



El Monte NEWS

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EL MONTE FACING SEVERE BUDGET SHORTFALL

EL MONTE, Calif. – The City of El Monte is announcing an immediate freeze on new hires, reductions in spending and intense evaluations of new and existing City programs. “Times will be tough for the next few year” said newly appointed City Manager Juan Mireles.

Despite belt tightening procedures instituted in 2002 and 2003, the City of El Monte is facing a significant budget shortfall due to an unexpected downturn in the economy, increased costs, reduced revenues and threatened State take-aways,

The City of El Monte had been steadily adding to the reserve account for the last 7 out of 8 years, and has enjoyed a prospering economy despite the slump that many other cities had found themselves. However, recent changes in the local and Statewide economy has affected the City budget.

Overall City revenues are projected to decrease by \$567,000, with a projected sales tax decrease of 2%. Additionally the loss of interest income and reduced developer and business license fees combined with the threatened State take-aways will mean less money for City programs.

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With no changes in the way the City conducts business, expenditures will rise annually by an estimated \$5 Million Dollars.

“The City cannot continue to provide programs at the existing levels with the same funding and the same expenditures. Something has to give,” said Deputy City Manager for Administrative Services Clara K. Wong. She also pointed out that previously grant-funded positions have converted into City funded positions, adding to the financial burden of the City. “We’d love to provide more programs for the residents, but without funding sources, this will be a challenge” said Mayor Ernie Gutierrez.

El Monte, a city incorporated in 1912 and comprising over 116,000 population is a full service city located in the heart of the San Gabriel Valley. It is freeway close, bisected by Interstate 10 and abutting Interstate 605. El Monte is home to a mega auto mall and boasts the largest single car dealership in the world, Longo Toyota. El Monte can also be visited on the web at www.elmonte.org

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