

CITY BUDGET UPDATE

September 2009

The City of Banning is continuing to face difficult budget decisions and tough choices.

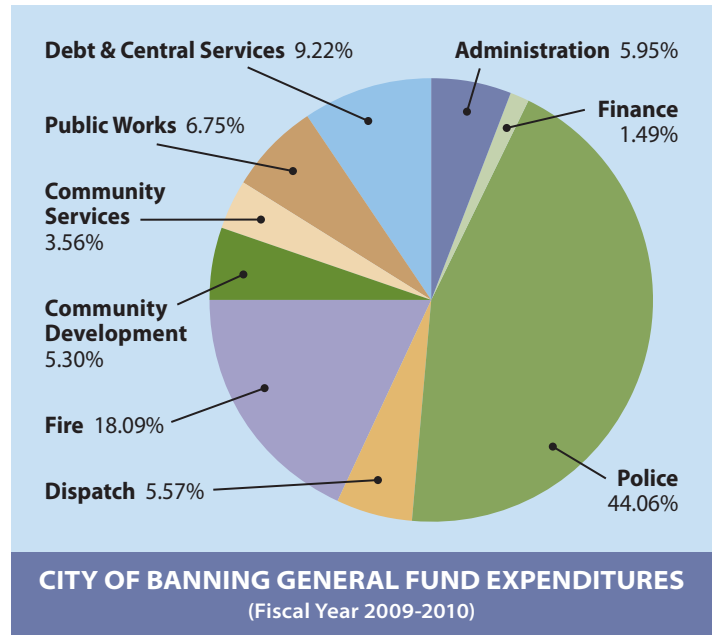
Earlier this summer we reported to you that the State budget crisis and ailing economy have caused our city's major revenue sources to fall dramatically. The City has taken aggressive action to cut over \$5 million in city services from its \$18.8 million General Fund, including eliminating 30 full-time positions, establishing mandatory furloughs, reducing services and implementing strict cost controls.

Even with the severe cost-cutting actions taken earlier this year by City Council, Banning's General Fund structural deficit has now grown from \$827,000 to \$1.26 million because of monies taken away by the State as part of the Legislature-approved 2009-2010 State Budget.

City leaders made the easy cuts long ago. Now only two choices remain: generate additional revenue or continue making more and deeper cuts to city services.

To ensure alignment with our community in these tough budget times, the City mailed residents a survey earlier this summer asking for help prioritizing city programs and services. Hundreds of responses were received at City Hall. Thank you! Your opinions and priorities are continuing to play a critical role in shaping our planning at the City.

Additionally, and to minimize **future** cuts to basic city services, the Banning City Council voted on July 28, 2009 to place **Measure L on the November 3rd ballot.*** Measure L seeks authorization to raise needed revenue by increasing the City's existing Transient Occupancy Tax or TOT (also known as a hotel/motel tax) from 6% to 12%. If voters approve Measure L on November 3rd, only VISITORS renting a hotel or motel room in Banning (for less than 30 days) will be subject to paying the Measure L assessment. ALL Measure L funds must stay local to minimize future cuts to Banning city services. This money cannot be taken away by the State.



* For more information on Measure L or to see the City's community survey results, visit www.ci.banning.ca.us or call the City Finance Director at **951-922-3110**.

This information is provided as a public service from the City of Banning, CA.

