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## June 6, 2012

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**CITY OF YREKA  
CITY COUNCIL AGENDA MEMORANDUM**

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To: Yreka City Council  
Prepared by: Rhetta Hogan, Finance Director *2*  
Agenda title: Discussion of 2013-2014 Annual Budget  
Meeting date: June 6, 2013

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Discussion:

City staff is pleased to present to the Council and citizens the City's 2013-2014 annual budget. This year's budget is both reflective of the fiscal discipline from evaluating vacant positions and a cost benefit approach to needed capital outlay.

The total estimated general operating fund revenues and transfers in are \$4,779,294 and expenses and transfers out are \$4,737,653. The excess of revenue over expenses of \$41,641 will be added to reserves.

Citywide total expenses for all funds are \$13,592,901 that are covered by a combination of anticipated revenues of \$13,734,661 and accumulated balances.

The fiscal budget is subject to budget revisions throughout the course of the year, based on revised revenue projections and identified emerging needs.

Fiscal Impact: see above

Recommendation and Requested Action:

That the City Council request presentation of the final 2013-2014 Annual Budget for Adoption at its regularly scheduled meeting on June 20, 2013.

Approved by

Steven Baker, City Manager



## City of Yreka

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(530) 841-2386 • FAX (530) 842-4836



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

Re: 2013-14 Annual Budget

In the following pages you will find the proposed 2013-14 Annual Budget for the City of Yreka, which is a financial planning document. Preparation of this budget has been a challenge as the City continues to deal with the impact from the current economic times, which has not only made it more difficult to fund existing services and programs, but also meet new challenges.

The General Operating Fund is structurally balanced with on-going revenues covering on-going expenses; however, it does not meet all needs. The overall revenues are projected to decrease \$71,783, with our largest revenue source, sales tax of \$1,600,000, expected to stay the same. Property tax appears to have stabilized and is expected to total \$901,500. The City's taxes on hotel/motel stays, which reflects the impacts of travel and tourism is expected to remain at \$600,000. Of the \$71,783 revenue decrease, \$50,688 is a decrease in revenue transfers from the water and wastewater enterprise funds as indirect cost rates decreased and direct costs to those funds increased, e.g. legal and insurance charges.

Since 2008, the City has steadily worked on limiting expenses. Total expenses in the General Fund for on-going programs are estimated to total \$4,737,653. This total reflects changes in how the City provides services, including having the retired building official working part-time for inspections and plan checks, instead of refilling the position, transitioning the City Attorney from a full time staff member to a contract City Attorney, and changing fleet services staffing from two mechanics to one mechanic with administrative support. As with previous cost savings measures, such as not refilling the Planning Director position, these changes have resulted in a smaller staff, particularly at the management level. Despite the staff decreases, the City appears to be successfully maintaining essential services. However, the City's ability to respond quickly to new challenges, opportunities, or workload increases, has been diminished by these changes.

Despite the fact that on-going revenues are projected to be higher than on-going expenses, the difference is less than 1%. The City has been able to use one-time revenues, mostly from insurance refunds, to handle one-time expenses in the General fund. These one-time revenues are expected to be significantly lower in future years, meaning that funds may need to be set aside, or reserved, to be utilized for one-time expenses.

Significant challenges remain for the City. The Street funds, as we have mentioned in previous budgets, are insufficient to keep the streets in good condition. In fact, current funds are insufficient even for minimal maintenance. While there are some grant funds available for arterial streets, due to funding shortages, the release of these funds can and have been delayed for individual projects, often by years. The Council identified street maintenance as one of the priorities for funding in the strategic goal setting session.

There are other significant items of concern that were identified in the strategic goal setting session. These include the replacement of the aging Police Station, the repair or replacement of Ringe Pool, providing a funding source for vehicles and equipment as they reach obsolescence, and reducing energy costs for City facilities. Air quality regulations also require the City to upgrade its fleet by eliminating or retrofitting older vehicles that have higher pollution emission rates. A new street sweeper is included in the budget due in part to age, but also due to problems with an outdated emission control system.

The City's water and wastewater enterprise funds are now in the final year of rate increases approved in 2008. The low reserves and deficit positions at that time have been improved so that the funds have larger reserves, necessary repairs and upgrades have been funded, and revenues are covering operating expenses. While new regulatory requirements and the results of lawsuits continue to require additional investments and increased operating costs, the revenue and expense models appear to allow rates to remain steady, with only increases for inflation.

The City's employees have continued to work to improve the efficiency and effectiveness of City services. In 2011, City employees from all departments were encouraged to provide ideas on balancing the budget including increasing revenues, decreasing expenses, changing services, and modifying business practices. As we look back on the changes since then, a large number of these suggestions have been incorporated, and have helped put the City in the position of having a structurally balanced budget.

The budget does not include pay increases for the various bargaining groups. Most of the bargaining groups' contracts have expired, with another to expire in the middle of the fiscal year. Negotiations will need to balance responsibly budgeting for future uncertain economic times, while also recognizing that employees pay has eroded in real terms since the last pay increases more than 4 years ago, in 2008/09.

Other challenges include future increases in CalPERS retirement rates, as the retirement system recognizes the impacts of past investment returns compared to system liabilities; as well as projected returns and the longevity of retiring employees. Increases in these rates are expected to continue over the next five years. Current accounting rules (GASB 45) recommend that the City funds future retiree health benefits in trust, rather than the current pay-as-you-go method.

Storm drain costs will also be increasing as new regulations and permit requirements affecting Yreka are put into place, in the next year or two. These requirements do not come with a funding source.

Moving forward, the City will need to continue to hold the line on expenses, and continue to look for more efficient ways to deliver City services and achieve City Council goals for the community. Some of the strategies to achieve these goals include working closely with the many non-profit organizations and individual volunteers who step up again and again to make Yreka a great place to live and work. Yreka's involved citizens are a hidden asset to those outside the community, but well known by people who live here.

I would like to thank the many people who worked to put this budget together. Department heads, division managers, and their support staff have worked to find different ways of approaching services to increase efficiency and lower costs. As noted above, employees throughout the organization have been willing to do things differently. Finally, I would like to thank Rhett Hogan, Ben Matts and the Finance staff who have worked to pull all of the numbers together. Yreka is fortunate to have such a group of dedicated and versatile employees.

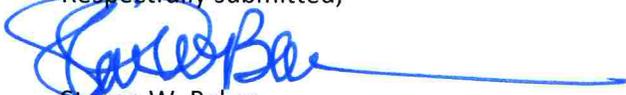
Finally, I would like to thank the City Council for their leadership and willingness to confront the challenging issues facing the City. Tough economic times require difficult decisions with an eye toward the long term future impacts. We look forward to working together, and to continue to move Yreka toward a brighter future.

Respectfully submitted,

Steven W. Baker  
City Manager

Finally, I would like to thank the City Council for their leadership and willingness to confront the challenging issues facing the City. Tough economic times require difficult decisions with an eye toward the long term future impacts. We look forward to working together, and to continue to move Yreka toward a brighter future.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Steve Baker", with a long horizontal line extending to the right.

Steven W. Baker  
City Manager

## City of Yreka 2013-14 Projected Budget Narrative

### ***Highlights***

#### **Overview:**

This year's fiscal discipline in evaluating retirements and how to fill those vacancies, has led to a year of rethinking how we can afford to "do business" not only this year, but as we move forward. One might call it the year of fiscal discipline, sprinkled with innovation, and against a backdrop of the Yreka pioneer can-do attitude from Council, present City staff and re-engaged part-time retirees and volunteers that have come back to help fill these vacancies. The results of these efforts can be measured in the current year's projected budget where revenues slightly exceeding expenses by \$41,641 in the General Operating fund. The general operating fund budget includes a \$100,000 fund transfer to the capital reserves budget of \$100,000 to augment the assigned reserves for Roads and Streets.

City staff took both a realistic and analytical approach to their departmental budgets. Recommendations for outlays were evaluated from a cost-benefit approach at the budget planning meetings. That focus led to the decision to include in the current budget the use of capital reserves in the general fund and local transportation fund to make critically needed repairs to the roads and streets prior to waiting for more costly repairs from further deterioration, invest in money savings equipment (LED streetlights) and replace equipment nearing or at obsolescence, whose maintenance costs are expected to exceed the value of the equipment.

Within the operational budgets, there are no areas of excess, or what some people might refer to as "padding of the budget". Changes in the economy and or departmental operations will change the projections. All of these variables lend importance to establishment and assignment of a budget stabilization reserve.

#### **Revenue:**

From the one time revenue highs in 2006-07, the City had been experiencing declining revenues on sales tax. However, starting in 2011-2012 and trending forward there appears to be a stabilization of these revenues as reflected in the 2013-14 annual budget.

Finance projects that the City's main revenue sources of sales tax, property tax, transit occupancy taxes, and franchise fee revenue remain stable, as the projections are predictive using the current year's actual revenues and 2011-2012 actual results.

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 2013-2014, the City will implement year its new utility rate study that project modest 2.5% cost of living increases over the next five year. 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. To date, the City is has been able to reaping the rewards from sustainable rates and long term infrastructure planning, 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 continue to decrease, and since 2008-09, the City has dropped seven full-time equivalent positions. Other positions have been restructured and re-allocated from the general fund to other funds as appropriate. The City is in negotiations with all of its bargaining units for 2013-14. Since 2008-09, there have not been any cost of living allowances (COLA's) given to employees.

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

Dept	Fund	Dept Description	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Net Increase / (Decrease)
			Regular FTE Budget						
010	01	City Council	-	-	-	-	-	-	
020	01	City Manager and Administration	2.00	2.00	2.00	2.00	1.50	1.650	0.15
030	01	Finance	2.30	1.80	1.80	1.80	1.70	2.050	0.35
030	30	Finance - Fire Tax Collections	0.05	0.05	0.05	0.05	0.10	0.100	-
030	31	Finance - Landfill Collections	0.10	0.10	0.10	0.10	0.10	0.100	-
030	70	Finance - Water Collections	0.70	0.90	0.90	1.03	1.30	1.200	(0.10)
030	80	Finance - Waste Water Collections	0.55	0.75	0.80	0.93	1.10	1.100	-
040	01	Legal	1.40	1.30	1.30	1.30	1.10	0.150	(0.95)
050	01	Information Technology	0.10	0.10	0.10	0.10	0.10	0.200	0.10
060	01	Planning	1.50	1.50	1.50	1.38	0.75	0.750	-
080	01	Building Maintenance	0.50	0.65	0.65	0.60	0.70	0.360	(0.34)
090	01	Community Promotions	-	-	-	-	-	0.180	0.18
200	01	COPS Grant	2.00	2.00	2.00	2.00	2.00	2.000	-
200	01	Police	20.10	19.25	18.25	18.25	18.25	18.150	(0.10)
210	01	YVFD - Building Maintenance	-	-	-	-	-	0.020	0.02
220	01	Building	1.50	1.50	1.50	1.38	1.25	0.250	(1.00)
230	01	Animal Control	1.00	0.85	0.85	0.85	0.85	1.000	0.15
300	01	Public Works Administration	1.30	0.40	0.35	0.35	0.30	0.450	0.15
300	20	Public Works Admin - Street Fund	0.40	0.30	0.30	0.30	0.20	0.350	0.15
300	60	Public Works Admin - Special Capital Grants	-	-	-	-	0.40	0.700	0.30
300	70	Project Engineer - Water Enterprise	-	0.60	0.60	0.60	0.50	0.350	(0.15)
300	80	Project Engineer - Wastewater Enterprise	-	0.60	0.60	0.60	0.50	0.600	0.10
310	01	Street Maintenance - General Fund	0.35	0.13	0.13	0.13	-	-	-
310	20	Street Maintenance - Street Fund	2.05	1.24	1.24	0.32	0.36	0.775	0.42
311	20	Street Sweeping - Street Fund	0.75	0.45	0.45	0.18	0.18	0.545	0.37
312	20	Street Lights - Street Fund	-	-	-	-	-	0.455	0.46
313	20	Weed Control - Street Fund	-	-	-	-	-	0.120	0.12
320	24	Traffic Safety - Special Revenue	0.85	0.45	0.45	0.30	0.65	0.565	(0.09)
350	01	Fleet Management	2.20	2.01	2.00	2.00	2.00	1.670	(0.33)
390	20	Storm Drains - Gas Tax Fund	0.40	0.40	0.40	0.54	0.39	0.605	0.22
400	01	Parks	1.20	2.12	2.13	2.00	1.37	1.275	(0.10)
420	01	Swimming Pool	-	0.05	0.05	0.03	0.03	0.020	(0.01)
450	01	Senior Center	1.80	-	-	-	-	-	-
470	01	Community Theatre	-	-	-	-	-	0.090	0.09
480	01	Community Center	-	-	-	-	-	0.110	0.11
500	70	Water Distribution - Enterprise Fund	2.95	3.45	3.45	3.59	4.14	2.445	(1.70)
510	70	Water Supply & Treatment - Enterprise Fund	3.15	3.20	3.15	3.15	3.15	3.175	0.02
520	70	Water Conservation - Enterprise Fund	-	-	0.05	0.05	0.05	0.050	-
550	80	Sewer Distribution - Enterprise Fund	1.65	1.65	1.65	1.65	2.35	1.970	(0.38)
560	80	Sewer Treatment - Enterprise Fund	3.15	3.20	3.20	3.46	3.63	3.220	(0.41)
560	81	Sewer Treatment - USDA Capital Projects	-	-	-	-	-	0.200	0.20
<b>Total Proposed 2013-14 Budget</b>			<b>56.00</b>	<b>53.00</b>	<b>52.00</b>	<b>51.00</b>	<b>51.00</b>	<b>49.00</b>	<b>-2.00</b>

	2010-11		2011-12		2012-13		2013-14	
	# Employed	ER Wages						
<b>Regular Part Time</b>								
Police Transcripts	1	23,938	1	18,000	1	18,000	1	18,000
Police Kennel Assistant							1	8,000
Project Engineer	1	101,887	1	71,378	1	71,378	1	71,378
Public Works - Parks Custodial					1	10,000	1	10,000
Building Official							1	29,837
Public Works - Water Distribution, Meter Reading							1	17,952
<b>Irregular Part Time</b>								
Community Facilities Building Attendants	5	11,617	5	16,000	5	16,000	5	9,000
Police Dispatch	4	22,338	4	20,000	4	20,000	4	20,000
Public Works - Fleet Mechanic							1	2,000
Public Works - Water Treatment, Conservation and UWM							1	8,320
<b>Seasonal Help Part-time</b>								
Public Works - Fleet	1	8,832	1	7,300	0	-	0	0
Public Works - Parks	3	30,970	2	16,400	2	16,400	2	10,400
Public Works - Portable Stage	3	30,970	2	16,400	2	16,400	0	1,200
Public Works - Traffic	2	12,606	2	10,420	2	11,000	1	5,000
Public Works - Streets	2	10,187	2	12,100	1	5,200	0	0
Public Works - Storm Drains	0	0	0	0	0	0	0	1,500
Public Works - Water (meter replacement program)	0	-	0	-	1	5,200	2	10,500
Public Works - Water (water treatment & efficiency)	0	-	0	-	1	5,200	0	2,500
Grants - USDA	0	-	1	22,500	1	10,000	0	0
<b>Intern Program</b>								
Finance	1	12,098	1	10,000	1	15,000	0	0
<b>Overtime and Out of Class</b>								
Public Works (all departments)	N/A	48,392	N/A	40,000	N/A	40,000	N/A	40,000
Police (officers only)	N/A	64,557	N/A	71,500	N/A	83,500	N/A	81,000
<b>Elected and Volunteers</b>								
City Council	5	18,000	5	18,000	5	18,000	5	18,000
Fire Chief and Fire Secretary/Treasurer	2	19,500	2	19,500	2	19,500	2	19,500
Fire Advisory Board					11	16,500	11	16,500
Volunteer Fire Department					30	47,000	34	47,000
*City Clerk/Assistant City Manager and City Treasurer/Finance Director are included with regular employees								

### **Operating Costs:**

Pricing for utilities (electric and propane), treatment chemicals, petroleum-based products (asphalt), along with fuel and oil continue to increase, and still 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 will need to increase 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. Within the enterprise funds, the use of professional services increase for costs relating to one-time specialized projects, such as review of the City's ordinances, analysis of the City's videotaped sewer mains, and inclusion of more direct charges to these funds for insurance and legal costs.

### **Capital Outlay:**

In the 2013-14 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 loans.

Grants continue to play an important role in Yreka. Grants remain a primary revenue source for the City to build and develop itself. Internally City has been working on improved controls and monitoring processes to help ensure compliance. However with grants, there are risks of:

- 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 2013-14 capital budget includes some significant capital outlay for equipment and capital projects. There however, there remains a list of deferred maintenance projects to buildings, roads, underground utilities and 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 (\$4,779,294):**

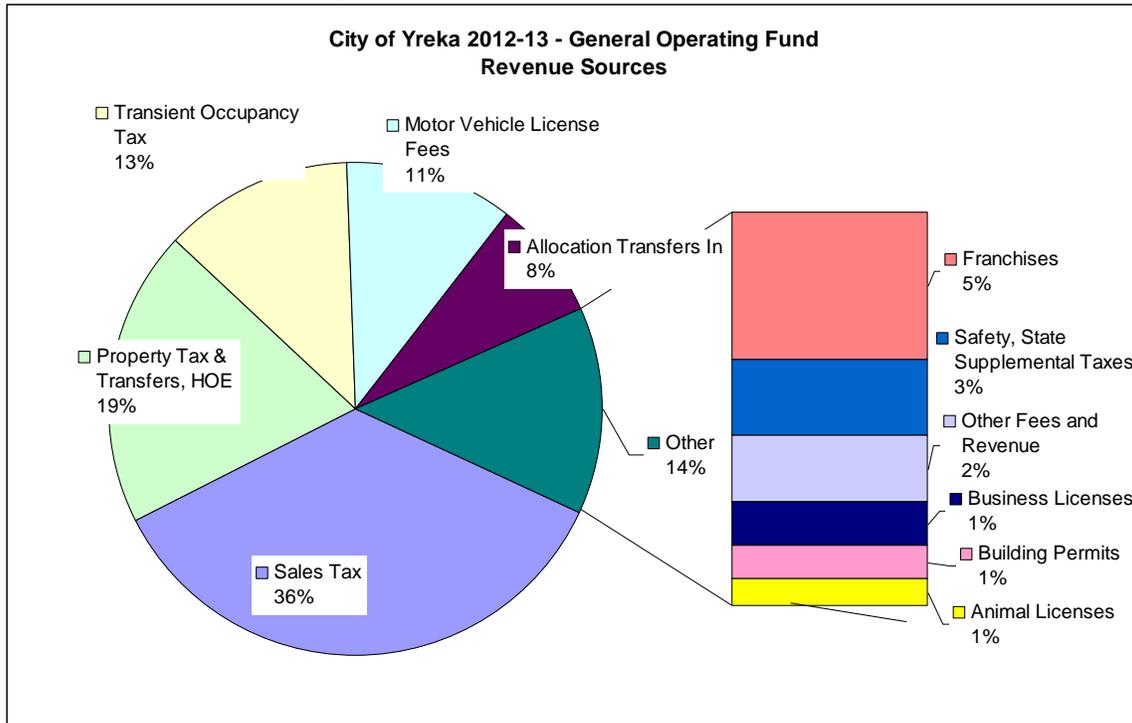
The largest revenue sources that support these expenditures are taxes (property tax, sales tax, transient occupancy hotel taxes, and business licenses). Fee revenue is collected for services rendered and includes dog licenses, planning and building permits, and use of facilities charges (park reservations fees, community theatre and center fees). Other revenue includes federal and 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 in 2013-2014 to \$4,779,294 from the 2012-13 operating budget of \$4,851,077, primarily due to lower transfers in due to more direct charges to the other funds. Revenue as a percentage of expenditures \$4,737,653 is 101%, meaning, the City is not projecting deficit spending. Salaries and benefits in the general operating fund total \$3,125,985 or 65.4% of all general operating fund revenue.

**Revenues**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
800 PROP TAXES	932,985.00	900,539.00	901,500.00	872,496.17	901,500.00
807 MVLF IN LIEU PROP TAX	539,883.00	530,816.00	530,000.00	541,547.10	540,000.00
810 SALES TAX	1,631,864.00	1,766,734.00	1,700,000.00	1,281,983.41	1,700,000.00
811 IN LIEU PROP TAX - KARUK	16,150.00	0.00	16,000.00	24,444.00	12,000.00
813 TOT TAX	567,654.00	626,335.00	600,000.00	472,856.89	600,000.00
814 FRANCHISE	239,659.00	252,400.00	250,000.00	208,940.57	250,000.00
815 BUSINESS LIC	70,962.00	71,671.00	71,500.00	69,527.49	71,000.00
816 PROP TRAN TAX	6,413.00	10,862.00	7,500.00	13,551.85	12,000.00
824 FINES AND PENALTIES	8,393.00	9,650.00	6,800.00	6,891.11	6,500.00
830 INVESTMENT REVENUE	15,715.00	14,510.00	12,300.00	9,978.94	12,300.00
840 MVLF IN LIEU STATE	38,297.00	0.00	0.00	3,985.56	0.00
841 HOE TAX	16,709.00	16,436.00	15,000.00	8,321.33	15,000.00
843 POST	6,412.00	25,053.00	10,000.00	1,409.69	5,000.00
850 OTHER STATE	126,583.00	152,388.00	131,000.00	63,429.04	131,000.00
860 OTHER FEDERAL	0.00	0.00	0.00	2,209.94	0.00
870 FEE REVENUE	242,482.00	170,996.00	144,300.00	112,836.07	133,075.00
871 PENALTIES ON FEE REVEN	280.00	2,205.00	0.00	2,043.50	2,000.00
881 OTHER FEE REVENUE	0.00	0.00	0.00	91,040.63	0.00
882 OTHER REVENUE	4,806.00	13,904.00	18,000.00	7,489.23	3,000.00
883 SALE OF ASSETS	0.00	0.00	1,570.00	1,570.00	0.00
885 CONTRIBUTIONS	3,507.00	1,018.00	0.00	0.00	0.00
898 TRANSFERS IN	354,115.00	393,300.00	435,607.10	185,129.07	384,919.00
01 General Operating	4,822,669.00	4,958,817.00	4,851,077.10	3,981,681.59	4,779,294.00
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					-1.48%

Major Revenue Sources as a % of Revenue



**GF Expense (\$4,737,653):**

**Employee Wages (\$2,008,570) and Employee Benefits (\$1,205,586)**

Estimated Wages are \$2,008,570, Taxes, Workers Comp & Benefits are \$1,117,415, and total compensation is \$3,125,985. Salary negotiations for all the bargaining units for 2013-2014 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 2013-2014. The employer’s contribution rate increased a modest 0.566% to 10.282% for miscellaneous and 0.696% to 19.9% for safety. Health plans include PERS Select, 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 increased slightly to cover the actual claim experience. The vision care plan will increase from \$10.90 single, \$23.44 family per month to \$11.45 single \$24.61 family per month effective July 1, 2013.

**City of Yreka 2013-2014  
General Operating Fund, Major Expense Groups: Salary and Benefits**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
100 SALARY	2,026,421.00	1,983,296.00	1,933,903.06	1,616,046.70	1,784,469.77
102 OVERTIME	59,430.00	52,983.00	80,200.00	77,890.75	81,700.00
103 PARTTIME	47,643.00	45,096.00	68,500.00	70,971.42	67,000.00
106 SEASONAL	31,764.00	50,359.00	51,900.00	37,950.77	28,900.00
107 WAGE ABATEMENT	-3,113.00	0.00	0.00	-15,700.83	0.00
108 MUTUAL AID	0.00	1,466.00	1,500.00	5,074.18	1,500.00
109 VOLUNTEERS	36,210.00	42,172.00	47,000.00	33,795.00	47,000.00
320 PENSION	436,482.00	490,492.00	484,613.14	404,633.15	466,781.78
330 PAYROLL TAXES	169,432.00	166,306.00	165,743.30	140,305.92	152,468.77
340 HEALTH	345,133.00	352,153.00	353,292.55	285,145.93	320,429.79
350 UNEMPLOYMENT	41,628.00	4,772.00	0.00	5,536.00	0.00
360 WORK COMP	214,602.00	199,490.00	186,786.70	154,462.56	174,337.89
390 LIFE & ACCIDENTAL	13,711.00	13,900.00	15,149.96	11,349.72	13,406.77
01 General Operating	3,419,343.00	3,402,485.00	3,388,588.71	2,827,461.27	3,125,984.75
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-7.75%</b>

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
General Fund Full Time Regular Employees Count	<b>34.61</b>	<b>34.16</b>	<b>31.90</b>	<b>30.38</b>

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

**Other Expenses by major object (\$1,611,668)**

Other expenses by major object increased nearly utilities, professional services, and expense transfers out. The increase in professional services reflects the use of contracting for services that were previously covered by staff employees who retired in 2013-14, primarily for legal, building inspection services and information technology support.

**City of Yreka 2013-2014  
General Operating Fund, Major Expense Groups: Other Operating Expenses**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
510 EMPLOYEE RELATED	48,237.00	51,107.00	69,930.00	26,565.17	50,980.00
515 GENERAL SUPPLIES	33,215.00	33,740.00	31,920.00	29,999.07	31,970.00
516 SPECIALIZED SUPPLIES	100,698.00	72,346.00	89,895.00	59,096.18	83,316.00
517 TELCOM	30,229.00	33,913.00	36,335.00	35,087.59	44,680.00
518 UTILITIES	166,955.00	192,994.00	209,275.00	173,649.37	227,600.00
520 MAINT AND OPS	58,983.00	72,883.00	92,215.00	69,735.78	87,920.00
521 BLDG MAINT AND OPS	24,091.00	24,555.00	21,416.00	28,099.46	26,200.00
522 BLDG MAINT AND OPS	7,653.00	4,921.00	5,000.00	2,845.65	12,300.00
525 PROF AND CONTRACT SER	289,491.00	284,428.00	293,494.00	257,286.27	404,000.00
530 INSURANCE	222,254.00	155,197.00	147,449.00	174,283.04	176,805.00
535 TAXES, FINES, FEES	8,488.00	7,379.00	8,000.00	1,994.00	6,650.00
542 PASS THRU AND REFUNDS	92,200.00	18,965.00	4,500.00	2,223.90	3,025.00
550 NON CAPITALIZED EQUIPM	47,981.00	38,913.00	65,000.00	43,476.39	45,700.00
560 ALLOCATIONS	248,484.00	256,175.00	246,975.00	252,050.54	247,475.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
760 TRANSFER OUT	93,472.00	39,313.00	137,169.78	69,736.99	163,047.54
01 General Operating	1,472,431.00	1,286,829.00	1,458,573.78	1,228,129.40	1,611,668.54
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>10.50%</b>

**Expenditures by Department**

Detail analysis of each departments revenue and expense budget can be found in the departmental budgets, found under the organizational structure tab.

**City of Yreka 2013-2014  
General Operating Fund, Summary by Department within Fund**

<i><b>FUND</b></i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>01 General Operating</b>				
000 <i>Unallocated</i>	39,313.00	137,169.78	69,736.99	163,047.54
010 <i>City Council</i>	26,257.00	24,174.20	18,356.22	26,924.20
020 <i>Administration</i>	323,698.00	284,653.31	246,158.22	302,114.20
030 <i>Finance</i>	235,096.00	259,691.89	217,385.01	257,831.26
040 <i>Legal</i>	208,028.00	194,243.12	121,513.52	95,555.27
050 <i>Information Technology</i>	72,200.00	70,522.74	53,216.61	75,880.44
060 <i>Planning</i>	133,937.00	106,873.25	64,393.78	127,547.42
080 <i>Building Maintenance-City Hall</i>	31,353.00	61,679.53	29,488.49	37,463.34
090 <i>Community Service &amp; Promotion</i>	249,427.00	237,795.70	204,653.97	244,851.25
110 <i>Non Departmental</i>	154,632.00	162,559.00	165,074.84	174,515.00
150 <i>GIS</i>	0.00	0.00	1,920.76	0.00
200 <i>Police</i>	2,218,625.00	2,228,006.34	1,967,709.90	2,233,777.98
201 <i>K-9</i>	0.00	27,854.10	15,238.53	0.00
210 <i>Fire</i>	288,451.00	277,935.85	268,902.78	297,338.39
220 <i>Building Inspection</i>	128,632.00	122,866.54	78,632.22	72,464.92
230 <i>Animal Control</i>	79,898.00	86,358.63	73,532.07	91,350.95
300 <i>PWA Administration</i>	50,712.00	42,131.37	43,636.57	55,177.96
350 <i>Vehicle Maintenance</i>	114,414.00	177,865.39	135,258.40	137,736.20
370 <i>Municipal Services Center</i>	0.00	0.00	14,781.75	0.00
400 <i>Parks</i>	259,175.00	272,690.90	193,859.95	262,941.54
420 <i>Swimming Pool</i>	6,848.00	9,723.89	3,471.47	7,789.21
450 <i>Senior Services</i>	558.00	0.00	45.76	0.00
460 <i>Comm. Concerts/Portable Stage</i>	4,673.00	2,189.76	41.19	1,689.76
470 <i>Community Theater</i>	24,650.00	22,433.50	40,232.55	33,664.82
480 <i>Community Center</i>	38,683.00	37,743.70	28,349.12	37,991.64
630 <i>Economic Development</i>	54.00	0.00	0.00	0.00
<b>01 General Operating</b>	<b>4,689,314.00</b>	<b>4,847,162.49</b>	<b>4,055,590.67</b>	<b>4,737,653.29</b>

**GF Operating Budget Summary – Revenue to Expense Excess**

The City’s general operating fund shows estimated revenue of \$4,394,375 and transfers in of \$384,919, or \$4,779,294. Expenditures are \$4,574,606 and transfers out are \$163,047, or \$4,737,653. The City revenues are expected to exceed its expenses by \$41,641 in the current fiscal year. The City is continuing, as it has over the past five 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 \$500, expenditures \$1,200. 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 \$17,500 and expense \$17,500.

#### **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 2013-14 is \$5,200.**

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

#### **Budgeted expense for 2013-14 is \$31,700.**

Budgeted expense includes \$6,700 of property related expenses on the North Street apartments, Black's building, and Hi-Ridge property. Twenty five thousand 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 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 in 2013-2014, however that amount remains unknown, but will be budgeted once cash has been received.

**General Operating Reserves (Fund 08)**

A revenue transfer of \$117,051 from the Operating Reserves Fund 08 to the General Operating Fund 01 equals the PERS liability reserve accretion budgeted for \$117,051.

**Revenues**

<i>City of Yreka 2013-14 Projected Budget Major Revenue Groups, by Departments within Fund</i>					
<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actl.</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>08 GF Operating Reserves</b>					
<b>000 Unallocated</b>					
882 OTHER REVENUE	0.00	495,487.00	0.00	0.00	0.00
898 TRANSFERS IN	-300,616.00	-828,374.00	-353,293.00	-306,129.07	-117,051.00
<b>000 Unallocated</b>	<b>-300,616.00</b>	<b>-332,887.00</b>	<b>-353,293.00</b>	<b>-306,129.07</b>	<b>-117,051.00</b>
<i>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</i>					<b>-66.87%</b>
<b>08 GF Operating Reserves</b>	-300,616.00	-332,887.00	-353,293.00	-306,129.07	-117,051.00
<i>Percentage Increase/(Decrease) 2013-14 from 2012-2013</i>					<b>-66.87%</b>
<b>Total</b>	-300,616.00	-332,887.00	-353,293.00	-306,129.07	-117,051.00

The workers compensation accretion of \$60,977 is the excess of the estimated workers compensation insurance premium versus the payroll wage accrual. The PERS contra expense for \$117,051 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 \$178,028 is a contra expense and has the same effect of a revenue.

*Expenses*

**City of Yreka 2013-14 Projected Budget  
Major Expense Groups, by Departments within Fund**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>08 GF Operating Reserves</b>					
<b>11 Non Departmental</b>					
320 PENSION	-133,759.00	-122,983.00	-130,253.00	-98,642.47	-117,051.00
340 HEALTH	-2,504.00	-3,325.00	0.00	0.00	0.00
360 WORK COMP	-74,372.00	-96,973.00	-69,094.00	0.00	-60,977.00
<b>110 Non Departmental</b>	<b>-210,635.00</b>	<b>-223,281.00</b>	<b>-199,347.00</b>	<b>-98,642.47</b>	<b>-178,028.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>-10.69%</b>
<b>08 GF Operating Reserves</b>	<b>-210,635.00</b>	<b>-223,281.00</b>	<b>-199,347.00</b>	<b>-98,642.47</b>	<b>-178,028.00</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-10.69%</b>

**General Capital Reserves (Fund 09)**

General Capital Reserves are funded from one time money and transfers in from the other funds for future planned capital needs.

*Revenues*

Transfers from the general capital reserves to the capital outlay fund is budgeted at \$250,000. This represents a contra revenue, and has the same effect of an expense, in the general capital reserves fund. The \$100,000 transfer in from the general operating fund to the general capital reserves, represents the continued goal of funding road and streets fund projects from the general operating fund.

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>09 GF Capital Reserves</b>					
<b>000 Unallocated</b>					
898 TRANSFERS IN	218,217.00	668,664.00	20,000.00	120,000.00	-250,000.00
<b>000 Unallocated</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>20,000.00</b>	<b>120,000.00</b>	<b>-250,000.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>-1350.00%</b>
<b>310 Streets</b>					
898 TRANSFERS IN	0.00	0.00	100,000.00	0.00	100,000.00
<b>310 Streets</b>	<b>0.00</b>	<b>0.00</b>	<b>100,000.00</b>	<b>0.00</b>	<b>100,000.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>0.00%</b>
<b>09 GF Capital Reserves</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>-150,000.00</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-225.00%</b>
<b>Total</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>-150,000.00</b>

**Expenses**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
09 GF Capital Reserves					
760 TRANSFER OUT	120,658.00	29,197.00	25,000.00	25,000.00	355,000.00
09 GF Capital Reserves	120,658.00	29,197.00	25,000.00	25,000.00	355,000.00
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					1320.00%

The expense transfers out from the general capital reserves accounts totals \$355,000.

- Transfers from GF Capital Reserves Fund 09 to Road and Street Fund 20 is \$275,000; where \$235,000 is for the Street Sweeper and \$40,000 (20% share) is for the 10-yard bucket truck
- Transfers from GF Capital Reserves Fund 09 to Capital Grants Fund 60 is \$80,000; where \$30,000 (20% share) is for the GIS Mapping and \$50,000 is for North Yreka Creek City grant match.

**General Capital Outlay (Fund 10)**

General Capital Outlay is funded from one time money transferred in from capital reserves and is budgeted for \$250,000. Cash proceeds from the gain on sale of assets, generally obsolete equipment is budgeted for \$7,500.

**Revenues**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
10 GF Capital Outlay					
000 Unallocated					
883 SALE OF ASSETS	600.00	69,600.00	0.00	12,584.43	7,500.00
898 TRANSFERS IN	203,058.00	82,823.00	250,000.00	250,000.00	250,000.00
000 Unallocated	203,658.00	152,423.00	250,000.00	262,584.43	257,500.00
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					3.00%

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

**City of Yreka 2013-2014  
General Capital Outlay Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Cp Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
10 GF Capital Outlay				
000 <i>Unallocated</i>	0.00	79,740.00	0.00	93,025.00
050 <i>Information Technology</i>	43,774.00	46,960.00	32,193.15	7,500.00
080 <i>Building Maintenance-City Hall</i>	0.00	0.00	0.00	10,000.00
200 <i>Police</i>	77,624.00	48,029.00	50,872.13	35,500.00
210 <i>Fire</i>	0.00	20,000.00	33,266.32	43,475.00
230 <i>Animal Control</i>	5,110.00	0.00	0.00	0.00
300 <i>PW Administration</i>	0.00	0.00	0.00	10,000.00
400 <i>Parks</i>	8,144.00	10,800.00	5,762.77	58,000.00
420 <i>Swimming Pool</i>	0.00	10,000.00	10,000.00	0.00
470 <i>Community Theater</i>	1,663.00	39,000.00	46,776.27	0.00
480 <i>Community Center</i>	16,108.00	5,000.00	6,111.07	0.00
10 GF Capital Outlay	152,423.00	259,529.00	184,981.71	257,500.00

**Projected List for One-time Capital Outlay 2013-2014**

**Unallocated Projects \$93,025**

- Ringe Pool, roofing and repairs at the Ringe pool, costs have not been estimated
- Community Theatre and Center match for the siding repair at the theatre. Cost of match has not been estimated
- Finance in conjunction with Fleet Management, implementation of work scheduling on Springbrook, software support implementation consulting and onsite training costs \$5,000.

**Information Technology \$7,500**

- Replacement of copier at City Hall, \$7,500.

**Building Maintenance \$10,000**

- Replacement of City Maintenance Van, equip new van/vehicle with mobile service shop equipment \$10,000

**Police \$35,500**

- Vehicle \$35,500

**PW Administration \$10,000**

- Related costs for capital grant application work, that may include professional \$10,000

**Fire \$43,475**

- Use of one-time money arising from equipment support and administration from the Firehall Mutual Aid assists with the USFS and CDF, totaling \$43,475 in 2012-2013 for the following:  
Replacement of large single pane windows with safety glass thermopane windows, encapsulation flooring where present flooring contains asbestos materials. Improvements are estimated at \$28,475.  
Lease-to-purchase used CDF wildfire and brush engine strike team truck, \$15,000 for mutual assistance calls.

**Parks \$58,000**

- Replace playground equipment, in particular slides \$20,000
- Greenhorn park survey \$5,000, City's cost or match of \$3,000 in conjunction with Rotary donation of \$2,000
- Purchase of parks mower \$35,000, cost of maintenance exceeding value of equipment

***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). 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 2013-14 its full allocation without any deferrals.

The City is expected to spend more than it receives in its Gas Tax state allocations of \$232,000. To balance, the City is using reserves from the Local Transportation Fund. However, once those reserves are depleted (budgeted at end of fiscal year 2013-2014), 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 (\$923,017):**

The revenue budget for 2013-14, includes recurring revenue from HUTA gas tax funds of \$232,000. Other revenue is from transfers. Those include a \$75,047 transfer in from the General Operating fund, a \$275,000 transfer in from the General Capital Reserves Fund and \$333,970 transfer in from the Local Transportation Fund reserves; and street sweeping fee revenue of \$7,000.

**Revenues**

<b>City of Yreka 2013-14 Projected Budget Major Revenue Group by Fund</b>					
<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>20 Road and Street</b>					
830 INVESTMENT REVENUE	585.00	147.00	100.00	-50.44	0.00
842 GAS TAX	331,806.00	232,621.00	232,000.00	164,666.91	232,000.00
870 FEE REVENUE	4,831.00	1,758.00	7,000.00	13,137.78	7,000.00
882 OTHER REVENUE	0.00	5,880.00	0.00	1,120.10	0.00
885 CONTRIBUTIONS	4,568.00	0.00	0.00	0.00	0.00
898 TRANSFERS IN	112,088.00	36,249.00	196,966.03	0.00	684,016.69
<b>20 Road and Street</b>	<b>453,878.00</b>	<b>276,655.00</b>	<b>436,066.03</b>	<b>178,874.35</b>	<b>923,016.69</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>111.67%</b>

**Gas Tax Fund 20 Expenditures (\$923,017):**

Wages and benefits are \$222,792 of which \$137,139 are wages and \$85,653 benefits. Other operating expenses total \$372,125, and increase over the prior year's budget due to urgent repairs needed to the City's streets to protect these roads from further deterioration. Infrastructure repairs and equipment (both non-capitalized and capitalized) outlay totals \$328,100 and includes a \$235,000 street sweeper, \$40,000 share of a 10-yard dump truck, \$40,500 for LED lamps, \$10,000 for storm drainage improvements, \$2,500 for the Oregon Street bridge improvements and \$100 for weed control.

**City of Yreka 2013-2014  
Road and Street Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>20 Road and Street</b>					
100 SALARY	128,519.00	91,378.00	70,483.21	78,623.92	134,138.75
102 OVERTIME	1,664.00	86.00	1,500.00	7.53	1,500.00
103 PARTTIME	4,165.00	44.00	0.00	0.00	0.00
106 SEASONAL	7,971.00	4,493.00	7,200.00	4,082.00	1,500.00
320 PENSION	27,368.00	20,276.00	16,154.59	17,736.44	31,425.96
330 PAYROLL TAXES	11,167.00	7,497.00	6,050.55	6,557.45	10,468.30
340 HEALTH	21,876.00	16,103.00	10,845.12	12,798.42	27,507.38
350 UNEMPLOYMENT	0.00	276.00	0.00	0.00	0.00
360 WORK COMP	17,309.00	10,978.00	8,702.69	9,474.98	14,981.69
390 LIFE & ACCIDENTAL	954.00	770.00	694.87	697.97	1,269.61
510 EMPLOYEE RELATED	1,024.00	449.00	2,000.00	633.94	2,200.00
516 SPECIALIZED SUPPLIES	17,835.00	11,314.00	24,100.00	6,336.26	19,900.00
517 TELCOM	506.00	352.00	0.00	119.09	400.00
518 UTILITIES	65,400.00	71,271.00	72,100.00	54,798.01	75,100.00
520 MAINT AND OPS	101,199.00	62,297.00	166,935.00	36,383.84	210,505.00
525 PROF AND CONTRACT SER	4,751.00	5,548.00	33,700.00	3,787.56	62,020.00
530 INSURANCE	614.00	95.00	0.00	2,377.74	0.00
535 TAXES, FINES, FEES	404.00	0.00	0.00	0.00	2,000.00
550 NON CAPITALIZED EQUIPM	6,170.00	1,738.00	5,600.00	21.82	43,100.00
625 INFRASTRUCTURE	152,252.00	290.00	10,000.00	0.00	10,000.00
650 EQUIPMENT	0.00	0.00	0.00	0.00	275,000.00
<b>20 Road and Street</b>	<b>571,148.00</b>	<b>305,255.00</b>	<b>436,066.03</b>	<b>234,436.97</b>	<b>923,016.69</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>111.67%</b>

**City of Yreka 2013-2014  
Road and Street Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>20 Road and Street</b>				
300 <i>PWA dministration</i>	23,389.00	22,077.08	13,196.92	40,149.25
310 <i>Streets</i>	121,016.00	203,193.52	73,624.71	278,772.68
311 <i>Street Sweeping</i>	28,729.00	55,497.99	40,470.20	316,026.82
312 <i>Street Lighting</i>	72,525.00	81,000.00	62,384.82	157,347.79
313 <i>Weed Control</i>	1,621.00	2,000.00	6,310.78	9,981.83
314 <i>Public Parking</i>	0.00	0.00	0.00	1,020.00
390 <i>Storm Drains</i>	57,975.00	72,297.44	38,449.54	119,718.32
<b>20 Road and Street</b>	<b>305,255.00</b>	<b>436,066.03</b>	<b>234,436.97</b>	<b>923,016.69</b>

***Local Transportation (Fund 21)***

**Local Transportation Fund 21 Revenue (\$165,500)**

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). Excess transit funds are allocated to the cities for road and street improvement. At present, the City is not budgeting for any surplus funds. Budgeted transit revenue for 2013-14 is \$165,000 for County STAGE support.

**Local Transportation Fund 21 Expenditures (\$165,500)**

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

**Transfers to the Road and Street Fund (\$333,970)**

The Local Transportation Fund Reserve balance of \$333,970 is budgeted to be fully expended by transferring that balance to the Road and Street funds for urgent road maintenance. Once these reserves are fully expended, the City will need to seek alternative funding to maintain its road and street system. The City Council has identified this as a high priority in its April 2013 strategic plan

**Fines - Traffic Safety (Fund 24)**

**Traffic Safety Fund 24 Revenue (\$88,001)**

Revenue from traffic fines is budgeted in 2013-14 at zero. The remaining revenue of \$88,001 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 (\$88,001)**

Wages and benefits of \$42,901 cover wages of \$27,148 and benefits of \$15,753. Other non-salary expenses total \$45,100. The increase of non capitalized equipment represents a \$10,000 budget allocation for the purchase of (MUTCD complaint) traffic signs

**City of Yreka 2013-2014  
Road and Street Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>24 Traffic Safety</b>					
100 SALARY	35,658.00	15,664.00	24,354.10	16,369.83	21,647.58
102 OVERTIME	3.00	0.00	500.00	21.74	500.00
106 SEASONAL	5,637.00	5,064.00	11,000.00	1,381.00	5,000.00
320 PENSION	6,933.00	3,389.00	5,551.64	3,634.99	5,058.43
330 PAYROLL TAXES	3,252.00	1,657.00	2,737.48	1,401.11	2,072.08
340 HEALTH	4,704.00	2,790.00	7,651.32	3,990.57	5,163.12
360 WORK COMP	5,172.00	2,613.00	4,236.47	1,959.84	3,249.35
390 LIFE & ACCIDENTAL	212.00	130.00	205.98	174.75	210.16
510 EMPLOYEE RELATED	15.00	51.00	800.00	164.36	700.00
516 SPECIALIZED SUPPLIES	18,388.00	14,120.00	27,300.00	10,047.65	16,800.00
517 TELCOM	591.00	116.00	300.00	59.14	100.00
518 UTILITIES	7,675.00	3,616.00	8,000.00	2,404.09	8,000.00
520 MAINT AND OPS	2,100.00	19,474.00	7,000.00	7,525.08	5,500.00
525 PROF AND CONTRACT SER	4,108.00	2,178.00	2,000.00	1,298.75	2,000.00
550 NON CAPITALIZED EQUIPM	0.00	0.00	4,100.00	3,913.55	12,000.00
<b>24 Traffic Safety</b>	<b>94,448.00</b>	<b>70,862.00</b>	<b>105,736.99</b>	<b>54,346.45</b>	<b>88,000.72</b>
<b>Percentage Increase(Decrease) 2013-14 from 2012-2013</b>					<b>-16.77%</b>

***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 \$230,750.** Tax receipts are \$230,000 and interest earnings on revenue \$750. Annually the tax may increase based upon the Engineering News Record, Construction Cost Index. In January 2013, this index had a slight increase, resulting in a nine cent increase for a single family resident to \$5.70 per month.

**Budgeted expense is \$142,425.** The cost of collections is \$6,621 (wages and benefits for finance). Debt servicing on the purchase of two fire engines is \$135,804 (principal \$116,275 and interest \$19,529).

***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 \$216,000** arising from access fee assessments. Annually the assessment may increase based upon the Engineering News Record, Construction Cost Index. In July of 2013, rates were increased by eight cents to \$4.21 per month for single family residents.

**Budgeted expense is \$181,621.** The cost of collections is \$6,621 (wages and benefits for finance). Debt servicing to the County on the landfill access fee is \$175,000 (principal \$64,504 and interest \$110,496).

The **Ending Fund Balance** estimated increase is \$34,379. 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 nearly \$700,000 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 \$16,000** 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 \$2,511,470 of expenditures for projects, plans and capital improvements. A continuing grant award project, the \$1.489 million North Yreka Creek River Parkways grant, will provide restrooms, greenway parking and trails along the north town end of Yreka Creek. Additionally, the City expect to expend; \$530,000 of design and land acquisition work on Yreka Creek flood corridor (a \$5 million California State Department of Water Resources grant), \$215,000 of work on North Oberlin Trail (River Parkways grant), and completion cost of \$215,000 for the Oregon Street overlay project, a STIP grant.

City of Yreka 2013-2014  
Special Grants, Summary by Department within Fund

<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>	-208,625.00	208,625.00	0.00	0.00	0.00
150 <i>GIS</i>	150,000.00	0.00	150,000.00	0.00	0.00
210 <i>Fire</i>	0.00	0.00	0.00	0.00	0.00
300 <i>PWA dministration</i>	0.00	0.00	0.00	0.00	0.00
310 <i>Streets</i>	350,200.00	0.00	350,200.00	0.00	0.00
390 <i>Storm Drains</i>	537,520.00	0.00	537,520.00	0.00	0.00
400 <i>Parks</i>	1,395,000.00	0.00	1,395,000.00	0.00	0.00
520 <i>Water Conservation (BMP)</i>	0.00	0.00	0.00	0.00	0.00
610 <i>Redevelopment</i>	50,000.00	0.00	50,000.00	0.00	0.00
630 <i>Economic Development</i>	28,750.00	0.00	28,750.00	0.00	0.00
60 Spec Grants - Capital Outlay	2,302,845.00	208,625.00	2,511,470.00	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 City no longer has open grants for lending or business training. The grants historically have been used 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 has also administered microenterprise training grant that provide technical assistance grant geared to career training for low-income businesses with five or fewer employees. The budgeted activity of \$5,950 for 2013-2014 reflects interest earnings on the City’s existing housing and business loan portfolio.

City of Yreka 2013-2014  
Community Development Grants, Summary by Department within Fund

<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	0.00	0.00
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>	950.00	0.00	0.00	0.00	950.00
65	Community Development Grant	5,950.00	0.00	0.00	0.00	5,950.00

***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 2013-14 budget the utility rates adjusted for a modest 2.5% cost of living adjustment as referenced in the City’s 2013 draft water and sewer utility 5-year rate study.

**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 \$1,602,343. The excess (or deficit) of revenue is transferred to the water reserves account. Operating expenses of wages and salaries are \$644,529 of which \$410,604 are wages and \$233,925 benefits. Non-wage related operating expenses total \$957,814. Professional services increased \$49,000 for updates to the City’s water master plan, direct charges for legal services that includes the review of the City’s ordinances for wastewater collection and treatment. Insurance costs increased for \$17,500 for direct charge for property insurance. Correspondingly, transfers out for administrative overhead decreased.

**City of Yreka 2013-2014  
Water Operating Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>70 Water Operating</b>					
100 SALARY	366,911.00	361,733.00	433,990.62	318,176.02	364,783.85
102 OVERTIME	12,475.00	12,909.00	24,500.00	20,828.83	24,500.00
103 PARTIME	2,449.00	636.00	10,000.00	10,340.10	8,320.00
106 SEASONAL	3,918.00	9,369.00	7,700.00	10,024.38	13,000.00
320 PENSION	75,001.00	79,321.00	96,643.25	69,465.96	79,096.55
330 PAYROLL TAXES	28,896.00	29,155.00	35,640.35	27,756.66	30,641.40
340 HEALTH	77,391.00	81,851.00	96,870.50	65,403.69	79,135.21
350 UNEMPLOYMENT	0.00	0.00	0.00	1,288.00	0.00
360 WORK COMP	44,957.00	43,446.00	48,597.90	37,852.16	41,588.72
390 LIFE & ACCIDENTAL	3,066.00	3,171.00	3,843.69	3,131.03	3,462.82
510 EMPLOYEE RELATED	2,018.00	2,091.00	6,800.00	3,427.65	7,400.00
515 GENERAL SUPPLIES	17,543.00	17,531.00	18,600.00	15,518.32	20,500.00
516 SPECIALIZED SUPPLIES	25,930.00	23,098.00	45,800.00	22,441.02	40,300.00
517 TELCOM	3,419.00	3,811.00	6,325.00	5,789.60	10,200.00
518 UTILITIES	209,756.00	223,221.00	234,000.00	204,971.70	260,500.00
520 MAINT AND OPS	125,177.00	124,048.00	183,175.00	173,221.05	178,587.50
521 BLDG MAINT AND OPS	2,350.00	1,882.00	2,000.00	3,439.98	2,500.00
525 PROF AND CONTRACT SER	134,235.00	72,794.00	121,000.00	41,737.63	170,000.00
530 INSURANCE	19,780.00	11,739.00	9,500.00	1,567.02	27,000.00
535 TAXES, FINES, FEES	10,890.00	14,129.00	17,100.00	29,802.18	22,300.00
550 NON CAPITALIZED EQUIPM	7,019.00	3,785.00	54,500.00	2,875.43	41,000.00
760 TRANSFER OUT	183,124.00	155,426.00	187,000.00	125,000.00	177,527.00
<b>70 Water Operating</b>	<b>1,356,305.00</b>	<b>1,274,946.00</b>	<b>1,643,586.31</b>	<b>1,194,058.41</b>	<b>1,602,343.05</b>
					<b>-2.51%</b>
					<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>

**City of Yreka 2013-2014**

**Water Operating Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>70 Water Operating</b>				
000 <i>Unallocated</i>	155,426.00	187,000.00	125,000.00	177,527.00
030 <i>Finance</i>	102,537.00	141,298.16	112,449.18	136,484.26
300 <i>PWA Administration</i>	53,677.00	77,638.03	64,283.63	130,065.70
500 <i>Water Distribution</i>	319,071.00	401,830.37	284,625.17	331,815.33
510 <i>Water Supply and Treatment</i>	632,248.00	811,469.28	596,054.08	803,689.92
520 <i>Water Conservation (BMP)</i>	11,987.00	24,350.47	11,646.35	22,760.84
<b>70 Water Operating</b>	<b>1,274,946.00</b>	<b>1,643,586.31</b>	<b>1,194,058.41</b>	<b>1,602,343.05</b>

***Water Capital Projects (Fund 71)***

The 2013-14 Water Capital Project budget of \$305,000 from fee revenue includes the estimated \$100,000 for the relocation of the water main at the County Fairgrounds, \$80,000 outlay (or 40% share) for the 10-yard dump truck, \$60,000 transfer (or 40% share) for the GIS mapping project, and \$65,000 for the radio read meter replacement project.

***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 \$262,456 on a original loan amount of \$6,810,000 at 2.25%. Interest payments are semiannual and principal payments annual. Interest for 2013-2014 will be \$149,456 and principal will be \$113,000, for a combined debt servicing payment of \$262,456.

***Water Reserves (Fund 74)***

Pursuant to the rate study and the USDA Rural Development agreements, the City has targeted levels of reserves 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 other upgrades. The excess (or deficit) of revenue over expense are placed into reserves. The City anticipates setting aside in 2013-2014, \$573,701 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 \$1,715,574. The excess (or deficit) of revenue is transferred to the wastewater reserves account. Operating expenses of wages and salaries are \$559,223 of which \$340,604 are wages and \$218,619 benefits. Non-salary related expenses total \$1,156,351. Of the \$112,500 increase in professional services, \$100,000 is for professional assessment of video of the City’s sewer mains. Other increases are for direct charges for legal services that includes the review of the City’s ordinances for wastewater collection and treatment. Insurance costs increased \$15,000 due to direct charge for property insurance.

**City of Yreka 2013-2014  
Water Operating Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>80 Wastewater Operating</b>					
100 SALARY	310,557.00	314,449.00	361,027.14	266,089.34	329,103.55
102 OVERTIME	7,037.00	7,832.00	11,500.00	8,567.35	11,500.00
103 PARTIME	185.00	5,114.00	0.00	8,004.50	0.00
106 SEASONAL	1,231.00	753.00	0.00	596.50	0.00
320 PENSION	64,996.00	70,619.00	82,164.92	61,004.76	77,195.46
330 PAYROLL TAXES	23,670.00	24,491.00	28,451.95	21,525.51	26,017.72
340 HEALTH	60,813.00	67,497.00	82,867.18	59,974.49	78,334.34
360 WORK COMP	35,971.00	35,999.00	37,541.83	27,866.12	33,484.47
390 LIFE & ACCIDENTAL	2,578.00	2,867.00	3,536.38	2,989.17	3,587.08
510 EMPLOYEE RELATED	1,095.00	2,538.00	4,000.00	2,755.10	5,200.00
515 GENERAL SUPPLIES	712.00	544.00	400.00	2,711.65	1,900.00
516 SPECIALIZED SUPPLIES	157,057.00	143,301.00	172,600.00	129,509.15	218,700.00
517 TELCOM	652.00	684.00	825.00	1,306.63	4,400.00
518 UTILITIES	183,379.00	207,775.00	219,000.00	169,602.33	214,000.00
520 MAINT AND OPS	183,164.00	191,740.00	217,575.00	186,020.30	241,687.50
521 BLDG MAINT AND OPS	2,711.00	935.00	1,700.00	1,118.25	1,700.00
522 BLDG MAINT AND OPS	3,407.00	3,348.00	7,200.00	3,202.47	7,200.00
525 PROF AND CONTRACT SER	1,334.00	22,998.00	68,500.00	53,524.74	181,100.00
530 INSURANCE	15,406.00	9,027.00	11,500.00	441.98	26,500.00
535 TAXES, FINES, FEES	20,186.00	25,415.00	40,200.00	59,945.00	42,200.00
550 NON CAPITALIZED EQUIPM	8,589.00	12,990.00	10,400.00	184.66	21,423.00
760 TRANSFER OUT	159,170.00	160,987.00	187,500.00	124,000.00	190,341.00
<b>80 Wastewater Operating</b>	<b>1,243,900.00</b>	<b>1,311,903.00</b>	<b>1,548,489.40</b>	<b>1,190,940.00</b>	<b>1,715,574.12</b>
					<b>10.79%</b>

**City of Yreka 2013-2014  
Wastewater Operating Fund, Summary by Department within Fund**

<i><b>FUND</b></i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>80 Wastewater Operating</b>				
000 <i>Unallocated</i>	160,987.00	187,500.00	124,000.00	190,341.00
030 <i>Finance</i>	63,243.00	94,453.00	80,084.13	100,556.08
300 <i>PWA Administration</i>	53,322.00	77,638.03	64,038.32	106,492.96
550 <i>Sewer Collection</i>	209,643.00	256,503.73	174,247.07	352,262.55
560 <i>Sewer Disposal (WWTP)</i>	824,708.00	932,394.64	748,570.48	965,921.53
<b>80 Wastewater Operating</b>	<b>1,311,903.00</b>	<b>1,548,489.40</b>	<b>1,190,940.00</b>	<b>1,715,574.12</b>

***Wastewater Capital Projects (Fund 81)***

In 2013-14, capital outlay of \$338,000 is budgeted from fee revenue. Of this amount, \$135,000 is needed for sewer camera and digitized software required pursuant to a commitment video all city sewer mains over a five year period. Eighty thousand dollars will be used for the purchase of a 10-yard dump truck (40% share), \$60,000 (40% share) contribution for the GIS mapping project, \$23,000 for new motor controllers at the treatment plant, \$25,000 for a tractor to maintain the effluent field, and \$15,000 to planning for sanitary sewer overflows, targeting the sewer main pumping stations.

In addition, the \$5.7 million USDA Rural Development 2012 COP multiyear financing project construction phase for \$3,053, 102 is expected to begin in 2013-2014.

***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 2013-14 is \$14,000 and interest is \$36,000. Principal on the State Water Resources loan is \$59,448 and interest is \$17,396.

***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 2013-14, \$183,082 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.



Photo of Jack Webb and Harry Morgan  
from the television program *Dragnet*.

No copyright markings, PD-PRE1978.

*"All we want are the  
facts, ma'am."*

# City of Yreka 2013-14 Proposed Budget

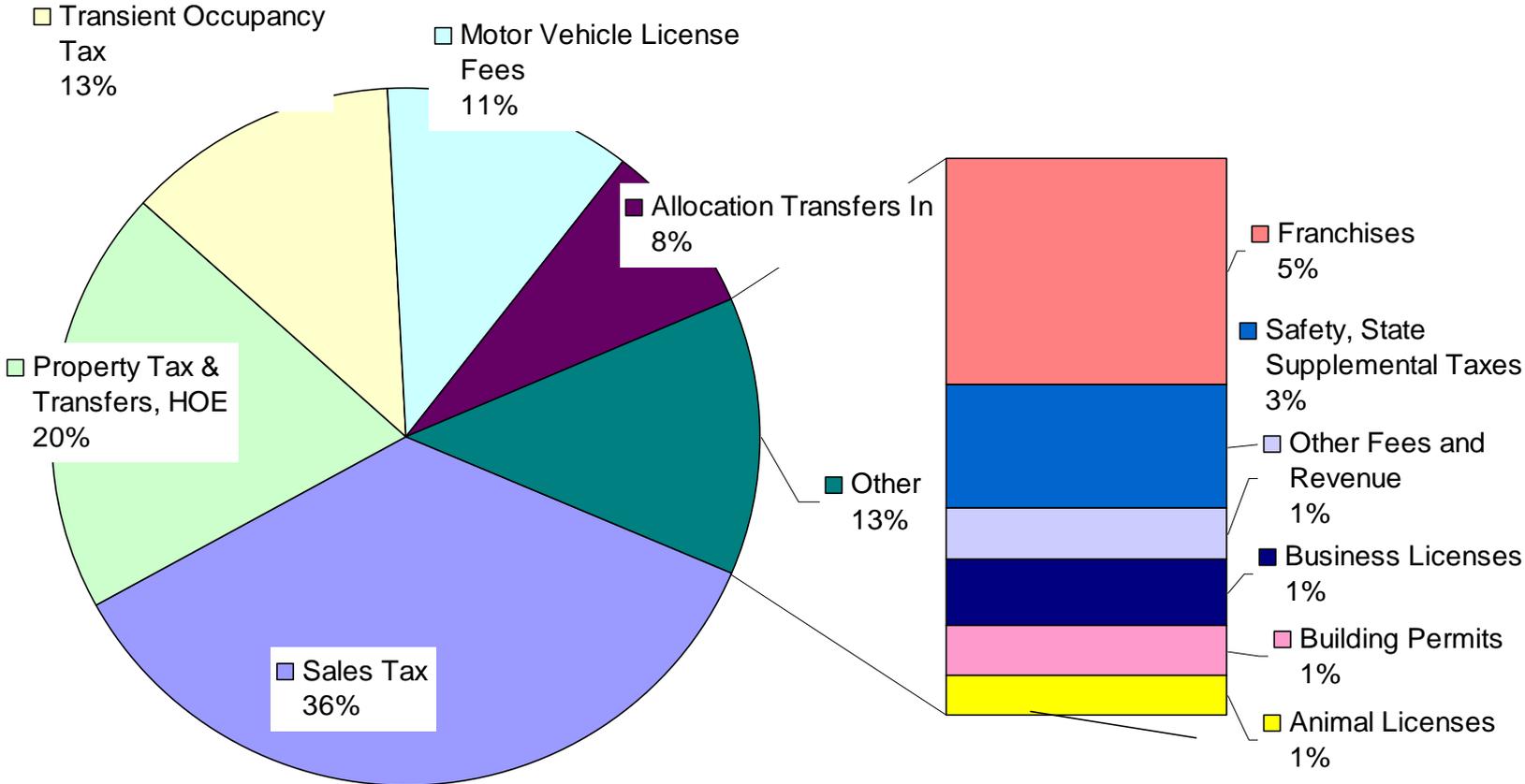
# General Operating Fund

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- Revenues exceed expenses by \$42K
- Staffing allocation down 1.5 FTE
- Operating expenses \$4,737,653 down \$109,509 from 2012-13 budget
- More departmental direct charges for administration and building maintenance within the budget (e.g. theatre and center)

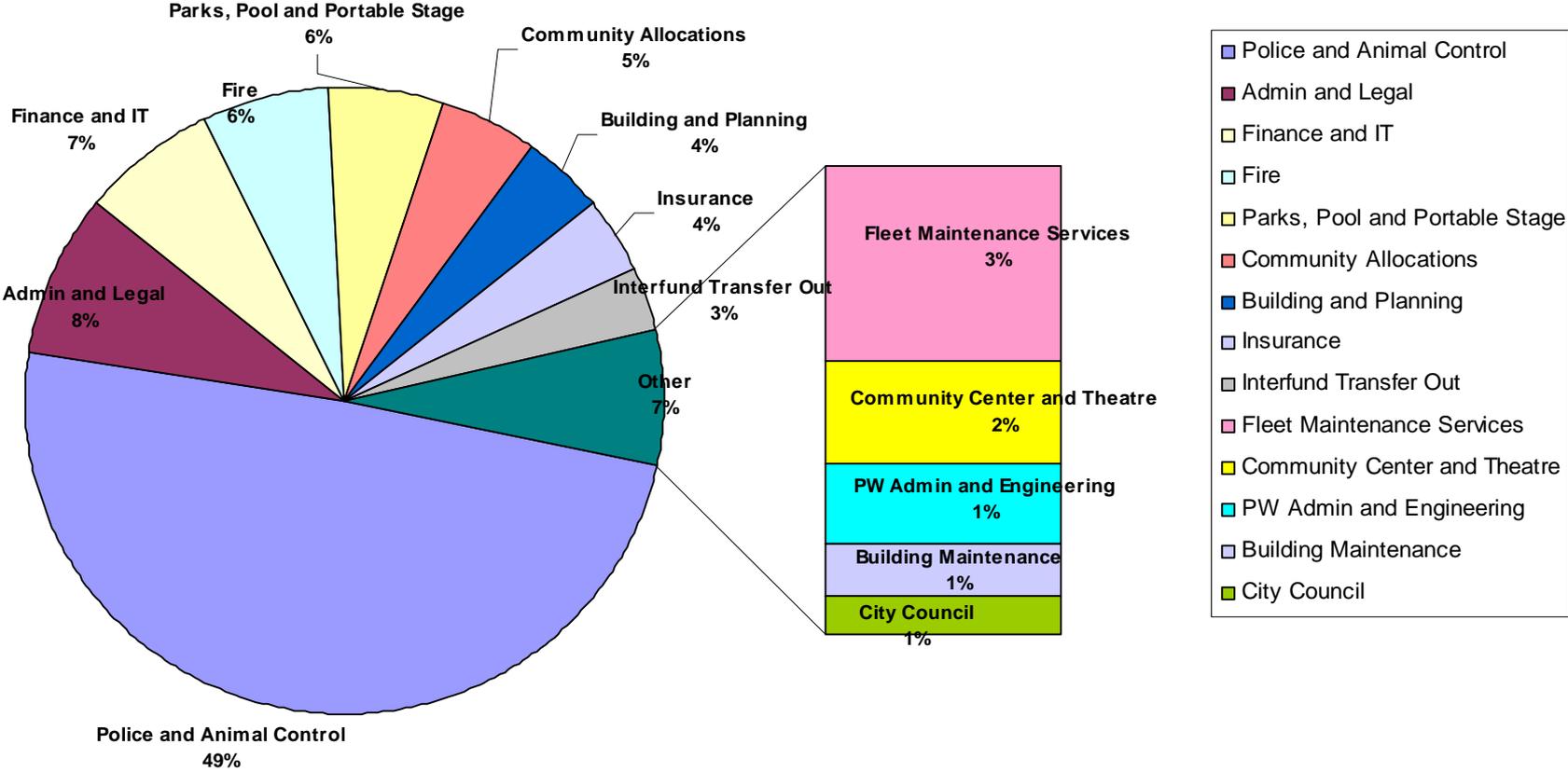
# General Operating Fund Revenue Sources as a % of Revenue

## City of Yreka 2013-14 - General Operating Fund Revenue Sources



# General Operating Fund - Department Costs as a % of Expense

2013-14 General Operating Fund Proposed Budget by Department or Activity



## ● Gen. Op. Fund – Expense Summary by Dept. within Fund

<b>FUND</b>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>01 General Operating</b>				
000 <i>Unallocated</i>	39,313.00	137,169.78	69,736.99	163,047.54
010 <i>City Council</i>	26,257.00	24,174.20	18,356.22	26,924.20
020 <i>Administration</i>	323,698.00	284,653.31	246,158.22	302,114.20
030 <i>Finance</i>	235,096.00	259,691.89	217,385.01	257,831.26
040 <i>Legal</i>	208,028.00	194,243.12	121,513.52	95,555.27
050 <i>Information Technology</i>	72,200.00	70,522.74	53,216.61	75,880.44
060 <i>Planning</i>	133,937.00	106,873.25	64,393.78	127,547.42
080 <i>Buikling Maintenance-City Hall</i>	31,353.00	61,679.53	29,488.49	37,463.34
090 <i>Community Service &amp; Promotion</i>	249,427.00	237,795.70	204,653.97	244,851.25
110 <i>Non Departmental</i>	154,632.00	162,559.00	165,074.84	174,515.00
150 <i>GIS</i>	0.00	0.00	1,920.76	0.00
200 <i>Police</i>	2,218,625.00	2,228,006.34	1,967,709.90	2,233,777.98
201 <i>K-9</i>	0.00	27,854.10	15,238.53	0.00
210 <i>Fire</i>	288,451.00	277,935.85	268,902.78	297,338.39
220 <i>Buikling Inspection</i>	128,632.00	122,866.54	78,632.22	72,464.92
230 <i>Animal Control</i>	79,898.00	86,358.63	73,532.07	91,350.95
300 <i>PWA dministration</i>	50,712.00	42,131.37	43,636.57	55,177.96
350 <i>Vehicle Maintenance</i>	114,414.00	177,865.39	135,258.40	137,736.20
370 <i>Municipal Services Center</i>	0.00	0.00	14,781.75	0.00
400 <i>Parks</i>	259,175.00	272,690.90	193,859.95	262,941.54
420 <i>Swimming Pool</i>	6,848.00	9,723.89	3,471.47	7,789.21
450 <i>Senior Services</i>	558.00	0.00	45.76	0.00
460 <i>Comm. Concerts/Portable Stage</i>	4,673.00	2,189.76	41.19	1,689.76
470 <i>Community Theater</i>	24,650.00	22,433.50	40,232.55	33,664.82
480 <i>Community Center</i>	38,683.00	37,743.70	28,349.12	37,991.64
630 <i>Economic Development</i>	54.00	0.00	0.00	0.00
<b>01 General Operating</b>	<b>4,689,314.00</b>	<b>4,847,162.49</b>	<b>4,055,590.67</b>	<b>4,737,653.29</b>

# Crandall and Stewart Donated

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- \$25,000 for Miner Street grant projects
- Blacks building is for sale
- North Street apartments are in escrow, estimated closing June or July 2013
- Long term planning decisions on use of funds for capital projects, e.g. police station

# Non Grant Capital and Projects

---

- Use of one time revenues for one time expenditures
- \$250,000 allocated from capital reserves budget and \$7,500 from sale of assets
- Allocated for parks, firehall building improvements, police car, PW grant planning, building maintenance van and IT equipment

# GF Capital Project List

---

- **Projected List for One-time Capital Outlay 2013-2014**
- **Unallocated Projects \$93,025**
  - Ringe Pool Roofing
  - Community Theatre Siding Repair
  - Finance and Fleet Management - Work scheduling on Springbrook, software support implementation consulting
- **Information Technology \$7,500**
  - Replacement of copier at City Hall, \$7,500
- **Building Maintenance \$10,000**
  - Replacement of City Maintenance Van. Equip van/vehicle with mobile service shop equipment, \$10,000
- **Police \$35,500**
  - Vehicle, \$35,500

# GF Capital Project List, cont.

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- **PW Administration \$10,000**
  - Related costs for capital grant application work, that may include professional services, \$10,000
- **Fire \$43,475**
  - Use of one-time money arising from Mutual Aid assistance
  - Replacement of large single pane windows with safety glass thermopane windows, encapsulation of flooring where present flooring contains asbestos materials.
  - CalFire wildfire and brush engine strike team truck, \$15,000
- **Parks \$58,000**
  - Replace playground equipment, like slides, \$20,000
  - City's share of Greenhorn park survey, \$3,000
  - Parks mower, \$35,000

# Road and Street Funds

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- Highlights include:
  - Budgeted to expend remaining LTC reserves
  - Paving maintenance efforts to double
  - Storm Drain MS4 Planning begins
  - Pavement Management System updated
  - Street sweeping debris disposal
  - Traffic sign replacement
  - Added Public Parking Lot Maintenance

## Road and Street Funds, cont.

---

- Capital outlay includes:
  - Street sweeper \$235,000
  - GIS mapping 20% share \$30,000
  - 10-yard dump truck 20% share \$40,000
  - LED streetlight replacement project \$40,000

# Special Revenue Funds

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- Fire Tax and Landfill Access Fee
  - Revenues are on track, modest rate increase in 2013 based on ENR – Bay Area construction cost index
  - Debt Servicing requirements are being met
- Development Impact Fees
  - Remaining is the inclusion of impact fees for wastewater treatment and storm drainage
  - Developer rate subsidy remains at 50% of impact valuation

# Capital Projects Grants

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- \$2.5 million of state and federal grants
  - \$1.932M for Yreka Creek improvement projects for drainage and recreation
  - \$150K to develop GIS layered map (non grant funded, 80% from water and sewer funds and 20% from street funds)
  - Road improvement projects, \$350K
  - Brownfields planning and assessment, \$50K
  - Tourism planning grants, \$29K

# Water Enterprise Fund

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- **Budget Highlights**

- Implement new rate study
- Update Water Master Plan
- Update and finalize review of code
- Fairgrounds water main relocation, \$100K
- Water System's GIS project, \$60K
- Water System share dump truck, \$80K
- Water meter replacement project, \$65K

# Wastewater Enterprise Fund

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- **Budget Highlights**

- Implement new rate study
- Update and finalize review of code
- Fats, Oils and Grease Ordinance Implementation
- SSO Response Plan for Pump Stations Plan and SSO general plan updates \$15K
- Professional service for evaluation of video of sewer line for condition assessment \$100K

# Wastewater Enterprise Fund

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- Budget Highlights, continued
  - USDA WWTP and Collection System Improvements Project \$3.0M of a \$5.7M project, is scheduled for completion 2013-14.
  - Sewer main video equipment + software, \$135K
  - Wastewater's share of new dump truck, \$80K
  - Wastewater GIS Mapping, \$60K
  - Tractor for effluent fields maintenance, \$25K
  - Motor controllers for WWTP, \$23K

*Fiscal Discipline*  
*Cost benefit approach*  
*Innovation and Can-do*

Recommend placement of the  
City of Yreka  
2013-14 Proposed Budget  
on the 6/20/2013 Agenda

## **BUDGET 2013-2014**

### **GLOSSARY OF BUDGET TERMS**

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**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.

**OPERATING BUDGET** – Current years adopted budget including all subsequent budget revisions approved during the fiscal year.

**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.

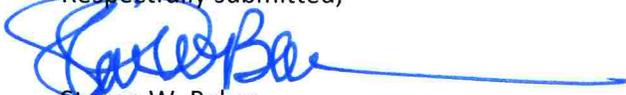
**UNFUNDED MANDATE** – An unfunded mandate is a requirement imposed by Congress or other governmental agencies on state and local governments with no funding to pay for it.

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

**VLFF SWAP** – 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.

Finally, I would like to thank the City Council for their leadership and willingness to confront the challenging issues facing the City. Tough economic times require difficult decisions with an eye toward the long term future impacts. We look forward to working together, and to continue to move Yreka toward a brighter future.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Steve Baker', with a long horizontal line extending to the right.

Steven W. Baker  
City Manager



## City of Yreka

701 Fourth Street • Yreka, CA 96097  
(530) 841-2386 • FAX (530) 842-4836



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

Re: 2013-14 Annual Budget

In the following pages you will find the proposed 2013-14 Annual Budget for the City of Yreka, which is a financial planning document. Preparation of this budget has been a challenge as the City continues to deal with the impact from the current economic times, which has not only made it more difficult to fund existing services and programs, but also meet new challenges.

The General Operating Fund is structurally balanced with on-going revenues covering on-going expenses; however, it does not meet all needs. The overall revenues are projected to decrease \$71,783, with our largest revenue source, sales tax of \$1,600,000, expected to stay the same. Property tax appears to have stabilized and is expected to total \$901,500. The City's taxes on hotel/motel stays, which reflects the impacts of travel and tourism is expected to remain at \$600,000. Of the \$71,783 revenue decrease, \$50,688 is a decrease in revenue transfers from the water and wastewater enterprise funds as indirect cost rates decreased and direct costs to those funds increased, e.g. legal and insurance charges.

Since 2008, the City has steadily worked on limiting expenses. Total expenses in the General Fund for on-going programs are estimated to total \$4,737,653. This total reflects changes in how the City provides services, including having the retired building official working part-time for inspections and plan checks, instead of refilling the position, transitioning the City Attorney from a full time staff member to a contract City Attorney, and changing fleet services staffing from two mechanics to one mechanic with administrative support. As with previous cost savings measures, such as not refilling the Planning Director position, these changes have resulted in a smaller staff, particularly at the management level. Despite the staff decreases, the City appears to be successfully maintaining essential services. However, the City's ability to respond quickly to new challenges, opportunities, or workload increases, has been diminished by these changes.

Despite the fact that on-going revenues are projected to be higher than on-going expenses, the difference is less than 1%. The City has been able to use one-time revenues, mostly from insurance refunds, to handle one-time expenses in the General fund. These one-time revenues are expected to be significantly lower in future years, meaning that funds may need to be set aside, or reserved, to be utilized for one-time expenses.

Significant challenges remain for the City. The Street funds, as we have mentioned in previous budgets, are insufficient to keep the streets in good condition. In fact, current funds are insufficient even for minimal maintenance. While there are some grant funds available for arterial streets, due to funding shortages, the release of these funds can and have been delayed for individual projects, often by years. The Council identified street maintenance as one of the priorities for funding in the strategic goal setting session.

There are other significant items of concern that were identified in the strategic goal setting session. These include the replacement of the aging Police Station, the repair or replacement of Ringe Pool, providing a funding source for vehicles and equipment as they reach obsolescence, and reducing energy costs for City facilities. Air quality regulations also require the City to upgrade its fleet by eliminating or retrofitting older vehicles that have higher pollution emission rates. A new street sweeper is included in the budget due in part to age, but also due to problems with an outdated emission control system.

The City's water and wastewater enterprise funds are now in the final year of rate increases approved in 2008. The low reserves and deficit positions at that time have been improved so that the funds have larger reserves, necessary repairs and upgrades have been funded, and revenues are covering operating expenses. While new regulatory requirements and the results of lawsuits continue to require additional investments and increased operating costs, the revenue and expense models appear to allow rates to remain steady, with only increases for inflation.

The City's employees have continued to work to improve the efficiency and effectiveness of City services. In 2011, City employees from all departments were encouraged to provide ideas on balancing the budget including increasing revenues, decreasing expenses, changing services, and modifying business practices. As we look back on the changes since then, a large number of these suggestions have been incorporated, and have helped put the City in the position of having a structurally balanced budget.

The budget does not include pay increases for the various bargaining groups. Most of the bargaining groups' contracts have expired, with another to expire in the middle of the fiscal year. Negotiations will need to balance responsibly budgeting for future uncertain economic times, while also recognizing that employees pay has eroded in real terms since the last pay increases more than 4 years ago, in 2008/09.

Other challenges include future increases in CalPERS retirement rates, as the retirement system recognizes the impacts of past investment returns compared to system liabilities; as well as projected returns and the longevity of retiring employees. Increases in these rates are expected to continue over the next five years. Current accounting rules (GASB 45) recommend that the City funds future retiree health benefits in trust, rather than the current pay-as-you-go method.

Storm drain costs will also be increasing as new regulations and permit requirements affecting Yreka are put into place, in the next year or two. These requirements do not come with a funding source.

Moving forward, the City will need to continue to hold the line on expenses, and continue to look for more efficient ways to deliver City services and achieve City Council goals for the community. Some of the strategies to achieve these goals include working closely with the many non-profit organizations and individual volunteers who step up again and again to make Yreka a great place to live and work. Yreka's involved citizens are a hidden asset to those outside the community, but well known by people who live here.

I would like to thank the many people who worked to put this budget together. Department heads, division managers, and their support staff have worked to find different ways of approaching services to increase efficiency and lower costs. As noted above, employees throughout the organization have been willing to do things differently. Finally, I would like to thank Rhetta Hogan, Ben Matts and the Finance staff who have worked to pull all of the numbers together. Yreka is fortunate to have such a group of dedicated and versatile employees.

Finally, I would like to thank the City Council for their leadership and willingness to confront the challenging issues facing the City. Tough economic times require difficult decisions with an eye toward the long term future impacts. We look forward to working together, and to continue to move Yreka toward a brighter future.

Respectfully submitted,

Steven W. Baker  
City Manager



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**CITY OF YREKA  
CITY COUNCIL AGENDA MEMORANDUM**

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To: Yreka City Council  
Prepared by: Rhetta Hogan, Finance Director *2*  
Agenda title: Discussion of 2013-2014 Annual Budget  
Meeting date: June 6, 2013

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Discussion:

City staff is pleased to present to the Council and citizens the City's 2013-2014 annual budget. This year's budget is both reflective of the fiscal discipline from evaluating vacant positions and a cost benefit approach to needed capital outlay.

The total estimated general operating fund revenues and transfers in are \$4,779,294 and expenses and transfers out are \$4,737,653. The excess of revenue over expenses of \$41,641 will be added to reserves.

Citywide total expenses for all funds are \$13,592,901 that are covered by a combination of anticipated revenues of \$13,734,661 and accumulated balances.

The fiscal budget is subject to budget revisions throughout the course of the year, based on revised revenue projections and identified emerging needs.

Fiscal Impact: see above

Recommendation and Requested Action:

That the City Council request presentation of the final 2013-2014 Annual Budget for Adoption at its regularly scheduled meeting on June 20, 2013.

Approved by: 

Steven Baker, City Manager

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## **BUDGET 2013-2014**

### **GLOSSARY OF BUDGET TERMS**

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**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.

**OPERATING BUDGET** – Current years adopted budget including all subsequent budget revisions approved during the fiscal year.

**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.

**VLf SWAP** – 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.



Photo of Jack Webb and Harry Morgan  
from the television program *Dragnet*.

No copyright markings, PD-PRE1978.

*"All we want are the  
facts, ma'am."*

# City of Yreka 2013-14 Proposed Budget

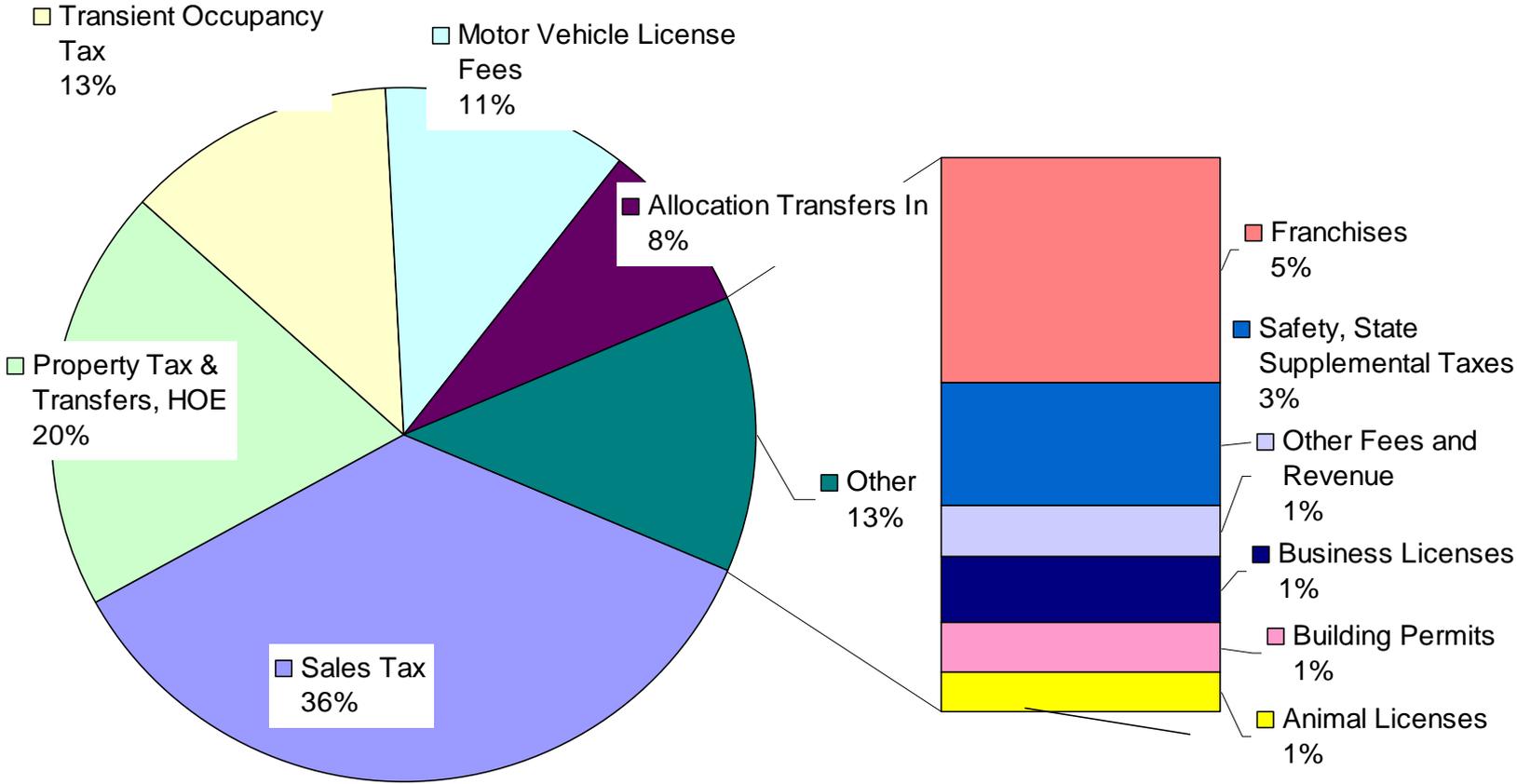
# General Operating Fund

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- Revenues exceed expenses by \$42K
- Staffing allocation down 1.5 FTE
- Operating expenses \$4,737,653 down \$109,509 from 2012-13 budget
- More departmental direct charges for administration and building maintenance within the budget (e.g. theatre and center)

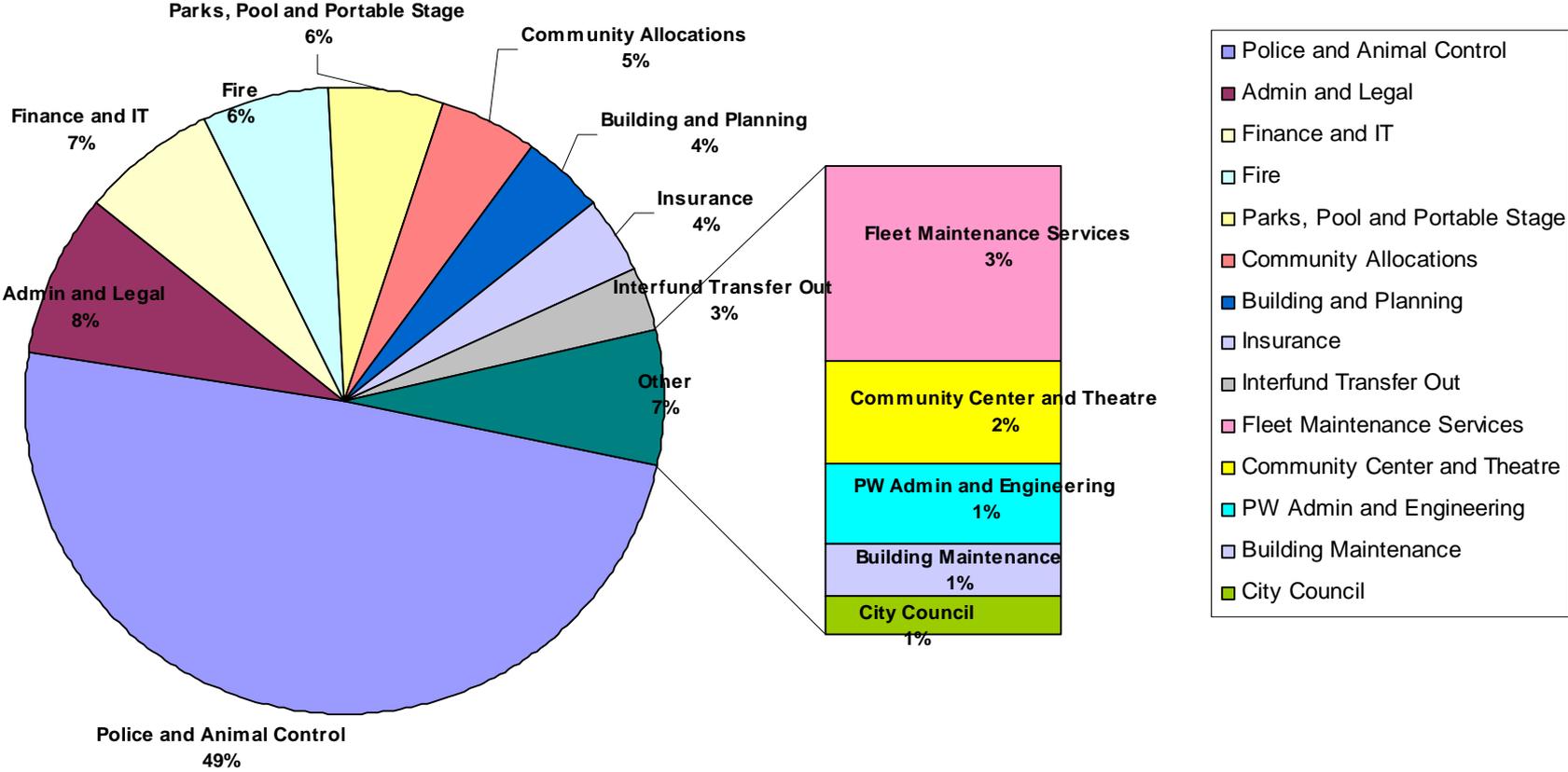
# General Operating Fund Revenue Sources as a % of Revenue

## City of Yreka 2013-14 - General Operating Fund Revenue Sources



# General Operating Fund - Department Costs as a % of Expense

2013-14 General Operating Fund Proposed Budget by Department or Activity



## ● Gen. Op. Fund – Expense Summary by Dept. within Fund

<i><b>FUND</b></i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>01 General Operating</b>				
000 <i>Unallocated</i>	39,313.00	137,169.78	69,736.99	163,047.54
010 <i>City Council</i>	26,257.00	24,174.20	18,356.22	26,924.20
020 <i>Administration</i>	323,698.00	284,653.31	246,158.22	302,114.20
030 <i>Finance</i>	235,096.00	259,691.89	217,385.01	257,831.26
040 <i>Legal</i>	208,028.00	194,243.12	121,513.52	95,555.27
050 <i>Information Technology</i>	72,200.00	70,522.74	53,216.61	75,880.44
060 <i>Planning</i>	133,937.00	106,873.25	64,393.78	127,547.42
080 <i>Buikling Maintenance-City Hall</i>	31,353.00	61,679.53	29,488.49	37,463.34
090 <i>Community Service &amp; Promotion</i>	249,427.00	237,795.70	204,653.97	244,851.25
110 <i>Non Departmental</i>	154,632.00	162,559.00	165,074.84	174,515.00
150 <i>GIS</i>	0.00	0.00	1,920.76	0.00
200 <i>Police</i>	2,218,625.00	2,228,006.34	1,967,709.90	2,233,777.98
201 <i>K-9</i>	0.00	27,854.10	15,238.53	0.00
210 <i>Fire</i>	288,451.00	277,935.85	268,902.78	297,338.39
220 <i>Buikling Inspection</i>	128,632.00	122,866.54	78,632.22	72,464.92
230 <i>Animal Control</i>	79,898.00	86,358.63	73,532.07	91,350.95
300 <i>PWA dministration</i>	50,712.00	42,131.37	43,636.57	55,177.96
350 <i>Vehicle Maintenance</i>	114,414.00	177,865.39	135,258.40	137,736.20
370 <i>Municipal Services Center</i>	0.00	0.00	14,781.75	0.00
400 <i>Parks</i>	259,175.00	272,690.90	193,859.95	262,941.54
420 <i>Swimming Pool</i>	6,848.00	9,723.89	3,471.47	7,789.21
450 <i>Senior Services</i>	558.00	0.00	45.76	0.00
460 <i>Comm. Concerts/Portable Stage</i>	4,673.00	2,189.76	41.19	1,689.76
470 <i>Community Theater</i>	24,650.00	22,433.50	40,232.55	33,664.82
480 <i>Community Center</i>	38,683.00	37,743.70	28,349.12	37,991.64
630 <i>Economic Development</i>	54.00	0.00	0.00	0.00
<b>01 General Operating</b>	<b>4,689,314.00</b>	<b>4,847,162.49</b>	<b>4,055,590.67</b>	<b>4,737,653.29</b>

# Crandall and Stewart Donated

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- \$25,000 for Miner Street grant projects
- Blacks building is for sale
- North Street apartments are in escrow, estimated closing June or July 2013
- Long term planning decisions on use of funds for capital projects, e.g. police station

# Non Grant Capital and Projects

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- Use of one time revenues for one time expenditures
- \$250,000 allocated from capital reserves budget and \$7,500 from sale of assets
- Allocated for parks, firehall building improvements, police car, PW grant planning, building maintenance van and IT equipment

# GF Capital Project List

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- **Projected List for One-time Capital Outlay 2013-2014**
- **Unallocated Projects \$93,025**
  - Ringe Pool Roofing
  - Community Theatre Siding Repair
  - Finance and Fleet Management - Work scheduling on Springbrook, software support implementation consulting
- **Information Technology \$7,500**
  - Replacement of copier at City Hall, \$7,500
- **Building Maintenance \$10,000**
  - Replacement of City Maintenance Van. Equip van/vehicle with mobile service shop equipment, \$10,000
- **Police \$35,500**
  - Vehicle, \$35,500

# GF Capital Project List, cont.

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- **PW Administration \$10,000**
  - Related costs for capital grant application work, that may include professional services, \$10,000
- **Fire \$43,475**
  - Use of one-time money arising from Mutual Aid assistance
  - Replacement of large single pane windows with safety glass thermopane windows, encapsulation of flooring where present flooring contains asbestos materials.
  - CalFire wildfire and brush engine strike team truck, \$15,000
- **Parks \$58,000**
  - Replace playground equipment, like slides, \$20,000
  - City's share of Greenhorn park survey, \$3,000
  - Parks mower, \$35,000

# Road and Street Funds

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- Highlights include:
  - Budgeted to expend remaining LTC reserves
  - Paving maintenance efforts to double
  - Storm Drain MS4 Planning begins
  - Pavement Management System updated
  - Street sweeping debris disposal
  - Traffic sign replacement
  - Added Public Parking Lot Maintenance

## Road and Street Funds, cont.

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- Capital outlay includes:
  - Street sweeper \$235,000
  - GIS mapping 20% share \$30,000
  - 10-yard dump truck 20% share \$40,000
  - LED streetlight replacement project \$40,000

# Special Revenue Funds

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- Fire Tax and Landfill Access Fee
  - Revenues are on track, modest rate increase in 2013 based on ENR – Bay Area construction cost index
  - Debt Servicing requirements are being met
- Development Impact Fees
  - Remaining is the inclusion of impact fees for wastewater treatment and storm drainage
  - Developer rate subsidy remains at 50% of impact valuation

# Capital Projects Grants

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- \$2.5 million of state and federal grants
  - \$1.932M for Yreka Creek improvement projects for drainage and recreation
  - \$150K to develop GIS layered map (non grant funded, 80% from water and sewer funds and 20% from street funds)
  - Road improvement projects, \$350K
  - Brownfields planning and assessment, \$50K
  - Tourism planning grants, \$29K

# Water Enterprise Fund

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- **Budget Highlights**

- Implement new rate study
- Update Water Master Plan
- Update and finalize review of code
- Fairgrounds water main relocation, \$100K
- Water System's GIS project, \$60K
- Water System share dump truck, \$80K
- Water meter replacement project, \$65K

# Wastewater Enterprise Fund

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- **Budget Highlights**

- Implement new rate study
- Update and finalize review of code
- Fats, Oils and Grease Ordinance Implementation
- SSO Response Plan for Pump Stations Plan and SSO general plan updates \$15K
- Professional service for evaluation of video of sewer line for condition assessment \$100K

# Wastewater Enterprise Fund

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- Budget Highlights, continued
  - USDA WWTP and Collection System Improvements Project \$3.0M of a \$5.7M project, is scheduled for completion 2013-14.
  - Sewer main video equipment + software, \$135K
  - Wastewater's share of new dump truck, \$80K
  - Wastewater GIS Mapping, \$60K
  - Tractor for effluent fields maintenance, \$25K
  - Motor controllers for WWTP, \$23K

*Fiscal Discipline*  
*Cost benefit approach*  
*Innovation and Can-do*

Recommend placement of the  
City of Yreka  
2013-14 Proposed Budget  
on the 6/20/2013 Agenda

## City of Yreka 2013-14 Projected Budget Narrative

### ***Highlights***

#### **Overview:**

This year's fiscal discipline in evaluating retirements and how to fill those vacancies, has led to a year of rethinking how we can afford to "do business" not only this year, but as we move forward. One might call it the year of fiscal discipline, sprinkled with innovation, and against a backdrop of the Yreka pioneer can-do attitude from Council, present City staff and re-engaged part-time retirees and volunteers that have come back to help fill these vacancies. The results of these efforts can be measured in the current year's projected budget where revenues slightly exceeding expenses by \$41,641 in the General Operating fund. The general operating fund budget includes a \$100,000 fund transfer to the capital reserves budget of \$100,000 to augment the assigned reserves for Roads and Streets.

City staff took both a realistic and analytical approach to their departmental budgets. Recommendations for outlays were evaluated from a cost-benefit approach at the budget planning meetings. That focus led to the decision to include in the current budget the use of capital reserves in the general fund and local transportation fund to make critically needed repairs to the roads and streets prior to waiting for more costly repairs from further deterioration, invest in money savings equipment (LED streetlights) and replace equipment nearing or at obsolescence, whose maintenance costs are expected to exceed the value of the equipment.

Within the operational budgets, there are no areas of excess, or what some people might refer to as "padding of the budget". Changes in the economy and or departmental operations will change the projections. All of these variables lend importance to establishment and assignment of a budget stabilization reserve.

#### **Revenue:**

From the one time revenue highs in 2006-07, the City had been experiencing declining revenues on sales tax. However, starting in 2011-2012 and trending forward there appears to be a stabilization of these revenues as reflected in the 2013-14 annual budget.

Finance projects that the City's main revenue sources of sales tax, property tax, transit occupancy taxes, and franchise fee revenue remain stable, as the projections are predictive using the current year's actual revenues and 2011-2012 actual results.

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 2013-2014, the City will implement year its new utility rate study that project modest 2.5% cost of living increases over the next five year. 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. To date, the City is has been able to reaping the rewards from sustainable rates and long term infrastructure planning, 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 continue to decrease, and since 2008-09, the City has dropped seven full-time equivalent positions. Other positions have been restructured and re-allocated from the general fund to other funds as appropriate. The City is in negotiations with all of its bargaining units for 2013-14. Since 2008-09, there have not been any cost of living allowances (COLA's) given to employees.

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

Dept	Fund	Dept Description	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Net Increase / (Decrease)
			Regular FTE Budget						
010	01	City Council	-	-	-	-	-	-	
020	01	City Manager and Administration	2.00	2.00	2.00	2.00	1.50	1.650	0.15
030	01	Finance	2.30	1.80	1.80	1.80	1.70	2.050	0.35
030	30	Finance - Fire Tax Collections	0.05	0.05	0.05	0.05	0.10	0.100	-
030	31	Finance - Landfill Collections	0.10	0.10	0.10	0.10	0.10	0.100	-
030	70	Finance - Water Collections	0.70	0.90	0.90	1.03	1.30	1.200	(0.10)
030	80	Finance - Waste Water Collections	0.55	0.75	0.80	0.93	1.10	1.100	-
040	01	Legal	1.40	1.30	1.30	1.30	1.10	0.150	(0.95)
050	01	Information Technology	0.10	0.10	0.10	0.10	0.10	0.200	0.10
060	01	Planning	1.50	1.50	1.50	1.38	0.75	0.750	-
080	01	Building Maintenance	0.50	0.65	0.65	0.60	0.70	0.360	(0.34)
090	01	Community Promotions	-	-	-	-	-	0.180	0.18
200	01	COPS Grant	2.00	2.00	2.00	2.00	2.00	2.000	-
200	01	Police	20.10	19.25	18.25	18.25	18.25	18.150	(0.10)
210	01	YVFD - Building Maintenance	-	-	-	-	-	0.020	0.02
220	01	Building	1.50	1.50	1.50	1.38	1.25	0.250	(1.00)
230	01	Animal Control	1.00	0.85	0.85	0.85	0.85	1.000	0.15
300	01	Public Works Administration	1.30	0.40	0.35	0.35	0.30	0.450	0.15
300	20	Public Works Admin - Street Fund	0.40	0.30	0.30	0.30	0.20	0.350	0.15
300	60	Public Works Admin - Special Capital Grants	-	-	-	-	0.40	0.700	0.30
300	70	Project Engineer - Water Enterprise	-	0.60	0.60	0.60	0.50	0.350	(0.15)
300	80	Project Engineer - Wastewater Enterprise	-	0.60	0.60	0.60	0.50	0.600	0.10
310	01	Street Maintenance - General Fund	0.35	0.13	0.13	0.13	-	-	-
310	20	Street Maintenance - Street Fund	2.05	1.24	1.24	0.32	0.36	0.775	0.42
311	20	Street Sweeping - Street Fund	0.75	0.45	0.45	0.18	0.18	0.545	0.37
312	20	Street Lights - Street Fund	-	-	-	-	-	0.455	0.46
313	20	Weed Control - Street Fund	-	-	-	-	-	0.120	0.12
320	24	Traffic Safety - Special Revenue	0.85	0.45	0.45	0.30	0.65	0.565	(0.09)
350	01	Fleet Management	2.20	2.01	2.00	2.00	2.00	1.670	(0.33)
390	20	Storm Drains - Gas Tax Fund	0.40	0.40	0.40	0.54	0.39	0.605	0.22
400	01	Parks	1.20	2.12	2.13	2.00	1.37	1.275	(0.10)
420	01	Swimming Pool	-	0.05	0.05	0.03	0.03	0.020	(0.01)
450	01	Senior Center	1.80	-	-	-	-	-	-
470	01	Community Theatre	-	-	-	-	-	0.090	0.09
480	01	Community Center	-	-	-	-	-	0.110	0.11
500	70	Water Distribution - Enterprise Fund	2.95	3.45	3.45	3.59	4.14	2.445	(1.70)
510	70	Water Supply & Treatment - Enterprise Fund	3.15	3.20	3.15	3.15	3.15	3.175	0.02
520	70	Water Conservation - Enterprise Fund	-	-	0.05	0.05	0.05	0.050	-
550	80	Sewer Distribution - Enterprise Fund	1.65	1.65	1.65	1.65	2.35	1.970	(0.38)
560	80	Sewer Treatment - Enterprise Fund	3.15	3.20	3.20	3.46	3.63	3.220	(0.41)
560	81	Sewer Treatment - USDA Capital Projects	-	-	-	-	-	0.200	0.20
<b>Total Proposed 2013-14 Budget</b>			<b>56.00</b>	<b>53.00</b>	<b>52.00</b>	<b>51.00</b>	<b>51.00</b>	<b>49.00</b>	<b>-2.00</b>

	2010-11		2011-12		2012-13		2013-14	
	# Employed	ER Wages						
<b>Regular Part Time</b>								
Police Transcripts	1	23,938	1	18,000	1	18,000	1	18,000
Police Kennel Assistant							1	8,000
Project Engineer	1	101,887	1	71,378	1	71,378	1	71,378
Public Works - Parks Custodial					1	10,000	1	10,000
Building Official							1	29,837
Public Works - Water Distribution, Meter Reading							1	17,952
<b>Irregular Part Time</b>								
Community Facilities Building Attendants	5	11,617	5	16,000	5	16,000	5	9,000
Police Dispatch	4	22,338	4	20,000	4	20,000	4	20,000
Public Works - Fleet Mechanic							1	2,000
Public Works - Water Treatment, Conservation and UWM							1	8,320
<b>Seasonal Help Part-time</b>								
Public Works - Fleet	1	8,832	1	7,300	0	-	0	0
Public Works - Parks	3	30,970	2	16,400	2	16,400	2	10,400
Public Works - Portable Stage	3	30,970	2	16,400	2	16,400	0	1,200
Public Works - Traffic	2	12,606	2	10,420	2	11,000	1	5,000
Public Works - Streets	2	10,187	2	12,100	1	5,200	0	0
Public Works - Storm Drains	0	0	0	0	0	0	0	1,500
Public Works - Water (meter replacement program)	0	-	0	-	1	5,200	2	10,500
Public Works - Water (water treatment & efficiency)	0	-	0	-	1	5,200	0	2,500
Grants - USDA	0	-	1	22,500	1	10,000	0	0
<b>Intern Program</b>								
Finance	1	12,098	1	10,000	1	15,000	0	0
<b>Overtime and Out of Class</b>								
Public Works (all departments)	N/A	48,392	N/A	40,000	N/A	40,000	N/A	40,000
Police (officers only)	N/A	64,557	N/A	71,500	N/A	83,500	N/A	81,000
<b>Elected and Volunteers</b>								
City Council	5	18,000	5	18,000	5	18,000	5	18,000
Fire Chief and Fire Secretary/Treasurer	2	19,500	2	19,500	2	19,500	2	19,500
Fire Advisory Board					11	16,500	11	16,500
Volunteer Fire Department					30	47,000	34	47,000
*City Clerk/Assistant City Manager and City Treasurer/Finance Director are included with regular employees								

### **Operating Costs:**

Pricing for utilities (electric and propane), treatment chemicals, petroleum-based products (asphalt), along with fuel and oil continue to increase, and still 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 will need to increase 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. Within the enterprise funds, the use of professional services increase for costs relating to one-time specialized projects, such as review of the City's ordinances, analysis of the City's videotaped sewer mains, and inclusion of more direct charges to these funds for insurance and legal costs.

### **Capital Outlay:**

In the 2013-14 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 loans.

Grants continue to play an important role in Yreka. Grants remain a primary revenue source for the City to build and develop itself. Internally City has been working on improved controls and monitoring processes to help ensure compliance. However with grants, there are risks of:

- 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 2013-14 capital budget includes some significant capital outlay for equipment and capital projects. There however, there remains a list of deferred maintenance projects to buildings, roads, underground utilities and 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 (\$4,779,294):**

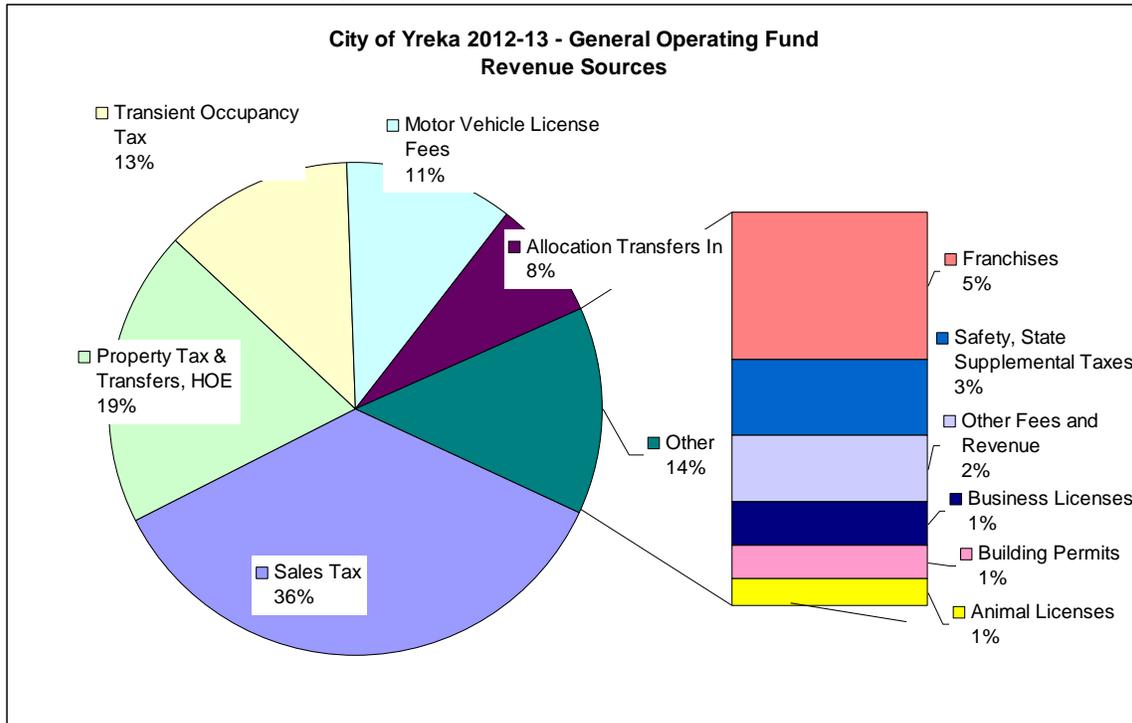
The largest revenue sources that support these expenditures are taxes (property tax, sales tax, transient occupancy hotel taxes, and business licenses). Fee revenue is collected for services rendered and includes dog licenses, planning and building permits, and use of facilities charges (park reservations fees, community theatre and center fees). Other revenue includes federal and 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 in 2013-2014 to \$4,779,294 from the 2012-13 operating budget of \$4,851,077, primarily due to lower transfers in due to more direct charges to the other funds. Revenue as a percentage of expenditures \$4,737,653 is 101%, meaning, the City is not projecting deficit spending. Salaries and benefits in the general operating fund total \$3,125,985 or 65.4% of all general operating fund revenue.

**Revenues**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
800 PROP TAXES	932,985.00	900,539.00	901,500.00	872,496.17	901,500.00
807 MVLF IN LIEU PROP TAX	539,883.00	530,816.00	530,000.00	541,547.10	540,000.00
810 SALES TAX	1,631,864.00	1,766,734.00	1,700,000.00	1,281,983.41	1,700,000.00
811 IN LIEU PROP TAX - KARUK	16,150.00	0.00	16,000.00	24,444.00	12,000.00
813 TOT TAX	567,654.00	626,335.00	600,000.00	472,856.89	600,000.00
814 FRANCHISE	239,659.00	252,400.00	250,000.00	208,940.57	250,000.00
815 BUSINESS LIC	70,962.00	71,671.00	71,500.00	69,527.49	71,000.00
816 PROP TRAN TAX	6,413.00	10,862.00	7,500.00	13,551.85	12,000.00
824 FINES AND PENALTIES	8,393.00	9,650.00	6,800.00	6,891.11	6,500.00
830 INVESTMENT REVENUE	15,715.00	14,510.00	12,300.00	9,978.94	12,300.00
840 MVLF IN LIEU STATE	38,297.00	0.00	0.00	3,985.56	0.00
841 HOE TAX	16,709.00	16,436.00	15,000.00	8,321.33	15,000.00
843 POST	6,412.00	25,053.00	10,000.00	1,409.69	5,000.00
850 OTHER STATE	126,583.00	152,388.00	131,000.00	63,429.04	131,000.00
860 OTHER FEDERAL	0.00	0.00	0.00	2,209.94	0.00
870 FEE REVENUE	242,482.00	170,996.00	144,300.00	112,836.07	133,075.00
871 PENALTIES ON FEE REVEN	280.00	2,205.00	0.00	2,043.50	2,000.00
881 OTHER FEE REVENUE	0.00	0.00	0.00	91,040.63	0.00
882 OTHER REVENUE	4,806.00	13,904.00	18,000.00	7,489.23	3,000.00
883 SALE OF ASSETS	0.00	0.00	1,570.00	1,570.00	0.00
885 CONTRIBUTIONS	3,507.00	1,018.00	0.00	0.00	0.00
898 TRANSFERS IN	354,115.00	393,300.00	435,607.10	185,129.07	384,919.00
01 General Operating	4,822,669.00	4,958,817.00	4,851,077.10	3,981,681.59	4,779,294.00
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					-1.48%

Major Revenue Sources as a % of Revenue



**GF Expense (\$4,737,653):**

**Employee Wages (\$2,008,570) and Employee Benefits (\$1,205,586)**

Estimated Wages are \$2,008,570, Taxes, Workers Comp & Benefits are \$1,117,415, and total compensation is \$3,125,985. Salary negotiations for all the bargaining units for 2013-2014 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 2013-2014. The employer’s contribution rate increased a modest 0.566% to 10.282% for miscellaneous and 0.696% to 19.9% for safety. Health plans include PERS Select, 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 increased slightly to cover the actual claim experience. The vision care plan will increase from \$10.90 single, \$23.44 family per month to \$11.45 single \$24.61 family per month effective July 1, 2013.

**City of Yreka 2013-2014  
General Operating Fund, Major Expense Groups: Salary and Benefits**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
100 SALARY	2,026,421.00	1,983,296.00	1,933,903.06	1,616,046.70	1,784,469.77
102 OVERTIME	59,430.00	52,983.00	80,200.00	77,890.75	81,700.00
103 PARTTIME	47,643.00	45,096.00	68,500.00	70,971.42	67,000.00
106 SEASONAL	31,764.00	50,359.00	51,900.00	37,950.77	28,900.00
107 WAGE ABATEMENT	-3,113.00	0.00	0.00	-15,700.83	0.00
108 MUTUAL AID	0.00	1,466.00	1,500.00	5,074.18	1,500.00
109 VOLUNTEERS	36,210.00	42,172.00	47,000.00	33,795.00	47,000.00
320 PENSION	436,482.00	490,492.00	484,613.14	404,633.15	466,781.78
330 PAYROLL TAXES	169,432.00	166,306.00	165,743.30	140,305.92	152,468.77
340 HEALTH	345,133.00	352,153.00	353,292.55	285,145.93	320,429.79
350 UNEMPLOYMENT	41,628.00	4,772.00	0.00	5,536.00	0.00
360 WORK COMP	214,602.00	199,490.00	186,786.70	154,462.56	174,337.89
390 LIFE & ACCIDENTAL	13,711.00	13,900.00	15,149.96	11,349.72	13,406.77
01 General Operating	3,419,343.00	3,402,485.00	3,388,588.71	2,827,461.27	3,125,984.75
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-7.75%</b>

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
General Fund Full Time Regular Employees Count	<b>34.61</b>	<b>34.16</b>	<b>31.90</b>	<b>30.38</b>

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

**Other Expenses by major object (\$1,611,668)**

Other expenses by major object increased nearly utilities, professional services, and expense transfers out. The increase in professional services reflects the use of contracting for services that were previously covered by staff employees who retired in 2013-14, primarily for legal, building inspection services and information technology support.

**City of Yreka 2013-2014  
General Operating Fund, Major Expense Groups: Other Operating Expenses**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
01 General Operating					
510 EMPLOYEE RELATED	48,237.00	51,107.00	69,930.00	26,565.17	50,980.00
515 GENERAL SUPPLIES	33,215.00	33,740.00	31,920.00	29,999.07	31,970.00
516 SPECIALIZED SUPPLIES	100,698.00	72,346.00	89,895.00	59,096.18	83,316.00
517 TELCOM	30,229.00	33,913.00	36,335.00	35,087.59	44,680.00
518 UTILITIES	166,955.00	192,994.00	209,275.00	173,649.37	227,600.00
520 MAINT AND OPS	58,983.00	72,883.00	92,215.00	69,735.78	87,920.00
521 BLDG MAINT AND OPS	24,091.00	24,555.00	21,416.00	28,099.46	26,200.00
522 BLDG MAINT AND OPS	7,653.00	4,921.00	5,000.00	2,845.65	12,300.00
525 PROF AND CONTRACT SER	289,491.00	284,428.00	293,494.00	257,286.27	404,000.00
530 INSURANCE	222,254.00	155,197.00	147,449.00	174,283.04	176,805.00
535 TAXES, FINES, FEES	8,488.00	7,379.00	8,000.00	1,994.00	6,650.00
542 PASS THRU AND REFUNDS	92,200.00	18,965.00	4,500.00	2,223.90	3,025.00
550 NON CAPITALIZED EQUIPM	47,981.00	38,913.00	65,000.00	43,476.39	45,700.00
560 ALLOCATIONS	248,484.00	256,175.00	246,975.00	252,050.54	247,475.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
760 TRANSFER OUT	93,472.00	39,313.00	137,169.78	69,736.99	163,047.54
01 General Operating	1,472,431.00	1,286,829.00	1,458,573.78	1,228,129.40	1,611,668.54
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>10.50%</b>

**Expenditures by Department**

Detail analysis of each departments revenue and expense budget can be found in the departmental budgets, found under the organizational structure tab.

**City of Yreka 2013-2014  
General Operating Fund, Summary by Department within Fund**

<i><b>FUND</b></i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>01 General Operating</b>				
000 <i>Unallocated</i>	39,313.00	137,169.78	69,736.99	163,047.54
010 <i>City Council</i>	26,257.00	24,174.20	18,356.22	26,924.20
020 <i>Administration</i>	323,698.00	284,653.31	246,158.22	302,114.20
030 <i>Finance</i>	235,096.00	259,691.89	217,385.01	257,831.26
040 <i>Legal</i>	208,028.00	194,243.12	121,513.52	95,555.27
050 <i>Information Technology</i>	72,200.00	70,522.74	53,216.61	75,880.44
060 <i>Planning</i>	133,937.00	106,873.25	64,393.78	127,547.42
080 <i>Building Maintenance-City Hall</i>	31,353.00	61,679.53	29,488.49	37,463.34
090 <i>Community Service &amp; Promotion</i>	249,427.00	237,795.70	204,653.97	244,851.25
110 <i>Non Departmental</i>	154,632.00	162,559.00	165,074.84	174,515.00
150 <i>GIS</i>	0.00	0.00	1,920.76	0.00
200 <i>Police</i>	2,218,625.00	2,228,006.34	1,967,709.90	2,233,777.98
201 <i>K-9</i>	0.00	27,854.10	15,238.53	0.00
210 <i>Fire</i>	288,451.00	277,935.85	268,902.78	297,338.39
220 <i>Building Inspection</i>	128,632.00	122,866.54	78,632.22	72,464.92
230 <i>Animal Control</i>	79,898.00	86,358.63	73,532.07	91,350.95
300 <i>PWA Administration</i>	50,712.00	42,131.37	43,636.57	55,177.96
350 <i>Vehicle Maintenance</i>	114,414.00	177,865.39	135,258.40	137,736.20
370 <i>Municipal Services Center</i>	0.00	0.00	14,781.75	0.00
400 <i>Parks</i>	259,175.00	272,690.90	193,859.95	262,941.54
420 <i>Swimming Pool</i>	6,848.00	9,723.89	3,471.47	7,789.21
450 <i>Senior Services</i>	558.00	0.00	45.76	0.00
460 <i>Comm. Concerts/Portable Stage</i>	4,673.00	2,189.76	41.19	1,689.76
470 <i>Community Theater</i>	24,650.00	22,433.50	40,232.55	33,664.82
480 <i>Community Center</i>	38,683.00	37,743.70	28,349.12	37,991.64
630 <i>Economic Development</i>	54.00	0.00	0.00	0.00
<b>01 General Operating</b>	<b>4,689,314.00</b>	<b>4,847,162.49</b>	<b>4,055,590.67</b>	<b>4,737,653.29</b>

**GF Operating Budget Summary – Revenue to Expense Excess**

The City’s general operating fund shows estimated revenue of \$4,394,375 and transfers in of \$384,919, or \$4,779,294. Expenditures are \$4,574,606 and transfers out are \$163,047, or \$4,737,653. The City revenues are expected to exceed its expenses by \$41,641 in the current fiscal year. The City is continuing, as it has over the past five 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 \$500, expenditures \$1,200. 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 \$17,500 and expense \$17,500.

#### **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 2013-14 is \$5,200.**

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

#### **Budgeted expense for 2013-14 is \$31,700.**

Budgeted expense includes \$6,700 of property related expenses on the North Street apartments, Black's building, and Hi-Ridge property. Twenty five thousand 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 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 in 2013-2014, however that amount remains unknown, but will be budgeted once cash has been received.

**General Operating Reserves (Fund 08)**

A revenue transfer of \$117,051 from the Operating Reserves Fund 08 to the General Operating Fund 01 equals the PERS liability reserve accretion budgeted for \$117,051.

**Revenues**

<i>City of Yreka 2013-14 Projected Budget Major Revenue Groups, by Departments within Fund</i>					
<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actl.</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>08 GF Operating Reserves</b>					
<b>000 Unallocated</b>					
882 OTHER REVENUE	0.00	495,487.00	0.00	0.00	0.00
898 TRANSFERS IN	-300,616.00	-828,374.00	-353,293.00	-306,129.07	-117,051.00
<b>000 Unallocated</b>	<b>-300,616.00</b>	<b>-332,887.00</b>	<b>-353,293.00</b>	<b>-306,129.07</b>	<b>-117,051.00</b>
<i>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</i>					<b>-66.87%</b>
<b>08 GF Operating Reserves</b>	-300,616.00	-332,887.00	-353,293.00	-306,129.07	-117,051.00
<i>Percentage Increase/(Decrease) 2013-14 from 2012-2013</i>					<b>-66.87%</b>
<b>Total</b>	-300,616.00	-332,887.00	-353,293.00	-306,129.07	-117,051.00

The workers compensation accretion of \$60,977 is the excess of the estimated workers compensation insurance premium versus the payroll wage accrual. The PERS contra expense for \$117,051 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 \$178,028 is a contra expense and has the same effect of a revenue.

*Expenses*

**City of Yreka 2013-14 Projected Budget  
Major Expense Groups, by Departments within Fund**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>08 GF Operating Reserves</b>					
<b>11 Non Departmental</b>					
320 PENSION	-133,759.00	-122,983.00	-130,253.00	-98,642.47	-117,051.00
340 HEALTH	-2,504.00	-3,325.00	0.00	0.00	0.00
360 WORK COMP	-74,372.00	-96,973.00	-69,094.00	0.00	-60,977.00
<b>110 Non Departmental</b>	<b>-210,635.00</b>	<b>-223,281.00</b>	<b>-199,347.00</b>	<b>-98,642.47</b>	<b>-178,028.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>-10.69%</b>
<b>08 GF Operating Reserves</b>	<b>-210,635.00</b>	<b>-223,281.00</b>	<b>-199,347.00</b>	<b>-98,642.47</b>	<b>-178,028.00</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-10.69%</b>

**General Capital Reserves (Fund 09)**

General Capital Reserves are funded from one time money and transfers in from the other funds for future planned capital needs.

*Revenues*

Transfers from the general capital reserves to the capital outlay fund is budgeted at \$250,000. This represents a contra revenue, and has the same effect of an expense, in the general capital reserves fund. The \$100,000 transfer in from the general operating fund to the general capital reserves, represents the continued goal of funding road and streets fund projects from the general operating fund.

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>09 GF Capital Reserves</b>					
<b>000 Unallocated</b>					
898 TRANSFERS IN	218,217.00	668,664.00	20,000.00	120,000.00	-250,000.00
<b>000 Unallocated</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>20,000.00</b>	<b>120,000.00</b>	<b>-250,000.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>-1350.00%</b>
<b>310 Streets</b>					
898 TRANSFERS IN	0.00	0.00	100,000.00	0.00	100,000.00
<b>310 Streets</b>	<b>0.00</b>	<b>0.00</b>	<b>100,000.00</b>	<b>0.00</b>	<b>100,000.00</b>
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					<b>0.00%</b>
<b>09 GF Capital Reserves</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>-150,000.00</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>-225.00%</b>
<b>Total</b>	<b>218,217.00</b>	<b>668,664.00</b>	<b>120,000.00</b>	<b>120,000.00</b>	<b>-150,000.00</b>

**Expenses**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
09 GF Capital Reserves					
760 TRANSFER OUT	120,658.00	29,197.00	25,000.00	25,000.00	355,000.00
09 GF Capital Reserves	120,658.00	29,197.00	25,000.00	25,000.00	355,000.00
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					1320.00%

The expense transfers out from the general capital reserves accounts totals \$355,000.

- Transfers from GF Capital Reserves Fund 09 to Road and Street Fund 20 is \$275,000; where \$235,000 is for the Street Sweeper and \$40,000 (20% share) is for the 10-yard bucket truck
- Transfers from GF Capital Reserves Fund 09 to Capital Grants Fund 60 is \$80,000; where \$30,000 (20% share) is for the GIS Mapping and \$50,000 is for North Yreka Creek City grant match.

**General Capital Outlay (Fund 10)**

General Capital Outlay is funded from one time money transferred in from capital reserves and is budgeted for \$250,000. Cash proceeds from the gain on sale of assets, generally obsolete equipment is budgeted for \$7,500.

**Revenues**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actua</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
10 GF Capital Outlay					
000 Unallocated					
883 SALE OF ASSETS	600.00	69,600.00	0.00	12,584.43	7,500.00
898 TRANSFERS IN	203,058.00	82,823.00	250,000.00	250,000.00	250,000.00
000 Unallocated	203,658.00	152,423.00	250,000.00	262,584.43	257,500.00
<b>Percentage Increase/(Decrease) in 2013-14 from 2012-2013</b>					3.00%

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

**City of Yreka 2013-2014  
General Capital Outlay Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Cp Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
10 GF Capital Outlay				
000 <i>Unallocated</i>	0.00	79,740.00	0.00	93,025.00
050 <i>Information Technology</i>	43,774.00	46,960.00	32,193.15	7,500.00
080 <i>Building Maintenance-City Hall</i>	0.00	0.00	0.00	10,000.00
200 <i>Police</i>	77,624.00	48,029.00	50,872.13	35,500.00
210 <i>Fire</i>	0.00	20,000.00	33,266.32	43,475.00
230 <i>Animal Control</i>	5,110.00	0.00	0.00	0.00
300 <i>PW Administration</i>	0.00	0.00	0.00	10,000.00
400 <i>Parks</i>	8,144.00	10,800.00	5,762.77	58,000.00
420 <i>Swimming Pool</i>	0.00	10,000.00	10,000.00	0.00
470 <i>Community Theater</i>	1,663.00	39,000.00	46,776.27	0.00
480 <i>Community Center</i>	16,108.00	5,000.00	6,111.07	0.00
10 GF Capital Outlay	152,423.00	259,529.00	184,981.71	257,500.00

**Projected List for One-time Capital Outlay 2013-2014**

**Unallocated Projects \$93,025**

- Ringe Pool, roofing and repairs at the Ringe pool, costs have not been estimated
- Community Theatre and Center match for the siding repair at the theatre. Cost of match has not been estimated
- Finance in conjunction with Fleet Management, implementation of work scheduling on Springbrook, software support implementation consulting and onsite training costs \$5,000.

**Information Technology \$7,500**

- Replacement of copier at City Hall, \$7,500.

**Building Maintenance \$10,000**

- Replacement of City Maintenance Van, equip new van/vehicle with mobile service shop equipment \$10,000

**Police \$35,500**

- Vehicle \$35,500

**PW Administration \$10,000**

- Related costs for capital grant application work, that may include professional \$10,000

**Fire \$43,475**

- Use of one-time money arising from equipment support and administration from the Firehall Mutual Aid assists with the USFS and CDF, totaling \$43,475 in 2012-2013 for the following:  
Replacement of large single pane windows with safety glass thermopane windows, encapsulation flooring where present flooring contains asbestos materials. Improvements are estimated at \$28,475.  
Lease-to-purchase used CDF wildfire and brush engine strike team truck, \$15,000 for mutual assistance calls.

**Parks \$58,000**

- Replace playground equipment, in particular slides \$20,000
- Greenhorn park survey \$5,000, City's cost or match of \$3,000 in conjunction with Rotary donation of \$2,000
- Purchase of parks mower \$35,000, cost of maintenance exceeding value of equipment

***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). 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 2013-14 its full allocation without any deferrals.

The City is expected to spend more than it receives in its Gas Tax state allocations of \$232,000. To balance, the City is using reserves from the Local Transportation Fund. However, once those reserves are depleted (budgeted at end of fiscal year 2013-2014), 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 (\$923,017):**

The revenue budget for 2013-14, includes recurring revenue from HUTA gas tax funds of \$232,000. Other revenue is from transfers. Those include a \$75,047 transfer in from the General Operating fund, a \$275,000 transfer in from the General Capital Reserves Fund and \$333,970 transfer in from the Local Transportation Fund reserves; and street sweeping fee revenue of \$7,000.

**Revenues**

<b>City of Yreka 2013-14 Projected Budget Major Revenue Group by Fund</b>					
<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>20 Road and Street</b>					
830 INVESTMENT REVENUE	585.00	147.00	100.00	-50.44	0.00
842 GAS TAX	331,806.00	232,621.00	232,000.00	164,666.91	232,000.00
870 FEE REVENUE	4,831.00	1,758.00	7,000.00	13,137.78	7,000.00
882 OTHER REVENUE	0.00	5,880.00	0.00	1,120.10	0.00
885 CONTRIBUTIONS	4,568.00	0.00	0.00	0.00	0.00
898 TRANSFERS IN	112,088.00	36,249.00	196,966.03	0.00	684,016.69
<b>20 Road and Street</b>	<b>453,878.00</b>	<b>276,655.00</b>	<b>436,066.03</b>	<b>178,874.35</b>	<b>923,016.69</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>111.67%</b>

**Gas Tax Fund 20 Expenditures (\$923,017):**

Wages and benefits are \$222,792 of which \$137,139 are wages and \$85,653 benefits. Other operating expenses total \$372,125, and increase over the prior year's budget due to urgent repairs needed to the City's streets to protect these roads from further deterioration. Infrastructure repairs and equipment (both non-capitalized and capitalized) outlay totals \$328,100 and includes a \$235,000 street sweeper, \$40,000 share of a 10-yard dump truck, \$40,500 for LED lamps, \$10,000 for storm drainage improvements, \$2,500 for the Oregon Street bridge improvements and \$100 for weed control.

**City of Yreka 2013-2014  
Road and Street Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>20 Road and Street</b>					
100 SALARY	128,519.00	91,378.00	70,483.21	78,623.92	134,138.75
102 OVERTIME	1,664.00	86.00	1,500.00	7.53	1,500.00
103 PARTIME	4,165.00	44.00	0.00	0.00	0.00
106 SEASONAL	7,971.00	4,493.00	7,200.00	4,082.00	1,500.00
320 PENSION	27,368.00	20,276.00	16,154.59	17,736.44	31,425.96
330 PAYROLL TAXES	11,167.00	7,497.00	6,050.55	6,557.45	10,468.30
340 HEALTH	21,876.00	16,103.00	10,845.12	12,798.42	27,507.38
350 UNEMPLOYMENT	0.00	276.00	0.00	0.00	0.00
360 WORK COMP	17,309.00	10,978.00	8,702.69	9,474.98	14,981.69
390 LIFE & ACCIDENTAL	954.00	770.00	694.87	697.97	1,269.61
510 EMPLOYEE RELATED	1,024.00	449.00	2,000.00	633.94	2,200.00
516 SPECIALIZED SUPPLIES	17,835.00	11,314.00	24,100.00	6,336.26	19,900.00
517 TELCOM	506.00	352.00	0.00	119.09	400.00
518 UTILITIES	65,400.00	71,271.00	72,100.00	54,798.01	75,100.00
520 MAINT AND OPS	101,199.00	62,297.00	166,935.00	36,383.84	210,505.00
525 PROF AND CONTRACT SER	4,751.00	5,548.00	33,700.00	3,787.56	62,020.00
530 INSURANCE	614.00	95.00	0.00	2,377.74	0.00
535 TAXES, FINES, FEES	404.00	0.00	0.00	0.00	2,000.00
550 NON CAPITALIZED EQUIPM	6,170.00	1,738.00	5,600.00	21.82	43,100.00
625 INFRASTRUCTURE	152,252.00	290.00	10,000.00	0.00	10,000.00
650 EQUIPMENT	0.00	0.00	0.00	0.00	275,000.00
<b>20 Road and Street</b>	<b>571,148.00</b>	<b>305,255.00</b>	<b>436,066.03</b>	<b>234,436.97</b>	<b>923,016.69</b>
<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>					<b>111.67%</b>

**City of Yreka 2013-2014  
Road and Street Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>20 Road and Street</b>				
300 <i>PWA dministration</i>	23,389.00	22,077.08	13,196.92	40,149.25
310 <i>Streets</i>	121,016.00	203,193.52	73,624.71	278,772.68
311 <i>Street Sweeping</i>	28,729.00	55,497.99	40,470.20	316,026.82
312 <i>Street Lighting</i>	72,525.00	81,000.00	62,384.82	157,347.79
313 <i>Weed Control</i>	1,621.00	2,000.00	6,310.78	9,981.83
314 <i>Public Parking</i>	0.00	0.00	0.00	1,020.00
390 <i>Storm Drains</i>	57,975.00	72,297.44	38,449.54	119,718.32
<b>20 Road and Street</b>	<b>305,255.00</b>	<b>436,066.03</b>	<b>234,436.97</b>	<b>923,016.69</b>

***Local Transportation (Fund 21)***

**Local Transportation Fund 21 Revenue (\$165,500)**

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). Excess transit funds are allocated to the cities for road and street improvement. At present, the City is not budgeting for any surplus funds. Budgeted transit revenue for 2013-14 is \$165,000 for County STAGE support.

**Local Transportation Fund 21 Expenditures (\$165,500)**

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

**Transfers to the Road and Street Fund (\$333,970)**

The Local Transportation Fund Reserve balance of \$333,970 is budgeted to be fully expended by transferring that balance to the Road and Street funds for urgent road maintenance. Once these reserves are fully expended, the City will need to seek alternative funding to maintain its road and street system. The City Council has identified this as a high priority in its April 2013 strategic plan

**Fines - Traffic Safety (Fund 24)**

**Traffic Safety Fund 24 Revenue (\$88,001)**

Revenue from traffic fines is budgeted in 2013-14 at zero. The remaining revenue of \$88,001 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 (\$88,001)**

Wages and benefits of \$42,901 cover wages of \$27,148 and benefits of \$15,753. Other non-salary expenses total \$45,100. The increase of non capitalized equipment represents a \$10,000 budget allocation for the purchase of (MUTCD complaint) traffic signs

**City of Yreka 2013-2014  
Road and Street Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>24 Traffic Safety</b>					
100 SALARY	35,658.00	15,664.00	24,354.10	16,369.83	21,647.58
102 OVERTIME	3.00	0.00	500.00	21.74	500.00
106 SEASONAL	5,637.00	5,064.00	11,000.00	1,381.00	5,000.00
320 PENSION	6,933.00	3,389.00	5,551.64	3,634.99	5,058.43
330 PAYROLL TAXES	3,252.00	1,657.00	2,737.48	1,401.11	2,072.08
340 HEALTH	4,704.00	2,790.00	7,651.32	3,990.57	5,163.12
360 WORK COMP	5,172.00	2,613.00	4,236.47	1,959.84	3,249.35
390 LIFE & ACCIDENTAL	212.00	130.00	205.98	174.75	210.16
510 EMPLOYEE RELATED	15.00	51.00	800.00	164.36	700.00
516 SPECIALIZED SUPPLIES	18,388.00	14,120.00	27,300.00	10,047.65	16,800.00
517 TELCOM	591.00	116.00	300.00	59.14	100.00
518 UTILITIES	7,675.00	3,616.00	8,000.00	2,404.09	8,000.00
520 MAINT AND OPS	2,100.00	19,474.00	7,000.00	7,525.08	5,500.00
525 PROF AND CONTRACT SER	4,108.00	2,178.00	2,000.00	1,298.75	2,000.00
550 NON CAPITALIZED EQUIPM	0.00	0.00	4,100.00	3,913.55	12,000.00
<b>24 Traffic Safety</b>	<b>94,448.00</b>	<b>70,862.00</b>	<b>105,736.99</b>	<b>54,346.45</b>	<b>88,000.72</b>
<b>Percentage Increase(Decrease) 2013-14 from 2012-2013</b>					<b>-16.77%</b>

***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 \$230,750.** Tax receipts are \$230,000 and interest earnings on revenue \$750. Annually the tax may increase based upon the Engineering News Record, Construction Cost Index. In January 2013, this index had a slight increase, resulting in a nine cent increase for a single family resident to \$5.70 per month.

**Budgeted expense is \$142,425.** The cost of collections is \$6,621 (wages and benefits for finance). Debt servicing on the purchase of two fire engines is \$135,804 (principal \$116,275 and interest \$19,529).

***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 \$216,000** arising from access fee assessments. Annually the assessment may increase based upon the Engineering News Record, Construction Cost Index. In July of 2013, rates were increased by eight cents to \$4.21 per month for single family residents.

**Budgeted expense is \$181,621.** The cost of collections is \$6,621 (wages and benefits for finance). Debt servicing to the County on the landfill access fee is \$175,000 (principal \$64,504 and interest \$110,496).

The **Ending Fund Balance** estimated increase is \$34,379. 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 nearly \$700,000 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 \$16,000** 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 \$2,511,470 of expenditures for projects, plans and capital improvements. A continuing grant award project, the \$1.489 million North Yreka Creek River Parkways grant, will provide restrooms, greenway parking and trails along the north town end of Yreka Creek. Additionally, the City expect to expend; \$530,000 of design and land acquisition work on Yreka Creek flood corridor (a \$5 million California State Department of Water Resources grant), \$215,000 of work on North Oberlin Trail (River Parkways grant), and completion cost of \$215,000 for the Oregon Street overlay project, a STIP grant.

City of Yreka 2013-2014  
Special Grants, Summary by Department within Fund

<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>	-208,625.00	208,625.00	0.00	0.00	0.00
150 <i>GIS</i>	150,000.00	0.00	150,000.00	0.00	0.00
210 <i>Fire</i>	0.00	0.00	0.00	0.00	0.00
300 <i>PWA dministration</i>	0.00	0.00	0.00	0.00	0.00
310 <i>Streets</i>	350,200.00	0.00	350,200.00	0.00	0.00
390 <i>Storm Drains</i>	537,520.00	0.00	537,520.00	0.00	0.00
400 <i>Parks</i>	1,395,000.00	0.00	1,395,000.00	0.00	0.00
520 <i>Water Conservation (BMP)</i>	0.00	0.00	0.00	0.00	0.00
610 <i>Redevelopment</i>	50,000.00	0.00	50,000.00	0.00	0.00
630 <i>Economic Development</i>	28,750.00	0.00	28,750.00	0.00	0.00
60 Spec Grants - Capital Outlay	2,302,845.00	208,625.00	2,511,470.00	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 City no longer has open grants for lending or business training. The grants historically have been used 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 has also administered microenterprise training grant that provide technical assistance grant geared to career training for low-income businesses with five or fewer employees. The budgeted activity of \$5,950 for 2013-2014 reflects interest earnings on the City’s existing housing and business loan portfolio.

City of Yreka 2013-2014  
Community Development Grants, Summary by Department within Fund

<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	0.00	0.00
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>	950.00	0.00	0.00	0.00	950.00
65	Community Development Grant	5,950.00	0.00	0.00	0.00	5,950.00

***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 2013-14 budget the utility rates adjusted for a modest 2.5% cost of living adjustment as referenced in the City’s 2013 draft water and sewer utility 5-year rate study.

**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 \$1,602,343. The excess (or deficit) of revenue is transferred to the water reserves account. Operating expenses of wages and salaries are \$644,529 of which \$410,604 are wages and \$233,925 benefits. Non-wage related operating expenses total \$957,814. Professional services increased \$49,000 for updates to the City’s water master plan, direct charges for legal services that includes the review of the City’s ordinances for wastewater collection and treatment. Insurance costs increased for \$17,500 for direct charge for property insurance. Correspondingly, transfers out for administrative overhead decreased.

**City of Yreka 2013-2014  
Water Operating Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>70 Water Operating</b>					
100 SALARY	366,911.00	361,733.00	433,990.62	318,176.02	364,783.85
102 OVERTIME	12,475.00	12,909.00	24,500.00	20,828.83	24,500.00
103 PARTIME	2,449.00	636.00	10,000.00	10,340.10	8,320.00
106 SEASONAL	3,918.00	9,369.00	7,700.00	10,024.38	13,000.00
320 PENSION	75,001.00	79,321.00	96,643.25	69,465.96	79,096.55
330 PAYROLL TAXES	28,896.00	29,155.00	35,640.35	27,756.66	30,641.40
340 HEALTH	77,391.00	81,851.00	96,870.50	65,403.69	79,135.21
350 UNEMPLOYMENT	0.00	0.00	0.00	1,288.00	0.00
360 WORK COMP	44,957.00	43,446.00	48,597.90	37,852.16	41,588.72
390 LIFE & ACCIDENTAL	3,066.00	3,171.00	3,843.69	3,131.03	3,462.82
510 EMPLOYEE RELATED	2,018.00	2,091.00	6,800.00	3,427.65	7,400.00
515 GENERAL SUPPLIES	17,543.00	17,531.00	18,600.00	15,518.32	20,500.00
516 SPECIALIZED SUPPLIES	25,930.00	23,098.00	45,800.00	22,441.02	40,300.00
517 TELCOM	3,419.00	3,811.00	6,325.00	5,789.60	10,200.00
518 UTILITIES	209,756.00	223,221.00	234,000.00	204,971.70	260,500.00
520 MAINT AND OPS	125,177.00	124,048.00	183,175.00	173,221.05	178,587.50
521 BLDG MAINT AND OPS	2,350.00	1,882.00	2,000.00	3,439.98	2,500.00
525 PROF AND CONTRACT SER	134,235.00	72,794.00	121,000.00	41,737.63	170,000.00
530 INSURANCE	19,780.00	11,739.00	9,500.00	1,567.02	27,000.00
535 TAXES, FINES, FEES	10,890.00	14,129.00	17,100.00	29,802.18	22,300.00
550 NON CAPITALIZED EQUIPM	7,019.00	3,785.00	54,500.00	2,875.43	41,000.00
760 TRANSFER OUT	183,124.00	155,426.00	187,000.00	125,000.00	177,527.00
<b>70 Water Operating</b>	<b>1,356,305.00</b>	<b>1,274,946.00</b>	<b>1,643,586.31</b>	<b>1,194,058.41</b>	<b>1,602,343.05</b>
					<b>-2.51%</b>
					<b>Percentage Increase/(Decrease) 2013-14 from 2012-2013</b>

**City of Yreka 2013-2014**

**Water Operating Fund, Summary by Department within Fund**

<i>FUND</i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>70 Water Operating</b>				
000 <i>Unallocated</i>	155,426.00	187,000.00	125,000.00	177,527.00
030 <i>Finance</i>	102,537.00	141,298.16	112,449.18	136,484.26
300 <i>PWA Administration</i>	53,677.00	77,638.03	64,283.63	130,065.70
500 <i>Water Distribution</i>	319,071.00	401,830.37	284,625.17	331,815.33
510 <i>Water Supply and Treatment</i>	632,248.00	811,469.28	596,054.08	803,689.92
520 <i>Water Conservation (BMP)</i>	11,987.00	24,350.47	11,646.35	22,760.84
<b>70 Water Operating</b>	<b>1,274,946.00</b>	<b>1,643,586.31</b>	<b>1,194,058.41</b>	<b>1,602,343.05</b>

***Water Capital Projects (Fund 71)***

The 2013-14 Water Capital Project budget of \$305,000 from fee revenue includes the estimated \$100,000 for the relocation of the water main at the County Fairgrounds, \$80,000 outlay (or 40% share) for the 10-yard dump truck, \$60,000 transfer (or 40% share) for the GIS mapping project, and \$65,000 for the radio read meter replacement project.

***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 \$262,456 on a original loan amount of \$6,810,000 at 2.25%. Interest payments are semiannual and principal payments annual. Interest for 2013-2014 will be \$149,456 and principal will be \$113,000, for a combined debt servicing payment of \$262,456.

***Water Reserves (Fund 74)***

Pursuant to the rate study and the USDA Rural Development agreements, the City has targeted levels of reserves 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 other upgrades. The excess (or deficit) of revenue over expense are placed into reserves. The City anticipates setting aside in 2013-2014, \$573,701 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 \$1,715,574. The excess (or deficit) of revenue is transferred to the wastewater reserves account. Operating expenses of wages and salaries are \$559,223 of which \$340,604 are wages and \$218,619 benefits. Non-salary related expenses total \$1,156,351. Of the \$112,500 increase in professional services, \$100,000 is for professional assessment of video of the City’s sewer mains. Other increases are for direct charges for legal services that includes the review of the City’s ordinances for wastewater collection and treatment. Insurance costs increased \$15,000 due to direct charge for property insurance.

**City of Yreka 2013-2014  
Water Operating Fund, Major Expense Groups**

<b>FUND</b>	<b>2010-11 Actual</b>	<b>2011-12 Actual</b>	<b>2012-13 Op. Bdgt</b>	<b>2012-13 YTD</b>	<b>2013-14 Request</b>
<b>80 Wastewater Operating</b>					
100 SALARY	310,557.00	314,449.00	361,027.14	266,089.34	329,103.55
102 OVERTIME	7,037.00	7,832.00	11,500.00	8,567.35	11,500.00
103 PARTIME	185.00	5,114.00	0.00	8,004.50	0.00
106 SEASONAL	1,231.00	753.00	0.00	596.50	0.00
320 PENSION	64,996.00	70,619.00	82,164.92	61,004.76	77,195.46
330 PAYROLL TAXES	23,670.00	24,491.00	28,451.95	21,525.51	26,017.72
340 HEALTH	60,813.00	67,497.00	82,867.18	59,974.49	78,334.34
360 WORK COMP	35,971.00	35,999.00	37,541.83	27,866.12	33,484.47
390 LIFE & ACCIDENTAL	2,578.00	2,867.00	3,536.38	2,989.17	3,587.08
510 EMPLOYEE RELATED	1,095.00	2,538.00	4,000.00	2,755.10	5,200.00
515 GENERAL SUPPLIES	712.00	544.00	400.00	2,711.65	1,900.00
516 SPECIALIZED SUPPLIES	157,057.00	143,301.00	172,600.00	129,509.15	218,700.00
517 TELCOM	652.00	684.00	825.00	1,306.63	4,400.00
518 UTILITIES	183,379.00	207,775.00	219,000.00	169,602.33	214,000.00
520 MAINT AND OPS	183,164.00	191,740.00	217,575.00	186,020.30	241,687.50
521 BLDG MAINT AND OPS	2,711.00	935.00	1,700.00	1,118.25	1,700.00
522 BLDG MAINT AND OPS	3,407.00	3,348.00	7,200.00	3,202.47	7,200.00
525 PROF AND CONTRACT SER	1,334.00	22,998.00	68,500.00	53,524.74	181,100.00
530 INSURANCE	15,406.00	9,027.00	11,500.00	441.98	26,500.00
535 TAXES, FINES, FEES	20,186.00	25,415.00	40,200.00	59,945.00	42,200.00
550 NON CAPITALIZED EQUIPM	8,589.00	12,990.00	10,400.00	184.66	21,423.00
760 TRANSFER OUT	159,170.00	160,987.00	187,500.00	124,000.00	190,341.00
<b>80 Wastewater Operating</b>	<b>1,243,900.00</b>	<b>1,311,903.00</b>	<b>1,548,489.40</b>	<b>1,190,940.00</b>	<b>1,715,574.12</b>
					<b>10.79%</b>

**City of Yreka 2013-2014  
Wastewater Operating Fund, Summary by Department within Fund**

<i><b>FUND</b></i>	<i>2011-12 Actual</i>	<i>2012-13 Op Budget</i>	<i>2012-13 YTD</i>	<i>2013-14 Request</i>
<b>80 Wastewater Operating</b>				
000 <i>Unallocated</i>	160,987.00	187,500.00	124,000.00	190,341.00
030 <i>Finance</i>	63,243.00	94,453.00	80,084.13	100,556.08
300 <i>PWA Administration</i>	53,322.00	77,638.03	64,038.32	106,492.96
550 <i>Sewer Collection</i>	209,643.00	256,503.73	174,247.07	352,262.55
560 <i>Sewer Disposal (WWTP)</i>	824,708.00	932,394.64	748,570.48	965,921.53
<b>80 Wastewater Operating</b>	<b>1,311,903.00</b>	<b>1,548,489.40</b>	<b>1,190,940.00</b>	<b>1,715,574.12</b>

***Wastewater Capital Projects (Fund 81)***

In 2013-14, capital outlay of \$338,000 is budgeted from fee revenue. Of this amount, \$135,000 is needed for sewer camera and digitized software required pursuant to a commitment video all city sewer mains over a five year period. Eighty thousand dollars will be used for the purchase of a 10-yard dump truck (40% share), \$60,000 (40% share) contribution for the GIS mapping project, \$23,000 for new motor controllers at the treatment plant, \$25,000 for a tractor to maintain the effluent field, and \$15,000 to planning for sanitary sewer overflows, targeting the sewer main pumping stations.

In addition, the \$5.7 million USDA Rural Development 2012 COP multiyear financing project construction phase for \$3,053, 102 is expected to begin in 2013-2014.

***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 2013-14 is \$14,000 and interest is \$36,000. Principal on the State Water Resources loan is \$59,448 and interest is \$17,396.

***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 2013-14, \$183,082 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.