

The City Team is pleased to present the Proposed Fiscal Year (FY) 2018/19 Annual Operating and Capital Budget. You can view the proposed budget by clicking on the following link:
<https://ca-morrobay2.civicplus.com/Archive.aspx?ADID=4614>

The Proposed FY 2018/19 Operating Budget for the City of Morro Bay reflects a total City budget of \$50.8 million (including Capital transfers between funds and Capital Projects) with the General Fund expenditures of \$13.7 million (excluding transfers). General Fund revenues are budgeted at \$12.7 million (excluding transfers in), and an additional \$1.6 million in transfers for total general fund revenues of \$14.3 million. The proposed budget reflects a strong economy and relies on the economy maintaining its strength as the City's primary revenue sources (Transient Occupancy Tax, Property Tax and Sales Tax) are highly economically sensitive in nature.

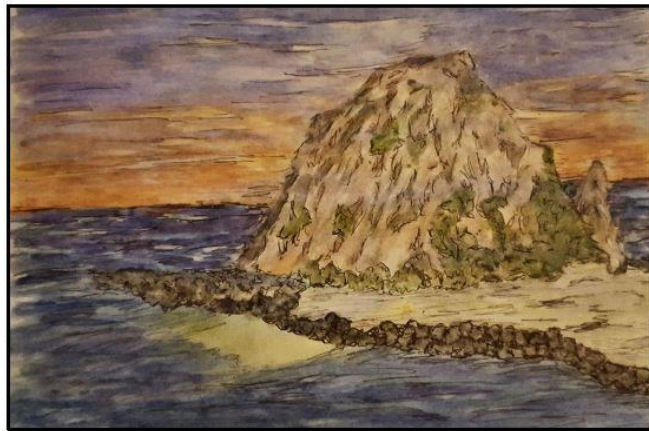
In summary, the proposed budget incorporates funding for 99.5 Full-Time Equivalent (FTE) positions, in addition to temporary hours to provide critical services to the Morro Bay Community and includes capital expenditures totaling \$12.9 million, of which \$9.35 million is for the Waste Water Reclamation Facility (WWRF) project.

The FY 2018/19 Budget is in a revised format, including department overviews that highlight the services provided to the community, as well as department accomplishments and goals for next year. We hope the Council and Community find this information to be valuable in understanding all that is done each day to provide core services.

The FY 2018/19 budget was approached with the intent of being mindful of our future while meeting the needs of today. We were pleased to be able to meet limited staffing and operational needs without impacting the general fund, while also keeping our eyes on the future. We have significant work to continue in FY 2018/19 to enhance existing revenues and identify new revenues, while exploring cost savings opportunities. We have ventured on this course with the issuance of an RFP for the Comprehensive Fee Study update and are evaluating alternative phone and internet systems, which have the potential to save the City between \$20,000 to \$40,000 annually. I am optimistic that City Council and staff will find similar solutions to meet our financial challenges over the next several years.

City Council Budget Study Sessions are scheduled for May 8, 9 and 22nd. We encourage the community to read through the proposed budget and participate in the budget study sessions, providing feedback to the Council and staff.

Scott Collins
City Manager



City of Morro Bay FY 18 - 19 Operating & Capital Budgets

Cover Design and Art by Tracy McConnell, Finance Department