

CITY OF YREKA

BUDGET BOOK

2011-2012

JUNE 16, 2011

RESOLUTION NO. 2918

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
SETTING FORTH THE APPROPRIATIONS LIMIT FOR THE
CITY OF YREKA FOR FISCAL YEAR 2011-2012

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

WHEREAS, the Department of Finance has provided the population estimate for the City of Yreka as of January 1, 2011; to be 7,775 and

WHEREAS, the annual percentage change population estimate for the City of Yreka is a decrease of 0.08% and the change in the California per capita personal income is an increase of 2.51%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does determine that the appropriations limit for Fiscal Year 2011-2012 is \$13,721,955. Appropriations subject to the Gann Limit are \$6,232,515.

Passed and adopted this 16th day of June 2011, by the following vote:

AYES: BICEGO, FOSTER, MERCIER, McNEIL & SIMMEN
NAYS: NONE
ABSENT: NONE

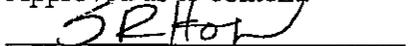

Rory McNeil, Mayor

APPROVED AS TO FORM:


Mary Frances McHugh
City Attorney

ATTEST: 
Elizabeth E. Casson, City Clerk

Approved as to content:


Rhett Hogan, Finance Director

RESOLUTION NO. 2919
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2011-2012

WHEREAS, it is the desire of the City Council to adopt the 2011-2012 budget,

NOW THEREFORE, BE IT RESOLVED that, **excepting the funds set forth below**, the proposed budget for the 2011-2012 fiscal year consisting of Estimated Revenues of \$18,304,365; and Personnel, Operating, and Capital Outlay of \$18,409,500; is hereby adopted and shall be the financial plan for the 2011-2012 fiscal year. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2011-2012 Budget", and the City Manager is authorized to approve the expenditures set forth in this budget and to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances. The City Manager is also authorized to execute such contract documents on behalf of the City which are necessary to memorialize expenditure approved herein.

This action excepts fund 01-450-0000-560-000 (Madrone Hospice), by reason of the recusal of Councilmember Bryan Foster, due to a conflict of interest arising from a contractual relationship with the payee.

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

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

Passed and adopted this 16th day of June, 2011 by the following vote:

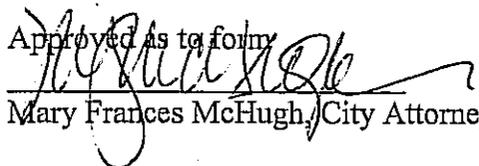
AYES: BICEGO, FOSTER, MERCIER, McNEIL & SIMMEN

NOES: NONE

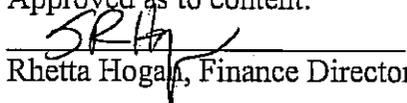
RECUSED: NONE

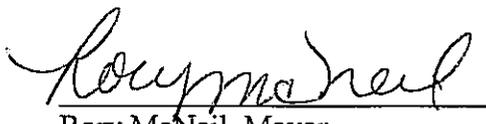
ABSENT: NONE

Approved as to form:


Mary Frances McHugh, City Attorney

Approved as to content:


Rhetta Hogan, Finance Director


Rory McNeil, Mayor

Attest:

Elizabeth E. Casson, City Clerk

RESOLUTION NO. 2920

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2011-2012
FUND 30-ALL MEASURE H SPECIAL TAX FUND, FUND 03-ALL THE
VOLUNTEER FIRE DEPARTMENT BENEFIT FUND, FUND 01-210-0000-ALL
EXPENDITURES OF VOLUNTEER FIRE DEPARTMENT

WHEREAS, it is the desire of the City Council to adopt the balance of the 2011-2012 budget which have been excepted from adoption by the full Council reason of the recusal of Councilmember Rob Bicego, due to a conflict of interest arising from a membership relationship with the Yreka Volunteer Fire Department,

NOW THEREFORE, BE IT RESOLVED that, the funds excepted from Resolution 2919 which are set forth below, are hereby adopted and shall be included in the financial plan for the 2011-2012 fiscal year as part of the proposed budget for the 2011-2012 fiscal year consisting of Estimated Revenues of \$18,304,365; and Personnel, Operating, and Capital Outlay of \$18,409,500. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2011-2012 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances.

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

Passed and adopted this 16th day of June, 2011 by the following vote:

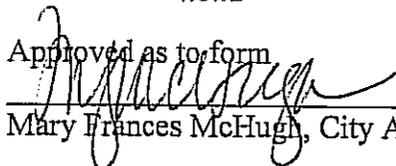
AYES: FOSTER, McNEIL, MERCIER, & SIMMEN

NOES: NONE

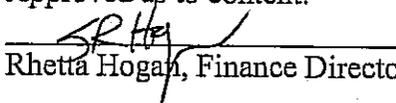
RECUSED: Bicego

ABSENT: NONE

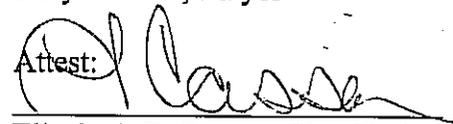
Approved as to form:


Mary Frances McHugh, City Attorney

Approved as to content:


Rhett Hogan, Finance Director


Rory McNeil, Mayor

Attest: 
Elizabeth E. Casson, City Clerk

RESOLUTION NO. 2921

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2011-2012
FUND 01-450-0000-560-000 (MADRONE HOSPICE)

WHEREAS, it is the desire of the City Council to adopt the balance of the 2011-2012 budget which had been excepted from adoption by the full Council by reason of the recusal of Councilmember Bryan Foster, due to a conflict of interest arising from a contractual relationship with the payee,

NOW THEREFORE, BE IT RESOLVED that, **the fund excepted from Resolution 2919 which is set forth below, is hereby adopted and shall be included in the financial plan for the 2011-2012 fiscal year as part of the proposed budget for the 2011-2012 fiscal year consisting of Estimated Revenues of \$18,304,365; and Personnel, Operating, and Capital Outlay of \$18,409,500.** Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2011-2012 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances. The City Manager is authorized to execute such contract documents on behalf of the City which are necessary to memorialize this expenditure.

This action is for fund 01-450-0000-560-000 (Madrone Hospice).

Passed and adopted this 16th day of June, 2011 by the following vote:

AYES: BICEGO, McNEIL, MERCIER & SIMMEN

NOES: NONE

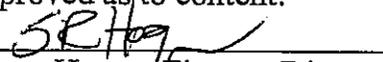
RECUSED: Foster

ABSENT: NONE

Approved as to form


Mary Frances McHugh, City Attorney

Approved as to content:


Rhetta Hogan, Finance Director


Rory McNeil, Mayor

Attest


Elizabeth E. Casson, City Clerk

RESOLUTION NO. 2922

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2011-2012
FUND 01-090-0000-560-001 (Siskiyou County Economic Development Council).

WHEREAS, it is the desire of the City Council to adopt the balance of the 2011-2012 budget which had been excepted from adoption by the full Council by reason of the recusal of Councilmember John Mercier, due to a conflict of interest arising from a contractual relationship with the payee,

NOW THEREFORE, BE IT RESOLVED that, **the fund excepted from Resolution 2919 which is set forth below**, is hereby adopted and shall be included in the financial plan for the 2011-2012 fiscal year as part of the proposed budget for the 2011-2012 fiscal year consisting of Estimated Revenues of \$18,304,365; and Personnel, Operating, and Capital Outlay of \$18,409,500. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2011-2012 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances. The City Manager is authorized to execute such contract documents on behalf of the City which are necessary to memorialize this expenditure.

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

Passed and adopted this 16th day of June, 2011 by the following vote:

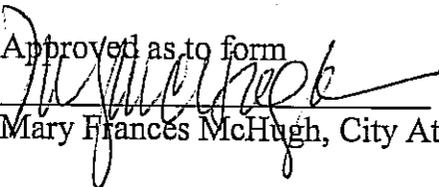
AYES: BICEGO, FOSTER, McNEIL & SIMMEN

NOES: NONE

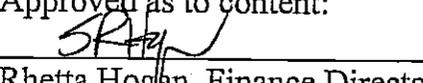
RECUSED: Mercier

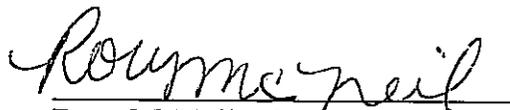
ABSENT: NONE

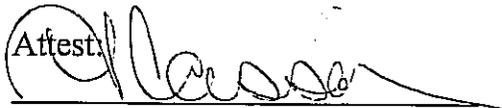
Approved as to form


Mary Frances McHugh, City Attorney

Approved as to content:


Rhetta Hogan, Finance Director


Rory McNeil, Mayor

Attest: 
Elizabeth E. Casson, City Clerk



City of Yreka

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



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

RE: 2011-2012 Annual Budget

Dear Mayor and City Council:

In the following pages you will find the proposed operating budget for fiscal year 2011-2012. Preparation of this budget has been a challenge as the City deals with the impacts of the on-going economic slowdown that has affected the nation and Siskiyou County. As revenues decline and stay at lower levels, continuing to fund existing services and programs has become more difficult.

The City's General Fund revenues have declined in the last few years. The City's largest general fund revenue source, sales tax, has declined from a high of \$1.7 million in 2007-08 to an estimated \$1.2 million in the proposed budget. The City's hotel tax has also declined from the high in 2006-07 of \$626 thousand to an anticipated \$600 thousand. The City expects property taxes to decline from the 2009-10 high of \$958 thousand to \$850 thousand in 2011-12. Overall, the City's general fund revenues have declined by 7.2% since the peak in 2008-09.

Yreka is not alone in these challenges. Cities throughout California are facing declining revenues and deficits and have had to take drastic actions in reducing services and seeking new revenue sources. Fortunately, Yreka has built up significant unrestricted General Operating Fund reserves, currently an estimated \$2.1 million, and has on hand other designated General Fund Reserves (designated for insurance, pension and capital outlay) of \$1.2 million to help bridge the gap during tough economic times.

To address these revenue declines, the City has taken a number of actions in the last few years to decrease the City's expenses. The City contracted with Madrone Hospice to run the senior programs at the Community center. The City worked with Splash, a community based volunteer organization to operate Ringe Pool. Staff has also worked to lower the net operating costs for the Community Theater. In addition, as positions have become vacant, most are not refilled. Staff has also worked with other members of the insurance pool that the City belongs to lower insurance premiums.

Services are also being changed or reduced. For example, the Police Department, down two officers from a few years ago, will be having some reports filed on-line instead of by an officer. The parks division is changing the normal mowing in the parks from weekly to every other week. Responses to service requests may be slower.

As a result, the gap between revenues and expenses has been closed significantly. This proposed budget contemplates using \$138,000 from reserves this year, down from \$300,000 last fiscal year. This

gap, however, is not sustainable for future years. As costs continue to climb with stagnant revenues, the gap will need to be closed to prevent further erosion of reserves. In addition, due to changes in state transportation revenues coming to the City, the fund balances in street funds will be depleted in the next two fiscal years, forcing either a dramatic decrease in street maintenance or a subsidy (about \$200,000) of this activity to maintain the current level of street maintenance. Deferred street maintenance only results in higher costs later on, so continuing funding for streets near the existing level (or higher) is likely.

The Council and staff have committed to a process to take the next steps to match on-going revenues with on-going expenses for the longer term. Given the reductions in services already in place, the decisions before the Council are likely to be very difficult, with even more drastic impacts on city services. This process will begin this summer. Earlier this year we asked employees for advice on balancing the budget and they came through with ideas that helped guide this budget and will be used in these future fiscal discussions. The City's healthy reserves provide us an opportunity to look carefully at restructuring and other decisions that will affect the City's future for years to come and we need to take advantage of that.

While the main focus of this budget has been on reducing the gap between revenues and expenses in the General Fund, there are some other activities of note. Using grant funds, the city is working on floodplain widening on Yreka Creek that will also provide primitive recreational amenities. Parts of Bruce and Oregon Streets will be repaved this year. Improvement of pedestrian and bicycle safety near schools will be funded by a state grant. The Fall Creek Water system, including a new filtering plant, replacement of aging supply lines and improvement to the pumping station, will take place over the next two years.

The City will also be working with the private sector to improve the business climate in Yreka. A grant is funding a plan for improving the readiness of the City's industrial areas to locate new businesses that could bring jobs to the City. A microenterprise grant will help train aspiring entrepreneurs on how to open or expand a successful small business. The City has also received grant funds to help with cleanup of "brownfield" sites, underutilized properties that could support business development that have potential environmental cleanup issues.

The following pages outline in more detail the City's fiscal plan for the coming year. While the City faces challenges, this community has a history of facing those challenges as well as seeking opportunities. With the leadership of the Council, a dedicated staff and an involved and compassionate community, we will hope to continue to work to make Yreka the quality city that it is.

In closing, I want to thank the many people involved in putting the budget together. The Department Heads and their staff worked hard to look for cost savings and different ways of approaching providing services. Special thanks goes to the members of the Finance staff, Debbie Ramirez and a special thanks to Rhetta Hogan, Finance Director, who tirelessly worked to put this year's budget together. We are fortunate to have such a dedicated staff.

Respectfully Submitted



Steven W. Baker
City Manager

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CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan, Finance Director
Agenda title: Adopting the 2011-2012 Budget
Meeting date: June 16, 2011

Discussion:

Over the past several months, the City Council has met to discuss the 2011-2012 budget. The recommendation from the most recent budget discussion meeting on June 2, 2011, was to proceed with adoption of the 2011-12 budget as presented with Council revisions that included:

General Operating Fund changes

- Modify newsletter frequency from monthly to bi-monthly, \$3,000 decrease
- Reduce Chamber of Commerce allocation by 10%, \$5,700 expense decrease
- Correct Library funding, increase \$7,500 due to Siskiyou County cutbacks
- Correct the allocation to the Montague Airport, from zero to \$5,000

General Fund Capital Outlay changes

- Remove specific allocations for capital outlay, that are not contractual obliged and aggregate into unallocated limiting total outlay, including the contractual obliged projects, to a spending cap \$250,000, with unallocated outlay subject to City Council approval.

Crandall/Stewart and Special Grants changes

- Remove revenue and expenses for the biofuels special grant, as the City cancelled the grant, \$87,500 revenue and expense decrease.
- Remove the Crandall grant match allocation for the biofuels special grant, \$17,500 transfer out expense decrease
- Correct both revenue and expense match for resource allocation to Greenhorn Pedestrian bridges project, \$25,000 revenue increase, \$25,000 expense increase.

Other Changes:

- The remaining adjustments are transfers in and out to rebalance the funds, and eliminate in total.

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

The total estimated general operating fund revenues and transfers in are \$4,812,017 and expenses and transfers out are \$4,950,210. The difference will be funded by reserves.

Citywide total expenses for all funds are \$18,409,500 that are covered by a combination of anticipated revenues of \$18,304,365 and accumulated balances.

Fiscal Impact: see above

Recommendation and Requested Action:

That the Yreka City Council adopts the 2011-2012 City of Yreka budget as presented.

Approved by: _____



Steven Baker, City Manager

attachment

**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 01 | General Operating | | Draft of | Proposed | Increase/ |
|-----------------------|---------------------|-------------------------------|----------|------------|------------|------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Department | 090 | Community Service & Promotion | | | | |
| 560 | 01-090-0000-560-000 | Chamber of Commerce | | -57,000.00 | -51,300.00 | 5,700.00 |
| 561 | 01-090-0000-561-025 | Community Newsletter | | -6,500.00 | -3,000.00 | 3,500.00 |
| 561 | 01-090-0000-561-050 | Library - Siskiyou City | | -8,750.00 | -16,250.00 | -7,500.00 |
| Subtotal Department | 090 | Community Service & Prom | | -72,250.00 | -70,550.00 | 1,700.00 |
| Department | 360 | Airport | | | | |
| 525 | 01-360-0000-525-000 | Professional Services | | 0.00 | -5,000.00 | -5,000.00 |
| Subtotal Department | 360 | Airport | | 0.00 | -5,000.00 | -5,000.00 |
| Subtotal Fund by Dept | 01 | General Operating | | -72,250.00 | -75,550.00 | -3,300.00 |

Friday, June 10, 2011

Page 1 of 6

**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 04 | Crandell Restricted | | Draft of | Proposed | Increase/ |
|-----------------------|---------------------|-------------------------|----------|------------|-----------|------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Department | 000 | Unallocated | | | | |
| 760 | 04-000-0000-760-060 | Interfund Transfers Out | | -17,500.00 | 0.00 | 17,500.00 |
| Subtotal Department | 000 | Unallocated | | -17,500.00 | 0.00 | 17,500.00 |
| Subtotal Fund by Dept | 04 | Crandell Restricted | | -17,500.00 | 0.00 | 17,500.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 10 | GF Capital Outlay | | Draft of | Proposed | Increase/ (Decrease) |
|---------------------|---------------------|--------------------------------|----------|------------|-------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Department | 000 | Unallocated | | | | |
| 620 | 10-000-0000-620-000 | Unallocated Capital Projects | | 0.00 | -203,040.00 | -203,040.00 |
| Subtotal Department | 000 | Unallocated | | 0.00 | -203,040.00 | -203,040.00 |
| Department | 020 | Administration | | | | |
| 650 | 10-020-0000-650-001 | Fleet Pool Car Amin | | -15,000.00 | 0.00 | 15,000.00 |
| Subtotal Department | 020 | Administration | | -15,000.00 | 0.00 | 15,000.00 |
| Department | 200 | Police | | | | |
| 620 | 10-200-0000-620-000 | YPD Annex Acquisition | | -50,000.00 | 0.00 | 50,000.00 |
| 620 | 10-200-0000-620-100 | Re-Roofing | | -24,247.00 | 0.00 | 24,247.00 |
| Subtotal Department | 200 | Police | | -74,247.00 | 0.00 | 74,247.00 |
| Department | 210 | Fire | | | | |
| 620 | 10-210-0000-620-000 | Painting | | -35,000.00 | 0.00 | 35,000.00 |
| 620 | 10-210-0000-620-100 | Re-Roofing | | -57,413.00 | 0.00 | 57,413.00 |
| Subtotal Department | 210 | Fire | | -92,413.00 | 0.00 | 92,413.00 |
| Department | 230 | Animal Control | | | | |
| 650 | 10-230-0000-650-001 | Vehicle - Animal Control | | -5,000.00 | 0.00 | 5,000.00 |
| Subtotal Department | 230 | Animal Control | | -5,000.00 | 0.00 | 5,000.00 |
| Department | 400 | Parks | | | | |
| 450 | 10-400-0000-450-001 | Trash Receptables - Bear Proof | | -25,000.00 | 0.00 | 25,000.00 |
| 620 | 10-400-0000-620-000 | Miner St Park - West St Annex | | -40,000.00 | 0.00 | 40,000.00 |
| Subtotal Department | 400 | Parks | | -65,000.00 | 0.00 | 65,000.00 |
| Department | 420 | Swimming Pool | | | | |
| 620 | 10-420-0000-620-100 | Bldg Improvements | | -14,844.00 | 0.00 | 14,844.00 |
| Subtotal Department | 420 | Swimming Pool | | -14,844.00 | 0.00 | 14,844.00 |
| Department | 470 | Community Theater | | | | |
| 620 | 10-470-0000-620-100 | Bldg Improvements | | -5,684.00 | 0.00 | 5,684.00 |
| Subtotal Department | 470 | Community Theater | | -5,684.00 | 0.00 | 5,684.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 10 | GF Capital Outlay | | Draft of | Proposed | Increase/ (Decrease) |
|-----------------------|---------------------|---------------------|----------|-------------|-------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Department | 480 | Community Center | | | | |
| 620 | 10-480-0000-620-100 | Bldg Improvements | | -6,307.00 | 0.00 | 6,307.00 |
| Subtotal Department | 480 | Community Center | | -6,307.00 | 0.00 | 6,307.00 |
| Subtotal Fund by Dept | 10 | GF Capital Outlay | | -278,485.00 | -203,040.00 | 75,465.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 60 | Spec Grants - Capital Outlay | | Draft of | Proposed | Increase/ (Decrease) |
|-----------------------|---------------------|------------------------------|-----------------|------------|------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Department | 400 | Parks | | | | |
| 599 | 60-400-9001-590-000 | Resource Transfer 3000 | SRCF GHPEB-Brid | 0.00 | -25,000.00 | -25,000.00 |
| Subtotal Department | 400 | Parks | | 0.00 | -25,000.00 | -25,000.00 |
| Department | 630 | Economic Development | | | | |
| 525 | 00-630-3210-525-000 | Professional Services | 09PTAE6556 Biom | -87,500.00 | 0.00 | 87,500.00 |
| Subtotal Department | 630 | Economic Development | | -87,500.00 | 0.00 | 87,500.00 |
| Subtotal Fund by Dept | 60 | Spec Grants - Capital Outlay | | -87,500.00 | -25,000.00 | 62,500.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes Draft to Proposed Budget
Revenue Sorted by Fund**

| Fund | 60 | Spec Grants - Capital Outlay | | Draft of | Proposed | Increase/ (Decrease) |
|----------------|----|------------------------------|----------|-------------|-------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Total | | | | -455,745.00 | -303,590.00 | 152,155.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 01 | General Operating | | Draft of | Proposed | Increase/ (Decrease) |
|--|---------------------|-------------------------|----------|------------------|------------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Department: 090 Community Service & Promotion | | | | | | |
| 550 | 01-090-0000-560-000 | Chamber of Commerce | | 57,000.00 | 51,300.00 | -5,700.00 |
| 561 | 01-090-0000-561-026 | Community Newsletter | | 6,500.00 | 3,000.00 | -3,500.00 |
| 561 | 01-090-0000-561-050 | Library - Siskiyou City | | 8,750.00 | 16,250.00 | 7,500.00 |
| Subtotal Department: 090 Community Service & Prom | | | | 72,250.00 | 70,550.00 | -1,700.00 |
| Department: 360 Airport | | | | | | |
| 525 | 01-360-0000-525-000 | Professional Services | | 0.00 | 5,000.00 | 5,000.00 |
| Subtotal Department: 360 Airport | | | | 0.00 | 5,000.00 | 5,000.00 |
| Subtotal Fund by Dept: 01 General Operating | | | | 72,250.00 | 75,550.00 | 3,300.00 |

Friday, June 10, 2011

Page 1 of 6

**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 01 | Crandell Restricted | | Draft of | Proposed | Increase/ (Decrease) |
|--|---------------------|-------------------------|----------|------------------|-------------|-------------------------|
| Object Account | | Account Description | Resource | 5-5-2011 | 6-16-2-11 | |
| Department: 000 Unallocated | | | | | | |
| 760 | 04-000-0000-760-060 | Interfund Transfers Out | | 17,500.00 | 0.00 | -17,500.00 |
| Subtotal Department: 000 Unallocated | | | | 17,500.00 | 0.00 | -17,500.00 |
| Subtotal Fund by Dept: 01 Crandell Restricted | | | | 17,500.00 | 0.00 | -17,500.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 10 | GF Capital Outlay | | Draft of | Proposed | Increase/ |
|---------------------|---------------------|--------------------------------|----------|-----------|------------|------------|
| Object | Account | Account Description | Resource | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Department | 000 | Unallocated | | | | |
| 620 | 10-000-0000-620-000 | Unallocated Capital Projects | | 0.00 | 203,040.00 | 203,040.00 |
| Subtotal Department | 000 | Unallocated | | 0.00 | 203,040.00 | 203,040.00 |
| Department | 020 | Administration | | | | |
| 650 | 10-020-0000-650-001 | Fleet Pool Car Amin | | 15,000.00 | 0.00 | -15,000.00 |
| Subtotal Department | 020 | Administration | | 15,000.00 | 0.00 | -15,000.00 |
| Department | 200 | Police | | | | |
| 620 | 10-200-0000-620-000 | YPD Annex Acquisition | | 50,000.00 | 0.00 | -50,000.00 |
| 620 | 10-200-0000-620-100 | Re-Roofing | | 24,247.00 | 0.00 | -24,247.00 |
| Subtotal Department | 200 | Police | | 74,247.00 | 0.00 | -74,247.00 |
| Department | 210 | Fire | | | | |
| 620 | 10-210-0000-620-000 | Painting | | 35,000.00 | 0.00 | -35,000.00 |
| 620 | 10-210-0000-620-100 | Re-Roofing | | 57,413.00 | 0.00 | -57,413.00 |
| Subtotal Department | 210 | Fire | | 92,413.00 | 0.00 | -92,413.00 |
| Department | 230 | Animal Control | | | | |
| 650 | 10-230-0000-650-001 | Vehicle - Animal Control | | 5,000.00 | 0.00 | -5,000.00 |
| Subtotal Department | 230 | Animal Control | | 5,000.00 | 0.00 | -5,000.00 |
| Department | 400 | Parks | | | | |
| 450 | 10-400-0000-450-001 | Trash Receptacles - Bear Proof | | 25,000.00 | 0.00 | -25,000.00 |
| 620 | 10-400-0000-620-000 | Minor St Park - West St Annex | | 40,000.00 | 0.00 | -40,000.00 |
| Subtotal Department | 400 | Parks | | 65,000.00 | 0.00 | -65,000.00 |
| Department | 420 | Swimming Pool | | | | |
| 620 | 10-420-0000-620-100 | Bldg Improvements | | 14,844.00 | 0.00 | -14,844.00 |
| Subtotal Department | 420 | Swimming Pool | | 14,844.00 | 0.00 | -14,844.00 |
| Department | 470 | Community Theater | | | | |
| 620 | 10-470-0000-620-100 | Bldg Improvements | | 5,684.00 | 0.00 | -5,684.00 |
| Subtotal Department | 470 | Community Theater | | 5,684.00 | 0.00 | -5,684.00 |

Friday, June 10, 2011

Page 3 of 6

**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 10 | GF Capital Outlay | | Draft of | Proposed | Increase/ |
|-----------------------|---------------------|---------------------|----------|------------|------------|------------|
| Object | Account | Account Description | Resource | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Department | 480 | Community Center | | | | |
| 620 | 10-480-0000-620-100 | Bldg Improvements | | 6,307.00 | 0.00 | -6,307.00 |
| Subtotal Department | 480 | Community Center | | 6,307.00 | 0.00 | -6,307.00 |
| Subtotal Fund by Dept | 10 | GF Capital Outlay | | 278,495.00 | 203,040.00 | -75,455.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 60 | Spec Grants - Capital Outlay | | | Draft of | Proposed | Increase/ |
|-----------------------|---------------------|------------------------------|-----------------|--|-----------|-----------|------------|
| Object Account | | Account Description | Resource | | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Department | 400 | Parks | | | | | |
| 590 | 60-400-9001-590-000 | Resource Transfer 3000 | SRCF GHPED-Entd | | 0.00 | 25,000.00 | 25,000.00 |
| Subtotal Department | 400 | Parks | | | 0.00 | 25,000.00 | 25,000.00 |
| Department | 630 | Economic Development | | | | | |
| 525 | 60-630-3218-525-000 | Professional Services | 09PTAE6556 Blom | | 87,500.00 | 0.00 | -87,500.00 |
| Subtotal Department | 630 | Economic Development | | | 87,500.00 | 0.00 | -87,500.00 |
| Subtotal Fund by Dept | 60 | Spec Grants - Capital Outla | | | 87,500.00 | 25,000.00 | -62,500.00 |

Friday, June 10, 2011

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**City of Yreka 2011-12 Compare Changes from Draft to Proposed
Expense Budget - Sorted by Fund**

| Fund | 60 | Spec Grants - Capital Outlay | | | Draft of | Proposed | Increase/ |
|----------------|----|------------------------------|----------|--|------------|------------|-------------|
| Object Account | | Account Description | Resource | | 5-5-2011 | 6-16-2-11 | (Decrease) |
| Total | | | | | 455,745.00 | 303,590.00 | -152,155.00 |

Friday, June 10, 2011

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CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council
Prepared by: Rhetta Hogan
Agenda title: Adoption of Resolution 2918, Appropriations Limit
Meeting date: June 16, 2011

Discussion:

Article XIII B of the California Constitution (Article 4) and related implementing legislation provide for an annual "appropriations limit" for each entity of local government and require the governing body of each local jurisdiction to establish its appropriation limit by resolution each year.

The appropriation limit does not apply to the entire City budget but only to the appropriation of "proceeds of taxes" in the City's "general government" type funds. From 1980-81 to 1989-90, each year's appropriation limit was based on the previous year's limit, multiplied by the percentage change in population and the percentage change in the United States Consumer Price Index or the change in California per capita income, whichever was less. Proposition 111, which was approved by the voters in June 1990, amended the factors used in the calculation of each year's limit. The factors to be used now are:

Population Factor - At the City's option, either the annual change in City or County population.

Price Factor - At the City's option, either the change in California per capita income or increase in non-residential assessed valuation due to new construction.

The formula to be used in calculating the growth rate is:

$$\frac{\% \text{ change in population} + 100.00}{100}$$

times either

$$\frac{\% \text{ change in per capita income} + 100.00}{100.00}$$

or

$$\frac{\text{Change in non-residential assessments} + 100.00}{100.00}$$

The resultant rate times the previous appropriation limit equals the new appropriation limit.

Both the California per capita personal income price factor and the population percentage change factors are provided by the State Department of Finance (DOF) to local jurisdictions each year. Population percentage change factors estimate changes in the City's population between January of the previous fiscal year and January of the current fiscal year. These numbers provide the factor to be used in the City's calculation of the Gann limit.

In May 2011, the State Department of Finance notified each city of the population changes and the per capita personal income factor to be used in determining appropriation limits.

The Finance Director, using the change in per capita income method, has made the following calculation as applied to the City of Yreka for 2011/12 is:

The population at January 1 of the previous year compared to January 1, 2011 (DOF Estimates 7,415) is a -0.08% decrease. The change in the California per Capita Income for 2010/11 is a 2.51% increase.

The factor for determining the year-to-year increase computed as:

$$\frac{-0.08 + 100.00}{100.00} \times \frac{2.51 + 100.00}{100.00} = 1.02427992$$

Applying this year's factor of 1.02427992 to last year's limit of \$13,396,685, the Gann limit for Fiscal Year 2010/11 is \$13,721,955. With appropriations subject to the limit totaling approximately \$6,232,515, the City of Yreka is not at risk of exceeding the Gann limit.

Fiscal Impact:

Restricts budgeting expenditures subject to the appropriations limit to no more than \$13,721,955. The City is budgeting \$6,232,515 for expenditures that are subject to the appropriations limit. The City is not at risk of exceeding the limit.

Recommendation and Requested Action:

Summary Recommendation: Adopt Resolution 2918 setting forth the Appropriation Limits for the City of Yreka for the Fiscal Year 2011/2012.

Approved by: _____


Steven Baker, City Manager

RESOLUTION NO. 2918

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
SETTING FORTH THE APPROPRIATIONS LIMIT FOR THE
CITY OF YREKA FOR FISCAL YEAR 2011-2012

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

WHEREAS, the Department of Finance has provided the population estimate for the City of Yreka as of January 1, 2011; to be 7,775 and

WHEREAS, the annual percentage change population estimate for the City of Yreka is a decrease of 0.08% and the change in the California per capita personal income is an increase of 2.51%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does determine that the appropriations limit for Fiscal Year 2011-2012 is \$13,721,955. Appropriations subject to the Gann Limit are \$6,232,515.

Passed and adopted this 16th day of June 2011, by the following vote:

AYES:

NAYS:

ABSENT:

Rory McNeil, Mayor

APPROVED AS TO FORM:

Mary Frances McHugh
City Attorney

ATTEST: _____
Elizabeth E. Casson, City Clerk



May 2011

Dear Fiscal Officer:

Subject: Price and Population Information

Appropriations Limit

The California Revenue and Taxation Code, Section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2011, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2011-2012. Enclosure I provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2011-2012 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county's and incorporated area's summed population percentage changes. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check box: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "http://www.leginfo.ca.gov/const/article_13B" for additional information. Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. The Federal 2010 Census population counts for cities and counties have been certified to the State Controller's Office. Revenue and Taxation Code Section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2011.**

Please Note: The population estimates provided in this report incorporate 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in this report for your jurisdiction may be noticeably different from the previous year estimates.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost-of-living factor to compute their appropriation limit by a vote of their governing body. The cost-of-living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the 2011-2012 appropriation limit is:

Per Capita Personal Income

| Fiscal Year (FY) | Percentage change over prior year |
|------------------|-----------------------------------|
| 2011-2012 | 2.51 |

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2011-2012 appropriation limit.

2011-2012:

Per Capita Cost of Living Change = 2.51 percent
 Population Change = 0.77 percent

Per Capita Cost of Living converted to a ratio: $\frac{2.51 + 100}{100} = 1.0251$

Population converted to a ratio: $\frac{0.77 + 100}{100} = 1.0077$

Calculation of factor for FY 2011-2012: $1.0251 \times 1.0077 = 1.0330$

Enclosure II
 Annual Percent Change in Population Minus Exclusions
 January 1, 2010 to January 1, 2011 and Total Population, January 1, 2011

| County City | <u>Percent Change</u> | <u>— Population Minus Exclusions —</u> | | <u>Total Population</u> |
|----------------|-----------------------|--|--------|-----------------------------|
| | 2010-2011 | 1-1-10 | 1-1-11 | 1-1-2011 |
| Siskiyou | | | | |
| Dorris | 0.00 | 941 | 941 | 941 |
| Dunsmuir | 0.00 | 1,653 | 1,653 | 1,653 |
| Etna | 0.00 | 739 | 739 | 739 |
| Fort Jones | 0.00 | 841 | 841 | 841 |
| Montague | 0.14 | 1,444 | 1,446 | 1,446 |
| Mount Shasta | 0.03 | 3,401 | 3,402 | 3,402 |
| Tulelake | 0.00 | 1,012 | 1,012 | 1,012 |
| Weed | 0.34 | 2,973 | 2,983 | 2,983 |
| Yreka | -0.08 | 7,781 | 7,775 | 7,775 |
| Unincorporated | 0.46 | 24,094 | 24,204 | 24,292 |
| County Total | 0.26 | 44,879 | 44,996 | 45,084 |

(*) Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

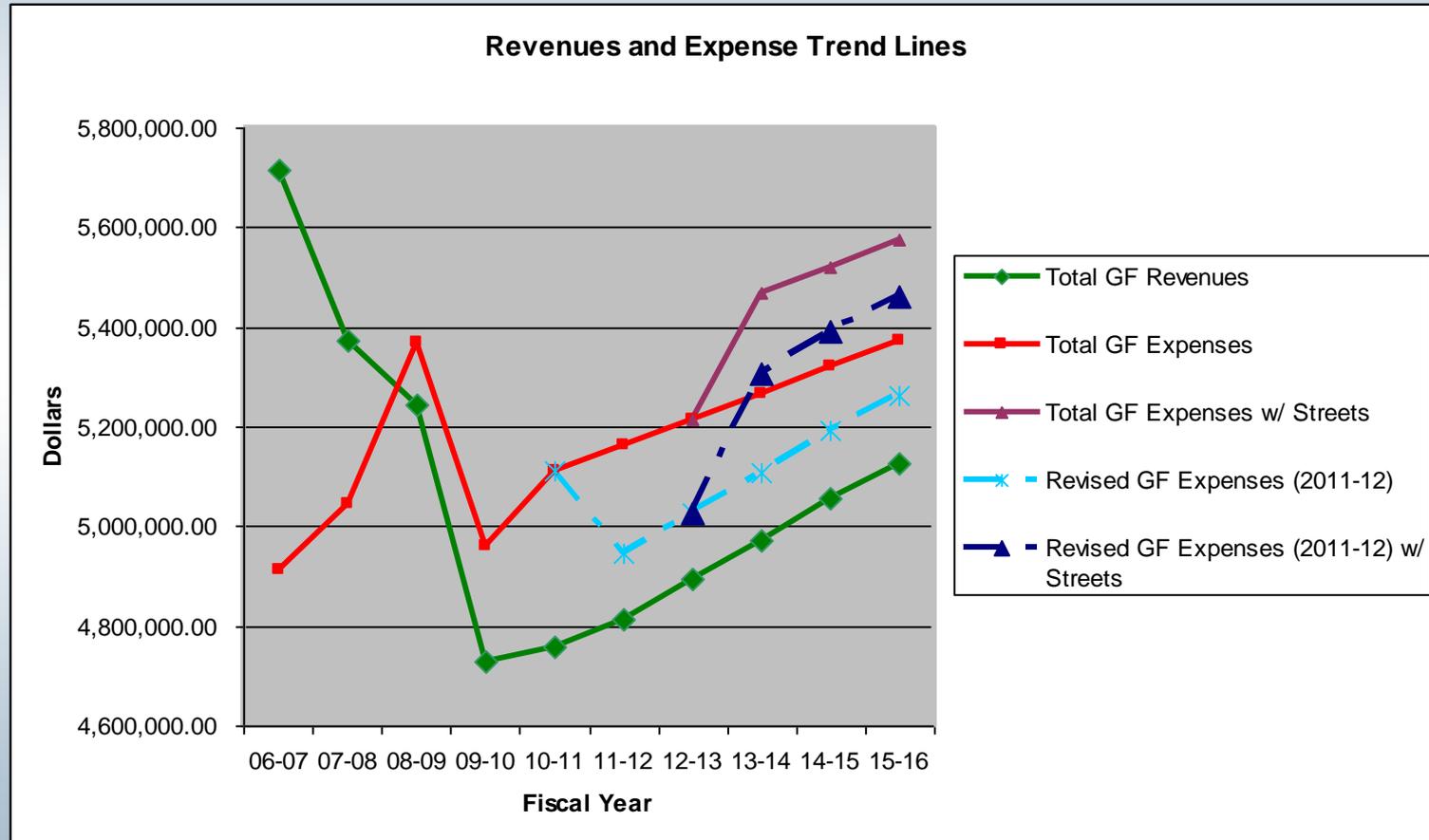
2020 Vision

Forward Looking Strategies to
the Year 2020 and a
5-year Deficit Reduction Goal

City of Yreka

Tuesday, May 24, 2011

Revenue and Expense Trend Lines



2020 Vision

Long Term Budget Strategy Depends on Future Vision

- How will the City look in 2020
 - What kind of services will be delivered and how?
 - What are the priorities of the residents and greater community that we service?
- Different methods of service delivery
- Unable to maintain status quo without new revenue

2020 Vision

- Will the City be a full amenity, growing Community?
- Will the City be preserving and maintaining as we are?
- Will the City be a shrinking entity?
- What is the City Council's vision?

Growing – Healthy Community

Scenario requires significant new levels of revenue

- Diversified economy
 - Long term economic development
 - Job opportunities
- Affordable Housing, well maintained properties
- Amenities
 - Trails, Parks, Pool and Recreation
 - Education (Strong college and K-12 system)
 - Cultural (Theatre, Community Center, Senior)
- Safe (City Services of Police, Fire and Emergency)
- Maintained Streets, Sidewalks, Curbs and Gutters, Lights
- Good Water and Sewer Services
- Clean Community (streets, parks, buildings)



Maintaining and Preserving Services (still will require new revenue sources)



- Restructure of delivery models
 - Online self-serve services
- Keep current FTE levels
 - projected to be 51 at the end of the 2011-12, down from 60 FTE in 2004-05
- Maintain current levels of service, including roads and streets
- Still will require new revenue

Shrinking City (match exp. w/ existing rev.)

Decrease Services & Staffing Levels

- Compact City, services rendered by others and/or not provided
- Flat or stagnant revenues
- Small efficient, self governed (City can't solve citizen problems)
- Volunteer groups maintain City Facilities (cultural and parks)
- Require use of self serve models (online counter)
- Examples of Strategy are to:
 - Identify planned retirements for restructure:
 - Aging Management Staff
 - Aging Maintenance Staff
 - Identify shared services or contracted services:
 - Road maintenance?
 - Fleet?
 - Dispatch?
 - Finance (payroll, billing)?



How do we define priorities

- Discussion of Core Services
 - Does the City need to evaluate some of its community allocations
 - General surveys show that citizens chose safety over other community development services.
- Downsizing versus rightsizing
 - Across the board cuts versus shifting resources from low priority programs to high priority programs.
- Rationing/Reduction and Elimination of services
 - Who, what, when, where, how and why?
 - Comfort level of the public with reduced services
- Capital outlay
 - Cost of deferred maintenance
 - Risk management concerns

When you must cut - Decreasing Expenses

- Examination of management structure
- Departmental solutions – experts in area
- Employee based suggestion – outreach to employees
- Committed and contractually obligated costs
 - Debt servicing and Maintenance of Effort requirements
 - Insurance premiums
 - Contractual and outsourced services re-examined
- Take the time to implement
 - Changes and innovation take ramp up time and planning to implement
- Assess impacts on employee morale
 - Lost morale can cost more than savings
 - Worker compensation, safety, performance, sickness
- Develop incentives for savings and innovation

Increasing Revenue

- 1. Business Development Solutions** - (increase rate/volume on existing revenue sources)
 - Attract new retailers (sales tax) e.g. shopping centers, cluster businesses at Walmart (difficult economy to attract retailers)
 - More hotel stays - direct 10% Tax (TID may help)
 - Buy local campaign may increase sales tax (hard to measure)
- 2. Fee Solutions** - (raise rates, look at cost/benefit balance and enforcement)
- 3. Voter Approved Measures Solutions** - Increase Taxes (UUT, Property, TOT, Parcel, etceteras)

Next Steps

- Council Recommendation to Staff to Develop the City's 2020 Vision Strategy of:
 - Growth (significant new revenues needed)? or
 - Maintenance (revenue needed)? or
 - Planned Shrinking? or
 - Random Path? (matching revenues with expenses each year – reactionary)
- Identify Action Steps

Next Steps, Cont.

- Engaging stakeholders in discussions
 - Community (e.g. Partner with Ford Foundation's discussion)
 - Bargaining units, Employees, Managers
 - Met with employees (comment attached)
- Integrating Visioning strategy with fiscal resources and services

Date: May 19, 2011
To: City Council
From: Steven W. Baker, City Manager **SWB**
Subject: Budget Discussions with Employees

City staff held a series of six separate meetings with employees of the city in order to obtain feedback on strategies that would help the city to balance the budget. During these discussion, employees were asked to provide ideas on revenues, services, expenses, use of technology and other factors. The specific questions were as follows:

- If you had to find way to save money for the City, what would you recommend the city do to save money without negatively impacting our customers/citizens?
- Are there areas where the City could conduct business more efficiently or effectively?
- What are some ways in which the City could take advantage of new or increased sources of revenue?
- Are there any areas where the city could reasonably eliminate or further reduce services in order to reduce costs (what shouldn't we be doing)?
- Overall, what would you most like to see done to help the City resolve its budget issues

Answers and suggestions in response to the questions often overlapped, but reflected a number of broad themes. Those themes and the specific suggestions from employees are outlined below. We have combined similar remarks. We have not edited the comments for feasibility, legality, factuality, conformance with policy, etc., preferring instead to show the raw comments from employees.

Eliminate Services

- Eliminate inserted newsletters and provide the information on line
- Eliminate Channel 4 and redirect funding to senior center
- Close swimming pool
- Eliminate city funding of Senior Programs (Madrone hospice)
- Eliminate summer hires
- Eliminate grant writer
- Postpone all City Council pet projects, e.g. biomass.
- Eliminate funding to Chamber of Commerce and Economic Development Commission.
- Eliminate DARE
- Close parks and do not maintain
- Turn off street lights – create star friendly city

Contract Services; bring contract services in house or participate regionally

- Contract out building inspections, planner, city attorney, city engineer, public works director, grant writer, fleet services, police services – to Sherriff's department.
- Use Deadwood county inmates for maintenance projects instead of contracting out.
- Process all YPD citations for parking violations instead of contracting the services out.
- Bring all Information Technology work in house and cancel current contract
- Contract out park maintenance, e.g. mowing, light bulb replacing, trash collection and restroom cleaning.

- Allow County to take over all animal control activities
- Turn over all maintenance of the theater to a nonprofit organization
- Turn over all maintenance and operations of the Community Center to Madrone Hospice

Use of technology

- Create on line payments for customer services.
- Automate water meter reading by installing radio readers on all water meters
- Create on line service requests
- On-line reporting – reduce caseload, allow proactive instead of reactive policing
- Note that technology may cost more to implement initially, rewards are in the future.
- Use PDA's in field to close work orders in the field.

Increase revenues

- Parking
 - Install parking meters on central downtown streets and parking lots
 - Monthly permits
 - Will allow patrol and improvement of parking lots
- Assess fee for Alarm calls
- Recover restitution cost
- Recover costs for court appearances
- Institute service agreement with local agencies, including Karuk Tribe to perform maintenance within their jurisdictions, i.e. sewer cleaning, valve and hydrant exercising, streetlight repairs, street sweeping
- Allow overnight tent camping in Greenhorn Park
- Allow YPD to charge for services, non-essential calls, house watch, VIN verifications, unnecessary 911 calls, alarm calls
- Lift moratorium on Prop 215 (Medicinal Marijuana) – regulate and tax industry.
- Market city merchandise – e.g. logo, coffee mugs, t-shirts, and key chains
- Create service districts to assess fees for parks, street lights, storm drains, sewers, community center, theater, street sweeping, snow plowing and for anyone above the booster pump stations
- Reevaluate fee for call-outs to recover true costs.
- Reevaluate park uses fees; partition picnic areas in all parks and assess rental fees accordingly
- Establish fees for burn permits
- Establish a fee for Bouncy houses to be used in parks
- Bring development impact fees to 100%; also modify DIF to trigger on large additions
- Add wastewater treatment plan and storm drain impacts to DIF (greenway master plan may change DIF's for parks)
- Storm drain assessment
- Charge or encroachment permits
- Sell Black's building and apartments
- Establish a 1/4 cent or 1/2 cent sales tax for law enforcement
- Redevelopment Agency formation
- Special assessment for streets or parks

- Charging for reports – e.g. DUI or reports only for insurance purposes
- Don't waive fees; if supporting an event then give money
- Charge fees for event support – actual costs
- Charge to enterprise funds nontraditional department actual costs. E.g. costs for dispatch to enterprise funds
- Charge water fund for use of streets
- Implement street cut charges
- Find gold at greenhorn.

Business attraction/land use

- Offer incentive to start manufacturing businesses within city limits
- Cap the number of thrift shops and tattoo shops- create better impression for tourists looking for eating establishments, entertainment and shopping
- Reevaluate downtown zoning to remove taverns and tattoo shops from downtown corridor
- Actively recruit through economic development
- Allow businesses to come to city without hassling
- Market the value of the historic parts of the City.
- Establish a pan handling fee and panhandling location with penalties for non-compliance
- Tear down Black's building and use for Farmers Market
- ATV staging area in Yreka that has links to trails – a hub (would support local businesses). Charge for camping.
- Sell the City – locate investors that want to create a Jacksonville – need to develop with money – REIT?
- Start something that could build into an event like the Britt Festival or Cascade Theater in Redding
- Franco American – put together a REIT or otherwise bring in investors

Efficiency/effectiveness improvements

- Police Department
 - Reduce fuel consumption by doubling up in police cars.
 - Find an efficient building for YPD use. Current building is expensive to operate
 - Eliminate the YPD Annex. Facility is not used
- Fire
 - Centralize dispatch for YPD and YFD
 - Reduce the type of response from YFD to structural fires and not aid calls – aid calls to be responded to by ambulance services
 - Eliminate free housing at fire station for YFD personnel.
- Public Works
 - Stop locking Greenhorn Park
 - Reduce level of maintenance in parks, e.g. frequency of mowing
 - Lock down restrooms
 - Remove portapotti at Greenhorn
 - Sweep streets less frequently
 - Obtain solar grant

- Convert to LED or Solar
- City Hall (administration, finance, building, planning, building inspection)
 - Reduce staffing redundancies across department, i.e. centralize purchasing department.
 - Turn out all light in city building after hours
 - Eliminate tenant utility accounts – assign to property owners only.
 - Increase water disconnect fee to \$100
 - Close front counters, but offer alternatives to customers; offer 24/7 information
 - Achieve efficiencies by closing office one day a week or reduce hours we are open (e.g. 9-4; 10-4) (ex: County offices open 4 days per week)
 - Appointment basis for services – ex: building official, public works director
 -
- Theater/ Community Center
 - Eliminate no fee and reduced costs and the Theater and Community Center (e.g. schools)
 - Mothball theater
 - Consider reuse of theater for a new police building
 - Move city hall to community center
 - Give community theater to community group (similar to giving YMCA a building)

Cost Savings

- Institute four day work week or other alternative work schedule for city employees
- Eliminate take home vehicles if not assigned emergency response (for official use only)
- Consolidate senior management
- Reduce staffing at city hall
- Establish incentive for early retirement for those two years or less away from retirement
- City manager to do union negotiations instead of contracting out.
- Eliminate hard copies of pay stubs to employee that use direct deposit. Email to employees if needed.
- Conduct study of all city positions to eliminate redundancies
- Eliminate all non emergency response city vehicles
- Evaluate the use of City Cell phones – user to pay for non-business related calls
- Reduce full time positions where possible to part time positions
- Reevaluate health insurance plans to offer employees the opportunity to select individual health insurance from and cafeteria style of options, which may provide overall cost savings
- Establish consortium with other cities for utility billing
- Institute furloughs
- Raise awareness of costs of council requests.
- Eliminate Miner Street lights on buildings
- Find service groups to take care of small parks (or even large ones) or portions like play equipment

General:

- Must have vision, not just cutbacks
- Prioritize services – e.g. senior services, pool, chamber of commerce
- Disincorporate

City of Yreka 2011-12 Projected Budget Narrative

Highlights

Overview:

As part of the strategic planning process by the City Council in 2010-11, the City has been evaluating its budget and inherent structural deficit. Multi-year projections from last year showed an approximate \$300,000 General Operating Fund and \$200,000 Road and Street Fund budgetary shortfalls on an annual go-forward basis.

The projected budget presented June 16, 2011 shows a \$138,193 General Operating Fund deficit and a \$265,964 Road and Street Fund deficit. You may wonder why the difference, and were the projections incorrect? No, but what has changed were management decisions in the general operating fund to take short-term measures to close the gap in the General Fund, and in the Street Funds, we budgeted a needed capital project increasing the Street Fund gap.

After receiving budget data from the department heads in March of 2011, the general operating fund budget gap was nearly \$550,000. Staff knew this was not an acceptable budget, and we took the following interim steps to reduce the gap:

- Changed full time equivalent (FTE) allocations and eliminated a vacant position in PW maintenance
 - This will reduce services levels in parks, public works building maintenance, street sweeping and street maintenance, savings \$52,081
- Budgeted for an anticipated retirement, backfilled for outside consulting services
 - Reduce planning services, savings of \$25,000
- Revised insurance estimates were received from SCORE and an unemployment insurance payout was terminated, savings \$29,703
- Decreased net cost of fuel in fleet, savings \$30,000
- Interfund Transfers
 - Eliminated the \$150,000 transfer to road and street fund as the maintenance of effort requirement was eliminated
 - Transferred into the General Operating Fund from the Operating Reserve Fund the increase in the Operating Reserve Fund balance attributable to

the PERS Liability internal annual repayment, revenue increase of \$135,614.

The Road and Street Fund gap of \$265,964 is more than \$200,000 due to a needed \$82,500 project to rehabilitate the alley between Broadway and Fourth Street from Butte Street and Lane Street to deal with a drainage issue. Without the capital project the excess of expenditures over revenues would have been \$183,464 or close to the estimated multi-year projection of \$200,000. A transfer in from Local Transit Funds reserves for \$265,964 offsets the deficit, balancing the fund.

Revenue:

From 2006-07, the City has been experiencing declining revenues on sales tax and property taxes to its general operating fund. The good news in the budget for 2011-12 is that Finance anticipates that the City has leveled out on its sales tax and property tax declines and that revenue will increase slightly from the fiscal year 2009-10 low. The 2011-12 budget also assumes the loss of \$100,000 of State grant revenue for community policing, referred to as COPS, and the loss of booking fee revenue.

The City's special revenue funds match revenue (fees and taxes) with legally restricted expenses, generally 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. Those engineering studies predict the rates required to sustain and maintain the water and sewer systems. The underlying importance of developing a long-term fiscal plan, along with needs of the water and wastewater systems, is that the City is now reaping the rewards in its ability to receive substantial grant and loan money from Federal (and potentially State grant and loan) programs.

Revenue from grants is on track, though the City carries large balances of grant receivables. Grants carry inherent risks, one of which is cash flow risk, as the City fronts

the money for the capital expenses, awaiting agency reimbursement. Other grant risks are compliance and contract risks, discussed later.

Employees:

Staffing levels have decreased. Since 2008-09, the City has dropped five full-time equivalent positions (one manager, two safety officers, one maintenance worker and one clerical assistant) and has re-allocated others positions from the general fund to other funds as appropriate. The City will be in negotiations with all of its bargaining units for 2011-12. The City's share of the medical premiums in the budget is assumed to remain at the existing payment cap that was increased in 2010-11. In 2010-11, there were no cost of living allowances (COLA's) given.

Full-time Positions by Department and Fund

The City has reduced the number of seasonal employees by two and retained two part-time grant funded employees (employment contracts are tied to grant funds). Summer help for Public Works consists of 2- parks, 2- traffic safety, 2- streets, and 1-fleet and one

½-time college student intern at City Hall. Overtime pay increased slightly from the 2010-11 budget due to the USDA Fall Creek Water System Improvements project.

Part Time, Seasonal and Overtime & Out of Class Pay

Operating Costs:

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

Capital Outlay:

In the 2011-12 budget capital outlay is funded from either one-time revenue, reserves or grant and loan funds. Capital projects in the utility enterprise funds are financed from either fee revenue as specified in the Utility Rate Study that included capital projects or from grants and loans.

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

- Cash flow - grants put the City in a highly leveraged position;
- Performance cost - 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 2011-12 capital budget includes some deferred maintenance repairs and capital projects, however, there remains a list of deferred maintenance projects to buildings, roads, underground utilities and delayed equipment replacement due to lack of funding. In 2007-08, Public Works estimated the repair value of deferred maintenance to its infrastructure (roads and streets, drainage, street lighting, curbs, sidewalks and gutters, bridges, water and wastewater treatment and distribution systems) to be \$29 million. That estimate did not include deferred maintenance to public facilities (City Hall, Fire and Police Stations, Community and Parks facilities).

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).

GF Revenue Projections (\$4,812,017):

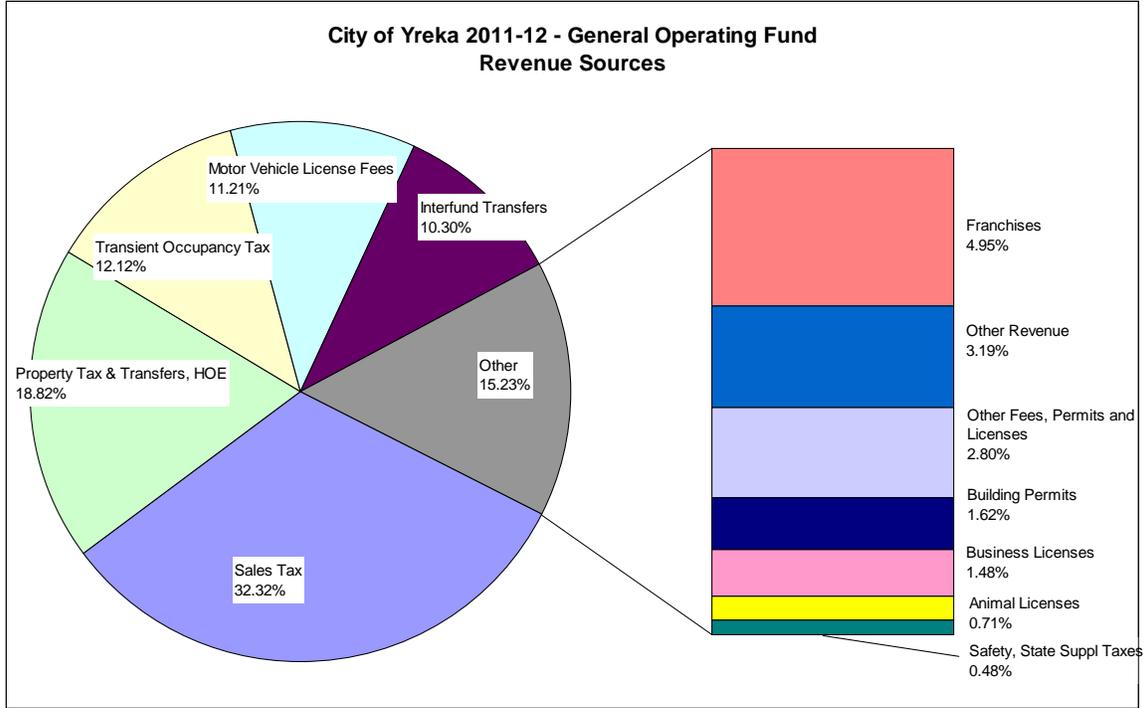
The largest revenue sources that support these expenditures are taxes (property tax, sales tax, transient occupancy hotel taxes, and business licenses). Fee revenue is collected for services rendered and includes dog licenses, planning and building permits, and use of facilities charges (park reservations fees, community theatre and center fees). Other revenue includes State allocations and operating grants. These include motor vehicle license fees (MVLF) in lieu, Public Safety ¼% sales tax allocation (Proposition 172), and mutual aid reimbursements (CalFire and FEMA). *The budget assumes that the Citizens Options for Public Safety (COPS) grant from motor vehicle license fee revenue shifts is suspended.* The City's general operating fund also receives from its enterprise funds indirect cost allocations, such as the cost recovery of central administrative services. Transfers in were increased \$135,614, as the general operating fund budget utilizes the growth in the pension liability reserves to offset the general operating fund structural deficit. The reserve accretion is attributable to the City's repayment from the 2005 PERS unfunded liability payment to CalPERS. The level of adequate reserves is a policy discussion issue that will be included as part of the strategic planning process.

Revenue predictions increased slightly from the low in 2009-10, and are projected to have stabilized from the large decreases since the high of 2006-07 as seen on the revenue trends graph below. The City's general operating fund projected revenue for 2011-12 is \$4,812,017. Revenue as a percentage of expenditures is 97%, meaning, the City is

projecting deficit spending. Salaries and benefits in the general operating fund total \$3,497,154 or 72.7% of all general operating fund revenue.

Major Revenue Source Trends

Major Revenue Sources as a % of Revenue



GF Expense (\$4,950,210):

Employee Wages (\$2,219,510)

Estimated Wages are \$2,219,510, Taxes, Workers Comp & Benefits are \$1,277,644, and total compensation is \$3,497,154. Salary negotiations for all the bargaining units for 2011-2012 are currently open, and no cost of living wage adjustments or contract settlement considerations have been assumed in this budget.

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| 01 General Operating | | | | | |
| 100 SALARY | 2,231,041.86 | 2,021,579.67 | 2,115,307.41 | 1,647,841.95 | 2,070,610.03 |
| 102 OVERTIME | 68,270.49 | 39,692.64 | 68,000.00 | 53,814.39 | 71,500.00 |
| 103 PARTIME | 81,905.22 | 64,862.25 | 63,000.00 | 49,927.59 | 64,200.00 |
| 106 SEASONAL | 58,258.92 | 54,254.52 | 63,100.00 | 25,766.80 | 41,700.00 |
| 107 WAGE ABATEMENT | -104,446.37 | -48,071.77 | -123,070.86 | -3,212.11 | -75,000.00 |
| 108 MUTUAL AID | 23,369.93 | 16,059.27 | 6,500.00 | 0.00 | 1,500.00 |
| 109 VOLUNTEERS | 46,990.50 | 37,402.50 | 46,430.00 | 27,397.50 | 45,000.00 |
| 01 General Operating | 2,405,390.55 | 2,185,779.08 | 2,239,266.55 | 1,801,536.12 | 2,219,510.03 |
| Percentage Increase/(Decrease) 2011-12 from 2010-2011 | | | | | -0.88% |

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|-------------------------------|--------------|--------------|--------------|---------------|
| General Fund FTE Count | 40.00 | 36.11 | 35.06 | 34.340 |

Employee Benefits (\$1,277,644)

Included in the budget is the pension plan cost increase for 2011-2012. The employer's contribution rate increased 1.064% to 9.539% for miscellaneous and 5.733% to 19.169% for safety. Offsetting part of that increase was the decrease in the worker compensation premium by nearly \$30,000. Health plans include PERS Choice and PORAC medical plans, VSP vision care and BRMS dental care. As mentioned early, the medical premiums paid for by the City are capped. The employer paid dental insurance plan is a self-insured policy therefore; accrual estimates are made based on prior year trends. In 2011-12, the internal accrual rate remained the same as 2010-11.

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|-----------------------------|--|-----------------------|-------------------------|---------------------|------------------------|
| 01 General Operating | | | | | |
| 320 PENSION | 465,496.63 | 439,563.01 | 457,802.24 | 400,914.87 | 507,621.96 |
| 330 PAYROLL TAXES | 185,338.55 | 174,311.88 | 179,167.42 | 155,767.93 | 174,254.18 |
| 340 HEALTH | 408,737.37 | 350,365.12 | 397,357.50 | 340,166.30 | 384,911.90 |
| 350 UNEMPLOYMENT | 10,369.00 | 26,531.29 | 0.00 | 38,053.60 | 0.00 |
| 360 WORK COMP | 236,631.80 | 225,848.26 | 224,230.64 | 200,060.65 | 194,762.98 |
| 390 LIFE & ACCIDENTAL | 16,311.86 | 14,387.54 | 16,504.31 | 13,406.31 | 16,092.52 |
| 01 General Operating | 1,322,885.21 | 1,231,007.10 | 1,275,062.11 | 1,148,369.66 | 1,277,643.54 |
| | Percentage Increase/(Decrease) 2011-12 from 2010-2011 | | | | 0.20% |

Other Expenses by major object (\$1,453,056)

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|-----------------------------|--|-----------------------|-------------------------|---------------------|------------------------|
| 01 General Operating | | | | | |
| 510 EMPLOYEE RELATED | 52,251.27 | 59,422.26 | 73,950.00 | 45,769.83 | 77,700.00 |
| 515 GENERAL SUPPLIES | 37,415.21 | 34,189.27 | 38,020.00 | 30,752.26 | 34,720.00 |
| 516 SPECIALIZED SUPPLIES | 83,826.38 | 86,027.33 | 111,225.00 | 93,062.82 | 90,375.00 |
| 517 TELCOM | 75,163.78 | 67,132.41 | 33,350.00 | 27,444.43 | 37,250.00 |
| 518 UTILITIES | 136,769.84 | 133,602.07 | 147,790.00 | 148,303.08 | 161,740.00 |
| 520 MAINT AND OPS | 142,326.85 | 135,642.67 | 171,670.00 | 136,895.09 | 165,920.00 |
| 521 BLDG MAINT AND OPS | 31,949.07 | 31,874.29 | 19,500.00 | 23,888.57 | 19,900.00 |
| 522 BLDG MAINT AND OPS | 0.00 | 1,575.16 | 8,500.00 | 1,155.79 | 3,500.00 |
| 525 PROF AND CONTRACT SER | 258,082.89 | 225,203.43 | 313,991.00 | 299,533.97 | 334,220.00 |
| 530 INSURANCE | 288,597.00 | 274,775.19 | 234,729.00 | 222,103.55 | 167,189.00 |
| 535 TAXES, FINES, FEES | 6,015.09 | 7,113.42 | 5,650.00 | 8,488.53 | 7,050.00 |
| 542 PASS THRU AND REFUNDS | 7,502.75 | 6,117.09 | 6,600.00 | 91,831.26 | 6,200.00 |
| 550 NON CAPITALIZED EQUIPM | 38,474.00 | 23,798.66 | 94,400.00 | 40,927.41 | 46,575.00 |
| 560 ALLOCATIONS | 140,122.40 | 235,350.09 | 218,349.00 | 195,229.45 | 218,150.00 |
| 590 RESOURCE TRANSFERS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 760 TRANSFER OUT | 68,308.44 | 215,645.86 | 122,181.44 | 42,053.92 | 82,567.25 |
| 01 General Operating | 1,366,804.97 | 1,537,469.20 | 1,599,905.44 | 1,407,439.96 | 1,453,056.25 |
| | Percentage Increase/(Decrease) 2011-12 from 2010-2011 | | | | -9.18% |

Expenditures are controlled using purchase order approval authority within the organization. Finance is working with departments to utilize online purchase order processing.

Expenditures by Department

Operating changes in the 2011-2012 from the 2010-11 budget include:

- *Police Dept:* Increase in pension costs \$42,570 and reinstatement of the K-9 program \$27,352. The K-9 cost increase is offset by a grants, public donations on deposit and projected savings from the elimination of the DARE program.
- *Fire Dept:* Reduction in one-time equipment purchases \$10,125.
- *Planning:* Projected vacancy savings of \$50,000, offset by \$25,000 in outside consulting fees.
- *Public Works*
 - *Street Sweeping:* A \$17,000 labor allocation reduction in street sweeping
 - *Storm Drains:* New requirement for storm drain water monitoring and testing resulted in a \$10,000 increase.
 - *Fleet Maintenance:* In 2010-11, Fleet purchase of diesel particulate filters \$25,000 pursuant to air quality compliance mandates. No purchases were budgeted in 2011-2012.
- *Insurance:* A \$70,000 savings in reduced insurance premiums from 2010-11.
- *Administration:* Reductions in Admin \$4,000, Finance \$21,000, and City Council \$6,000
- *Transfers:* A \$29,614 reduction in transfers out to backfill traffic safety and special grants.

The table below looks at General Operating Fund expenditures by department to see by function, the support activities funded by the City’s revenue.

2011-2012 General Operating Fund Expenditures by Function

| Department | Budget Unit | 2010-11 Operating | 2011-12 Proposed | as a % in 2011-12 |
|------------------------------|--|-------------------|------------------|-------------------|
| Public Safety | 200-Police | 2,129,154 | 2,185,765 | 41.5% |
| | 210-Fire | 288,947 | 276,021 | 5.7% |
| | 230-Animal Control | 71,646 | 73,103 | 1.4% |
| | 201-K-9 & 205-DARE | 5,793 | 27,352 | 0.1% |
| | <i>Public Safety</i> | | 2,495,540 | 2,562,241 |
| Administration | 020-Administration | 340,193 | 336,472 | 6.7% |
| | 030-Finance | 271,321 | 249,799 | 5.4% |
| | 110-Insurance | 248,489 | 178,149 | 4.9% |
| | 040-Legal | 200,510 | 200,521 | 4.0% |
| | 010-City Council | 29,604 | 24,174 | 0.6% |
| | <i>Administration</i> | | 1,090,117 | 989,116 |
| Public Works | 400-Parks | 280,506 | 246,598 | 5.5% |
| | 350-Vehicle Maint.(net of chargebacks) | 212,384 | 180,420 | 3.7% |
| | 310-Streets | 115,105 | 116,431 | 2.3% |
| | 080-Building Maintenance-City Hall | 58,540 | 54,989 | 1.2% |
| | 050-Information Technology | 42,304 | 59,927 | 0.8% |
| | 300-PW Administration | 41,209 | 46,651 | 0.8% |
| | 420-Swimming Pool | 39,479 | 43,321 | 0.8% |
| | 311-Street Sweeping | 30,792 | 13,483 | 0.6% |
| | 313-Weed Control | 4,000 | 1,440 | 0.1% |
| | 390-Storm Drains | 2,400 | 12,400 | 0.0% |
| <i>Public Works</i> | | 826,719 | 775,659 | 15.9% |
| Community | 090-Community Service & Promotion | 138,226 | 140,670 | 2.7% |
| | 450-Senior Services-Madrone Hospice | 67,500 | 67,500 | 1.3% |
| | 480-Community Center | 40,120 | 38,259 | 0.8% |
| | 470-Community Theater | 25,567 | 22,218 | 0.5% |
| | 140-Channel 4 TV | 11,105 | 9,209 | 0.2% |
| | 460-Comm. Concerts/Portable Stage | 5,597 | 5,809 | 0.1% |
| | 360-Airport | 5,000 | 5,000 | 0.1% |
| | <i>Community</i> | | 293,115 | 288,666 |
| Building and Planning | 060-Planning | 161,428 | 118,557 | 3.2% |
| | 220-Building Inspection | 123,853 | 133,404 | 2.4% |
| <i>Building and Planning</i> | | 285,281 | 251,961 | 5.6% |
| Transfers | 000-Unassigned - Transfers Out | 122,181 | 82,567 | 2.4% |
| | <i>Transfers</i> | | 122,181 | 82,567 |
| Total | | 5,112,953 | 4,950,210 | 100.0% |

GF Operating Budget Summary – Revenue to Expense Gap \$138,193

The City's general operating fund has budgeted revenue of \$4,284,550, transfers in of \$527,467 less expenditures of \$4,867,643 and transfers out of \$82,567. This means that the City expenses exceed its revenues by \$138,193 in the current fiscal year. The City relies on ending reserves to sustain operations between fiscal years. The City has over the past four years made staffing cuts, program changes and deferred purchases to minimize the deficit. However, the current budget gap of \$138,193 will most likely grow in the near future without further adjustments.

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 and DARE programs. Budgeted revenue is \$590, expenditures \$1,200, and a revenue transfer of \$17,352 to the General Operating Fund to start a K-9 program in 2011-2012. 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 \$22,500. This excess of expense over revenue, is from fund balances that have been designated to restore an old fire engine for the fire museum.

Crandall/Stewart (Fund 04)

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

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

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

Budgeted expense for 2011-12 is \$23,300.

Budgeted expense includes \$13,300 of building maintenance on the North Street apartments and Black's building, and another \$10,000 has been budgeted for preliminary design work on the Hi-Ridge industrial park project.

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

The City maintains operating and capital reserves. Excess insurance premiums (like dividends), when refunded, are added to these operating reserves. It is expected that the City's JPA (joint powers authority) SCORE (small cities organized risk effort), of which the City is a member, will authorize an estimated insurance refund between \$150,000 to \$160,000 in 2011-2012.

General Operating Reserves (Fund 08)

A revenue transfer of \$135,614 from the Operating Reserves Fund 08 to the General Operating Fund 01 offsets the General Operating Fund 01 shortfall. This transfer equals the PERS liability reserve accretion budgeted for \$135,614. A second Operating Reserve Fund 08 revenue transfer pays for the one-time capital outlay for \$209,040 in Capital Reserves Fund 09 and Capital Outlay Fund 10.

General Operating Fund Revenue (Fund 08) of \$344,654 is a contra revenue and has the same effect of an expense.

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|--|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 08 GF Operating Reserves | | | | | |
| 882 OTHER REVENUE | 0.00 | -300,616.00 | 0.00 | 0.00 | 0.00 |
| 898 TRANSFERS IN | | 0.00 | 300,616.00 | 300,616.00 | 344,654.20 |
| 08 GF Operating Reserves | 0.00 | -300,616.00 | 300,616.00 | 300,616.00 | 344,654.20 |
| <i>Percentage Increase/(Decrease) 2011-12 from 2010-2011</i> | | | | | 14.65% |

The workers compensation accretion is the excess of the estimated workers compensation insurance premium versus the payroll wage accrual. The PERS contra expense for \$135,614 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 estimate 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 \$225,639 is a contra expense and has the same effect of a revenue.

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|--|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 08 GF Operating Reserves | | | | | |
| 320 PENSION | 0.00 | -127,914.67 | -136,247.43 | -121,256.52 | -135,614.20 |
| 340 HEALTH | -4,378.81 | 3,326.42 | 0.00 | 0.00 | 0.00 |
| 360 WORK COMP | -109,009.93 | -89,331.60 | -79,734.64 | 0.00 | -90,025.23 |
| 08 GF Operating Reserves | -113,388.74 | -213,919.85 | -215,982.07 | -121,256.52 | -225,639.43 |
| <i>Percentage Increase/(Decrease) 2011-12 from 2010-2011</i> | | | | | 4.47% |

Capital Outlay (Fund 10)

As mentioned earlier, the Operating Reserve Fund 08 revenue transfer pays for the one-time capital outlay of \$209,040 in Capital Reserves (Fund 09) \$11,000 and Capital Outlay (Fund 10) \$198,040. Another transfer in for \$46,960 (Springbrook related) is a revenue transfer from the General Operating Fund 01. Total revenue transfers are \$245,000 for Capital Outlay.

Revenue and Transfers In of \$250,000.

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|--|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 10 GF Capital Outlay | | | | | |
| 883 SALE OF ASSETS | -7,272.25 | -1,331.00 | 0.00 | -600.00 | -5,000.00 |
| 898 TRANSFERS IN | -8,308.44 | -90,995.00 | -230,000.00 | -165,000.00 | -245,000.00 |
| 10 GF Capital Outlay | -15,580.69 | -92,326.00 | -230,000.00 | -165,600.00 | -250,000.00 |
| <i>Percentage Increase/(Decrease) 2011-12 from 2010-2011</i> | | | | | 8.70% |

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

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|--|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 10 GF Capital Outlay | | | | | |
| 620 <i>BLDG ACQ. AND IMPROVEM</i> | | 0.00 | 80,000.00 | 81,114.25 | 203,040.00 |
| 650 <i>EQUIPMENT</i> | 43,299.13 | 75,366.00 | 133,040.00 | 86,203.64 | 30,000.00 |
| 740 <i>DEBT PRINCIPAL</i> | 16,960.00 | 16,960.00 | 16,960.00 | 16,960.00 | 16,960.00 |
| 10 GF Capital Outlay | 60,259.13 | 92,326.00 | 230,000.00 | 184,277.89 | 250,000.00 |
| <i>Percentage Increase/(Decrease) 2011-12 from 2010-2011</i> | | | | | 8.70% |

Unallocated Projected List for One-time Capital Outlay 2011-2012

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

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

Gas Tax and Traffic Congestion Fund (Fund 20)

The road and street fund receives State Highway User Tax (HUTA). HUTA now includes the recent shift of State Traffic Congestion Relief Funds (TCRF Prop. 42) to HUTA. Funds received from these state allocations are restricted in use for improvement of the City’s streets including street maintenance, associated drainage systems (storm drains), sidewalks, streetlights, curbs and gutters. The revenue for these programs has historically been a target of State swaps, deferrals and shifts, but it is projected that the City will continue to receive in 2011-12 its full allocation without any deferrals.

The City is deficit spending in its Gas Tax and Traffic Congestion funds approximately \$265,672. To balance, the City is using reserves from the Local Transportation Fund.

However, once those reserves are depleted (estimated by 2012-2013), the City will need to support street maintenance from other revenue sources, like the General Operating Fund or cut services. This means that the City faces an estimated structural deficit of \$150,000 to \$250,000 in the General Operating Fund and \$200,000 to \$250,000 in the Street funds. By 2013-2014, this may rollover to a \$500,000 combined annual deficit in the General Operating Fund if measures are not taken to either increase revenue or decide on cuts in other areas.

Gas Tax Fund 20 Revenue Projections (\$479,232):

The revenue budget for 2011-12, includes recurring revenue from HUTA funds \$142,000 and TCRF shift to HUTA of \$70,000. Other revenue is the use of reserves, or \$265,964 transfer in to the Gas Tax and Traffic Congestion Fund from Local Transportation Fund reserves and interest revenue of \$1,268.

Gas Tax Fund 20 Expenditures (\$479,232):

Expenditures include \$105,521 in wages and \$53,081 in benefits or \$158,602 in wages and salaries. Non-salary expenses total \$320,630, of which \$82,500 is for the alley repairs between Broadway and Fourth Street from Butte to Lane.

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|----------------------------|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 20 Road and Street | | | | | |
| 100 SALARY | 123,768.44 | 131,930.46 | 121,485.67 | 91,664.43 | 94,120.70 |
| 102 OVERTIME | 4,161.38 | 1,586.37 | 2,500.00 | 1,514.41 | 2,500.00 |
| 106 SEASONAL | 1,342.20 | 6,888.03 | 8,420.00 | 4,920.97 | 8,900.00 |
| 107 WAGE ABATEMENT | -55,364.51 | -34,200.08 | -25,000.00 | 0.00 | 0.00 |
| 320 PENSION | 26,211.17 | 27,637.45 | 26,295.00 | 19,435.68 | 21,422.00 |
| 330 PAYROLL TAXES | 10,301.95 | 10,989.75 | 10,107.61 | 7,705.64 | 8,064.09 |
| 340 HEALTH | 18,396.83 | 15,727.80 | 16,710.08 | 16,334.43 | 11,707.12 |
| 360 WORK COMP | 16,072.26 | 17,740.65 | 15,884.23 | 11,904.16 | 11,251.91 |
| 390 LIFE & ACCIDENTAL | 738.54 | 818.41 | 769.19 | 745.64 | 636.31 |
| 510 EMPLOYEE RELATED | 172.24 | 494.61 | 1,500.00 | 690.39 | 2,100.00 |
| 516 SPECIALIZED SUPPLIES | 35,974.55 | 23,743.09 | 49,000.00 | 15,549.99 | 51,100.00 |
| 518 UTILITIES | 59,342.56 | 62,182.52 | 73,000.00 | 53,599.43 | 73,400.00 |
| 520 MAINT AND OPS | 10,062.46 | 13,935.82 | 63,055.00 | 5,829.40 | 54,430.00 |
| 525 PROF AND CONTRACT SER | 11,801.21 | 11,404.06 | 33,500.00 | 700.00 | 27,500.00 |
| 550 NON CAPITALIZED EQUIPM | 0.00 | 8,247.56 | 14,800.00 | 5,390.00 | 14,600.00 |
| 590 RESOURCE TRANSFERS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 625 INFRASTRUCTURE | 29,310.54 | 531,497.40 | 218,500.00 | 32,844.78 | 97,500.00 |
| 650 EQUIPMENT | 0.00 | 17,361.57 | 0.00 | 0.00 | 0.00 |
| 20 Road and Street | 292,291.82 | 847,985.47 | 630,526.78 | 268,829.35 | 479,232.13 |
| | | | | | -23.99% |

Expenditures by Department:

Local Transportation (Fund 21)

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

The LTF is a restricted state transit funded program administered by the County, comprised of a local board. The City receives a restricted allocation of funds to support regional transportation (STAGE, Siskiyou Transit and General Express). In the past, excess transit funds were allocated to the cities for road and street improvement. At present, however, there are no longer any surplus funds for the City and that has effectively reduced Yreka's overall road and maintenance budget. Budget revenue for 2011-12 is \$200,000 for County STAGE support.

Local Transportation Fund 21 Expenditures (\$391,527)

Expenditures are \$200,000 for County STAGE services and \$265,964 transfer out (backfill) to the Gas Tax fund for deficit spending.

Fines - Traffic Safety (Fund 24)

Traffic Safety Fund 24 Revenue (\$83,107)

Revenue from traffic fines is budgeted in 2011-12 at \$47,500. The remaining revenue of \$35,607 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 (\$83,107)

Salary expenditures of \$35,707 cover wages of \$24,779 and benefits of \$10,928. Other non-salary expenses total \$47,400.

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|---------------------------|-----------------------|-----------------------|-------------------------|--------------------|------------------------|
| 24 Traffic Safety | | | | | |
| 100 SALARY | 25,160.72 | 24,543.63 | 21,099.52 | 33,261.15 | 13,859.16 |
| 102 OVERTIME | 783.25 | 96.97 | 500.00 | 3.14 | 500.00 |
| 106 SEASONAL | 8,343.75 | 4,621.95 | 10,420.00 | 4,509.40 | 10,420.00 |
| 320 PENSION | 5,448.11 | 4,942.15 | 4,543.93 | 6,433.04 | 3,143.74 |
| 330 PAYROLL TAXES | 2,952.97 | 2,339.33 | 2,438.78 | 2,973.51 | 1,892.93 |
| 340 HEALTH | 6,227.14 | 3,197.29 | 3,793.72 | 4,498.20 | 2,848.64 |
| 360 WORK COMP | 5,103.88 | 4,001.72 | 4,091.85 | 4,709.54 | 2,883.61 |
| 390 LIFE & ACCIDENTAL | 198.48 | 155.23 | 193.64 | 204.83 | 159.17 |
| 510 EMPLOYEE RELATED | 15.23 | 89.80 | 1,000.00 | 14.80 | 800.00 |
| 516 SPECIALIZED SUPPLIES | 20,988.91 | 31,954.55 | 32,300.00 | 16,920.27 | 41,300.00 |
| 517 TELCOM | 193.08 | 212.17 | 250.00 | 458.74 | 300.00 |
| 520 MAINT AND OPS | 2,911.70 | 5,118.85 | 5,000.00 | 1,897.90 | 3,500.00 |
| 525 PROF AND CONTRACT SER | 1,855.00 | 1,904.70 | 2,100.00 | 3,645.00 | 1,500.00 |
| 24 Traffic Safety | 80,182.22 | 83,178.34 | 87,731.44 | 79,529.52 | 83,107.25 |
| | | | | | -5.27% |

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 \$220,500. Tax receipts are \$220,500 and interest earnings on revenue are zero. Annually the tax may increase based upon the Engineering News Record, Construction Cost Index. In January 2011, this index had a slight decrease, resulting in a slight reduction of tax assessment. No revenue increase or decrease has been assumed due to cost index fluctuations.

Budgeted expense is \$339,152. The cost of collections is \$3,348 (wages and benefits for finance). Debt servicing on the purchase of two fire engines is \$135,804 (principal \$106,286 and interest \$29,518). Capital outlay is \$200,000 for a new brush fire foam response vehicle.

Landfill Access Fee (Fund 31)

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

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

Budgeted expense is \$181,021. The cost of collections is \$6,021 (wages and benefits for finance). Debt servicing to the County on the landfill access fee is \$175,000 (principal \$116,929 and interest \$58,071).

The **Ending Fund Balance** estimated increase is \$34,479. The beginning fund balance is negative and reflects the carry-over loss on the closure of the landfill enterprise fund.

The excess revenue each year incrementally offsets the carryover loss.

Development Impact Fees (Fund 32)

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

Developer Impact Fees:

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

DIF Budgeted revenue is \$39,650 for impact fees.

DIF Budgeted expense is zero.

DIF Ending Fund Balance or reserve is projected to be a negative \$7,105 and in essence, the City will be borrowing forward against itself for 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 \$2,682,000 of expenditures for capital improvements. Large continuing grant award is the River Parkways project for \$1.142 million that will provide restrooms, greenway parking and trails along the north town end of Yreka Creek.

Summary of Capital Grants Expense by Resource

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|-------------------------------------|-----------------------|-----------------------|-------------------------|---------------------|------------------------|
| 0000 Unrestricted | -12,546.39 | -1,933.49 | 0.00 | 0.00 | 0.00 |
| 1022 Biomass Feasibility Study | | 0.00 | 50,000.00 | 0.00 | 0.00 |
| 3000 05FEMA Greenhorn Bridge R | 11,866.35 | 21,291.18 | 75,000.00 | 2,538.06 | 226,000.00 |
| 3005 Safe Routes - School Project | 1,575.28 | 13,704.02 | 425,000.00 | 7,254.56 | 412,000.00 |
| 3008 PFW No Yreka Cr Aug \$55K | | 0.00 | 120,000.00 | 47,318.11 | 0.00 |
| 3015 PFW Gmwy Master Plan \$29 | 0.00 | 693.49 | 29,000.00 | 41,112.75 | 0.00 |
| 3017 TE ARRA Greenhorn/Oregon | 0.00 | 6,017.11 | 62,159.00 | 14,326.69 | 5,000.00 |
| 3018 DOJ ARRA 09-SB-B9-3370 g | 0.00 | 21,286.13 | 0.00 | 0.00 | 0.00 |
| 3023 USFS-Yreka Crk Mstr Pln \$1 | | 0.00 | 13,000.00 | 0.00 | 0.00 |
| 3205 07PTAG3673 Income/Franco | 78,838.59 | 10.34 | 0.00 | 0.00 | 0.00 |
| 3206 07PTAE3136 Black/Bmflid \$7 | 72,073.38 | 15,441.27 | 0.00 | 0.00 | 0.00 |
| 3215 EPA 09 Brownfields \$400K | 0.00 | 46,840.75 | 150,000.00 | 55,063.04 | 135,000.00 |
| 3216 08PTAE5415 | 4,470.00 | 8,300.00 | 79,200.00 | 39,837.51 | 0.00 |
| 3217 09PTAG6494 Osgood/WtrCo | 0.00 | 2,806.94 | 87,500.00 | 21,856.72 | 65,000.00 |
| 3218 09PTAE6556 Biomass Study | | 0.00 | 0.00 | 549.55 | 0.00 |
| 3511 RLA CDBG SD Fairchild/Wes | | 0.00 | 0.00 | 0.00 | 250,000.00 |
| 6002 STIP - Greenhorn Rd 2215 \$ | 151.67 | 49.78 | 0.00 | 0.00 | 0.00 |
| 6005 STIP - Oberlin 2292 \$386K | 0.00 | 79.64 | 0.00 | 0.00 | 0.00 |
| 6006 STIP - 4th St 2297 \$570K | 97,773.40 | 566,856.00 | 1,000.00 | 0.00 | 0.00 |
| 6007 STIP - Coll 2296 \$1.028K | 912,642.91 | 134,129.93 | 1,000.00 | 126.99 | 0.00 |
| 6009 Rvr Prkwy Design \$1.429M | 196,969.83 | 145,713.01 | 1,060,000.00 | -12,687.15 | 1,142,000.00 |
| 6010 STIP - Foothill Rehab PPNO | | 0.00 | 25,000.00 | 0.00 | 25,000.00 |
| 6011 STIP - Bruce St 2295 \$25K | 1,099.24 | 12,715.79 | 0.00 | 21,801.18 | 216,000.00 |
| 6012 STIP - Oregon PPNO2293 \$3 | 49.78 | 39.82 | 30,000.00 | 1,245.83 | 30,000.00 |
| 6016 SW Attenuation 5MM Prop 4 | 863,829.20 | 891,261.07 | 2,500,000.00 | 1,437,643.48 | 0.00 |
| 6017 Greenhorn Access RZBerg \$ | 85,183.69 | -44,267.69 | 59,050.00 | 79,544.67 | 1,000.00 |
| 6029 Rvr Parkway Grnt App TBA | 634.82 | 679.30 | 10,000.00 | 844.72 | 150,000.00 |
| 6031 Prop40 RZ Backfill | 0.00 | 60,950.00 | 60,950.00 | 0.00 | 0.00 |
| 6032 Bike Path Grates, Signage \$7 | 0.00 | 10.00 | 0.00 | 0.00 | 0.00 |
| 6035 Flood Corridor Gmt - DWR | | 0.00 | 0.00 | 5,408.03 | 0.00 |
| 9001 SRCF GHPED-Bridge \$25K | 0.00 | 0.00 | 33,000.00 | 0.00 | 25,000.00 |
| 60 Spec Grants - Capital Out | 2,314,611.75 | 1,902,674.39 | 4,870,859.00 | 1,763,784.74 | 2,682,000.00 |
| | | | | | -44.94% |

Community Development Grants (Fund 65)

The City has applied for and received federal Community Development Block Grants, commonly referred to as CDBG. The grants are for business loans (job creation), Microenterprise Training (for small targeted income businesses owners and their employees for technical training and assistance, non-revolving) and Housing Rehabilitation Loans (low-income housing rehabilitation). The loan repayments are deposited into revolving accounts, unless specifically allocated to another open CDBG block grant (typically a water or sewer infrastructure project). The anticipated revenue is a negative \$125,500 or contra revenue and expense of \$100,000. The revenues and expenses are grouped by resource below and are from grant awards. The City’s microenterprise training grant is a technical assistance grant geared to career training for low-income businesses with five or fewer employees.

Community Development Grant Expense by Resource: \$125,000 (contra revenue)

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|---------------------------------|--|-----------------------|-------------------------|--------------------|------------------------|
| 0000 Unrestricted | 0.00 | -31,419.67 | -31,429.00 | -1,417.42 | 250,000.00 |
| 3500 Biz Loans - 99EDBG0675 | -85,127.77 | -11,250.00 | -4,000.00 | -3,041.53 | -6,000.00 |
| 3501 Biz Loans - 02EDBG0895 | -4,388.76 | -4,214.00 | -1,500.00 | -2,833.69 | -1,000.00 |
| 3502 Biz Loans- 05EDBG1968 | -23,162.38 | -22,772.57 | -42,100.00 | -18,523.38 | -1,500.00 |
| 3503 Housing Rehab- 05STBG142 | -280,056.96 | -142,809.22 | -16,000.00 | -6,665.87 | -16,000.00 |
| 3504 Housing Rehab- 08STBG478 | -705.89 | -96,268.47 | -112,300.00 | 5,372.31 | 0.00 |
| 3505 Biz Training - 08EDEF5874 | 0.00 | 0.00 | -200,000.00 | 0.00 | -100,000.00 |
| 3506 Biz Training - 06EDBG2703 | -372,574.62 | -122,000.00 | 0.00 | 0.00 | 0.00 |
| 65 Community Development | -766,016.38 | -430,733.93 | -407,329.00 | -27,109.58 | 125,500.00 |
| | Percentage Increase/(Decrease) 2011-12 from 2010-2011 | | | | -130.81% |

The budget anticipates approval by California Housing and Urban Development to transfer \$250,000 of revolving loan income to the Grants Capital Projects Fund 60, for a storm drain improvement project. This project is conditional upon both City Council and State approval through a revolving loan fund grant waiver application process. The remaining revenue of \$24,500 is principal and interest repayments from the business and housing loans portfolio and \$100,000 of grant revenue for the microenterprise technical assistance grant.

Community Development Grant Expense by Resource:

| FUND | 2008-09 Actual | 2009-10 Actual | 2010-11 Op. Bdgt | 2010-11 YTD | 2011-12 Request |
|---------------------------------|-----------------------|-----------------------|-------------------------|--------------------|--|
| 0000 Unrestricted | 5,785.80 | 127,570.20 | 0.00 | 445.75 | 0.00 |
| 3502 Biz Loans- 05EDBG1968 | 22,675.15 | 13,426.51 | 40,000.00 | 2,367.51 | 0.00 |
| 3503 Housing Rehab- 05STBG142 | 75,419.79 | 138,548.60 | 0.00 | 0.00 | 0.00 |
| 3504 Housing Rehab- 08STBG478 | 0.00 | 96,118.47 | 112,000.00 | 79,883.22 | 0.00 |
| 3505 Biz Training - 08EDEF5874 | 0.00 | 658.21 | 200,000.00 | 6,107.83 | 100,000.00 |
| 3506 Biz Training - 06EDBG2703 | 376,160.32 | 122,057.56 | 0.00 | 0.00 | 0.00 |
| 65 Community Development | 480,041.06 | 498,379.55 | 352,000.00 | 88,804.31 | 100,000.00 |
| | | | | | <i>Percentage Increase/(Decrease) 2011-12 from 2010-2011</i> |
| | | | | | -71.59% |

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 2011-12 budget is the fourth step-up of rates pursuant to the water and wastewater utility rate study. The fourth year of rate increases will go into effect on October 1, 2011. In the rates for water and wastewater utilities, not only has the rate increased, but the shifting of who pays for the utilities aligns fees to those businesses and individuals that use the utilities most. The fee increases are being phased-in over five years, gradually increasing each year to a rate needed to sustain the system.

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

Water Operating (Fund 70)

The Water Operating fund revenue and expenses are \$1,440,095. The excess (or deficit) of revenue is transferred to the water reserves account. Operating expenses of wages and salaries are \$701,474 of which \$442,341 are wages and \$259,133 benefits. Non-wage

related operating expenses total \$738,620.

Water Operating Fund Expenses

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|----------------------------|-----------------------|-----------------------|-------------------------|--------------------|--|
| 70 Water Operating | | | | | |
| 100 SALARY | 301,391.55 | 371,832.10 | 399,892.78 | 304,156.42 | 413,340.97 |
| 102 OVERTIME | 24,257.70 | 13,056.83 | 24,000.00 | 11,442.99 | 24,000.00 |
| 103 PARTIME | 884.40 | 281.60 | 0.00 | 2,448.50 | 0.00 |
| 106 SEASONAL | 0.00 | 3,198.50 | 10,650.00 | 3,594.00 | 5,000.00 |
| 107 WAGE ABATEMENT | 667.00 | -13,961.14 | 0.00 | 0.00 | 0.00 |
| 320 PENSION | 61,243.69 | 76,995.00 | 84,538.54 | 67,939.92 | 90,521.51 |
| 330 PAYROLL TAXES | 24,584.26 | 29,771.47 | 32,040.72 | 26,254.14 | 33,043.90 |
| 340 HEALTH | 61,806.00 | 69,566.27 | 79,211.05 | 73,147.18 | 87,226.06 |
| 360 WORK COMP | 41,200.88 | 46,911.69 | 48,504.65 | 40,810.81 | 44,778.89 |
| 390 LIFE & ACCIDENTAL | 2,603.93 | 3,294.01 | 3,524.14 | 2,951.52 | 3,564.01 |
| 510 EMPLOYEE RELATED | 641.64 | 681.17 | 6,000.00 | 1,817.81 | 6,000.00 |
| 515 GENERAL SUPPLIES | 15,760.33 | 16,638.27 | 18,700.00 | 16,439.75 | 17,300.00 |
| 516 SPECIALIZED SUPPLIES | 23,249.37 | 16,360.86 | 72,800.00 | 24,779.09 | 51,800.00 |
| 517 TELCOM | 3,266.48 | 2,843.91 | 4,000.00 | 2,934.78 | 4,300.00 |
| 518 UTILITIES | 212,691.73 | 199,109.55 | 227,650.00 | 173,482.34 | 230,000.00 |
| 520 MAINT AND OPS | 99,750.16 | 105,030.49 | 161,787.50 | 86,080.62 | 159,800.00 |
| 521 BLDG MAINT AND OPS | 1,072.44 | 290.22 | 2,000.00 | 2,295.43 | 2,000.00 |
| 525 PROF AND CONTRACT SER | 18,598.88 | 44,484.44 | 59,100.00 | 110,626.47 | 52,800.00 |
| 530 INSURANCE | 0.00 | 1,567.02 | 0.00 | 0.00 | 0.00 |
| 535 TAXES, FINES, FEES | 14,684.82 | 18,285.33 | 17,520.00 | 10,889.84 | 20,620.00 |
| 550 NON CAPITALIZED EQUIPM | 17,622.62 | 837.51 | 23,700.00 | 17,039.94 | 7,000.00 |
| 760 TRANSFER OUT | 167,232.82 | 173,243.76 | 196,250.00 | 0.00 | 187,000.00 |
| 70 Water Operating | 1,093,210.70 | 1,180,318.86 | 1,471,869.38 | 979,131.55 | 1,440,095.34 |
| | | | | | -2.16% |
| | | | | | Percentage Increase/(Decrease) 2011-12 from 2010-2011 |

Expenditure by function, departmental breakouts:

Water Capital Projects (Fund 71)

The 2011-12 City budget of \$4,977,526 for USDA Rural Development Loan and Grant capital outlay includes a new water tank, new supply mains, tank repairs, telemetry system upgrades, water treatment plant upgrades, the construction of a flocculation and backwash facilities and an additional pump at the Fall Creek pump station. From fee revenue, two capital projects of \$625,000 for the relocation of a water main at the County Fairgrounds and \$45,000 for water meters replacement are planned.

Water Debt Servicing (Fund 72)

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

Water Reserves (Fund 74)

Pursuant to the rate study and the USDA Rural Development agreements, the City has targeted levels of reserves to reach for the maintenance and operations of the system, the Fall Creek pipeline reserve (adequate repair reserves along the 23-mile 14" pipeline), short-lived assets reserves, steel main replacement and miscellaneous upgrades. The excess (or deficit) of revenue over expense are placed into reserves for the enterprise funds. The City anticipates setting aside in 2011-12, \$412,155 of revenue into these reserves and earning \$9,000 interest on the reserve balances.

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 \$1,378,796. The excess (or deficit) of revenue is transferred to the wastewater reserves account. Operating expenses of wages and salaries are \$549,195 of which \$341,198 are wages and \$207,997 benefits. Non-salary related expenses total \$829,601.

Wastewater Operating Fund Expenses

| <i>FUND</i> | <i>2008-09 Actual</i> | <i>2009-10 Actual</i> | <i>2010-11 Op. Bdgt</i> | <i>2010-11 YTD</i> | <i>2011-12 Request</i> |
|--------------------------------|--|-----------------------|-------------------------|--------------------|------------------------|
| 80 Wastewater Operating | | | | | |
| 100 SALARY | 208,419.92 | 282,888.14 | 308,866.41 | 266,149.10 | 329,698.23 |
| 102 OVERTIME | 11,499.92 | 6,040.11 | 11,500.00 | 6,281.77 | 11,500.00 |
| 103 PARTIME | | 0.00 | 0.00 | 185.00 | 0.00 |
| 106 SEASONAL | 0.00 | 920.00 | 5,000.00 | 1,085.00 | 0.00 |
| 107 WAGE ABATEMENT | 2,437.15 | -12,937.95 | 0.00 | 0.00 | 0.00 |
| 320 PENSION | 43,843.06 | 60,235.91 | 66,942.13 | 58,454.12 | 73,732.68 |
| 330 PAYROLL TAXES | 16,378.24 | 21,963.05 | 24,869.11 | 21,338.57 | 26,050.80 |
| 340 HEALTH | 47,242.76 | 51,411.29 | 62,347.66 | 57,665.82 | 71,013.91 |
| 360 WORK COMP | 27,468.88 | 33,274.95 | 36,369.69 | 32,371.14 | 34,002.95 |
| 390 LIFE & ACCIDENTAL | 1,730.10 | 2,582.37 | 3,078.37 | 2,482.67 | 3,197.00 |
| 510 EMPLOYEE RELATED | 1,281.94 | 1,217.05 | 3,100.00 | 1,094.04 | 4,600.00 |
| 515 GENERAL SUPPLIES | 235.55 | 169.26 | 1,900.00 | 701.46 | 400.00 |
| 516 SPECIALIZED SUPPLIES | 152,536.23 | 138,854.81 | 199,200.00 | 133,502.41 | 163,000.00 |
| 517 TELCOM | 648.79 | 661.60 | 800.00 | 563.37 | 800.00 |
| 518 UTILITIES | 115,185.10 | 146,099.32 | 148,300.00 | 152,376.94 | 184,000.00 |
| 520 MAINT AND OPS | 158,616.78 | 182,960.81 | 205,137.50 | 161,696.46 | 201,400.00 |
| 521 BLDG MAINT AND OPS | 199.31 | 149.08 | 1,500.00 | 2,710.75 | 1,700.00 |
| 522 BLDG MAINT AND OPS | 11,473.35 | 4,643.60 | 13,200.00 | 2,554.86 | 7,200.00 |
| 525 PROF AND CONTRACT SER | 3,610.00 | 0.00 | 1,000.00 | 1,278.00 | 6,500.00 |
| 530 INSURANCE | 0.00 | 441.98 | 0.00 | 0.00 | 2,000.00 |
| 535 TAXES, FINES, FEES | 20,066.00 | 25,286.00 | 43,100.00 | 20,186.00 | 38,100.00 |
| 550 NON CAPITALIZED EQUIPM | 22,380.24 | 42,183.47 | 38,000.00 | 8,434.76 | 32,400.00 |
| 760 TRANSFER OUT | 145,296.73 | 155,638.99 | 187,000.00 | 0.00 | 187,500.00 |
| 80 Wastewater Operating | 990,550.05 | 1,144,683.84 | 1,361,210.87 | 931,112.24 | 1,378,795.57 |
| | <i>Percentage Increase/Decrease 2011-12 from 2010-2011</i> | | | | 1.29% |

Expenditure by function, departmental breakouts:

Wastewater Capital Projects (Fund 81)

In 2011-12, an estimated \$433,000 of capital outlay projects include \$100,000 for the elimination of pipeline inflow and infiltration, \$200,000 for sewer line replacement, and \$125,000 of engineering costs relating to another USDA Rural Development capital project application. The remaining \$8,000 is for a sewer spill management plan update \$2,000 and vibratory roller \$6,000.

BUDGET 2011-2012 GLOSSARY OF BUDGET TERMS

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

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

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

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

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

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

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

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

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

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

COLA – Cost of living adjustment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REAL PROPERTY – Land and the structures attached to it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

City of Yreka

City Council

Mayor
Mayor Pro Tempore
Councilmember
Councilmember
Councilmember

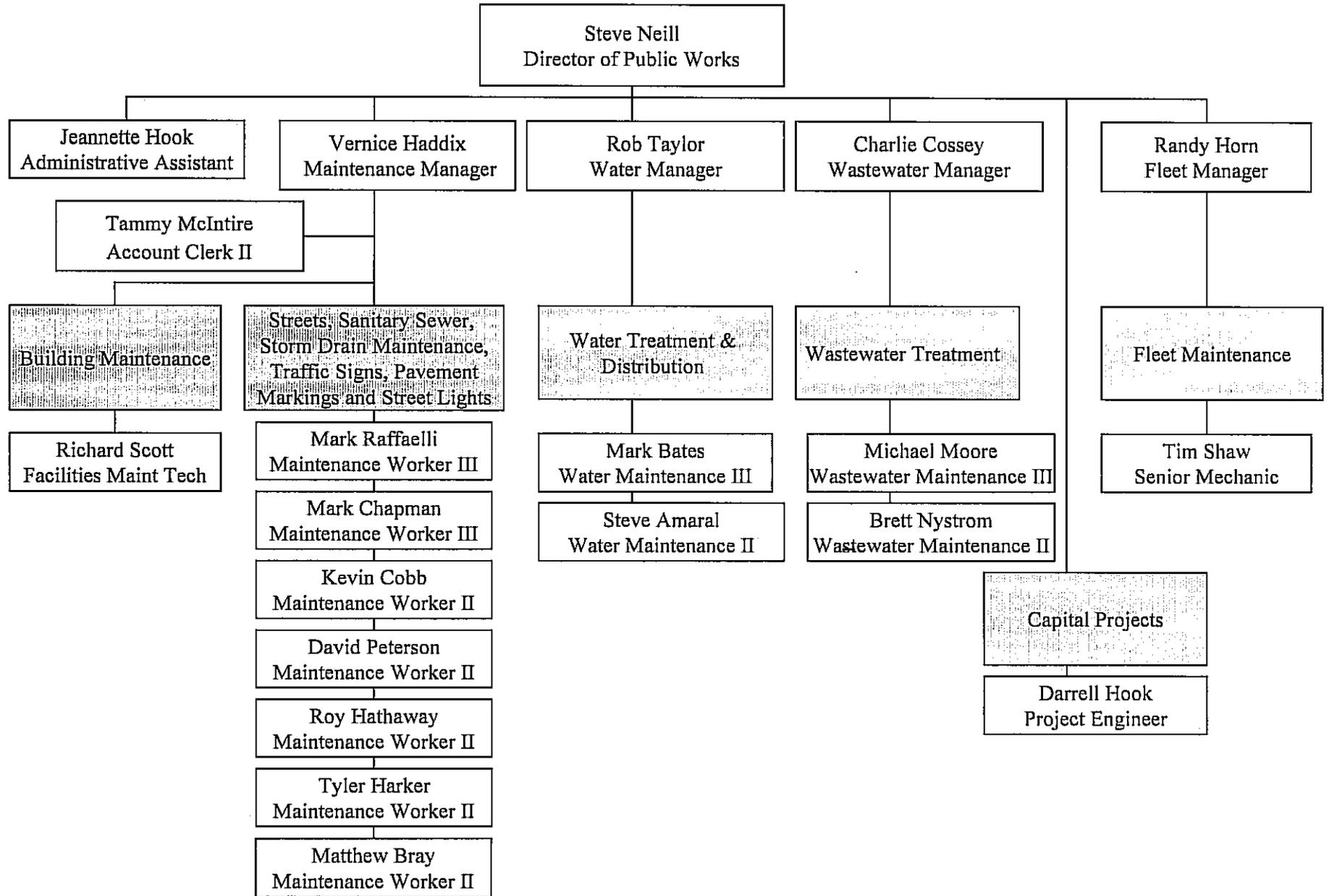
Rory McNeil
David Simmen
Rob Bicego
Brian Foster
John Mercier

Management Personnel

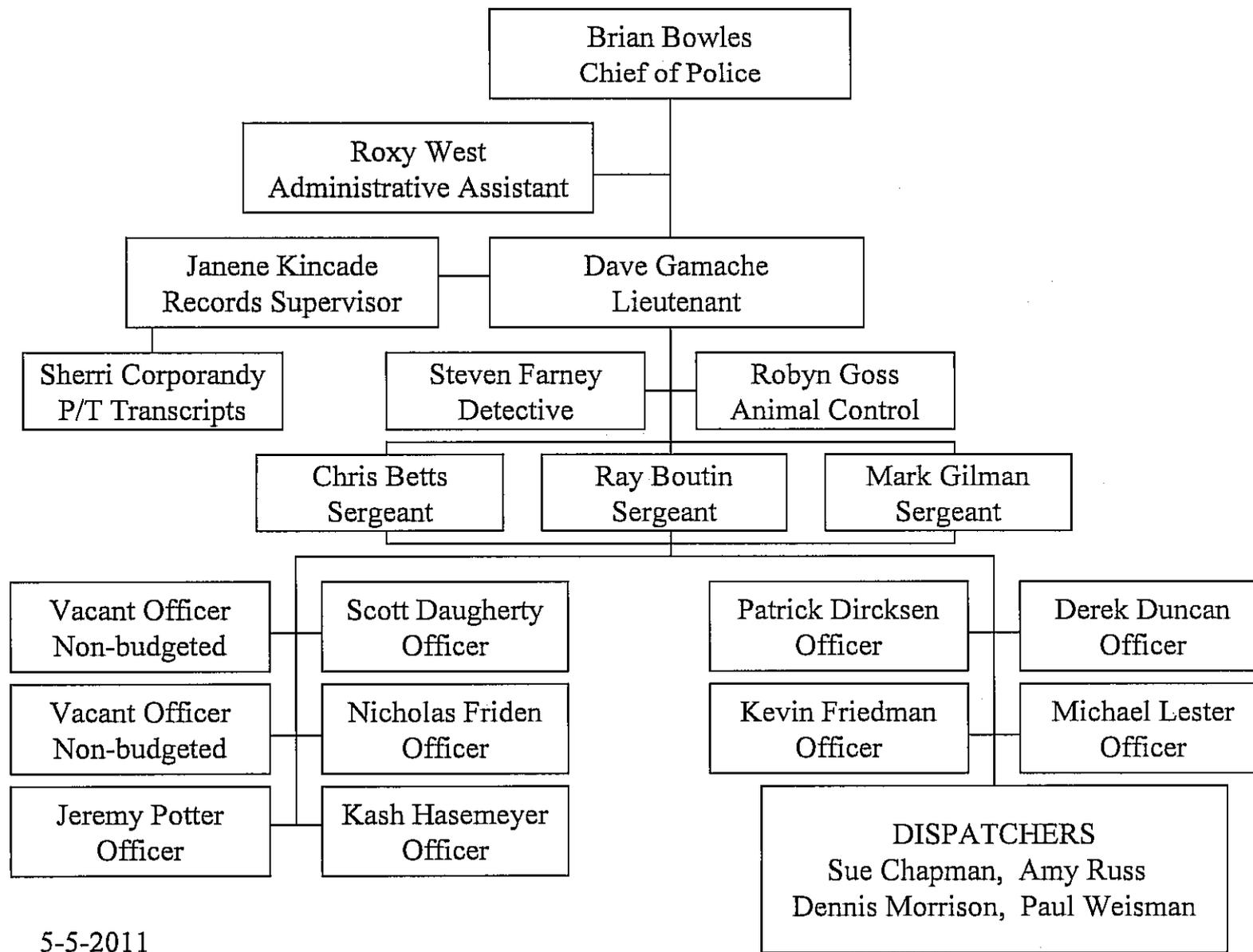
City Manager
Assistant City Manager and City Clerk
Building Official
Chief of Police
City Attorney
City Treasurer and Finance Director
Planning Director
Public Works Director

Steve Baker
Liz Casson
Mark Schmitt
Brian Bowles
Mary Frances McHugh
Rhetta Hogan
Pam Hayden
Steve Neill

DEPARTMENT OF PUBLIC WORKS

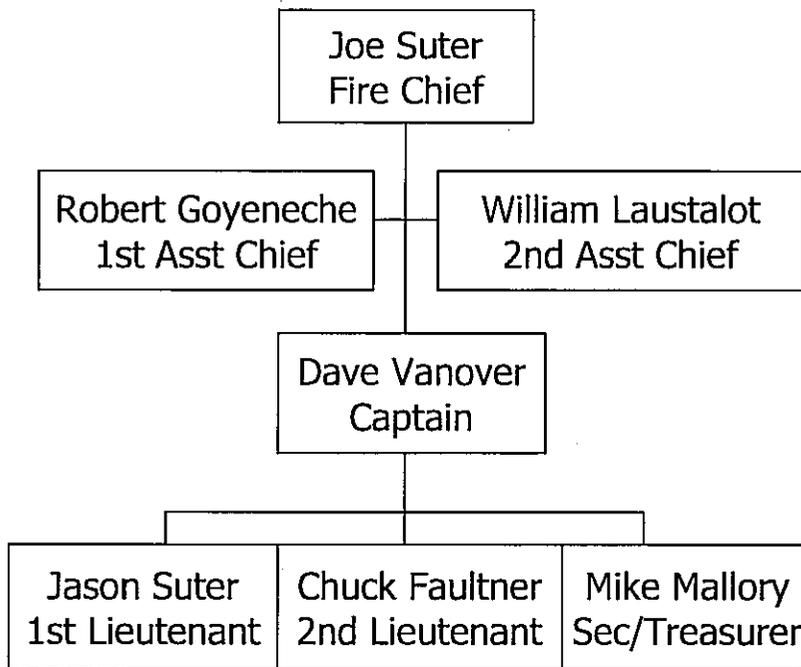


POLICE DEPARTMENT



5-5-2011

VOLUNTEER FIRE DEPARTMENT



FIRE FIGHTERS

| | | | |
|------------------|-----------------|-------------------|---------------|
| Mike Adams | Mike Anderson | Richard Anderson | Rick Bettis |
| Rob Bicego | Rusty Bigler | Tres Churchill | Rick Dean |
| Charles Faultner | William Girdner | Robert Goyeneche | Nolan Henry |
| Randy Horn | Brian Jones | William Laustalot | Jerry Lemos |
| Tom Lindley | Mike Mallory | Larry Moran | Tim Shaw |
| Ray Singleton | Jason Suter | Joe Suter | David Vanover |
| Carl Varak | Phillip White | | |

5/5/2011

City of Yreka
2011-12 Projected Budget
Function/Department Description

| Department | Description |
|------------|--------------------------------|
| 000 | Unassigned |
| 010 | City Council |
| 020 | Administration |
| 030 | Finance |
| 040 | Legal |
| 050 | Information Technology |
| 060 | Planning |
| 080 | Building Maintenance-City Hall |
| 090 | Community Service & Promotion |
| 110 | Non-Departmental |
| 140 | Channel 4 TV |
| 150 | GIS |
| 200 | Police |
| 201 | K-9 |
| 205 | DARE |
| 210 | Fire |
| 220 | Building Inspection |
| 230 | Animal Control |
| 300 | PW Administration |
| 310 | Streets |
| 311 | Street Sweeping |
| 312 | Street Lighting |
| 313 | Weed Control |
| 320 | Traffic Safety |
| 330 | Public Transportation |
| 350 | Vehicle Maintenance |
| 360 | Airport |
| 370 | Municipal Services Center |
| 380 | Waste Disposal |
| 390 | Storm Drains |
| 400 | Parks |
| 410 | Recreation |
| 420 | Swimming Pool |
| 450 | Senior Services |
| 460 | Comm. Concerts/Portable Stage |
| 470 | Community Theater |
| 480 | Community Center |
| 500 | Water Distribution |
| 510 | Water Supply and Treatment |
| 520 | Water Conservation (BMP) |
| 550 | Sewer Collection |
| 560 | Sewer Disposal (WWTP) |
| 600 | Community Development |
| 610 | Redevelopment |
| 620 | Housing |
| 630 | Economic Development |

Unassigned, Interfund Transfer Allocations - 000

Interfund transfers show the allocations between funds as required for grant funding, required maintenance of effort matching, and internal cost recovery for administrative costs.

City Council - 010

The Yreka City Council consists of five members elected for four-year terms. The City Manager serves at the will of the Council and has ultimate responsibility for all City operations and services.

Administration - 020

The Administration Department consisting of the City Manager and the Assistant City Manager/City Clerk is responsible for administering personnel rules, assisting in labor negotiations, administering all employee benefit programs, maintaining personnel files and assisting city departments with personnel issues. The City Manager is responsible for the operation and performance of all city departments and the implementation of all city policies and ordinances. The Assistant to the City Manager/City Clerk maintains official records for the City and custody of the City Seal; prepares agendas and agenda packets for City Council; records and prepares proceedings of Council meetings; serves as filing officer for the Fair Political Practices Commission regulations; administers oaths; records official documents; prepares, publishes, and posts legal notices; maintains Municipal Code books, administers City claims, litigation records, vehicle registrations, and insurance policies; provides research and information services to the public, media, and staff; and assists the City Manager in the administration of the City.

Finance - 030

Under the direction of the City Manager, the Finance Department is responsible for the City's accounting and financial operations; duties include: Payroll, Accounts Payable, Accounts Receivable, Utility Billing and Collections, and Dog License processing. Finance prepares and processes the Revenue and Expense Budget for the City along with annual financial reports to the State. Finance staff developed and maintains the City's website and prepares the community newsletter. The Finance Department facilitates office administrative functions, centralized clerical support, and Information Technology help desk assistance. Finance staff is responsible for the reservations and collections of recreation and community facility fees. The Finance Department is responsible for fiscal aspects of grant reporting and compliance. Employees in finance are the Finance Director, Accounting Manager and two Account Clerks.

Legal - 040

The City Attorney advises the City Council, City Manager, Planning Commission, Historical Commission, and other standing committees of the City Council as well as city staff on all legal matters relating to the business of the City. Drafts and reviews all contracts for goods or services purchased by the City. Drafts proposed legislation, ordinances, resolutions and regulations which are within the City's jurisdiction. Drafts zoning ordinances and amendments; advises regarding general plan and amendments. Conducts litigation or supervises counsel engaged pursuant to City approval for performance of legal services in specialized fields; conducts litigation for tort defense; confers with and advises with management and claims management personnel regarding litigation regarding municipal employees and any municipal matters, including litigation for tax abatements, nuisance abatements and eminent domain cases. Implements employment practices and advises regarding personnel problems. Legal renders daily legal advice on most of the activities of the city. The Legal Department handles public meetings and other internal city procedures. The Legal Department consists of the City Attorney and shares the confidential administration assistant with the Public Works Director.

Information Technology - 050

The Information Technology budget (a combination of finance staff and contractual IT services) supports the City's information systems that include help and assistance, secure mail, data and financial servers, the wireless network and provides help desk support to the City's desktop applications and hardware.

Planning - 060

The Planning Department staff consists of the Planning Director and a half-time accounting clerk. The Planning Department acts as technical advisor to the Planning Commission and the Historic District and Landmarks Commission.

The Department:

- (a) assists the public by interpreting plans, zoning regulations and related policies and procedures and provides advice to applicants on the City's permitting systems and procedures;
- (b) assists applicants in submitting forms, applications and other documents that are required for the effective and efficient processing of Permit applications;
- (c) performs planning and zoning review including application processing for planning permits;
- (d) supervises or prepares special studies, reports and other official documents such as the general plan, zoning ordinance, sign ordinance, CEQA studies, and environmental impact reports; and
- (e) monitors and enforces zoning regulations.

Government Buildings - 080

Government Buildings includes the funds for regular maintenance of all city buildings. Most expenditures are direct charges to those departments housed in those facilities, however, unallocated costs are charged to department 080.

Community Service – 090 (Community Allocations)

The Community Services Budget sets forth expenditures for community promotion and economic development, including support to the Yreka Chamber of Commerce, Siskiyou County Public Library, and Siskiyou County Economic Development Council.

Insurance Premiums - 110

The Non-Departmental Budget includes expenditures for Liability, Property, Vehicle, PERS Liability Repayment and Miscellaneous insurances. The expenses are included in the calculation of the City's indirect cost allocation formula, used to general fund expenditures for indirect services rendered charged to those enterprise funds.

Cable 4 TV – 140 (Community Allocations)

YCTV Cable Channel 4 is a volunteer-based community access station. Budgeted costs include maintaining the equipment, building and operations of the station. The community promotions coordinator, who reports to the City Manager, oversees station administration.

GIS Database Maintenance and Support - 150

The GIS Database Maintenance and Support Department supports and maintains the City's GIS database and the infrastructure mapping layers.

Police – 200 (K-9 201, Dare 205)

The Yreka Police Department provides criminal law and traffic enforcement within the city. The Department budget consists of the Chief of Police, Lieutenant, (3) Sergeants, (1) Detective, (8) Police Officers, (4) Dispatchers, an Administrative Secretary, a Records Supervisor and several Part-Time Workers.

Fire - 210

The primary duty of the Yreka Volunteer Fire Department is to provide fire protection, emergency medical response and rescue services for the citizens of the City of Yreka. In addition, the department is committed to providing mutual aid assistance for neighboring towns and the California Department of Forestry whenever the need arises. These services are provided by trained volunteers. All members are required to be certified in first aid and CPR on a yearly basis. Some of the members also have First Responder, EMT or EMT II certificates.

Building Inspection - 220

The Building Department staff consists of the Building Inspection and a half-time accounting clerk. The Building Department is responsible for the administration and enforcement of all laws regulating construction. Some of the activities included are the examining and approving of plans, inspections of all aspects of construction, Fire Marshall duties, zoning administration and enforcement, the issuing of permits pertaining to the building codes, issuing of certificates of occupancy, educating the public in regards to the code requirements and investigating nuisances and complaints of unsafe buildings or conditions.

Animal Control - 230

Animal Control, a division of the Police Department, provides code enforcement regarding animals within the city limits and is responsible for the operation of the City Animal Shelter.

Public Works Administration - 300

The Public Works Director is responsible for operating and maintaining the water supply and treatment facilities, water distribution system, wastewater collection system, wastewater treatment plant, storm drain system, streets and alleys, traffic signs, streetlights, the City's Municipal Service Center, Ringe Pool, and parks. It is also responsible for maintaining certain City buildings and assists other departments with maintenance of their buildings. The Department maintains all vehicles, motorized equipment, and heavy equipment. Other functions are engineering including review and approval of parcel maps, subdivision maps, and plans for public infrastructure improvements; issuing encroachment permits and inspecting encroachment permit work; inspecting the work for all other public infrastructure improvements; managing the City's transportation improvement program; and managing the design and construction of City capital improvement projects. The Public Works Administration Department, includes the Public Works Director and shares the confidential administration assistant with the City Attorney.

Streets (Public Works) - 310 (includes Street Sweeping 311, Street Lighting 312, Weed Control on Streets 313)

Streets Maintenance, part of Public Works, is responsible for street maintenance and repair, street lighting, and weed control on streets and right of ways, as well as street sweeping.

Traffic Safety (Public Works) - 320

Traffic Safety is a part of the Public Works Department that is responsible for street lights, traffic signs and traffic markings.

Fleet Management (Public Works) - 350

Fleet Maintenance is a part of the Public Works Department that services and repairs the city's vehicles and equipment.

Airport - 360 (Community Allocations)

The Montague-Yreka Airport Advisory Commission is a Joint Powers Authority, formed in 1974 to act as an advisory body to the City of Montague in the operation of the Montague Airport.

Service Center (Public Works) - 370

The Service Center budget is part of the Public Works Department. Utilities, general office, and custodial and building supplies are charged to the Service Center. These costs are allocated back to the public works budgets at year-end based on an estimated percent of use methodology.

Transfer Station Facility Access – 380 (former City and County Landfill)

The City has a contract with the County of Siskiyou for continued access to residents, commercial accounts and solid waste haulers for access to the Siskiyou County Transfer station.

Storm Drains (Public Works) - 390

Storm Drains is a part of the Public Works Department that is responsible for storm drainage.

Parks - 400, Recreation 410, Swimming Pool - 420, and Portable Stage – 460 (all Public Works)

The Parks, Recreation, and Swimming Pool (Public Works Depart.) plans, develops programs, operates and maintains all of the City's parks, landscape, recreation facilities, and programs. The Portable Stage is used for community park concerts and is available for rental to other non-profit and governmental agencies.

Senior Services – 450 (Community Allocations)

City's Senior Services budget is an allocation to the continuance of the Senior Programs, operated by the Madrone Hospice, a non-profit group.

Community Theatre – 470 and Community Center - 480

The Community Theatre provides the community with performance facilities. The Community Center is a facility used by the Senior Programs and is available for events by the outside public and private groups. City Hall staff books, monitors and oversees events within budgeted guidelines. The community facilities are staffed with part-time staff, building attendants, who are on site for scheduled events.

Water Distribution (Public Works) - 500

Water distribution, an enterprise fund, is part of the Public Works Department responsible for water distribution service within the city.

Water Supply & Treatment (Public Works) - 510

Water supply and treatment, an enterprise fund department, is part of the Public Works Department responsible for water supply and treatment.

Water Efficiency & Conservation (Public Works) - 520

Water efficiency and conservation, an enterprise fund, is part of the Public Works Department responsible for State regulations for water conservation and best practices management that involves consumer education and implementation of water efficiency measures.

Wastewater Collection (Public Works) - 550

Wastewater collection, an enterprise fund, is a part of the Public Works Department that maintains and repairs the city's sewer lines.

Wastewater Treatment Plant (Public Works) - 560

The Waste Treatment Plant, an enterprise fund, is part of the Public Works Department. The Waste Treatment Plant is responsible for wastewater treatment and disposal.

Community Development – 600, Redevelopment – 610, Housing – 620 and Economic Development 630

These budgets capture grants and capital projects funded by specialized grants, or designated budget allocations. Projects include grant-funded programs from Housing and Urban Development Block Grants. City Hall staff administers these programs. Subrecipient agreements, contracts or bid awards typically perform program activity and delivery services.

Redevelopment – Current projects include the downtown parking lot development and administration of the EPA Brownfields grant for hazardous substance cleanup.

Housing - administrative and activity delivery costs for housing rehabilitation grant projects. The finance staff handles all loan servicing and collection issues for housing rehabilitation loans.

Economic Development – includes economic development activities for the Hi-Ridge Business Park land use, biomass feasibility grants, and the City operated Economic Development Grants. These grants include business loans, micro enterprise assistance and planning and technical assistance grants. The finance staff handles all loan servicing and collection issues for business development loans.