



El Monte NEWS

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EL MONTE FACING SEVERE BUDGET SHORTFALL

EL MONTE, Calif. – Despite belt tightening procedures instituted in 2002 and 2003, the City of El Monte is facing a potentially significant budget shortfall due to an unexpected downturn in the economy 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 have found themselves

Revenue projected to decrease by \$567,000,

Sales tax projected decrease by 2%, \$350,000

Interest income decrease lower interest rate and decreasing fund balance

Developer fee reduction of \$338,000

VLF INCREASE by 1.2 Million, (5.9 to 7.1)

Property tax decrease \$152,000

Utility User Tax \$148,000

Bus Lic and permits down \$372,000

Expenditures projected to increase by \$5Mil, assuming no salary increases for emps

PD Overtime increase by \$200,000

Salary expenditures of \$1.3mil – grant funded jobs converted,

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