments including sales taxes; motor vehicle license fees; property taxes; the state Educational Revenue Augmentation Fund (ERAF); and local government fiscal relief.

Sales Taxes

Sales tax revenue represents approximately 39 percent of the General Fund estimated revenue budget. Prior to Fiscal Year 2004-05, this revenue source

represented over 50 percent of the General Fund revenue estimate. However, with voter approval of the *Economic Recovery Act* (Propositions 57 and 58) in March 2004, Sacramento will divert 25 percent of each city's annual sales tax revenues to the state treasury beginning July 1, 2004. This diversion will be used to fund the \$15 billion deficit-reducing bond issuance. The reallocation of sales tax revenues is expected to continue until the deficit-reducing bond issuance is fully financed—approximately 9 to 13 years. State officials have committed to reimburse local governments dollar-for-dollar by backfilling lost sales tax revenues with property tax money in the ERAF. Note, however, that backfill payments, to be paid semiannually, are not guaranteed but based only on the “good faith” of the state. Montclair's estimated backfill for Fiscal Year 2004-05 is \$3,055,000. For purposes of charting revenue projections against previous years, sales tax revenues and the backfill will be combined. Together, these revenue projections represent 52 percent of the General Fund estimated revenue budget.

The Fiscal Year 2003-04 sales and use tax revenue estimate is expected to increase by \$580,000 from \$11,920,000 to \$12,500,000. This projected increase is indicative of the City's growing tax base and an improved holiday quarter sales tax receipts. Fiscal Year 2003-04 sales tax revenues to date reflect a 7.8 percent increase over the same period in Fiscal Year 2002-03.

The Fiscal Year 2004-05 combined sales tax and sales tax compensation estimate is \$12,220,000, a decrease of 2.2 percent over the revised estimate for Fiscal Year 2003-04 (\$12,500,000). This estimate is based on the following factors:

1. A 3.5 percent increase due to an improvement in the economy.
2. Loss of sales tax revenue due to the October 2004 opening of Victoria Gardens in Rancho Cucamonga.

The largest looming threat to the City's sales tax revenue base is the growing competition related to the construction of competing malls in the Inland Empire. The Victoria Gardens Mall, located in Rancho Cucamonga, is scheduled to open in the fall of 2004. Three of Victoria Gardens Mall's major anchors duplicate current anchors at the Montclair Plaza. Victoria Gardens Mall also targets the same customer base as the Montclair Plaza—albeit, with time and continuing population growth, much of that customer base will be drawn from a self-sustaining marketing area. In contrast, Ontario Mills' marketing strategy, which is geared toward the outlet mall bargain shopper, is a benign threat to Montclair Plaza's customer draw.

Based on a report prepared by a consultant to the City, Montclair Plaza is expected to lose approximately 55 percent of revenue to Victoria Gardens

during Fiscal Year 2004-05. The anticipated loss is likely to stem from customer curiosity and a redirection of the Montclair Plaza customer base for convenience/neighborhood shopping. The Colonies Mall in Upland is also aggressively moving forward in an attempt to open in calendar year 2004.

Plans are also in development for a 375,000 square-foot regional open-air lifestyle center on Grand Avenue and Peyton Drive in the City of Chino Hills. At this stage of plan development, at least one anchor will duplicate a major tenant at the Montclair Plaza. The lifestyle center in Chino Hills also appears to target the same customer base shared by Montclair Plaza.

Vehicle License Fees

The vehicle license fee (VLF) is an annual fee on the ownership of a registered vehicle. As part of the state's 1998 budget agreement, the VLF was reduced by 25 percent, with the potential for future reductions or offsets, up to 67.5 percent—depending on growth in the state's General Fund. To ensure cities and counties continued receiving comparable revenues, plus growth, Sacramento agreed to "backfill" from the state General Fund to mitigate the VLF offsets. As part of the state's 2000 budget agreement, vehicle owners received the equivalent of a 67.5 percent reduction in the VLF at the time of renewal, starting in calendar year 2001. Initially, the reduction was paid out as a 32.5 percent rebate on the registration payment and as a 35 percent credit on the VLF owed. Starting in January 2002, the state granted vehicle owners a permanent 67.5 percent offset in their annual license fee.

The VLF is a significant local government revenue source. The City of Montclair annually receives approximately \$1.9 million in VLF revenue. Without the state backfill, the 67.5 percent VLF offset represents a potential loss of \$1,282,500 to the City's General Fund.

Section 10754 of the Revenue and Taxation Code requires the California Department of Motor Vehicles and Department of Housing and Community Development, as appropriate, to reduce the vehicle license fee (VLF) offsets and restore the VLF "during any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets." On June 20, 2003, Steven Peace, the Davis administration's Director of Finance, ordered the Department of Motor Vehicles (DMV) to stop the backfill process. This directive ended the transfer of General Fund money into the Motor Vehicle Fund for the VLF backfill and, at the same time, increased the vehicle license fees paid by motorists to their pre-1999 level. This latter action raised a storm of outcry from the public; it also served as the catalyst to recall Governor Davis. Ultimately, the 67.5 percent VLF offset was permanently restored

by Governor Schwarzenegger and the backfill was restored to local agencies for the duration of Fiscal Year 2003-04, less first quarter payments, which were deferred until August 15, 2006 by AB 1768.

The May 2004 Budget revision incorporates an agreement between Governor Schwarzenegger and various advocates of local agencies including the League of California Cities, California State Association of Counties, California Special Districts' Association, and California Redevelopment Association. As part of this agreement, the current effective VLF rate of 0.65 percent (the original rate is 2 percent of a vehicle's value) is to be placed in the constitution as the maximum rate. This action would permanently eliminate the VLF backfill program to cities and counties. As a replacement for lost VLF revenues, the Governor's two-year Budget Plan calls for returning property tax moneys to local agencies, dollar-for-dollar. However, cities will not be made whole on this exchange until Fiscal Year 2006-07.

During Fiscal Years 2004-05 and 2005-06, cities would have to agree to give up one-third of annual VLF revenues (in addition to forfeiting one-third each of sales and property taxes) to assist the state in balancing the budget in return for the Governor's support of legislation designed to protect major local government revenues. The proposed legislation would be similar to the Local Taxpayers and Public Safety Protection Act ("LOCAL Initiative") currently sponsored by the League of California Cities, with additional levels of revenue and mandate protection. VLF moneys "lent" to the state would be returned in Fiscal Year 2006-07.

Montclair's anticipated VLF "loan" is \$503,832 for each year of the Budget Plan, for a total "loan" of \$1,007,664. The State Treasury will return \$616,640 of "loaned" VLF revenues to Montclair in Fiscal Year 2006-07.

Property Taxes—Educational Revenue Augmentation Fund

A major component of Montclair's revenue budget is the property tax. The significance of this tax to Montclair would be greater if Sacramento did not divert approximately \$850,000 in annual property tax revenues to the state ERAF. Prior to the state's ERAF diversion, property taxes constituted 15 percent of total City revenues; today, they constitute approximately 6 percent.

In his May 2004 Budget Revision, Governor Schwarzenegger proposes additional shifts in property tax revenues to the ERAF. The annual shift from Montclair is approximately 1.3 million in Fiscal Years 2004-05 and 2005-06—the current shift is approximately \$800,000.

Increasing the property tax shift is part of the Governor's larger effort requiring local governments to participate in his two-year Budget Plan for returning the state to fiscal solvency. For cities, this plan represents a \$700 million shift of revenues over two years, distributed as follows:

- One-third from vehicle license fee revenues;
- One-third from local property taxes; and
- One-third from each city's share of sales tax revenues.
- No local agency shall have a total contribution of more than 4 percent or less than 2 percent of their general fund revenues.

The May revision also proposes that community redevelopment agencies pay \$250 million in tax increment into the ERAF for Fiscal Years 2004-05 and 2005-06—the impact on the Montclair Redevelopment Agency (RDA) for Fiscal Year 2004-05 is approximately \$600,000.

Also included in the proposal is language that would hold cities responsible for obligations their redevelopment agencies are unable to meet due to other contractual obligations, such as bonded indebtedness.

The ERAF is an accounting mechanism established by the Legislature in the early 1990s to transfer approximately \$3.7 billion annually in property taxes from cities, counties, and special districts to the schools in order to benefit the state's General Fund. To resolve its budget problems, the Legislature, in 1992 (under AB-8), renounced a portion of its obligation under Article XVI, Section 8 (b) of the California Constitution to finance public schools with moneys from the state General Fund. Instead, the Legislature established special accounts called Educational Reimbursement Augmentation Funds within each county treasury, funded by local property tax revenues and used to offset the Legislature's unmet obligation to the public schools. Since Fiscal Year 1992-93 through 2003-04, cities have lost approximately \$5.2 billion in property taxes. This depletion of local revenue transferred the budget crisis of the early 1990s from Sacramento to every California county, city, town, and district. The state based its action on a provision in Proposition 13 providing that property taxes shall be "apportioned according to law."

Sacramento has held steadfast to its ERAF revenue shift. During Fiscal Year 2003-04 and again for Fiscal Year 2004-05, Sacramento is using ERAF as a bargaining tool to redirect city revenues to the state. In essence, the state is requiring cities to shift pots of money around to fund their revenue losses to the state. The claim that Sacramento will use the ERAF to refund VLF and sales tax loans to local entities is a slap to the local public sector. In reality, Sacramento is simply requiring local governments to "loan" money to the state Treasury and fund the repayment of these "loans" by shifting local moneys to the ERAF-

designated by Sacramento as the source for repayment of its borrowing practices.

Local Government Fiscal Relief—The Governor's May Budget Revisions

The May revision to the Governor's 2004-05 budget addresses a projected \$14 billion gap between proposed expenditures and projected state revenues—inherited from the prior administration and cumulating during the current administration. To address this shortfall, the Governor proposes a combination of spending reductions, revenue proposals, fund shifts, loans, transfers, bonds, and deferrals.

Based on the May revision, local governments can expect to be impacted by the following proposed actions:

- **Booking Fees:** Eliminates \$38.2 million for reimbursement of booking fees to counties and cities, and eliminates county authority to impose booking fees—for Montclair, the elimination of the reimbursement represents approximately \$125,000 annually.
- **ERAF:** Requires community redevelopment agencies to pay \$250 million into the Educational Revenue Augmentation Fund in 2004-05 and 2005-06—the impact on the Montclair Redevelopment Agency (RDA) for Fiscal Year 2004-05 is approximately \$600,000, based on the formula used for the Fiscal Year 2003-04 Redevelopment Agency payment to the ERAF. Included is language holding cities responsible for state obligations their redevelopment agencies are unable to meet due to other contractual obligations, such as bonded indebtedness.
- **VLF:** The May revision proposes a constitutional amendment to cut the car tax rate from 2 percent to 0.65 percent of the value of the vehicle. This action will allow the state to eliminate the VLF “backfill.” In order to protect local governments, the reduction in vehicle license fees to cities from this rate change will be replaced by an increase in the amount of property taxes cities receive. For 2004-05 and 2005-06 only, the replacement property taxes that cities and counties receive will be reduced by \$700 million. In future years, local governments will receive the full value of the vehicle license fees (as property tax dollars) that they would have received under current law.
- **COPS Program:** Includes \$200 million for the Citizens Option for Public Safety (COPS) program. However, language has been changed requiring that funds first be used to cover mandated costs

associated with the Peace Officers Procedural Bill of Rights mandate. Any remaining funds could be used in accordance with current law.

- **Special Transportation Programs:** The May revision includes an increase of \$15.9 million for Special Transportation Programs, increasing the funding level to \$117.4 million for Fiscal Year 2004-05.
- **Transportation Congestion Relief Program Fund:** The May revision includes \$163 million for Fiscal Year 2004-05 projects already earmarked with funding allocations.
- **Reimbursement on State Mandates:** The Governor's January Budget proposed to repeal five mandates, defer payments on five other mandates, and fund ten state mandates. The May revision includes a new "deal" with the Governor, in which state mandates would be paid over a five-year period, beginning with Fiscal Year 2006-07. Mandated obligations currently stand at \$1.1 billion. Under the Governor's proposal, unfunded mandates sunset automatically unless they pertain to educational programs or employee rights or benefits; mandates may not be suspended in the budget; and the process for determining non-education mandates is expedited.

The concept of state reimbursement to local agencies for state mandated activities originated with the Property Tax Relief Act of 1972—known as SB 90. The primary purpose of the Act was to limit the ability of local agencies to levy taxes. To offset these limitations, the Legislature declared its intent to reimburse the cost of programs or increase levels of service mandated by the state. The Commission on state mandates hears and decides reimbursement claims. If a mandate is not funded for a fiscal year, it is deemed an "optional" mandate, or one that local agencies can comply with at their discretion and expense. However, even token reimbursements are considered sufficient to require compliance with mandates. For Fiscal Year 2004-05, Montclair anticipates no reimbursements.

The Governor's May revision includes about \$5 billion in deficit reduction solutions that are one-time in nature. These include the use of \$2 billion in Proposition 57 bond proceeds; \$1 billion in pension obligation bond proceeds; \$1.2 billion related to the loan of Proposition 42 funds from transportation special funds; and a variety of one-time savings from delayed Medi-Cal spending, special-fund loans, and other funding shifts. What is lacking in the May revision

is the hard, direct reductions in state spending needed to realign expenditures with revenues.

The Preliminary Budget for Fiscal Year 2004-05 does not incorporate any of the increases or reductions to revenue that may occur pursuant to the passage of legislation or any pending legislative deliberations on the state's budget. Any necessary revisions stemming from Sacramento's budget deliberations will be accounted for during the Midyear Budget Review process. The Preliminary Budget does, however, incorporate cost adjustments related to known impacts due to state and federal actions.

REORGANIZATION

Since 1992, the City Manager has provided the City Council with annual reorganizations that addressed economic and organizational realities. Based on the exigent needs at the time, annual reorganizations focused on "downsizing," "rightsizing," or, as with recent reorganization reports, "reengineering." The "rightsizing" process focused its attention on the organization's long-range health and survivability. This effort was designed to avoid the pitfalls of an organization that downsized to the point of becoming inefficient—a decline occasionally referred to as "dumbsizing."

Rightsizing was promoted as a means of stemming the negative impacts of downsizing decisions that could return to cripple organizational effectiveness. Without a system to release the pressures of downsizing, the cumulative force of past actions can strain the government-community relationship, impact performance and services to the community, and demoralize employees.

Capitalizing on the forward momentum produced by efforts at rightsizing, the **City Manager's 2001 Reorganization Report** integrated the approach of "reengineering" service operations to provide better services to the community. This approach has been reflected in actions that include implementation of a paramedic program in the Fire Department; assumption of sewer and trash billings; payment center services for Southern California Edison and Gas Company utility payments; a variety of new Human Services initiatives (including the Montclair Community Collaborative program) that reach out to certain sectors of the public; e-government services; and the redesign of the City Hall office areas to better serve the public.

Reengineering constitutes an in-depth review of organizational operations and the implementation of program changes to enhance service delivery and achieve greater levels of efficiency. The **City Manager's 2004 Reorganization** continues this practice of reengineering programs to promote service delivery and organizational efficiency.

For purposes of this discussion, all salary ranges and benefits incorporate adjustments scheduled for Fiscal Year 2004-05.

Personnel Adjustments

City Council/City Attorney/Advisory Bodies: The **City Manager's 2004 Reorganization** recommends no changes to the organizational structure of the City Council, Office of the City Attorney, or advisory bodies to the City Council for Fiscal Year 2004-05.

Office of the City Manager: The **City Manager's 2004 Reorganization** recommends no changes to the organizational structure of the Office of the City Manager for Fiscal Year 2004-05.

Community Development Department: The **City Manager's 2004 Reorganization** recommends no changes to the organizational structure of the Community Development Department for Fiscal Year 2004-05.

Police Department: The **City Manager's 2004 Reorganization** recommends no changes to the organizational structure of the Police Department for Fiscal Year 2004-05.

Administrative Services Department: The **City Manager's 2004 Reorganization** recommends no changes to the organizational structure of the Administrative Services Department for Fiscal Year 2004-05.

Fire Department: The **City Manager's 2004 Reorganization** recommends the following changes for Fiscal Year 2004-05:

- **Fire Captain (Management)—Recommended Action: Reclassify to Nonmanagement Classification.** On April 20, 2004, the United States Department of Labor (“DOL”) announced its “final” version of new overtime regulations for “exempt employees,” with an effective date of August 23, 2004. New to the regulations is a provision excluding safety employees who are “first responders” from “exempt” status. This regulation was created in response to Congressional concern that earlier regulations would take overtime away from firefighters and police officers. The new regulation lists 17 different safety occupations that are eligible for overtime, regardless of rank or pay level, including employees performing work such as “preventing, controlling or extinguishing fires of any type” The only “exempt” classification in Montclair affected by the exclusion in the DOL’s revised regulations is Fire Captain. Management classifications in Montclair are based, in part, on their qualifying status as “exempt.” Accordingly, the City Manager recommends converting the Fire Captain classification to

nonmanagement, effective August 23, 2004, in compliance with DOL regulations. This conversion will affect six positions in the Fire Captain classification. Fire Captains will lose certain benefits associated with management, including the City's contribution towards Deferred Compensation, estimated to cost approximately \$19,743 annually; Fire Captains will, however, be eligible for FLSA and regular overtime earnings, estimated to cost approximately \$18,352 annually. Net annual savings to the City is approximately \$1,391.

*Redevelopment/Public Works Department: The **City Manager's 2004 Reorganization** recommends the following changes for Fiscal Year 2004-05:*

- ***Equipment Maintenance Supervisor (Management)—Recommended Action: Eliminate classification, replace with Lead Mechanic, transfer management responsibilities.*** The City operates an Equipment Maintenance Program charged with responsibility for maintaining fleet vehicles and other equipment. Managing the program is an Equipment Maintenance Supervisor. The current incumbent has a pending retirement date of December 3, 2004; his last day of work is July 29, 2004. The City Manager recommends eliminating the classification effective December 3, 2004. However, labor, supervision, and management responsibilities will be transferred effective August 2, 2004. Supervisory responsibilities will be transferred to a new Lead Mechanic position (discussed below); management responsibilities to the Assistant Public Works Superintendent; and labor requirements to other personnel, including a part-time Mechanic Aide (discussed below). The current salary range for Equipment Maintenance Supervisor is \$4,146-\$5,039. Eliminating the position will generate approximately \$82,841 in wage and benefit savings at Step "E" of the salary range; savings to be used to offset other personnel adjustments in the Redevelopment/Public Works Department.
- ***Equipment Mechanic—Recommended Action: Eliminate one of two Equipment Mechanic Positions, establish Lead Mechanic position to address supervisory void.*** The City currently employs two Equipment Mechanics to assist the Equipment Maintenance Supervisor in the maintenance of vehicles and other equipment. Eliminating the Equipment Maintenance Supervisor classification creates a supervisory void in the Equipment Maintenance Program. To address this deficiency, the City Manager recommends eliminating one of the two Equipment Mechanic positions and establishing a Lead Mechanic classification (discussed below), filled by the in-house promotion of one of the

- two Equipment Mechanics. The salary range for Equipment Mechanic is \$2,957-\$3,594. Eliminating one of two Equipment Mechanic positions will generate approximately \$58,222 in wage and benefit savings at Step "E" of the salary range; savings to be used to offset other personnel adjustments in the Redevelopment/Public Works Department.
- **Lead Mechanic—Recommended Action: Establish Supervisor Classification.** The City Manager recommends establishing a Lead Mechanic classification to fill the supervisory void created by eliminating the Equipment Maintenance Supervisor classification. If the proposed reorganization is approved, Equipment Maintenance Supervisor management responsibilities will be transferred to the Assistant Public Works Superintendent and labor requirements will be supported by adding a part-time Mechanic Aide classification, discussed below. The salary range for Lead Mechanic will be benchmarked to the National Pollutant Discharge Elimination System Coordinator: \$3,292-\$4,002. The annual wage and benefit cost for a Lead Mechanic is approximately \$63,391 at Step "E" of the salary range.
 - **Mechanic Aide (Part-time)—Recommended Action: Establish classification.** Eliminating the Equipment Maintenance Supervisor creates a labor deficiency in the Equipment Maintenance Program; establishing a part-time Mechanic Aide classification addresses this deficiency. The proposed hourly salary range for Mechanic Aide is \$14.82-\$18.01. For a 20-hour per week employee, the annual wage and benefit cost is approximately \$20,790 at Step "E" of the salary range.
 - **Building Maintenance Worker (Part-time)—Recommended Action: Eliminate position, establish full-time Building Maintenance Technician to address labor deficiency.** The part-time Building Maintenance Worker assists the Building Maintenance Supervisor with the upkeep of City facilities. The limited hours of employment for this part-time position reduces training opportunities and are insufficient to meet actual work demands. The current incumbent returned from City retirement to work part-time on a temporary basis. The City Manager recommends eliminating the part-time Building Maintenance Worker position and using salary savings to establish a full-time Building Maintenance Technician (discussed below). The hourly "E" step salary for part-time Building Maintenance Worker is \$14.82-\$18.01. Eliminating the position will generate approximately \$20,790 in annual wage and benefit savings; savings to be used to

offset other personnel adjustment in the Redevelopment/Public Works Department.

- ***Building Maintenance Technician—Recommended Action: Establish Classification.*** The City operates a number of facilities that require routine maintenance, charging their upkeep to one full-time Building Maintenance Supervisor and a part-time Building Maintenance Worker. This limited staffing frequently requires the Building Maintenance Supervisor to work an excessive number of personal hours to stay abreast of facility maintenance projects. To meet the critical needs related to maintenance of City facilities, promote training, and enhance the depth of labor in the Building Maintenance Program, the City Manager recommends eliminating the part-time Building Maintenance Worker and replacing it with a full-time Building Maintenance Technician, with the salary range benchmarked to the Lead Worker Maintenance classification (\$2,971-\$3,611). At Step “E” of the salary range, the annual wage and benefit cost to the City is approximately \$58,064.
- ***Assistant Public Works Superintendent—Recommended Action: Implement Reclassification Study.*** The Assistant Public Works Superintendent’s responsibilities expanded over the past year, with the incumbent assuming supervisory and management oversight of several new programs, including administration of the National Pollutant Discharge Elimination System Program. The City Manager’s 2004 Reorganization proposes assigning managerial responsibility for the Equipment Maintenance Program to the Assistant Public Works Superintendent. In consideration of the increasing supervisory and managerial responsibilities for this classification, the City Manager recommends benchmarking the Assistant Public Works Superintendent to the Project Manager, salary range (\$4,206-\$5,113). This adjustment (from \$4,052-\$4,925) represents a 3.8 percent wage increase. Additional annual wage and benefit cost at Step “E” of the salary range is approximately \$3,135. There is no title change associated with this reclassification.
- ***Office Specialist—Recommended Action: Implement Reclassification Study/Secretary.*** The Office Specialist assigned to the City Yard has assumed a number of administrative responsibilities in support of Division personnel. These duties exceed the normal expectations for an Office Specialist, and require considerable initiative and self-direction normally expected of higher salaried administrative/clerical personnel. With the pending retirement of the Equipment Maintenance Supervisor, the Office Specialist is expected to assume a support role in inventory

management. In consideration of increasing administrative responsibilities for this position, the City Manager recommends reclassifying the City Yard Office Specialist to Secretary (\$2,578-\$3,133). This adjustment (from \$2,425-\$2,948) represents a 6.3 percent wage increase. Additional annual salary and benefit cost at Step "E" of the salary range is approximately \$3,019. If approved, the incumbent's title would be changed to Secretary.

- ***Custodian (Part-time/Two Positions)—Recommended Action: Eliminate part-time positions, replace with additional full-time position.*** Over the past several years, the City has experienced ongoing problems related to the successful recruitment and retention of part-time Custodians. Often times, recruitments fail to produce viable candidates; and, when potential candidates are identified, they typically are unable to pass background investigations, precluding them from working in sensitive areas, including the Police Department. More recently, the effort to recruit for Custodians has been abandoned in favor of hiring from temporary agencies; however, even these employees typically are unable to pass a background examination. Recently, a temporary Custodian successfully passed the background investigation. She is a conscientious employee, works well with staff, and demonstrates a desire to hire into a full-time position. The Public Works Department would like to retain the employee by placing her into a full-time position. Accordingly, the City Manager recommends eliminating the two part-time Custodian positions in favor of a third, full-time Custodian position (discussed below). The hourly salary range for part-time custodians is \$12.90-\$15.67. Eliminating the two part-time positions generates approximately \$36,178 in wage and benefit savings; savings to be used to offset other personnel adjustments in the Redevelopment/Public Works Department.
- ***Custodian—Recommended Action: Establish third, full-time position.*** Eliminating two part-time Custodian positions results in labor deficiency. The City Manager recommends establishing a third, full-time Custodian position to address this deficiency. The salary range for Custodian is \$2,243-\$2,726. The annual wage and benefit cost for a full-time Custodian is approximately \$45,469. Additional annual salary and benefit cost at Step "E" of the salary range is approximately \$9,291. The additional increase will be charged to the Redevelopment Agency as indirect staff service charges for custodial services.

The following tables summarize recommendations contained in the ***City Manager's 2004 Reorganization***. Position changes and wage/benefit

adjustments are not incorporated into the Fiscal Year 2004-05 Preliminary Budget. Therefore, each recommendation requires consideration and action by the City Council. **Adoption of the Fiscal Year 2004-05 Preliminary Budget and this Budget Message will serve as approval of each recommendation contained herein.**

**Table 1
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 City Council/City Attorney/Advisory Committees**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
City Council/City Attorney/Advisory Committees	No actions recommended.	0	0	0

**Table 2
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Office of the City Manager**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Office of the City Manager	No actions recommended.	0	0	0

**Table 3
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Community Development Department**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Community Development Department	No actions recommended.	0	0	0

**Table 4
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Police Department**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Police Department	No actions recommended.	0	0	0

**Table 5
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Administrative Services Department**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Administrative Services Department	No actions recommended.	0	0	0

**Table 6
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Fire Department**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Fire Department	8-23-04: Fire Captains (Management Classification). Recommended Action: Reclassify as nonmanagement classification. The Department of Labor's revised overtime regulations for "exempt employees" excludes safety employees who are "first responder" from "exempt" status, effective 8-23-04. Fire Captains fall under the DOL's revised regulations. Montclair's designation of "management" is based, in part, on a classifications qualification as "exempt" under DOL/FLSA regulations. The City Manager proposes reclassifying Fire Captains as nonmanagement effective 8-23-04. Reclassifying 6 Fire Captains as nonmanagement generates approximately \$19,743 in annual benefit savings (primarily Deferred Compensation). Reclassifying 6 Fire Captains as nonmanagement increases annual FLSA overtime costs by approximately \$18,352. Total net savings to the City, approximately \$1,391.	0	\$1,391	\$1,391
TOTAL FISCAL IMPACT:		0	\$1,391	\$1,391

Table 7

**FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Redevelopment/Public Works Department**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Redevelopment/Public Works Department	<p>12-6-04: Equipment Maintenance Supervisor (Management Classification). Recommended Action: Eliminate Classification. The current incumbent retires effective 12-3-04; however, his last day of service is 7-29-04. If approved, the transfer of management responsibilities to the Assistant Public Works Superintendent and the redistribution of labor to other personnel will occur on 8-2-04. Equipment Maintenance Supervisor salary range as of July 2004: \$4,146-\$5,039. Eliminating classification generates approximately \$82,841 in wage/benefit savings at Step "E." Savings not reflected in FY 04-05 Preliminary Budget.</p>	0	\$82,841	\$82,841
	<p>7-30-04: Equipment Mechanic: Recommended Action: Eliminate one of two positions in Classification, replace with new Lead Mechanic classification. The Equipment Maintenance Supervisor retires 12-03-04; however, his last day of work is 7-29-04, creating a supervisory void in the Equipment Maintenance Program. Eliminating one of the two existing Equipment Mechanic positions and establishing a Lead Mechanic classification addresses the supervisory problem. Equipment Mechanic salary range as of July 2004: \$2,957-\$3,594. Eliminating one Equipment Mechanic position generates approximately \$58,222 in wage/benefit savings at Step "E." Savings not reflected in FY 04-05 Preliminary Budget.</p>	0	\$58,222	\$58,222
	<p>7-30-04: Lead Mechanic: Recommended Action: Establish classification and fill in-house by promoting one of two Equipment Mechanics. Establishing a Lead Mechanic addresses the supervisory void created by eliminating the Equipment Maintenance Supervisor classification. Proposed Lead Mechanic salary range: \$3,292-\$4,002. Annual wage/benefit cost at Step "E": \$63,391. If approved, cost to be assigned to General Fund. Funding not included in FY 04-05 Preliminary Budget.</p>	\$63,391	0	(\$63,391)

**Table 7
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Redevelopment/Public Works Department (Continued)**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Redevelopment/Public Works Department	<p>7-30-04: Mechanic Aide (Part-time): Recommended Action: Establish part-time classification. Establishing this classification provides the Equipment Maintenance Program with sufficient labor resources to meet service demands. Proposed Mechanic Aide hourly salary range: \$14.82-\$18.01. Annual wage/benefit cost for 20-hour per week employee at Step "E": \$20,790. If approved, cost to be assigned to General Fund. Funding not included in the FY 04-05 Preliminary Budget.</p>	\$20,790	0	(\$20,790)
	<p>7-12-04: Building Maintenance Worker (Part-time): Recommended Action: Eliminate classification, replace with new, full-time Building Maintenance classification. Incumbent Building Maintenance Worker is a retired City employee working on a temporary basis. To meet critical needs related to maintenance of City facilities a second, full-time position is necessary in the Building Maintenance Program. Eliminating the existing, part-time Building Maintenance Worker classification in favor of a full-time Building Maintenance Technician classification provides appropriate depth in the Building Maintenance Program. Building Maintenance Worker hourly salary range as of July 2004: \$14.82-\$18.01. Eliminating the Building Maintenance Worker classification generates approximately \$20,970 in annual wage/benefit savings at Step "E." Savings not reflected in FY 04-05 Preliminary Budget.</p>	0	\$20,790	\$20,790
	<p>7-12-04: Building Maintenance Technician: Recommended Action: Establish classification and fill by open recruitment. Establishing a Building Maintenance Technician classification addresses a long-term labor shortage in the Building Maintenance Program. Proposed Building Maintenance Technician salary range: \$2,971-\$3,611. Annual wage/benefit cost at Step "E": \$58,064. If approved, cost to be assigned to General Fund. Funding not included in FY 04-05 Preliminary Budget.</p>	\$58,064	0	(\$58,064)

**Table 7
 FY 2004-05 Reorganization Fiscal Impact/Action Summary
 Redevelopment/Public Works Department (Continued)**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Redevelopment/Public Works Department	<p>8-02-04: Assistant Public Works Superintendent (Management): Recommended Action: Implement reclassification analysis/wage adjustment. Responsibilities for this classification expanded in FY 03-04 and are expected to expand again in FY 04-05. New management responsibilities include oversight of the National Pollutant Discharge Elimination System and Equipment Maintenance Programs. Current salary range: \$4,052-\$4,925. Proposed salary range: \$4,206-\$5,113/3.8% wage adjustment. Annual wage/benefit cost at Step "E": \$3,135. If approved, cost to be assigned to General Fund. Funding not included in FY 04-05 Preliminary Budget.</p>	\$3,135	0	(\$3,135)
	<p>8-02-04: Office Specialist: Recommended Action: Implement reclassification analysis/wage adjustment. Responsibilities for this classification expanded in FY 03-04 and are expected to expand again in FY 04-05. Duties exceed normal expectations for Office Specialist. Incumbent is required to perform "traditional" secretarial duties and is expected to assume other duties such as support services for Equipment Maintenance inventory management. Current salary range: \$2,425-\$2,948. Proposed salary range: \$2,578-\$3,133/6.3% wage adjustment. Annual wage/benefit cost at Step "E": \$3,019. If approved, cost to be assigned to General Fund. Funding not included in FY 04-05 Preliminary Budget.</p>	\$3,019	0	(\$3,019)
	<p>7-12-04: Custodian (Part-time/ two positions): Recommended Action: Eliminate positions, replace with new, full-time Custodian position. The incumbent part-time Custodians are hired through a temporary employment agency. For several years, recruitments have failed to produce qualified, part-time custodial help. Recently, the City has relied on temporary employment agencies to fill the void. A current temporary agency employee has been identified who can pass a background investigation to work</p>	0	\$36,178	\$36,178

**Table 7
FY 2004-05 Reorganization Fiscal Impact/Action Summary
Redevelopment/Public Works Department (Continued)**

Department	Recommended Action	Annualized Cost: FY 2004-05	Annualized Savings: FY 2004-05	Total Annualized Savings or (Cost)
Redevelopment/Public Works Department	<p>in the Police Department. To retain this employee, the City Manager recommends full-time employment. Part-Time Custodian hourly salary range as of July 2004: \$12.90-\$15.67. Eliminating two part-time Custodian positions generates approximately \$36,178 in annual wage/benefit savings at Step "E." Savings not reflected in FY 04-05 Preliminary Budget.</p> <p>7-12-04: Custodian: Recommended Action: Establish position and fill by appointment of temporary employee. Establishing a third full-time Custodian position addresses a long-term recruitment and labor shortage problem in the Building Maintenance Program. Proposed Custodian salary range: \$2,243-\$2,726. Annual wage/benefit cost at Step "E": \$45,469. If approved, benefit cost of approximately \$9,291 to be assigned to RDA. The General Fund will be charge approximately \$36,178 in employee wages. Funding not included in FY 04-05 Preliminary Budget for City or RDA.</p>	<p>\$36,178/ General Fund</p> <p>\$9,291/ RDA</p>		<p>(\$36,178/ General Fund)</p> <p>(\$9,291/ RDA)</p>
TOTAL FISCAL IMPACT/ General Fund:		\$184,577	199,422	\$14,845
TOTAL FISCAL IMPACT/ RDA:		\$9,291		(\$9,291)

**Table 8
FY 2004-05 Fiscal Impact/Action Summary
All Departments**

REORGANIZATION (COSTS)/SAVINGS

TOTAL GENERAL FUND (COSTS)/SAVINGS BASED ON REORGANIZATION RECOMMENDATIONS:	\$14,845
TOTAL REDEVELOPMENT AGENCY (COSTS)/SAVINGS BASED ON REORGANIZATION RECOMMENDATIONS:	(\$9,291)
TOTAL (COST)/ SAVINGS ALL DEPARTMENTS/ BUDGETS:	\$5,554

Table 8
FY 2004-05 Fiscal Impact/Action Summary
All Departments

REORGANIZATION (COSTS)/SAVINGS

ADDITIONAL GENERAL FUND AUTHORIZATION REQUIRED:	0
ADDITIONAL RDA AUTHORIZATION REQUIRED:	\$9,291

As indicated in **Table 8**, the General Fund realizes a savings of approximately \$14,845, if recommendations contained in the ***City Manager's 2004 Reorganization*** are implemented. The Redevelopment Agency realizes an increase of approximately \$9,291 related to benefit costs for a full-time Custodian position. Adoption of the Preliminary Budget will authorize all funding requests contained in the ***City Manager's 2004 Reorganization***.

Details of costs and savings identified in **Table 8** are approximate. The actual short-term fiscal impact will vary, based on various factors including, but not limited to, the date each action is implemented, employee insurance choices, and salary range placement. Estimates for wage and benefit costs are based on budgeted adjustments for Fiscal Year 2004-05.

BUSINESS PLAN

In January 2002, the City hired the Government Finance Officers Association (GFOA) to prepare a long-term financial and strategic plan that mitigates the impact of potential revenue shortfalls, focuses on and/or enhances available revenue sources, addresses concerns related to competition from emerging shopping malls, and examines state action on local revenues. Evolving out of the planning process is a Business Plan, which outlines strategic priorities and goals. In developing the Business Plan, the City Council prioritized the following five issues facing the Montclair community:

- **CITY FINANCIAL POSITION.**
 Strategic Goal: Develop strategies to ensure the City's fiscal stability in the face of declining revenues, including low or stagnant growth in sales taxes.

- **HOUSING RETAIL/DEVELOPMENT STRATEGY.**
 Strategic Goal: Develop strategies that address/resolve concerns related to the following general categories: retail sales (including local business development and competition from emerging shopping centers) and housing development.

- **CITY IMAGE.**
Strategic Goal: Develop positive aspects of the City's image; determine if the needs of new and existing residents are being met.
- **YOUTH/SENIOR CENTER FUNDING.**
Strategic Goal: If feasible, and given the financial uncertainties facing the City, evaluate/develop the capacity to upgrade Youth/Senior Recreation facilities.
- **POLICE DEPARTMENT BUILDING FUNDING.**
Strategic Goal: If feasible, and given the financial uncertainties facing the City, evaluate/develop the capacity to fund development of a new Police facility.

In developing the City's Business Plan, the City Council expressed a need to link the strategic goals and priorities into the annual budget process. A schedule has been developed and included in the Fiscal Year 2004-05 Preliminary Budget that establishes funding requirements and ties relevant components of the Business Plan element to the budgetary process.

ESTIMATED REVENUES

The Statement of Actual and Estimated Revenues included in the Fiscal Year 2004-05 Preliminary Budget reflects a decrease of \$18,861,865. The decrease is primarily a reflection of \$17,260,000 in one-time, special-purpose, revenue for the Monte Vista Avenue Grade Separation. The proposed General Fund Estimated Revenue Budget is \$23,470,415 (the revised current year budget is \$23,209,703). Proposed Total Estimated Revenues for all funds is \$28,778,333 (the revised current year budget is \$47,647,361). The difference of \$18,861,865 between budget years is attributed to:

General Fund

- \$69,800 decrease in licenses and permits related to decreased building activity in Montclair. This expected decrease follows the third consecutive year in which building activity generated at least \$450,000 in fees.
- \$126,474 increase in intergovernmental revenue related to a full year funding of Motor Vehicle In-lieu taxes, offset by the elimination of Local Government Relief for booking fee reimbursements. This projection may decline to a significant loss based on state legislative action for the upcoming fiscal year.

- \$40,700 decrease in charges for plan check services. In the current fiscal year, the City enjoyed a one-time increase in plan check fees.
- \$425,738 increase in miscellaneous revenue related primarily to growth in interest income stemming from loans to the Redevelopment Agency.

All Other Fund Accounts

- \$441,936 decrease in the Gas Tax Fund. This decline is attributed to completion of the following grant projects: Pedestrian Safety Program and Safe Routes to School Program.
- \$20,000 increase in Measure I Funds.
- \$180,158 decrease in the Park Development Fund. This decline is attributed to completion of the per capita grant park improvements, and encumbering the Roberti–Z'berg–Harris grant for the skateboard park.
- \$29,132 decrease in the Office of Criminal Justice Program (OCJP) Fund. This decrease is related to reductions in the California Law Enforcement Technology grant and the Citizens Option for Public Safety (COPS) grant.
- \$705,400 decrease in Community Development Block Grant revenues; decline attributable to completion of Essex Park improvements and Phase I of the Foundation Area 11 improvements.
- \$165,867 decrease in State Supplemental Law Enforcement Fund (AB 3229) revenue. The City expects to receive funding during Fiscal Year 2004-05, if state funds are available.
- \$53,965 decrease in Local Law Enforcement Block Grant funds. The City expects to receive funding during Fiscal Year 2004-05 —the application is pending.
- \$172,170 decrease in Human Services Grant Fund, primarily due to a decrease in the After School and First 5 grants.
- \$17,260,000 decrease in the Monte Vista Avenue Grade Separation Fund.

- \$97,220 decrease in Sewer Maintenance funds, attributed primarily to insurance reimbursements received in Fiscal Year 2003-04.

OPERATING BUDGET

The operating budget includes all expenditures except those costs incurred to maintain the City's infrastructure and acquire certain major equipment systems. The total proposed operating budget, including all funds for Fiscal Year 2004-05, is \$28,855,438; this figure includes \$73,814 paid by the Montclair Redevelopment Agency for indirect staff service charges. The operating budget for the General Fund totals \$24,557,058.

Instructions for developing the Fiscal Year 2004-05 Preliminary Budget directed each department to submit "no-growth" expenditures for services and supplies and use caution in developing other elements of their respective budgets. This request was based on the following factors: the state's ongoing fiscal crisis; Sacramento's effort to divert local revenues to reduce its deficit; and competition from emerging shopping centers in the local area. In addition, departments were requested to submit a no-growth General Fund Budget for services and supplies.

Operating expenditures reflect a concerted effort to thoroughly examine each department's budget requests, allocate appropriate staff service charges to the Redevelopment Agency and Montclair Housing Corporation, and restrict capital outlay requests.

After examining and paring each department's operating requests, the City Manager produced \$948,522 in total savings for all funds. Total General Fund savings resulting from the review of departmental requests is \$862,511. The extent of effort to control capital outlay costs is evidenced by the following actions:

- Restrict vehicle purchases in the proposed Preliminary Budget;
- Continue the process of reevaluating City policies related to vehicle assignments; and
- Revise procedures related to the Equipment Replacement Fund.

The Fiscal Year 2004-05 Preliminary Budget contains recommendations to purchase seven new vehicles and refurbish the Public Works Department 1987 Unimasco striper. All recommended vehicle purchases and enhancements are non-General Fund investments—four from the Equipment Replacement Fund, one from the Sewer Maintenance Fund, and three from the Air Quality Management District AB 2766 fund. Of the seven new vehicles recommended for replacement, noteworthy are the following:

- Redevelopment/Public Works Department:

Two new trucks in the Street Maintenance Program to replace trucks built in 1989 and 1990.

One backhoe/loader to replace a 1985 JCB backhoe/loader.

- Community Development Department:

Two alternative-fuel vehicles purchased with Air Quality Management District (AQMD) AB 2766 funds (one 12-passenger van and one 14-passenger minibus.

One alternative-fuel pool vehicle purchased with AQMD AB 2766 funds for the Administrative Services Department.

The proposed Operating Budget contains an estimated 2 percent cost-of-living/wage adjustment for all employee classifications; therefore, I propose decreasing funding to the Contingency Account from \$300,000 to \$150,000 for unanticipated expenditures during the fiscal year.

The proposed Operating Budget includes funding for 196.34 full-time positions: 179.49 full-time positions are paid for by the General Fund and 16.85 full-time positions are paid for by other funds; 6.76 full-time positions are included in the Redevelopment Agency's budget and .90 positions are included in the Montclair Housing Corporation's budget.

The Personnel Services Budget is \$18,448,331. This total reflects an increase of \$1,932,176 over the current FY 2003-04 Personnel Services Budget. Personnel Services represent the primary share of the \$2,143,097 increase in the Fiscal Year 2004-05 Preliminary Budget; it is, therefore, prudent to point out the following major causes contributing to this increase:

- Retirement benefit costs increased by \$1,290,543; the increase is related to the recoup of investment losses the Public Employee Retirement System incurred during the Enron and World Com scandals accompanied with the decreased investment returns due a lower interest earnings environment.
- Salaries costs increased by \$369,482, primarily due to a 2 percent increase citywide for all bargaining units.
- Health insurance costs increased by \$277,203; this represents a 19.5 percent increase in health insurance costs. For the past several years, employers have seen double-digit health insurance increases and industry professionals have stated employers can expect this trend to continue with minimum increases of 12 percent over the next ten years. Health costs

are also expected to rise significantly in January 2006 when businesses and cities must extend coverage to part-time employees if the business or public agency is the primary employer.

Other notable personnel issues are discussed in the Reorganization section of this budget message.

The Services and Supplies Budget is \$9,300,366. This number reflects an increase of \$114,217 over the current FY 2003-04 Services and Supplies Budget.

Notable changes to the Fiscal Year 2004-05 Services and Supplies Budget are the following:

- **GIS Program.** This program is reassigned from the Community Development Department to the Information Technology Division in the Administrative Services Department.
- **Information Technology Services.** All computer and peripheral accessories, technology, and services are now budgeted in the Information Technology Division in the Administrative Services Department. This change will allow uniformed computer equipment and accessories purchases throughout the City. This will also ensure the City is purchasing the latest technology at the most competitive prices available.
- **Uniform Costs.** All uniform costs are budgeted in the administrative/major program in each department as outlined below:
 - Police Department – Uniform Patrol Program (4426)
 - Fire Department – Emergency Services Program (4533)
 - Public Works Department – Management & Construction Program (4641)
- **Vocational/Personnel Training.** All vocational and personnel training budgets have been relocated under selected programs. This change allows for easier monitoring and controlling of departmental vocational and personnel training costs. Vocational and personnel training budgets are located as follows:
 - Office of the City Manager – City Manager Program (4202)
 - Administrative Services Department – Administrative Program (4311)

Police Department – Uniform Patrol Program (4426)

Fire Department – Personnel Development Program (4534)

Redevelopment/Public Works Department – Management & Construction Program (4641) and Street Maintenance (4646)

Community Development Department – Administrative Program (4761)

The major Services and Supplies Budget requests in the FY 2004-05 Preliminary Budget include:

- City Council Department: \$15,000 for a contribution to the Reeder Heritage Foundation; \$94,000 for legislative consulting services; and \$14,000 for Public Educational and Governmental access channel (PEG) contracting services.
- Office of the City Manager: \$35,000 for conceptual development of plans for City facilities, including architectural services, survey instruments, and special election requirements.
- Police Department/Technical Services Division: \$127,834 for annual school crossing guard contract at ten intersections throughout the City.
- Fire Department/Code Enforcement Division: \$16,500 for neighborhood cleanups for multi-family and single-family residences.
- Public Works Department: \$150,000 for a new sewer master plan to address new Federal Environmental Protection Agency regulations; and \$108,600 for improvements and enhancements to City facilities.
- Community Development Department/Human Services Division: \$215,383 for the William F. Goodling Even Start Family Literacy program and First 5 program to provide early childhood education and intervention programs for Montclair children and their families.

The Capital Outlay Budget for Fiscal Year 2004-05 is \$1,109,839. This amount represents an increase of \$279,085 when compared to the Preliminary Budget for Fiscal Year 2003-04.

The significant Capital Outlay Budget requests are as follows:

- Police Department: \$27,500 for three portable radios, two mobile video recorders, and the conversion of three Harley Davidson motorcycles (General Fund).
- Fire Department: \$9,000 for two portable radios, nine defibrillators (General Fund); \$21,725 for one physio-control defibrillator for Engine 151 (Public Safety Fund).
- Redevelopment/Public Works Department: \$123,800 for two $\frac{3}{4}$ ton pickup trucks and one backhoe/loader (Equipment Replacement Fund); \$35,000 to refurbish the 1987 Unimasco striper (Equipment Replacement Fund); \$225,000 for one combination sewer/storm drain vacuum truck (Sewer Maintenance Fund).
- Community Development Department: \$137,000 for the purchase of three alternative fuel vehicles (two to be assigned to the Community Development and one in Administrative Services Department) (Air Quality Improvement Fund).
- Administrative Services Department: \$45,000 for Building Permit software (General Fund); \$110,000 for Voice over IP phone system upgrade (General Fund); \$99,204 for mobile data computer upgrades for the Police Department (High Technology Grant).
- City Council Department: \$95,000 for digital equipment upgrade in the City Council Chambers related to the City's responsibility for future management of the Public Education and Government (PEG) access channel (Adelphia Grant).

CAPITAL IMPROVEMENT PLAN

In accordance with the City's five-year capital improvement plan, I am proposing a total of \$1,237,600 be appropriated to finance capital projects, including the following:

1. **Mission Boulevard Roadway Improvements for \$820,000 (\$470,000 from Gas Tax Fund; \$350,000 from Measure I Fund).** Project rehabilitates pavement, median island improvements, parkway improvements, and signal modifications from just east of Ramona Avenue to Benson Avenue.
2. **Foundation Area 11 Improvements – Phase II for \$242,600 (Community Development Block Grant).** Project provides alley gateway, fencing improvements, and perimeter landscaping.

3. **Foundation Area 12 Improvements for \$125,000 (Community Development Block Grant).** Project provides street improvements between Kingsley Street and Bandera Avenue and Lehigh Street and Kimberly Avenue.
4. **Concrete Repair for \$50,000 (Building Maintenance/ Infrastructure Fund).** Project provides curb, gutter and sidewalk repair and replacement in various locations throughout the City.

CONCLUSION

The Preliminary Budget as presented for Fiscal Year 2004-05 requires the expenditure of Unreserved Funds. This action is necessitated by the many issues discussed in this message. We have forged through difficult fiscal times in the past and we will do so again. Fortunately, after each experience, Montclair emerges as a fiscally stronger community with widely enhanced services. My goal over the next year is to develop alternatives that allow the City to avoid the "spend-down" threshold for available reserves and return Montclair to fiscal stability. I firmly believe that we can achieve this goal without serious interruption or redirection of services and without imposing personnel layoffs or restricting/reducing existing benefits. The leadership of the Montclair City Council will ensure the success of these objectives.

I would like to thank staff for their efforts in putting together the Fiscal Year 2004-05 Preliminary Budget. The employees of the City of Montclair and I look forward to answering any questions you might have regarding the budget document and the City's program of services.

Sincerely,

Lee C. McDougal
City Manager

**CITY OF MONTCLAIR
STRATEGIC PRIORITY ISSUES
FISCAL YEARS 2003-04 THROUGH 2004-05**

A. FINANCIAL POSITION

I. Re-examine EMS Fees

Re-examine non-subscriber fees and recommend increase.

II. Find Users for Big Box Buildings

Develop Fremont Avenue area focus plan.

Market vacant properties to developers (ICSC conference).

Maintain database of vacant properties and contact potential users.

III. Police Department Impound Lot

Perform cost-benefit analysis to determine feasibility; then, if approved,

Identify potential sites for impound lot; then, if approved,

Identify best practices for administering impound lot; then, if approved,

Request funds for start-up costs.

IV. Re-examine User Fees

Distribute standardized formula/guidelines for calculating user fees.

Submit recommendation for updated fees to Administrative Services.

Submit recommendation for fee changes to City Council.

Create User Fee Policy.

V. Revisit Youth/Senior Center and Police Department Building Funding

Determine whether state-shared revenue will negatively impact these strategic priorities.

VI. Build Long-Term Forecasting component into Budget

Incorporate five-year revenue and expenditure forecasts in budget.

Update financial indicator scorecard.

B. HOUSING/RETAIL DEVELOPMENT STRATEGY

I. Conduct Citizen Survey on General and Specific Issues

Solicit proposals for survey consultants.

Evaluate and select consultant.

Develop survey strategy and survey instrument with consultant.

Conduct survey and report results to City Council.

FUNDING SOURCE
Fire
Community Development/ Redevelopment
Police
All Departments
Police/Community Development
Administrative Services
All Departments

FUNDING SOURCE	
<p>II. Continue North Montclair Specific Plan (Fremont) Prepare RFP for planning services. Evaluate responses and select firm. Develop Draft of North Montclair Specific Plan.</p>	Community Development/ Redevelopment
<p>III. Continue Implementation of San Antonio Gateway Plan Investigate successful tax credit financing project in other communities. Refine and recommend land use plan and density allocation in San Antonio Gateway. Prepare RFP for developer of San Antonio Gateway.</p>	Community Development/ Redevelopment
C. CITY IMAGE	
<p>I. Conduct Citizen Survey on General and Specific Issues Solicit proposals for survey consultants. Evaluate and select consultant. Develop survey strategy and survey instrument with consultant. Conduct survey and report results to City Council.</p>	All Departments
<p>II. Continue Graffiti Abatement Monitor effectiveness of program. Utilize surveillance cameras to monitor high-incidence areas.</p>	Public Works Graffiti Abatement Program
<p>III. Continue Streetscape and other Capital Projects Implement approved Mission Boulevard improvements. Form joint redevelopment-finance project with County. Implement improvements in joint project area as funds allow. Implement other capital improvements as funding allows.</p>	Public Works/ Redevelopment Capital Improvement Budget
<p>IV. Enhance City's Web Page Identify functional requirements for upgraded website. Determine whether in-house resources can deliver desired functionality. Seek proposals from external sources. Evaluate proposals and make recommendation to select an offer. Gather community input on e-government needs. Begin development of prototype website using either in-house or outside resources. Review in-house prototype. Develop and complete final, upgraded website.</p>	Administrative Service

	FUNDING SOURCE
<p>V. Entry Beautification Hire landscaping consultant to recommend improvements to North Montclair landscaping. Develop recommendations for landscape improvements with consultant. Submit approved recommendations for funding.</p>	Public Works
<p>VI. Examine Feasibility of Converting Recreation's Magazine into City Newsletter Examine cost feasibility of making conversion; and, if feasible, Convert recreational magazine to City newsletter.</p>	Community Development
D. YOUTH/SENIOR CENTER FUNDING	
<p>I. Evaluate community support for facility Determine if facility evaluation and community development survey can be combined. Develop a request for proposal to recruit for consultant. Develop survey strategy and survey instrument with consultant. Conduct survey and report results.</p>	City Manager/ Community Development/ Administrative Svcs.
<p>II. Link Facility Design to Fiscal Capacity Determine whether state-shared revenue will negatively impact these strategic priorities. Determine whether state-shared revenue requires rescoping of facility or delay of project. Develop an affordable facility design with architect.</p>	City Manager/ Community Development/ Administrative Svcs.
<p>III. Develop Funding Options Report to Council funding options for new facility. Create implementation plan for approved funding mechanisms.</p>	City Manager/ Administrative Svcs.
<p>IV. Consider Stopgap Options if fiscal condition warrants Document stopgap concepts. Discuss which stopgap concepts to pursue. Prepare implementation plan for approved stopgap strategy.</p>	City Manager/ Community Development
E. POLICE DEPARTMENT BUILDING FUNDING	
<p>I. Evaluate community support for facility Determine if facility evaluation and community development survey can be combined. Develop a request for proposal to recruit for consultant. Develop survey strategy and survey instrument with consultant. Conduct survey and report results.</p>	City Manager/ Police/ Administrative Svcs.

II. Link Facility Design to Fiscal Capacity

Determine whether state-shared revenue will negatively impact these strategic priorities.
Determine whether state-shared revenue requires rescoping of facility or delay of project.
Develop an affordable facility design with architect.

III. Develop Funding Options

Report to Council funding options for new facility.
Create implementation plan for approved funding mechanisms.

IV. Consider Stopgap Options if fiscal condition warrants

Document stopgap concepts.
Discuss which stopgap concepts to pursue.
Prepare implementation plan for approved stopgap strategy.

FUNDING SOURCE
City Manager/ Police/ Administrative Svcs.
City Manager/ Administrative Svcs.
City Manager/ Police

**CITY OF MONTCLAIR
BUSINESS PLAN
STRATEGIC PRIORITY ISSUES
FISCAL YEAR 2004-05**

CITY MANAGER	ACCOUNT NUMBER REFERENCE	FUNDING SOURCE	BUDGETARY IMPACT		FISCAL IMPACT(\$\$)
			REVENUE	EXPENDITURE	
STRATEGIC PRIORITY #'S 4 AND 5: YOUTH/SENIOR CENTER AND POLICE FACILITY. 1. Goal #3 – Develop funding options. November 2004 ballot initiative for "Transaction Tax"	1001-400-4202-5219 & 1001-400-4202-5254	General Fund - City Manager		\$60,000	\$60,000

ADMINISTRATIVE SERVICES	ACCOUNT NUMBER REFERENCE	FUNDING SOURCE	BUDGETARY IMPACT		FISCAL IMPACT(\$\$)
			REVENUE	EXPENDITURE	
STRATEGIC PRIORITY #1: FINANCIAL POSITION 1. Goal #4 – Re-examine User Fees. (a) Objectives B (submit revised User Fee recommendations to Administrative Services) and C (submit User Fee changes to City Council for consideration).	N/A	All Departments	Unknown		Unknown
STRATEGIC PRIORITY #1: FINANCIAL POSITION 1. Goal #6 – Build long-term forecasting components into budget. (a) Objectives A (do 5-year revenue and expenditure fore-casting) and B (update financial indicator scorecard).	N/A	Admin. Services	Unknown	Unknown	Unknown

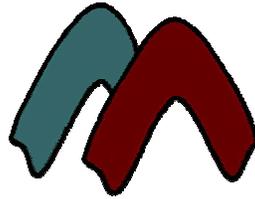
**CITY OF MONTCLAIR
BUSINESS PLAN
STRATEGIC PRIORITY ISSUES
FISCAL YEAR 2004-05**

ADMINISTRATIVE SERVICES (continued)	ACCOUNT NUMBER REFERENCE	FUNDING SOURCE	BUDGETARY IMPACT		FISCAL IMPACT(\$\$)
			REVENUE	EXPENDITURE	
STRATEGIC PRIORITY #2: HOUSING/RETAIL DEVELOPMENT STRATEGY 1. Goal #1 – Conduct citizen survey on general and specific issues. (a) Objectives A (solicit proposals), B (evaluate proposals), C (develop survey instrument), and D (conduct survey and report results).	1001-400-4317-5209	General Fund - Central Services		\$15,000	\$15,000
STRATEGIC PRIORITY #3: CITY IMAGE 1. Goal #1 – Develop citizen survey on general and specific issues. (a) Objectives - see item "C," above 2. Goal #4 – Enhance City's Web page. (b) Objective H (complete final upgrade).	1001-400-4310-5245 & 1001-400-4316-6201	General Fund - Information Technology		\$29,400	\$29,400

PUBLIC WORKS	ACCOUNT NUMBER REFERENCE	FUNDING SOURCE	BUDGETARY IMPACT		FISCAL IMPACT(\$\$)
			REVENUE	EXPENDITURE	
STRATEGIC PRIORITY #3: CITY IMAGE 1. Goal #2 – Continue Graffiti Abatement Program (a) Objectives A: During Fiscal Year 2002-03, one additional Graffiti Abatement Worker was added to the City staff. Two full-time employees are assigned to abate graffiti throughout the City on all public property. The average abatement time is 24 to 48 hours once the graffiti has been observed and/or reported.	4645	General Fund - Graffiti Abatement		\$170,873	\$170,873

**CITY OF MONTCLAIR
BUSINESS PLAN
STRATEGIC PRIORITY ISSUES
FISCAL YEAR 2004-05**

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HISTORY OF MONTCLAIR

The history of Montclair is as rich as that of any other West Valley city. The earliest inhabitants of the land that is now Montclair were the Serrano Indians. The Indians lived in an area near the site of the old San Antonio Creek in the late 1700's – just a few miles from the junior high school that now bears their name.

The area's first modern name was "The Township of Marquette," so named by a Los Angeles land development company in 1897. The 1,000 acres of predominantly agricultural land reportedly changed hands several times before it was bought in a speculation deal by Emil Firth. The wealthy developer called the area "The Monte Vista Land Tract." That name remained until the time of incorporation when the residents called their new city "Monte Vista."

Like most Southland cities, the Monte Vista Land Tract boomed after World War II. Soon, it was being eyed by neighboring Ontario as a potential annexation. Fearing that it would be annexed and the right to control their destiny lost forever, long-time residents formed the Monte Vista Improvement Association. The association proposed city incorporation of the Monte Vista Land Tract. The residents were asked to vote on the incorporation proposal at the April 1956 election.

When the much-debated April election was over and the ballots were counted, incorporation had won – 682 to 455 votes. When it was officially incorporated on April 25, 1956, the City of Monte Vista had a total population of 8,500 spread over 4.2 square miles. The City's first council meeting was held May 8, 1956. In April 1958, the residents of Monte Vista voted to change the name to the City of Montclair, since Monte Vista was also the name of another postal district within the state.

During the 1960's, much of the groundwork for Montclair as it looks today was planned and performed. The cornerstone of this long-range planning was the development and construction of the Montclair Plaza, the basis of the City's vibrant commercial business activity.

During the 1970's the issue of low-income housing, the Ontario International Airport expansion, and the annexation of the unincorporated southern area surfaced. Also during the 1970's the City's Civic Center, Community Center, and two new fire stations were constructed.

Montclair has been described as a mixture of big city business and small-town ways. This mixture contributes to the City's vitality.

Source: *Guide to Montclair Living*



CITY OF MONTCLAIR
Budget Development Timeline
Fiscal Year 2004-05

The budget process begins in January with staff reviewing all current authorized personnel positions, their allocations to various programs, and their respective funding sources. During the Mid-year Budget Review in February, the City Council establishes parameters for the development of the budget. Also, in early February, the Personnel Services Budget Job Allocation worksheets, listing all current authorized personnel positions, are distributed to the various departments for their review, budgetary changes in personnel allocations, and staffing needs. Once this information is returned to the Finance Division in late February, staff prepares all departmental Personnel Services Budget. Concurrently, staff is also preparing the general City overhead cost information. In mid March, the budget packets, including the budget worksheets and the parameters for the development of the budget, are distributed to all departments. During April, all departments return their budget requests to the Finance Division. The City Manager and key budgetary personnel meet with each respective department during the management departmental budget sessions to review all operating budget requests for possible adjustment. In May, all budgetary adjustments are incorporated into the preliminary budget. In early June, the City Manager presents the budget to the City Council for their review. On the second City Council meeting in June, the City Council adopts the budget by resolution.

Key Budget Dates:

February 17, 2004	Mid-year Budget Review
March 10, 2004-March 15, 2004	Distribution of budget packets to all departments
April 12, 2004	Departmental-operating budget requests are due
April 26, 2004-April 29, 2004	Management departmental budget sessions
May 11, 2004	Complete changes to departmental budgets
June 15, 2004	Budget review by City Council
June 21, 2004	City Council adopts budget by resolution

Budget Summaries

**CITY OF MONTCLAIR
COMBINED SOURCES & USES STATEMENT
FISCAL YEAR 2004-05**

	SOURCES					USES					Estimated Unreserved Fund Balance/ Retained Earnings July 1, 2004	Estimated Unreserved Fund Balance/ Retained Earnings June 30, 2005
	Estimated Unreserved Fund Balance/ Retained Earnings July 1, 2004	Estimated Revenue	Transfers In	RDA Loan Principal Repayments	TOTAL SOURCES	Operating Appropriations	Capital Improvement Appropriations	Transfers Out	Loans to the RDA	TOTAL USES		
001 General Fund	\$9,933,000	\$23,470,415	\$381,000	\$3,375,736	\$37,160,151	\$24,557,058	\$0	\$933,000	\$3,633,500	\$29,123,558	\$8,036,593	
Special Revenue Funds												
102 Gas Tax Fund	\$75,600	\$731,000	\$0	\$0	\$806,600	\$1,300	\$470,000	\$6,000	\$0	\$477,300	\$329,300	
104 Measure I Fund	371,000	465,000	0	0	836,000	0	350,000	0	0	350,000	486,000	
110 Traffic Safety Fund	29,000	375,000	0	0	404,000	0	0	375,000	0	375,000	29,000	
131 Park Development Fund	17,000	228,800	0	0	245,800	8,400	0	0	0	8,400	237,400	
132 CDBG Fund	0	404,600	0	0	404,600	37,000	367,600	0	0	404,600	0	
135 Air Quality Improvement Fund	166,000	40,000	0	0	206,000	139,775	0	0	0	139,775	66,225	
138 Older Americans Act Fund	2,000	92,901	0	0	94,901	92,309	0	0	0	92,309	2,592	
140 Asset Forfeiture Fund- State	1,500	100	0	0	1,600	0	0	0	0	0	1,600	
142 OCJP Fund	1,000	23,900	0	0	24,900	22,000	0	0	0	22,000	2,900	
143 Public Safety Fund	(35,400)	217,000	0	0	181,600	257,704	0	0	0	257,704	(76,104)	
144 Federal Asset Forfeiture Fund- DOJ	4,424	0	0	0	4,424	1,000	0	0	0	1,000	3,424	
146 Section 11489 Fund	1,600	150	0	0	1,750	0	0	0	0	0	1,750	
147 Federal Asset Forfeit. Fund- Treasury	200	0	0	0	200	0	0	0	0	0	200	
148 School District Grant Fund	0	64,000	0	0	64,000	64,000	0	0	0	64,000	0	
149 State Supp. Local Law Enforce. Fund	0	0	0	0	0	0	0	0	0	0	0	
150 Local Law Enforcement Block Grant	0	0	0	0	0	0	0	0	0	0	0	
151 Crime Prevention Fund	6,800	200	0	0	7,000	0	0	0	0	0	7,000	
152 Recycling Block Grant Fund	0	22,555	0	0	22,555	22,555	0	0	0	22,555	0	
160 Human Services Grant Fund	76,000	732,830	0	0	808,830	694,831	0	0	0	694,831	113,999	
161 California Nutrition Network Fund	10,500	84,532	0	0	95,032	82,235	0	0	0	82,235	12,797	
162 Human Services Special Revenue Fund	300	0	0	0	300	0	0	0	0	0	300	
180 EMS- Paramedic Fund	30,000	171,450	0	0	201,450	201,268	0	0	0	201,268	182	
Total	\$757,524	\$3,654,018	\$0	\$0	\$4,411,542	\$1,624,377	\$1,187,600	\$381,000	\$0	\$3,192,977	\$1,218,565	
Enterprise Funds												
501 Sewer Maintenance Fund	\$2,733,000	\$1,590,400	\$0	\$0	\$4,323,400	\$2,394,238	\$0	\$0	\$0	\$2,394,238	\$1,929,162	
Total	\$2,733,000	\$1,590,400	\$0	\$0	\$4,323,400	\$2,394,238	\$0	\$0	\$0	\$2,394,238	\$1,929,162	
Trust Funds												
750 Equipment Replacement Fund	\$1,363,000	\$20,000	\$158,000	\$0	\$1,541,000	\$158,800	\$0	\$0	\$0	\$158,800	\$1,382,200	
751 Building Maint./Infrastructure Fund	0	2,500	250,000	0	252,500	0	50,000	0	0	50,000	202,500	
755 Contingency Fund	2,180,000	0	275,000	0	2,455,000	0	0	0	0	0	2,455,000	
757 Refuse Impound Fund	499,800	20,000	0	0	519,800	120,965	0	0	0	120,965	398,835	
758 Youth Sponsorship Fund	43,000	8,000	0	0	51,000	0	0	0	0	0	51,000	
759 City Facilities Improvement Fund	800,400	13,000	250,000	0	1,063,400	0	0	0	0	0	1,063,400	
Total	\$4,886,200	\$63,500	\$933,000	\$0	\$5,882,700	\$279,765	\$50,000	\$0	\$0	\$329,765	\$5,552,935	
TOTAL - ALL FUNDS	\$18,309,724	\$28,778,333	\$1,314,000	\$3,375,736	\$51,777,793	\$28,855,438	\$1,237,600	\$1,314,000	\$3,633,500	\$35,040,538	\$16,737,255	

NOTES TO THE CITY'S COMBINED SOURCES & USES STATEMENT

1. Unreserved fund balance represents net assets which are available for appropriation as of the balance sheet date. The only significant "reserved" fund balance accounts used by the City are for loans to the Redevelopment Agency, loans issued to employees pursuant to the Employee Computer Purchase Program and for encumbered purchase orders and contracts.
2. Although technically part of General Fund unreserved fund balance, moneys set aside for workers' compensation and general liability self-insurance claims are excluded from the sources and uses statement. According to the City's third-party administrators, the estimated liabilities for workers' compensation and general liability claims as of March 31, 2004 are \$789,000 and \$208,000 respectively.
3. Trust funds "are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds" (source: National Council of Governmental Accounting's Statement No. 1). The City uses trust funds to account for resources from the General Fund which have been set aside for specific purposes.
4. Operating appropriations represent total appropriations attributable to the City and do not reflect appropriations properly attributable to another fund. The proper accounting for reimbursements is to record an expenditure or expense in the reimbursing fund and a reduction of expenditure in the reimbursed fund. This is the case for the RDA which is reimbursing the General Fund for indirect staff charges for \$73,814.
5. TRANSFERS-IN/TRANSFERS-OUT

<u>FROM</u>	<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
Gas Tax	General Fund	\$ 6,000	Reimbursement for administrative costs.
Traffic Safety	General Fund	375,000	Reimbursement for traffic safety enforcement costs. State law provides that CVC fines and forfeitures be initially recorded in a "Traffic Safety Fund".
General Fund	E.R.F.	158,000	Transfer brings total assets in the Equipment Replacement Fund into agreement with the funding requirement as of July 1, 2004. Projected net assets of the fund as of July 1, 2004 total \$1,363,000. Funding requirement is \$1,521,000.
General Fund	City Facilities Improvement Fund	250,000	To set funding aside for facility improvements scheduled in the Capital Improvement Program and appropriated in the capital improvement budget.
General Fund	Bldg. Maintenance	250,000	Transfer begins funding for infrastructure repairs at various locations.
General Fund	Contingency	275,000	To set funding aside for future safety retirement liability.
	TOTAL	<u>\$ 1,314,000</u>	

CITY OF MONTCLAIR FISCAL YEAR 2004-05 BUDGET

FUND DESCRIPTIONS

Unlike the private sector, governmental budgeting and financial reporting is based upon fund accounting. As defined by the Government Finance Officers Association, a fund is a "fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations."

BASIS OF ACCOUNTING

The budgets of the City's governmental funds (General Fund, Special Revenue Funds, and Capital Projects Funds) are prepared on a modified accrual basis where revenues are recognized when they become measurable and available, and expenditures are recorded when the related liability is incurred. Revenue availability criteria are defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (i.e., sixty days after fiscal year-end).

Budgets for the City's proprietary funds (Enterprise Funds) are prepared on a full accrual basis where revenues are recognized when earned, and expenses are recognized when they are incurred.

Budgets for the City's fiduciary funds (Expendable Trust Funds and Agency Funds) are prepared on the basis consistent with the fund's accounting measurement objective. Both the City's Expendable Trust Funds and Agency Funds are prepared on a modified accrual basis.

Below are descriptions for the funds included in the City's Fiscal Year 2004-05 Budget.

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund (001) is used to account for all financial resources except those required to be accounted for in another fund. Typically, the general fund is the primary operating fund of a governmental entity. Because the budget cycle is paramount, general fund accounting is based on the flow of financial resources principle. Under this principle, revenues are realized only if they are converted into cash within the budget cycle or sixty days thereafter, and expenditures are recorded when incurred and payable from available financial resources.

For Fiscal Year 2004-05, the City's General Fund proposed expenditures budget is \$24,557,058, which represents approximately eighty-five percent of the City's total operating budget. The General Fund provides financing for 179.49 of the City's 196.34 full-time positions. Major revenue sources credited to the General Fund include the property tax, sales tax, and utility users tax. Detail information related to all General Fund revenue sources is included in the Statement of Estimated Revenues and related notes thereto (pages 8-23).

On April 19, 1993, City Council approved an emergency reserve policy for the City's General Fund. The policy sets the level of reserve funding at \$3 million which must be comprised of assets that are available for immediate appropriation, i.e., current financial resources. Use of moneys credited to the emergency reserve requires specific authorization from the City Council. Also, moneys are set aside in the General Fund to meet the self-insurance portion (deductible) of workers' compensation and general liability claims brought against the City. The amount of reserve funding for this purpose is based upon the estimated future liability as determined by the City's third-party claims administrators, Colen and Lee and Carl Warren & Company. No portion of the moneys set aside for self-insurance is reflected in any of the budget summary schedules.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Like the general fund, the budget for a special revenue fund includes only those revenues which are expected to be received in the current fiscal year or shortly thereafter, and expenditures are recognized only if they are expected to be liquidated with current financial resources.

Gas Tax Fund (102) Gas Tax moneys allocated to local governments in accordance with California Streets and Highways Code Sections 2105, 2106, 2107 and 2107.5 are required to be deposited in a special revenue fund. By law, the funds are restricted to expenditures for the construction, improvement and maintenance of the public streets and roads system. Further, revenues allocated pursuant to Section 2107.5 must be used to defray engineering and administrative expenses. Exclusive of the 2107.5 revenues, it is the City's policy to allocate all Gas Tax funds to projects included in the five-year capital improvement program.

Measure I Fund (104) In November 1989, San Bernardino County voters approved passage of Measure I authorizing the San Bernardino County Transportation Authority to impose a one-half cent sales tax to finance transportation improvement and traffic management programs for a period not to exceed twenty years. Cities are apportioned the "local share" of Measure I moneys on a per capita basis and in accordance with a twenty-year transportation plan and a five-year capital improvement program adopted by the local jurisdiction. Cities may also receive funding for regional projects pursuant to San Bernardino Associated Government's (SANBAG) five-year and twenty-year plans. In the past, Montclair was allocated regional moneys for the Montclair Multi-Modal Transit Center and the Monte Vista Avenue Extension projects.

Traffic Safety Fund (110) Vehicle Code Section 42200 provides that fines and forfeitures which a city receives as a result of arrests by city officers for Vehicle Code violations must be deposited in a special fund entitled the "Traffic Safety Fund." Moneys credited to the Traffic Safety Fund can only be used for traffic control devices, the maintenance thereof, equipment and supplies for traffic law enforcement and traffic accident prevention, and for the maintenance, improvement, or construction of public streets, bridges and culverts within the city. Moneys deposited to the fund cannot be used to pay police officer salaries. It is City policy to transfer all Traffic Safety Fund revenues at year-end to the General Fund; it is understood that General Fund expenditures for the above prescribed uses far exceed the annual revenues credited to the Traffic Safety Fund.

"Quimby" Park Development Fund (131) Government Code Section 66477 provides that a city may, by ordinance, require the dedication of land or impose an in-lieu fee for park and/or recreational purposes as a condition for new residential development. Resolution No. 824, adopted in October 1982, established the current land dedication and in-lieu fees imposed upon new residential development in Montclair.

C.D.B.G. Fund (132) The Federal Community Development Block Grant (CDBG) program provides cities with grant moneys which generally must be expended within low and moderate income target areas for essential community development and housing purposes. Montclair receives its share of CDBG moneys via the San Bernardino County's Department of Economic and Community Development in accordance with a cooperation agreement which has been in effect the past twenty-seven years.

Air Quality Improvement Trust Fund (135) In September 1990, Governor Deukmejian signed Assembly Bill 2766 into law which provided for an increase in the motor vehicle registration fee for the purpose of financing programs designed to reduce mobile source air pollution. Cities are allocated approximately 40 percent of the revenues collected, provided a resolution has been adopted setting forth the city's intention to spend the moneys on air pollution reduction programs which are consistent with the California Clean Air Act of 1988, or with a plan proposed pursuant to Article 5 of Chapter 5.5 of Part 3 of the California Health and Safety Code.

Older Americans Act Fund (138) The Older Americans Act of 1965 provides for assistance to state and local agencies to develop social supportive services to meet the needs of older persons. Montclair receives grant moneys pursuant to the Act via contract with the County of San Bernardino. The funds are used to help pay for health care services in the Medical Clinic for senior citizens, ages 60 and over, for "Senior Sitter", a program to provide in-home supportive services, and the senior nutritional meals program.

State Asset Forfeiture Fund (140) State law generally provides for the confiscation of money and property arising from the manufacture or sale of illegal controlled substances. Moneys distributed to Montclair pursuant to the asset forfeiture laws may only be used for law enforcement programs.

Public Safety Fund (143) Passage of Proposition 172 in November 1993 provided for a one-half cent sales tax to be distributed to local governments for public safety expenditures. Cities in San Bernardino County are allocated five percent of the tax based upon their proportionate share of the net property tax loss resulting from the State's Fiscal Year 1993-94 Budget. Current law provides that cities must maintain Fiscal Year 1992-93 expenditure levels to be allocated Proposition 172 moneys.

Federal Asset Forfeiture Fund - DOJ (144) Federal law generally provides for the confiscation of money and property arising from the manufacture or sale of illegal controlled substances. Moneys distributed to Montclair pursuant to the asset forfeiture laws are only available to the Police Department for purposes of financing their annual budget. Current law requires that Federal asset forfeiture moneys received from the Department of Justice be segregated from forfeiture moneys received from the United States Treasury Department and all other resources of the Police Department, including moneys/assets received pursuant to State asset forfeiture laws.

Section 11489 Subfund (146) Health & Safety Code Section 11489 provides that fifteen percent of State asset forfeiture moneys/assets be deposited to a special fund which shall be used for the sole purpose of funding programs designed to combat drug abuse and divert gang activity. The moneys deposited to this fund shall not be used to supplant any state or local funds that would normally be used for same purpose.

Federal Asset Forfeiture Fund - Treasury (147) Federal law generally provides for the confiscation of money and property arising from the manufacture or sale of illegal controlled substances. Moneys distributed to Montclair pursuant to the asset forfeiture laws are only available to the Police Department for purposes of financing their annual budget. Current law requires that Federal asset forfeiture moneys received from the

United States Treasury Department be segregated from forfeiture moneys received from the Department of Justice and all other resources of the Police Department, including moneys/assets received pursuant to State asset forfeiture laws.

School District Grant Fund (148) The Ontario-Montclair School District had agreed to finance salaries and benefits for the Drug Abuse Resistance Effort (D.A.R.E.) officer by annual agreement. Prior to Fiscal Year 2002-03, Chaffey Joint Union High School District has agreed to finance salaries and benefits for the Safe School Zone officers program.

State Supplemental Law Enforcement Fund (149) The State Budget Act of 1996 (AB 3229) added Government Code Sections 30061 et. seq. to require the state controller to allocate funds to each county which redistributes the funds to each city that has established a supplemental law enforcement fund to be expended exclusively for police services.

Local Law Enforcement Block Grant Fund (150) The U. S. Department of Justice, Bureau of Justice Assistance provides grants to local agencies that establish an advisory board that reviews the application for funding and is authorized to make nonbinding recommendations to the local government. These funds are used to supplement local agency funding.

Recycling Block Grant Fund (152) The California Oil Recycling Enhancement Act provides funds to cities for establishing and maintaining local used oil collection programs that encourage recycling or appropriate disposal of used oil. The California Integrated Waste Management Board has been delegated to administer the program on behalf of the State for cities.

Human Services Grant Fund (160) This grant fund was established to segregate miscellaneous grants that require specific matching and tracking of revenues and expenditures as required by the granting agency.

California Nutrition Network Grant Fund (161) The State of California Department of Health Services Cancer Prevention and Nutrition Section provides grants to local agencies to promote healthy eating and a physically active lifestyle among lower income Californians.

Human Services Special Revenue Fund (162) This grant fund was established to segregate miscellaneous grants that require specific matching and tracking of revenues and expenditures as required by the granting agency.

EMS Paramedic Fund (180) The Fire Department desires to enter into a contract with the local ambulance provider to subsidize the expense of enhancing the Fire Department's current level of emergency medical service. This fund was established to ensure the program was self-sustaining.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for the operations of programs which are primarily financed by user fees. Because the determination of net income is essential, enterprise fund accounting is based on the measurement of all economic resources, including the depreciation of fixed assets.

Sewer Maintenance Fund (501) The Sewer Maintenance Fund was established to account for all activities related to the repair and maintenance of the City's sewer system. In addition, interest earnings on sewer connection fees due the Inland Empire Utilities Agency have been allocated to the fund to provide for sewer main construction in accordance with the City's five-year capital improvement program. Effective with Fiscal Year 1993-94 the sewer use fee has been set at a rate sufficient to leave \$1.5 million in net financial assets in reserve. The reserve fund will be used to finance any extraordinary repairs to the sewer system, which are not covered under the current insurance policy, and to provide for the replacement of equipment charged to the fund.

FIDUCIARY FUNDS

TRUST AND AGENCY FUNDS

Trust and agency funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governments units, and/or other funds. The City uses expendable trust funds to account for assets, generally transferred in from the General Fund, which have been earmarked for specific programs.

Equipment Replacement Fund (750) The Equipment Replacement Fund was established to assure moneys would be available to replace vehicles on a scheduled basis. The amount of cash and assets in the fund is equal to the depreciation on the vehicles, restated at current market value.

Building Maintenance/Infrastructure Fund (751) The Building Maintenance/Infrastructure Fund was established in FY 1983-84 to assure that a portion of General Fund moneys were set aside for capital projects.

Contingency Fund (755) The Contingency Fund has been reestablished to account for moneys which are set aside for employee post employment costs, computer technology upgrades, future retirement liability, and other potential but not determinable events.

Rubbish Collection Impound Fund (757) The Rubbish Collection Impound Fund was established in FY 1991-92 to account for moneys which are set aside for trash recycling program expenditures and/or subsidization of the residential rubbish collection fee.

Montclair Youth Sponsorship Fund (758) On July 17, 1995, City Council approved Agreement No. 95-46 which provided for the City's membership in the California Community Foundation and the establishment of the Montclair Youth Sponsorship Fund. A contribution of \$10,000 from the Baldy View Races Special Event Account was initially deposited to the fund and is to be used to 1) provide scholarships for youth recreational purposes, 2) fund operation of youth programs conducted by the City of Montclair Human Services Division, 3) provide services by the Montclair Counseling and Medical Clinic, and 4) provide for other uses and purposes serving the youth of Montclair.

City Facilities Improvement Fund (759) The City Facilities Improvement Fund was established during FY 2000-01 to assure that a portion of General Fund moneys was set aside for capital improvements to various city buildings and facilities. Expenditures from this fund are scheduled in the City's five-year Capital Improvement Program.

Revenues

NOTE: 03-04 Adopted column reflects adjustments
authorized up to March 31, 2004.

**CITY OF MONTCLAIR
SUMMARY SCHEDULE OF REVENUE BY FUND
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
<u>GENERAL FUND</u>							
GENERAL FUND	20,719,427	21,886,914	14,081,248	22,415,627	23,209,703	23,470,415	260,712
<u>SPECIAL REVENUE FUNDS</u>							
GAS TAX FUND	947,517	2,378,445	471,174	1,200,000	1,172,936	731,000	(441,936)
MEASURE I FUND	416,785	432,207	271,646	450,000	445,000	465,000	20,000
TRAFFIC SAFETY FUND	328,314	315,284	280,243	331,000	360,000	375,000	15,000
PARK DEVELOPMENT FUND	28,520	89,046	53,832	46,500	408,958	228,800	(180,158)
C.D.B.G. FUND	324,015	123,308	47,016	1,110,000	1,110,000	404,600	(705,400)
AIR QUALITY IMPROVEMENT FUND	41,133	40,949	19,791	41,000	40,000	40,000	0
OLDER AMERICANS ACT FUND	86,879	111,641	35,496	75,075	82,075	92,901	7,464
ASSET FORFEITURE FUND - STATE	(1,576)	8,894	29	500	100	100	0
OCJP GRANT FUND	24,871	99,856	43,337	0	53,033	23,900	(29,133)
PUBLIC SAFETY FUND	182,583	193,437	108,001	198,000	211,000	217,000	6,000
FEDERAL ASSET FORFEITURE FUND - DOJ	6,916	171	0	200	0	0	0
SECTION 11489 SUBFUND	491	290	107	400	150	150	0
FEDERAL ASSET FORFEITURE FUND - TREASURY	119	48	1	100	0	0	0
SCHOOL DISTRICT GRANT FUND	34,000	64,000	38,000	82,000	82,000	64,000	(18,000)
STATE SUPPLEMENTAL LAW ENFORCEMENT FUND	65,129	164,376	137,991	165,867	165,867	0	(165,867)
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND	60,166	93,445	50,274	44,968	53,965	0	(53,965)
P.C. 1202.5 CRIME PREVENTION FUND	232	235	75	300	200	200	0
RECYCLING BLOCK GRANT FUND	9,146	3,613	21,921	10,535	22,903	22,555	(348)

NOTE: 03-04 Adopted column reflects adjustments
authorized up to March 31, 2004.

**CITY OF MONTCLAIR
SUMMARY SCHEDULE OF REVENUE BY FUND
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
<u>SPECIAL REVENUE FUNDS (continued)</u>							
HUMAN SERVICES GRANT FUND	591,974	778,282	192,677	905,000	907,525	732,830	(172,170)
CALIFORNIA NUTRITION NETWORK GRANT FUND	13,694	49,895	21,003	59,937	84,532	84,532	0
HUMAN SERVICES SPECIAL REVENUE FUND	11,226	32,928	0	6,700	6,700	0	(6,700)
OFFICE OF TRAFFIC SAFETY GRANT FUND	0	0	0	17,500	17,500	0	(17,500)
E.M.S. - PARAMEDIC FUND	155,425	102,588	88,355	173,250	173,450	171,450	(2,000)
<u>CAPITAL PROJECT FUND</u>							
MONTE VISTA AVE. GRADE SEPARATION	0	0	600,967	17,260,000	17,260,000	0	(17,260,000)
<u>ENTERPRISE FUND</u>							
SEWER MAINTENANCE FUND	1,642,832	1,570,762	1,171,311	1,662,120	1,687,620	1,590,400	(97,220)
<u>TRUST FUNDS</u>							
EQUIPMENT REPLACEMENT FUND	74,560	17,019	30,825	93,000	38,000	20,000	(18,000)
BUILDING MAINTENANCE FUND	308,472	953,388	98,250	5,000	8,000	2,500	2,500
REFUSE PROGRAM IMPOUND FUND	29,334	30,863	11,996	49,544	25,544	20,000	(5,544)
YOUTH SPONSORSHIP FUND	1,803	8,300	0	9,000	8,000	8,000	0
CITY FACILITIES IMPROVEMENT FUND	24,500	17,935	6,300	20,000	12,600	13,000	400
TOTAL REVENUE - ALL FUNDS	<u>26,128,487</u>	<u>29,568,118</u>	<u>17,881,866</u>	<u>46,433,123</u>	<u>47,647,361</u>	<u>28,778,333</u>	<u>(18,861,865)</u>

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
GENERAL FUND							
Taxes							
Property - Secured	1,287,936	1,358,989	896,707	1,412,000	1,430,000	1,459,000	29,000
Property - Unsecured	67,898	79,208	76,972	75,000	79,000	81,000	2,000
Sales & Use	10,020,551	11,494,648	7,532,118	11,920,000	12,500,000	9,165,000	(3,335,000)
Sales Tax Compensation	0	0	0	0	0	3,055,000	3,055,000
Transient Occupancy	20,568	24,684	12,738	25,000	25,000	25,000	0
Property Transfer	71,062	80,137	92,659	105,000	125,000	125,000	0
Franchise	504,334	491,528	52,718	490,000	503,000	505,000	2,000
Business License	575,072	607,992	497,586	625,000	625,000	650,000	25,000
Utility Users	1,804,210	1,773,993	1,097,810	1,800,000	1,800,000	1,841,000	41,000
Total Taxes	14,351,631	15,911,179	10,259,308	16,452,000	17,087,000	16,906,000	(181,000)
Licenses and Permits							
Building Permits	534,508	594,369	398,491	450,000	450,000	375,000	(75,000)
Alarm Permits	625	425	600	650	800	1,000	200
Bicycle & Other Permits	95	5	28	50	50	50	0
Moving Permits	6,724	4,354	4,012	6,500	6,500	6,500	0
Yard Sale Permits	8,610	8,185	5,415	8,600	8,000	8,000	0
Construction Permits	6,063	13,217	34,777	37,000	45,000	50,000	5,000
Encroachment Permits	675	675	450	700	700	700	0
Ambulance Permits	0	0	0	100	100	100	0
Gun Dealer Permits	75	25	0	75	75	75	0
Total Licenses and Permits	557,375	621,255	443,773	503,675	511,225	441,425	(69,800)
Intergovernmental Revenues							
Motor Vehicle In-Lieu Tax	1,906,500	1,781,104	883,608	1,595,576	1,595,576	1,910,000	314,424
Trailer Coach Licenses	133	2,684	1,614	2,500	2,500	2,500	0
Property Tax Loss Relief	30,121	30,273	15,094	30,000	30,000	30,000	0
Off-Highway License Fees	799	899	998	1,000	1,000	1,000	0
Police Officer Training Reimbursement	27,136	33,809	3,117	30,000	30,000	40,000	10,000
Contributions- Other Govts./Bulletproof Vests	1,207	0	8,778	8,778	8,778	0	(8,778)
SB 90 Claim Reimbursement	178,334	0	0	0	0	0	0
TEA 21 Grant	0	0	0	6,240	6,240	0	(6,240)
FEMA Grant	76,028	0	30,939	30,939	30,939	0	(30,939)
FEMA Reimbursements	11,279	29,176	15,772	27,900	27,900	30,000	2,100

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
Intergovernmental Revenues (cont'd)							
OES Reimbursements	30,597	89,758	18,037	23,700	23,700	20,000	(3,700)
IRNET Reimbursements (HIDTA)	0	0	0				
RDA Graffiti Program Reimb.	15,946	20,246	12,668	15,000	17,000	20,000	3,000
WESTNET Reimbursements	44,210	51,396	26,879	61,623	61,623	80,000	18,377
Local Government Relief	125,007	125,007	125,007	125,000	125,000	0	(125,000)
Government Grants - CMAQ Grant	0	31,020	0	46,770	46,770	0	(46,770)
Chaffey HSD Reimbursements	64,000	0	0	0	0	0	0
Total Intergovernmental Revenues	2,511,297	2,195,372	1,142,511	2,005,026	2,007,026	2,133,500	126,474
Fines and Forfeitures							
Court Fines	37,409	52,599	21,171	55,000	50,000	50,000	0
Parking Citations	42,590	65,654	38,981	60,000	60,000	60,000	0
False Alarms	1,179	18,938	14,980	15,000	18,000	18,000	0
Restitution	2,127	141	284	2,500	500	500	0
Evidence Forfeitures	7,061	604	5,774	8,000	8,000	8,000	0
Vehicle Release Fees	84,878	74,467	56,910	100,000	100,000	100,000	0
Administrative Citations	5,410	3,070	1,198	3,000	3,000	3,000	0
Auto Repo Fees	375	465	510	500	700	700	0
OPTS Vehicle Impound Fees	76,429	55,209	50,259	85,000	90,000	90,000	0
Total Fines and Forfeits	257,458	271,147	190,067	329,000	330,200	330,200	0
Charges for Services							
Special Police Services	77,480	91,598	64,569	90,000	90,000	90,000	0
Fire District Contract	231,795	247,298	148,774	250,000	250,000	257,000	7,000
Fire Department Service Fees	25,302	19,833	25,046	30,000	30,000	30,000	0
Engineering Fees	8,956	3,580	2,882	7,000	4,000	4,000	0
Rubbish Collection Fees	1,714,805	1,715,508	1,210,836	1,850,000	1,850,000	1,850,000	0
Zoning/Subdivision Fees	130,104	91,801	92,074	80,000	100,000	100,000	0
Recreation Fees	51,305	40,768	33,510	55,000	55,000	55,000	0
Program Costs- Reimbursed	29,098	28,587	22,778	42,080	42,080	42,080	0
Service Center Fees	7,187	7,918	7,903	10,000	10,700	11,000	300
Bus Transportatoin Fees	657	916	937	1,000	1,300	1,300	0
Plan Checking Fees	2,519	519	92,890	40,000	100,000	50,000	(50,000)
General Plan Update/Maint.	0	0	2,932	0	7,000	9,000	2,000
Sale of Printed Materials	1,373	1,640	1,145	1,500	1,500	1,500	0

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
Charges for Services (cont'd)							
Notary Fees	46	200	130	175	175	175	0
Fingerprints	13,767	20,847	17,150	35,000	35,000	35,000	0
Total Charges for Services	2,294,394	2,271,013	1,723,556	2,491,755	2,576,755	2,536,055	(40,700)
Miscellaneous Revenue							
Interest Income	414,271	233,145	93,632	200,000	200,000	237,000	37,000
Interest - Loans to RDA	182,368	168,904	33,179	192,171	228,997	438,531	209,534
Library Rentals	56,656	56,656	42,492	56,000	56,000	56,000	0
Grant-Adelphia	0	0	0	0	0	95,000	95,000
Other-Mobile Data Computer	0	0	0	0	0	99,204	99,204
Sale of City Property	9,284	17,018	12,524	27,000	20,000	20,000	0
Vending Machine Proceeds	3,094	1,994	2,049	4,000	2,500	2,500	0
Donations & Contributions	0	218	0	0	0	0	0
Insurance Recoveries	0	8,699	273	10,000	10,000	10,000	0
Reimbursed Expenditures	(11,821)	51,034	65,557	55,000	80,000	65,000	(15,000)
Other	93,420	79,279	72,327	90,000	100,000	100,000	0
Total Miscellaneous Revenue	747,272	616,947	322,033	634,171	697,497	1,123,235	425,738
TOTAL GENERAL FUND	20,719,427	21,886,913	14,081,248	22,415,627	23,209,703	23,470,415	260,712
GAS TAX FUND							
Section 2105	212,767	230,740	139,281	210,000	214,000	214,000	0
Section 2106	132,858	146,394	89,166	129,000	135,000	135,000	0
Section 2107	279,744	306,414	184,675	270,000	276,000	276,000	0
Section 2107.5	6,000	12,000	0	6,000	6,000	6,000	0
Other Gov't-S.B.Co. Storm Drain Proj.	0	864,557	0	0	0	0	0
Gov't Grant-State/Pedestrian Safety Program	0	0	0	200,000	200,000	0	(200,000)
Gov't Grant-State/Safe Routes to School Program	0	0	0	200,000	200,000	0	(200,000)
Local Government Relief	84,724	87,985	0	85,000	0	0	0
Traffic Congestion Relief Program Funds	41,895	650,942	0	0	0	0	0
SCE/LED Rebate	67,005	0	0	0	0	0	0
Other	25,000	0	41,936	0	41,936	0	(41,936)
Interest Income	97,524	79,413	16,116	100,000	100,000	100,000	0
TOTAL GAS FUND	947,517	2,378,445	471,174	1,200,000	1,172,936	731,000	(441,936)

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
MEASURE I FUND							
Measure I Sales - Local	391,499	412,859	259,516	400,000	420,000	435,000	15,000
Interest Income	25,286	19,348	12,130	50,000	25,000	30,000	5,000
TOTAL MEASURE I FUND	416,785	432,207	271,646	450,000	445,000	465,000	20,000
TRAFFIC SAFETY FUND							
C.V.C. Parking Citations	73,897	92,082	58,520	76,000	90,000	95,000	5,000
Other C.V.C. Fines	254,417	223,202	221,723	255,000	270,000	280,000	10,000
TOTAL TRAFFIC SAFETY FUND	328,314	315,284	280,243	331,000	360,000	375,000	15,000
PARK DEVELOPMENT FUND							
"Quimby Act" Fees	0	0	0	17,000	88,987	200,000	111,013
Govt. Grants - Per Capita Grant	0	61,718	33,696	0	201,782	0	(201,782)
Govt. Grants - Z'berg-Harris Grant	0	0	0	0	90,115	0	(90,115)
Rental Income	9,000	9,000	6,000	9,000	9,000	9,000	0
Cellular Antenna Site Rental	16,711	17,379	13,512	17,500	18,074	18,800	726
Interest Income	2,809	949	624	3,000	1,000	1,000	0
TOTAL PARK DEVELOPMENT FUND	28,520	89,046	53,832	46,500	408,958	228,800	(180,158)
C.D.B.G. FUND							
Grant Revenue	324,015	123,308	47,016	1,110,000	1,110,000	404,600	(705,400)
TOTAL C.D.B.G. FUND	324,015	123,308	47,016	1,110,000	1,110,000	404,600	(705,400)
AIR QUALITY IMPROVEMENT FUND							
Vehicle Registration Fees	38,630	38,993	18,914	38,000	38,000	38,000	0
Interest Income	2,503	1,956	877	3,000	2,000	2,000	0
TOTAL AIR QUALITY IMPROVEMENT FUND	41,133	40,949	19,791	41,000	40,000	40,000	0

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
OLDER AMERICANS ACT FUND							
Nutritional Meals IIIC1	28,186	26,722	9,335	32,052	32,052	35,414	3,362
Nutritional Meals USDA	8,274	8,083	4,887	8,086	8,086	8,647	561
Contributions/Donations	26,226	27,865	19,232	31,437	31,437	38,340	6,903
Govt. Grants- L-T Care Innovative Grant	20,693	46,054	0	0	0	0	0
CDBG Revenue	0	0	0	0	7,000	7,000	0
Council On Aging	3,500	2,917	2,042	3,500	3,500	3,500	0
TOTAL OLDER AMERICANS ACT FUND	86,879	111,641	35,496	75,075	82,075	92,901	7,464
ASSET FORFEITURE FUND - STATE							
Forfeited Money/Property	556	322	0	0	0	0	0
Reimbursed Expenditures	0	8,325	0	0	0	0	0
Interest Income	(2,132)	247	29	500	100	100	0
TOTAL ASSET FORFEITURE FUND - STATE	(1,576)	8,894	29	500	100	100	0
OCJP GRANT FUND							
CLETEP Grant	24,871	49,581	11,520	0	14,004	0	(14,004)
Grants - COPS in School	0	50,275	31,817	0	39,029	23,900	(15,129)
TOTAL OCJP GRANT FUND	24,871	99,856	43,337	0	53,033	23,900	(29,133)
PUBLIC SAFETY FUND							
Proposition 172 Sales Tax	180,185	192,467	107,301	195,000	210,000	215,000	5,000
Interest Income	2,398	970	700	3,000	1,000	2,000	1,000
TOTAL PUBLIC SAFETY FUND	182,583	193,437	108,001	198,000	211,000	217,000	6,000
FEDERAL ASSET FORFEITURE FUND - DOJ							
Forfeited Money/Property	6,686	58	0	0	0	0	0
Interest Income	230	113	0	200	0	0	0
TOTAL FEDERAL ASSET FORFEITURE FUND - DOJ	6,916	171	0	200	0	0	0

NOTE: 03-04 Adopted column reflects adjustments
authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
SECTION 11489 SUBFUND							
Forfeited Money/Property	0	0	0	0	0	0	0
Interest Income	491	290	107	400	150	150	0
TOTAL SECTION 11489 SUBFUND	491	290	107	400	150	150	0
FEDERAL ASSET FORFEITURE FUND - TREASURY							
Forfeited Money/Property	0	0	0	0	0	0	0
Interest Income	119	48	1	100	0	0	0
TOTAL FEDERAL ASSET FORFEITURE FUND - TREASURY	119	48	1	100	0	0	0
SCHOOL DISTRICT GRANT FUND							
O.M.S.D. Grant-School Community Partnership	0	0	6,000	18,000	18,000	0	(18,000)
Chaffey HSD Reimb.-Safe Schools	0	64,000	32,000	64,000	64,000	64,000	0
DARE Grant Revenue	34,000	0	0	0	0	0	0
TOTAL SCHOOL DISTRICT GRANT FUND	34,000	64,000	38,000	82,000	82,000	64,000	(18,000)
STATE SUPPLEMENTAL LAW ENFORCEMENT FUND							
AB 3229 Revenue	60,926	162,664	137,711	164,367	164,367	0	(164,367)
Interest Income	4,203	1,712	280	1,500	1,500	0	(1,500)
TOTAL STATE SUPPLEMENTAL LAW ENFORCEMENT FUND	65,129	164,376	137,991	165,867	165,867	0	(165,867)
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND							
Law Enforcement Block Grant	57,897	93,060	50,156	44,768	53,815	0	(53,815)
Interest Income	2,269	385	118	200	150	0	(150)
TOTAL LOCAL LAW ENFORCEMENT BLOCK GRANT FUND	60,166	93,445	50,274	44,968	53,965	0	(53,965)

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
P.C. 1202.5 CRIME PREVENTION FUND							
P.C. 1202.5 Fines	87	148	42	200	150	150	0
Interest Income	145	87	33	100	50	50	0
TOTAL CRIME PREVENTION FUND	232	235	75	300	200	200	0
RECYCLING BLOCK GRANT FUND							
Govt. Grant - Beverage Container Recycling	0	0	0	0	0	9,520	9,520
Used Oil Block Grant	9,096	3,510	21,860	10,435	22,903	13,035	(9,868)
Interest Earnings	50	103	61	100	0	0	0
TOTAL RECYCLING BLOCK GRANT FUND	9,146	3,613	21,921	10,535	22,903	22,555	(348)
HUMAN SERVICES GRANT FUND							
Contributions Other-Gov't	353,674	501,334	0	540,000	540,000	413,412	(126,588)
Contributions Other-Gov't/First 5 Grant	0	0	25,000	75,000	75,000	35,000	(40,000)
Children & Families Commission	138,137	0	0	0	0	0	0
Govt. Grants-Even Start Family Literacy	0	275,170	165,130	276,000	276,000	281,418	5,418
Contribution/Donations	663	0	0	0	0	0	0
Grants- Other	94,662	0	0	11,000	11,000	0	(11,000)
Program Reimb. Costs	0	0	2,525	0	2,525	0	0
Interest Income	4,838	1,778	22	3,000	3,000	3,000	0
TOTAL HUMAN SERVICES GRANT FUND	591,974	778,282	192,677	905,000	907,525	732,830	(172,170)
CALIFORNIA NUTRITION NETWORK GRANT FUNI							
Grant Revenue	13,694	49,895	21,003	59,937	84,532	84,532	0
TOTAL CALIFORNIA NUTRITION NETWORK GRANT FUND	13,694	49,895	21,003	59,937	84,532	84,532	0

NOTE: 03-04 Adopted column reflects adjustments
authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
HUMAN SERVICES SPECIAL REVENUE FUND							
Children & Families Commission	0	16,269	0	0	0	0	0
Grants-Other	11,226	16,659	0	6,700	6,700	0	(6,700)
TOTAL HUMAN SERVICES SPECIAL REVENUE FUND	11,226	32,928	0	6,700	6,700	0	(6,700)
OFFICE OF TRAFFIC SAFETY GRANT FUND							
Grant Revenue	0	0	0	17,500	17,500	0	(17,500)
TOTAL OFFICE OF TRAFFIC SAFETY GRANT FUND	0	0	0	17,500	17,500	0	(17,500)
E.M.S. - PARAMEDIC FUND							
Subscription Fees	21,393	20,546	15,137	26,250	26,250	24,250	(2,000)
First Responder Services	112,265	77,749	69,796	131,000	131,000	131,000	0
Contributions/Donations	226	0	201	0	200	200	0
Training Reimbursement	20,981	3,375	2,950	15,000	15,000	15,000	0
Interest Income	560	918	271	1,000	1,000	1,000	0
TOTAL E.M.S. - PARAMEDIC FUND	155,425	102,588	88,355	173,250	173,450	171,450	(2,000)
MONTE VISTA AVE. GRADE SEPARATION							
Govt. Grants - Traffic Congestion Relief	0	0	600,967	17,260,000	17,260,000	0	(17,260,000)
TOTAL MONTE VISTA GRADE SEPARATION	0	0	600,967	17,260,000	17,260,000	0	(17,260,000)
SEWER MAINTENANCE FUND							
Sewer Maintenance Fees	1,481,526	1,484,545	1,046,097	1,500,000	1,500,000	1,500,000	0
Sewer Availability Fees	9,981	5,027	2,870	6,000	5,400	5,400	0
Interest Income	100,255	55,189	22,627	95,000	60,000	60,000	0
Interest - Sewer Development Fees	50,856	26,001	3,617	60,000	25,000	25,000	0
Reimbursed Expenditures	214	0	96,100	0	96,100	0	(96,100)
Sale of City Property	0	0	0	1,120	1,120	0	(1,120)
TOTAL SEWER MAINT. FUND	1,642,832	1,570,762	1,171,311	1,662,120	1,687,620	1,590,400	(97,220)

NOTE: 03-04 Adopted column reflects adjustments authorized up to March 31, 2004.

**CITY OF MONTCLAIR
STATEMENT OF ACTUAL AND ESTIMATED REVENUES
FOR FISCAL YEARS 2001-2002 THROUGH 2004-05**

	<u>01-02 Audited</u>	<u>02-03 Audited</u>	<u>03-04 Actual Thru 3/31/04</u>	<u>03-04 Adopted</u>	<u>03-04 Revised</u>	<u>04-05 Estimate</u>	<u>Increase (Decrease)</u>
CAPITAL MAINTENANCE FUNDS							
E.R.F. Sale of City of Property	0	0	13,500	18,000	18,000	0	(18,000)
E.R.F. Interest Income	74,560	17,019	17,325	75,000	20,000	20,000	0
Building Maintenance/Infrastructure TEA 21	150,000	936,139	90,250	0	0	0	0
Building Maintenance/Infrastructure L.T.F. Article 3	0	0	8,000	0	8,000	0	
Building Maintenance/Infrastructure Govt. Grants - Sunset Pk Amphitheater	155,137	17,238	0	0	0	0	0
Building Maintenance/Infrastructure Fund Interest Income	3,335	11	0	5,000	0	2,500	2,500
TOTAL CAPITAL MAINTENANCE FUNDS	383,032	970,407	129,075	98,000	46,000	22,500	(15,500)
REFUSE PROGRAM IMPOUND FUND							
Govt. Grant - Beverage Container Recycling	0	9,653	9,544	9,544	9,544	0	(9,544)
Interest Income	29,334	21,210	2,452	40,000	16,000	20,000	4,000
TOTAL REFUSE PROGRAM IMPOUND FUND	29,334	30,863	11,996	49,544	25,544	20,000	(5,544)
YOUTH SPONSORSHIP FUND							
Interest Income	(3,771)	2,347	0	2,000	2,000	2,000	0
Contributions/Donations	5,574	5,953	0	7,000	6,000	6,000	0
TOTAL YOUTH SPONSORSHIP FUND	1,803	8,300	0	9,000	8,000	8,000	0
CITY FACILITIES IMPROVEMENT FUND							
Interest Income	24,500	17,935	6,300	20,000	12,600	13,000	400
TOTAL CITY FACILITIES IMPROVEMENT	24,500	17,935	6,300	20,000	12,600	13,000	400
TOTAL REVENUE - ALL FUNDS	<u>26,128,487</u>	<u>29,568,118</u>	<u>17,881,866</u>	<u>46,433,123</u>	<u>47,647,361</u>	<u>28,778,333</u>	<u>(18,861,865)</u>

NOTES TO THE CITY'S STATEMENT OF ACTUAL AND ESTIMATED REVENUES

Adopted FY 2003-04 budget includes adjustments authorized by City Council on February 17, 2004. FY 2003-04 revised estimates were based upon data available at March 31, 2004.

GENERAL FUND

Property Taxes - Secured

Description The secured property tax is imposed on real property and personal property which is secured by real property of the same owner. Pursuant to Article 13-A of the California Constitution, the tax is imposed at a rate of \$1 per \$100 of assessed value.

Basis for FY 2003-04 revised estimate is based current collection experience. FY 2004-05 estimate is based on San Bernardino County property tax estimates and includes a two percent increase over FY 2003-04 City's current projection.

Property Taxes - Unsecured

Description The unsecured property tax is imposed on personal property which is not secured by the real property of the owner. Pursuant to Article 13-A of the California Constitution, the unsecured property tax rate is \$1 per \$100 of assessed value.

Basis for Estimates FY 2003-04 revised estimate and FY 2004-05 estimate are based upon City's share of \$1 unsecured property tax levy furnished by San Bernardino County.

Sales and Use Tax

Description In accordance with the California Revenue and Taxation Code and the Bradley-Burns Uniform Local Sales and Use Tax Law of 1955, the State of California imposes a 7.75% sales and use tax on taxable sales in the City. The City's General Fund receives 1% of the 7.75% levy, .75% is allocated to SANBAG for transportation purposes, .5% is allocated to cities and counties for public safety purposes, and the remaining 5.50% is retained by the State. Effective July 1, 2004, the City's General Fund portion will be reduced to .75% with the remaining .25% being reallocated to the State to help fund the State's \$15 million deficit reducing bond issuance. The reallocation of sales tax revenue is expected to continue until the deficit reducing bond issuance is fully financed which is predicted to be approximately 9 to 13 years.

Basis for Estimates FY 2003-04 revised estimate includes actual sales tax receipts for the holiday quarter and reflects a 7.8% increase over the same period during FY 2002-03. FY 2004-05 estimate reflects a 3.5% increase due to a continuing improvement in the economy, a .25% reduction due to the diversion of sales tax as dictated by the State; and a loss of sales tax revenue due to the opening of Victoria Gardens in Rancho Cucamonga.

Sales Tax Compensation

Description Effective July 1, 2004, the City's General Fund sales tax allocation of 1% of the 7.75% levy portion will be reduced to .75% with the remaining .25% being reallocated to the State to help fund the State's \$15 million deficit reducing bond issuance. To make sure local governments remain financially whole as a result of the reallocation, the State will reimburse local governments dollar-for-dollar by backfilling the .25% loss with property tax money in the Education Revenue Augmentation Fund. The amount received as backfill from ERAF will be based solely on sales tax generation and does not reflect property tax growth. The backfill payments will be paid semiannually in January and May. The reallocation of sales tax revenue and the ERAF backfill is expected to continue until the deficit reducing bond issuance is fully financed which is predicted to be approximately 9 to 13 years.

Basis for Estimates FY 2004-05 estimate reflects the .25% of Education Revenue Augmentation Fund backfill.

Transient Occupancy Tax

Description Pursuant to Revenue and Taxation Code Section 7280, the transient occupancy tax is imposed on the privilege of occupying a room in a hotel, inn, motel or other lodging facility unless such occupancy is for a period of more than 30 days. The City's current tax rate is 10 percent of the rent charged for the room.

Basis for Estimates FY 2003-04 estimate and FY 2004-05 estimate are based upon City's actual collection experience over the last four quarters.

Property Transfer Tax

Description The property transfer tax is imposed on the transfer of real property. Section 11901 et seq. of the Revenue and Taxation Code authorizes a tax of \$.55 per \$500 of the sales value, exclusive of any lien or encumbrance remaining at the time of sale. Taxes generated by the sale of real property in Montclair are shared equally with San Bernardino County.

Basis for Estimates Balance as of March 31, 2004 reflects six monthly allocations only. FY 2003-04 revised estimate and FY 2004-05 estimate are based upon collection experience over the last four quarters.

Franchise Fees

Description Franchise fees are imposed on privately-owned utility companies and other businesses for the privilege of using city streets. Currently, the City collects franchise fees from Southern California Edison, Southern California Gas, Southern California Water Company, Adelphia, and Burrtec Waste Industries, Inc.

Basis for Estimates FY 2003-04 revised estimate is primarily due to an increase in franchise fees from Southern California Gas Company. FY 2004-05 estimate is based on Calendar Year 2003 actuals from Southern California Gas, Southern California Edison, and an estimated three percent increase over Calendar Year 2003 from Burrtec Waste Industries.

Business License Tax

Description The business license tax is imposed on businesses for the privilege of conducting business within the City and is regulated by Section 37101 of the Government Code and Section 16000 et seq. of the Business and Professions Code.

Basis for Estimates City has received \$497,586 in business license taxes as of March 31, 2004. FY 2004-05 estimate is based on current budget projection, an improved economy, and compliance monitoring.

Utility Users Tax

Description Montclair imposes a 3.89% tax on the consumers of electric, gas, water and telephone services. Very low income and low income households are exempt from the tax.

Basis for Estimates The FY 2004-05 estimate reflects a two percent increase over FY 2003-04 primarily due to unseasonably warm weather.

Building Permits

Basis for Estimates Building permit fees are authorized by Article XI, Section 7, of the California Constitution and Sections 17951, 19130 and 19132.3 of the Health and Safety Code. The amount of fees charged shall not exceed the reasonable costs borne by the City in issuing the permits and conducting the related enforcement program.

Basis for Estimates FY 2003-04 estimate and FY 2004-05 estimate are based upon current budget projections provided by the Building Official.

Construction Permits

Description Construction permits are issued to defray inspection costs related to work done on City property, including streets, curbs/gutters and sidewalks.

Basis for Estimates FY 2003-04 revised estimate is based upon recent collection experience. The increase is primarily due to residential construction located at Monte Vista/I-10 Freeway and Mission/Ramona. FY 2004-05 estimate is based on prior history and new home construction projects at various locations.

Motor Vehicle In-Lieu Tax

Description The vehicle license fee (VLF) is an annual fee on the ownership of a registered vehicle computed at 2% of the vehicle's depreciated value. As part of the California's 1998 budget agreement, the VLF was originally reduced by 25%, with the potential for future reductions or offsets, up to 67.5% depending on growth in the state's General Fund. Under the state's backfill plan, cities and counties were to continue receiving the same revenues as under prior law, with the reduced VLF offset replaced by the state's General Fund. This replacement component is known as the "VLF backfill." For renewals starting in calendar year 2001, vehicle owners received the maximum 67.5% reduction in vehicle license fees

Basis for Estimates FY 2003-04 estimate reflects a reduction in the "VLF backfill" from 7/1/03 to 9/30/03 when the backfill was not appropriated by the State. The backfill for this period amounted to \$314,424 and by current law is to be paid by August 15, 2006. FY 2004-05 estimate assumes the backfill will continue in full.

Property Tax Loss Relief	<p>Description The first \$7,000 of an owner occupied home is exempt from the property tax. The property tax loss relief subvention reimburses cities for the resulting loss in property tax revenues.</p> <p>Basis for Estimates FY 2003-04 estimate was obtained from the San Bernardino County Auditor/Controller's Office. FY 2004-05 estimate assumes no change to current budget.</p>
Off-Highway License Fees	<p>Description In addition to other fees, a \$4 fee is collected for the registration of motor vehicles used exclusively for off-highway purposes in lieu of local taxes. Revenues are divided equally among cities and counties and then apportioned to each city on the basis of population. Revenues are received semi-annually in January and July each fiscal year.</p> <p>Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon recent collection experience.</p>
P.O.S.T. Reimbursements	<p>Description The Commission on Peace Officer Standards and Training reimburses cities for a portion of expenditures incurred by police officers while attending POST approved training courses.</p> <p>Basis for Estimates FY 2003-04 estimate upon is based upon recent collection experience. FY 2004-05 projection is based upon recent collection experience and peace officer standards and training courses located in the Police Department's budget.</p>
S.B. 90 Reimbursements	<p>Description Legislation passed in 1972 provides that the State will reimburse cities for mandated costs. The requirement was made part of the Constitution in 1979 after approval of Proposition 4. Prior to FY 2002-03, the City had received reimbursement for treasurer's reports, fire fighter clothing, domestic violence and missing person reports and for the costs incurred in claiming the SB 90 reimbursements.</p> <p>Basis for Estimates FY 2002-03 and FY 2003-04 mandated reimbursements were deferred with interest to future fiscal years. It is assumed the deferral will continue in FY 2004-05.</p>
Court Fines	<p>Description Includes court imposed fines and forfeitures of bail for misdemeanor crimes, exclusive of traffic violations, distributed in accordance with Penal Code Section 1463.001. Effective with FY 1991-92, AB 1297 reallocated 50 percent of fines and forfeiture revenues to the State General Fund.</p> <p>Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon actual revenues received in prior years.</p>
Parking Citations	<p>Description Includes fine revenue received pursuant to the Montclair Municipal Code parking bail schedule. The parking bail schedule was last revised August 13, 1993.</p> <p>Basis for Estimates FY 2004-05 estimate is based upon actual collection experience for twelve months ending March 31, 2004.</p>
Special Police Services	<p>Description Includes reimbursement of salaries and benefits of police officers assigned to public gatherings and athletic functions which by City ordinance are required to provide police protection. Also includes reimbursements for the two police officers assigned to the mall.</p> <p>Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon actual collection experience.</p>
Fire District Contract	<p>Description Pursuant to Contract No. 82-733, the City provides fire protection services to property owners within the Monte Vista Fire Protection District in return for the property tax revenues generated by the district.</p> <p>Basis for Estimates FY 2003-04 estimate is based upon actual property tax revenues apportioned to the City during FY 2002-03. FY 2004-05 estimate is based upon FY 2003-04 actual collection experience.</p>
Fire Department Service Fees	<p>Description Resolution No. 96-2102 provides for the reimbursement of costs incurred by the Fire Department in providing services to the public, including plan reviews and inspections, incident reports and nuisance abatements.</p>

Basis for Estimates FY 2003-04 estimate is based upon actual collection experience. FY 2004-05 estimate is based upon actual collection experience for twelve months.

Engineering Fees

Description Includes reimbursement of costs incurred in issuing plans and specifications to contractors bidding on public works contracts. Also includes fees imposed for vacation of public easements.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon prior actual collection experience.

Rubbish Collection Fees

Description Includes charges billed to residents for rubbish collection pursuant to Section 6-8.05 of the Montclair Municipal Code. Montclair contracts with Burrtec Waste Industries to provide rubbish collection services.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based on actual collection experience and improved collection efforts, including additional payment options. The current monthly rate is \$17.20. The current senior citizen discount rate is \$13.76. The senior citizen discounts were authorized by City Council, June 21, 1993 and were increased to 20% on January 18, 2000.

Zoning/Subdivision Fees

Description Titles 8 and 9 of the Montclair Municipal Code include authorization for planning and planning-related application fees. The current fee schedule, including charges for tract and parcel maps, conditional use and home occupational permits, was adopted by Resolution No. 95-2085 in November 1995.

Basis for Estimates FY 2003-04 revised estimate and the FY 2004-05 estimate were obtained from the City Planning Division.

Recreation Fees

Description The Human Services Division offers many recreational activities including racquetball, youth basketball leagues, mini-school, and arts and crafts programs. User charges for the programs are intentionally set below cost to reach as many people as possible.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon actual collection experience for the most recent twelve months.

Program Costs-Reimbursed

Description The Human Services Division offers many recreational activities including trips to baseball games, amusement parks, educational facilities on a reimbursement basis. User charges for the programs entirely offset the costs.

Basis for Estimates FY 2004-05 estimate is based upon City's anticipated participation charged to account 1001-400-4781-005287.

Service Center Fees

Description Includes medical clinic services provided by the Human Services Division. Fee schedules are set below cost in order to provide services to as many people as possible.

Basis for Estimates FY 2003-04 revised estimate is based upon City's collection experience. FY 2004-05 estimate assumes a full year of medical service center operations.

Plan Checking Fees

Description Includes revenue from plan or map checking fees which are not a part of the building permit fee process.

Basis for Estimates FY 2004-05 estimate is based upon plan or map checking services charged to account 1001-400-4641-005227.

Interest Income

Description Includes earnings on governmental securities charged directly to the General Fund and prorated interest income on pooled cash on deposit with the Local Agency Investment Fund and in certificates of deposit

Basis for Estimates FY 2003-04 estimate is based upon actual experience through March 31, 2004. FY 2004-05 is based on an assumed average interest rate of 2.9% on governmental securities and pooled cash and is calculated on the average cash balances held by the City during the fiscal year. An accounting change pursuant to GASB #31 will not modify this estimate. Gains and losses will be made to a separate account with a corresponding offset to the balance sheet. Additionally, for budgeting purposes a neutral interest rate environment is assumed.

Interest - Loans to RDA

Description The City loans funds to the redevelopment agency to finance both operating and capital project expenditures. The interest rate on the loans is 12 percent which is the maximum rate permitted by law. Loans are repaid when property tax increment becomes available in the redevelopment agency project areas.

Basis for Estimates FY 2003-04 estimate is based upon calculation of interest on all loan balances outstanding as of January 2004. FY 2004-05 is based upon loan repayment estimates and current outstanding balances.

Library Rentals

Description San Bernardino County leases the library building from the City in accordance with SB Co. Agmt. No. 87-890. The contract provides for a lease term of 10 years ending in October 1997 and is now a month to month rental.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon the current San Bernardino County Agreement.

Other Miscellaneous Income

Description Includes other revenues which do not merit detailed accounting.

Basis for Estimates FY 2004-05 estimate is based on actual collection experience over the last several years.

GAS TAX FUND

Gas Tax - Section 2105

Description Pursuant to Section 2105 of the Streets and Highways Code, cities are apportioned an amount equal to the net revenues derived from 11.5 percent of highways users taxes in excess of 9 cents per gallon in the proportion that the total population of the city bears to the total population of all cities in the state. The taxes must be used for street purposes.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates were obtained from the State Controller's Office.

Gas Tax - Section 2106

Description Under Section 2106 of the Streets and Highways Code, cities and counties are allocated \$0.0104 per gallon of gasoline taxes. The cities' share is allocated on a per capita basis. In addition, cities receive monthly a fixed apportionment of \$400. Taxes received pursuant to Section 2106 are restricted to street purpose expenditures.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates were obtained from the State Controller's Office.

Gas Tax - Section 2107

Description Pursuant to Section 2107 of the Streets and Highways Code, \$.01315 per gallon of the gasoline tax and \$.0259 per gallon of the diesel use fuel tax are allocated to cities on a per capita basis. The taxes are restricted to street purpose expenditures.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates were obtained from the State Controller's Office.

Gas Tax - Section 2107.5

Description Cities with a population of 25,000 to 49,999 inhabitants are apportioned \$6,000 annually from the Highway Users Tax Fund to pay for engineering costs and administrative expenses in respect to city streets.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon amounts authorized by Section 2107.5 of the Streets and Highways Code.

MEASURE I FUND

Measure I - Local Allocation

Description The local distribution of Measure I revenue is allocated to the cities within the Valley region on a per capita basis. Revenues in this category must be expended on streets and roads pursuant to a twenty-year Transportation Plan and a five-year Capital Improvement Program adopted by resolution of the local jurisdiction. Measure I expires in 2010.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon actual collection experience.

TRAFFIC SAFETY FUND

CVC Parking Citations

Description Includes parking fines and forfeitures collected pursuant to various sections of the California Vehicle Code. C.V.C. parking fines must be deposited in a separate fund and must be used for specific traffic safety expenditures.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates reflect a State regulation which prohibits issuance of tickets for expired registration on parked vehicles and is based on actual collection experience.

Other C.V.C. Fines

Description Includes fines and forfeitures, exclusive of parking citations, from arrests pursuant to the California Vehicle Code and distributed in accordance with Penal Code Section 1463. Effective with FY 1991-92, AB 1297 reallocated 50 percent of these revenues to the State General Fund.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon current collection experience.

PARK DEVELOPMENT FUND

Quimby Act Fees

Description The Quimby Act allows cities to require from residential developers the dedication of land or in-lieu fees for neighborhood park or recreational facilities. Ordinance No. 95-2075 sets forth City's land dedication and in-lieu fee requirements pursuant to the Quimby Act.

Basis for Estimates FY 2004-05 estimate was obtained from the City Planning Division.

Rental Income

Description Includes rental payments on residence at 11244 Vernon Avenue purchased by the City in 1991.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon a month to month rental agreement with property tenant.

Cellular Ant. Site Rental

Description Includes rental payments received for a cellular antenna with appurtenant equipment in Mac Arthur Park.

Basis for Estimates FY 2003-04 revised estimate and FY 2004-05 estimate are based upon a rental agreement with Sprint Communications.

C.D.B.G. FUND

Grant Revenues

Description Community Development Block Grants are allocated to cities by the Department of Housing and Urban Development. The funds are generally restricted to expenditure for housing, public safety and economic development within low-income target areas.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon projected expenditures during the respective fiscal years. The CDBG Fund is operated on a cost reimbursement basis. FY 2003-04 estimate includes \$677,000 allocated for Foundation Area 11 and \$201,000 for Essex Park. FY 2004-05 estimate includes \$242,600 for Foundation Area II – Phase II and \$125,000 for Foundation Area 12 Improvements.

AIR QUALITY IMPROVEMENT TRUST FUND

AB 2766 Vehicle Registration Fees

Description Health and Safety Code Section 44225 authorizes an air quality control district to impose a \$4 vehicle registration fee to finance programs designed to reduce air pollution from motor vehicles. Cities are allocated 40 percent of the revenues less administrative costs based upon population.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon the City's current collection experience.

STATE ASSET FORFEITURE FUND

Forfeited Money/Property

Description State laws provide for the confiscation or seizure of cash and property obtained by individuals trafficking in illegal drugs. Asset forfeiture revenues are generally restricted to expenditures for the investigation, detection and prosecution of criminal activities.

Basis for Estimates FY 2003-04 estimate is based upon information obtained from the Police Department. FY 2004-05 estimate is zero because the City has not received notice of significant asset forfeiture revenues allocable to the City.

PUBLIC SAFETY FUND

Proposition 172 Sales Tax

Description Passage of Proposition 172 made permanent a one-half cent sales tax levied for the purpose of funding local public safety. In San Bernardino County, cities are allocated five percent of the revenues collected. Distribution to cities is based upon an individual city's payment to the Educational Revenue Augmentation Fund in FY 1993-94 as a percentage of total payments by cities to the ERAF.

Basis for Estimates FY 2003-04 and FY 2004-05 estimates are based upon actual collection experience.

EMS – PARAMEDIC FUND

Subscription Fees

Description Residential and Business subscription fees were established by Resolution No. 01-2328 in April 2001. For an annual subscription fee, the subscribing party and immediate family members or employees will receive unlimited Basic Life support services (BLS) and Advanced Life Support (ALS) services from the Montclair Fire Department. The residential subscription rate is \$24 per year. The business subscription rates are \$50 per year for a business with 15 employees or less and \$100 per year for a business with 16 employees or more.

Basis for Estimates FY 2004-05 estimate is based upon an estimate of 900 subscribers at the current rate of \$24 per household. The estimate also includes 29 businesses with 15 employees or less at \$50 per year and 12 businesses with 16 employees or more at \$100 per year.

First Responder Fees

Description First responder fees were established by Resolution No. 01-2328 in April 2001. Emergency medical service first responder fees cover Basic Life support services (BLS) and Advanced Life Support (ALS) services. Resolution No. 01-2328 provides for BLS services to residence at no cost.

Basis for Estimates FY 2004-05 estimate is based on the projections from Wittman Enterprises, LLC for emergency medical billing services.

SEWER MAINTENANCE FUND

Sewer Maintenance Fees

Description The sewer maintenance fee is established by ordinance and is set at a rate sufficient to cover operating expenses necessary to maintain the City's sewer system and to provide for an emergency reserve. The current rate of \$9.54 was established by Ordinance No. 92-718 effective January 1, 1993.

Basis for Estimates FY 2003-04 and FY 2004-05 estimate are based upon current collection experience.

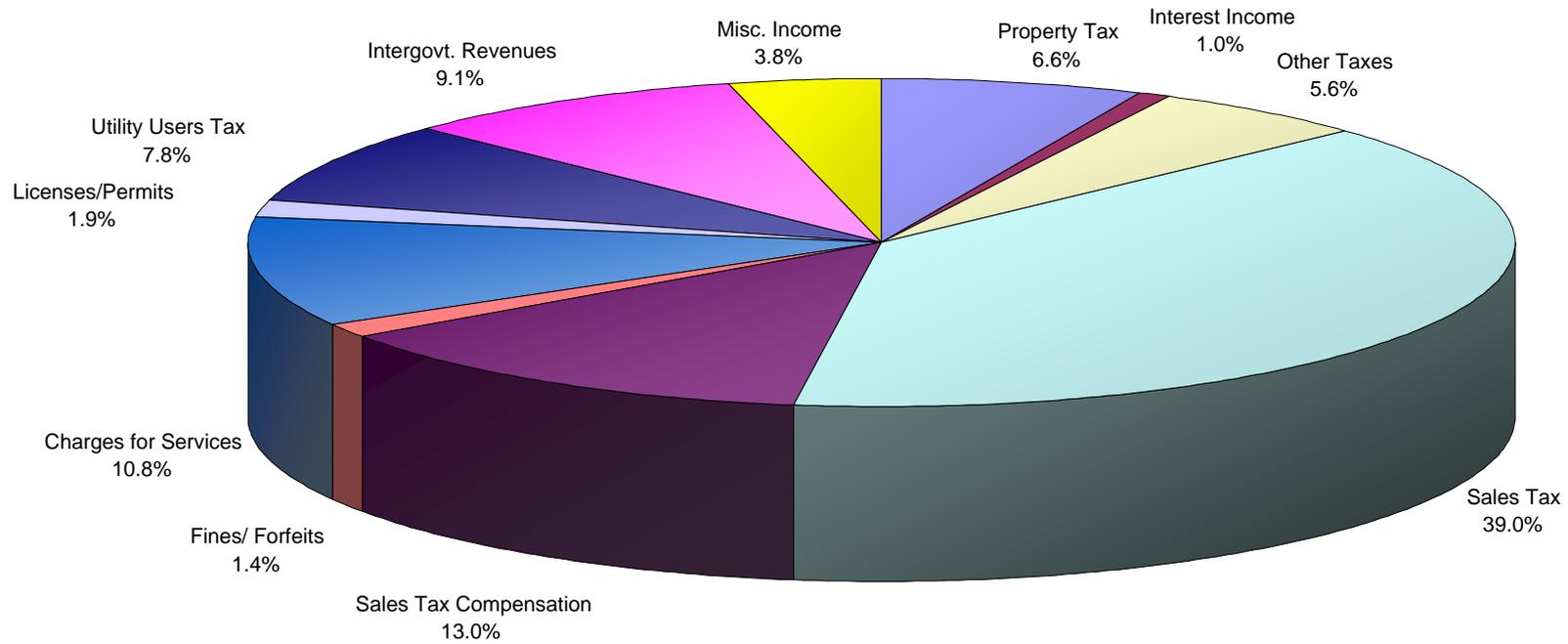
Sewer Availability Fees

Description Properties which have access but are not connected to the City's sewer system are charged a monthly availability fee. The current fee is \$2.35.

Basis for Estimates FY 2003-04 and FY 2004-05 estimate are based on amount submitted to San Bernardino County for inclusion on the property tax roll.

CITY OF MONTCLAIR 2004-05 General Fund Revenues By Source

Total Budget - \$23,470,415



Capital Improvements Budget

**CITY OF MONTCLAIR
CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR 2004-05**

		FUNDING SOURCE					TOTAL APPROPRIATION
Project #	Description	Gas Tax	Measure I	Park Development	CDBG	Other Funds	All Funds
	<u>Street Improvements</u>						
1-02-2	Mission Blvd. Road Improvements	470,000	350,000	-	-	-	820,000
1-97-10	Foundation Area 11 (Phase II)				242,600		242,600
	Foundation Area 12 Improvements				125,000		125,000
	Concrete Repair, Various Locations			-	-	50,000	50,000
	Total Street Improvements	470,000	350,000	0	367,600	50,000	1,237,600
TOTAL CAPITAL IMPROVEMENTS BUDGET		470,000	350,000	0	367,600	50,000	1,237,600

**CITY OF MONTCLAIR
CAPITAL IMPROVEMENT BUDGET
FISCAL YEAR 2004-05**

PROJECT #	PROJECT TITLE	PROJECT DESCRIPTIONS
1-02-2	Mission Blvd. Road Improvements	This project will provide pavement rehabilitation, median improvements, parkway improvements, and signal modifications to Mission Boulevard from the County line to Benson Avenue. This is a continuation of Project 1-01-1.
1-97-10	Foundation Area 11 - Phase II	This project will include alley gateway and perimeter landscape with fencing improvements.
	Foundation Area 12 Improvements	This project will involve cul-de-sacing of a street and other improvements to the area between Kingsley and Bandera and Lehigh and Kimberly.
	Concrete Repair	This project will provide sidewalk, curb and gutter repair at various locations throughout the City.

Operating Expenditures Budgets

CITY OF MONTCLAIR
OPERATING BUDGETS - TOTALS BY FUND
FISCAL YEARS 2002-03 THROUGH 2004-05

FUND	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
General Fund	21,026,679	22,520,142	24,557,058
Gas Tax	1,000	1,000	1,300
Park Development	8,000	8,000	8,400
C.D.B.G.	30,000	37,000	37,000
Air Quality Improvement Trust	119,744	69,760	139,775
Older American	75,041	78,975	92,309
OCJP Fund	0	41,711	22,000
"Prop 172" Public Safety	290,538	368,245	257,704
Federal Asset Forfeiture	1,000	1,000	1,000
Asset Forfeiture - Treasury	29,123	0	0
School District Grant	106,310	64,000	64,000
State Supplemental Law Enforcement	48,000	64,000	0
LLE Block Grant	0	5,700	0
Used Oil Recycling Grant	10,618	10,435	22,555
Human Services Grant	715,476	668,583	694,831
California Nutrition Network Grant	59,650	60,989	82,235
Human Services Special Revenue	47,067	6,700	0
EMS - Paramedic	110,713	215,152	201,268
Sewer Maintenance	1,819,799	1,916,677	2,394,238
Equipment Replacement	317,500	152,000	158,800
Refuse Impound	<u>68,806</u>	<u>59,044</u>	<u>120,965</u>
TOTAL	<u>24,885,064</u>	<u>26,349,113</u>	<u>28,855,438</u>

CITY OF MONTCLAIR
COMPARATIVE OPERATING APPROPRIATIONS BUDGETS
FISCAL YEARS 2000-01 THROUGH 2004-05

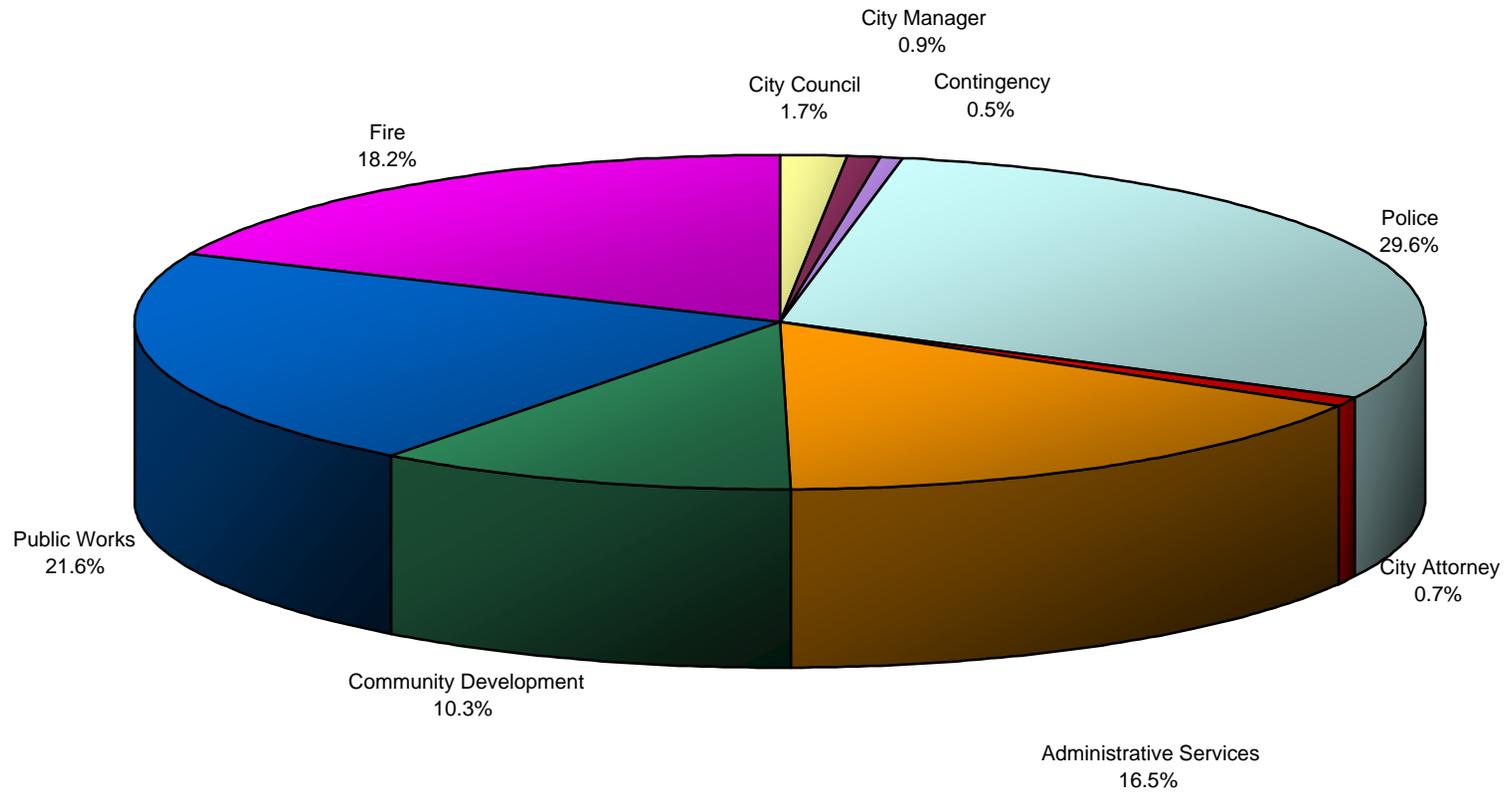
	<u>Budgeted 2000-01</u>	<u>Budgeted 2001-02</u>	<u>Budgeted 2002-03</u>	<u>Budgeted 2003-04</u>	<u>Budgeted 2004-05</u>
City Council	\$ 216,459	\$ 232,297	\$ 238,604	\$ 307,480	\$ 456,612
City Manager	2,084,600	2,139,858	2,216,480	2,405,445	270,352
Administrative Services	1,532,447	1,698,979	1,864,711	2,045,053	4,786,689
Police	6,824,224	6,726,815	7,194,159	8,066,069	8,584,052
Fire	4,166,730	4,062,638	4,239,405	4,697,905	5,289,893
Public Works	5,177,078	5,331,274	5,723,692	5,693,904	6,269,885
Community Development	2,274,588	2,503,573	2,688,154	2,745,492	2,988,543
City Attorney	265,086	267,792	266,499	240,488	212,510
Contingency	<u>70,422</u>	<u>300,000</u>	<u>450,000</u>	<u>300,000</u>	<u>150,000</u>
TOTAL OPERATING BUDGET	\$ 22,611,634	\$ 23,263,226	\$ 24,881,704	\$ 26,501,836	\$ 29,008,536

NOTE: FY 2003-04 Budget includes all appropriations authorized through March 31, 2004.
Appropriations for FY 2000-01 through 2002-03 represent final recorded budgets.

This does not reflect the Indirect Staff Charges.

CITY OF MONTCLAIR 2004-05 Operating Budget By Department

Total Budget - \$29,008,536



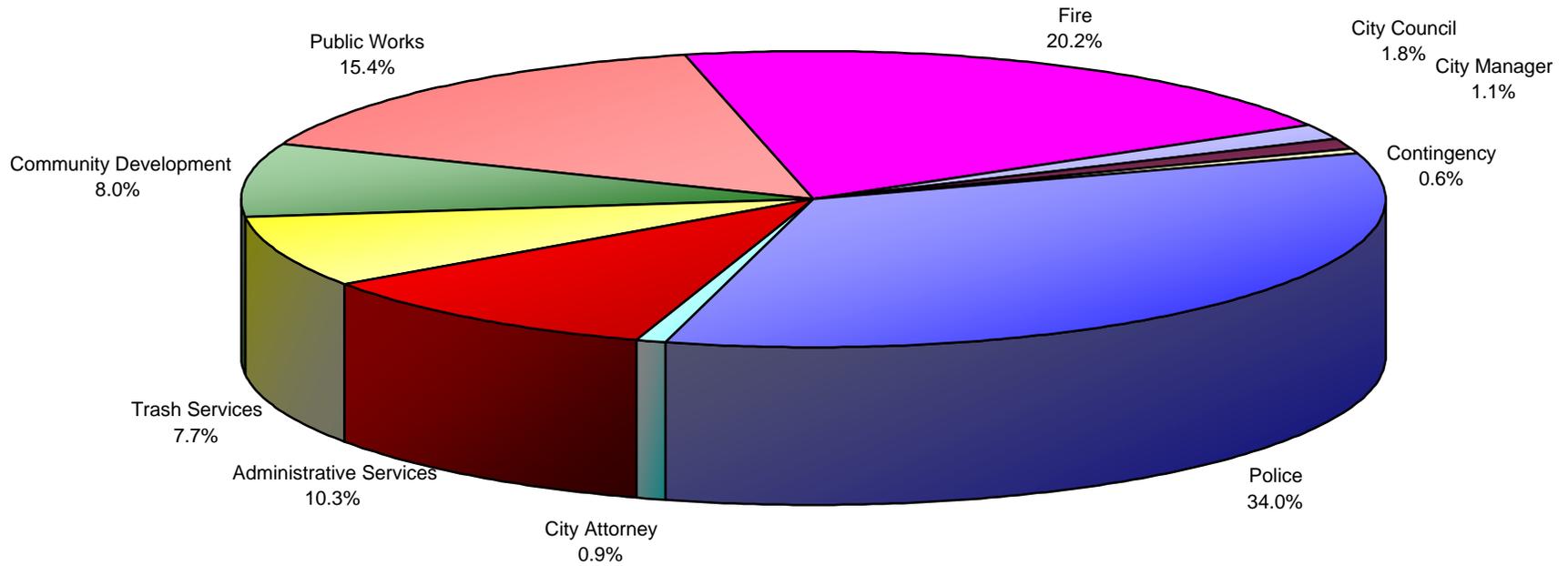
Note: This does not reflect the Indirect Staff Charges.

**CITY OF MONTCLAIR
OPERATING APPROPRIATIONS BUDGET
BY FUND
FISCAL 2004-05**

	City Council	City Manager	Admin. Services	Police	Fire	Public Works	Community Development	City Attorney	Contingency	City/RDA Total	Indirect Staff Charges	Grand Total
General Fund	439,393	257,038	4,430,339	8,342,739	4,969,734	3,782,912	1,972,393	212,510	150,000	24,557,058	-	24,557,058
Gas Tax			1,300							1,300	-	1,300
Park Development						8,400				8,400	-	8,400
C.D.B.G.						30,000	7,000			37,000	-	37,000
Air Quality Improvement Trust							139,775			139,775	-	139,775
Older American							92,309			92,309	-	92,309
OCJP Fund				22,000						22,000	-	22,000
"Prop. 172" Public Safety				155,313	102,391					257,704	-	257,704
Federal Asset Forfeiture			1,000							1,000	-	1,000
OMSD Grant				64,000						64,000	-	64,000
State Supplemental Law Enforcement										0	-	0
LLE Block Grant										0	-	0
Recycling Block Grant Fund			22,555							22,555	-	22,555
Human Services Grant							694,831			694,831	-	694,831
California Nutrition Network Grant							82,235			82,235	-	82,235
Human Services Special Revenue										0	-	0
E.M.S. - Paramedic					201,268					201,268	-	201,268
Sewer Maintenance			104,465			2,289,773				2,394,238	-	2,394,238
Equipment Replacement						158,800				158,800	-	158,800
Refuse Impound			104,465		16,500					120,965	-	120,965
TOTAL - CITY	439,393	257,038	4,664,124	8,584,052	5,289,893	6,269,885	2,988,543	212,510	150,000	28,855,438	-	28,855,438
Indirect Staff Charges												
Sewer Fund	8,917	6,895	63,472	-	-	-	-	-	-	79,284	(79,284)	-
Other Agencies - RDA	8,302	6,419	59,093	-	-	-	-	-	-	73,814	(73,814)	-
	17,219	13,314	122,565	-	-	-	-	-	-	153,098	(153,098)	-
TOTAL - CITY/OTHER AGENCIES	456,612	270,352	4,786,689	8,584,052	5,289,893	6,269,885	2,988,543	212,510	150,000	29,008,536	(153,098)	28,855,438

**CITY OF MONTCLAIR
2004-05 General Fund Operating Budget
By Department**

Total Budget - \$24,557,058



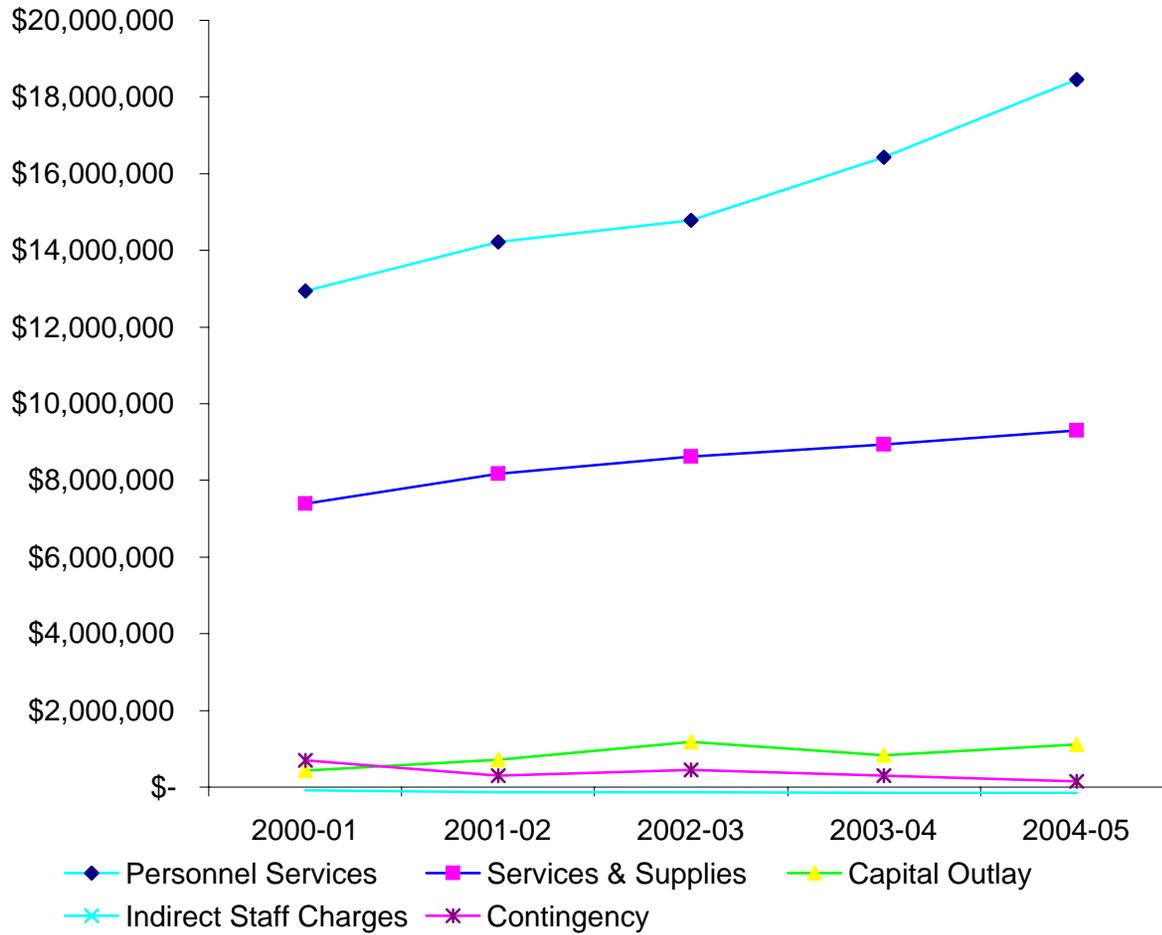
**CITY OF MONTCLAIR
OPERATING APPROPRIATIONS BUDGET
BY OBJECT CLASS
FISCAL YEAR 2004-05**

	<u>Full-Time Employees</u>	<u>Personnel Services</u>	<u>Services Supplies</u>	<u>Capital Outlay</u>	<u>Indirect Staff Charges</u>	<u>Total</u>
City Council	0.000	\$ 82,884	\$ 203,728	\$ 170,000	\$ (17,219)	\$ 439,393
City Manager	1.500	186,583	83,769	0	(13,314)	257,038
Administrative Services	22.120	1,624,127	2,819,048	343,514	(122,565)	4,664,124
Police	80.130	7,516,037	1,040,515	27,500		8,584,052
Fire	39.620	4,585,127	670,741	34,025		5,289,893
Public Works	34.970	2,351,771	3,530,314	387,800		6,269,885
Community Development	18.000	2,071,622	769,921	147,000		2,988,543
City Attorney	0.000	30,180	182,330	0		212,510
Sub-totals	196.340 *	\$ 18,448,331	9,300,366	1,109,839	(153,098)	28,705,438
Contingency						150,000
TOTAL OPERATING BUDGET		<u>18,448,331</u>	<u>9,300,366</u>	<u>1,109,839</u>	<u>(153,098)</u>	<u>28,855,438</u>

* Full-Time Employees:

City	196.340
RDA	6.760
MHC	0.900
	<u>204.000</u>

CITY OF MONTCLAIR
Operating Budgets 2000-01 to 2004-05
Annual Increase (Decrease) By Object Class



CITY OF MONTCLAIR
FY 2004-05 Adopted Budget
SUMMARY OF AUTHORIZED
FULL TIME POSITIONS BY DEPARTMENT

<u>Department</u>	<u>Adopted 2002-03</u>	<u>Adopted 2003-04</u>	<u>Adopted 2004-05</u>
City Council	0.00	0.00	0.00
City Manager	1.50	1.50	1.50
Administrative Services			
Administration	1.45	1.30	1.45
Financial Services	6.97	6.97	6.57
Solid Waste	2.70	1.70	3.00
City Clerk	1.80	1.50	2.10
Personnel/Risk Management	3.60	2.75	3.90
Information Technology	2.00	2.00	3.00
Central Services	1.20	1.20	1.20
Records Retention	0.50	0.80	0.90
Department Total	20.22	18.22	22.12
Police			
Administration	2.13	2.13	2.13
Support Services	1.60	2.10	1.90
Technical Services	2.35	1.35	1.40
Records	9.70	9.20	9.10
Investigations	10.70	12.70	12.70
Uniform Patrol	41.00	45.00	43.80
Communications	7.30	7.30	7.80
Volunteer Services	1.35	1.35	1.30
Department Total	76.13	81.13	80.13
Fire			
Administration	3.12	3.12	3.12
Fire Prevention	1.75	1.75	1.75
Emergency Services	28.00	28.00	28.00
Personnel Development	0.50	0.50	0.50
Equipment Maintenance	0.00	0.00	0.00
Buildings & Grounds	0.00	0.00	0.00
Emergency Preparedness	0.50	0.50	0.50
Code Enforcement	4.75	4.75	4.75
EMS-Paramedica	0.00	1.00	1.00
Department Total	38.62	39.62	39.62

CITY OF MONTCLAIR
FY 2004-05 Adopted Budget
SUMMARY OF AUTHORIZED
FULL TIME POSITIONS BY DEPARTMENT

<u>Department</u>	<u>Adopted 2002-03</u>	<u>Adopted 2003-04</u>	<u>Adopted 2004-05</u>
Public Works			
Engineering Management	1.75	1.75	1.70
Public Works Inspection	1.25	1.25	1.25
Traffic Safety Engineering	0.12	0.12	0.12
Graffiti Abatement	1.30	2.20	2.20
Street Maintenance	7.35	6.15	6.15
Signing & Painting	1.30	1.20	1.20
Street Sweeping	2.25	2.15	2.15
Park Maintenance	6.60	6.50	6.50
Tree Maintenance	0.25	0.15	0.15
Vehicle Maintenance	4.05	3.05	3.05
Sewer Maintenance	6.65	6.35	6.35
Building Maintenance	0.60	0.60	0.60
Heating & Air Conditioning	0.45	0.45	0.45
Janitorial Services	3.10	3.10	3.10
Department Total	37.02	35.02	34.97
Community Development			
Planning Commission	0.00	0.00	0.00
Administration	1.85	1.85	1.85
Current Planning	1.95	1.95	1.95
Advance Planning	1.00	1.00	1.00
Field Inspection	1.50	1.50	1.50
Plan Check	0.50	0.50	0.50
Operations	0.75	0.75	1.00
Geographic Info Systems	1.25	1.25	0.00
Recreation	4.05	5.05	5.05
Service Center	1.45	1.45	1.45
Senior Citizens	1.25	1.25	1.25
Nutritional Meals	0.65	0.65	0.65
Health Education	0.60	0.40	0.40
Children/Family Comm.	1.20	1.40	1.40
Department Total	18.00	19.00	18.00
City Attorney	0.00	0.00	0.00
Total - All Departments	191.49	194.49	196.34

Budget Resolution

RESOLUTION NO. 04-2523

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MONTCLAIR
ADOPTING THE FISCAL YEAR 2004-
2005 BUDGET**

WHEREAS, the City Manager has submitted to the City Council of the City of Montclair the proposed budget for Fiscal Year 2004-2005 including all proposed expenditures, estimated revenues and estimated fund balances; and

WHEREAS, a copy of the proposed budget is on file in the City Clerk's office for inspection by the public; and

WHEREAS, the City Council has duly reviewed the proposed budget at a meeting open to the public on June 15, 2004; and

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Montclair hereby adopts the proposed budget as the annual budget for Fiscal Year 2004-2005.

BE IT FURTHER RESOLVED, that funds are automatically reappropriated into Fiscal Year 2005-2006 for all outstanding purchase orders and unexecuted contracts as of June 30, 2005 for which a valid appropriation exists.

BE IT FURTHER RESOLVED, that funds are automatically reappropriated into Fiscal Year 2005-2006 for all capital improvement projects included in the adopted budget which have not been completed as of June 30, 2005.

BE IT FURTHER RESOLVED, that funds are automatically reappropriated into Fiscal Year 2005-2006 for all grants included in the adopted budget which have not been completed as of June 30, 2005.

BE IT FURTHER RESOLVED, that Department Heads and their designees are authorized to transfer funds between object codes within the services and supplies budget provided the funding source remains the same.

BE IT FURTHER RESOLVED, that except for personnel cost-of-living adjustments which are governed by approved memorandums of understanding, all expenditures from the Contingency Account must be expressly authorized by City Council.

APPROVED AND ADOPTED this 21st day of June, 2004.

Mayor

ATTEST:

City Clerk

I, Donna M. Jackson, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. [04-2523](#) was duly adopted by the City Council of said city and was approved by the Mayor of said City at a regular meeting of said City Council, held on the [21st](#) day of [June](#), [2004](#), and that it was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Donna M. Jackson
City Clerk

Budget Resolution

*Departmental
Operating Budgets*

Supplemental Information

**Equipment Replacement Fund
Analysis Funding Requirement
as of July 1, 2004**

<u>Vehicle</u>	<u>V.I.N.</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Estimated Service Life</u>	<u>Percent Depreciated</u>	<u>Est. Current Replacement Cost</u>	<u>Funding Requirement at 7/1/04</u>
FIRE DEPARTMENT							
2003 KME Rescue Squad **	B25803	08/15/02	26,000	5	40%	26,000	\$10,400
2003 Ford Crown Victoria	162239	12/05/02	26,835	7	29%	27,000	\$7,830
2002 Chevy Truck **	295199	03/02/02	22,717	7	43%	13,500	\$5,805
1999 KME Renegade (Fire Truck) +	N08096	10/01/99	41,995	15	33%	42,000	\$13,860
1995 Chevy Caprice	159690	07/01/95	19,190	7	100%	20,000	\$20,000
1995 Chevy Caprice	159347	07/01/95	19,190	7	100%	20,000	\$20,000
1995 Chevy Caprice	159396	07/01/95	19,190	7	100%	20,000	\$20,000
1995 Chevy Caprice	145500	03/01/95	20,356	7	100%	20,000	\$20,000
1995 Chevy Caprice	159685	07/01/95	19,190	7	100%	20,000	\$20,000
1994 Chevy Caprice	157234	04/01/94	15,645	7	100%	20,000	\$20,000
1994 Chevy Caprice	156461	04/01/94	15,645	7	100%	20,000	\$20,000
1992 Chevy Caprice	147394	09/01/92	15,693	7	100%	20,000	\$20,000
1990 Chevy Van	214620	05/01/90	17,790	7	100%	20,000	\$20,000
1990 Olds Cutlass	353596	08/01/90	13,500	7	100%	16,000	\$16,000
TOTAL FIRE							\$233,895
POLICE DEPARTMENT							
<u>Patrol Vehicles</u>							
2004 Ford Crown Victoria	104660	09/17/03	23,092	3	33%	25,000	\$8,250
2004 Ford Crown Victoria	104659	09/17/03	23,092	3	33%	25,000	\$8,250
2004 Ford Crown Victoria	104658	09/17/03	23,092	3	33%	25,000	\$8,250
2004 Ford Crown Victoria	104657	09/17/03	23,092	3	33%	25,000	\$8,250
2004 Ford Crown Victoria	104656	09/17/03	23,092	3	33%	25,000	\$8,250
2004 Ford Crown Victoria	104655	09/17/03	23,092	3	33%	25,000	\$8,250
2003 Ford Crown Victoria	174009	02/18/03	23,495	3	33%	25,000	\$8,250
2003 Ford Crown Victoria	171951	01/06/03	23,495	3	33%	25,000	\$8,250
2003 Ford Crown Victoria	171952	01/06/03	23,495	3	33%	25,000	\$8,250
2003 Ford Crown Victoria	171953	01/06/03	23,495	3	33%	25,000	\$8,250
2003 Ford Crown Victoria	171954	01/06/03	23,495	3	33%	25,000	\$8,250
1999 Chevy Tahoe	153295	09/01/99	30,298	3	100%	31,000	\$31,000

**Equipment Replacement Fund
Analysis Funding Requirement
as of July 1, 2004**

<u>Vehicle</u>	<u>V.I.N.</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Estimated Service Life</u>	<u>Percent Depreciated</u>	<u>Est. Current Replacement Cost</u>	<u>Funding Requirement at 7/1/04</u>
<u>PUBLIC WORKS</u>							
2003 Big Tex Trailer 5x10	79475	10/06/03	3,104	12	8%	3,500	\$280
2003 Big Tex Trailer 5x10	78957	10/06/03	3,104	12	8%	3,500	\$280
2003 Ford F-250, Stake Body	90866	02/03/03	22,701	12	17%	23,000	\$3,910
2003 Honda CR-V 5DR	005340	02/03/03	20,754	12	17%	22,000	\$3,740
2002 Ford F-250, Flatbed	13727	12/01/02	21,265	12	17%	22,000	\$3,740
2002 Dump Truck	545767	04/02/02	61,748	15	20%	62,000	\$12,400
2001 Ford F-250, Stake Bed	70930	08/01/01	24,643	12	25%	25,000	\$6,250
1999 Chevy Truck w/service body	53989	08/01/99	24,140	12	42%	25,000	\$10,500
1997 GMC Asphalt Truck	519171	02/01/98	83,880	10	70%	90,000	\$63,000
1995 Ford 1/2 Ton	44593	10/01/95	16,300	12	75%	17,000	\$12,750
1993 Chevy 1-Ton	110072	09/01/93	25,860	10	100%	25,000	\$25,000
1993 GMC 1-T Dump Trk	514913	06/01/93	25,146	10	100%	26,000	\$26,000
1993 Chevy 3/4 Ton	180139	03/01/93	17,092	12	100%	17,500	\$17,500
1993 Chevy 3/4 Ton	179098	03/01/93	17,092	12	100%	17,500	\$17,500
1991 Chevy 3/4 Ton	150700	01/01/91	14,714	12	100%	17,000	\$17,000
1990 Ford 3/4 Ton	27445	12/01/89	14,992	12	100%	17,000	\$17,000
1989 Ford 1/2 Ton	10387	05/01/89	13,237	12	100%	17,000	\$17,000
1988 Ford F-250	93691	02/01/88	13,200	12	100%	17,000	\$17,000
Skiploader/Backhoe	315983	01/01/86	33,880	15	100%	53,000	\$53,000
Skiploader/Backhoe	223734	02/01/96	53,617	15	60%	53,000	\$31,800
Mower 48"	101432	09/01/85	2,948	6	100%	3,500	\$3,500
Riding Mower, J.Deere	160792	05/01/97	18,200	7	100%	24,000	\$24,000
Ground Master Mower w/Canopy	00465	01/02/02	36,581	7	43%	37,000	\$15,910
2001 Flatbed Trailer, 12'	41025	01/02/02	4,648	10	30%	5,000	\$1,500
Chipper 1985	00562	10/01/85	14,622	15	100%	20,000	\$20,000
Trencher, Rootcutter	203	04/01/78	14,601	15	100%	23,500	\$23,500
Curb Mower 36", J. Deere	11707	01/02/02	4,864	5	60%	5,000	\$3,000

**Equipment Replacement Fund
Analysis Funding Requirement
as of July 1, 2004**

<u>Vehicle</u>	<u>V.I.N.</u>	<u>Purchase Date</u>	<u>Purchase Price</u>	<u>Estimated Service Life</u>	<u>Percent Depreciated</u>	<u>Est. Current Replacement Cost</u>	<u>Funding Requirement at 7/1/04</u>
Public Works Cont.							
Roller, Ingram	FA13	03/01/79	14,930	20	100%	30,000	\$30,000
Roller, Essick	2129	10/01/86	8,847	12	100%	9,000	\$9,000
Sweeper **	65366	11/04/02	105,000	8	25%	125,000	\$31,250
Striper	71785	02/01/87	21,573	15	100%	36,000	\$36,000
2002 Pressure Washer - Landa	C041019	01/03/03	10,962	10	20%	12,000	\$2,400
Sweeper 1996	CO41002	02/01/96	103,525	8	100%	105,000	\$105,000
Chevy-Dump Truck	109792	04/01/85	37,062	15	100%	60,000	\$60,000
Stencil Truck	11777	01/01/93	40,566	15	80%	40,000	\$32,000
TOTAL PUBLIC WORKS							\$752,710
OTHER DEPARTMENTS							
1996 Dodge Intrepid	101813	07/01/96	21,000	7	100%	21,000	\$21,000
City Manager Vehicle	-	-	-	5	100%	22,000	\$22,000
1999 Chevy Truck S-10 (C.D.)	2138843	10/01/99	21,970	7	71%	22,000	\$15,620
1999 Chevy Ex-cab Truck S-10 (C.D.)	8138421	10/01/99	17,983	7	71%	18,000	\$12,780
TOTAL OTHER DEPARTMENTS							\$71,400
TOTAL ALL DEPARTMENTS			<u>2,106,360</u>			<u>2,188,500</u>	<u>\$1,520,215</u>

* Amount financed by Equipment Replacement Fund (75%)

** Partially Funded by Equipment Replacement. Remaining Funding from Public Safety Fund

+ 1999 KME Fire Engine Purchase Price is ERF portion only of \$290,164 paid. Remaining Funding came from SB 509 Public Safety Fund

GLOSSARY OF TERMS

The following explanations of terms are presented to aid in understanding the information contained in this budget and other financial documents issued by the City of Montclair. Most of the terms included in this glossary are taken directly from the publication Governmental Accounting, Auditing, and Financial Reporting issued by the Government Finance Officers Association; the acronym GAAFR is used to reference material so obtained.

ACCOUNTING SYSTEM. The methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities. (Source: GAAFR)

ACCRUAL BASIS. The recording of the financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government. (Source: GAAFR)

AGENCY FUND. A fund normally used to account for assets held by a government as an agent for individuals, private organizations or other governments and/or other funds. The agency fund also is used to report the assets and liabilities of Internal Revenue Code, Section 457, deferred compensation plans. (Source: GAAFR)

APPROPRIATION. Authorization obtained from City Council to incur expenditures or expenses for specific purposes. Appropriations are usually made for fixed amounts and typically lapse at the end of the budget year.

BUDGET. A plan of financial operation for a given period of time which is comprised of authorized expenditures (appropriations) and the proposed means of financing them (estimated revenues and available reserves).

CAPITAL IMPROVEMENT BUDGET. The portion of the annual budget which includes appropriations for major infrastructure expenditures and select equipment acquisitions.

CAPITAL IMPROVEMENT PROGRAM. A five-year plan of proposed infrastructure expenditures and the proposed resources for financing them. The first year of the Capital Improvement Program is included in the preliminary budget for City Council review and approval.

CAPITAL OUTLAY. Generally understood to be any material expenditure for personal and real property. In the City's budget, however, capital outlay is used to denote expenditures for equipment which cost at least \$1,500.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash is received or disbursed. (Source: GAAFR)

DEBT SERVICE FUND. A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Sometimes referred to as a SINKING FUND. (Source: GAAFR)

DEFERRED REVENUE. Amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, amounts that are measurable but not available are one example of deferred revenue. (Source: GAAFR)

DEFICIT. The excess of expenditures over actual revenues received during the budget year.

ENCUMBRANCE. An unexecuted purchase order or contract. Encumbrance accounting is used to assure that budgeted appropriations are not exceeded.

ENTERPRISE FUND. A fund used to account for the operations of a governmental program which are conducted in a manner similar to the private sector. Primary emphasis is given to determining net income as a basis for establishing user charges. The City uses an enterprise fund to account for its sewer maintenance program.

EXPENDITURES. Decreases in net financial resources. Expenditures include current operation expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements and shared revenues. (Source: GAAFR)

EXPENSES. Outflows or other using up of assets or incurrences of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. (Source: GAAFR)

FISCAL YEAR. A twelve-month period of time which corresponds to the budget year. The City's fiscal year begins July 1 and ends June 30.

FIXED ASSETS. Tangible assets comprised of equipment, building, improvements other than buildings and land. The term is derived from the "fixed" annual depreciation expense on buildings and equipment.

FUND. A fiscal and accounting entity with a self-balancing set of accounts organized for the purpose of achieving specific objectives.

FUND BALANCE. The difference between assets and liabilities.

FUND BALANCE - RESERVED. That portion of fund balance which is either legally restricted from expenditure or is not available for expenditure.

GENERAL FUND. The general fund is used to account for the resources and expenditures of programs not required to be recorded in another fund. Typically, the general fund represents the primary operating fund of a governmental entity.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statement of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board. (Source: GAAFR)

INDIRECT STAFF CHARGES. Reimbursement of administrative costs associated with services provided to the Redevelopment Agency and the Sewer Maintenance Fund.

INFRASTRUCTURE. Generally regarded to mean real property improvements other than buildings, e.g., streets, sidewalk, water/sewer lines, etc.

INTERFUND TRANSFERS. Transfers between funds are denoted as Transfers-Ins (receiving fund) and Transfers-Outs (distributing fund) to inform the statement reader that the transactions do not represent additional revenues and expenditures to the governmental entity as a whole.

MEASUREMENT FOCUS. The accounting convention that determines (1) which assets and which liabilities are included on a government's balance sheet and where they are reported there, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses). (Source: GAAFR)

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond issue proceeds) are

recognized when they become susceptible to accrual, that is when they become both "measurable" and "available to finance expenditures of the current period." "Available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the fund liability is incurred except for (1) inventories of materials and supplies that may be considered expenditures either when purchased or when used, and (2) prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. (Source: GAAFR)

OBJECT. A term used to denote the type of expenditure incurred. The City's operating budget includes three major objects of expenditure: (1) personnel services, (2) services and supplies and (3) capital outlay.

OPERATING BUDGET. The annual budget for on-going program costs, including salaries and benefits, service and supplies, and capital outlay expenditures.

PROGRAM. Group activities, operations or organizational units directed to attaining specific purposes or objectives. (Source: GAAFR)

REVENUES. (1) Increases in the net current assets of a governmental fund type from other than expenditure refunds and residual equity

transfers. Also, general long-term debt proceeds and operating transfers from another fund are classified as "other financing sources" rather than as revenues. (2) Increases in the net total assets of a proprietary fund type from other than expense refunds, capital contributions and residual equity transfers. Also, operating transfers from another fund are classified separately from revenues. (Source: GAAFR)

SPECIAL REVENUE FUND. A fund used to account for resources which are legally restricted for specified purposes.

TAXES. Compulsory charges levied by a government to finance services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits, such as special assessments. Neither does the term include charges for services rendered only to those paying such charges (e.g., sewer service charges). (Source: GAAFR)

TRUST FUNDS. Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds. (Source: GAAFR). The City uses trust funds to earmark resources for specific purposes including funding vehicle depreciation costs and maintaining the City's infrastructure.

ACRONYMS

The following acronyms are presented to assist in understanding the information contained in this budget:

Administrative Services

ADA	Americans with Disabilities Act
AIDS	Auto Immune Deficiency Syndrome
ASTD	American Society for Training and Development
CALPELRA	California Public Employers Labor Relations Association
CMRTA	California Municipal Revenue and Tax Association
CMTA	California Municipal Treasurers' Association
COBRA	Consolidated Omnibus Budget Reconciliation Act
CSMFO	California Society of Municipal Finance Officers
FLSA	Fair Labor Standards Act
FMLA	Family and Medical Leave Act
GAAP	Generally Accepted Accounting Principles
GASB 34	Governmental Accounting Standards Board Statement No. 34
GIS	Geographic Information Systems
HIPAA	Health Insurance Portability and Accountability Act
IAPMA	Inland Area Personnel Management Association
ICMA	International City/County Management Association
IPMA	International Personnel Management Association
MISAC	Municipal Information Systems Association of California
OSHA	Occupational Safety and Health Act
PARMA	Public Agency Risk Managers Association
PEG	Public Educational and Governmental Access Channels
PERS	Public Employees Retirement System
RDA	City of Montclair Redevelopment Agency
SBOE	State Board of Equalization
SCPLRC	Southern California Public Labor Relations Committee
SCPMA	Southern California Personnel Management Association
SGVLRC	San Gabriel Valley Labor Relations Committee
TBA	To be announced

Police Department

CAD/RMS	Computer Aided Dispatch/Records Management System
CCUG	California Law Enforcement Telecommunication System Users Group
CLEARs	California Law Enforcement Association of Records Supervisors
CLETS	California Law Enforcement Telecommunication System
CPOA	California Peace Officers Association
DOJ	Department of Justice

ACRONYMS

Police Department (continued)

HTCIA	High Tech Crime Investigators Association
POST	Police Officer Standards and Training
SEMS	Security Engineered Machinery
WECA	West End Communication Authority
WESTNET	West End Narcotics Enforcement Team

Fire Department

ACLS	Advanced Cardiac Life Support
AED	Automatic External Defibrillator
AQMD	Air Quality Management District
CCAI	California Conference for Arson Investigators
CFCA	California Fire Chiefs Association
CPAT	Candidate Physical Ability Test
EMA	Emergency Management Assistance
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
FEMA	Federal Emergency Management Agency
ICBO	International Conference of Building Officials
ICEMA	Inland Counties Emergency Medical Agency
MRE	Meals Ready to Eat
OIA	Ontario International Airport
OSHA	Occupational Safety and Health Act
PALS	Pediatric Advanced Life Support
SCACEO	Southern California Association of Code Enforcement Officials
USAR	Urban Search and Rescue

Public Works

ASCE	American Society of Civil Engineers
DBE	Disadvantaged Business Enterprise
MSDS	Material Safety Data Sheet
NPDES	National Pollutant Discharge Elimination System
PAPA	Pesticide Applicators Professional Association
RSES	Refrigeration Service Engineers Society

Community Development

CALBO	California Building Officials
CPRS	California Parks and Recreation Society
ESRI	Environmental Systems Research Institute

ACRONYMS

Community Development (continued)

IAPMO	International Association of Plumbing and Mechanical Officials
ICBO	International Conference of Building Officials
NAEYC	National Association for Education of Young Children
SAMS	Senior Assistance Management System
SCMAF	Southern California Municipal Athletic Federation

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