

CITY COUNCIL

James P. Spering, Mayor
Pedro "Pete" M. Sanchez, Mayor Pro-Tem
Jane Day
Sam Derting
Michael A. Segala



CITY COUNCIL MEETING

First and Third Tuesday
Every Month

CITY OF SUISUN CITY

701 Civic Center Blvd.
Suisun City, California 94585

Incorporated October 9, 1868

June 23, 2005

Peter B. Foor
Presiding Judge of the Superior Court
Solano County Superior Court
600 Union Avenue
Fairfield, CA 94533

Re: 2004-2005 Grand Jury Report Entitled:
City Budget Updates: Rio Vista & Suisun City
Report Date: June 2, 2005

Dear Judge Foor:

The City of Suisun City is pleased to respond to the findings and recommendations of the Solano County 2004-2005 Grand Jury Report on "City Budget Updates" as it affects Suisun City.

Findings #3a/ #3b/ #3c, Recommendation #3: The large reserve gives the City the flexibility it needs to address the budget deficits and bring the City's budget into balance. The Grand Jury recommends that Suisun City develop five-year fiscal projections, based on the best available information about when new revenue sources will come on line and when growth in the city will require new infrastructure and additional services. This will allow Council members to make informed decisions today about capital projects, hiring freezes and outsourcing, with some concrete idea of the effect these actions will have on the fiscal outlook of the city.

City Response: The City agrees with the recommendation. City staff is in the process of preparing a five-year fiscal projection, as directed by the City Council, and expects to have this information to present to the Council within the next six months. The Council and staff then will discuss the assumptions upon which the projections are based and identify the key decisions that will need to be made in order to bring the City's budget back into balance. The City's General Fund reserves at the close of the current fiscal year (6/30/05) are estimated to be 32% of annual revenue, and this amount plus additional one-time revenue over the next five years is expected to provide the City with the resources necessary to accomplish its fiscal objectives without additional diminution of City services.

DEPARTMENTS: AREA CODE (707)

ADMINISTRATION 421-7300 ■ PLANNING 421-7335 ■ BUILDING 421-7310 ■ FINANCE 421-7320
FIRE 425-9133 ■ RECREATION & COMMUNITY SERVICES 421-7200 ■ POLICE 421-7373 ■ PUBLIC WORKS 421-7340

Recent staff departures, particularly the retirement of a key member of the Finance Department staff, will delay the preparation of the fiscal projections. Nonetheless, staff still anticipates being able to provide City Council with the necessary information to engage in substantive financial discussions prior to the end of the calendar year. Decisions to approve and implement a multi-year fiscal strategy will be made in advance of preparing the City's FY 2006-07 Budget next spring.

Finding #4, Recommendation #4: The City should adopt a five-year Capital Improvement Plan, with annual updates as new information becomes available.

City Response: The City agrees with the recommendation. A five-year Capital Improvement Plan also is in process, in conjunction with the fiscal projections. Although the City is approaching build-out, there still is the need to be assessing the condition of existing infrastructure and to plan effectively for necessary replacements and enhancements. The significant fiscal impact of these planned capital expenditures requires that they be reviewed annually as part of the City's Budget preparation process, with that fiscal impact incorporated into the annual update of the fiscal projections discussed above.

The timing for the preparation of the five-year Capital Improvement Plan will be coordinated with that for the fiscal projections.

I trust that the above information is responsive to the Grand Jury's recommendations. The City of Suisun City appreciates the Grand Jury's review of the City's Budget and its recommendations for the noted improvements.

Please let me know if the Grand Jury has any further questions for the City in this regard.

Sincerely,



David R. Martinez
Interim City Manager

Cc: Mayor & City Council