



## CITY OF LODI

# BUDGET IN BRIEF

The 2007-08  
City of Lodi Budget

Adopted and approved by:  
The Lodi City Council

*Bob Johnson, Mayor*  
*JoAnne Mounce, Mayor Pro Tempore*  
*Susan Hitchcock, Council Member*  
*Larry Hansen, Council Member*  
*Phil Katzakian, Council Member*

### CITY OF LODI FISCAL YEAR 2007-08 BUDGET IN BRIEF

This “Budget-in-Brief” is a concise overview of the City’s budget. It describes the fund structure used by the City and summarizes the 2007-08 Fiscal Year Budget by highlighting key budget features. A comprehensive presentation of the City budget can be found on the City’s website at [www.lodi.gov](http://www.lodi.gov).

#### Financial Structure Overview

The City’s accounting system is organized on a fund basis. Each fund is a distinct accounting entity used to record all financial transactions related to the specific purpose for which that fund was created. The City’s primary fund is the General Fund which accounts for all monies not required to be placed in another fund. Most general municipal services are provided via the General Fund.

Special revenue funds are used to account for revenue received from external agencies. Use of these funds is restricted for a specific purpose. Examples include Transportation Development Act funds that can only be used for transit purposes or transportation projects and Community Development Block Grant funds. Capital project funds are used to account for the accumulation and expenditure of resources to be used to purchase and construct capital items such as police headquarters, fire stations, roads, utility lines and other infrastructure that citizens rely on to function in a modern urban environment. Debt service funds are used to account for assets set aside to make payments on the City’s outstanding debt. Enterprise funds operate just like a business with the intent that the cost of providing the service is recouped by charges to external users. Enterprise funds include self-supporting services such as water, wastewater, and electric utility.

#### Budget Process

The budget process begins in December of each fiscal year, which begins July 1 and ends June 30 of the next calendar year. The Budget Division provides revenue estimates for the upcoming year. These estimates provide an approximation of the resources that will be available to fund City services. Departments will then

**General Fund Budget**

prepare their budgets based on available resources and direction from the City Manager. The City Manager presents a preliminary budget to the City Council for its review and input. The City Council then adopts the budget before it takes effect July 1. In 2005, the City Council appointed a Budget/Finance Committee to review budgets and make recommendations to the City Council during this process.

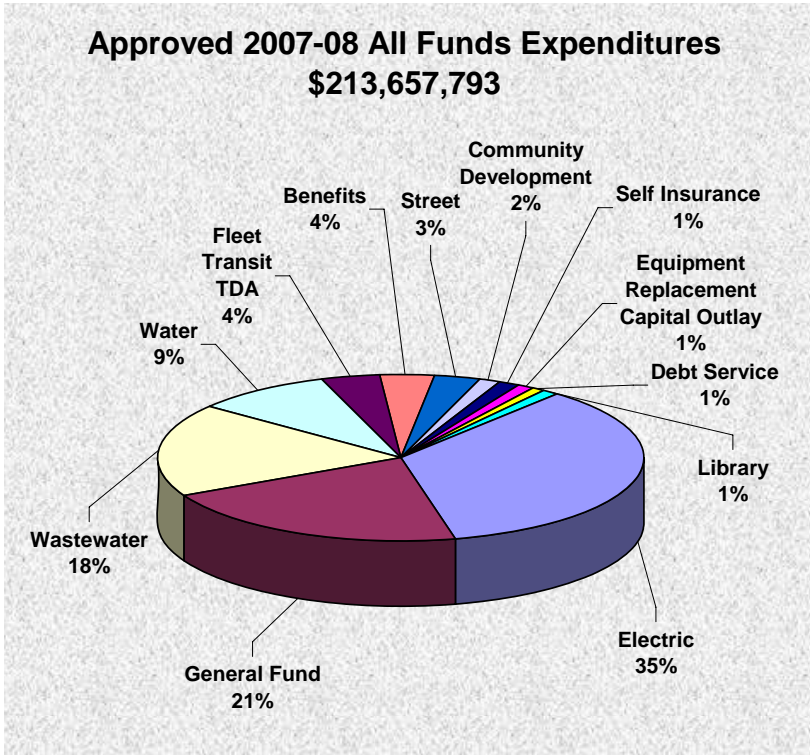
**2007-08 Budget Summary**

The budget is a financial plan the City Council uses to establish programs and services to be provided by the City and to allocate funds necessary to carry out those programs and services. The City's total 2007-08 budget consists of a \$215,501,508 revenue projection and an expenditure allocation of \$213,657,796.

The General Fund Budget is one component of the total City Budget, comprising approximately 21 percent of all City expenditures. General Fund revenues pay for basic services such as police, fire, public works, park maintenance, Hutchins Street Square and recreational programs. Since water, wastewater, and electric utility services are self-supporting, they are excluded from this fund.

General Fund revenues for 2007-08 are projected at \$44,873,225. The two largest sources, sales tax and property tax, make up 45 percent of revenues. Other revenues include license fees, permit fees, fines and forfeitures. General Fund expenditures for 2007-08 reflect an increase of 1.7 percent over the 2006-07 budget appropriations. Public safety (police and fire) accounts for 53 percent of General Fund spending. The General Fund also provides support for other City services by transferring revenues to other funds. One example is the library, which is supported in part by property tax revenues collected in the General Fund.

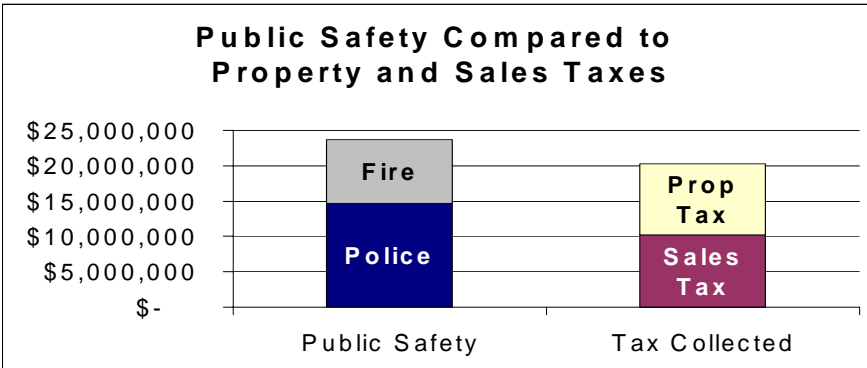
**Approved 2007-08 All Funds Expenditures  
\$213,657,793**



**GENERAL FUND SERVICES**

Police Dept	33%	\$ 14,692,716	Public Works	8%	\$ 3,500,297
Fire Dept	20%	\$ 9,000,340	Admin *	4%	\$ 1,610,736
Non-Dept *	14%	\$ 6,366,018	Com Center	3%	\$ 1,462,957
Internal Svcs *	9%	\$ 4,225,243	Economic Dev	1%	\$ 223,220
Parks & Rec	8%	\$ 3,791,698	<b>TOTAL</b>	<b>100%</b>	<b>\$ 44,873,225</b>

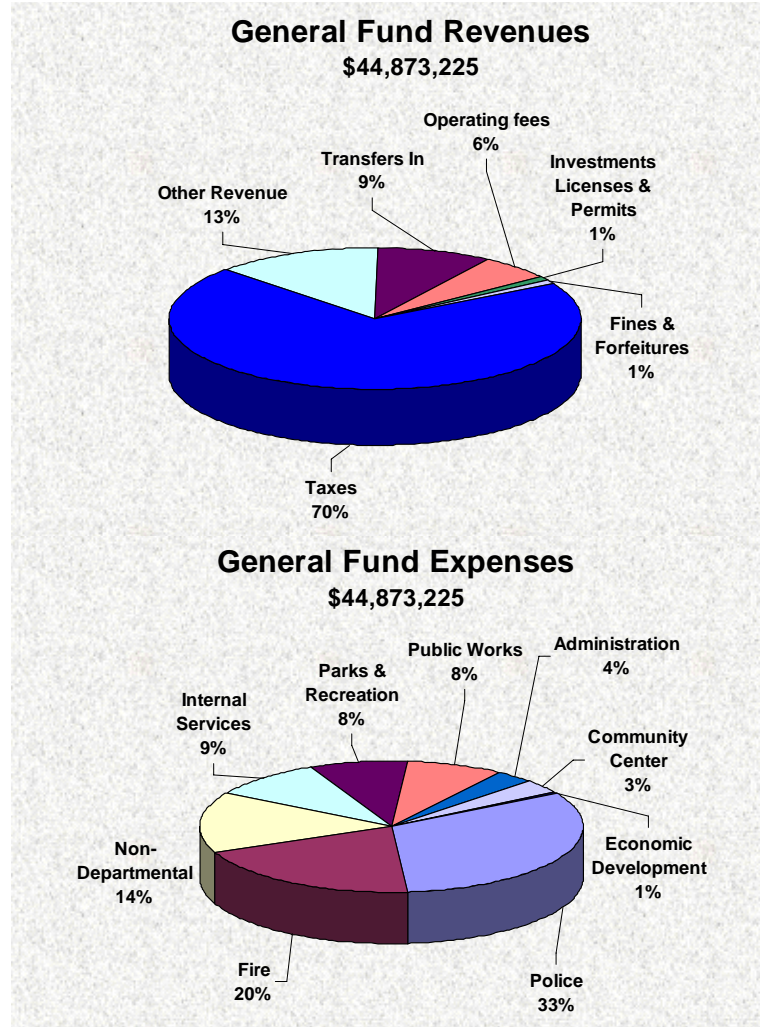
**Public Safety Compared to Property and Sales Taxes**



\*Non-Departmental includes expenditures for city-wide phone costs, city-wide utilities and General Fund transfers to other funds. Internal Services are expenditures for Budget/Treasury, Financial Services, Human Resources, and Information Systems. Administration includes expenditures for the City Clerk, City Attorney and City Manager.

**General Fund  
2007-08 Revenues and Expenditures**

General fund revenues provide basic City services to the public. The first chart illustrates General Fund revenues by source and their relation to the fund in total. The second chart illustrates City services supported by General Fund revenues according to department or function.



**Enterprise Funds**

The City of Lodi has three utility enterprise funds. These include Electric Utility, Water, and Wastewater. Each utility is designed to be self-sufficient.

• **Electric Utility Fund**

The Electric Utility not only provides electricity to Lodi's residential, commercial and industrial customers, it strives to strengthen the community through a variety of programs. The Public Benefits program provides assistance to low-income households, energy conservation information, and demonstration projects.

2007-08	Estimated Revenues	Approved Expenditures
Electric Utility Fund	\$77,282,257	\$75,454,770

• **Water and Wastewater Funds**

The Water and Wastewater Funds finance the Water Services Division. This Division is responsible for providing a reliable supply of safe drinking water for all residents, providing water at adequate pressure for fire hydrants and for treating wastewater in order to meet all federal and state standards. Public Works also oversees PCE/TCE remediation activities.

2007-08	Estimated Revenues	Approved Expenditures
Water Fund	\$19,204,140	\$19,979,528
Wastewater Fund	\$39,066,024	\$38,424,331

The utility funds are intended to be self-sufficient and operate independently of the General Fund or other funds, much like a business. Revenues in the form of customer rate fees for electric, water, and wastewater services are designed to meet not only daily needs but also to maintain and develop infrastructure for future use. Some capital projects included in the 2007-08 budget are: upgrade of the City's wastewater facility, a major water main replacement, upgrades to the municipal service center, and continuing efforts to remove PCE and TCE from central Lodi's groundwater to protect the City's water supplies.



City of Lodi  
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## Other Funds

The City provides other services not funded by the General Fund or the enterprise funds. Some of these include the Streets, Library, Community Development, Transit and the Capital Outlay funds.

- **Streets Fund**

The Streets Fund handles all street and pavement maintenance activities including street cleaning and sweeping, traffic control devices, street trees, sidewalk and landscape maintenance, and management of runoff in the stormwater collection system.

- **Library Fund**

The Library Fund provides programs and services offered by the Lodi Public Library including maintaining/updating book inventory, literacy programs, children’s reading programs and facility maintenance.

- **Community Development Fund**

This fund provides community services including planning, issuance of construction permits, building inspection and administration of the Community Development Block Grant program.

- **Transit**

The Transit Fund provides citizens of Lodi with a daily fixed-route bus and Dial-A-Ride transit system as well as administration of transportation grants and oversight of the Lodi Station Parking Structure.

- **Capital Outlay Fund**

The Capital Outlay Fund maintains and extends the useful life of city assets such as buildings, parks and equipment as well as developing new fire stations, police stations, community facilities and parks as Lodi grows.

2007-08	Estimated Revenues	Approved Expenditures
Streets Fund	\$4,847,014	\$6,239,110
Library Fund	\$1,738,989	\$2,399,763
Community Dev. Fund	\$1,991,001	\$1,954,765
Transit Fund	\$6,842,862	\$6,247,430
Capital Outlay Fund	\$2,769,320	\$1,850,299