



Dog License Fee Increase for 2011



In accordance with our dog license rate increase plan (see chart), dog license fees will be going up again as of January 1, 2011. The new fees will be \$20.00 for altered dogs and \$40.00 for unaltered dogs. To assist dog owners who are on fixed incomes, the City has established a Community Service Fee Waiver. This waiver is granted to income-qualified parties who have performed 3 hours of community service for an altered dog and 6 hours for an unaltered dog. Please contact Lysandra at City Hall for more information.

Animal Control is an important service that is beneficial to the entire community. These rate increases will only provide 48% of what it costs to operate a kennel, respond to an average of 3 calls for service per day, and reunite lost dogs with their owners.

Dog License Rate Increase (4-yr Plan)	Altered	Unaltered
2007/2008	\$5.00	\$10.00
Year One: 2008/2009	\$10.00	\$20.00
Year Two: 2009/2010	\$15.00	\$30.00
CURRENT - Year Three: 2010/2011	\$20.00	\$40.00
Year Four: 2011/2012	\$25.00	\$50.00

Important Numbers

City Hall/
Water Division
(530) 841-2386

Fire Dept
(530) 841-2383

Police Dept
(530) 841-2300

Public Works
(530) 841-2370

Senior Program
(530) 841-2365

Elected Officials

Rory McNeil
Mayor

David Simmen
Mayor Pro
Tempore

Robert Bicego
Councilmember

Bryan Foster
Councilmember

John Mercier
Councilmember

Liz Casson
City Clerk

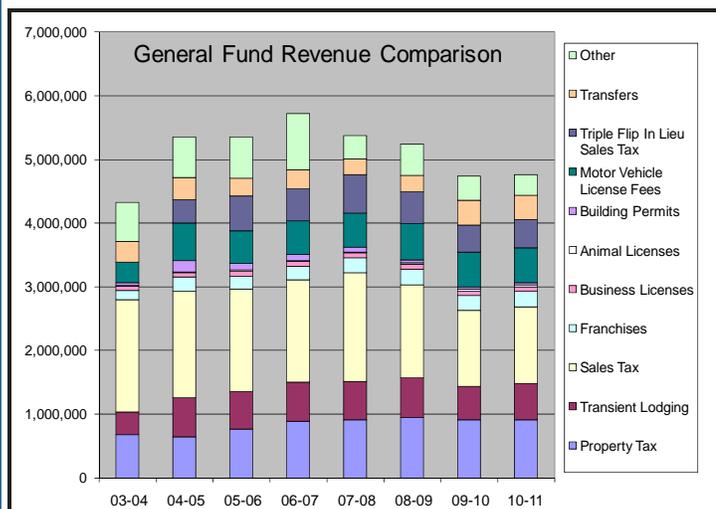
Rheta Hogan
City Treasurer

Economic Outlook & Budget Status

There are many challenges and opportunities facing the City of Yreka in the 2010-2011 fiscal year, as we deal with the ongoing economic downturn that has affected the nation and Siskiyou County.

The City's revenues in the General Fund have declined over the last few years. Particularly hard hit has been the City's sales tax, the City's largest revenue source, which declined from a high of \$1,709,256 in 2007-2008 to a current estimated \$1,200,000 in 2010-2011. Overall economic conditions resulting in lower sales of automobiles and other major consumer goods, and a reduction in tourism, have caused this decline.

The City's major general fund revenue sources have dropped by \$956,760 or 17% since 2006-2007. The expected decrease is 9% from last year's adopted budget amount to 2010-2011. Revenues are expected to remain at these lowered levels for the next two years, unless there is a significant improvement in economic conditions.



Yreka is not alone in these challenges. Cities throughout California are facing deficits and as a result have had to take drastic actions to reduce services, staffing and seek new revenue sources. Fortunately, the City of Yreka has built up significant general fund reserves (currently estimated at \$1.8 million) to help during the tough economic times. The City has also been prudent in not increasing employee pensions when others were doing so.

The City has taken a number of other actions in the last few years to
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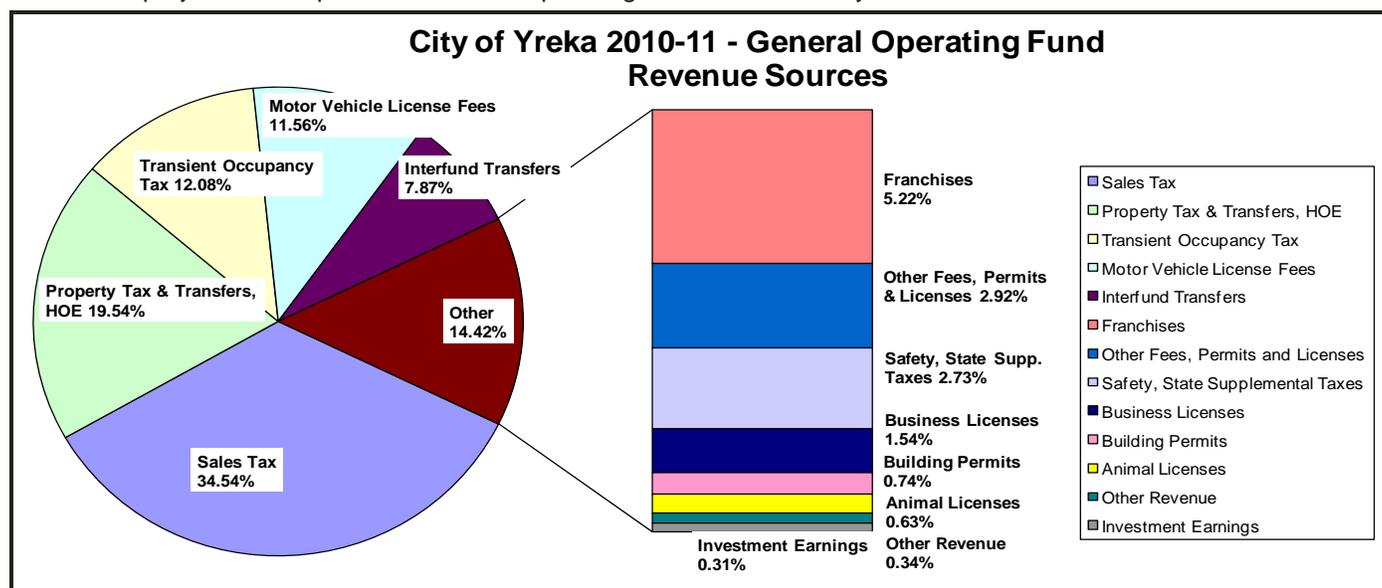
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decrease the City's expenses in response to declining revenues. The City has contracted with Madrone Hospice to run the senior program at the Community Center, providing savings to the City and the opportunity to secure funding for programs only available to non-profit organizations. A group of local citizens also formed Yreka Splash, a non-profit organization dedicated to keeping the Ringe Pool open. Yreka also has a number of other non-profit organizations that partner with the City and provide services to residents and businesses, such as the YMCA, Yreka Chamber of Commerce, Red Scarf Society, Siskiyou County Economic Development Council, and the Siskiyou Gardens, Parks & Greenways Association (SGPGA).

The City, however, continues to have a General Operating Fund deficit in which operating revenues are projected to be less than operating expenses. This is a structural deficit estimated at approximately \$350,000 in this year's budget. By 2012-2013, the City will also have depleted reserves in its road and street funds, fueling a \$200,000 structural deficit in those funds projected to impact the General Operating Fund within three years.



The City Council has begun a strategic planning process, including developing fiscal strategies to balance the City's General Fund budget over the long term. This process will examine what services the City provides as well as how, a review of revenues and other potential revenue sources, economic development opportunities, ways of cutting costs and other budget-balancing strategies. As noted above, the economic conditions we are currently facing are expected to last a while longer. In addition, revenues are unlikely to reach the previous highs in inflation-adjusted dollars, so the "new normal" is expected to be lower than in the past. The City's healthy reserves provide an opportunity to avoid drastic action, allowing time to look carefully at restructuring the services provided and other decisions that will affect the City's future for years to come.

There are bright spots in the upcoming year despite the emphasis on balancing the General Fund. The City has been successful in obtaining grants and is managing over 20 projects including:

- Parks and Greenways: land acquisition, trails, parking lots, bridges and bathrooms.
- Streets and Drainage: stormwater detention basins and drainage, road and street paving, bike paths, and street crossings at schools.
- Community and Economic Development: brownfield assessments, business loans, housing rehabilitation loans, job training and business assistance.

The City's water and sewer enterprise funds, which also faced structural deficits only a few years ago, are entering the third year of a five-year plan to restore their financial health. The Fall Creek Water System loan and grant will enhance filtration, treatment, delivery, storage and control systems that are funded in part because of these more stable revenue streams.

Though the City faces challenges, there are also opportunities. The City of Yreka has a dedicated staff as well as a community that has stepped up to the plate to save services that help to keep Yreka as a high-quality place to live. If you have additional or detailed questions, please call (530) 841-2386.