TABLE OF CONTENTS

August 4, 2016

Fiscal Year Ending June 30, 2017, and 2018 Budget Document

Adopting Budget Documents

Staff report regarding Gann Appropriations Limit and Budget Adoption
Resolution accepting the appropriations limit for 2016-17
Resolution adopting the City of Yreka 2016-17, 2017-18 Budget

Budget Overview

Letter from the City Manager
Budgetary Discussion and Analysis
Glossary of Terms of Budgetary Terms

Organizational Structure

Council Members and Management
City of Yreka - Organizational Chart
City Activities (Budget Units)

- Description of Service Activities
- Staffing levels by budget unit (year over year comparison)
- Goals and accomplishments (past year)
- Goals and major workload and or horizon issues (current year)
- Selected summary budget information (3-year trend)

Salary and Positions

Salary Schedule Effective Jan. 1, 2016*
Full time equivalents by Department 2016-17 and 2017-18
Total Cost of Wages and Benefits - sort by Department within Fund 2016-17 and 2017-18
*represented unit agreements expire 12/31/2016

Fund Balances

2015-16 Projected Fund Balances with Current Operating Budget Revenue and Expense
2016-17 Budget Fund Balances with Budget Revenue & Expense
2017-18 Budget Fund Balances with Budget Revenue & Expense

Budget Summaries

Side by Side comparison of Revenues to Expense – sort by Department within Fund
Revenues by Major Object Group – sort by Department within Fund
Expenses by Major Object Group – sort by Department within Fund

Revenue Detail

Revenue Detail - Sort by Fund

Expense Detail

Expenditure Detail - Sort by Fund
Expenditure Detail - Sort by Department

City of Yreka
701 Fourth Street • Yreka, CA 96097
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August 4, 2016

Honorable Mayor and City Council

This 2016/17 and 2017/18 budget, our second two year budget, is a planning document for spending as well as recognizing future income and activities. A major theme of the financial work reflected in this budget and other financial documents and presentations is looking at the long term trends of the City revenues, expenses and service levels in addition to the two year time horizon in this document.

Despite a relatively good economy compared to the recession that began in 2008, the City continues to face challenges. The needs for City services are increasing faster than the revenues (mostly taxes) are increasing with the better economy. In addition, cutbacks made during the recession to fund only core services, particularly those paid for by the General Fund, have resulted in exacerbating the deferred maintenance of some of the City's major assets including roads, buildings, parks and other public facilities. Police services are being impacted by state law changes that return prisoners to local jail facilities that are overflowing, resulting in early release of prisoners.

The City Council has placed a half cent sales tax measure on the ballot in November for voter consideration to begin addressing some of these needs. Without new revenues, the City's infrastructure, particular streets, will continue to decline (see the pavement condition index in the Budget Narrative section for further review of streets) and service levels, particularly in public safety, will difficult to maintain and will decline over time.

The City's main revenue sources have increased since the economic recovery began. Sales tax has increased at approximately 5.4% and 6.0% per annum in the last two years. Some of this increase reflects investments that the City has made in redeveloping brownfields sites and installing infrastructure in key locations years ago. The City has also focused on being more customer and business friendly to help encourage businesses to locate within the City.

Property tax has been relatively flat 1.6% and 0.05% the past two years, but hotel/motel taxes have increased at 7.0% and 8.5% per annum. One bright spot during the last budget was the formation of a tourist improvement district by the hotel/motel industry that collects an assessment that the industry-selected board will use for strategic investments to attract more tourists to Siskiyou County. This should help build economic activity, and as a byproduct, additional tax revenues.

This budget contemplates the use of General Fund reserves over the next two years to balance the revenues and expenses. Because the City has developed strong reserves in previous years, these reserves can help us now, but it is not a long term strategy. Instead the work to develop new revenue sources to address critical needs as well as taking steps to control increasing costs will need to continue. Should these not develop over the next year, the Council, staff and community will need to make some hard decisions on what services to prioritize and what services to minimize or drop.

City staff continues to work to become more efficient and effective to stretch the existing resources as far as they can to provide critical services. The budget reflects investments in energy efficient lighting,

the automation of meter reading, more options for customers to pay and get information online and other cost saving measures.

I wish to thank the department heads, division managers and staff that worked on projecting their expenses and reviewing the needs of their respective departments. I also want to thank the Finance staff in coordinating and pulling the budget together.

The City will continue to face challenges to achieve its potential and provide services that will allow the City's citizens to prosper and the community to thrive years (and decades) into the future. City staff, with the leadership of the City Council and the engagement of the community, will face these challenges head-on.

Sincerely

Steven W. Baker
City Manager

City of Yreka Budget Narrative
Fiscal Years Ending June 30, 2017 and 2018

Highlights

Overview*:*

The City of Yreka is seeking approval of a ½ percent sales tax measure in November of 2016 to begin to finance street and facility repairs. The escalating cost of deferred maintenance and deterioration of capital assets (e.g. buildings) and infrastructure (e.g. streets) is at the point if repairs are not made in the near future, many of these assets will require full replacement and or reconstruction. The City respected the old adage of living within your means by temporarily deferring expenses or eliminating services when revenues are low or flat. Continuing this, however, will actually cost taxpayers more.

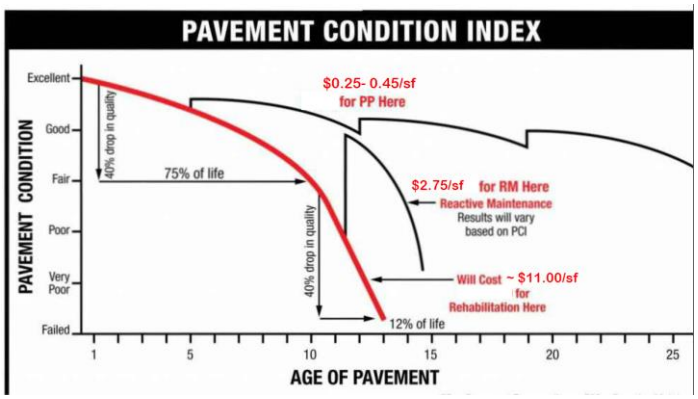
At the Yreka City Council meeting on July 7, 2016, the City's Director of Public Works, Matthew Bray, discussed street maintenance and illustrated to the City Council how a street is able to be rehabilitated (pavement condition indexes of 40 – 74) and the options based on the grade received:

a) Single Chip Seal at 0.25 cents per square foot
b) Double chip seal at 0.45 cents per square foot
c) Overlay with reinforcement fabric, 2"-3" at $2.75 per square foot
d) Full asphalt reconstruction is $11.08 per square foot

To illustrate, assume Miner Street from Broadway to Oregon Street [(a)], an average width city street, required repair. The table below illustrates how the cost escalates based on pavement condition:

Condition Status	Cost (b)	% Change	Condition Rating
Reconstruction	$268,000	303% increase	(PCI of 0-25)
Overlay with fabric:	$66,500	516% increase	(PCI of 26-49)
Double Chip:	$10,800	80% increase	(PCI of 50-69)
Single Chip:	$6,000		(PCI of 70-90)

(a) The distance is approximately 600 feet in length (or 200 yards = two football fields).
(b) Estimated costs are based on the most recent projects of the City and similar experiences from County Public Works.



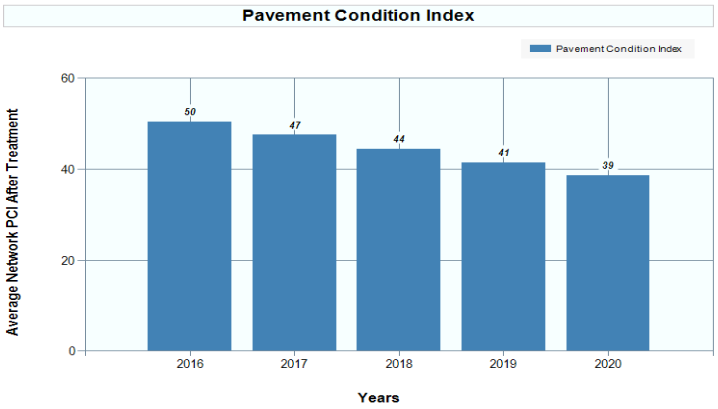
The diagram to the right illustrates how repair costs escalate exponentially when they are delayed. What that means in terms of today's needs is that the City's streets need $25-$30 million of repairs to stay at a maintainable level (versus a full reconstruction level). And many of the City's streets have already deteriorated to the full reconstruction level. The City has known its street funding needed to be increased, but now has received its updated pavement condition index report that analytically assessed street conditions by area.

The City can now begin to estimate repairs by condition. Based on the 2015 data, the City's streets received a combined rating of 51 out of a scale of 0 to 100. In terms of a report card, this means barely a passing grade. This pavement condition report has been included in the budget (after this narrative) for the readers of the budget.

In response to this and other financial challenges, the City Council has placed on the November 2016 ballot a ½ percent sales tax measure. This revenue would enable the City to finance the deferred maintenance on facilities and roads.

Repairs on these facilities are beyond the scope of what any combination of budget cuts can achieve. The current estimate of $30 million is needed now for repairs. Expected annual revenue from a ½ percent sales tax is projected to be $900-$950 thousand based on present sales tax revenue trends.

The chart to the right illustrates what would happen to our streets if there was no maintenance at all and the average PCI will drop to 39 citywide by 2020. Mill Road (image below) received a PCI of 39. The average city street would look like this by 2020 if maintenance is deferred.



Mill Road as viewed from Google Earth.
Note the extensive alligatoring indicating street failure.

Organizational Culture *:* *The City has a strong organizational culture of changing how we work: to not just work harder, but smarter.*

The City Council and staff have a strong culture of cost-cutting and living within available resources. City leaders have the fiscal and moral responsibility to preserve the streets, buildings and structures that have been handed down from previous generations of residents and leaders.

The City has made a number of strategic cost saving decisions:

- Many management positions were restructured, eliminated or outsourced as professional services.
- City staff has focused on implementing self-service citizen applications for services. For example, utility customers now pay bills online and view over three years of history. Citizens can also file police reports online. The City's website contains information and many forms are available online
- Ninety percent of the water meter reading has been automated to radio read, allowing drive-by electronic impulse reads. This process was formerly hand-read by reading and entering data on every City meter.
- Public Works installed water conservation measures saving money and water in City parks and facilities that have resulted in significant savings. This included installing water-efficient sprinkling devices in the parks and implementing a green recycling method of mulching that also saves on landscape watering.
- Public Works installed LED lighting in buildings and retrofitted the City's streetlights with LED bulbs which has resulted in annual savings of over $50K. They have also taken advantage of generous electric company rebate programs.
- City buildings have had energy-efficient HVAC systems replaced as funding and needs have allowed.
- The City collaborates with numerous community organizations to do more with the generous volunteers in Yreka.

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 $1.2 million spending gap for 2016-17, and $1.9 million for 2017-18.

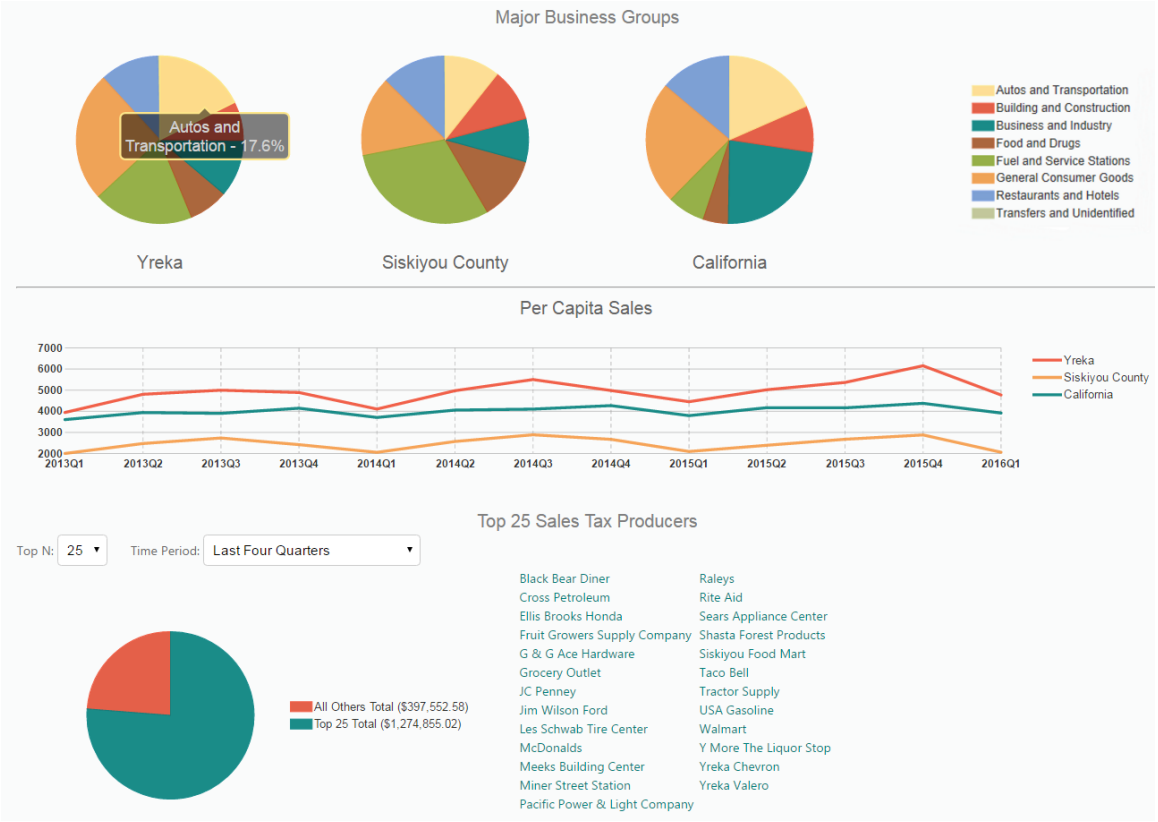
Through a series of workshops, decisions were made on how to balance unmet needs within the community, unfunded mandates for compliance (storm water) and public safety, against projected available revenues.

The budget presented 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.

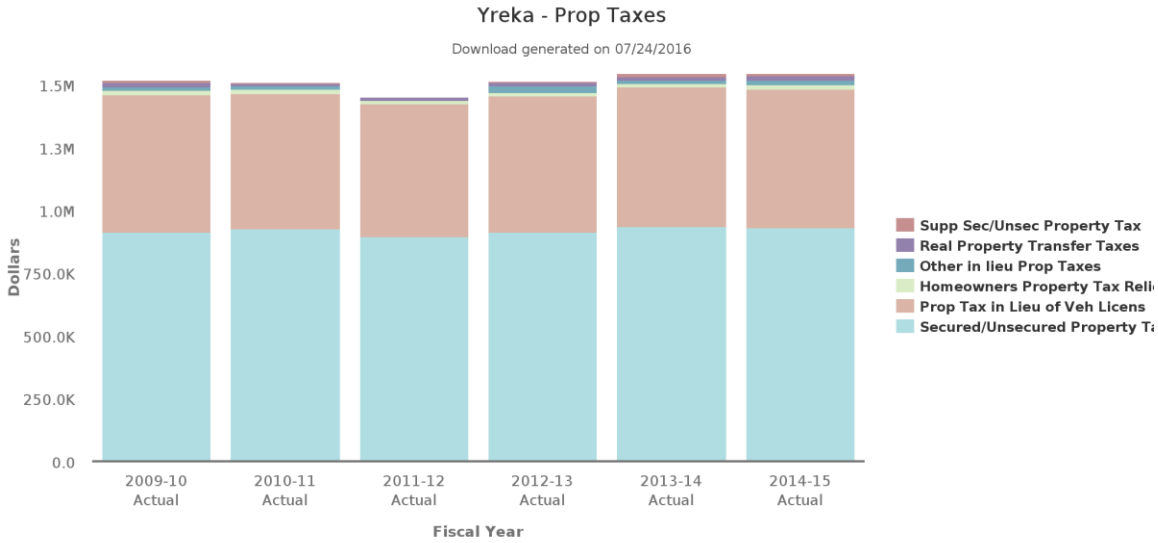
Revenue:

The good news is that the City is seeing an upturn for its core revenues of sales tax, property tax, business license tax and franchise fees. Hotel occupancy taxes are showing a slight increase. Fee revenue for services, like building permits, plan check fees, and animal licenses, are also expected to increase slightly. Fee revenue for the community facilities and parks are expected to be nearly the same as the past several years.

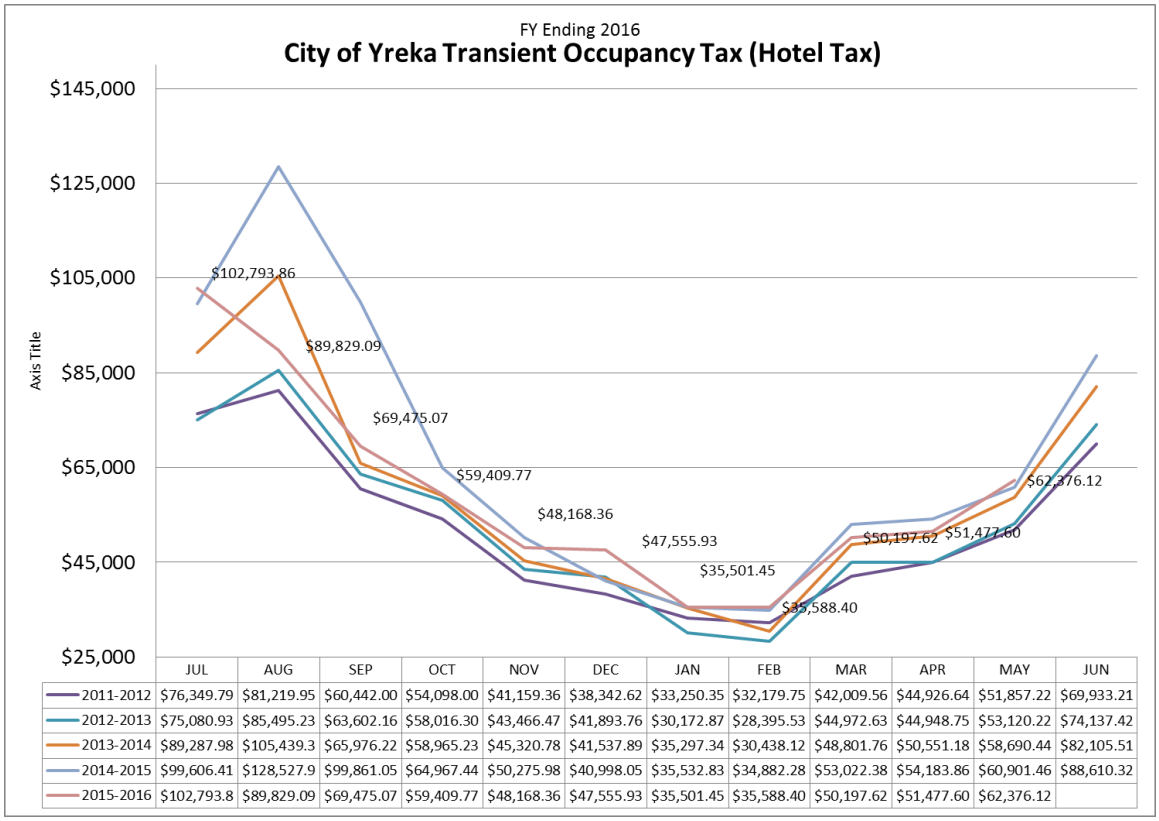
Sales Tax by Industry Sector (Last 4 Quarters) – Yreka, Siskiyou County, California



City of Yreka – Historic Property Tax Trends (past 5 years)



City of Yreka – Historic Transient Occupancy Tax Trends by Month (past 5 years)



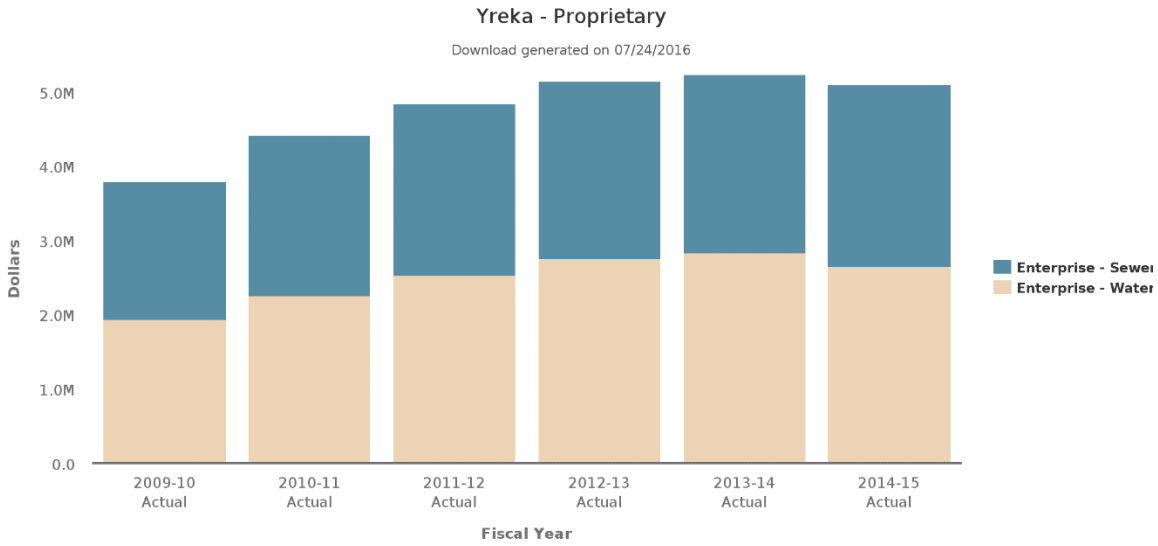
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2011-2012	$76,349.79	$81,219.95	$60,442.00	$54,098.00	$41,159.36	$38,342.62	$33,250.35	$32,179.75	$42,009.56	$44,926.64	$51,857.22	$69,933.21
2012-2013	$75,080.93	$85,495.23	$63,602.16	$58,016.30	$43,466.47	$41,893.76	$30,172.87	$28,395.53	$44,972.63	$44,948.75	$53,120.22	$74,137.42
2013-2014	$89,287.98	$105,439.3	$65,976.22	$58,965.23	$45,320.78	$41,537.89	$35,297.34	$30,438.12	$48,801.76	$50,551.18	$58,690.44	$82,105.51
2014-2015	$99,606.41	$128,527.9	$99,861.05	$64,967.44	$50,275.98	$40,998.05	$35,532.83	$34,882.28	$53,022.38	$54,183.86	$60,901.46	$88,610.32
2015-2016	$102,793.8	$89,829.09	$69,475.07	$59,409.77	$48,168.36	$47,555.93	$35,501.45	$35,588.40	$50,197.62	$51,477.60	$62,376.12	

Greenhorn Park

Photo Courtesy of the Friends of Greenhorn Park, Siskiyou Gardens, Parks and Greenway Association

The enterprise utility funds for water and sewer services remain at 2012-13 rates per Council action. The rate study completed in the summer of 2013 suggested modest 2.5% cost of living increases over the next five years, however that recommendation was not implemented. The rate increase was deferred until an analysis of any cost saving measures could be performed. At present, the City is performing another utility rate study to evaluate the cost of operations, factoring in needed and completed water and wastewater system improvements. The City is working to keep up with the expenses and avoid "rate shock" from occurring in the future.

City of Yreka – Water and Wastewater Fee Revenue Historic 5-year trends



Yreka - Proprietary
Resource Type Filter: Internal, State Funding, Unrestricted
Revenues Filter: Fee Revenue, Prop Taxes
Download generated on 07/24/2016

Fund Type	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
Enterprise - Sewer	$ 1,850,345	$ 2,163,744	$ 2,307,662	$ 2,386,416	$ 2,390,873	$ 2,433,879
Enterprise - Water	1,947,810	2,258,237	2,538,702	2,770,773	2,839,282	2,668,145
Total	**$ 3,798,155**	**$ 4,421,981**	**$ 4,846,364**	**$ 5,157,189**	**$ 5,230,155**	**$ 5,102,024**

Revenue from grants is on track, though the City at times 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, while waiting for agency reimbursement. Other grant related risks are compliance and contract risks, which will be discussed later.

Employees:

Staffing levels, for the first time since 2010, are budgeted to increase by three employees in the utility maintenance division and one public safety officer. The City has one current vacancy within Public Works. Adoption of the budget will create three new maintenance worker positions all within the enterprise utility funds. These positions are being added to provide backup coverage for these 24/7 services. There is a need for utility system inspection and maintenance work for compliance and to mitigate service outages, leaks and overflows. The additional public safety officer will be funded by the casino compact agreement and is reflected in the 2017-18 budget.

The number of budgeted full-time equivalent employees will increase from 49 in 2015-16 to 52 in 2016-17 and 53 in 2017-18. The City will be in negotiations with all of the bargaining units by December 31, 2016, when the current agreements expire. In 2014-15 and 2015-16, the City gave employees a 2.5% increase (cost of living allowance or COLA) and increased its share of cost for healthcare coverage.

Operating Costs:

Pricing for utilities (electric and propane), treatment chemicals, petroleum-based products (asphalt), remained neutral. The park utility budget for water is also increasing as more parks are being metered. However, conservation measures have been taken by Public Works to decrease the water use in the City's parks and facilities. Other operating costs for maintaining new bathrooms, bridges and trails in the parks and on the Yreka Creek greenway will increase as more improvements are made.

The City is also seeing the need to increase maintenance expenditures for the storm drains system due to new regulatory compliance and to maintain drainage system improvements which provide regulatory compliance. Much of the initial capital costs were funded by grants, however, these grant-funded projects provide additional facilities that do not have a dedicated revenue source to cover the ongoing maintenance costs.

Within the enterprise funds, the use professional services will increase for expenses relating to one-time specialized projects, such as review of the City's ordinances, analysis of the City's digital video inspections of the sewer mains, and the inclusion of more direct charges to these funds for insurance and legal costs.

Capital Outlay:

In the 2016-17 and 2017-18 budget, capital outlay is funded from one-time revenue, reserves, grants or loan funds. Capital projects in the utility enterprise funds are financed from either fee revenue, reserves or grant funds.

Grants continue to play an important role in Yreka and have remained a primary revenue source for the City to develop and make improvements to its infrastructure. In recent years, the City has carefully evaluated grants to make sure the risks are matched with the priority of grant-funded projects. The City has improved controls and monitoring processes to help ensure compliance. However, with grants there are risks of:

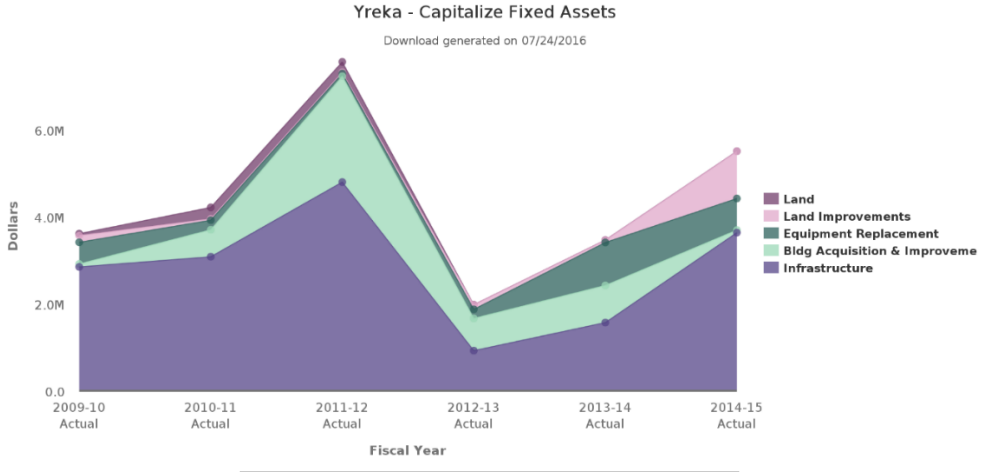
- Cash flow - grants put the City in a highly-leveraged position while waiting for reimbursement from state or federal agencies;
- Performance risk - contract performance both with the granting agency and contractor;
- Audit and Monitoring - grants require technical and audit compliance;
- Evaluating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

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

Deferred Maintenance:

The 2016-17 and 2017-18 capital budgets include capital outlay for equipment and building projects. However, there remains a list of deferred maintenance projects to buildings, roads, utilities and equipment replacement due to lack of funding. In both 2016-17 and 2017-18, funds are budgeted to update the utility rate study and water and wastewater master plans. The plans will help identify the condition and the cost of deferred maintenance and capital replacement. The City has applied for California Proposition 1 funding for capital project planning (for future project implementation funding) for its storm water, water and wastewater systems. Just recently though, the City has learned that its storm water planning grant application was not funded.

Capital Outlay All Funds – Past 5-Years



Yreka - Capitalize Fixed Assets

Download generated on 07/24/2016

Major Group	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual
Land	$ 46,777	$ 264,250	$ 240,823	$ 0	$ 0	$ 0
Land Improvements	152,216	31,069	26,594	106,757	56,849	1,088,351
Equipment Replacement	499,541	218,852	61,786	207,659	988,637	726,250
Bldg Acquisition & Improvement	68,545	622,240	2,437,938	743,329	855,543	59,941
Infrastructure	2,850,909	3,085,295	4,804,521	923,977	1,570,155	3,639,925
Total	**$ 3,617,988**	**$ 4,221,706**	**$ 7,571,662**	**$ 1,981,722**	**$ 3,471,184**	**$ 5,514,467**

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. They are segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. Funds are also logical groupings of similar 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) Crandall Trust Fund, General Fund Reserves, General Fund Capital Reserves, Capital Outlay Fund and Capital Building Acquisition Fund.

General Operating Fund (Fund 01)

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

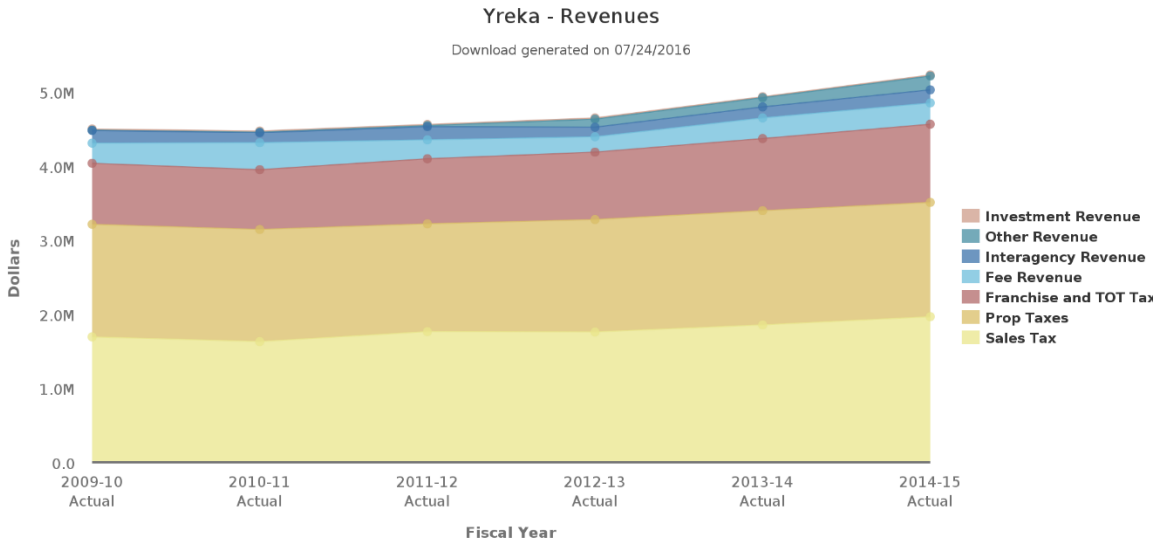
> *City Council, administration, legal, finance, insurance, information technology, planning, building, public works administration, fire and police protection services, culture and recreation (parks, community center and theatre), and community support (Madrone Hospice, Chamber of Commerce, Siskiyou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

General Fund Revenue Projections ($5,274,445 in 2016-17, $5,337,112 in 2017-18):

Revenues

The largest revenue sources that support these expenditures are taxes (sales tax, property 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 reservation fees, community theatre and center rental fees). Other revenue includes federal and state allocations and operating grants. These include motor vehicle license fees (MVLF) in lieu, Public Safety ¼ percent sales tax allocation (Proposition 172), and mutual aid reimbursements (Cal Fire and FEMA). The City's general operating fund also receives indirect cost allocations from its enterprise funds for the recovery of costs relating to administrative services.

City of Yreka – General Fund 5-year Historic Revenue Trends (excludes transfers in)



In both 2016-17 and 2017-18, salaries and benefits in the general operating fund total $3,465,635 and $3,617,585 are a 68% and 66% respective share of all general operating fund revenue.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018 Revenue Budget
General Capital Reserves Fund, Major Revenue Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND	*2014-15Actual*	*2015-16 Budget*	*2015-16 YTD*	*2016-17*	*2017-18*
01 General Operating					
800 *PROP TAXES*	939,715.58	920,000.00	946,764.46	950,000.00	975,000.00
807 *MVLF IN LIEU PROP TAX*	553,418.02	540,000.00	645,905.26	575,000.00	575,000.00
810 *SALES TAX*	1,968,005.10	1,800,000.00	1,662,795.95	2,000,000.00	2,100,000.00
811 *IN LIEU PROP TAX - KARUK*	16,005.00	13,000.00	16,541.84	14,000.00	15,000.00
813 *TOT TAX*	811,259.70	625,000.00	657,364.77	675,000.00	700,000.00
814 *FRANCHISE*	244,819.64	265,000.00	214,246.28	250,000.00	250,000.00
815 *BUSINESS LIC*	78,438.24	71,500.00	80,080.96	81,500.00	81,500.00
816 *PROP TRAN TAX*	18,767.94	12,000.00	11,857.62	15,000.00	16,000.00
824 *FINES AND PENALTIES*	1,925.07	6,500.00	21,594.16	1,250.00	1,250.00
830 *INVESTMENT REVENUE*	14,259.87	12,300.00	16,996.74	17,300.00	19,800.00
840 *MVLF IN LIEU STATE*	3,212.84	0.00	3,166.95	0.00	0.00
841 *HOE TAX*	16,238.94	16,500.00	16,381.84	16,500.00	16,500.00
843 *POST*	8,651.23	0.00	8,512.45	0.00	0.00
850 *OTHER STATE*	167,572.31	131,000.00	122,548.60	135,000.00	135,000.00
870 *FEE REVENUE*	204,290.74	152,395.00	153,029.26	146,395.00	146,895.00
871 *PENALTIES ON FEE REVEN*	0.00	0.00	0.00	0.00	0.00
881 *OTHER FEE REVENUE*	85,442.75	0.00	27,174.87	0.00	0.00
882 *OTHER REVENUE*	101,634.78	8,500.00	9,481.68	52,500.00	105,167.00
898 *TRANSFERS IN*	272,222.98	-23,691.87	-158,526.83	345,000.00	200,000.00
01 General Operating	5,505,880.73	4,550,003.13	4,455,916.86	5,274,445.00	5,337,112.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				**15.92%**	
Total	5,505,880.73	4,550,003.13	4,455,916.86	5,274,445.00	5,337,112.00

General Fund Expense ($4,889,014 in 2016-17 and $4,898,494 in 2017-18):

Employee Compensation ($3,465,635 in 2016-17 and $3,617,585 in 2017-18)
In 2016-17, wages are $2,228,797. Payroll taxes, workers compensation, pension, health and life insurance are $1,236,838. Total compensation is $3,465,635.

In 2017-18, wages are $2,317,322. Payroll taxes, workers compensation, pension, health and life insurance are $1,300,263. Total compensation is $3,617,585.

Personnel costs in 2017-18, are slightly higher than 2016-17, due to an expected addition to staff for a police officer that is offset by revenue as per the City of Yreka and Karuk Tribal Intergovernmental Agreement for impacts to the City arising from the casino.

Salary negotiations for all the bargaining units for 2016-17 are currently open with contracts expiring on December 31, 2016. No cost of living wage adjustments or contract settlement considerations have been assumed in this budget.

Included in the budget are the pension plan rate increases for 2016-17 and estimates for 2017-18. The employer's contribution rate for 2017-18 is expected to be significantly higher as CalPERS (the City's pension plan provider) is taking additional measures to fund currently underfunded closed-end pension pools for classic members.

In 2015 CalPERS created a tier of side funds (or mega pooling) for the closed end pension costs of classic members. The unfunded pension liability of the City (as calculated by CalPERS prior to the mega pooling), requires the City to pay an annual fixed share of the classic members pension debt. The City has estimated that expense across its payroll costs by department.

In 2005, CalPERS also created an earlier sidefund for the City's unfunded pension liability. And in 2005, the City paid cash to CalPERS for this side fund for approximately $1.5 million. The City carried this payoff as internal debt. The repayment of this internal debt has been spread across the City's payroll costs and in 2016-17, the City will have paid off that internal debt. So, although pension costs will rise in 2017-18, the decrease in cost from the 2005 internal side fund nearly offsets the increase in cost from the 2015 mega pooling side funds. The net effect is that the City is not experiencing the pension cost "spike" as some other cities may be experiencing.

Health plans are administered by CalPERS. Available medical plans include Anthem BlueCross Select, Choice and for Public Safety, Blue Cross Peace Officers Research Association of California medical plans. The City also offers vision care (Vision Service Plan or VSP) and provides employees a City self-insured dental care plan administered through a third party agent, Benefit Risk Management Services (BRMS). The medical premiums paid for by the City are currently capped at $540, $1,020 and $1,315 for one, two and three-or-more party rates. As the City's dental plan is self-insured, payroll accrual estimates are made based on prior year trends. In 2016-17, the dental premium internal accrual rate has been increased slightly to cover the actual claim experience.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
General Operating Fund, Major Expense Groups: Salary and Benefits

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Groups, by Departments within Fund

FUND	*2014-15 Actuals*	*2015-16 Budget*	*2015-16 Actuals*	*2016-17*	*2017-18*
01 General Operating					
100 *SALARY*	1,870,684.81	2,012,707.83	1,883,734.76	1,988,997.33	2,075,521.99
102 *OVERTIME*	87,185.67	85,700.00	82,485.92	85,700.00	85,700.00
103 *PARTIME*	78,138.26	75,480.00	72,045.03	70,900.00	70,900.00
106 *SEASONAL*	25,184.60	28,800.00	32,472.32	29,200.00	27,700.00
108 *MUTUAL AID*	40,031.24	1,500.00	24,704.43	1,500.00	1,500.00
109 *VOLUNTEERS*	33,675.00	52,500.00	39,322.50	52,500.00	56,000.00
320 *PENSION*	339,565.38	446,611.04	410,174.34	466,871.39	495,960.26
330 *PAYROLL TAXES*	160,544.55	171,495.68	157,737.83	169,178.25	175,873.88
340 *HEALTH*	359,785.30	389,855.42	373,075.17	383,720.97	401,872.50
350 *UNEMPLOYMENT*	2,846.00	0.00	7,415.00	0.00	0.00
360 *WORK COMP*	163,372.36	195,150.10	166,952.88	202,587.78	211,621.17
390 *LIFE & ACCIDENTAL*	12,940.57	14,367.23	12,909.95	14,479.16	14,935.38
01 General Operating	3,173,953.74	3,474,167.30	3,263,030.13	3,465,634.88	3,617,585.18
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-0.25%	

	2014-15	2015-16	2016-17	2017-18
General Fund Full Time Regular Employees Count	30.375	30.375	30.645	31.645

Bo Hittson Scholarship receipents

Volunteers helping cleanup Greenhorn Park

CITY OF YREKA
CALIFORNIA

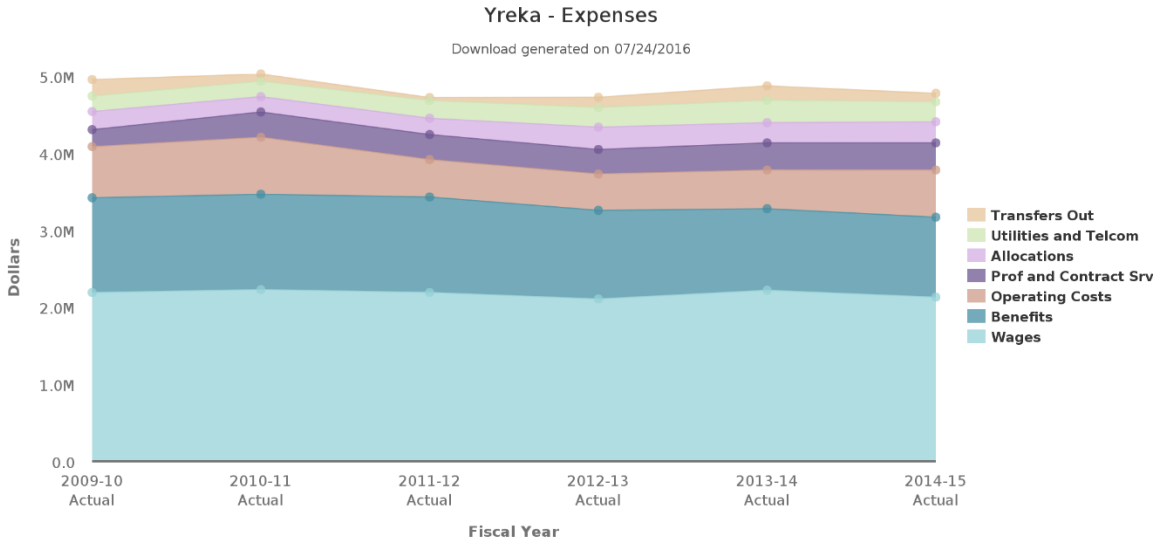
Other Expenses by Major Object ($1,954,188 for 2016-17, $1,924,384 for 2017-18)
Other expenses increased for professional and contract services. The increases are in legal, public safety, geographic information system licensing, engineering services, building services, and County election services. The increase in training in both 2016-17 and 2017-18 reflects one-time training of new personnel e.g. animal control officer, police officer, and newly elected officials. Transfers out to traffic safety and streets funds increased as street funding and available reserves for streets have fallen, as expected. The City uses purchase orders to manage expenditure controls. Purchase orders and invoices require managerial approval.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
General Operating Fund, Major Expense Groups: Other Operating Expenses

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
01	General Operating					
510	EMPLOYEE RELATED	54,546.34	53,930.00	47,485.90	60,730.00	85,330.00
515	GENERAL SUPPLIES	23,821.00	31,100.00	34,751.27	31,600.00	31,600.00
516	SPECIALIZED SUPPLIES	108,315.66	89,950.00	67,932.18	79,050.00	79,050.00
517	TELCOM	47,195.85	44,400.00	53,551.42	54,700.00	54,700.00
518	UTILITIES	212,071.79	241,600.00	221,412.93	225,050.00	230,050.00
520	MAINT AND OPS	114,547.31	121,160.00	91,346.04	81,040.00	81,040.00
521	BLDG MAINT AND OPS	23,684.09	32,300.00	33,329.07	33,050.00	33,050.00
522	BLDG MAINT AND OPS	6,430.65	11,000.00	13,723.33	8,500.00	8,500.00
525	PROF AND CONTRACT SER	356,451.94	361,050.00	392,011.18	445,300.00	441,300.00
530	INSURANCE	204,268.50	204,800.28	210,543.87	201,968.00	209,245.00
535	TAXES, FINES, FEES	7,192.03	7,125.00	7,677.40	7,125.00	7,125.00
542	PASS THRU AND REFUNDS	6,374.22	3,845.00	4,025.13	4,350.00	4,350.00
550	NON CAPITALIZED EQUIPM	60,410.97	40,700.00	35,624.76	53,200.00	58,200.00
560	ALLOCATIONS	274,226.40	251,850.00	251,856.50	256,050.00	257,050.00
590	RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
620	BLDG ACQ. AND IMPROVE	0.00	0.00	0.00	10,000.00	0.00
760	TRANSFER OUT	110,902.21	126,106.22	126,106.22	402,475.15	343,793.72
01	General Operating	1,610,438.96	1,620,916.50	1,591,377.20	1,954,188.15	1,924,383.72
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				20.56%	

City of Yreka – GF Trends Expense by Group 5-Year Trend



Expenditures by Department

A detailed level of analysis of each department's revenue and expense budget can be found in the departmental budgets under the organizational structure tab. The 000-Unallocated line shows transfers out to street funds and traffic safety funds of $402,475 in 2016-17 and $343,794 in 2017-18, which is a significant increase from 2015-16.

City of Yreka 2016-2017 and 2017-18
General Operating Fund, Expense by Department within Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Expense by Department within Fund

FUND	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
01 General Operating				
000 *Unallocated*	126,106.22	126,106.22	402,475.15	343,793.72
010 *City Council*	20,924.20	27,297.33	27,514.20	23,514.20
020 *Administration*	337,637.27	228,750.77	341,273.55	340,944.64
030 *Finance*	263,189.11	270,697.08	266,750.36	266,943.53
040 *Legal*	38,095.86	26,854.80	58,521.71	58,523.30
050 *Information Technology*	84,172.16	71,878.93	86,248.04	85,879.97
060 *Planning*	121,817.58	113,188.84	121,820.24	121,914.20
080 *Building Maintenance-City Hall*	41,335.73	32,442.74	45,367.45	46,598.18
090 *Community Service & Promotion*	250,663.11	252,524.40	257,240.76	256,926.33
110 *Non Departmental*	202,875.28	227,333.04	200,068.00	207,345.00
150 *GIS*	0.00	2,155.27	0.00	0.00
200 *Police*	2,440,683.41	2,400,195.97	2,465,212.96	2,623,149.29
201 *K-9*	0.00	0.00	0.00	0.00
210 *Fire*	304,129.43	274,929.51	299,904.81	308,074.37
220 *Building Inspection*	88,868.77	80,119.59	88,767.12	88,471.44
230 *Animal Control*	113,261.10	101,156.10	111,634.29	116,951.55
300 *PW Administration*	67,252.47	48,369.53	66,251.23	66,703.06
350 *Vehicle Maintenance*	215,685.01	172,846.76	215,749.21	222,686.61
370 *Municipal Services Center*	0.00	22,073.07	0.00	0.00
400 *Parks*	292,704.35	284,265.47	268,333.51	276,478.90
420 *Swimming Pool*	7,562.68	11,076.66	9,574.80	9,575.10
450 *Senior Services*	0.00	19.80	0.00	0.00
460 *Comm. Concerts/Portable Stage*	599.90	0.00	0.00	0.00
470 *Community Theater*	39,553.21	40,598.59	48,945.62	39,120.69
480 *Community Center*	37,966.95	39,526.86	38,170.02	38,374.82
01 General Operating	5,095,083.80	4,854,407.33	5,419,823.03	5,541,968.90

GF Operating Budget Summary – *Revenue to Expense Gap*

In 2016-17, the City's general operating fund shows estimated revenue of $4,929,445 and transfers in of $345,000 totaling $5,274,445. Expenditures are $5,017,348 and transfers out are $402,475 totaling $5,419,823. The City's expenses are expected to exceed its revenues by $145,378 in 2016-17 fiscal year and the City will withdraw from its undesignated and budget stabilization reserves to close the expense to revenue gap.

2016-17 Budget

Fund	Revenue	Trans In	Expense	Trans Out	Net
01 General Operating	4,929,445.00	345,000.00	5,017,347.88	402,475.15	-145,378.03

In 2017-18, the City's general operating fund shows estimated revenue of $5,137,112 and transfers in of $200,000 totaling $5,337,112. Expenditures are $5,198,175 and transfers out are $343,794 totaling $5,541,969. The City's revenues are expected to exceed its expenses by $204,857 in the 2017-18 fiscal year, and the City will need to withdraw from its undesignated and budget stabilization reserves to close the expense to revenue gap.

2017-18 Budget

Fund	*Revenue*	*Trans In*	*Expense*	*Trans Out*	*Net*
01 General Operating	5,137,112.00	200,000.00	5,198,175.18	343,793.72	-204,856.90

Restricted and or Designated General Governmental Funds

Other restricted or designated governmental funds (Funds 02 through 10) 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, travel and shelter assistance, as well as public contributions to other programs, like animal control. There is no budgeted revenue as donations are intermittent and highly variable. Expenditures are $700 in 2016-17 and $700 in 2017-18 and expended based on previously donated funds held in reserve (e.g. Bo Hittson Scholarship).

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 conducts several fundraising activities and the anticipated revenue is $9,500 and expense of $9,500 in both 2016-17 and 2017-18 respectively.

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 for improvements to Miner Street.

Budgeted revenue for 2016-17 is $4,000 in 2016-17 and $3,500 in 2017-18.
Budgeted revenue sources for the Crandall Fund include investment earnings on cash and investments, building loans and property leases from these funds.

Budgeted expense for 2013-14 is $17,000 in 2016-17 and $17,000 in 2017-18.
Budgeted expense includes $2,000 in 2016-17 and $2,000 in 2017-18 for taxes and other related expense for the Hi-Ridge property and $15,000 in both 2016-17 and 2017-18 for the Stewart Trust Miner Street Grant Program.

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

General Operating Reserves (Fund 08)

Revenues

The City maintains operating and capital reserves. Excess insurance premiums when refunded, are typically added to these operating reserves.

Revenue transfers of $115,000 in 2016-17 equals the final side payment for the internal borrowing for the 2005 PERS unfunded liability side fund.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018 Revenue Budget
General Operating Reserves Fund, Major Revenue Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND	2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
08 GF Operating Reserves					
882 OTHER REVENUE	38,701.00	50,000.00	107,815.00	0.00	0.00
898 TRANSFERS IN	-246,340.02	-196,030.50	-166,195.54	-115,000.00	0.00
08 GF Operating Reserves	-207,639.02	-146,030.50	-58,380.54	-115,000.00	0.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-21.25%	
Total	-207,639.02	-146,030.50	-58,380.54	-115,000.00	0.00

Expenses

The PERS contra expense for $115,000 in 2016-17 reflects the payroll accumulation arising from the one-time unfunded liability to CalPERS for its unfunded pension costs in 2005*. The City has tracked that internal borrowing in order to charge back the departmental payroll for their share of cost over the original estimated life of 10 years. This 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. This internal debt servicing has saved the City money as unfunded liability side funds are the current PERS expected return rate of 7.50%.)*

Total General Operating Fund Expenses (Fund 08) of -$115,000 in 2016-17 is a contra expense and has the same effect as revenue.

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND	2014-15Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
08 GF Operating Reserves					
320 PENSION	-103,147.86	-117,527.32	-102,483.44	-115,000.00	0.00
340 HEALTH	-4,892.03	0.00	-1,331.00	0.00	0.00
360 WORK COMP	14,313.57	-22,038.25	0.00	0.00	0.00
390 LIFE & ACCIDENTAL	-642.74	0.00	0.92	0.00	0.00
530 INSURANCE	0.00	0.00	0.00	0.00	0.00
08 GF Operating Reserves	-94,369.06	-139,565.57	-103,813.52	-115,000.00	0.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-17.60%	

General Capital Reserves (Fund 09)

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

Expenses

The expense transfers out from the general capital reserves accounts total $57,108 in 2016-17 and $63,000 in 2017-18 to Fund 60 Capital Grants for required match.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018 Expense Budget
General Capital Reserves Fund, Major Expense Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND	2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
09 GF Capital Reserves					
760 TRANSFER OUT	145,668.22	180,958.35	180,958.35	57,108.00	63,000.00
09 GF Capital Reserves	145,668.22	180,958.35	180,958.35	57,108.00	63,000.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-68.44%	

General Capital Outlay (Fund 10)

Revenues

General Capital Outlay is funded from one time money and or reserves. In both 2016-17 and 2017-18, General Operating Fund 01 transferred funds into General Fund Reserves, which were then transferred to General Capital Outlay. Transfer for capital outlay is budgeted for $95,000 in 2016-17 and $125,000 in 2017-18.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018 Revenue Budget
General Capital Reserves Fund, Major Revenue Groups by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND	2014-15 Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
10 GF Capital Outlay					
880 IRC REVENUE	13,597.00	0.00	0.00	0.00	0.00
882 OTHER REVENUE	29,311.71	0.00	0.00	0.00	0.00
883 SALE OF ASSETS	17,500.00	0.00	62,922.73	0.00	0.00
898 TRANSFERS IN	130,044.18	75,500.00	75,500.00	95,000.00	125,000.00
10 GF Capital Outlay	190,452.89	75,500.00	138,422.73	95,000.00	125,000.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				25.83%	
Total	190,452.89	75,500.00	138,422.73	95,000.00	125,000.00

Expenses

Expenditures in Capital Outlay (Fund 10) are $95,000 in 2016-17 and $125,000 in 2017-18. Expenditure detail is summarized in the following table.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
General Capital Outlay Fund, Expense Summary by Department within Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Expense by Department within Fund

FUND	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
10 GF Capital Outlay				
050 *Information Technology*	25,000.00	4,520.97	0.00	0.00
080 *Building Maintenance-City Hall*	0.00	0.00	0.00	75,000.00
200 *Police*	35,500.00	64,757.61	50,000.00	50,000.00
210 *Fire*	0.00	0.00	0.00	0.00
230 *Animal Control*	0.00	0.00	0.00	0.00
300 *PW Administration*	10,000.00	0.00	0.00	0.00
350 *Vehicle Maintenance*	0.00	0.00	15,000.00	0.00
400 *Parks*	5,000.00	10,856.00	30,000.00	0.00
10 GF Capital Outlay	75,500.00	80,134.58	95,000.00	125,000.00

Projected List for One-time Capital Outlay 2016-2017, and 2017-18

Unallocated Capital projects

- There is no planned allowance for unfunded capital projects.

Building Maintenance - Citywide

- Roofing repairs $75,000 in 2017-18

Police

- Vehicles $50,000 in both 2016-17 and 2017-18

Fleet Services

- Diesel particulate filter $15,000 for California Air Resources Board compliance in 2016-17.

Parks

- Park mower equipment $30,000 in 2016-17.

General Building Acquisition Fund (Fund 11)
General Building Acquisition Fund is funded from Capital Reserves Fund 09, General Fund Unassigned Reserves 01 and the Crandall Trust Fund 04.

This is a single purpose fund to acquire and rehabilitate property and building for the City's new police station. The property was acquired in May 2014, and the redesign and reconstruction are assumed to occur in both fiscal years 2016-17 and 2017-18.

The facilities are assumed to be occupied sometime in 2017-18. The City submitted plans for reconstruction in a public bid Spring of 2016, however all bids were rejected due to bid awards exceeding the architectural design estimates and available pledged resources. Available options to close the anticipated shortfall are still being investigated.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
General Capital Building Acquisition Fund, Summary by Major Expense Group
By Department within Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

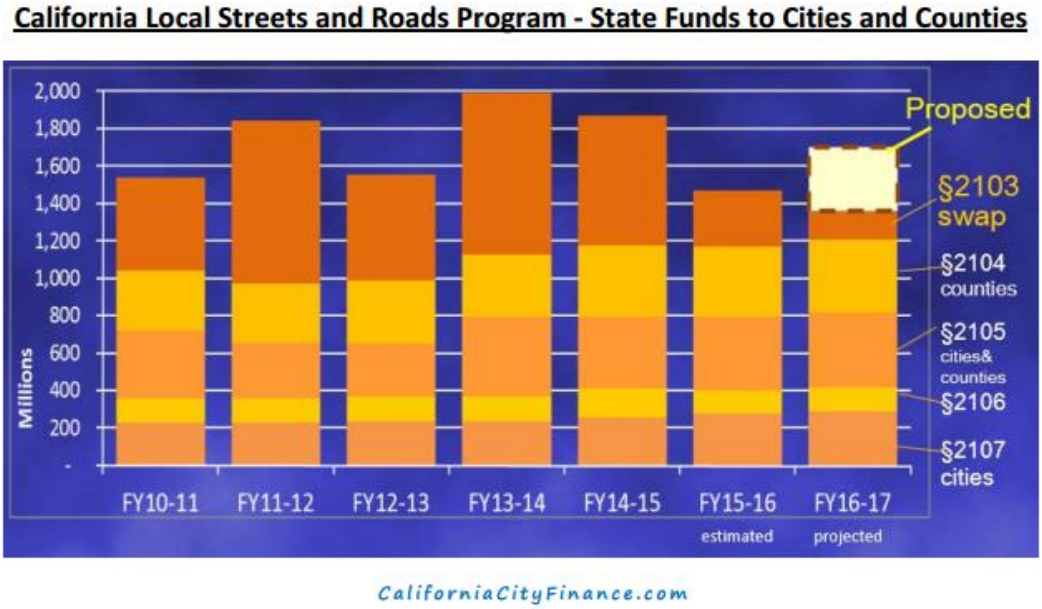
FUND		2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
11	GF YPD Building Acquisition					
100	SALARY	985.08	0.00	969.53	0.00	0.00
103	PARTIME	0.00	0.00	19.72	0.00	0.00
320	PENSION	172.16	0.00	218.63	0.00	0.00
330	PAYROLL TAXES	71.53	0.00	67.57	0.00	0.00
340	HEALTH	-1.65	0.00	136.10	0.00	0.00
360	WORK COMP	29.95	0.00	32.32	0.00	0.00
390	LIFE & ACCIDENTAL	5.83	0.00	7.94	0.00	0.00
510	EMPLOYEE RELATED	0.00	0.00	2,953.34	0.00	0.00
515	GENERAL SUPPLIES	6.50	0.00	22.80	0.00	0.00
525	PROF AND CONTRACT SER	51,688.38	0.00	36,476.28	0.00	0.00
620	BLDG ACQ. AND IMPROVE	0.00	1,835,354.76	-272.80	0.00	2,000,000.00
650	EQUIPMENT	0.00	0.00	57,113.99	120,000.00	0.00
11	GF YPD Building Acquisiti	52,957.78	1,835,354.76	97,745.42	120,000.00	2,000,000.00
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				-93.46%	

Road, Street and Transit Activities are composed of the following funds: Gas Tax and Traffic Congestion Fund, Local Transportation Fund, and Fines and Traffic Safety Fund.

Gas Tax and Traffic Congestion Fund (Fund 20)

The road and street fund receives State Highway User Tax (HUTA). Funds received from these state allocations are restricted in use for improvement of the City's streets including street maintenance, associated drainage systems (storm drains), sidewalks, streetlights, curbs and gutters. The revenue for these programs has historically been a target of State swaps, deferrals and shifts.

The City is expected to spend more than it receives in its HUTA state allocations of $209,158 in 2016-17 and $212,000 in 2017-18. To balance, the City is using reserves from both the Local Transportation Fund and Transfers from the General Fund. However, once those reserves are depleted (budgeted at end of fiscal year 2017-2018), the City will need to support street maintenance from other revenue sources to address the structural deficit. The budget includes the governor's proposed state backfill to Cities and Counties for the declining local streets and roads programs. Estimates have been provided by the State and published and updated www.CaliforniaCityFinance.com.



Road and Street Fund 20 Revenue Projections ($628,910 in 2016-17, $561,549 in 2017-18):
The revenue budget for 2016-17 and 2017-18 includes recurring revenue from HUTA gas tax funds of $209,158 in 2016-17 and $212,000 in 2017-18.

Other revenue is from transfers in. Transfers in from the General Operating Fund 01 are $335,000 in 2016-17 and $275,000 in 2017-18. Transfers in from Local Transportation Fund are $84,752 in 2016-17 and $74,548 in 2017-18. These transfers cover the operating deficit and are not sustainable. This lack of funding is a major cause of the General Operating Fund deficit and is depleting its resources.

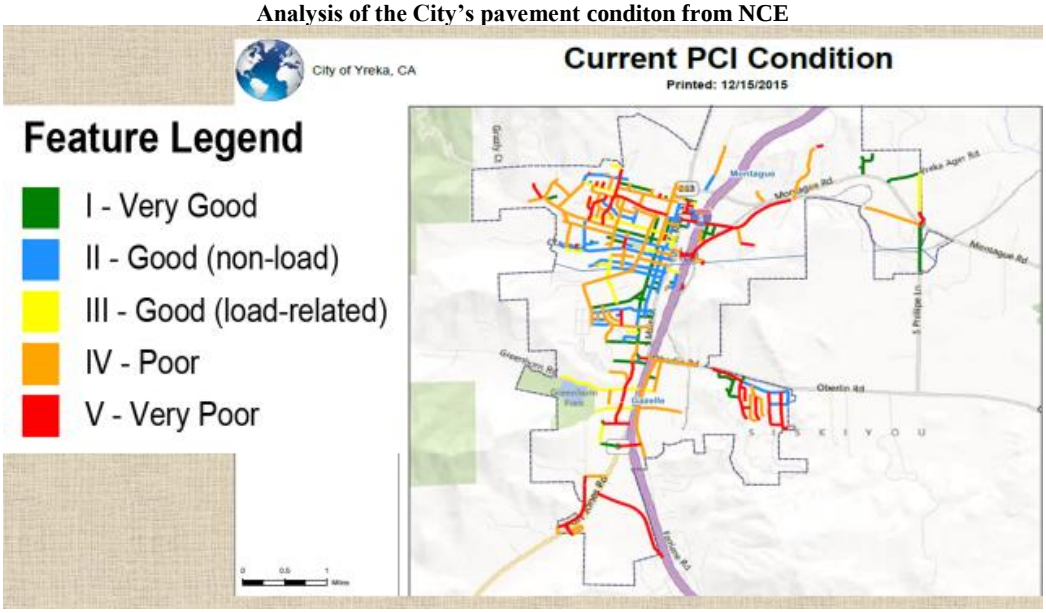
Revenues

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Road and Street Fund, Major Revenue Group by Fund

City of Yreka 2016-17 and 2017-18 Budget
Major Revenue Group by Fund

FUND	2014-15 Actuals	2015-16 Budget	2015-16 YTD	2016-17	2017-18
20 Road and Street					
830 *INVESTMENT REVENUE*	361.37	0.00	-50.09	0.00	0.00
842 *GAS TAX*	233,110.10	181,227.00	161,326.23	209,158.00	212,000.00
870 *FEE REVENUE*	4,060.40	0.00	9,931.42	0.00	0.00
882 *OTHER REVENUE*	1,244.44	0.00	0.00	0.00	0.00
898 *TRANSFERS IN*	201,029.30	174,897.27	174,897.27	419,752.34	349,548.57
20 Road and Street	439,805.61	356,124.27	346,104.83	628,910.34	561,548.57
Percentage Increase/(Decrease) 2016-17 from 2015-2016				**76.60%**	

Analysis of the City's pavement conditon from NCE



Road and Street Fund 20 Expenditures ($889,964 in 2016-17, $624,709 2017-18):

In 2016-17, wages are $206,919. Payroll taxes, workers compensation, pension, health and life insurance are $105,461. Total compensation is $312,380.

In 2017-18, wages are $211,669. Payroll taxes, workers compensation, pension, health and life insurance are $105,850. Total compensation is $317,519.

Other operating expenses total $285,530 in 2016-17 and $241,530 in 2017-18. Capitalized outlay of $31,000 in 2016-17 includes a $26,000 (20% cost share) asphalt grinder, and $5,000 for LED streetlights. Capital outlay of $2,500 in 2017-18 is for LED streetlights.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Street Fund - 20, Major Expense Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
20	Road and Street					
100	SALARY	136,848.52	173,263.16	141,410.75	165,259.30	169,508.87
102	OVERTIME	521.94	1,000.00	182.03	750.00	750.00
103	PARTIME	1,774.00	0.00	189.03	250.00	250.00
106	SEASONAL	2,652.03	10,400.00	11,726.65	14,160.00	14,160.00
107	WAGE ABATEMENT	0.00	0.00	0.00	26,500.00	27,000.00
320	PENSION	22,659.17	38,676.01	30,797.24	38,017.34	37,513.60
330	PAYROLL TAXES	11,053.15	14,097.50	11,553.60	13,773.91	14,099.00
340	HEALTH	29,827.71	33,680.21	29,551.53	32,308.07	32,365.04
360	WORK COMP	16,713.63	20,067.03	17,551.75	20,245.54	20,726.92
390	LIFE & ACCIDENTAL	870.36	1,176.31	960.69	1,116.18	1,145.14
510	EMPLOYEE RELATED	1,921.00	1,100.00	2,903.01	2,300.00	2,300.00
516	SPECIALIZED SUPPLIES	11,591.71	19,400.00	6,390.51	18,400.00	18,400.00
517	TELCOM	149.98	400.00	203.06	200.00	200.00
518	UTILITIES	80,247.74	75,100.00	29,854.77	35,100.00	35,100.00
520	MAINT AND OPS	74,054.33	170,965.00	45,970.32	128,210.00	153,210.00
525	PROF AND CONTRACT SER	3,162.43	17,020.00	20,968.75	80,720.00	20,720.00
535	TAXES, FINES, FEES	5,826.00	8,000.00	4,579.00	10,500.00	10,500.00
550	NON CAPITALIZED EQUIPM	3,778.60	600.00	760.17	10,100.00	1,100.00
625	INFRASTRUCTURE	0.00	10,000.00	0.00	0.00	0.00
650	EQUIPMENT	312,949.63	43,000.00	18,342.32	31,000.00	2,500.00
20	Road and Street	716,601.93	637,945.22	373,895.18	628,910.34	561,548.57
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				-1.42%	

Expenditures by Department

A detailed analysis of each department's revenue and expense budget can be found in the departmental budgets under the organizational structure tab. Of note however, is the shifting of resources on projects, namely the emerging compliance issues the City is facing with managing its storm drainage system.

The City is evaluating methods for funding its storm drainage system as many cities are recognizing these storm sewers as City utilities like that of water and wastewater. The City is also managing several multimillion dollar grant projects for storm water corridor preservation and drainage, which aids in meeting its compliance obligations, primarily along Yreka Creek. In addition the City has applied for Proposition 1 funding for additional storm drainage infrastructure improvements.

The Street Fund includes a variety of activities: street maintenance, street sweeping, street lighting, weed control on street right of ways, public parking and parking lots, and storm drainage systems.

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Expense by Department within Fund

FUND	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
20 Road and Street				
300 *PW Administration*	65,343.35	35,487.27	67,041.29	67,079.50
310 *Streets*	203,671.15	94,978.89	183,167.28	183,618.21
311 *Street Sweeping*	77,440.12	55,890.16	63,058.37	63,683.67
312 *Street Lighting*	164,920.46	80,110.21	59,229.20	57,193.83
313 *Weed Control*	10,210.95	7,523.63	10,781.58	10,812.89
314 *Public Parking*	1,020.00	855.00	61,020.00	1,020.00
390 *Storm Drains*	115,339.19	99,050.02	184,612.62	178,140.47
20 Road and Street	637,945.22	373,895.18	628,910.34	561,548.57

Local Transportation (Fund 21)

Local Transportation Fund 21 Revenue ($224,567 in 2016-17, $223,126 in 2017-18)
The LTF is a restricted state-funded transportation program administered by the County and governed by a local board. The City receives a restricted allocation of funds to support regional transportation (STAGE, Siskiyou Transit and General Express). Excess transit funds are allocated to the cities for road and street improvement. At present, the City has budgeted a nominal $24,567 in 2016-17 and $23,126 in 2017-18 for eligible street funds. Budgeted transit revenue for both 2016-17 and 2017-18 is $200,000 for County STAGE support. Transfers are backfill from LTC Fund 21 to Road and Street Fund 20 for to cover the Street Fund operating deficit.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Local Transportation, Major Revenue Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND	2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
21 Local Traffic Fund					
830 INVESTMENT REVENUE	404.47	0.00	830.01	0.00	0.00
865 OTHER COUNTY	252,611.92	233,457.00	188,958.60	224,566.52	223,125.64
898 TRANSFERS IN	-16,455.97	0.00	0.00	-84,752.34	-74,548.57
21 Local Traffic Fund	236,560.42	233,457.00	189,788.61	139,814.18	148,577.07
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-40.11%	

Local Transportation Fund 21 Expense ($283,625 in 2016-17, $218,828 in 2017-18)
Expenditures are $200,000 for County STAGE services in 2016-17 and 2017-18. Transfers out of $24,567 in 2016-17 and $23,126 in 2017-18 are (backfill) to Capital Grants Fund 60 for City match and State and Federal Bridge rehabilitation projects.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Local Transportation, Major Expense Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND	2014-15Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
21 Local Traffic Fund					
525 PROF AND CONTRACT SER	167,376.00	181,829.00	181,829.00	200,000.00	200,000.00
760 TRANSFER OUT	83,625.00	101,828.00	101,828.00	24,566.52	23,125.64
21 Local Traffic Fund	251,001.00	283,657.00	283,657.00	224,566.52	223,125.64
Percentage Increase/(Decrease) 2016-17 from 2015-2016				-20.83%	

Fund Balance Reserves for Road and Street Fund ($0)
The Local Transportation Fund Reserve balance will to be fully expended annually by transferring remaining balances of $84,752 in 2016-17 and $74,549 into the Road and Street funds for road maintenance. The City anticipates voter approval for ½ cent sales tax to address the deferred maintenance of its streets.

Fines - Traffic Safety (Fund 24)

Traffic Safety Fund 24 Revenue ($97,475 in 2016-17 and $98,794 in 2017-18)

Revenue from traffic fines is budgeted at $30,000 in both 2016-17 and 2017-18. The remaining revenues of $67,475 in 2016-17 and $68,794 in 2017-18 to the Traffic Safety Fund are transfers in from the General Operating Fund. Revenue received from traffic fines is restricted for traffic safety maintenance and improvements.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Road and Street Fund, Major Revenue Group by Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND		2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
24	Traffic Safety					
824	FINES AND PENALTIES	30,845.69	25,000.00	25,390.43	30,000.00	30,000.00
830	INVESTMENT REVENUE	300.68	0.00	253.39	0.00	0.00
882	OTHER REVENUE	309.05	0.00	0.00	0.00	0.00
898	TRANSFERS IN	26,328.88	51,208.95	51,208.95	67,475.15	68,793.72
24	Traffic Safety	57,784.30	76,208.95	76,852.77	97,475.15	98,793.72
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				**27.91%**	

Traffic Safety Fund 24 Expense ($97,475 in 2016-17, $98,794 in 2017-18)

Traffic safety costs includes traffic lights, road signage (e.g. stop signs, yield signs) and street markings. Wages and benefits in 2016-17 total $56,725 for wages of $35,917 and benefits of $20,808. Wages and benefits in 2017-18 total $58,043 for wages of $36,839 and benefits of $21,205. Other non-salary expenses total $40,750 in 2016-17 and $40,750 in 2017-18.

City of Yreka 2016-17, 2017-18
Road and Street Fund, Major Expense Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
24	Traffic Safety					
100	SALARY	17,347.50	22,222.56	20,103.18	31,817.27	32,738.69
102	OVERTIME	43.75	500.00	132.82	500.00	500.00
106	SEASONAL	3,772.09	1,800.00	2,678.52	3,600.00	3,600.00
320	PENSION	2,746.38	4,566.33	4,349.19	6,978.42	7,178.78
330	PAYROLL TAXES	1,695.26	1,871.26	1,861.16	2,740.50	2,810.98
340	HEALTH	3,272.44	3,709.41	4,645.84	6,388.54	6,390.63
360	WORK COMP	2,574.85	2,916.68	2,991.89	4,494.37	4,612.59
390	LIFE & ACCIDENTAL	119.05	153.43	149.42	206.05	212.05
510	EMPLOYEE RELATED	508.88	700.00	118.45	700.00	700.00
516	SPECIALIZED SUPPLIES	6,151.09	15,300.00	5,577.58	15,300.00	15,300.00
517	TELCOM	72.28	50.00	230.98	250.00	250.00
518	UTILITIES	5,110.50	8,000.00	5,614.51	8,000.00	8,000.00
520	MAINT AND OPS	1,997.28	4,500.00	2,090.75	4,500.00	4,500.00
525	PROF AND CONTRACT SER	2,001.85	2,000.00	2,188.52	2,000.00	2,000.00
550	NON CAPITALIZED EQUIPM	10,371.10	10,000.00	1,991.55	10,000.00	10,000.00
650	EQUIPMENT	0.00	0.00	0.00	0.00	0.00
24	Traffic Safety	57,784.30	78,289.67	54,724.36	97,475.15	98,793.72
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				**24.51%**	

Special Revenue Funds are composed of the following funds: Fire Assessment Tax, Landfill Access Fee and Developer Impact Fees. These revenues are restricted by voter measure, ordinance or property based (Proposition 218 fee) assessments to fund debt and/or capital projects. In addition, some operating costs, like administrative costs of billing for revenue collections and administration are allowable costs 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 in November 2006, to assess property owners a tax on property to support fire related services, primarily capital outlay.

Budgeted revenue is $245,000 for 2016-17 and 2017-18. Fire tax receipts are $245,000 and interest earnings on revenue $250. Annually, the tax may increase based upon the Engineering News Record, Construction Cost Index. In January 2016, a single-family residential charge was $6.14 per month.

City of Yreka 2016-17, 2017-18
Fire Assessment Fund 30, Major Revenue Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND		2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
30	Spec Rev - Fire Tax					
820	FIRE ASSESSMENT	246,547.11	230,000.00	247,995.41	245,000.00	245,000.00
821	OTHER ASSESSMENTS	491.95	0.00	463.73	0.00	0.00
830	INVESTMENT REVENUE	220.06	750.00	476.96	250.00	250.00
890	DEBT PROCEEDS	0.00	0.00	0.00	0.00	0.00
30	Spec Rev - Fire Tax	247,259.12	230,750.00	248,936.10	245,250.00	245,250.00
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				6.28%	

Swearing in a new volunteer firefighter, May 2016

Budgeted expense is $282,180 in 2016-17 and $532,182 in 2017-18. Primary expenses are for equipment and salary costs for collections.

Wages and benefits are $7,164 in 2016-17 and $7,166 in 2017-18.

Debt servicing on the March 28, 2014, 5-year lease for the purchase of fire apparatus is $123,516 annually.

Capital outlay is $150,000 for medical rescue truck in 2016-17, and $400,000 for wildlands (type 3) fire apparatus in 2017-18.

City of Yreka 2016-17, 2017-18
Fire Assessment Fund 30, Major Expense Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
30	Spec Rev - Fire Tax					
100	SALARY	4,145.11	4,330.20	4,324.59	4,382.40	4,382.40
102	OVERTIME	8.61	0.00	6.78	0.00	0.00
320	PENSION	727.78	996.90	995.82	1,043.98	1,045.20
330	PAYROLL TAXES	275.86	331.26	282.05	335.25	335.25
340	HEALTH	1,199.09	1,219.90	1,259.94	1,223.50	1,223.80
360	WORK COMP	124.45	131.64	137.77	155.14	155.14
390	LIFE & ACCIDENTAL	25.97	23.69	27.25	23.93	23.93
525	PROF AND CONTRACT SER	0.00	0.00	0.00	1,500.00	1,500.00
550	NON CAPITALIZED EQUIPM	37,697.65	0.00	0.00	0.00	0.00
650	EQUIPMENT	44,178.00	0.00	0.00	150,000.00	400,000.00
740	DEBT PRINCIPAL	114,202.65	116,228.90	116,228.92	118,291.10	120,389.90
745	DEBT INTEREST	9,313.35	7,287.08	7,287.08	5,224.88	3,126.08
30	Spec Rev - Fire Tax	211,898.52	130,549.57	130,550.20	282,180.18	532,181.70
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				**116.15%**	

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 (and 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% implicit annual rate) to the County for access to use the transfer station.

Budgeted revenue is $230,000 in 2016-17 and $230,000 in 2017-18 arising from property fee assessments.

City of Yreka 2016-17, 2017-18
Landfill Access Fee Assessment Fund 31, Major Revenue Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND		2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
31	Spec Rev - LF Assessment					
870	FEE REVENUE	230,710.37	218,000.00	236,208.31	230,000.00	230,000.00
871	PENALTIES ON FEE REVEN	619.41	0.00	619.88	0.00	0.00
31	Spec Rev - LF Assessment	231,329.78	218,000.00	236,828.19	230,000.00	230,000.00
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				5.50%	

Budgeted expense is $183,177 for 2016-17 and $183,178 for 2017-18. The cost of collections is $7,164 in 2016-17 and $7,166 in 2017-18 (wages and benefits for finance). Debt servicing to the County on the landfill access fee is $175,000 annually.

City of Yreka 2016-17, 2017-18
Landfill Access Fee Assessment Fund 31, Major Expense Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
31	Spec Rev - LF Assessment					
100	SALARY	4,144.93	4,330.20	4,324.63	4,382.40	4,382.40
102	OVERTIME	8.61	0.00	6.78	0.00	0.00
320	PENSION	727.52	996.90	995.45	1,043.98	1,045.20
330	PAYROLL TAXES	275.67	331.26	282.15	335.25	335.25
340	HEALTH	1,198.83	1,219.90	1,259.92	1,223.50	1,223.80
350	UNEMPLOYMENT	0.00	131.64	0.00	0.00	0.00
360	WORK COMP	124.15	119.44	137.78	155.14	155.14
390	LIFE & ACCIDENTAL	25.44	23.69	26.86	23.93	23.93
525	PROF AND CONTRACT SER	465.02	0.00	37.70	1,000.00	1,000.00
535	TAXES, FINES, FEES	11.92	13.00	12.38	13.00	13.00
740	DEBT PRINCIPAL	67,982.88	71,649.44	71,649.44	75,513.75	79,586.48
745	DEBT INTEREST	107,017.12	103,350.56	103,350.56	99,486.25	95,413.52
31	Spec Rev - LF Assessment	181,982.09	182,166.03	182,083.65	183,177.20	183,178.72
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				0.56%	

Development Impact Fees (Fund 32)

The City collects Development Impact Fees (DIF) from developers to build infrastructure as growth and expansion from development impact services of the City. At present, the City's impact fees are collected at 50% of the total needed for growth-related impacts. Life-to-date from enactment, the City has collected $639,627 in fee revenue.

Developer Impact Fees:

- are fees paid by the developer for the City to build and upgrade 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)

Development Impact Fee budgeted revenue is $16,000 for impact fees in both 2016-17 and 2017-18.

Development Impact Fee budgeted expense is zero. Once the City's public safety - police building reconstruction project is completed, the City will transfer collected funds to offset planned impacts associated with development. The City will also be seeking to update the City's 2006 Development Impact Fee report for the City to reflect changes to the City's infrastructure and to anticipate new growth related impacts.

Phasing Schedule - Proposed Fees from Study completed October 5, 2006

Fee Summary		Fee Per Unit/DUE	Six Months 25%	One Year 50%	After One Year 100%
4.1	City Buildings	$792	$198	$396	$792
4.2	Park Facilities	$1,821	$455	$911	$1,821
4.3	Police Department	$683	$171	$342	$683
4.4	Fire Department	$35	$9	$17	$35
4.5	Storm Drainage	$99	$25	$49	$99
4.6	Street Improvements	$539	$135	$270	$539
4.7	Wastewater System	$1,486	$371	$743	$1,486
4.8	Water System	$5,132	$1,283	$2,566	$5,132
Totals		$10,190	$2,647	$5,293	$10,586

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

Special Grants – Capital Outlay (Fund 60)

The City continually applies for and receives competitive grants. Grants allow the City to leverage public dollars with other Federal, State and agency awards. Grant awards account for $1,571,865 in 2016-17 and $1,386,046 in 2017-18 of expenditures for projects, plans and capital improvements.

In 2016-17, the City expects to expend; $328,290 in 2016-17 and $602,920 in 2017-18 for design and land acquisition work on Yreka Creek flood corridor (a $5 million California State Department of Water Resources grant). The City is in construction (for $950,000 in 2016-17) for work on North Oberlin Trail (River Parkways grant) . The City is self-funding from its utility and road funds $50,000 in both 2016-17 and 2017-18 for its geographic mapping project (GIS). The City is completing plans for bridge surface work for four City bridges, (Fairlane and the Three Bridge Deck projects) totaling $194,008 in 2016-17 and $602,920 in 2017-18, as part of a Federal and State grant award.

City of Yreka
Capital Grants Fund 60, Revenues and Expense by Department

2016-17 Budget

Fund		Revenue	Trans In	Expense	Trans Out	Net
60	Spec Grants - Capital Outlay					
000	*Unallocated*	-81,674.52	81,674.52	0.00	0.00	0.00
150	*GIS*	0.00	0.00	50,000.00	0.00	-50,000.00
200	*Police*	25,000.00	0.00	25,000.00	0.00	0.00
300	*PW Administration*	24,566.52	0.00	24,566.52	0.00	0.00
310	*Streets*	194,008.00	0.00	194,008.00	0.00	0.00
390	*Storm Drains*	328,290.00	0.00	328,290.00	0.00	0.00
400	*Parks*	950,000.00	0.00	950,000.00	0.00	0.00
60	Spec Grants - Capital Outlay	1,440,190.00	81,674.52	1,571,864.52	0.00	-50,000.00

2017-18 Budget

Fund		Revenue	Trans In	Expense	Trans Out	Net
60	Spec Grants - Capital Outlay					
000	*Unallocated*	-86,125.64	86,125.64	0.00	0.00	0.00
150	*GIS*	0.00	0.00	50,000.00	0.00	-50,000.00
200	*Police*	25,000.00	0.00	25,000.00	0.00	0.00
300	*PW Administration*	23,125.64	0.00	23,125.64	0.00	0.00
310	*Streets*	685,000.00	0.00	685,000.00	0.00	0.00
390	*Storm Drains*	602,920.00	0.00	602,920.00	0.00	0.00
400	*Parks*	0.00	0.00	0.00	0.00	0.00
60	Spec Grants - Capital Outlay	1,249,920.00	86,125.64	1,386,045.64	0.00	-50,000.00

Community Development Grants (Fund 65)

The City has applied for and received federal Community Development Block Grants, commonly referred to as CDBG. The City no longer has open grants for lending or business training. The grants historically have been used for business loans (job creation), Microenterprise Training (for small targeted income businesses owners and their employees for technical training and assistance, non-revolving) and Housing Rehabilitation Loans (low-income housing rehabilitation). The loan repayments are deposited into revolving accounts, unless specifically allocated to another open CDBG block grant (typically a water or sewer infrastructure project). The City has also administered a microenterprise training grant that provides technical assistance geared to career training for low-income businesses with five or fewer employees.

Budgeted expense is $17,700 for 2016-17 and $17,700 for 2017-18

The budgeted revenue of $17,700 for 2016-17 and $17,700 for 2017-18 reflects interest earnings on the City's existing housing and business loan portfolio, and the additional loan revenue arising from debt servicing on the sale of real property at 1512 South Oregon Street.

City of Yreka 2016-17, 2017-18
Community Development Grants and Loan Servicing Fund 65, Major Revenue Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Revenue Group by Fund

FUND	2014-15Actual	2015-16 Budget	2015-16 YTD	2016-17	2017-18
65 Community Development Grants					
830 INVESTMENT REVENUE	7,834.39	5,700.00	260,987.69	17,700.00	17,700.00
898 TRANSFERS IN	0.00	0.00	0.00	0.00	0.00
65 Community Development	7,834.39	5,700.00	260,987.69	17,700.00	17,700.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				210.53%	

Budgeted expense is $12,250 for 2016-17 and $12,250 for 2017-18, from earned program administrative income is to promote community development as well as development of nuisance abatement guidelines.

City of Yreka 2016-17, 2017-18
Community Development Grants and Loan Servicing Fund 65, Major Revenue Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND	2014-15Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
65 Community Development Gra					
100 SALARY	1,779.97	0.00	0.00	0.00	0.00
106 SEASONAL	0.00	0.00	11.00	0.00	0.00
320 PENSION	311.09	0.00	0.00	0.00	0.00
330 PAYROLL TAXES	126.24	0.00	0.84	0.00	0.00
340 HEALTH	171.05	0.00	0.00	0.00	0.00
360 WORK COMP	54.13	0.00	1.36	0.00	0.00
390 LIFE & ACCIDENTAL	11.22	0.00	0.00	0.00	0.00
510 EMPLOYEE RELATED	374.23	0.00	0.00	0.00	0.00
525 PROF AND CONTRACT SER	7,525.82	10,750.00	7,443.85	12,250.00	12,250.00
65 Community Development	10,353.75	10,750.00	7,457.05	12,250.00	12,250.00
Percentage Increase/(Decrease) 2016-17 from 2015-2016				13.95%	

Enterprise Funds are business "corporate" like activities. The City provides water and wastewater utility services. These funds are restricted; 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 from 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.

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

Fall Creek

Clearwell Tank when under construction in 2012

Water Operating (Fund 70)

The Water Operating fund revenue and expenses are $1,928,806 in 2016-17 and $1,846,787 in 2017-18. The excess of revenue net of operating expenses, debt servicing and capital projects is transferred to the water reserves account.

In 2016-17, wages and salaries are $828,881, of which $531,458 is wages and $297,423 is benefits. In 2017-18, wages and salaries are $834,362, of which $539,100 is wages and $295,262 is benefits.

Non-wage related expenses totals $934,925 in 2016-17 and $847,425 in 2017-18. The increase in water conservation professional services in 2016-17 includes needed updates to the City's urban water management plan for state water permit and loan compliance. Transfers out for administrative support total $160,000 in both 2016-17 and 2017-18.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Water Operating Fund, Major Expense Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND	2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
70 Water Operating					
100 SALARY	357,806.69	393,901.30	377,851.00	448,058.16	455,700.09
102 OVERTIME	8,293.87	21,500.00	21,255.30	21,500.00	21,500.00
103 PARTIME	22,316.03	29,500.00	33,365.82	37,000.00	37,000.00
106 SEASONAL	13,898.91	11,000.00	7,685.37	24,900.00	24,900.00
320 PENSION	58,325.38	82,524.00	80,362.10	89,998.22	84,814.61
330 PAYROLL TAXES	29,305.05	34,097.23	32,007.53	39,566.13	40,150.74
340 HEALTH	72,721.06	74,115.96	71,005.33	107,372.11	107,570.34
350 UNEMPLOYMENT	0.00	0.00	669.00	0.00	0.00
360 WORK COMP	41,278.59	47,058.01	44,264.14	57,559.09	59,753.14
370 RETIREE	-3,123.00	0.00	0.00	0.00	0.00
390 LIFE & ACCIDENTAL	2,383.06	2,540.43	2,537.50	2,927.31	2,972.59
510 EMPLOYEE RELATED	4,913.23	11,700.00	3,357.84	15,500.00	15,500.00
515 GENERAL SUPPLIES	20,730.48	19,701.00	22,378.81	20,800.00	20,300.00
516 SPECIALIZED SUPPLIES	45,952.37	43,300.00	27,367.99	43,300.00	43,300.00
517 TELCOM	8,682.22	9,050.00	8,090.18	14,050.00	14,050.00
518 UTILITIES	262,721.93	269,000.00	262,998.06	268,500.00	268,500.00
520 MAINT AND OPS	165,642.56	188,387.50	153,403.34	252,675.00	252,675.00
521 BLDG MAINT AND OPS	4,993.64	2,500.00	2,967.67	2,500.00	2,500.00
525 PROF AND CONTRACT SER	49,413.87	139,500.00	72,223.97	217,000.00	137,000.00
530 INSURANCE	37,190.36	48,100.00	25,849.02	46,500.00	46,500.00
535 TAXES, FINES, FEES	17,594.36	23,600.00	14,602.26	24,600.00	24,600.00
550 NON CAPITALIZED EQUIPM	8,871.14	21,350.00	11,503.99	29,500.00	22,500.00
590 RESOURCE TRANSFERS	0.00	0.00	0.00	0.00	0.00
760 TRANSFER OUT	151,460.34	165,000.00	110,000.00	165,000.00	165,000.00
70 Water Operating	1,381,372.14	1,637,425.43	1,385,746.22	1,928,806.02	1,846,786.51
Percentage Increase/(Decrease) 2016-17 from 2015-2016				**17.80%**	

Expenditures by Department

A detailed analysis of each department's revenue and expense budget can be found in the departmental budgets under the organizational structure tab.

The budget increase in 2016-17 and 2017-18 from 2015-16 is for :

- Finance includes the cost of an intern for water and wastewater utilities, and increased merchant transaction fees.
- Public Works Administration professional services for engineering and in 2016-17, the City expects to update its water master plan and utility rate study.
- Water distribution, treatment and conservation wages and benefits are higher than in the 2015-16 budget due to anticipated staffing addition of three maintenance workers who will be allocated between the water and wastewater operations for both maintenance and operations, as well as water and wastewater plant.
- Water Conservation professional services increased to update City's urban water management plan, for state water permit and loan compliance.
- A part-time seasonal worker was added to water conservation to implement water conservation measures and if needed monitor complaints for possible State-imposed water restrictions.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Water Operating Fund, Expense Summary by Department within Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Expense by Department within Fund

FUND	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
70 Water Operating				
000 *Unallocated*	165,000.00	110,000.00	165,000.00	165,000.00
030 *Finance*	132,386.87	137,756.31	151,152.97	150,670.26
300 *PW Administration*	105,567.20	42,157.96	127,953.60	79,571.94
500 *Water Distribution*	374,639.58	257,453.59	460,642.71	456,163.85
510 *Water Supply and Treatment*	826,750.99	816,936.32	931,972.71	933,295.36
520 *Water Conservation (BMP)*	33,080.79	21,442.04	92,084.03	62,085.10
70 Water Operating	1,637,425.43	1,385,746.22	1,928,806.02	1,846,786.51

Water Capital Projects (Fund 71)

The Water System Capital Projects budget of $1,422,000 in 2016-17 and $1,705,000 in 2017-18 from fee revenue and reserves.

The water capital projects' are outlined in the City's water master planning document and include:

- An estimated $50,000 in 2016-17 for design and engineering and $200,000 for relocation in 2017-18 of the water main at the fairgrounds.
- Water meter replacement project, final year (90% complete) of meter replacement to radio read meters, $130,000 in 2016-17
- Replacement of the Shasta Belle water tanks $1,000,000 and system tank maintenance $250,000 both in 2016-17.
- Water main replacement in both 2016-17 and 2017-18, is estimated to be $150,000 per year.
- Water treatment plant chemical storage improvements $80,000.
- Complete the North Street pump station improvements and North Street well rehabilitation totaling $980,000 in 2016-17. Both projects are currently under construction.
- Equipment includes, a light duty maintenance pickup truck $30,000, $30,000 for the cathode project and $52,000 for a 40% share of asphalt recycler in 2016-17. In 2017-18, $25,000 to replace the master meter for the water system. Regular replacement of short-lived assets, such as equipment is a requirement of the City's debt agreement with USDA.

Water Debt Servicing (Fund 72)

The City's debt servicing on its USDA 2010 certificate of participation loan COP (2.25% due in 2051) is $262,536 in 2016-17 and $262,780 in 2017-18. Interest payments are semiannual and principal payments annually. Interest for 2016-17 is $141,536 and principal is $121,000. Interest for 2017-18 is $138,780 and principal is $124,000.

Water Reserves (Fund 74)

Pursuant to the rate study and the USDA Rural Development agreements, the City has targeted levels of reserves for the maintenance and operations of the system, the Fall Creek pipeline reserve (adequate repair reserves along the 23-mile 14" pipeline), short-lived assets reserves, steel main replacement and other upgrades. The excess (or deficit) of revenue over expense are placed into reserves.

The City anticipates using $854,842 from reserves for capital projects in 2016-2017 and $1,056,067 in 2017-18. The year-over-year difference is attributable to the expected capital outlay between the two budget cycles. The projects are outlined in the City's water master planning document.

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 $1,691,756 in 2016-17 and $1,705,159 in 2017-18. The excess revenue net of operating expenses, capital outlay and debt servicing, is transferred to the wastewater reserves account. Operating expenses in 2016-17 of wages and salaries are $660,635 of which $406,168 is wages and $254,467 benefits. Operating expenses in 2017-18 of wages and salaries are $674,038 of which $415,252 is wages and $258,786 benefits. Wages and benefits are higher than in the 2015-16 budget due to anticipated staffing addition of three maintenance workers who will be allocated between the water and wastewater operations for both maintenance and operations, as well as water and wastewater plant operations.

Non-salary related expenses total $871,121 in both 2016-17 and in 2017-18. Transfers out for administrative support to totals $160,000 in both 2016-17 and 2017-18.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Wastewater Operating Fund, Major Expense Groups

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Major Expense Group by Fund

FUND		2014-15 Actuals	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
80	Wastewater Operating					
100	SALARY	232,049.11	340,919.77	301,570.34	387,167.55	396,251.90
102	OVERTIME	24,223.40	11,500.00	3,561.13	11,500.00	11,500.00
103	PARTIME	571.90	0.00	4,268.83	7,500.00	7,500.00
106	SEASONAL	474.00	0.00	1,375.61	0.00	0.00
320	PENSION	37,400.10	76,184.19	66,716.58	81,935.07	81,487.33
330	PAYROLL TAXES	19,346.11	26,906.88	23,424.73	31,007.66	31,708.74
340	HEALTH	53,788.35	72,331.78	68,918.84	95,997.37	98,930.54
350	UNEMPLOYMENT	0.00	0.00	0.00	0.00	0.00
360	WORK COMP	21,713.53	35,086.06	31,654.76	42,822.64	43,900.61
370	RETIREE	-2,081.00	0.00	0.00	0.00	0.00
390	LIFE & ACCIDENTAL	1,701.85	2,448.58	2,156.93	2,704.37	2,759.23
510	EMPLOYEE RELATED	5,858.79	5,500.00	3,113.51	8,600.00	8,600.00
515	GENERAL SUPPLIES	1,687.71	1,400.00	1,484.72	1,400.00	1,400.00
516	SPECIALIZED SUPPLIES	171,213.16	232,700.00	170,546.52	226,500.00	226,500.00
517	TELCOM	2,367.04	3,120.00	2,138.96	8,620.00	8,620.00
518	UTILITIES	221,243.91	227,050.00	176,374.99	211,800.00	211,800.00
520	MAINT AND OPS	176,519.82	212,137.50	115,386.23	228,575.00	228,575.00
521	BLDG MAINT AND OPS	946.46	1,700.00	380.49	1,700.00	1,700.00
522	BLDG MAINT AND OPS	3,457.04	6,300.00	2,568.88	3,300.00	3,300.00
525	PROF AND CONTRACT SER	83,117.37	153,000.00	27,189.69	114,300.00	114,300.00
530	INSURANCE	26,016.45	29,526.00	15,721.00	28,026.00	28,026.00
535	TAXES, FINES, FEES	25,096.00	30,600.00	19,954.00	31,000.00	31,000.00
550	NON CAPITALIZED EQUIPM	1,166.59	10,300.00	0.00	7,300.00	7,300.00
760	TRANSFER OUT	136,734.62	160,000.00	110,000.00	160,000.00	160,000.00
80	Wastewater Operating	1,244,612.31	1,638,710.76	1,148,506.74	1,691,755.66	1,705,159.35
	Percentage Increase/(Decrease) 2016-17 from 2015-2016				3.24%	

Expenditures by Department

A detailed analysis of each department's revenue and expense budget can be found in the departmental budgets under the organizational structure tab.

The budget increase in 2016-17 and 2017-18 from 2015-16 is for :

- Finance includes the cost of an intern for water and wastewater utilities, and increased merchant transaction fees.
- Public Works Administration professional services for engineering.
- Sewer Disposal increased cost in staffing, is for the most part offset by decrease cost of operations (primarily chemicals, use of water).

The budget decrease in 2016-17 and 2017-18 from 2015-16 is for :

- Sewer Collections decreased significantly from the estimated cost in 2015-16 due to decreased cost of operations to evaluate video for sewer main condition assessment. This was offset in the most part by increased staffing.

City of Yreka Fiscal Years Ending June 30, 2017 and 2018
Wastewater Operating Fund, Summary by Department within Fund

City of Yreka Fiscal Year Ending 2017 and 2018 Budget
Expense by Department within Fund

FUND	2015-16 Budget	2015-16 Actuals	2016-17	2017-18
80 Wastewater Operating				
000 *Unallocated*	160,000.00	110,000.00	160,000.00	160,000.00
030 *Finance*	99,275.11	98,066.69	125,527.46	125,510.93
300 *PW Administration*	75,687.59	56,837.18	99,193.59	104,373.61
550 *Sewer Collection*	377,551.50	169,430.56	361,627.82	366,952.32
560 *Sewer Disposal (WWTP)*	926,196.56	714,172.31	945,406.79	948,322.49
80 Wastewater Operating	1,638,710.76	1,148,506.74	1,691,755.66	1,705,159.35
Total	1,638,710.76	1,148,506.74	1,691,755.66	1,705,159.35

Wastewater Capital Projects (Fund 81)

In 2016-17, capital outlay of $202,000 is budgeted for $150,000 in sewer mainline replacement and $52,000 for a 40% share of asphalt recycler. Capital outlay of $170,000 in 2017-18 is for another $150,000 of sewer main replacement and $20,000 for pressure washer and mount equipment.

Wastewater Debt Servicing (Fund 82)

The City's debt servicing on its USDA 2012 certificate of participation loan (2.75% maturing in 2054) and State Water Resources loan (2.6% maturing in 2023) totals $283,036 in 2016-17 and $282,974 in 2017-18.

Principal on the USDA 2012 loan in 2016-17 is $74,000 and interest is $132,193. Principal on the State Water Resources loan in 2016-17 is $64,206 and interest is $12,637.

Principal on the USDA 2012 loan in 2017-18 is $76,000 and interest is $130,130. Principal on the State Water Resources loan in 2017-18 is $65,876 and interest is $10,968.

Wastewater Reserves (Fund 84)

Pursuant to the rate study, the City has targeted levels of reserves to reach for the maintenance and operations of the system, inflow and infiltration reduction, target area main replacement, and miscellaneous upgrades. The excess (or deficit) of revenue over expense are placed into reserves for the enterprise funds. The City is anticipating setting aside in 2016-17, $220,708 and in 2017-18, $226,867 of revenue into these reserves.

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

GLOSSARY OF GOVERNMENT FINANCE 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 $15,000 or building improvement in excess of $50,000.
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.
INTERFUND TRANSFER – An account used to budget for transfers of costs between budget units in the same fund. Interfund transfers are used to distribute staff costs for

budgetary and internal operating statement purposes.
MANDATED PROGRAMS – Mandated programs are those programs and services which the City is required to provide under specific State and/or Federal law.
MATCH – The term "match" refers to the percentage of local discretionary City monies in the General Fund which, by law, must be used to match a certain amount of State and/or Federal funds.
NEGOTIATED SALARY ADJUSTMENTS – Employee salary adjustments as approved by the City Council under contracts (Memorandum of Understanding) with the City's five bargaining units.
OPEB – Other post employment benefits (OPEB) acronym refers to GASB 45, which requires agencies to measure, report and place in trust the present value of other retirement benefits, primarily retiree health benefits.
OPERATING BUDGET – Current years adopted budget including all subsequent budget revisions approved during the fiscal year.
PROGRAM REVENUE – Revenue which is derived from and dedicated to specific program operations.
PROJECTED BUDGET – The City Manager's annual recommended budget to the City Council.
PROPOSITION 172 – Proposition 172, passed in November 1993, established a ½ cent sales tax to be used to fund eligible public safety activities. The Police Department is eligible for funding under this proposition.
REAL PROPERTY – Land and the structures attached to it.
REIMBURSEMENT – Payment received for services/supplies expended for another institution, agency or person.
RESERVE – An account used to earmark a portion of fund equity which is legally or contractually restricted for future use, or not available for expenditure.
RETAINED EARNINGS – An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.
REVENUE – Money received to finance ongoing City services. Examples: property taxes, sales taxes, fees and State and Federal grants.
SALARIES AND EMPLOYEE BENEFITS – An object of expenditure which establishes all expenditures for employee related costs.
SALARY SAVINGS – The dollar amount of salaries which can be expected to be saved due to vacancies and turnover of employees.
SERVICES AND SUPPLIES – An object of expenditure which establishes expenditures for the operating expenses of City departments and programs.
SPENDING LIMITS – Refers to the Gann Initiative (Proposition 4 on the November 1979 ballot) which imposed limits on the allowable annual appropriations of the State, schools, and most local agencies. The limit is generally prior year appropriations factored by Consumer Price Index and population changes.
SUBVENTION – Payments by an outside agency (usually from a higher governmental unit) for costs which originate in the City.
TRIPLE FLIP - Prior to 03-04 cities have generally received 1% of Bradley Burns state-wide sales tax, however, as of 7/1/04 the State reduced this to 0.25% with a dollar for dollar allocation of local property tax form 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.