

CITY OF YREKA
FINAL ADOPTED BUDGET
2003 - 2004

City of Yreka

City Council

Mayor.....	Eric Harms
Mayor Pro-Tempore.....	Rory McNeil
Councilmember.....	Tom Amaral
Councilmember.....	Karl Greiner
Councilmember.....	Jim Griffin

Management Personnel

City Manager.....	Brian Meek
Assistant to City Manager/City Clerk.....	Liz Casson
Building Official.....	Mark Schmitt
City Attorney.....	Mary Frances McHugh
City Treasurer.....	Michael Pavlik
Chief of Police.....	Don Callahan
Finance Director.....	Michelle Conner
Planning Director.....	Pam Hayden
Public Works Director.....	Steve Neill

SECTION I - OVERVIEW

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FISCAL YEAR 2003-2004 BUDGET DOCUMENT

SECTION I – OVERVIEW

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To: City Council

From: Brian Meek, City Manager

RECOMMENDED ACTIONS:

1. **Adopt Resolution Setting Forth the Appropriations Limit for the City of Yreka for Fiscal Year 2003-2004** (Resolution attached)

NOTE: The City is annually required by state law to calculate the appropriations limit prior to adopting the fiscal year budget. The purpose of revisiting the limits is to ensure that Council's action to adopt the budget does not exceed the appropriations limit for any given year. The enclosed Resolution establishes that the appropriations limit for FY 2003-2004 is \$10,914,862.

2. **Adopt the Operating Budget for Fiscal Year 2003-2004** (Resolution attached)

OVERVIEW: The **Budget** is a plan for the coordination of resources and expenditures, and tells us the amount of money that is available for, required for, or assigned to a particular purpose. **Revenues** and **Expenditures** are budgeted and accounted for in several different funds. A **Fund** is a "pot" of money that is set aside for a special purpose or group of purposes. Funds contain earmarked resources. It is important to distinguish between a fund and an **Appropriation** which is also earmarked. An appropriation account is part of a fund group of accounts. There must be a fund out of which an appropriation can be made, so the existence of the fund precedes the appropriation.

The **General Fund** provides for basic governmental services such as public safety, planning, building and safety, and public works services, police and fire protection. The General Fund also provides for administrative support services provided by the city council, city manager, city clerk, city attorney, and finance staff. The General Fund receives most of its revenue from sales tax, transient occupancy tax, property tax, interest, and a variety of fees for services provided by the City. General Fund revenues are not restricted in their use, which is to say that the city council is generally free to decide how much of, and on what, this money will be spent.

Other funds hold money that can only be used for specific purposes. We group these funds into special categories of their own, such as:

Special Revenue Funds (used for providing special services) include Gas Tax funds, Local Transportation, Special Grants, Traffic Safety, etc.

Enterprise Funds (used for operations that are run more like a stand-alone business) include the Water, Sewer, and Landfill Funds

Capital Projects Funds (used for the immediate payment of infrastructure construction such as roads, drainage, sidewalks, and sewer facilities) include items such as, Closure/Post Closure Landfill and Fire Department Museum Display improvements.

Fiduciary Funds (used as trust funds for specific projects whereby the City is the guardian and administrator) include YMCA Building Funds and other Agency Funds such as Shasta Belle Redemption Fund, Campbell Tract Redemption Fund and others.

The **Fund Balance**, for the city, is the amount of money left at the end of a year, after posting all moneys received and then paying for everything done or delivered in that year.

The ending Fund Balance for any year, is the beginning Fund Balance for the next year. This Fund Balance becomes part of the total resources available in that fund.

Revenue is simply money that the city receives or expects to receive. This also becomes part of the total resources available in a fund.

Transfers In are moneys moved in from another city fund. The most common transfers move money from either the General Fund or a special revenue fund to a capital project fund. Capital project funds pay for infrastructure construction like roads, drainage, sidewalks, and sewer facilities. We use capital project funds so that we can easily add up how much the city is spending on capital projects. The money gets transferred in from funds that are legally allowed to contribute to the projects for which the capital project funds are paying. Transfers In become a part of the total resources available in a fund.

Total Resources for any fund is the total of beginning fund balance, projected revenue, and approved transfers in any given year.

Projected revenue for all city funds including the General Fund for FY 2003-2004 is \$10,575,888.

Total estimated expenditures for FY 2003-2004 are set at \$10,439,610.

The City has a balanced budget, meaning that we anticipate receiving as much money as we expect to spend. This position was not easy to achieve, however, because of dramatic increases in our costs of operation. For example, the City of Yreka is a member of Small Cities Organized Risk Effort (SCORE) which is a self-insured risk pool of twenty-one small, rural Northern California cities. The City's total FY 2003/04 deposit (\$593,406) required for the Liability Program, Employment

Liability, and Workers' Compensation Insurance increased 31% over last year's premium of \$453,766. The City's contribution toward Workers' Compensation alone increased by 43% over the previous year.

Increased costs of operation for the Yreka Landfill over the last three years have also impacted the City's bottom line. We have had to deposit significant sums into closure funds, corrective measures, as well as legal and environmental expenses in order to complete the Environmental Impact Report and the Joint Technical Document and obtain the necessary permits to continue operation.

There has been a dramatic increase in the premiums paid toward the City's contracted Health Insurance benefit for all of the bargaining units. Premiums have increased 38% from the last negotiated settlement with the bargaining units in 2001. With rates rumored to increase potentially in the 20-30% range, it is important to set limits in FY 2003-2004 to slow down the trend lines of premium increases to the City in future years.

The PERS retirement program is no longer super-funded (retirement plan with assets in excess of accrued liabilities) and, for the first time in several years, the City will need to contribute \$16,550 for the Employer Match to the Safety Personnel retirement program. This payment is in addition to the \$187,450 the City has agreed to pay for all members' contributions to the retirement program. Next year (FY 2004-2005), according to the most recent actuarial study, the City will be required to increase its contribution by 76% totaling \$364,626.34 for Miscellaneous and Safety personnel. The much higher PERS rates will be in place for several years since the investment losses are only partially recognized each year by the rate smoothing process. Only better CalPERS investment returns will stem the tide of these huge increases.

Also exacerbating the formulation of this year's budget was the financial uncertainty with the various California State budget proposals and the consequences of each. The City of Yreka has formulated this budget with the assumption that it will be receiving its normal allocation from the Vehicle License Fees (\$420,000). We have not included all the revenues customarily received for Booking Fees, SB 90 State Mandate reimbursements, State Technology Grants, or Traffic Congestion Relief allocations. If this projection is not accurate then immediate budgetary modifications may become necessary. This will, no doubt, be the likely scenario for the next few budget cycles.

General Fund Revenues have increased but at a slower rate:

	FY 98-99	FY 99-00	FY 00-01	FY 01-02	FY 02-03 (YE projected)
Property Tax	541,759	543,540	636,470	580,256	641,728
Sales Tax	1,492,924	1,639,190	1,682,881	1,732,938	1,760,000
TOT	308,892	349,786	388,686	393,553	434,991
VLF	330,125	366,650	394,853	402,308	438,362

note: property tax revenue is irregular because some of the payments from the county are not received in the fiscal year they were anticipated.

In the face of these new realities, the City of Yreka has put on hold the replacement of one police officer position that became open with the promotion of Officer Bowles to Lieutenant when Rick Riggins became Sheriff. The City has refinanced some of its long-term debt – that relating to several large equipment purchases made over the recent past in order to achieve a substantial savings. The City has consolidated its fire insurance and rolling stock insurance with its self-insurance pool (S.C.O.R.E.) for an additional cost savings. The City has refrained from making any new vehicle or rolling stock purchases in the last two years that were not acquired through grant funding. The City has refrained from undertaking some capital improvement projects until it sees the current financial trend improving. While this budget includes a 2% cost of living adjustment on salaries, it also includes a cap on medical and wellness benefits for the first time.

The City expects to accomplish a great deal in this next fiscal year even in this austere fiscal environment:

1. Several projects that were expected to have been finished in FY 2002-2003 were not completed and some of those expenses will be incurred in FY 2003-2004:

a. Capital improvements at the Wastewater Treatment Plant including percolation pond renovations, recoating the inside walls of the clarifier, and the cleaning of the aeration basin.

b. The Storm Drain Master Plan will provide information needed to correct current system problems as well a plan for an adequate future storm drain system

c. The Sanitary Sewer Master Plan is another capital expense item needed to provide an evaluation of the existing system capacity and identify future needs and costs.

d. The Phillipe Lane Reconstruction Project is almost finished but still needs some drainage and sidewalk improvements to be completed.

2. The City will continue with the second phase of the Sewer Rehabilitation Program funded by the second \$500,000 CDBG grant and a proposed \$900,000 State Revolving Fund loan. This project will help

rehabilitate or replace many of the sewer laterals in the northwest section of town.

3. The City hopes to complete the environmental review for the Yreka Landfill operation, settle the lawsuit brought by the California Integrated Waste Management Board and obtain the required permit to operate. Significant temporary increases in the Yreka Landfill operating budget include the closure/post closure fund, required insurance, environmental documents and associated legal fees, and servicing the ongoing debt for the scraper and the water truck.

4. The Downtown Market Study should be completed this summer giving the City an insight in the potential development of the downtown commercial district.

5. The Environmental Impact Report for the General Plan, revised General Plan, and Zoning and Sign Ordinance should be completed this summer. This will bring the various planning elements into compliance with CEQA requirements and provide a guideline for future development of our city.

6. The City plans on paving and striping the new city parking lot located between the new Fire Department Museum and the Native American Park on Miner Street.

7. Formulation of the Greenhorn Park Master Plan will begin this fiscal year. This plan will be derived from several public hearings, input from design professionals with ultimate approval of the City Council. It will be the blueprint for all future development of one of our most precious natural resources.

8. The North Oregon Street Chip Seal project will be completed this summer.

9. Plans for the Greenhorn Road Reconstruction project should be completed this summer with approved funding in place. The actual reconstruction work will begin when the State approves the allocation for construction.

10. The Miner Street/Center Street/I-5 Interchange resurfacing project is to be completed this fiscal year funded from RTPA Exchange Funds dispersed through the Local Transportation Commission.

11. Engineering for the Foothill Boulevard/downtown pedestrian/bike path should be completed this fiscal year with the use of TEA funds.

12. The Miner Street Park Tennis Court resurfacing project contract has been awarded and will be completed this summer with funds from a Proposition 12 grant, USTA grant, and assistance from the Yreka Tennis Association.

13. The City and the Yreka Family YMCA received a Roberti-Z'berg grant from the State in the amount of \$378,000 which will be used to construct an activity center, locker room additions, and a trail.

14. The renovation of the landscaping of the city-owned mini-park at the corner of North Street and Gold Street.

As you can see from the list, the City of Yreka continues to make use of grant funds as a method of financing projects. \$500,000 in CDBG grant funds has been allocated this fiscal year for sewer replacement in a designated part of our city. TEA funds amounting to \$40,000 will enable us to prepare plans for sidewalks and bike lanes from Main Street to the YMCA. \$100,000 COPS grants continue to fund two police officers and purchase one new car per year. PSA-2 grants (\$106,174) fund the majority of the city's Senior Program. The State Department of Parks and Recreation have awarded the City of Yreka and the Yreka Family YMCA a \$378,006 grant for the construction of a teen center, senior fitness trail, and new locker rooms. State Transportation Improvement Program (STIP) funds (\$535,000) will help complete our street improvement projects.

Because of limitations of the General Fund, we were unable to fund several projects desired by the Council this fiscal year including the construction of new public restrooms in the Downtown Plaza and Miner Street Park and the installation of new playground equipment at Discovery and Ringe Parks. There are also several street rehabilitation projects that have been put on hold temporarily.

Two of the Enterprise Funds (Sewer and Water) are funded sufficiently to meet the present financial obligations of the repayment bonds and loans and to provide for the present repairs/improvements. Hopefully, adequate reserves in these two funds are accumulating to replace the infrastructure as intended. The Landfill Fund, however, presently does not have the revenue structure in place to meet the current financial obligations – let alone the future closing costs. Transfers In from the General Fund Reserve are required to balance out the account at the end of the fiscal year.

All of the department heads are cognizant of the City's General Fund budgetary constraints. As a result, their dedicated, self-regulating efforts in trimming their own departmental requests made the construction of this budget much easier. Their team effort is greatly appreciated. I am also especially grateful for the concerted effort of our Finance Director, Michelle Conner, who worked tirelessly, efficiently, and patiently with me over the last several months to help complete this arduous task.

Sincerely yours,

Brian Meek, City Manager

RESOLUTION NO. 2439

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YREKA
SETTING FORTH THE APPROPRIATIONS LIMIT FOR THE
CITY OF YREKA FOR FISCAL YEAR 2003-2004

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

WHEREAS, the Department of Finance has provided the population estimate for the City of Yreka as of January 1, 2003; and

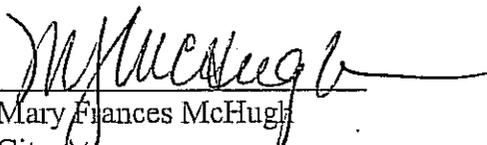
WHEREAS, the annual percentage change population estimate for the City of Yreka is -0.73%% and the change in the California per capita personal income is -2.31%.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Yreka that it does determine that the appropriations limit for Fiscal Year 2003-2004 is \$10,914,862.

Passed and adopted this 3rd day of July 2003 by the following vote:

AYES: AMARAL, GRIFFIN, GREINER, HARMS, & McNEIL
NAYS: NONE
ABSENT: NONE

APPROVED AS TO FORM:


Mary Frances McHugh
City Attorney


Eric Harms, Mayor

ATTEST: 
Liz Casson, City Clerk

RESOLUTION NO. 2467

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF YREKA ADOPTING
THE BUDGET FOR FISCAL YEAR 2003-2004

WHEREAS, the City Council has adopted a tentative budget for the 2003-2004 fiscal year; and

WHEREAS, the City Manager has made such modifications in the tentative budget to meet the City's needs; and

WHEREAS, it is the desire of the City Council to adopt the 2003-2004 budget,

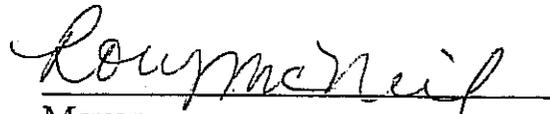
NOW THEREFORE, BE IT RESOLVED that the proposed budget for the 2003-2004 fiscal year consisting of Estimated Revenues of \$10,007,820, and Personnel, Operating, and Capital Outlay of \$10,005,866; is hereby adopted and shall be the financial plan for the 2003-2004 fiscal year. Expenditures of City funds are hereby authorized under this budget plan, titled "City of Yreka Fiscal Year 2003-2004 Budget", and the City Manager is authorized to make such transfers within major categories of expenditure (Personnel, Capital and Maintenance & Operation) as may be necessitated by changing circumstances.

Passed and adopted this 18th day of March, 2004 by the following vote:

AYES: AMARAL, BENNETT, GREINER, HARMS, & McNEIL

NOES: NONE

ABSENT: NONE

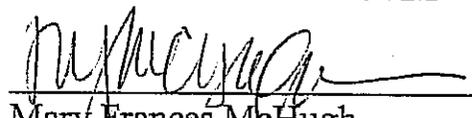


Mayor

ATTEST:

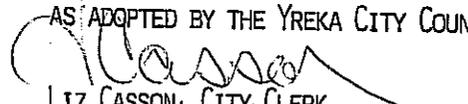

by _____
Liz Casson, City Clerk

APPROVED AS TO FORM



Mary Frances McHugh,
City Attorney

THE UNDERSIGNED CERTIFIES THAT THIS IS A TRUE AND CORRECT COPY OF RESOLUTION No. 2467
AS ADOPTED BY THE YREKA CITY COUNCIL AT ITS MEETING HELD MARCH 18, 2004.


LIZ CASSON, CITY CLERK

SALARY SCHEDULE AS OF 7/1/03

JOB TITLE	JOB#	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G
EXECUTIVE SECRETARY	21	1223	2,119	2,224	2,336	2,452	2,575	2,704	
ACCOUNT CLERK I	31	1067	1,849	1,942	2,039	2,141	2,248	2,360	
ACCOUNT CLERK II	32	1223	2,119	2,224	2,336	2,452	2,575	2,704	
CLERK TYPIST I	34	912	1,580	1,659	1,742	1,829	1,920	2,016	
CLERK TYPIST II	33	998	1,729	1,815	1,906	2,001	2,101	2,207	
RECEPTIONIST	36	897	1,554	1,632	1,714	1,800	1,889	1,984	
MAINTENANCE WORKER I	312	1008	1,747	1,835	1,926	2,023	2,124	2,230	
MAINTENANCE WORKER II	311	1223	2,119	2,224	2,336	2,452	2,575	2,704	
MAINTENANCE WORKER III	310	1319	2,286	2,400	2,520	2,646	2,778	2,917	
MAINTENANCE LEAD PERSON	302	1382	2,394	2,514	2,639	2,771	2,910	3,055	
MAINTENANCE SPECIALIST	320	1382	2,394	2,514	2,639	2,771	2,910	3,055	
WASTE WATER MAINTENANCE CLASS I	332	1252	2,170	2,278	2,392	2,512	2,637	2,769	
WASTE WATER MAINTENANCE CLASS II	331	1382	2,394	2,514	2,639	2,771	2,910	3,055	
WASTE WATER MAINTENANCE CLASS III	333	1450	2,513	2,639	2,771	2,909	3,055	3,208	
WASTE WATER MAINTENANCE CLASS III W/H2O TREATMENT CERT	330	1634	2,833	2,974	3,123	3,279	3,443	3,615	
WASTE WATER MAINTENANCE CLASS III W/H2O TREATMENT CERT	334	1716	2,974	3,123	3,279	3,443	3,615	3,796	
WATER MAINTENANCE CLASS I	335	1252	2,170	2,278	2,392	2,512	2,637	2,769	
WATER MAINTENANCE CLASS II	336	1382	2,394	2,514	2,639	2,771	2,910	3,055	
WATER MAINTENANCE CLASS III	337	1634	2,833	2,974	3,123	3,279	3,443	3,615	
MECHANIC	352	1319	2,286	2,400	2,520	2,646	2,778	2,917	
SR MECHANIC	351	1382	2,394	2,514	2,639	2,771	2,910	3,055	
ASSIST TO CITY MANAGER	25	1894	3,283	3,448	3,620	3,801	3,991		
BUILDING OFFICIAL	221	1894	3,283	3,448	3,620	3,801	3,991		
COMM CTR/THEATRE MANAGER	480	1493	2,588	2,717	2,853	2,996	3,145		
CHIEF OF POLICE	200	3214	5,571	5,850	6,142	6,449	6,772		
CHIEF OF POLICE W/ADVANCE	201	3375	5,850	6,142	6,449	6,772	7,110		
CITY ATTORNEY	26	2894	5,015	5,266	5,529	5,806	6,096		
CITY MANAGER	20	3601	6,242						
COMMUNITY TV MANAGER	120	1221	2,117	2,222	2,333	2,451	2,573		
FINANCE DIRECTOR	30	2180	3,779	3,968	4,166	4,375	4,594		
ASSIST TO FINANCE DIRECTOR	35	1450	2,513	2,639	2,771	2,909	3,055		
LIEUTENANT PD	202	2456	4,257	4,470	4,694	4,929	5,175		
LIEUTENANT W/ADVANCE	203	2708	4,696	4,931	5,177	5,436	5,708		
PLANNING DIRECTOR	60	1894	3,283	3,448	3,620	3,801	3,991		
PUBLIC WORKS DIRECTOR	300	2894	5,015	5,266	5,529	5,806	6,096		
PUBLIC WORKS MAINTENANCE MGR	301	2101	3,643	3,826	4,017	4,218	4,429		
SENIOR PROGRAM COORDINATOR	450	1493	2,588	2,717	2,853	2,996	3,145		
FLEET MANAGER	350	1804	3,127	3,284	3,448	3,620	3,801		
WASTE WATER SUPERVISOR	510	2380	4,124	4,330	4,547	4,774	5,013		
ADMINISTRATIVE SECRETARY	214	1282	2,224	2,335	2,452	2,574	2,703	2,838	
ANIMAL CONTROL	230	1206	2,091	2,196	2,305	2,421	2,542	2,669	
DETECTIVE	207	1508	2,614	2,745	2,882	3,026	3,178	3,337	3,503
DETECTIVE W/INTERMEDIATE	208	1546	2,679	2,813	2,954	3,102	3,257	3,420	3,591
DETECTIVE W/ADVANCE	209	1583	2,745	2,882	3,026	3,177	3,336	3,503	3,678
DISPATCHER	215	1157	2,007	2,108	2,213	2,324	2,440	2,562	
POLICE OFFICER TRAINEE	210	1328	2,303	2,418	2,539	2,666	2,800	2,939	3,086
POLICE OFFICER	211	1436	2,490	2,614	2,745	2,882	3,026	3,178	3,337
POLICE OFFICER W/INTERMED	212	1472	2,552	2,680	2,814	2,955	3,102	3,257	3,420
POLICE OFFICER W/ADVANCE	213	1508	2,615	2,745	2,882	3,027	3,178	3,337	3,504
RECORDS SUPERVISOR	217	1282	2,224	2,335	2,452	2,574	2,703	2,838	
SERGEANT	204	2022	3,504	3,679	3,863	4,056	4,259		
SERGEANT W/INTERMEDIATE	205	2072	3,591	3,771	3,959	4,157	4,365		
SERGEANT W/ADVANCE	206	2123	3,679	3,863	4,056	4,259	4,472		

**Salary Summary By Departments
Budget 2003-04**

Department	Salary
City Council	9,000.00
Administration	153,100.00
Finance	137,680.00
Legal	73,000.00
Planning	59,555.00
Government Buildings (P/W)	38,890.00
Cable 4 TV	30,020.00
Police	1,072,460.00
Fire	18,500.00
Building Inspection	63,616.00
Animal Control	44,700.00
Public Works Administration	114,000.00
Streets (P/W)	202,280.00
Traffic Safety (P/W)	34,750.00
Wastewater Treatment Plant (P/W)	123,500.00
Wastewater Collection (P/W)	27,700.00
Fleet Management (PW)	126,320.00
Landfill (P/W)	165,000.00
Storm Drains (P/W)	11,000.00
Parks	78,810.00
Swimming Pool	6,000.00
Community Theatre	28,500.00
Community Center	36,866.00
Water Distribution (P/W)	52,000.00
Water Supply & Treatment (P/W)	140,000.00
Reserve & Special Fund Accounts	8,350.00
Senior Nutrition CI, CII & IIIB	110,262.00
Total Salaries	2,965,859.00