

# Santa Monica Adopts City Budget for 2005-06

*The adopted budget for 2005-06 and budget plan for 2006-07 “reflect an improving economy, focus resources on community priorities. . .and maintain financial flexibility critical to meeting the changing needs of the community over time.”*

--City Manager's Budget Message

On June 21, 2005, the Santa Monica City Council held a public hearing and adopted the municipal budget for the July 1, 2005 to June 30, 2006 fiscal year. This overview has been prepared to give the community at-a-glance information on the budget.

## Economy up, but so are costs

Local sales tax and transient occupancy tax (TOT) revenues appear to have returned to pre-recession levels. Coupled with the 2% increase in the TOT approved by voters last November, the city's revenue picture is good for 2005-06 with indications of continued moderate growth in the following year. While very good news for the local economy and the city's ability to respond to

community needs, the improvement is countered by rising inflation and fuel, utilities, retirement and health care costs affecting government and business nationwide. California cities remain vulnerable to state action, despite the passage of Proposition 1A protecting local revenues, owing to the state's continuing structural budget deficit.

## What's new with the adopted budget

### **Dollars**

- \$207.9 million general fund (**down 8.2% largely due to a reduced capital budget**)
- \$188.8 million other designated funds (includes \$49.9 million Big Blue Bus, \$43.7 million Redevelopment Agency, \$14.9 million Housing Authority)

### **Highlights**

Strategic enhancements to allow General Fund emphasis on community priorities for 2005-06 include funding five new staff positions to

address homeless issues; allocating positions to coordinate youth and neighborhood programs at Virginia Avenue Park when it reopens this fall, adding a trades intern position and graffiti removal technician and making capital funds available for streetscape and lighting improvements in the Pico neighborhood, all as part of the city's commitment to gang violence prevention; funding a cultural arts master plan; and new ongoing funds for infrastructure and landscape maintenance.

**City of Santa Monica Finance Department**

*Working with you for a sound financial future*

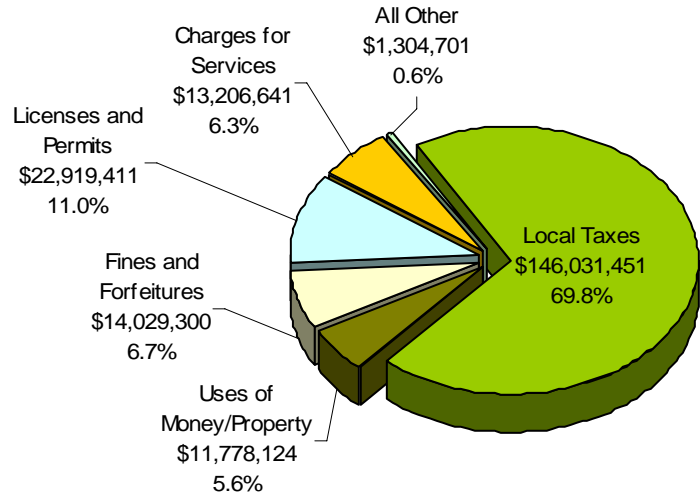


# Santa Monica Adopted City Budget 2005-06

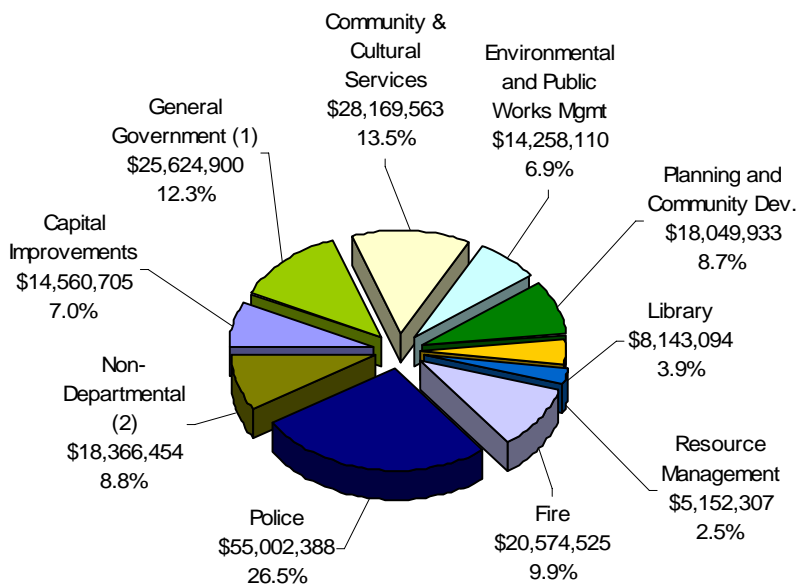
## General Fund

### Where the money comes from

City revenues are derived from diversified sources, affording a financial base that, along with financial flexibility, a healthy reserve and using only ongoing funds for ongoing needs allowed the city to maintain a triple-A bond rating (saving taxpayer money) through the last few years of economic downturn. During the lean years, the city was able to advance community-serving projects that will open in 2005-06, including Virginia Avenue Park, the new Main Library and the Skate Park.



### Where the money goes



#### Local Taxes include:

• Utility Users Taxes	\$30,684,000
• Sales Taxes*	\$30,030,000
• Transient Occupancy Taxes	\$26,960,000
• Property Taxes*	\$26,141,651
• Business License Taxes	\$18,681,436
• All other taxes	\$13,534,364

\* City receives a portion; collected by state or county

*City funding priorities are determined with input from the community throughout the year and during the budget development and review process.*

## Voice your opinion on city budget matters

You may submit budget or other suggestions at any time via the web at [www.smgov.net](http://www.smgov.net) (click on the "feedback" link), by phone at 310-458-8301, by mail to the City Manager's Office, Santa

Monica City Hall, 1685 Main Street, Room 209, Santa Monica, CA 90401. City Council and city staff are interested in hearing from the public on budget and other matters year-round.



The city budget is posted in its entirety on the city website at [www.smgov.net/finance](http://www.smgov.net/finance). Copies are also available at libraries. Contact the Finance Department at (310) 458-8281 or [finance.mailbox@smgov.net](mailto:finance.mailbox@smgov.net).