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City of Chowchilla

Press Release



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City of Chowchilla, California turns financial corner as Chowchilla City Council adopts first balanced budget in three years for Fiscal Year 2011-2012

City makes Bond payments and restores Bond reserves

Chowchilla, CA, June 28, 2011: The City of Chowchilla is marking a significant financial milestone. On June 27, 2011, members of the Chowchilla City Council adopted a structurally balanced budget of \$15.9 million for fiscal year 2011-2012. The City will also end its current fiscal year with a positive fund balance through operations of approximately \$272,400. This marks the first time since 2008 revenues have exceeded or even matched expenditures.

The new budget includes payment of the Civic Center bond of \$250,388 and restores debt reserves of \$367,000 which is important to the City's credit rating as the rating impacts the City's ability to raise capital by issuing bonds for needed infrastructure projects in the future.

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“At the beginning of 2011 we faced a million and a half dollar shortfall. This has taken a great deal of hard work and a lot of sacrifice on everyone’s part, from the employees to my colleagues as well as members of the community,” said Mayor David Alexander. “We have all worked together to turn this corner and we can be proud of the strides we are making, but we also need to be aware that we are not out of the woods yet.”

For employees, the new budget allows for the reorganization of several departments. Staffing levels will remain constant and furloughs, pay freezes as well as increases to health and PERS retirement benefits, will continue. The Mayor and City Council will continue to work without salary.

The new budget retains operating costs at the same level from the previous year. Additionally, the new budget includes the establishment of a reserve to handle unforeseen circumstances in the future. The money for the “rainy day fund” is from the one-time sale of property and reimbursement of transferred assets from other funds.

City Administrator Mark Lewis credited the leadership and direction of the City Council during a very difficult period of time. He also credited Wayne Padilla, Assistant City Administrator/Finance Director for doing an excellent job during very difficult times.

Despite the progress, financial challenges remain. The Water and Sewer Enterprise Funds need significant public investment in the future to remain viable in the long term. The City’s major revenue sources appear to be stabilizing; there are still many variables that could adversely impact the City’s finances. “The challenges ahead indicate tough times for us are not over and further sacrifices

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may need to be made,” said Mayor Alexander. “Still, our progress shows what we can accomplish when we work together.”

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