

YREKA CITY NEWSLETTER



Important Numbers

City Hall/Water Division
(530) 841-2386

Fire Department
(530) 841-2383

Police Department
(530) 841-2300

Public Works
(530) 841-2370

Senior Program
(530) 841-2365

Elected Officials

Tom Amaral
Mayor

Jim Griffin
Mayor Pro Tempore

Rory McNeil
Councilmember

David Simmen
Councilmember

Jason Darrow
Councilmember

Liz Casson
City Clerk

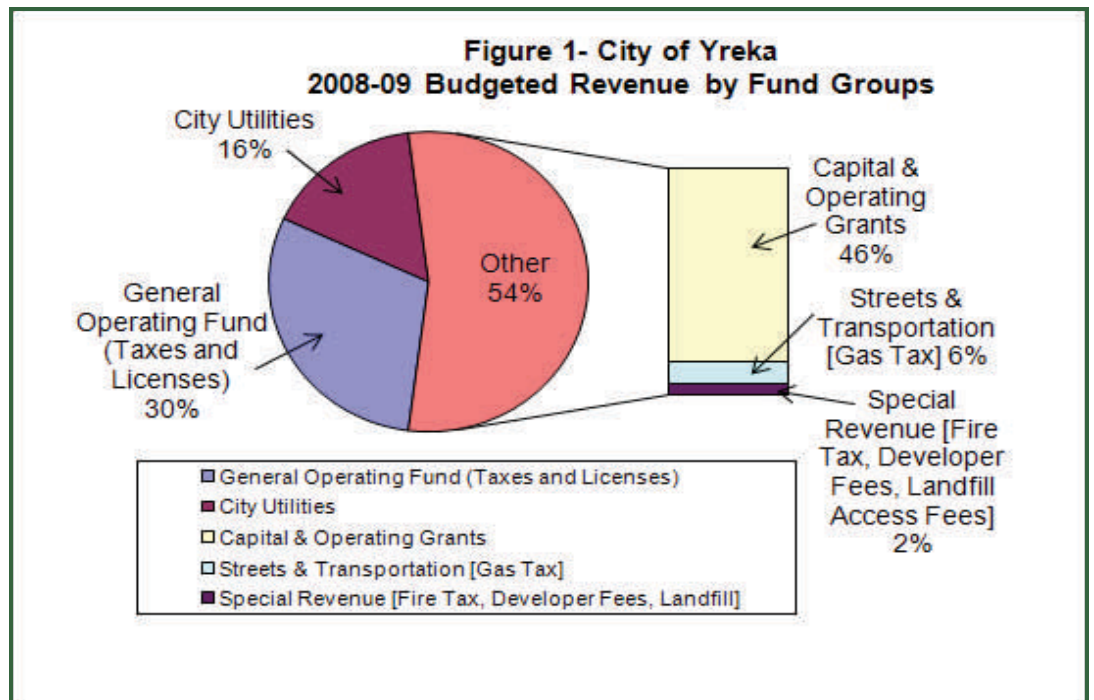
Michael Pavlik
City Treasurer

Citizen's Guide to the Budget

Welcome to the Citizen's Guide to the Budget for the City of Yreka, 2008-09!

The City, like many other agencies, is struggling to meet the needs of the community and stay within the constraints of available funding. Costs have escalated while some revenues have remained steady and some have decreased. This fiscal year, the City has decided to spend some of its reserve funds that it has saved over the years to get some specific projects completed. One of the projects calls for the replacement of the Fourth Street water line. The City received state funding to pave Fourth Street but the water line needs replacement before we repave. The cost of the water line replacement is approximately \$85,000 per block but it needs to be done because we do not want to find ourselves in the position of digging up a newly paved street to fix a water leak.

To explain how the City's budget works, let us begin with an explanation of funds. As the City balances its budget, it works with three groups of funds: Special Revenues and Grants, City Utilities, and the General Operating Fund (**Figure 1**).



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54% - Special Revenues and Grants: Revenue from Grants and Ballot Measures which the City is legally compelled to use on specific projects. These funds include: Local Fire Taxes, Developer Impact Fees, Landfill Access Fees, capital grants, and transportation funds designated for street repairs, maintenance, and construction.

16% - City Utilities: Your utility payments pay for the maintenance and improvements of the water and wastewater systems.

30% - General Operating Fund: Revenue from sales tax and property tax which pay for all of the other services provided by the City such as: Police, Animal Control, Fire, Building Inspection, Planning, Administrative, etc.

Special Revenue and Grants:

As illustrated, the grouping of Special Revenues and Grants makes up 54% of the City's budget. These grants have been an incredible boon to the citizens of Yreka. They have allowed us to pay for storm drain projects that do not have a funding source, install restrooms for the downtown area and Miner Street Park, erect bridges and restrooms at Greenhorn Park,

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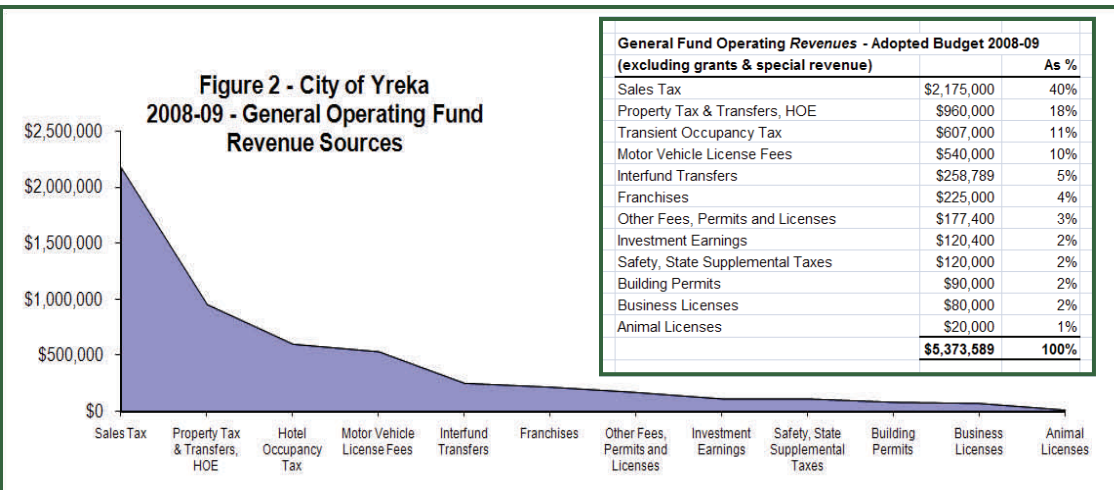
complete street-paving projects, and restore sections of Yreka and Greenhorn Creeks to better accommodate flood events thereby reducing future flood losses. Local taxes and fees would not have allowed the construction of these major improvements to our community.

City Utilities:

The City Utilities are enterprise funds - which means the revenues can only be used for operation and maintenance of the particular utility. The utility rates are dedicated to paying for the water/sewer maintenance and service. As of October 1, 2008, the City has implemented a 5-year rate increase plan to adequately fund the cost of operations and necessary improvements. The new rates will allow the City to borrow the money necessary to make needed improvements as identified in our Master Plans and establish adequate reserve monies for emergencies.

General Operating Fund:

The primary revenue for the General Operating Fund is your taxes, licenses and permits (**Figure 2**). For the City of Yreka, the largest revenue source is local Sales Tax, totaling 40% of the General Operating Fund. The remaining larger contributors to the General Operating Fund are, in order, Property Tax, Transient Occupancy Tax, and Motor Vehicle License Fees. These revenue sources for the City, however, have stayed relatively flat over the last few years while the City's expenditures have continued to increase.



Unlike other funds, the General Operating Fund is typically unrestricted and, therefore, can be spent on any number of services. The primary expenditures out of the General Fund are Police and Animal Control, Fire Department, Public Works, Parks & Pool, Legal, City Council Administration, Finance & Information Technology, and Building & Planning (**Figure 3**).

About 69%, or \$3,556,861, of the City's general fund budget goes to salaries and benefits which, in turn, provide safety, public works, maintenance and administrative services. The remainder goes to maintenance and operations of public facilities (Community Center & Theater), streets, community promotions, insurance coverage, and economic development.

This year's challenge facing the City's general operating fund budget was the continued stagnant revenue and increasing cost of operations that projected the City to deficit spend nearly \$344,046. In previous years, the City has cut operating costs, deferred maintenance, and suspended capital outlay to balance the budget. This year, for the first time, the City had to lay off three full-time employees in order to help bring the budget into balance, as well as reduce Senior Program services by one day per week.

City staff and the City Council continually evaluate possible new revenue sources and grant opportunities that will help balance out the rising costs of operation and/or pinpoint any possible savings in order to plan for orderly growth.

**Figure 3
General Operating Fund Expenses - Adopted Budget 2008-09**

Department	Expense	As as %
Police & Animal Control	\$2,210,364	41%
Public Works	\$587,348	11%
Parks & Pool	\$429,065	8%
Finance & Information Technology	\$374,511	7%
City Council Administration	\$362,490	7%
Building & Planning	\$319,413	6%
Fire	\$298,429	6%
Community Promotion, Airport, & Library	\$251,646	5%
Legal	\$203,862	4%
Insurance, Elections, & Other	\$139,801	2%
Community Center & Theater	\$124,231	2%
Senior Program, Dare, & Channel 4	\$98,443	1%
	\$5,399,603	100%



FALL LEAVES: This fall, the City would like to remind you not to dump or blow leaves from your property into the streets and drains. It is against City Ordinance and often leads to clogging the City's drain inlets. If the drains are clogged in the event of a storm, despite the City's best effort to keep them clean, the possibility of flooding is much higher.