



News Release

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FOR IMMEDIATE RELEASE

Preliminary Budget 2014-2015: A Sign of a Sound Fiscal Position

On June 9, 2014, the Hughson City Council unanimously approved the Preliminary Budget for the upcoming 2014-2015 fiscal year. With expected overall revenue of \$10,040,363 and a projected \$7,226,842 in spending, Finance Director, Margaret Souza described the budgetary projections as being comparatively “Flat” from the previous fiscal year, with a “Slight Incline Up.” At the regular meeting, Mayor Matt Beekman indicated that the City’s Preliminary Budget for Fiscal Year 2014-2015 was a “conservative and balanced fiscal plan.”

The City’s General Fund, which provides funding for critical services such as law enforcement, road maintenance, park maintenance and administrative services, is expected to exceed the upcoming year’s expenses by \$491. General Fund revenue is projected to increase from the previous year’s \$2,137,372 to \$2,182,110.

While there is an overall positive outlook for the 2014-2015 Preliminary Budget, a few key areas stand out as some of the City’s larger budgeted items. Salaries and Benefits consist of a projected total amount of \$1,494,348, or 21%. It should also be noted that transitioning from an interim part time to a full time permanent Finance Director will also be initiated in the upcoming fiscal year along with a restoration of the City Clerk/Assistant to the City Manager position through a reclassification. In summary, the Preliminary Budget includes a total of 15 Full Time Positions—up one from the prior fiscal year. City Manager Raul Mendez stated, “the City of Hughson is rebuilding cautiously as the economy continues to show slight signs of recovery” and furthermore thanked, “City employees for their continued dedication and commitment to providing excellent public services to residents.”

Contracting Services are also expected to contain one of the City’s highest expenses, accounting for 30.04% of the Preliminary Budget. Of the City’s Contracting Services, Police (Stanislaus County Sheriff’s Department) and Garbage (Waste Management) Services stand out as the largest expenses. Police Service is comprised of 51.14% of Contract Services and 15.36% of the total Preliminary Budget. Garbage Service is 18.11% of Contract Services and 5.44% of the total Preliminary Budget. Additionally, with the inclusion of large sources of revenue such as Motor Vehicle Fees (VLF) and Property Taxes, which are based on the

assessed value of property in the City limits, the City's Preliminary Budget demonstrates a relatively sound financial position. These funds however will not be available until June 30th after final assessments have been processed. It is projected however that property tax assessments will increase 9%.

The Final Budget will be brought to the City Council in August and will take effect September 1st. While the Preliminary Budget remains a work in process, pending City Council approval of the Engineer's Report for the City's special assessment districts, determination of law enforcement costs for the upcoming year, and completion of labor negotiations, the interim spending plan for the Fiscal Year 2014-2015 looks promising. At the regular meeting, Councilmember Jill Silva expressed confidence in the upcoming budget, reiterating her outlook from the Budget and Finance Committee meeting held on May 30, 2014. According to Councilmember Silva, she has "never been so confident in a budget" since she has been part of the Budget and Finance Committee.

The Hughson City Council meets the 2nd and 4th Monday of the month (7:00pm) at City Hall located at 7018 Pine Street, Hughson CA. For more information, or to access the full budget document, please visit the City of Hughson website at www.hughson.org or call 209.883.4054.

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