



CITY OF CARLSBAD 2008-2009

# BUDGET OVERVIEW

*Our mission is to provide top quality service to our citizens and customers in a manner that enhances the quality of life for all who live, work and play in Carlsbad.*

Building a Sustainable Community by Effectively Managing Today's Resources

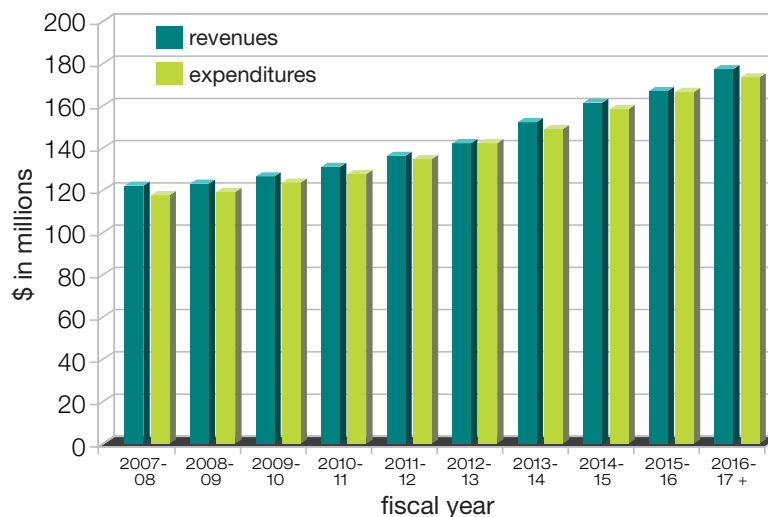
## BUDGET SUMMARY

For FY 2008-09, estimated revenues are \$240.3 million. The adopted budget is \$252.5 million, with \$195.2 in the Operating Budget and \$57.4 million in the Capital Improvement Program. This budget emphasizes maintenance and operation of the City's current infrastructure. No new programs or expanded levels of service are

included in the budget, being conscious of the economic slowdown. This year's budget reflects the anticipated achievement of Council's vision and goals for the City. It allocates the available funding in a manner that proactively plans for the future. This plan will provide essential City services to all who live, work, and play in Carlsbad.

## LOOKING FORWARD: 10-YEAR FORECAST

General Fund: Revenues over Expenditures



**Financial Health** is a top priority of the City Council and an important aspect in developing the budget for the City. The City prepares a **Ten-year Forecast** for the General Fund each year in order to understand the impact of actions taken today on the City's future. The 10 year financial forecast is a useful tool to manage the City through economic uncertainty.

There are many new City facilities, such as parks and civic facilities, that will add operating costs to the City's General Fund budget as they are completed and opened for use. The forecast incorporates the operating costs of these new facilities and helps the City achieve the goal set out by Council to maintain a balanced budget. The forecast graph shows that the General Fund is balanced into the future with a slight surplus in each year (0 to 3%). For 2008-09, anticipated revenues are forecasted to exceed expenditures by approximately \$2.3 million. Any surplus funds at the end of the year will be added to the City's fund balance to pay for unanticipated expenses or other "one-time" costs.

The 10 year financial forecast, while balanced, is reflecting less projected surpluses in each of the ten years than in previous years' forecasts. The City will need to monitor its revenues and expenditures closely to ensure continued fiscal stability through these turbulent and uncertain economic times.

The City of Carlsbad has a diverse revenue base and is in a good economic position; however, Carlsbad is not immune to the economy. The planning and foresight by the City Council and residents have provided a sound economic base for the City. Fiscal conservatism, which has consistently been the City's overall approach to managing its finances, will be even more important during this economic slowdown. The challenges for the future will also include transitioning from a developing City to a fully built City; it will be about managing costs while continuing to look for appropriate revenue streams sufficient to pay for the services desired by the citizens.

City of Carlsbad Finance Department

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## CITY OF CARLSBAD'S STRATEGIC GOALS

The Carlsbad City Council meets annually to review the City's progress and plan for the next year. This is the first step in the City's process of aligning the mission and vision for Carlsbad and the priorities of the City Council and residents. Listed below are Council's Strategic Goals for 2008-2009.

**Balanced Community Development:** Connect community, place and spirit, through balanced and economically sustainable land uses.

**Citizen Connection & Partnership:** Embrace community connectivity through the effective use of technological and interpersonal mediums.

**Communication:** Ensure that community members, Council and staff are well informed, continuing to be a more responsive government while providing a high level of citizen confidence in its government.

**Environmental Management:** Support an environmentally sensitive community by focusing on conservation, storm water, sewage collection and treatment, solid waste, and cost effective and efficient use of energy including alternative energy sources.

**Financial Health:** Pursue and implement proactive strategies that support sustainable economic health and manage City resources effectively.

**Learning, Culture & Arts:** Promote and support continuous learning, cultural opportunities and the arts within the community and the City organization.

**Parks / Open Space / Trails:** Acquire, develop and maintain a broad range of open space and recreational facilities that actively address citizen needs which are fiscally responsible, and are consistent with the General Plan and Growth Management Standards.

**Safe Community:** Maintain a safe and secure community through collaborative partnerships. Public safety providers support high standards, deliver protection of life and property, and encourage community involvement in prevention and preparedness efforts.

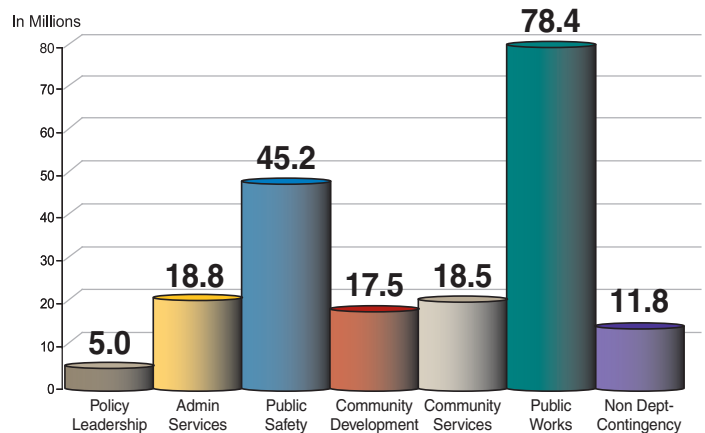
**Transportation / Circulation:** Provide and support a safe and efficient transportation system that moves people, services and goods throughout Carlsbad.

**Water:** Ensure, in the most cost-effective manner, water quality and reliability to the maximum extent practical, to deliver high quality potable and reclaimed water incorporating drought-resistant community principles.

## OPERATING BUDGET

The \$195.2 million of the FY2008-09 Operating Budget funds the ongoing operations and services of the City and is categorized by major service area (MSA). The MSAs represent the key businesses of the City and a brief summary is provided for each of the MSAs.

### 2008-09 Operating Expenditures



The **Policy and Leadership** group encompasses all elected officials and the chief executive offices for the City. These include the offices of City Council, City Manager, Communication, City Clerk, City Attorney and City Treasurer.

**Administrative Services** includes Finance, Records Management, Human Resources, Purchasing, Health Insurance, Risk Management, Workers' Compensation and Information Technology (IT).



**Public Safety** services include all of the Police and Fire programs such as Traffic, Field Operations, Vice, Narcotics, Juvenile Diversion and DARE programs, Fire Prevention, Disaster Preparedness and Emergency Operations.

**Community Development** provides the services that guide and oversee the planning and development of Carlsbad as depicted in the City's General Plan. The General Plan is the City's constitution "that expresses the goals" and public policy relative to land use.

**Community Services** is made up of the Library, Cultural Arts, Recreation and Seniors programs. These programs provide educational and leisure opportunities for the citizens of Carlsbad.



**Public Works** is responsible for the building and maintenance of the City's infrastructure and facilities and for the provision of utility services. It is comprised of the engineering, parks, streets, facilities, fleet, water and sewer departments.

The **Non-Departmental and Contingency** accounts include programs benefiting the City as a whole such as community promotions, community contributions, assessment services and a transfer to the Infrastructure Replacement Fund of \$7.8 million.

## Two New Facilities



The City has two **new facilities** scheduled to open in the 2008-2009 fiscal year. The new Library Learning Center, providing a permanent location for the Adult Learning and the Centro de Información programs, opened in August 2008. In addition, seven new tennis courts at Poinsettia Park are anticipated to open in October 2008. The Public Works Department will be hiring 1.0 Custodian and 0.5 Parks Maintenance Worker to maintain these new facilities. The Information Technology Department will be hiring 0.5 Systems Administrator I to assist with operations of the new Library Learning Center.

# CAPITAL IMPROVEMENT PROJECTS

The \$57.4 million in the **2008-09 Capital Improvement Program (CIP)** provides the funds for the construction (or replacement) of major infrastructure such as streets, libraries, parks, fire stations and administrative facilities. Some of the notable capital projects in the CIP include the following:

## Civic Projects

Planning for a **Civic Center** is ongoing, with the City Council, citizens and members of the business community helping to determine how the Civic Center can best meet the needs of the citizen's and the City. The Civic Center would provide a gathering place for the community as well as consolidating City administrative operations into a centralized location. It also may include a variety of other services and recreational opportunities for citizens and visitors.



**Fire Station No. 3** is currently located at the corner of Chestnut and Catalina. As the City grows eastward, relocation of this station is needed to help ensure a five-minute response time. The new station is budgeted as a 6,200 square foot facility and the cost is projected at \$7.0 million.

The **Joint First Responders Training Facility** is planned for construction on a site at the Carlsbad Safety Center adjacent to Fire Station No. 5, at a total cost projection of \$24.5 million. Preliminary plans for this facility include a 25-yard and 100-yard shooting range, a four-story fire training tower, a two-story residential training facility, an outdoor seating pavilion, and a fire administration office building with classrooms. A centralized facility will provide a more efficient and effective approach to a wide range of critically important training needs.

The **Public Works Center** will include offices, shops, a yard, warehouse and parking to accommodate the Public Works Department. The estimated cost of the facility is approximately \$28.1 million.

## Park Development



The design of the **Alga Norte Park and Aquatic Center** has been completed. This is a 30 acre park in the Southeast Quadrant with ball fields, picnic areas, tot lots, a skate park, a dog park, restrooms, parking facilities and an aquatic center. The aquatic center would include a 50-meter competition pool, a 12-lane instructional pool and a therapy pool, as well as a water play area with slides. The total complex is budgeted at \$50.4 million with \$22.1 million allocated to

the park and \$28.3 million for the aquatic center. The City is currently reviewing the timing and phasing options for the project components.

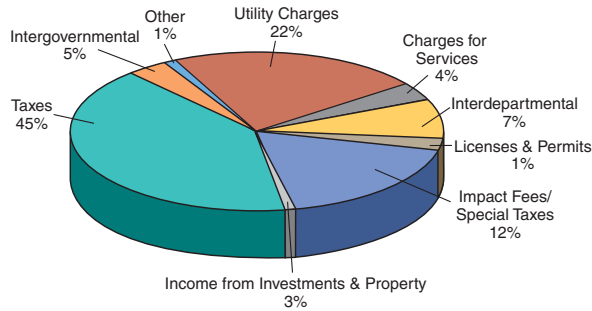
The **Leo Carrillo Park Phase III** project is part of the original 2,538 acre working rancho, home to actor Leo Carrillo. It is located in the Southwest Quadrant, approximately one mile south of Palomar Airport Road. Initial restoration was completed and the park opened to the public in 2003. Future work includes renovation of the barn into a small theatre, restoration of the cantina, equipment shed, blacksmith shop, carriage house and water tank. A botanical garden, picnic areas, and trails will also be added to enhance the visitor's experience at the ranch.



## Streets

The **Carlsbad Boulevard Encinas Creek Bridge Replacement** is planned at an estimated cost of \$4.4 million. The project will include a complete replacement of the existing bridge, which was originally constructed in 1913.

## Where the money comes from ...



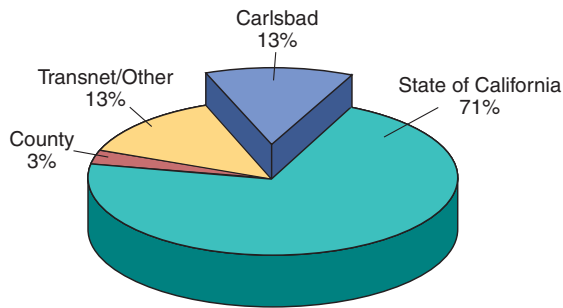
## ESTIMATED REVENUES \$240.3 MILLION

The City has a mixture of **revenue** sources, listed below are the top three:

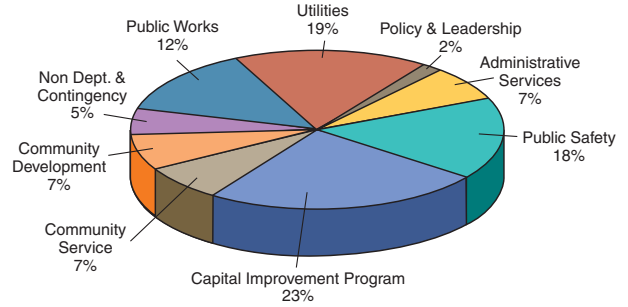
- **Taxes** include the City's share of sales and property taxes, transient occupancy taxes (hotel taxes), franchise taxes, and others. See below for a breakdown of how much Carlsbad receives.
- **Impact fees/Special taxes** are funds received from property owners. They can include fees to mitigate the impact of development and for the replacement of infrastructure such as water and sewer lines.
- **Utility Charges** are revenues received by the Enterprise funds. Enterprise funds are similar to a business in that rates are charged to support the operations that supply a service, such as water and sewer services and solid waste management.

## SALES TAX

Does a dollar spent in Carlsbad, stay in Carlsbad?



## Where the money goes ...



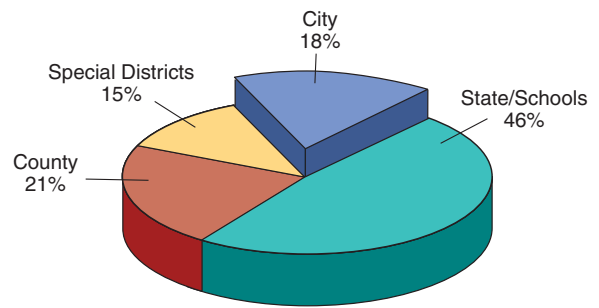
## ADOPTED BUDGET \$252.5 MILLION

The **Adopted Budget** is comprised of the Operating Budget and the Capital Improvement Program.

- The **Operating Budget**, which funds the day-to-day operations such as Police, Fire, Library and Recreation activities, accounts for \$195.2 million or 77% of the total adopted budget.
- The City's **Capital Improvement Program (CIP)** makes up the remaining \$57.4 million or 23% of the total. CIP Projects are generally defined as construction (or reconstruction/replacement) of major infrastructure such as streets, libraries, parks, administrative facilities, as well as water and sewer facilities.

## PROPERTY TAX

Where do my property taxes go?



## CITY OF CARLSBAD 2008-2009 BUDGET IS AVAILABLE

- Copies of the detailed budgets are available for purchase through the Finance Department.
- Reference copies are available at the Carlsbad Dove and Cole libraries, City Clerk's Office, and the Finance Department.
- The budget is also available for viewing on the City's web site [www.carlsbadca.gov/finance](http://www.carlsbadca.gov/finance)
- For information contact the City of Carlsbad, 1635 Faraday Ave., Carlsbad, CA 92008 or call (760) 602-2430.

## KEY STATISTICS

Date of Incorporation .....	July 16, 1952
Type of City.....	Charter
Form of Government.....	Council/Manager
Area.....	42.19 square miles
Population.....	103,811
Net Assessed Valuation .....	\$22,040,017,749
Miles of Streets .....	328
Fire Stations.....	6
Firefighters and Officers.....	84
Police Stations .....	1
Sworn Police Officers.....	115
Water Connections .....	27,890
Parks .....	31
Area of Parks (inc. Open Space).....	973 acres
Libraries.....	2
Authorized Full Time City Employees.....	714.25