



Photograph by Greg Peterson

Adopted Santa Monica Budget for 2006-07 *Refocus on Core Services*

The adopted budget for 2006-07 and budget plan for 2007-08 “reflect an economy that continues to improve and focuses the City’s resources on our core services and community priorities”

--City Manager’s Budget Message

Economy – Mixed and Uncertain

During fiscal year 2006-07, economy-driven revenues including sales taxes, property taxes and transient occupancy taxes (TOT) and business license taxes are expected to continue to improve moderately. While very good news for the local economy and the city’s ability to respond to community needs, the improvement is countered by rising oil prices that eventually will “trickle down” through the economy sending inflation higher. In addition, a major potential revenue threat is the legal challenges that

threaten to reduce or eliminate the telecommunication portion of the City’s Utility Users Tax (UUT) revenues. The loss of UUT from telecommunication services could result in lower ongoing revenues of \$8 to \$12 million. To forestall the need for an immediate reaction to legal decisions later this year, the Council has set aside \$8.2 million to buffer against any revenue losses, allowing time for expenditure adjustments.

What’s new with the adopted budget

Dollars

- \$236.9 million General Fund (up 11.0% the largest percentage increase due to the capital budget)
- \$205.8 million other designated funds (includes \$52.1 million Big Blue Bus, \$53.3 million Redevelopment Agency, \$15.0 million Housing Authority, 18.4 million Solid Waste, 16.4 million Water, 16.6 million Wastewater)

projects. Funds are provided for Palisades Bluff clean-up, street and sidewalk maintenance, higher lighting levels for the Pico Neighborhood and a more aggressive citywide graffiti removal program. More capital dollars are provided to upgrade and renovate existing buildings, street light replacement and traffic signal system which we hope will assist in reducing much of our traffic congestion challenges.

Highlights

Strategic enhancements to allow General Fund emphasis on the strengthening of core services: In 2006-07 include higher levels of support for maintenance and repair to facilities and management of major construction

- Safety and Security
- Deferred Maintenance
- Operation of Facilities
- Business and Human Resources Systems
- Customer Service both Internal and External

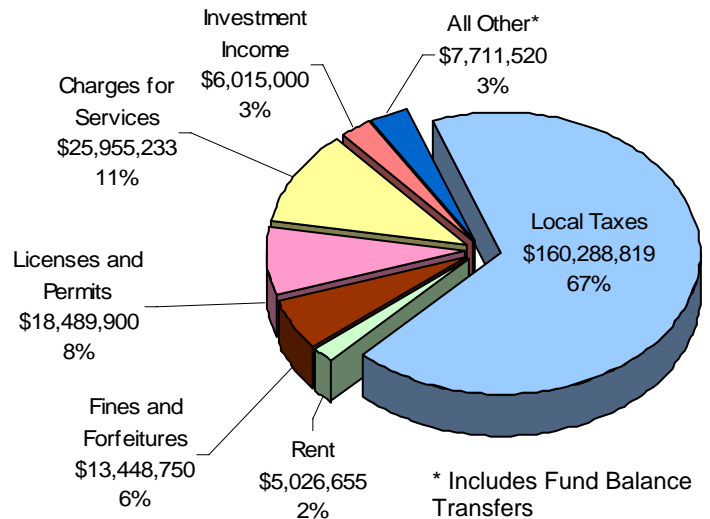
Santa Monica Adopted City Budget 2006-07

General Fund

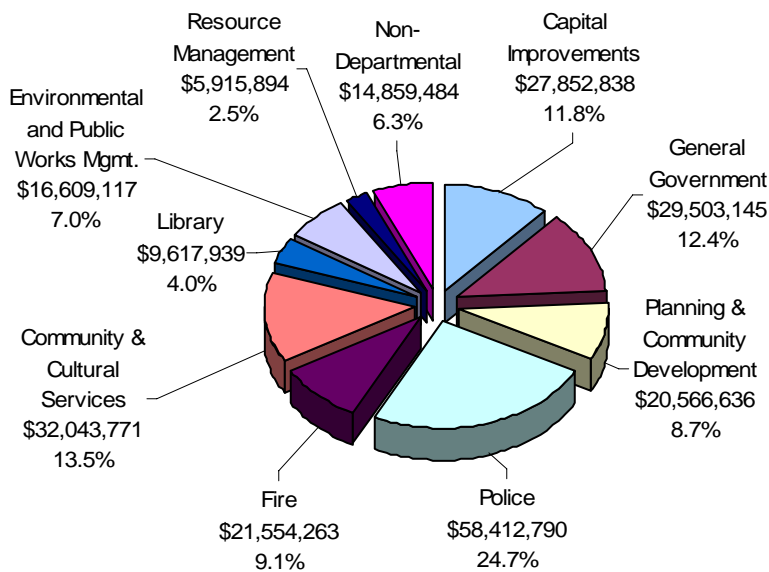
\$236,935,877

Where the money comes from

City revenues are derived from a variety of sources. Local tax revenues are relatively evenly divided between five major sources providing the City with financial flexibility. In addition to providing the City with revenue stability, it allows the city to maintain a triple-A bond rating (saving taxpayer money) when outside financing is used for major capital projects such as the Library and the Civic Center Parking Structure.



Where the money goes



Local Taxes include:

- Utility Users Taxes \$31,212,000
- Sales Taxes† \$33,075,000
- Transient Occupancy Taxes \$30,500,000
- Property Taxes† \$32,020,819
- Business License Taxes \$20,900,000
- All Other Taxes \$12,581,000

† 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

Budget suggestions are encouraged year-round. You may submit budget or other suggestions via the web at www.smgov.net, 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, or by attending

various future council meetings in the Council Chamber at City Hall, 1685 Main Street. 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. Printed copies are also available at libraries. Contact the Finance Department at (310) 458-8281 or finance.mailbox@smgov.net.