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## **NEWS RELEASE – FEBRUARY 18, 2009**

### **CITY COUNCIL TO CONDUCT MID-YEAR BUDGET REVIEW**

Considering the uncertain state of the economy, the City of Twentynine Palms is holding its own and using black ink to report its projected financial status for 2008-2009. Seven months into the current fiscal year, which ends on June 30, a positive mid-year budget will be presented to the City Council at its next regular meeting on Tuesday, February 24.

“We are expecting to meet or exceed revenue projections this year, and, assuming no unusual expenditures, there will be a surplus of \$964,000 at year-end,” said the city’s Finance Director Ron Peck. “This includes an estimated expense of \$300,000 for the first phase of the General Plan update that is set to begin this year.”

In budgeting for the current fiscal year, City staff conservatively anticipated that transient occupancy taxes from the local hospitality industry would be down from last year by \$45,000, and franchise fees down by \$73,000, while local sales tax revenue would remain stable, according to Peck. Also, he added, assessed property taxes for 2008-2009 from San Bernardino County and income from state vehicle license fees are expected to be received as planned.

As for revenue from building and construction projects in the City, “planning fees have held steady, considering the economy, and are projected to be a little less than last year,” Peck reported, “and building permits are doing well and will exceed the budget.”

What is the outlook for 2009-2010? Conservative projections are that property taxes and vehicle license fees could decrease by 20%, sales tax and transient occupancy tax by 5%, planning fees by 60% and building permits by 30%. While no one can predict the economy with sufficient accuracy at this point, after considering preliminary budget work conducted so far, Finance Director Peck says: “Staff expects to have a balanced budget.”

Residents can learn more about the mid-year budget review at the City Council meeting on Tuesday, February 24, 6 p.m. at City Hall, 6136 Adobe Road.

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