

RESOLUTION NO. 2016-40
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEARS ENDING JUNE 30, 2017 AND 2018

WHEREAS, it is the desire of the City Council to adopt the 2016-17 and the 2017-2018 bi-annual budget,

NOW THEREFORE, BE IT RESOLVED that, the budget for the fiscal years ending June 30, 2017 and 2018 that consists of:

	FY 2016-17	FY 2017-18
Revenues	\$13,386,459.19	\$14,454,189.09
Personnel, Operating, and Capital Outlay	\$13,350,527.00	\$16,798,992.47

is hereby adopted and shall be the financial plan for the fiscal years ending June 30, 2017 and 2018.

Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Years Ending June 30, 2017 and 2018 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.

Passed and adopted this 4th day of August, 2016 by the following vote:

AYES: Baird, Freeman, Mercier & Simmen

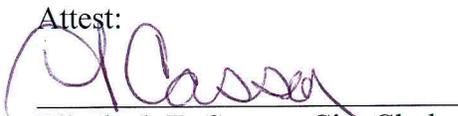
NOES: None

ABSENT: None


John Mercier, Mayor

Approved as to content:


Rhetta Hogan, Finance Director

Attest:

Elizabeth E. Casson, City Clerk



CITY OF YREKA
CITY COUNCIL AGENDA MEMORANDUM

To: Yreka City Council

Prepared by: Rhetta Hogan, Finance Director 

Agenda title: Discussion and Possible Action to Adopt a Resolution of the Yreka City Council to Adopt the Budget for Fiscal Years Ending June 30, 2017 and 2018

Meeting date: August 4, 2016

Discussion:

The ad hoc budget committee and City staff are pleased present to the Council the bi-annual budget for 2016-17 and 2017-18. This evening the Council may take action or simply discuss the budget and hear from the ad hoc committee. The Council may want adopt the budget as submitted, or the Council may adopt and request budget revisions to be submitted following adoption to address specific concerns within the budget.

Budget Process:

This summer the City has worked through its budgetary challenges using an ad hoc budget committee that involved two City Council members, a member of the community, and City Directors. The committee took both a realistic look and analytical approach to both the departmental and overall budgets. Available revenue projections were evaluated and carefully measured against the final departmental expenditure budgets. This process started with a large spending gap between revenues and expenses.

Through a series of workshops, decisions were made on how to balance unmet needs within the community, unfunded mandates for compliance (storm water) and public safety, against projected available revenues.

The budget presented this evening to the City is achievable, however it does not include labor negotiation settlement agreements, equipment breakdown (e.g. HVAC system or IT servers failure), or unforeseen events that will require additional resources.

The budget reflects increases to staffing for the first time since 2010. Public Works water and wastewater maintenance division (enterprise funds) will increase by three maintenance workers, for water utility meter maintenance and support, for water and wastewater transmission and collection line maintenance to mitigate service outages, leaks and overflows. And for the water and wastewater plant operations to provide support between both plant to ensure coverage for these 24/7 plant operations.

Analysis of 2016-17:

The budget in 2016-17, reflects some deficit spending in the general fund for ongoing expenses (backfill for street funds) and use of one time money from capital reserves for capital outlay. ***City of Yreka 2016-17 Budget***

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
01 General Operating	4,929,445.00	345,000.00	5,017,347.88	402,475.15	-145,378.03
09 GF Capital Reserves	0.00	0.00	0.00	57,108.00	-57,108.00

The City will be bringing forward for, 2015-16 an estimated \$160,000 of reserves in the Local Transit Fund (21) that were initially expected to be zero. Those reserves are being used in 2016-17 and 2017-18 for street operation and grant match for bridge projects.

21 Local Traffic Fund	224,566.52	-84,752.34	200,000.00	24,566.52	-84,752.34
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The balance of the spending is against existing reserves balances that have been accumulated for specific purpose projects that cross over fiscal years like the Donated Accounts (02), Crandall-Stewart Trust (*Miner Street Beautification Mini-Grants*) (04), YPD Building fund (11), Special Revenue – Fire Tax (30), Grant Capital Projects (60), and Water Reserves for Capital Projects (74).

02 GF Donated	0.00	0.00	700.00	0.00	-700.00
04 Crandell Restricted	4,000.00	0.00	17,000.00	0.00	-13,000.00
11 GF YPD Building Acquisition	6,000.00	0.00	120,000.00	0.00	-114,000.00
30 Spec Rev - Fire Tax	245,250.00	0.00	282,180.18	0.00	-36,930.18
60 Spec Grants - Capital Outlay	1,440,190.00	81,674.52	1,571,864.52	0.00	-50,000.00
74 Water Reserves	15,000.00	-869,842.27	0.00	0.00	-854,842.27

And other funds are accumulating reserves, until those funds are allocated for special purposes or capital projects.

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
31 Spec Rev - LF Assessment	230,000.00	0.00	183,177.20	0.00	46,822.80
32 Spec Rev - DIF Fees	16,000.00	0.00	0.00	0.00	16,000.00
65 Community Development Grant	17,700.00	0.00	12,250.00	0.00	5,450.00
84 Wastewater Reserves	3,500.00	217,208.12	0.00	0.00	220,708.12

For the remainder of the funds budgeted revenues equal budgeted expenses.

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
03 GF Volunteer Fire	9,500.00	0.00	9,500.00	0.00	0.00
08 GF Operating Reserves	0.00	-115,000.00	-115,000.00	0.00	0.00
10 GF Capital Outlay	0.00	95,000.00	95,000.00	0.00	0.00
20 Road and Street	209,158.00	419,752.34	628,910.34	0.00	0.00
24 Traffic Safety	30,000.00	67,475.15	97,475.15	0.00	0.00
70 Water Operating	2,743,500.00	-814,693.98	1,783,806.02	165,000.00	0.00
71 Water Capital Projects	0.00	1,422,000.00	1,422,000.00	0.00	0.00
72 Water Debt Servicing	0.00	262,536.25	262,536.25	0.00	0.00
80 Wastewater Operating	2,453,500.00	-761,744.34	1,531,755.66	160,000.00	0.00
81 Wastewater Capital Projects	0.00	261,500.00	261,500.00	0.00	0.00
82 Wastewater Debt Servicing	0.00	283,036.22	283,036.22	0.00	0.00
90 Payroll Clearing	0.00	0.00	0.00	0.00	0.00

Analysis of 2017-18:

The budget in 2017-18, reflects some deficit spending in the general fund for ongoing expenses (backfill for street funds) and use of one time money from capital reserves for

capital outlay. ***City of Yreka 2017-18 Budget***

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
01 General Operating	5,137,112.00	200,000.00	5,198,175.18	343,793.72	-204,856.90
09 GF Capital Reserves	0.00	0.00	0.00	63,000.00	-63,000.00

The City will be bringing forward from 2015-16 an estimated \$160,000 of reserves in the Local Transit Fund (21) that were initially expected to be zero. Those reserves are being used in 2016-17 and 2017-18 for street operation and grant match for bridge projects.

21 Local Traffic Fund	223,125.64	-74,548.57	200,000.00	23,125.64	-74,548.57
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The balance of the spending is against existing reserves balances that have been accumulated for specific purpose projects that cross over fiscal years like the Donated Accounts (02), Crandall-Stewart Trust (*Miner Street Beautification Mini-Grants*) (04), YPD Building fund (11), Special Revenue – Fire Tax (30), Grant Capital Projects (60), and Water Reserves for Capital Projects (74).

02 GF Donated	0.00	0.00	700.00	0.00	-700.00
04 Crandell Restricted	3,500.00	0.00	17,000.00	0.00	-13,500.00
11 GF YPD Building Acquisition	6,000.00	0.00	2,000,000.00	0.00	-1,994,000.00
30 Spec Rev - Fire Tax	245,250.00	0.00	532,181.70	0.00	-286,931.70
60 Spec Grants - Capital Outlay	1,249,920.00	86,125.64	1,386,045.64	0.00	-50,000.00
74 Water Reserves	15,000.00	-1,071,066.51	0.00	0.00	-1,056,066.51

And other funds are accumulating reserves, until those funds are allocated for special purposes or capital projects.

31 Spec Rev - LF Assessment	230,000.00	0.00	183,178.72	0.00	46,821.28
32 Spec Rev - DIF Fees	16,000.00	0.00	0.00	0.00	16,000.00
65 Community Development Grant	17,700.00	0.00	12,250.00	0.00	5,450.00
84 Wastewater Reserves	3,500.00	223,366.93	0.00	0.00	226,866.93

For the remainder of the funds budgeted revenues equal budgeted expenses.

<i>Fund</i>	<i>Revenue</i>	<i>Trans In</i>	<i>Expense</i>	<i>Trans Out</i>	<i>Net</i>
03 GF Volunteer Fire	9,500.00	0.00	9,500.00	0.00	0.00
08 GF Operating Reserves	0.00	0.00	0.00	0.00	0.00
10 GF Capital Outlay	0.00	125,000.00	125,000.00	0.00	0.00
20 Road and Street	212,000.00	349,548.57	561,548.57	0.00	0.00
24 Traffic Safety	30,000.00	68,793.72	98,793.72	0.00	0.00
70 Water Operating	2,743,500.00	-896,713.49	1,681,786.51	165,000.00	0.00
71 Water Capital Projects	0.00	1,705,000.00	1,705,000.00	0.00	0.00
72 Water Debt Servicing	0.00	262,780.00	262,780.00	0.00	0.00
80 Wastewater Operating	2,453,500.00	-748,340.65	1,545,159.35	160,000.00	0.00
81 Wastewater Capital Projects	0.00	242,000.00	242,000.00	0.00	0.00
82 Wastewater Debt Servicing	0.00	282,973.72	282,973.72	0.00	0.00
90 Payroll Clearing	0.00	0.00	0.00	0.00	0.00

The budget will have revisions throughout the course of the year, based on changes in revenue projections and emerging needs. It is expected that after the first year, over the course of the summer in 2017, staff will make recommendation to the 2017-18 fiscal year, based upon actual operating results.

Fiscal Impact: The budget for the fiscal years ending June 30, 2017 and 2018 consists of:

	FY 2016-17	FY 2017-18
Revenues	\$13,386,459.19	\$14,454,189.09
Personnel, Operating, and Capital Outlay	\$13,350,527.00	\$16,798,992.47

Recommendation and Requested Action:

Discussion and Possible Action to Adopt a Resolution of the Yreka City Council to Adopt the Budget for Fiscal Years Ending June 30, 2017 and 2018.

Approved by:



Steven Baker, City Manager