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BUDGET 2012-2013

GLOSSARY OF BUDGET TERMS

ACCOUNT – A classification of expenditure or revenue. Example: “Office Expense” is an account in “Services and Supplies.”

APPROPRIATION – An authorization granted by the City Council to make expenditures and to incur obligations for specific purposes. An appropriation expires at the end of the fiscal year.

APPROPRIATION LIMITS – Proposition 4 (November 1979) limited City-allowable expenditures to those budgeted in FY 1979 with annual increases for population and cost of living. This is also known as the “Gann limit.”

ASSESSED VALUATION – A valuation set upon real estate or other property by the County or State Board of Equalization as a basis for levying taxes.

AUTHORIZED POSITIONS – Positions approved by the City Council and included in the City’s Salary Resolution.

AVAILABLE FINANCING – All the components of financing a budget, including available fund balance, revenues, equity transfers and reductions of reserves.

AVAILABLE FUND BALANCE – The amount of fund equity available to finance the budget after deducting encumbrances, reserves and designations which identify limitations of its availability.

BUDGET – The planning and controlling document for financial operation with estimates of proposed expenditures and revenues for the fiscal year.

CAPITAL PROJECT – A program itemizing the City’s acquisitions, additions and improvement to fixed assets, including buildings, building improvements and land purchases.

CHARGES FOR SERVICES – Revenues resulting from fees for services provided to businesses, individuals and other governmental agencies.

COLA – Cost of living adjustment.

COST CENTER – A grouping of accounts, generally by department, to record expenditures of salary, benefits, departmental operations and capital outlay.

CONTINGENCY – An amount not to exceed a designated percent of specified appropriations of the fund in which it is allocated, appropriated for unforeseen expenditure requirements.

CONTRACTED SERVICES – Expense of services rendered under contract by personnel who are not on the payroll of the City, including all related expenses covered by the contract.

NON-DEPARTMENTAL REVENUES – The main operating funds of the City’s General Fund accounting for expenditures and revenues for Citywide activities.

DEPARTMENT – An organizational device used by City management to group programs and activities of like nature.

DESIGNATION – For government fund types, a segregation of a portion of the unreserved fund balance to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies, equipment replacement or financing receivables.

EMPLOYEE BENEFITS – Amounts paid on behalf of employees; these amounts are not included in the gross salary. Fringe benefit payments, while not paid directly to employees, are a part of the cost of salaries and benefits. Examples are group health or life insurance payments, contributions to employee retirement, Social Security taxes, workers’ compensation payments and unemployment insurance payments.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

E.R.A.F. – Refers to the Educational Revenue Augmentation Fund was first established by the State of California in FY 1992-93. This fund was established by the State to allow distribution of property tax funds that were shifted from cities, special districts and the County to offset cuts in State revenues to schools.

EXPENDITURE – The payment for the cost of goods delivered or services rendered during the fiscal year.

FINAL BUDGET – Approved legal spending plan for a fiscal year.

FISCAL YEAR – Represents the twelve-month period for which a budget is prepared. The fiscal year runs from July 1 through June 30.

FIXED ASSET – A tangible item of a long-term character such as land, buildings, furniture and other equipment with a unit cost in excess of \$5,000.

FUNCTION – A group of related budget units aimed at accomplishing a major service for which a governmental unit is responsible. The State Controller specifies these designations. Example: “Public Protection” is a function.

FUND – An independent fiscal and accounting entity with a self-balancing set of accounts. Revenue from property tax as well as other sources is deposited in the General Fund for the support of a wide variety of activities. Other revenues are deposited in special funds which support appropriations for limited purposes. Examples are the Gas Tax and LTC funds which exist to segregate money that is legally required to be expended for specific purposes.

FUND BALANCE – The excess balance of assets of a fund over its liabilities. A portion of this balance may be available to finance the succeeding year’s budget. “Carryover” or “Carryover Funds” are terms synonymous with Fund Balance.

GASB 34 –GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, provides a new look and focus of reporting public finance. Under the new standard, anyone with an interest in public finance—citizens, the media, bond raters, creditors, legislators, and others—will have more and easier-to-understand information about their governments. Among the major innovations of Statement 34, governments will be required to:

- Report on the *overall* state of the government’s financial health, not just its individual “funds”
- Provide the most complete information ever available about the cost of delivering services to their citizens
- Include for the first time information about the government's public infrastructure assets—such as bridges, roads, and storm sewers
- Prepare an introductory narrative section analyzing the government’s financial performance.

GENERAL FUND – The main operating fund of the City. The use of this fund is unrestricted.

GENERAL RESERVE – An amount in a fund used to meet cash requirements, emergency expenditures, or future defined requirements. A reserve is not an appropriation, and there is no limitation on the amount of reserve that can be established.

GRANT – A contribution from one governmental unit to another - usually made for a specific purpose and time period.

INTRAFUND TRANSFER – An account used to budget for transfers of costs between

budget units in the same fund. Intrafund transfers are used to distribute staff costs for budgetary and internal operating statement purposes.

MANDATED PROGRAMS – Mandated programs are those programs and services which the City is required to provide under specific State and/or Federal law.

MATCH – The term “match” refers to the percentage of local discretionary City monies in the General Fund which, by law, must be used to match a certain amount of State and/or Federal funds.

NEGOTIATED SALARY ADJUSTMENTS – Employee salary adjustments as approved by the City Council under contracts (Memorandum of Understanding) with the City’s five bargaining units.

OPEB – Other post employment benefits (OPEB) acronym refers to GASB 45, which requires agencies to measure, report and place in trust the present value of other retirement benefits, primarily retiree health benefits.

PROGRAM REVENUE – Revenue which is derived from and dedicated to specific program operations.

PROJECTED BUDGET – The City Manager’s annual recommended budget to the City Council.

PROPOSITION 172 – Proposition 172, passed in November 1993, established a ½ cent sales tax to be used to fund eligible public safety activities. The Police Department is eligible for funding under this proposition.

REAL PROPERTY – Land and the structures attached to it.

REIMBURSEMENT – Payment received for services/supplies expended for another institution, agency or person.

RESERVE – An account used to earmark a portion of fund equity which is legally or contractually restricted for future use, or not available for expenditure.

RETAINED EARNINGS – An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

REVENUE – Money received to finance ongoing City services. Examples: property taxes, sales taxes, fees and State and Federal grants.

SALARIES AND EMPLOYEE BENEFITS – An object of expenditure which establishes all expenditures for employee related costs.

SALARY SAVINGS – The dollar amount of salaries which can be expected to be saved due to vacancies and turnover of employees.

SERVICES AND SUPPLIES – An object of expenditure which establishes expenditures for the operating expenses of City departments and programs.

SPENDING LIMITS – Refers to the Gann Initiative (Proposition 4 on the November 1979 ballot) which imposed limits on the allowable annual appropriations of the State, schools, and most local agencies. The limit is generally prior year appropriations factored by Consumer Price Index and population changes.

SUBVENTION – Payments by an outside agency (usually from a higher governmental unit) for costs which originate in the City.

TRIPLE FLIP - Prior to 03-04 cities have generally received 1% of Bradley Burns state-wide sales tax, however, as of 7/1/04 the State reduced this to 0.25% with a dollar for dollar allocation of local property tax from the County ERAF funds. The 0.25% is to pay for the State’s Economic Recovery Bonds.

UNINCORPORATED AREA – The areas of the County outside city boundaries.

UNFUNDED MANDATE – An unfunded mandate is a requirement imposed by Congress or other governmental agencies on state and local governments with no funding to pay for it.

UNREIMBURSED COST – The difference between total appropriations and total revenues for a given department.

VLFSWAP – Vehicle License Fees previously assessed Motor Vehicle License fees at 2% of value, but in 03-04, the State dropped this fee from 2% to 0.67%. State has back-filled this fee reduction with additional allocation of local property tax from County E.R.A.F. fund.



City of Yreka

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Honorable Mayor and City Council
City of Yreka
701 Fourth Street
Yreka, California 96097

Re: 2012-2013 Annual Budget

The following pages contain the proposed 2012-13 Annual Budget for the City of Yreka. As in other recent budgets, the City's revenues continue to reflect the downturn in the local and national economy. While there are signs that the decline is slowing, the City's revenues do not yet reflect an economic recovery.

The downturn in revenues has resulted in the City taking a number of actions in recent years, including outsourcing services, leaving positions unfilled, consolidating departments and services, decreasing services that the City used to provide and holding the line on employee costs. This budget reflects continuing those strategies as the City works under the conditions of the "new normal" with lower expected revenues.

The proposed General Fund in 2012-13 estimates that on-going expenses and on-going revenues are essentially balanced. This result reflects the strategies that have been implemented above in recent years, as well as assumptions on revenues. Of the City's three largest revenue sources, Sales tax is projected to increase by \$100,000 to \$1,700,000; Property Tax and Transient Occupancy (hotel) Tax are projected to stay essentially flat at \$1,431,500 and \$600,000 respectively. Overall, the City's General Operating Fund revenue is expected to be \$4,844,507.

The City's General Operating Fund expenses have slightly increased by less than 1% of 2011-2012 adopted budget to \$4,840,592. Staff has been reallocated to the enterprise funds to better reflect their anticipated work during the 2012-2013 Fiscal Year.

This balancing of revenues and expenses is fragile. This budget does not assume any takeaways by the State, although the California State Budget is seriously out of balance and the State has been very creative in taking funds from local governments. The General Fund budget also assumes that that expenses will remain under control, however, unexpected events can have a greater impact as funding and service levels are significantly lower. The revenue projections assume that the economy will stay the same or perhaps even marginally improve; however, there is no guarantee that the national economy or the local economy will do so. Fortunately the City has strong reserves that have allowed it to weather the economic conditions better than most cities.

The City also has sufficient reserves in its enterprise funds (sewer and water) for operations and repairs, but the reserves in the Streets Fund continue to decline reflecting the decline in recent years of local transportation funds allocated to the City.

The City currently has sufficient transportation and gas tax funds to fund streets, including pothole patching, crack sealing, costs of streetlights, and other street related costs for the current fiscal year, but will need to either curtail services, increase revenues or transfer funds from the general fund in future years. The City will also continue seeking grant funding where possible. The City's street infrastructure is one of its largest assets and keeping it in good repair now will prevent larger cost increases in the future.

The budget format has been changed. Additional descriptive information about the activities within major budget units has been added to make the budget more readable, but also to better show the relationship of the numbers in the budget to the activities that the City will be undertaking in the coming fiscal year.

This "new normal" will require the City to continue to hold the line on expenses and continue looking for more efficient ways to deliver City services and accomplish City Council goals. The City will also need to keep an eye on the future to assess the impacts of outside factors such as the expected CalPERS increases in 2013-2014, as well as to plan the investments needed for good stewardship of the City's infrastructure.

The City's employees have continued to work to provide services in these tough economic times. Many suggestions from employees to better provide those services have been incorporated into how the City does business and have helped to balance the General Fund Budget. The strength of this community is also evidenced in the volunteer organizations who have stepped up to help preserve and improve some of the services that add to Yreka's quality of life.

I would like to thank the many people who worked to put this budget together. The department heads, division managers, and staff worked hard to find different ways of approaching services and to keep costs in check. Special thanks to Rhett Hogan and her Finance Staff who worked to pull all of the numbers together. We are fortunate to have such dedicated employees.

Finally, with the City Council's leadership, a dedicated staff and an involved "can do" community, we look forward to another year of working to continue to move the City of Yreka forward.

Respectfully Submitted



Steven W. Baker
City Manager

City of Yreka 2012-13 Proposed Budget



General Fund Operating Fund

- × Revenues & interfund transfers-in = \$4,844,507
- × Expenses & interfund transfers-out=\$4,840,592
- × Fund balance is estimate to remain the same
- × General Operating Fund is balanced

What happened?

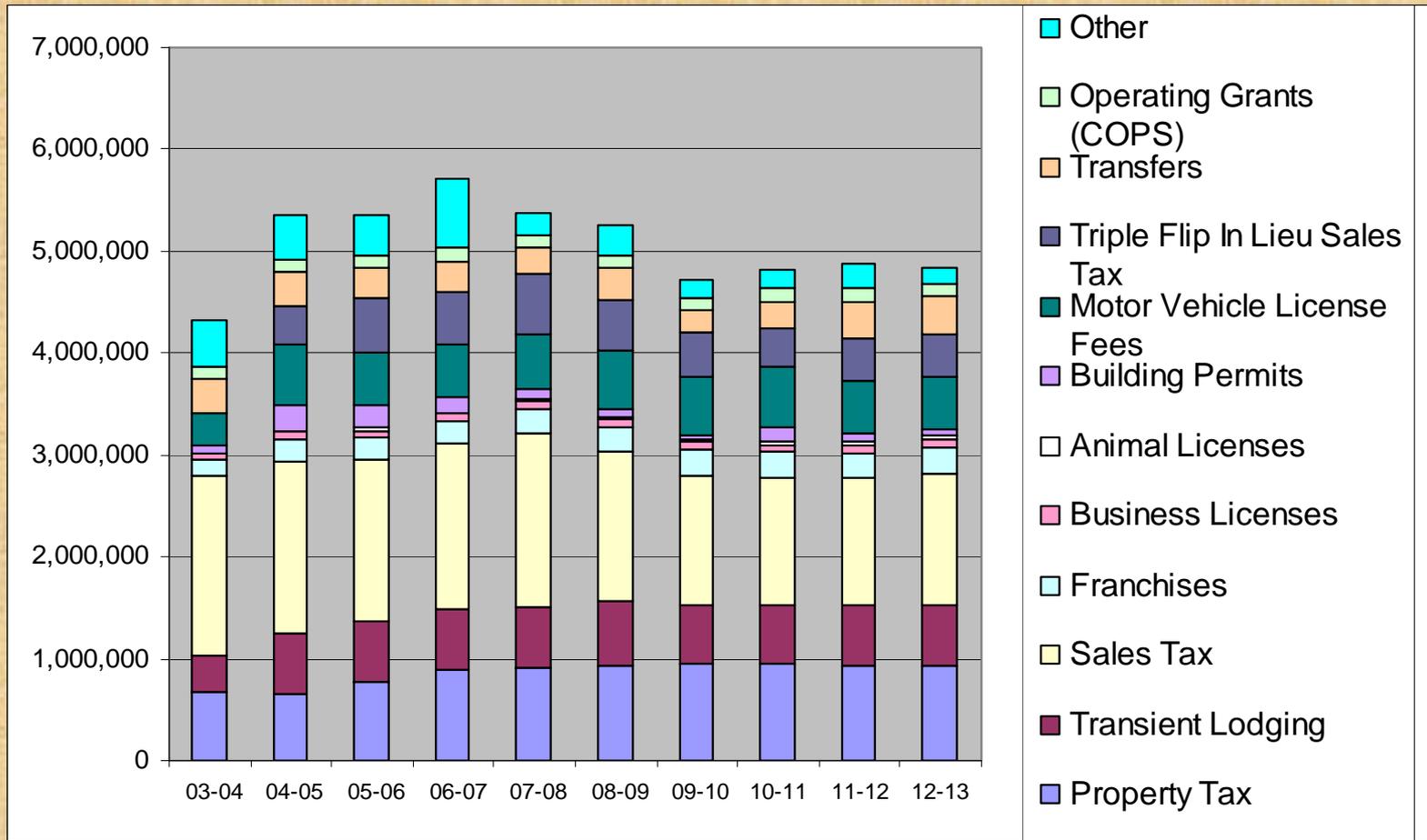
× Last year:

- + The General Operating Fund adopted budget had \$135K gap. Fall of 2011 \$100K of COPS funding was restored, leaving a \$35K gap.

× Current year:

- + The City is seeing some small recovery in its sales tax revenue and has adjusted those revenues upwards.
- + Public works has taken a thoughtful look at departmental operations in its General Operating Fund and Road and Street Fund departments.
- + Administration and Planning have both reduced costs, by each department sharing 0.50FTE of the Assistant City Manager.

Major Revenue Sources



General Op. Fund Staffing Levels & Related Exp.

STAFFING LEVELS

General Fund Full Time Regular
Employees Count

2009-10	2010-11	2011-12	2012-13
36.11	35.06	34.340	31.900

× **Employee Wages (\$2,183,003) and Employee Benefits (\$1,205,586)**

City of Yreka 2012-13 Projected Budget Major Expense Groups, by Departments within Fund

<i>FUND</i>	<i>2009-10 Actual</i>	<i>2010-11 Actual</i>	<i>2011-12 Op. Bdgt</i>	<i>2011-12 YTD</i>	<i>2012-13 Request</i>
01 General Operating					
100 SALARY	2,012,014.58	2,026,422.18	2,019,775.60	1,796,659.95	1,933,903.06
102 OVERTIME	39,685.12	59,429.04	66,000.00	49,067.15	80,200.00
103 PARTIME	62,461.25	47,641.16	59,400.00	41,711.73	68,500.00
106 SEASONAL	53,806.52	31,764.14	39,700.00	42,953.00	51,900.00
107 WAGE ABATEMENT	-19,059.73	-3,113.04	-50,000.00	0.00	0.00
108 MUTUAL AID	16,059.27	0.00	1,500.00	1,465.50	1,500.00
109 VOLUNTEERS	37,402.50	36,210.00	45,000.00	30,847.50	47,000.00
320 PENSION	430,834.32	436,483.65	494,613.05	443,805.53	484,613.14
330 PAYROLL TAXES	170,818.73	169,430.61	169,427.40	149,889.28	165,743.30
340 HEALTH	345,404.65	345,132.47	381,755.45	342,227.43	353,292.55
350 UNEMPLOYMENT	26,531.29	41,628.60	0.00	3,234.69	0.00
360 WORK COMP	220,016.96	214,601.62	187,155.24	182,423.67	186,786.70
390 LIFE & ACCIDENTAL	14,267.50	13,711.04	15,927.28	13,338.70	15,149.96
01 General Operating	3,410,242.96	3,419,341.47	3,430,254.02	3,097,624.13	3,388,588.71
<i>Percentage Increase/(Decrease) 2012-13 from 2011-2012</i>					-1.21%
Total	3,410,242.96	3,419,341.47	3,430,254.02	3,097,624.13	3,388,588.71

General Op. Fund Other Expenses

× **Other Expenses by major object (\$1,452,004)**

+ Other expenses by major object increased nearly \$100,000, primarily in utilities.

<i>FUND</i>	<i>2009-10 Actual</i>	<i>2010-11 Actual</i>	<i>2011-12 Op. Bdgt</i>	<i>2011-12 YT</i>	<i>2012-13 Request</i>
01 General Operating					
510 EMPLOYEE RELATED	59,092.39	48,237.87	65,700.00	47,115.57	69,930.00
515 GENERAL SUPPLIES	33,774.25	33,214.56	34,270.00	30,588.85	31,920.00
516 SPECIALIZED SUPPLIES	80,432.24	100,699.72	84,375.00	58,091.50	88,325.00
517 TELCOM	65,292.04	30,229.00	35,750.00	27,369.96	36,335.00
518 UTILITIES	130,915.12	166,955.34	158,440.00	171,343.05	209,275.00
520 MAINT AND OPS	73,290.07	58,981.74	99,395.00	69,477.60	92,215.00
521 BLDG MAINT AND OPS	31,874.29	24,089.90	19,800.00	21,437.69	21,416.00
522 BLDG MAINT AND OPS	1,575.16	7,652.72	3,500.00	4,385.63	5,000.00
525 PROF AND CONTRACT SER	200,651.60	289,488.39	282,980.00	253,976.40	293,494.00
530 INSURANCE	274,775.19	222,254.62	166,689.00	155,197.08	147,449.00
535 TAXES, FINES, FEES	7,113.42	8,488.54	7,050.00	7,378.32	8,000.00
542 PASS THRU AND REFUNDS	6,117.09	92,200.68	6,200.00	17,459.65	4,500.00
550 NON CAPITALIZED EQUIPM	21,045.83	47,980.73	39,275.00	21,329.83	60,000.00
560 ALLOCATIONS	261,598.22	248,483.40	266,359.28	247,473.04	246,975.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
760 TRANSFER OUT	215,645.86	93,472.21	82,567.25	82,567.25	137,169.78
01 General Operating	1,463,192.77	1,472,429.42	1,352,350.53	1,215,191.42	1,452,003.78
					7.37%
Total	1,463,192.77	1,472,429.42	1,352,350.53	1,215,191.42	1,452,003.78

General Operating Fund Gap Trends

General Operating Fund (unconsolidated)

	Actuals Fiscal Year 06-07	Actuals Fiscal Year 07-08	Actuals Fiscal Year 08-09	Actuals Fiscal Year 09-10	Actuals Fiscal Year 10-11	Operating Budget 11-12	Proposed Budget 12-13
Total Revenue	5,716,459	5,374,723	5,245,626	4,723,983	4,825,341	4,877,664	4,844,507
Total Expenditures	4,911,637	5,043,881	5,335,025	4,873,436	4,891,771	4,782,605	4,840,592
Revenue as a % of Total GF Op. Exp.	116%	107%	98%	97%	99%	102%	100%

- ✘ The City General Operating Fund revenues are expected to exceed its expenses by \$3,915 in the current fiscal year.
- ✘ The City has over the past four years made staffing cuts, program changes and deferred purchases to minimize future deficits.

General Fund Capital Outlay

- × 2012-2013 matching one time revenues with one time expenditures, budget is \$250K
- × For the future
 - + cannot depend on these one time revenue sources (i.e. SCORE premium refunds)
 - + some of these expenses are actually recurring, such as replacement of patrol cars
 - + Strategy: identify long term, set-aside revenue to support these one time costs

2013-2014 will be difficult to balance

- ✘ Continued increases to pension costs
- ✘ Employees are losing purchasing power, cost of to health plan (same salary for several years)
- ✘ OPEB – need to reserve employee health benefit liability
- ✘ Flat revenues (Sales Tax, Prop Tax and TOT)
- ✘ Deferral of maintenance (facilities, parks, roads)
- ✘ Commodity price increases (water, fuel and electric)
- ✘ Continued State fiscal problems

Special Revenue Funds

The City's special revenue funds, match revenue (fees and taxes) with legally restricted expenses, general debt servicing and capital outlay. These funds are on track with specific revenue funding goals.

- ✘ Landfill Access fee:
 - + Future strategy: develop waste reduction (recycling and green waste diversion program)
- ✘ Special Revenue – Developer Impact Fees
 - + DIF fees remain City subsidized at 50%.
 - + Impacts from WWTP expansion study and Storm Drain master plan study are not included in rates.
 - + Future strategy: review DIF improvements, fees, and subsidies
- ✘ Fire Tax Measure H: on track with long term plan

Capital and Operating Grants

- × Revenues = Expenses
- × Budgeting now reflects what can reasonably be completed in the fiscal year, not total project cost.
- × Grant and loan applications, where contracts have not been executed, have not been budgeted.
 - + The State can take months approving agreements, that alter project and grant timelines.
- × Grant applications should be strategic, prioritized and meet council objectives.

Street Funds – what lies ahead

× Streets Funds

- + 52 miles of roads to maintain (along with storm drains, detention basins, curbs, gutters & sidewalks, bike paths, bridges, and street lighting)
- + Annual revenue gap of \$200K



Street Funds, cont.

× Streets Funds, cont. :

- + Gas tax revenue \$232K annually
- + STIP capital grants utilized for major road arteries improvements.
- + Still need a new or dedicated revenue source

× Streets Strategy:

- + Consider taking on single project to improve situation, such as a capital project to replace street lights with LED, take issue to public.

Water and Sewer Funds

- ✘ Revenues and Expenses are on track with the rate study projections.
- ✘ Capital outlay for Fall Creek Improvements will be completed 2012-2013
- ✘ Application of the USDA COP for 2012-2013 for sewer treatment and collections improvements \$5.7 million project is being submitted to Washington, DC for approval.

Water and Sewer Funds, cont.

- × Staying the course with the rate plan
 - + Some strategy in process:
 - × Updating utility ordinances
 - × Starting work on a new rate study
 - × Update the water master plan
 - × Radio read meter replacement project
 - × Accept Credit Cards
 - × Development of additional website resources

Getting organized on a strategic plan

- × Start working on strategies and action steps that will affect us 4-years from now:
 - + Economic Development
 - + Infrastructure and Facilities
 - + Community Partnerships
 - + Fiscal Strategies
 - + Level of Service

Bridge to the next generation

What legacy
will be there
for the next
generation



RESOLUTION NO. 2981

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
SETTING FORTH THE APPROPRIATIONS LIMIT FOR THE
CITY OF YREKA FOR FISCAL YEAR 2012-2013

WHEREAS, Article XIII B of the Constitution of the State of California as implemented by SB 1352 of 1980 and amended by Proposition 111 of 1990 specifies that the total annual appropriations limit of the City shall be adjusted for the change in population and the change in cost of living; and

WHEREAS, the Department of Finance has provided the population estimate for the City of Yreka as of January 1, 2012; to be 7,750 and

WHEREAS, the annual percentage change population estimate for the City of Yreka is a decrease of 0.49% and the change in the California per capita personal income is an increase of 3.77%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does determine that the appropriations limit for Fiscal Year 2012-2013 is \$14,169,500. Appropriations subject to the Gann Limit are \$5,667,399.

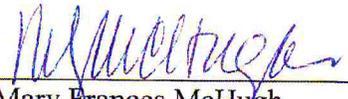
Passed and adopted this 2nd day of August 2012, by the following vote:

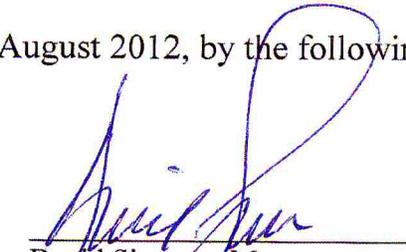
AYES: BICEGO, FOSTER & SIMMEN

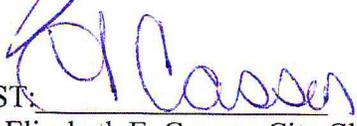
NAYS: NONE

ABSENT: McNEIL & MERCIER

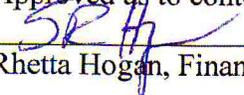
APPROVED AS TO FORM:


Mary Frances McHugh
City Attorney


David Simmen, Mayor

ATTEST: 
Elizabeth E. Casson, City Clerk

Approved as to content:


Rhett Hogan, Finance Director

RESOLUTION NO. 2982
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2012-2013

WHEREAS, it is the desire of the City Council to adopt the 2012-2013 budget,

NOW THEREFORE, BE IT RESOLVED that, **excepting the funds set forth below**, the proposed budget for the 2012-2013 fiscal year consisting of Estimated Revenues of \$13,722,727; and Personnel, Operating, and Capital Outlay of \$13,170,529; is hereby adopted and shall be the financial plan for the 2012-2013 fiscal year. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2012-2013 Budget", and the City Manager is authorized to approve the expenditures set forth in this budget and to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances. The City Manager is also authorized to execute such contract documents on behalf of the City, which are necessary to memorialize expenditure approved herein.

This action excepts fund 01-090-0000-560-001 (Siskiyou County Economic Development Council) by reason of the recusal of Councilmember John Mercier, due to a conflict of interest arising from a contractual relationship with the payee.

This action also excepts Fund 30-all Measure H Special Tax Fund, Fund 03-all the Volunteer Fire Department Benefit Fund, Fund 01-210-0000-all expense of Fire Department, by reason of the recusal of Councilmember Rob Bicego, due to a conflict of interest arising from a membership relationship with the Yreka Volunteer Fire Department.

Passed and adopted this 2nd day of August, 2012 by the following vote:

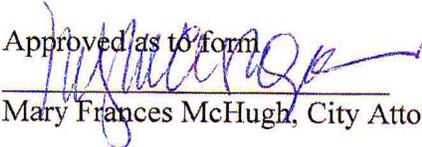
AYES: BICEGO, FOSTER & MERCIER

NOES: NONE

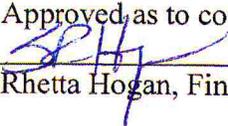
RECUSED: NONE

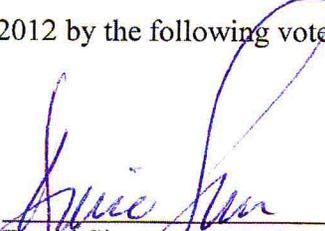
ABSENT: MCNEIL & MERCIER

Approved as to form

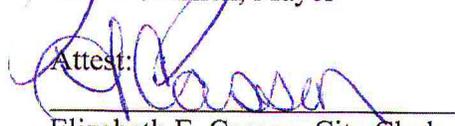

Mary Frances McHugh, City Attorney

Approved as to content:


Rhetta Hogan, Finance Director


David Simmen, Mayor

Attest:


Elizabeth E. Casson, City Clerk

RESOLUTION NO. 2984

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2012-2013
FUND 01-090-0000-560-001 (Siskiyou County Economic Development Council).

WHEREAS, it is the desire of the City Council to adopt the balance of the 2012-2013 budget which had been excepted from adoption by the full Council by reason of the recusal of Councilmember John Mercier, due to a conflict of interest arising from a contractual relationship with the payee,

NOW THEREFORE, BE IT RESOLVED that, the fund excepted from Resolution 2984 which is set forth below, is hereby adopted and shall be included in the financial plan for the 2012-2013 fiscal year as part of the proposed budget for the 2012-2013 fiscal year consisting of Estimated Revenues of \$13,722,727; and Personnel, Operating, and Capital Outlay of \$13,170,529. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2012-2013 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances. The City Manager is authorized to execute such contract documents on behalf of the City which are necessary to memorialize this expenditure.

This action is for fund 01-090-0000-560-001 (Siskiyou County Economic Development Council).

Passed and adopted this 2nd day of August, 2012 by the following vote:

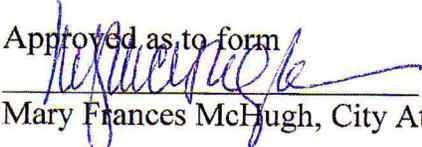
AYES: BICEGO, FOSTER & SIMMEN

NOES: NONE

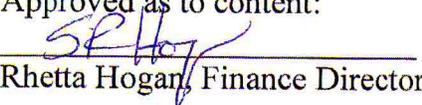
RECUSED: ~~Mercier~~

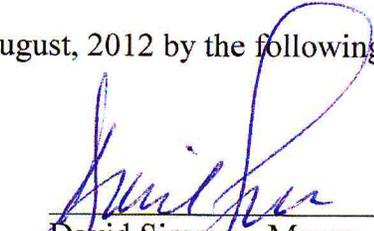
ABSENT: MCNEIL & MERCIER

Approved as to form

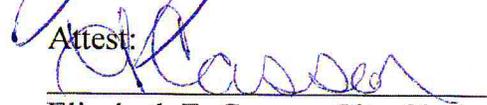

Mary Frances McHugh, City Attorney

Approved as to content:


Rhett Hogan, Finance Director


David Simmen, Mayor

Attest:


Elizabeth E. Casson, City Clerk

RESOLUTION NO. 2983

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2012-2013
FUND 30-ALL MEASURE H SPECIAL TAX FUND, FUND 03-ALL THE
VOLUNTEER FIRE DEPARTMENT BENEFIT FUND, FUND 01-210-0000-ALL
EXPENDITURES OF VOLUNTEER FIRE DEPARTMENT

WHEREAS, it is the desire of the City Council to adopt the balance of the 2012-2013 budget which have been excepted from adoption by the full Council reason of the recusal of Councilmember Rob Bicego, due to a conflict of interest arising from a membership relationship with the Yreka Volunteer Fire Department,

NOW THEREFORE, BE IT RESOLVED that, the funds excepted from Resolution 2982 which are set forth below, are hereby adopted and shall be included in the financial plan for the 2012-2013 fiscal year as part of the proposed budget for the 2012-2013 fiscal year consisting of Estimated Revenues of \$13,722,727; and Personnel, Operating, and Capital Outlay of \$13,170,529. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2012-2013 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances.

This action is for Fund 30-all "Measure H Special Tax Fund", Fund 03-all "The Volunteer Fire Department Benefit Fund", Fund 01-210-0000-all expenditures of the Volunteer Fire Department.

Passed and adopted this 16th day of August, 2012 by the following vote:

AYES: FOSTER, MCNEIL, MERICER & SIMMEN

NOES: NONE

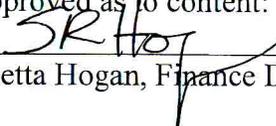
RECUSED: Bicego

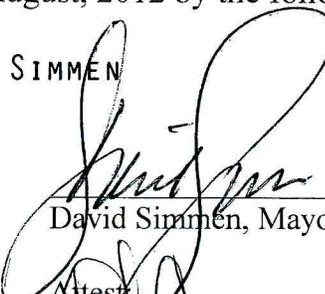
ABSENT: NONE

Approved as to form


Mary Frances McHugh, City Attorney

Approved as to content:


Rhetta Hogan, Finance Director


David Simmen, Mayor

Attest


Elizabeth E. Casson, City Clerk

City of Yreka 2012-13 Projected Budget Narrative

Highlights

Overview:

As an ongoing effort, and particularly so this year, the City has been evaluating and taking steps to reduce its budget and inherent General Fund structural deficit. Those efforts are reflected in the current year's project budget that shows a balanced General Operating fund and expected reserve spending of \$200,000 in the Road and Street Fund. The good news though, is that for the first time in this year's budget is a \$100,000 general operating fund transfer to the capital reserves budget of \$100,000 to build the assigned reserves for Roads and Streets.

So, what has changed?

1. The City is seeing some small recovery in its sales tax revenue and has adjusted those revenues upwards.
2. Public works has taken a thoughtful look at departmental operations in its General Operating Fund and Road and Street Fund departments.
3. Administration and Planning have both reduced costs, by each department sharing 0.50FTE of the Assistant City Manager.
4. Project based budgeting has also been carefully evaluated, and more realistically reflected for what can reasonably be completed in the fiscal year.
5. Grant and loan applications, where contracts have not been executed, have not been budgeted as the State can take months approving agreements, that alter project and grant timelines.

As mentioned in the City Manager's letter, this is a fragile budget. There are no excesses, or what some people might refer to as "padding of the budget". Unanticipated changes in the economy and or departmental operations will change the projections. There will be some unknowns that cannot be estimated, for example when the police department responded to an Amber alert incident and the subsequent arrest and trial.

Revenue:

From 2006-07 on, the City had been experiencing declining revenues on sales tax and property taxes to its general operating fund. The good news, in the budget for 2012-13, is that Finance anticipates that many of those decreases have leveled off and that sales tax revenue will increase, a projection based on the current year's actual revenues.

The City's special revenue funds match revenue (fees and taxes) with legally restricted expenses, general debt servicing and capital outlay. These funds are on track with specific revenue funding goals.

The enterprise utility funds for water and sewer services are in alignment with the five-year rate plans, and in 2012-2013, the City will implement year five of the utility rate increases. The engineering studies used best practices and reasonable assumptions to predict the rate required to sustain and maintain the water and sewer systems. The underlying importance of developing a long-term fiscal plan, along with needs of the water and wastewater systems, is that the City is now reaping the rewards in its ability to receive substantial grant and loan money from Federal (and potentially State grant and loan) programs.

Revenue from grants is on track, though the City carries large balances of grant receivables. Grants carry inherent risks, one of which is cash flow risk, as the City fronts the money for the capital expenses, awaiting agency reimbursement. Other grant risks are compliance and contract risks, discussed later.

Employees:

Staffing levels have decreased. Since 2008-09, the City has dropped five full-time equivalent positions (two managers, two safety officers, one maintenance worker and one clerical assistant) and has re-allocated other positions from the general fund to other funds as appropriate. The City will be in negotiations with all of its bargaining units for 2012-13. The City's share of the medical premiums in the budget is assumed to remain

at the existing payment cap that was increased in 2010-11. In 2011-12, there were no cost of living allowances (COLA's) given.

Full-time and Part-time Positions by Department and Fund

Dept	Fund	Dept Description	2008-09 Regular FTE Budget	2009-10 Regular FTE Budget	2010-11 Regular FTE Budget	2011-12 Regular FTE Budget	2012-13 Regular FTE Budget	Net Increase / (Decrease)
010	01	City Council	-	-	-	-	-	
020	01	City Manager and Administration	2.00	2.00	2.00	2.00	1.50	(0.50)
030	01	Finance	2.30	1.80	1.80	1.80	1.70	(0.10)
030	30	Finance - Fire Tax Collections	0.05	0.05	0.05	0.05	0.10	0.05
030	31	Finance - Landfill Collections	0.10	0.10	0.10	0.10	0.10	-
030	70	Finance - Water Collections	0.70	0.90	0.90	1.03	1.30	0.28
030	80	Finance - Waste Water Collections	0.55	0.75	0.80	0.93	1.10	0.18
040	01	Legal	1.40	1.30	1.30	1.30	1.10	(0.20)
050	01	Information Technology	0.10	0.10	0.10	0.10	0.10	-
060	01	Planning	1.50	1.50	1.50	1.38	0.75	(0.63)
080	01	Building Maintenance	0.50	0.65	0.65	0.60	0.70	0.10
200	01	COPS Grant	2.00	2.00	2.00	2.00	2.00	-
200	01	Police	20.10	19.25	18.25	18.25	18.25	-
220	01	Building	1.50	1.50	1.50	1.38	1.25	(0.13)
230	01	Animal Control	1.00	0.85	0.85	0.85	0.85	-
300	01	Public Works Administration	1.30	0.40	0.35	0.35	0.30	(0.05)
300	20	Public Works Admin - Gas Tax Fund	0.40	0.30	0.30	0.30	0.20	(0.10)
300	60	Public Works Admin - Special Capital Grants	-	-	-	-	0.40	0.40
300	70	Project Engineer - Water Enterprise	-	0.60	0.60	0.60	0.50	(0.10)
300	80	Project Engineer - Wastewater Enterprise	-	0.60	0.60	0.60	0.50	(0.10)
310	01	Street Maintenance - General Fund	0.35	0.13	0.13	0.13	-	(0.13)
310	20	Street Maintenance - Gas Tax Fund	2.05	1.24	1.24	0.32	0.36	0.04
311	20	Street Sweeping - General Fund	0.75	0.45	0.45	0.18	0.18	-
320	24	Traffic Safety - Special Revenue	0.85	0.45	0.45	0.30	0.65	0.35
350	01	Fleet Management	2.20	2.01	2.00	2.00	2.00	-
390	20	Storm Drains - Gas Tax Fund	0.40	0.40	0.40	0.54	0.39	(0.15)
400	01	Parks	1.20	2.12	2.13	2.00	1.37	(0.63)
420	01	Swimming Pool	-	0.05	0.05	0.03	0.03	-
450	01	Senior Center	1.80	-	-	-	-	-
500	70	Water Distribution - Enterprise Fund	2.95	3.45	3.45	3.59	4.14	0.55
510	70	Water Supply & Treatment - Enterprise Fund	3.15	3.20	3.15	3.15	3.15	-
520	70	Water Conservation - Enterprise Fund	-	-	0.05	0.05	0.05	-
550	80	Sewer Distribution - Enterprise Fund	1.65	1.65	1.65	1.65	2.35	0.70
560	80	Sewer Treatment - Enterprise Fund	3.15	3.20	3.20	3.46	3.63	0.17
Total Proposed 2012-13 Budget			56.00	53.00	52.00	51.00	51.00	0.00

	2010-11		2011-12		2012-13	
	# Employed	ER Wages	# Employed	ER Wages	# Employed	ER Wages
Regular Part Time						
Police Transcripts	1	23,938	1	18,000	1	18,000
Project Engineer	1	101,887	1	71,378	1	71,378
PW - Parks					1	10,000
Irregular Part Time						
Police Dispatch	4	22,338	4	20,000	4	20,000
Community Facilities Building Attendants	5	11,617	5	16,000	5	16,000
Seasonal Help Part-time						
Public Works - Fleet	1	8,832	1	7,300	0	-
Public Works - Parks	3	30,970	2	16,400	2	16,400
Public Works - Traffic	2	12,606	2	10,420	2	11,000
Public Works - Streets	2	10,187	2	12,100	1	5,200
Public Works - Water (meter replacement program)	0	-	0	-	1	5,200
Grants - USDA	0	-	1	22,500	1	10,000
Intern Program						
Finance	1	12,098	1	10,000	1	15,000
Overtime and Out of Class						
Public Works (all departments)	N/A	48,392	N/A	40,000	N/A	40,000
Police (officers only)	N/A	64,557	N/A	71,500	N/A	83,500
Elected and Volunteers						
City Council	5	18,000	5	18,000	5	18,000
Fire Chief and Fire Secretary/Treasurer	2	19,500	2	19,500	2	19,500
Fire Advisory Board					11	16,500
Volunteer Fire Department					30	47,000

Operating Costs:

Pricing for utilities (electric and propane), treatment chemicals, petroleum-based products (asphalt), along with fuel and oil have had continued to increase, most notably the park utility budget for water as more parks are being metered. Other operating costs for maintaining new bathrooms, bridges and trails in the parks and on the Yreka Creek greenway are expected to increase. The City also needs to include maintenance costs for the new storm drains and detention basins. These grant funded projects provide additional facilities that do not have a dedicated revenue source to cover the ongoing maintenance costs.

Capital Outlay:

In the 2012-13 budget capital outlay is funded from either one-time revenue, reserves or grant and loan funds. Capital projects in the utility enterprise funds are financed from either fee revenue as specified in the Utility Rate Study that included capital projects or from grants and loans.

Grant awards play an important role in Yreka. Grants remain the “engine” for the City to build and develop itself. There is, however, a risk to grants, those being:

- Cash flow - grants put the City in a highly leveraged position;
- Performance risk - contract performance both with the granting agency and contractor;
- Audit and Monitoring - grants require technical and audit compliance;
- Evaluating and budgeting for the maintenance cost of improvements or new structures

It is important that the City consider the cost associated with these risks, versus the cost to mitigate the risk (e.g. grant administration) in applying for and accepting new grants.

Deferred Maintenance:

The 2012-13 capital budget includes some deferred maintenance repairs and capital projects, however, there remains a list of deferred maintenance projects to buildings, roads, underground utilities and delayed equipment replacement due to lack of funding.

Financial Analysis of the Budget

Governmental entities use fund accounting to account for revenues and expenditures. A *fund* is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. Funds are logical groupings of like governmental and enterprise fund activities. The City maintains 25 active funds. These funds are consolidated in the financial statements as:

- General Fund Activities
- Road and Street Funds
- Special Revenue Funds
- Special Grants and Capital Projects
- Water Enterprise Funds
- Wastewater Enterprise funds
- Agency Funds

General Fund Activities are composed of the following funds: General Operating Fund, Donated Fund, Yreka Volunteer Fire Department (YVFD) Donated, Crandall Trust Fund, General Fund Reserves, General Fund Capital Reserves, and Capital Outlay Fund.

General Operating Fund (Fund 01)

The general fund is the primary operating fund for the City and tracks expenditure activities that includes:

City Council, administration and legal, finance, insurance and information technology, planning and building, public works administration, fire and police protection services, culture and recreation (parks, community center and theatre), and community support (Madrone Hospice, Chamber of Commerce, Siskiyou County Economic Development Council, Splash and others).

General Fund Revenue Projections (\$4,844,507):

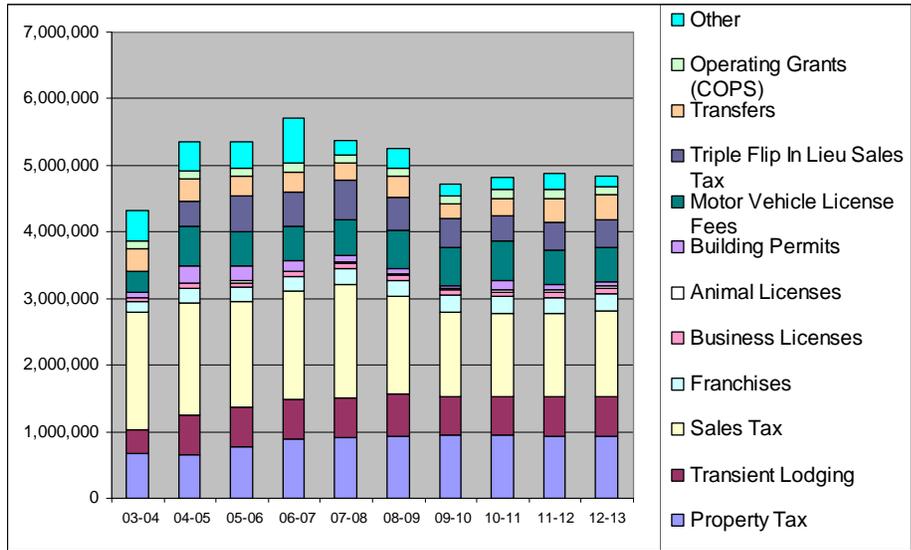
The largest revenue sources that support these expenditures are taxes (property tax, sales tax, transient occupancy hotel taxes, and business licenses). Fee revenue is collected for services rendered and includes dog licenses, planning and building permits, and use of facilities charges (park reservations fees, community theatre and center fees). Other revenue includes State allocations and operating grants. These include motor vehicle license fees (MVLFF) in lieu, Public Safety ¼% sales tax allocation (Proposition 172), and mutual aid reimbursements (CalFire and FEMA). The City’s general operating fund also receives from its enterprise funds indirect cost allocations, such as the cost recovery of central administrative services.

Revenue predictions decreased slightly from the 2011-12 operating budget of \$4,877,664, but have stabilized from the large decreases since the high of 2006-07 as seen on the revenue trends graph below. The City’s general operating fund projected revenue for 2012-13 is \$4,844,507. Revenue as a percentage of expenditures is 101%, meaning, the City is not projecting deficit spending. Salaries and benefits in the general operating fund total \$3,388,589 or 69.5% of all general operating fund revenue.

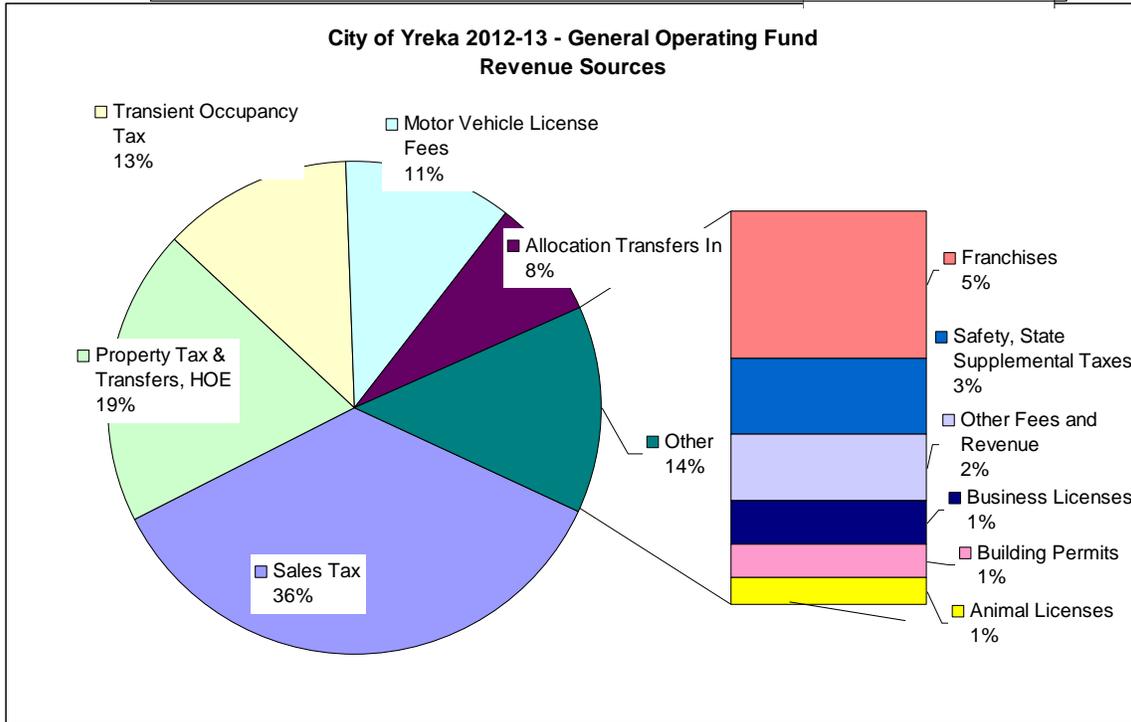
Major Revenue Source Trends

General Operating Fund (unconsolidated)							
	Actuals Fiscal Year 06-07	Actuals Fiscal Year 07-08	Actuals Fiscal Year 08-09	Actuals Fiscal Year 09-10	Actuals Fiscal Year 10-11	Operating Budget 11-12	Proposed Budget 12-13
Property Tax	887,856	915,035	941,360	957,632	958,223	931,500	925,000
Transient Lodging	608,826	592,729	626,360	575,585	567,651	600,000	600,000
Sales Tax	1,607,462	1,709,256	1,462,862	1,270,793	1,250,339	1,235,000	1,300,000
Franchises	220,470	234,541	242,229	249,214	248,500	245,000	250,000
Business Licenses	77,491	80,060	79,378	72,622	70,961	73,350	71,500
Animal Licenses	10,431	10,842	21,488	34,566	42,065	39,200	44,500
Building Permits	156,944	104,410	77,079	41,825	141,350	82,000	55,700
Motor Vehicle License Fees	524,463	542,789	570,778	569,057	577,980	530,000	530,000
Triple Flip In Lieu Sales Tax	509,797	597,296	501,648	424,088	381,525	400,000	400,000
Administrative Costs (ICA)	300,028	241,775	312,680	227,836	270,670	374,500	383,500
Operating Grants	129,791	130,678	127,590	123,791	123,794	124,000	126,000
Other Revenue	682,902	215,313	282,175	176,974	192,283	243,114	158,307
	5,716,459	5,374,723	5,245,626	4,723,983	4,825,341	4,877,664	4,844,507
Total Expenditures	4,911,637	5,043,881	5,335,025	4,873,436	4,891,771	4,782,605	4,840,592
Revenue as a % of Total GF Op. E	116%	107%	98%	97%	99%	102%	100%

Major Revenue Sources Trend Chart



City of Yreka 2012-13 - General Operating Fund Revenue Sources



GF Expense (\$4,840,592):

Employee Wages (\$2,183,003) and Employee Benefits (\$1,205,586)

Estimated Wages are \$2,183,003, Taxes, Workers Comp & Benefits are \$1,205,586, and total compensation is \$3,388,589. Salary negotiations for all the bargaining units for 2012-2013 are currently open, and no cost of living wage adjustments or contract settlement considerations have been assumed in this budget.

Included in the budget is the pension plan cost increase for 2012-2013. The employer's contribution rate increased a modest 0.177% to 9.716% for miscellaneous and 0.035% to 19.204% for safety. Health plans include PERS Choice and PORAC medical plans, VSP vision care and BRMS dental care. As mentioned early, the medical premiums paid for by the City are capped. The employer paid dental insurance plan is a self-insured policy therefore; accrual estimates are made based on prior year trends. In 2012-13, the internal accrual rate remained the same as 2011-12.

Salary and Benefits, General Operating Fund

***City of Yreka 2012-13 Projected Budget
Major Expense Groups, by Departments within Fund***

<i>FUND</i>	<i>2009-10 Actual</i>	<i>2010-11 Actual</i>	<i>2011-12 Op. Bdgt</i>	<i>2011-12 YT.</i>	<i>2012-13 Request</i>	
01 General Operating						
100 SALARY	2,012,014.58	2,026,422.18	2,019,775.60	1,796,659.95	1,933,903.06	
102 OVERTIME	39,685.12	59,429.04	66,000.00	49,067.15	80,200.00	
103 PARTIME	62,461.25	47,641.16	59,400.00	41,711.73	68,500.00	
106 SEASONAL	53,806.52	31,764.14	39,700.00	42,953.00	51,900.00	
107 WAGE ABATEMENT	-19,059.73	-3,113.04	-50,000.00	0.00	0.00	
108 MUTUAL AID	16,059.27	0.00	1,500.00	1,465.50	1,500.00	
109 VOLUNTEERS	37,402.50	36,210.00	45,000.00	30,847.50	47,000.00	
320 PENSION	430,834.32	436,483.65	494,613.05	443,805.53	484,613.14	
330 PAYROLL TAXES	170,818.73	169,430.61	169,427.40	149,889.28	165,743.30	
340 HEALTH	345,404.65	345,132.47	381,755.45	342,227.43	353,292.55	
350 UNEMPLOYMENT	26,531.29	41,628.60	0.00	3,234.69	0.00	
360 WORK COMP	220,016.96	214,601.62	187,155.24	182,423.67	186,786.70	
390 LIFE & ACCIDENTAL	14,267.50	13,711.04	15,927.28	13,338.70	15,149.96	
01 General Operating	3,410,242.96	3,419,341.47	3,430,254.02	3,097,624.13	3,388,588.71	
<i>Percentage Increase/(Decrease) 2012-13 from 2011-2012</i>					-1.21%	
Total	3,410,242.96	3,419,341.47	3,430,254.02	3,097,624.13	3,388,588.71	
			2009-10	2010-11	2011-12	2012-13
General Fund Full Time Regular Employees Count			36.11	35.06	34.340	31.900

Expenditures are controlled using purchase order approval authority within the organization.

Other Expenses by major object (\$1,452,004)

Other expenses by major object increased nearly \$100,000, primarily in utilities.

FUND	2009-10 Actual	2010-11 Actual	2011-12 Op. Bdgt	2011-12 YTD	2012-13 Request
01 General Operating					
510 EMPLOYEE RELATED	59,092.39	48,237.87	65,700.00	47,115.57	69,930.00
515 GENERAL SUPPLIES	33,774.25	33,214.56	34,270.00	30,588.85	31,920.00
516 SPECIALIZED SUPPLIES	80,432.24	100,699.72	84,375.00	58,091.50	88,325.00
517 TELCOM	65,292.04	30,229.00	35,750.00	27,369.96	36,335.00
518 UTILITIES	130,915.12	166,955.34	158,440.00	171,343.05	209,275.00
520 MAINT AND OPS	73,290.07	58,981.74	99,395.00	69,477.60	92,215.00
521 BLDG MAINT AND OPS	31,874.29	24,089.90	19,800.00	21,437.69	21,416.00
522 BLDG MAINT AND OPS	1,575.16	7,652.72	3,500.00	4,385.63	5,000.00
525 PROF AND CONTRACT SER	200,651.60	289,488.39	282,980.00	253,976.40	293,494.00
530 INSURANCE	274,775.19	222,254.62	166,689.00	155,197.08	147,449.00
535 TAXES, FINES, FEES	7,113.42	8,488.54	7,050.00	7,378.32	8,000.00
542 PASS THRU AND REFUNDS	6,117.09	92,200.68	6,200.00	17,459.65	4,500.00
550 NON CAPITALIZED EQUIPM	21,045.83	47,980.73	39,275.00	21,329.83	60,000.00
560 ALLOCATIONS	261,598.22	248,483.40	266,359.28	247,473.04	246,975.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
760 TRANSFER OUT	215,645.86	93,472.21	82,567.25	82,567.25	137,169.78
01 General Operating	1,463,192.77	1,472,429.42	1,352,350.53	1,215,191.42	1,452,003.78
Percentage Increase/(Decrease) 2012-13 from 2011-2012					7.37%
Total	1,463,192.77	1,472,429.42	1,352,350.53	1,215,191.42	1,452,003.78

Expenditures by Department

More about each departments revenue and expense budget can be found in the departmental budgets, found under the organizational structure tab.

FUND	2010-11 Actual	2011-12 Op Budget	2011-12 YTD	2012-13 Request
01 General Operating				
000 <i>Unallocated</i>	93,472.21	82,567.25	82,567.25	137,169.78
010 <i>City Council</i>	21,487.86	24,174.20	19,458.54	24,174.20
020 <i>Administration</i>	320,907.86	336,472.11	293,752.95	284,653.31
030 <i>Finance</i>	234,947.41	249,799.36	218,154.89	259,691.89
040 <i>Legal</i>	250,803.80	210,521.35	183,142.71	194,243.12
050 <i>Information Technology</i>	49,063.17	59,927.12	65,891.61	70,522.74
060 <i>Planning</i>	217,993.41	118,557.22	126,126.06	106,873.25
080 <i>Building Maintenance-City Hall</i>	34,173.87	54,988.83	30,173.57	61,679.53
090 <i>Community Service & Promotion</i>	241,002.98	249,879.16	241,477.96	237,795.70
110 <i>Non Departmental</i>	229,843.85	178,149.00	165,875.33	162,559.00
150 <i>GIS</i>	0.00	0.00	7,327.24	0.00
200 <i>Police</i>	2,163,977.66	2,185,765.14	2,022,587.26	2,232,138.03
201 <i>K-9</i>	0.00	0.00	0.00	27,854.10
210 <i>Fire</i>	264,352.97	276,020.60	232,279.93	276,365.85
220 <i>Building Inspection</i>	133,435.69	133,403.52	116,688.75	122,866.54
230 <i>Animal Control</i>	61,239.97	73,102.94	66,259.22	77,226.94
300 <i>PW Administration</i>	44,041.65	46,650.58	46,240.95	42,131.37
350 <i>Vehicle Maintenance</i>	124,239.16	180,419.95	108,619.19	177,865.39
370 <i>Municipal Services Center</i>	0.00	0.00	9,928.86	0.00
400 <i>Parks</i>	305,649.06	246,598.29	210,451.68	272,690.90
420 <i>Swimming Pool</i>	10,464.74	9,321.49	5,661.72	9,723.89
450 <i>Senior Services</i>	15,929.00	0.00	558.00	0.00
460 <i>Comm. Concerts/Portable Stage</i>	3,982.17	5,809.24	2,095.53	2,189.76
470 <i>Community Theater</i>	28,311.10	22,218.33	22,407.14	22,433.50
480 <i>Community Center</i>	42,451.30	38,258.87	35,034.97	37,743.70
630 <i>Economic Development</i>	0.00	0.00	54.24	0.00
01 General Operating	4,891,770.89	4,782,604.55	4,312,815.55	4,840,592.49

GF Operating Budget Summary – Revenue to Expense Excess

The City’s general operating fund shows estimated revenue of \$4,408,900, and transfers in of \$435,607, or \$4,844,507. Expenditures are \$4,703,423 and transfers out are \$137,170, or \$4,840,593. The City revenues are expected to exceed its expenses by \$3,915 in the current fiscal year. The City has over the past four years made staffing cuts, program changes and deferred purchases to minimize future deficits.

Restricted and or Designated General Governmental Funds

Other restricted and or designated general fund (Funds 02 through 10) activities are gifts and donations, YVFD Volunteer Fund, Crandall/Stewart Fund, Operating and Capital

Reserves and Capital Outlay. These funds are restricted in purpose and use and generally reflect one-time expenditures for capital outlay.

Donated (Fund 02) and Yreka Volunteer Fire Department (Fund 03)

The Donated Fund generally tracks recurring community donors for special activities, primarily in conjunction with the Yreka Police Department. These programs pay for teen activities in the summer, youth scholarships in law enforcement, travelers assistance, as well as public contributions to the K9 programs. Budgeted revenue is \$525, expenditures \$1,200, and a revenue transfer of \$17,854 to the General Operating Fund to start a K-9 program in 2012-2013. The Yreka Volunteer Fire Department (YVFD) maintains several donation accounts that include their general account, equipment account, benefit accounts, safety and scholarship accounts. Throughout the year, the YVFD has several fundraising activities and the anticipated revenue is \$20,500 and expense \$20,500.

Crandall/Stewart (Fund 04)

The Crandall fund was created to recognize the estate gift, in April 1999, from Russell Karl Crandall. In 2009-10, the City received proceeds of \$156,647 from the estate of Ms. Phyllis Stewart.

Budgeted revenue for 2011-12 is \$30,000.

Budgeted revenue sources for the Crandall Fund include investment earnings on cash and equivalent investments as well as rental income on City owned property purchased from these funds.

Budgeted expense for 2011-12 is \$124,820.

Budgeted expense includes \$23,320 of building maintenance on the North Street apartments and Black's building, and another \$101,500 has been budgeted for the Stewart Trust mini-grants program for improvements to Miner Street.

General Operating Reserves (Fund 08), General Capital Reserves (Fund 09) and General Capital Outlay (Fund 10)

The City maintains operating and capital reserves. Excess insurance premiums (like dividends), when refunded, are added to these operating reserves. It is expected that the City’s JPA (joint powers authority) SCORE (small cities organized risk effort), of which the City is a member, will authorize an estimated insurance refund of \$250,000 in 2011-2012.

General Operating Reserves (Fund 08)

A revenue transfer of \$130,253 from the Operating Reserves Fund 08 to the General Operating Fund 01 equals the PERS liability reserve accretion budgeted for \$130,253. A second Operating Reserve Fund 08 revenue transfer pays for the one-time capital outlay for \$223,040 in Capital Reserves Fund 09.

General Operating Fund Revenue (Fund 08) of \$353,293 is a contra revenue and has the same effect of an expense.

FUND	2009-10 Actual	2010-11 Actua	2011-12 Op. Bdgt	2011-12 YF.	2012-13 Request
08 GF Operating Reserves					
000 Unallocated					
882 OTHER REVENUE	300,616.00	0.00	248,609.00	248,609.00	0.00
898 TRANSFERS IN	0.00	-300,616.00	-593,263.20	-557,809.34	-353,293.00
000 Unallocated	300,616.00	-300,616.00	-344,654.20	-309,200.34	-353,293.00
Percentage Increase/(Decrease) in 2012-13 from 2011-2012					2.51%
08 GF Operating Reserves	300,616.00	-300,616.00	-344,654.20	-309,200.34	-353,293.00
Percentage Increase/(Decrease) 2012-13 from 2011-2012					2.51%
Total	300,616.00	-300,616.00	-344,654.20	-309,200.34	-353,293.00

The workers compensation accretion of \$69,094 is the excess of the estimated workers compensation insurance premium versus the payroll wage accrual. The PERS contra expense for \$130,253 reflects the repayment of the one-time unfunded liability to CalPERS for its unfunded pension costs in 2005. The City tracks that internal borrowing to charge back the departments their share of cost over an estimated remaining 10 years, offsetting the operating reserve fund, and is also budgeted as contra expenses, (and has the same effect as a revenue line item). The payment to CalPERS unfunded liability

expense was incurred in 2005 for approximately \$1.5 million. General Operating Fund Expenses (Fund 08) of \$199,347 is a contra expense and has the same effect of a revenue.

City of Yreka 2012-13 Projected Budget Major Expense Groups, by Departments within Fund

FUND	2009-10 Actual	2010-11 Actual	2011-12 Op. Bdgt	2011-12 Y.T.	2012-13 Request
08 GF Operating Reserves					
110 Non Departmental					
320 PENSION	-127,914.67	-133,759.24	-135,614.20	-114,160.83	-130,253.00
340 HEALTH	3,326.42	-2,504.60	0.00	0.00	0.00
360 WORK COMP	-89,331.60	-74,371.84	-90,025.23	0.00	-69,094.00
110 Non Departmental	-213,919.85	-210,635.68	-225,639.43	-114,160.83	-199,347.00
Percentage Increase/(Decrease) in 2012-13 from 2011-2012					-11.65%
08 GF Operating Reserves	-213,919.85	-210,635.68	-225,639.43	-114,160.83	-199,347.00
Percentage Increase/(Decrease) 2012-13 from 2011-2012					-11.65%
Total	-213,919.85	-210,635.68	-225,639.43	-114,160.83	-199,347.00

General Capital Reserves (Fund 09) and Capital Outlay (Fund 10)

General Capital Outlay is funded from one time money transferred in from operating reserves and capital reserves.

- From GF Capital Reserves Fund 09 to GF Capital Outlay Fund 10 \$203,040.
- From GF Capital Reserves Fund 09 to Capital Grants Fund 60 \$25,000.
- From the General Operating Fund 01 to GF Capital Outlay Fund 10, a transfer of \$46,960 (Springbrook related)

FUND	2009-10 Actual	2010-11 Actual	2011-12 Op. Bdgt	2011-12 Y.T.	2012-13 Request
10 GF Capital Outlay					
000 Unallocated					
883 SALE OF ASSETS	1,331.00	600.00	5,000.00	0.00	0.00
898 TRANSFERS IN	90,995.00	203,057.78	159,109.00	245,000.00	250,000.00
000 Unallocated	92,326.00	203,657.78	164,109.00	245,000.00	250,000.00
Percentage Increase/(Decrease) in 2012-13 from 2011-2012					52.34%
10 GF Capital Outlay	92,326.00	203,657.78	164,109.00	245,000.00	250,000.00
Percentage Increase/(Decrease) 2012-13 from 2011-2012					52.34%
Total	92,326.00	203,657.78	164,109.00	245,000.00	250,000.00

Expenditures in Capital Outlay (Fund 10) are \$250,000. Expenditure detail is summarized in the two following tables.

FUND	2009-10 Actual	2010-11 Actual	2011-12 Op. Bdgt	2011-12 YF.	2012-13 Request
10 GF Capital Outlay					
620 BLDG ACQ. AND IMPROVEM	0.00	81,114.25	106,109.00	77,320.88	170,540.00
650 EQUIPMENT	75,366.00	105,583.53	41,040.00	36,834.66	62,500.00
740 DEBT PRINCIPAL	16,960.00	16,960.00	16,960.00	16,960.00	16,960.00
10 GF Capital Outlay	92,326.00	203,657.78	164,109.00	131,115.54	250,000.00
Percentage Increase/(Decrease) 2012-13 from 2011-2012					52.34%
Total	92,326.00	203,657.78	164,109.00	131,115.54	250,000.00

Projected List for One-time Capital Outlay 2012-2013

Unallocated Projects \$145,540

- Ringe Pool, roofing and repairs at the Ringe pool, costs have not been estimated
- Community Theatre and Center, grease trap installation at the center, breezeway roof supports and siding repair at the theatre. Costs have not been estimated
- Public Works Maintenance needs a replacement bucket truck that was purchased used and has some major mechanical and structural breakdowns. Costs of a used vehicle have roughly been estimate at \$32,000, but this may be a low estimate.

The discussion on allocations will come back to the Council at a future date.

Finance \$46,960

- Continued implementation of the Springbrook financial software, including workorders, project management and inventory control, as well as debt servicing. Currently schedule for August in the version upgrade, and related training cost of onsite consultant.

Police \$32,500

- One time money in the budget for a Command vehicle for Sergeants is included in the capital budget. The command vehicle is used for major incidents and is an incident command post. It is very important for YPD to function in all weather conditions at all times and this vehicle carries the tools needed to get the job done. This vehicle purchase will allow the old vehicle to be passed down and free up a patrol unit for the K-9. Estimated cost \$32,000

Fire \$20,000

- With the installation of new HVAC system, the expected savings on current utility bills would pay for the system in less than a 5-years. The fire department's propane charges were nearly \$28,000 in 2011-2012. The operating budget assumes savings from installation of a new HVAC system.

Parks \$5,000

- Residual clean up costs from the demolition of the structure on West Street, adjunct to Miner Street Park.

Road, Street and Transit Activities are composed of the following funds:

Gas Tax and Traffic Congestion Fund, Local Transportation Fund, and Fines and Traffic Safety Fund.

Gas Tax and Traffic Congestion Fund (Fund 20)

The road and street fund receives State Highway User Tax (HUTA). HUTA now includes the recent shift of State Traffic Congestion Relief Funds (TCRF Prop. 42) to HUTA. Funds received from these state allocations are restricted in use for improvement of the City's streets including street maintenance, associated drainage systems (storm drains), sidewalks, streetlights, curbs and gutters. The revenue for these programs has historically been a target of State swaps, deferrals and shifts, but it is projected that the City will continue to receive in 2012-13 its full allocation without any deferrals.

The City is expected to spend more than it receives in its Gas Tax and Traffic Congestion funds \$196,966. To balance, the City is using reserves from the Local Transportation Fund. However, once those reserves are depleted (now an estimated by 2014-2015), the City will need to support street maintenance from other revenue sources, like the General Operating Fund or cut services in order to address the structural deficit. In anticipation of that, the City has transferred \$100,000 to the General Fund, street's capital reserves budget.

Gas Tax Fund 20 Revenue Projections (\$429,066):

The revenue budget for 2012-13, includes recurring revenue from HUTA gas tax funds of \$232,000. Other revenue is from transfers; \$20,473 transfer in from the General Operating fund and \$176,493 transfer in from the Local Transportation Fund reserves; and interest revenue of \$100.

Gas Tax Fund 20 Expenditures (\$436,066):

Expenditures include \$79,183 in wages and \$42,448 in benefits totaling \$121,631 in wages and salaries. Non-salary expenses total \$314,435, of which \$35,000 is new for hauling street sweeping debris to the transfer station for disposal.

<i>FUND</i>	<i>2009-10 Actual</i>	<i>2010-11 Actual</i>	<i>2011-12 Op. Bdgt</i>	<i>2011-12 YTD</i>	<i>2012-13 Request</i>
20 Road and Street					
100 SALARY	150,700.09	128,520.75	144,955.13	80,986.91	70,483.21
102 OVERTIME	1,593.89	1,663.35	3,000.00	85.97	1,500.00
103 PARTIME	2,401.00	4,165.00	1,200.00	44.00	0.00
106 SEASONAL	7,336.03	7,971.17	10,900.00	4,095.05	7,200.00
107 WAGE ABATEMENT	-63,212.12	0.00	-25,000.00	0.00	0.00
320 PENSION	36,366.14	27,369.82	33,006.06	17,942.77	16,154.59
330 PAYROLL TAXES	14,482.90	11,168.09	12,232.97	6,648.78	6,050.55
340 HEALTH	20,688.27	21,875.62	14,863.57	14,358.95	10,845.12
350 UNEMPLOYMENT	0.00	0.00	0.00	276.00	0.00
360 WORK COMP	23,571.95	17,309.78	17,870.77	9,778.66	8,702.69
390 LIFE & ACCIDENTAL	938.45	953.55	801.55	727.22	694.87
510 EMPLOYEE RELATED	799.48	1,023.93	3,200.00	253.50	2,000.00
516 SPECIALIZED SUPPLIES	25,991.59	17,334.87	20,400.00	8,942.36	24,100.00
517 TELCOM	898.77	505.50	800.00	297.79	0.00
518 UTILITIES	54,726.82	65,399.65	66,200.00	59,399.52	72,100.00
520 MAINT AND OPS	76,196.47	101,198.28	93,855.00	80,598.22	166,935.00
525 PROF AND CONTRACT SER	15,351.06	4,750.97	18,000.00	4,926.23	33,700.00
530 INSURANCE	0.00	614.16	500.00	95.26	0.00
535 TAXES, FINES, FEES	0.00	404.00	0.00	0.00	0.00
550 NON CAPITALIZED EQUIPM	8,247.56	6,169.74	14,600.00	1,540.00	5,600.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
625 INFRASTRUCTURE	531,497.40	152,251.76	0.00	289.84	10,000.00
650 EQUIPMENT	17,361.57	0.00	0.00	0.00	0.00
20 Road and Street	925,937.32	571,149.99	431,385.05	291,287.03	436,066.03
	<i>Percentage Increase/(Decrease) 2012-13 from 2011-2012</i>				1.09%

Expenditures by Department:

<i>FUND</i>	<i>2010-11 Actual</i>	<i>2011-12 Op Budget</i>	<i>2011-12 YTD</i>	<i>2012-13 Request</i>
20 Road and Street				
000 Unallocated	0.00	0.00	0.00	0.00
300 PWA Administration	23,101.49	31,522.16	21,443.72	22,077.08
310 Streets	406,369.16	235,362.12	150,687.47	203,193.52
311 Street Sweeping	24,471.90	13,482.66	20,550.98	55,497.99
312 Street Lighting	69,905.57	69,500.00	60,339.33	81,000.00
313 Weed Control	5,578.96	3,539.76	1,422.53	2,000.00
390 Storm Drains	41,722.91	77,978.35	36,843.00	72,297.44
20 Road and Street	571,149.99	431,385.05	291,287.03	436,066.03
Total	571,149.99	431,385.05	291,287.03	436,066.03

Local Transportation (Fund 21)

Local Transportation Fund 21 Revenue (\$200,000)

The LTF is a restricted state transit funded program administered by the County, comprised of a local board. The City receives a restricted allocation of funds to support regional transportation (STAGE, Siskiyou Transit and General Express). In the past, excess transit funds were allocated to the cities for road and street improvement. At present, however, there are no longer any surplus funds for the City and that has effectively reduced Yreka's overall road and maintenance budget. Budget revenue for 2012-13 is \$200,000 for County STAGE support.

Local Transportation Fund 21 Expenditures (\$376,493)

Expenditures are \$200,000 for County STAGE services and \$176,493 transfer out (backfill) to the Gas Tax fund for to cover the deficit.

Fines - Traffic Safety (Fund 24)

Traffic Safety Fund 24 Revenue (\$105,737)

Revenue from traffic fines is budgeted in 2012-13 at \$30,000. The remaining revenue of \$69,737 is a general fund transfer out (backfill) to the Traffic Safety Fund (transfer in). Revenue received from traffic fines is restricted for traffic safety maintenance and improvements. Traffic safety includes traffic lights, road signage (e.g. stop signs, yield signs) and street markings.

Traffic Safety Fund 24 Expense (\$105,737)

Personnel expenditures of \$56,237 cover wages of \$35,854 and benefits of \$20,383. Other non-salary expenses total \$49,500.

Special Revenue Funds are composed of the following funds: Fire Assessment Tax, Landfill Access Fee and Developer Impact Fees. These revenue funds are restricted by voter measure, ordinance or property based (Proposition 218 fees) assessments to fund debt and/or capital projects. In addition, some operating costs, like administrative costs of billing for revenue collections and administration are allowed and budgeted. These funds match revenues with expenditures and are meeting targeted goals of debt servicing and or accretion of reserves for future capital purchases or acquisitions.

Fire Assessment Tax (Fund 30)

The Fire Assessment Tax is a result of a special ballot Measure H passed November 2006, to assess property owners a tax on property to support fire related services, primarily capital outlay.

Budgeted revenue is \$221,000. Tax receipts are \$220,500 and interest earnings on revenue \$500. Annually the tax may increase based upon the Engineering News Record, Construction Cost Index. In January 2012, this index had a slight decrease, resulting in a slight reduction of tax assessment. No revenue increase or decrease has been assumed due to cost index fluctuations.

Budgeted expense is \$142,508. The cost of collections is \$6,704 (wages and benefits for finance). Debt servicing on the purchase of two fire engines is \$135,804 (principal \$111,168 and interest \$24,636).

Landfill Access Fee (Fund 31)

The Landfill Access Fee is a Proposition 218 based property fee for access to the County owned transfer station, formerly the jointly owned landfill operated by the City. In 2007, the City sold its interest (an environmental liability), and paid the County \$1 million in cash, transferred the landfill closure reserves funds to the County, and entered into a 25-year, \$2.5 million borrowing, landfill access agreement whereby the City pays \$175,000 annually (5.39% annual rate) to the County for access to use the transfer station.

Budgeted revenue is \$215,500 arising from access fee assessments. Annually the assessment may increase based upon the Engineering News Record, Construction Cost Index. No revenue increase or decrease has been assumed due to cost index fluctuations.

Budgeted expense is \$181,021. The cost of collections is \$6,456 (wages and benefits for finance). Debt servicing to the County on the landfill access fee is \$175,000 (principal \$61,203 and interest \$113,797).

The **Ending Fund Balance** estimated increase is \$34,032. The beginning fund balance is negative and reflects the carry-over loss on the closure of the landfill enterprise fund.

The excess revenue each year incrementally offsets the carryover loss.

Development Impact Fees (Fund 32)

The City collects Development Impact fees (DIF) from the developer to build infrastructure as growth and expansion from development impact services of the City. At present, the City's impact fees are discounted by 50%. The City is receiving half of the fees needed to build the identified growth-related improvements. Life-to-date from enactment, the City has provided over \$600,000 in discounts to development projects.

Developer Impact Fees:

- are fees paid by the developer for the City to build infrastructure as it becomes needed.
- are equitable as a developer only pays its share – the cost must be reasonably related to the service/improvement.
 - Can't use the fees for existing deficiencies – those have to be paid for by the fee for service (like water fees, sewer fees, trash fees)
 - Existing system deficiencies can be funded by raising other revenues (utility rates, assessments, taxes)

DIF Budgeted revenue is \$40,075 for impact fees.

DIF Budgeted expense is zero.

DIF Ending Fund Balance or reserve is projected remain negative, as in essence, the City has borrowed from this fund for projects to be funded by future developer impact fee

revenue. This will create an interfund loan against future DIF revenue. The City has collected DIF fees since 2006-07 (at different discounted rates).

Special Grants – Operating and Capital Projects are composed of the following funds: Special Grants – Capital Outlay, and Community Development Grants and Loans.

Special Grants – Capital Outlay (Fund 60)

The City continually applies for and receives competitive grants. Grants allow the City to leverage public dollars with other Federal, State and agency awards. Grant awards account for \$1,905,750 of expenditures for projects, plans and capital improvements. A large continuing grant award is the River Parkways project for \$1.142 million that will provide restrooms, greenway parking and trails along the north town end of Yreka Creek.

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
60 Spec Grants - Capital Outlay					
000 <i>Unallocated</i>	-25,000.00	25,000.00	0.00	0.00	0.00
200 <i>Police</i>	0.00	0.00	0.00	0.00	0.00
300 <i>PW Administration</i>	0.00	0.00	0.00	0.00	0.00
310 <i>Streets</i>	381,000.00	0.00	381,000.00	0.00	0.00
390 <i>Storm Drains</i>	1,000.00	0.00	1,000.00	0.00	0.00
400 <i>Parks</i>	1,280,000.00	0.00	1,280,000.00	0.00	0.00
520 <i>Water Conservation (BMP)</i>	0.00	0.00	0.00	0.00	0.00
600 <i>Community Development</i>	0.00	0.00	0.00	0.00	0.00
610 <i>Redevelopment</i>	205,000.00	0.00	205,000.00	0.00	0.00
630 <i>Economic Development</i>	38,750.00	0.00	38,750.00	0.00	0.00
60 Spec Grants - Capital Outlay	1,880,750.00	25,000.00	1,905,750.00	0.00	0.00

Community Development Grants (Fund 65)

The City has applied for and received federal Community Development Block Grants, commonly referred to as CDBG. The grants are for business loans (job creation), Microenterprise Training (for small targeted income businesses owners and their employees for technical training and assistance, non-revolving) and Housing Rehabilitation Loans (low-income housing rehabilitation). The loan repayments are deposited into revolving accounts, unless specifically allocated to another open CDBG

block grant (typically a water or sewer infrastructure project). The City’s microenterprise training grant is a technical assistance grant geared to career training for low-income businesses with five or fewer employees.

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
65 Community Development Grant					
000 <i>Unallocated</i>	0.00	0.00	0.00	13,000.00	-13,000.00
600 <i>Community Development</i>	0.00	0.00	0.00	0.00	0.00
620 <i>Housing</i>	5,000.00	0.00	0.00	0.00	5,000.00
630 <i>Economic Development</i>	171,500.00	0.00	171,000.00	0.00	500.00
65 Community Development Grant	176,500.00	0.00	171,000.00	13,000.00	-7,500.00

Enterprise Funds are business “corporate” like activities. The City provides water and wastewater utility services. These funds are restricted, whereby the fees charged for providing the utility can only be used towards expenses required to provide the service, maintain the system, and allow for prudent or adequate reserves. Even the City is required to pay for utility services received these enterprise funds. For example, City Hall pays for its water and sewer bills to these enterprise funds just like a homeowner or business owner.

Included in the 2012-13 budget is the fifth step-up of rates pursuant to the water and wastewater utility rate study. The fifth year of rate increases will go into effect on October 1, 2012. In the rates for water and wastewater utilities, not only has the rate increased, but the shifting of who pays for the utilities aligns fees to those businesses and individuals that use the utilities most. The fee increases are being phased-in over five years, gradually increasing each year to a rate needed to sustain the system.

Water Enterprise Funds are composed of the following funds: Water Operating, Water Capital Projects, Water Debt Servicing and Water Reserves.

Water Operating (Fund 70)

The Water Operating fund revenue and expenses are \$1,643,586. The excess (or deficit) of revenue is transferred to the water reserves account. Operating expenses of wages and

salaries are \$757,786 of which \$476,190 are wages and \$281,596 benefits. Non-wage related operating expenses total \$885,800.

Water Operating Fund Expenses

<i>FUND</i>	<i>2009-10 Actual</i>	<i>2010-11 Actual</i>	<i>2011-12 Op. Bdgt</i>	<i>2011-12 YTD</i>	<i>2012-13 Request</i>
70 Water Operating					
100 SALARY	371,832.10	366,910.30	413,340.97	299,008.08	433,990.62
102 OVERTIME	13,056.83	12,474.82	24,000.00	11,920.04	24,500.00
103 PARTIME	281.60	2,448.50	0.00	152.00	10,000.00
106 SEASONAL	3,198.50	3,918.00	5,000.00	8,718.12	7,700.00
107 WAGE ABATEMENT	-13,961.14	0.00	0.00	0.00	0.00
320 PENSION	76,995.00	74,999.30	90,521.51	71,919.07	96,643.25
330 PAYROLL TAXES	29,771.47	28,897.96	33,043.90	26,386.42	35,640.35
340 HEALTH	69,566.27	77,390.54	87,226.06	76,812.22	96,870.50
360 WORK COMP	46,911.69	44,958.31	44,778.89	39,485.86	48,597.90
390 LIFE & ACCIDENTAL	3,294.01	3,066.15	3,564.01	3,031.28	3,843.69
510 EMPLOYEE RELATED	681.17	2,017.76	6,000.00	1,705.63	6,800.00
515 GENERAL SUPPLIES	16,638.27	17,544.16	17,300.00	16,333.30	18,600.00
516 SPECIALIZED SUPPLIES	16,360.86	25,929.44	51,800.00	17,985.68	45,800.00
517 TELCOM	2,843.91	3,419.34	4,300.00	2,663.90	6,325.00
518 UTILITIES	199,109.55	209,755.87	230,000.00	188,588.46	234,000.00
520 MAINT AND OPS	105,030.49	125,176.48	144,800.00	86,388.95	183,175.00
521 BLDG MAINT AND OPS	290.22	2,349.54	2,000.00	1,087.47	2,000.00
525 PROF AND CONTRACT SER	44,484.44	134,236.31	82,800.00	68,231.05	121,000.00
530 INSURANCE	1,567.02	19,780.00	0.00	300.99	9,500.00
535 TAXES, FINES, FEES	18,285.33	10,889.84	17,020.00	14,073.71	17,100.00
550 NON CAPITALIZED EQUIPM	837.51	7,018.78	22,000.00	2,778.70	54,500.00
760 TRANSFER OUT	173,243.76	183,124.11	187,000.00	156,250.00	187,000.00
70 Water Operating	1,180,318.86	1,356,305.51	1,466,495.34	1,093,820.93	1,643,586.31
<i>Percentage Increase/Decrease 2012-13 from 2011-2012</i>					12.08%

Expenditure by function, departmental breakouts:

<i>FUND</i>	<i>2010-11 Actual</i>	<i>2011-12 Op Budget</i>	<i>2011-12 YTD</i>	<i>2012-13 Request</i>
70 Water Operating				
000 Unallocated	183,124.11	187,000.00	156,250.00	187,000.00
030 Finance	106,421.21	113,025.00	85,854.01	141,298.16
300 PW Administration	49,923.10	71,370.52	46,022.06	77,638.03
500 Water Distribution	295,659.88	344,863.14	249,965.34	401,830.37
510 Water Supply and Treatment	637,697.48	732,897.74	545,058.96	811,469.28
520 Water Conservation (BMP)	83,479.73	17,338.94	10,670.56	24,350.47
70 Water Operating	1,356,305.51	1,466,495.34	1,093,820.93	1,643,586.31
Total	1,356,305.51	1,466,495.34	1,093,820.93	1,643,586.31

Water Capital Projects (Fund 71)

The 2011-12 City budget of \$473,214 completes the USDA Rural Development Loan and Grant capital outlay includes a new clearwell tank, new supply mains, tank repairs, telemetry system upgrades, water treatment plant upgrades, the construction of a flocculation and backwash facilities and an additional pump at the Fall Creek pump station. From fee revenue, two capital projects of \$625,000 for the relocation of a water main at the County Fairgrounds and \$65,000 for water meters replacement are planned.

Water Debt Servicing (Fund 72)

The City's debt servicing on its USDA 2010 certificate of participation loan commenced in 2011-2012, and at the completion of construction, the City will debt service over the next forty years a principal and interest payment of \$265,000 on a loan amount of \$6,810,000 at 2.25%. Interest payments are semiannual and principal payments annual. Interest for 2012-2013 will be \$153,000 and principal will be \$111,000, for a combined debt servicing payment of \$261,000.

Water Reserves (Fund 74)

Pursuant to the rate study and the USDA Rural Development agreements, the City has targeted levels of reserves to reach for the maintenance and operations of the system, the Fall Creek pipeline reserve (adequate repair reserves along the 23-mile 14" pipeline), short-lived assets reserves, steel main replacement and miscellaneous upgrades. The excess (or deficit) of revenue over expense are placed into reserves for the enterprise funds. The City anticipates setting aside in 2012-2013, \$73,414 in reserves and earning \$12,000 of interest revenue.

Wastewater Enterprise Funds are composed of the following funds:

Wastewater Operating, Wastewater Capital Projects, Wastewater Debt Servicing and Wastewater Reserves.

Wastewater Operating (Fund 80)

The Wastewater Operating fund revenue and expenses are \$1,548,489. The excess (or deficit) of revenue is transferred to the wastewater reserves account. Operating expenses of wages and salaries are \$607,089 of which \$372,527 are wages and \$234,562 benefits. Non-salary related expenses total \$941,400.

Wastewater Operating Fund Expenses

FUND	2009-10 Actual	2010-11 Actual	2011-12 Op. Bdgt	2011-12 Y.T.	2012-13 Request	
80 Wastewater Operating						
100 SALARY	282,888.14	310,556.19	329,698.23	270,650.93	361,027.14	
102 OVERTIME	6,040.11	7,037.11	11,500.00	7,031.26	11,500.00	
103 PARTIME	0.00	185.00	0.00	4,790.50	0.00	
106 SEASONAL	920.00	1,231.00	0.00	694.01	0.00	
107 WAGE ABATEMENT	-12,937.95	0.00	0.00	0.00	0.00	
320 PENSION	60,235.91	64,995.11	73,732.68	63,999.94	82,164.92	
330 PAYROLL TAXES	21,963.05	23,670.59	26,050.80	22,211.97	28,451.95	
340 HEALTH	51,411.29	60,812.39	71,013.91	63,286.50	82,867.18	
360 WORK COMP	33,274.95	35,971.96	34,002.95	32,806.11	37,541.83	
390 LIFE & ACCIDENTAL	2,582.37	2,578.64	3,197.00	2,748.07	3,536.38	
510 EMPLOYEE RELATED	1,217.05	1,094.04	4,600.00	1,909.99	4,000.00	
515 GENERAL SUPPLIES	169.26	712.05	400.00	452.45	400.00	
516 SPECIALIZED SUPPLIES	138,854.81	157,057.09	163,000.00	136,440.39	172,600.00	
517 TELCOM	661.60	652.43	800.00	576.34	825.00	
518 UTILITIES	146,099.32	183,379.09	184,000.00	179,252.77	219,000.00	
520 MAINT AND OPS	182,960.81	183,163.49	201,400.00	155,059.62	217,575.00	
521 BLDG MAINT AND OPS	149.08	2,710.75	1,700.00	543.64	1,700.00	
522 BLDG MAINT AND OPS	4,643.60	3,407.33	7,200.00	2,124.66	7,200.00	
525 PROF AND CONTRACT SER	0.00	1,306.34	6,500.00	611.73	68,500.00	
530 INSURANCE	441.98	15,406.00	2,000.00	0.00	11,500.00	
535 TAXES, FINES, FEES	25,286.00	20,186.00	38,100.00	25,415.00	40,200.00	
550 NON CAPITALIZED EQUIPM	42,183.47	8,589.06	32,400.00	12,966.43	10,400.00	
760 TRANSFER OUT	155,638.99	159,170.02	187,500.00	155,000.00	187,500.00	
80 Wastewater Operating	1,144,683.84	1,243,871.68	1,378,795.57	1,138,572.31	1,548,489.40	
	Percentage Increase/(Decrease) 2012-13 from 2011-2012					12.31%

Expenditure by function, departmental breakouts:

Wastewater Capital Projects (Fund 81)

In 2012-13, an estimated \$30,000 of capital outlay projects includes related costs for to another USDA Rural Development capital project application for an estimated \$5,500,000.

Wastewater Debt Servicing (Fund 82)

The City's debt servicing on its USDA 2003 certificate of participation loan (4.5% maturing in 2044) and State Water Resources loan (2.6% maturing in 2023) totals \$126,451. Principal on the USDA 2003 loan in 2011-12 is \$13,000 and interest is \$36,608. Principal on the State Water Resources loan is \$57,941 and interest is \$18,902.

Wastewater Reserves (Fund 84)

Pursuant to the rate study, the City has targeted levels of reserves to reach for the maintenance and operations of the system, inflow and infiltration reduction, target area main replacement, and miscellaneous upgrades. The excess (or deficit) of revenue over expense are placed into reserves for the enterprise funds. The City is anticipating setting aside in 2012-13, \$476,028 of revenue into these reserves.

Agency Trust Funds are not budgeted as these are third party payments, primarily disbursement of payroll taxes and benefits through payroll clearing or pass through accounts.