



Fiscal Year 2016-2017
City of Rio Dell
OPERATING AND CAPITAL BUDGET

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BUDGET MESSAGE FROM THE RIO DELL CITY COUNCIL

MAYOR
Frank Wilson
COUNCILMEMBERS
Gordon Johnson
Jack Thompson
Debra Garnes
Tim Marks

June 21, 2016

Citizens of Rio Dell and Members of the Community:

On Tuesday, June 21, 2016 the City Council approved the budget for the fiscal year July 1, 2016 to June 30, 2017 in the amount of \$4,744,062 (operations \$2,549,056; debt service \$531,365; contingency funds \$25,736; and capital and special project \$1,637,905).

The Council's primary goal is to deliver quality services in the most cost effective manner with an emphasis on customer service. Staff is dedicated to providing efficient and timely services to meet the needs of the citizens of Rio Dell which also include water and sewer services. In addition, the City now has in-house building and inspection services.

The budget was adopted with an allocation of 16.8 positions. This is a decrease from last year's number of 17.8 positions. The position of Utility Worker I/II had gone unfilled for the majority of last year; therefore the position was left out of the current budget. The Community Development Director position is still operating at 4/5 time. This position was reduced in FY2014.

The City will continue to support Community Development activities such as the low-income housing rehabilitation program. The City continues to persevere through California's drought with the Metropolitan Well project construction beginning in FY 2016/17. The rehabilitated wells will be used as a backup water source for the City in times of emergency, such as severe drought or other natural disasters. The project is expected to be completed by August 2017.

The City Council is dedicated to seeing that you will receive the highest quality of public service, with the utmost professionalism from City staff. Every day it is our goal to make Rio Dell an even better place to live, work and play.

Respectfully Submitted from the Rio Dell City Council,

A handwritten signature in blue ink, appearing to read "Frank Wilson", with a long, sweeping underline.

Frank Wilson, Mayor – City of Rio Dell, CA



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**Fiscal Year 2016-2017
City of Rio Dell
OPERATING AND CAPITAL BUDGET**

675 Wildwood Ave.
Rio Dell, California
(707) 764-3532



The City of Rio Dell, "The Warm Hearted City," is located on a bend of the Eel River below the ancient Scotia Bluffs and surrounded by redwood trees. The City has a population of approximately 3,250 and benefits from the best of Humboldt County climates with an average summer temperature of 67°F in July, and an overall annual average temperature of 54°F. Although snow is rare within the City limits, it is often visible on the hills above Rio Dell in winter.

Located along U.S. 101, Rio Dell is an excellent starting point for trips to local attractions such as the Humboldt Bay, the Victorian Village of Ferndale, the historic Pacific Lumber mill town of Scotia, and the Avenue of the Giants with miles of majestic redwood groves.

In the 1870's Lorenzo Painter settled in what is now known as Rio Dell. He started a friendly farming community which he named Eagle Prairie. Over the years separate small community areas evolved into Wildwood, which is now downtown Rio Dell, and Eagle Prairie now known as Pacific Avenue. The City was incorporated in 1965 and the three areas combined into the single City of Rio Dell.



Rio Dell has traditionally supplied housing and services for persons employed by the lumber mill in the neighboring town of Scotia. Scotia is joined to the City of Rio Dell by the Eagle Prairie Bridge which was built in 1940. As the third bridge to join the two Cities it is the first able to withstand annual winter flooding.

With the advent of popular automotive travel Highway 101 replaced primitive roads and passed through the center of town on Wildwood Avenue. A brief period of municipal prosperity resulted and merchandising flourished. However, the 1976 construction of a freeway by-pass reduced traffic congestion in town and devastated the local business district.



Rio Dell is famous for its fossil beds across the Eel River in an area known as the Scotia Bluffs. Fossils preserved in sandstone age from one million to fifty million years as the entire region was a prehistoric branch of the Pacific Ocean. Fossils found in the area include razor clams, sand dollars, crabs, starfish and other shallow water sea life.



BUDGET MESSAGE

June 21, 2016

Honorable Mayor and Members of the City Council:

The adopted budget for FY 2016/17 reflects conservative estimates to carry out the City Council's priorities of customer service, public safety, maintenance of streets and public facilities, and enhancement to the community's overall health by providing safe drinking water and sanitary wastewater services. Economic development, as a priority in moving towards Rio Dell's future, is reflected in the City Manager's budget for an amount of \$10,000 for goals and projects towards that end. In combination, all of these elements are necessary for the growth, vitality, and sustainability of the City.

Strategic Priorities

- Using scarce resources in the most cost-effective manner to make Rio Dell an even better place to live, work, and play
- Deliver quality services with an emphasis on customer service
- Prioritize economic development activities in order to bring growth to the community

HIGHLIGHTS OF FISCAL YEAR 2015/16

Each year the City adopts a new budget that is outlined with goals and objectives prioritized through the City's spending plan. By taking a moment to look back at the previous year's activities a recognizable framework begins to take shape and places the budget process and budget objectives into perspective. Moreover, the full scope of the City's direction can be better understood when placed in context with the past, present and future outlooks. Below are several highlights from the past fiscal year 2015/16:

Last year's budget for FY 2015/16 was adopted with 17.8 positions. Revenues as budgeted were \$3,093,603 with appropriations of \$3,386,931. The budget was balanced using reserves in the amount of \$293,329 in comparison to the 2016/17 amount of \$224,015.

Awards: The City was awarded \$2,319,569 in grant funding in 2015/16. The Police Department was awarded \$35,569 from County Measure Z funding for twenty-eight (28) hours per week of administrative help to assist with front counter tasks and code enforcement activities. The addition of this position allowed sworn officers to spend more time in the field while the doors of the Police Department still remained open. The community has benefitted through Measure Z funding by having on-staff personnel available to assist callers and walk-in traffic at the Police Department.

The City of Rio Dell applied for Active Transportation Planning funds for major restructuring at Bellevue and Wildwood Avenue. This was awarded through the California Transportation Commission's Active Transportation Program Safe Routes to School funding for \$1.5 million. This will create an improved intersection for vehicle traffic with pedestrian safety as a priority.

The Metropolitan Well project Prop 84 funding for \$784,000 was officially granted on September 1, 2015 with plans and specifications completed in March 2016. Bids went out and proposals had been received by year's end. The



BUDGET MESSAGE

Metropolitan Wells will become a secondary source of drinking water in times of emergency drought situations and other natural disasters. Due to the nature of the project a “hard deadline” hasn’t been set, but the project continues to move along at a reasonable pace.

Law Enforcement: On November 11, 2015 two new officers were sworn in to fill two (2) budgeted positions. Since 2010/11 the Police Department has been budgeted with four sworn officers and a Police Chief. In 2010/11 police department staff had been cut from nine (9) positions to five (5). Positions cut were Police Corporal, two (2) Police Officers, and a Police Records Technician. The Police Records Technician was filled part-time in 2015/16 with Measure Z funds.

Strategic spending: The City joined the Public Agency Coalition Enterprise (PACE), a joint powers association (JPA), for employee healthcare benefits in order to stabilize healthcare insurance costs. This is in line with the City’s objective of keeping costs under control.

Animal Control: In March the City entered into a contractual agreement with Miranda’s Animal Rescue in an effort to establish a long-term solution for unwanted, stray, and lost animals.

Downtown beautification: The downtown parking lot had many improvements during the year. In a joint effort with the Redwood Coast Energy Authority, the City now has its first electrical vehicle (EV) charging station. Plans for landscaping improvements at the downtown parking lot are scheduled for FY 2016/17.

Economic Development: The FY 2015/16 budget had allocated appropriations of \$10,000 for contracted economic development. By the end of FY 2015/16 \$500 had been spent for brochure publishing. The Rio Dell/Scotia Chamber of Commerce and the City entered into an agreement for economic development, but at June 30, 2016 the Chamber hadn’t billed the City for services.

Businesses large and small came to many Planning Commission and City Council meetings to discuss the medical cannabis commercial industry, which was vetted out in a land use ordinance that would have allowed for medical cannabis operations in the commercial/industrial areas of the City. Several prospective businesses were making plans for future development in Rio Dell, which won’t be realized due to a 3-2 failed vote on June 21, 2016. A sales tax measure on medicinal cannabis followed and failed by the same margin on July 5, 2016. Both ordinances prospectively could have generated economic growth, and needed funds for the general fund.

Planning: A medical cannabis land use ordinance was voted down on June 21, 2016. This ordinance had the potential to bring economic development to Rio Dell, which has been one of the Council’s stated priorities; however with the 3-2 opposing vote any gains for the City through medicinal cannabis were stalled. The commercial medical cannabis industry was projected to bring economic growth and job opportunities to the community.



BUDGET MESSAGE

Utility services: The development of a water rate increase had already begun at the beginning of FY 2015/16 since one of the biggest issues of last year's budgeting process was the City's on-going ability to deliver clean, safe drinking water through its aging infrastructure. The City, in partnership with the Rural Communities Assistance Corporation (RCAC), established a funding threshold to sustain water services and activities well into the future. On December 1, 2015 through the Prop 218 process a water rate increase was passed by a narrow margin of 25 votes.

The past year had many twists and turns for the Community of Rio Dell, with the highlights giving a realistic perspective on what is possible for the City when a democratic system is at work. Moreover, the highlights reflect efforts of perseverance at bringing practical solutions to the table which serve to create a stronger foundation for the community of Rio Dell.

THE ADOPTED BUDGET FOR FY 2016/17 - SUMMARY

Operations: The City's 2016/17 operating budget reflects a direction of prudent spending having only increased by 0.005% from last fiscal year. The larger funds of water, sewer, and the general fund meet operating costs with incoming revenues; however the streets funds, for the third year in a row required a draw from the reserves. The streets operating expenditures exceed incoming revenues by \$61,795, which comes out of reserves. Still, the leveled spending plan in operating costs for 2016/17 when viewed over the longer term of several fiscal years works at keeping the draw on reserves as fiscally tight as possible.

This year's budget includes 16.8 funded positions, which is one less than the previous year's 17.8 positions. The Utility Worker I/II position was included in last year's budget, yet had gone unfilled for most of FY 2015/16 and was taken out altogether in the FY 2016/17 budget. The projected savings to the Public Works Department is \$50,000 to \$57,000.

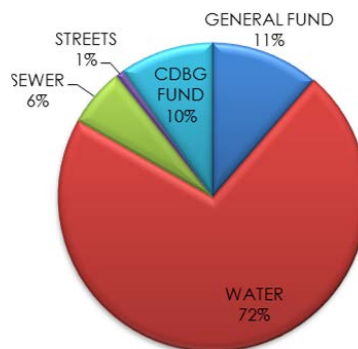
Cost of living adjustment (COLA) raises aren't included in this year's budget, nor were any changes made to employee contract provisions with the exception of the Wastewater Superintendent Trainee, a newly created position. Besides the two (2) COLA increases last fiscal year for the Superintendents of water and wastewater, staff has not seen a COLA raise since 2010/11 when the City did a salary and benefit comparison study and brought wages up to levels that were more equitable to similar jurisdictions and positions.

City-wide, operational expenditures increased by \$12,199 in comparison to the prior year's budgeted amount. Increases in expenditure items are mainly seen in utility services (3%) and worker's compensation (10%). Workers compensation may see an additional increase as there are policy changes being considered with the City's workers compensation carrier. There is also an additional \$8,000 allocated between the various departments for replacement of computer equipment.

Capital Projects: The capital projects budget increased significantly in comparison to FY 2015/16 budget of \$234,920 to \$1,637,905 in FY 2016/17. This is an increase of almost 700%. To put this into perspective a large portion of funds for capital projects is for the Metropolitan Well project (\$1,098,523, or 67%).

Water Funds total budgeted capital projects are \$1,176,523 (72%);
General Fund total budgeted capital projects are \$186,382 (11%);
Sewer Funds total budgeted capital projects are \$100,000 (6%); Streets

CAPITAL PROJECTS BY FUND





BUDGET MESSAGE

Funds total budgeted capital projects are \$15,000 (less than 1%; this does not include the General Fund subsidy of \$80,000); and Community Development Block Grant (CDBG) projects total \$160,000 (10%). The chart displays capital project costs by fund.

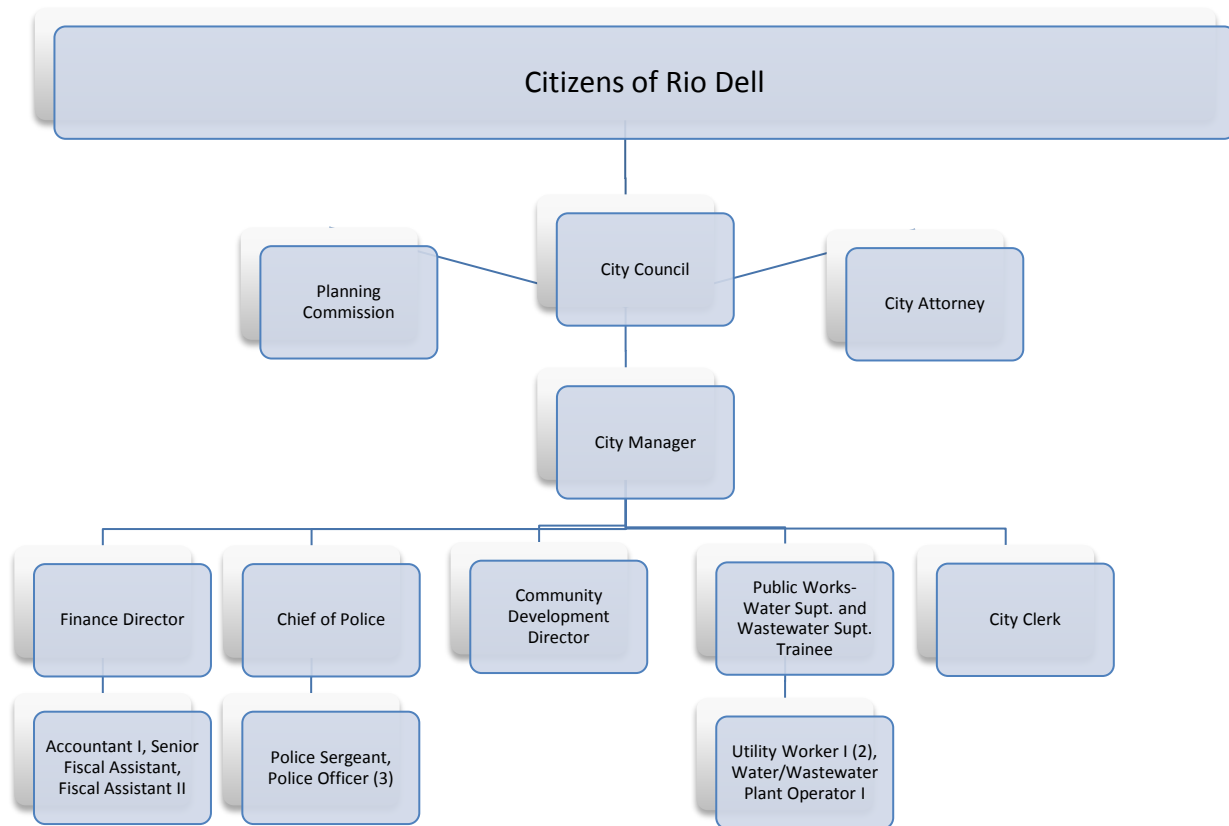
FY 2016/17 OPERATIONS AND CAPITAL BUDGET SUMMARY COMPARISON TO PRIOR YEAR

The 2016/17 *operations budget* shows that staff positions were reduced from 17.8 full-time equivalents (FTE) in FY 2015/16 to 16.8 FTEs with the elimination of the Utility Worker I/II in Public Works in FY 2016/17. In comparison to the prior year the operating budget for 2016/17 increased by \$12,199. The increase is mainly related to workers compensation, utility costs, wage step increases, and \$8,000 for replacement of computer equipment. \$10,000 for economic development was also added to the operations budget.

The *capital projects budget* saw a change from \$234,920 in 2015/16 to \$1,637,905 in 2016/17. This is an increase of \$1,402,985. The increase is mainly due to the Metropolitan Wells project that is budgeted for \$1,098,523. A few capital projects budgeted items were carried over from last fiscal year. Other changes are CDBG funding for ADA improvements, and additional funds for priority maintenance, repairs, and equipment for Streets, Water, and Sewer.

The information presented in the Budget Message highlights financial events for FY 2015/16 and summarizes the 2016/17 fiscal year Operating and Capital Budget. Further clarification follows throughout the budget document. Information may appear duplicated; however, is used to place into context a particular set of factors that underlie the framework of each section.

ORGANIZATIONAL CHART



The City's organizational structure places its citizens at the top of its organizational structure. Ultimately the City is responsible to Rio Dell's residents and community members in working towards providing a safe and healthy community. The City Council is the cornerstone towards that end. As representatives for all community members, the City Council has the task of leading Rio Dell in positive directions with the intent of creating a safe, healthy, and sustainable place to live.

The City Council provides governance over City's affairs. They are tasked with being primarily responsible for the legislative function of City government including policy, appropriations, municipal ordinances, and an overall vision for the City.

The City Attorney and Planning Commission Members are appointed by a majority vote of the City Council and serve at the pleasure of the Council. The Planning Commission is under the general administrative guidance of the City Manager.

The City Manager is responsible for directing the City's operations including the City Clerk, Finance Department, Police Department, Community Development Department, and Public Works Department. Through the management of the City's operations the City Manager is able to provide reliable and up to date information to empower the City Council in making timely and informed decisions for the betterment of the community.

There are six (6) contracted positions that are directly assigned under the position of the City Manager. These are the City Clerk, Finance Director, Chief of Police, Water/Streets Superintendent, Wastewater Superintendent Trainee, and Community Development Director. Departmental employees that are managed under the respective Department Head are six (6) Rio Dell Employee's Association positions, and four (4) Rio Dell Police Officers Association positions. A total of 16.8 positions are budgeted for FY 2016/17 and it is anticipated that all positions will be actively filled.



POSITION ALLOCATION TABLES AND SALARY SCHEDULES

The 2016/17 Operating and Capital budget was adopted with 16.8 full-time employees (FTEs).

The Rio Dell Employee's Association (RDEA) is made up of three (3) positions in the Finance Department and three (3) positions in Public Works for a total staffing of 6.0 FTEs.

RIO DELL EMPLOYEES ASSOCIATION

JOB TITLE	FULL-TIME EMPLOYEES (FTEs)					SALARY RANGE				
	12/13	13/14	14/15	15/16	16/17	A	B	C	D	E
Accountant I	1	1	--	1	1	42,682	43,963	45,282	46,640	48,039
Fiscal Assistant II	1	1	1	1	1	32,084	33,046	34,037	35,059	36,110
Senior Fiscal Assistant	1	1	1	1	1	36,786	37,889	39,026	40,197	41,402
Utility Worker I	3	3	3	3	2	26,209	26,995	27,805	28,639	29,498
Water/Wastewater Plant Op. I	1	1	1	1	1	32,069	33,031	34,022	35,042	36,094
	7.00	7.00	6.00	7.00	6.00					

The Rio Dell Police Officer's Association (RDPOA) is made up of three (3) Police Officers and one (1) Police Sergeant for total staffing of 4.0 FTEs.

RIO DELL POLICE OFFICER'S ASSOCIATION

JOB TITLE	FULL-TIME EMPLOYEES (FTEs)					SALARY RANGE				
	12/13	13/14	14/15	15/16	16/17	A	B	C	D	E
Police Officer	3	3	3	3	3	41,823	43,078	44,370	45,701	47,072
Records Technician	--	--	--	0.60	--	32,660	33,640	34,649	35,688	36,759
Sergeant	1	1	1	1	1	50,606	52,124	53,688	55,298	56,957
	4.00	4.00	4.00	4.60	4.00					

Contract employees for the City of Rio Dell total seven (7) budgeted positions that are assigned to various departments. Public Works is assigned three (3) contracted positions. These are the Wastewater Superintendent Trainee, Wastewater Superintendent, and Water/Streets Superintendent. The Wastewater Superintendent Trainee is a temporary position pending Wastewater Treatment licensing. The Police Department has one (1) contract employee, the Chief of Police. The City Manager Department is assigned two contract positions: City Manager and City Clerk (60%). The Finance Department is assigned one (1) contract position of Finance Director. The Community Development Director is assigned to the Building, Planning and General Government Departments. This position is 80%, or 0.8 FTE, while all other contract employee positions are 100% time-filled for 6 FTEs.

CONTRACT EMPLOYEES

JOB TITLE	FULL-TIME EMPLOYEES (FTEs)					SALARY RANGE				
	12/13	13/14	14/15	15/16	16/17	A	B	C	D	E
Chief of Police	1	1	1	1	1	79,540	81,926	84,384		
City Clerk	1	1	1	1	1	52,081	53,644	55,253	56,911	58,618
City Manager	0.75	0.75	1	1	1	106,875	110,081	113,384		
Community Development Dir.	1	1	0.80	0.80	0.80	73,394	75,595	77,863	80,199	
Finance Director	1	1	1	1	1	67,473	69,497	71,582		
Wastewater Supt. Trainee	--	--	--	--	1	46,384				
Wastewater Superintendent	1	1	1	1	--	49,743	51,235	52,772	54,356	55,986
Water/Streets Superintendent	1	1	1	1	1	55,960	57,639	59,368	61,149	62,983
	6.75	6.75	6.80	6.80	6.80					

TOTAL BUDGETED POSITIONS	17.75	17.75	16.80	18.40	16.80
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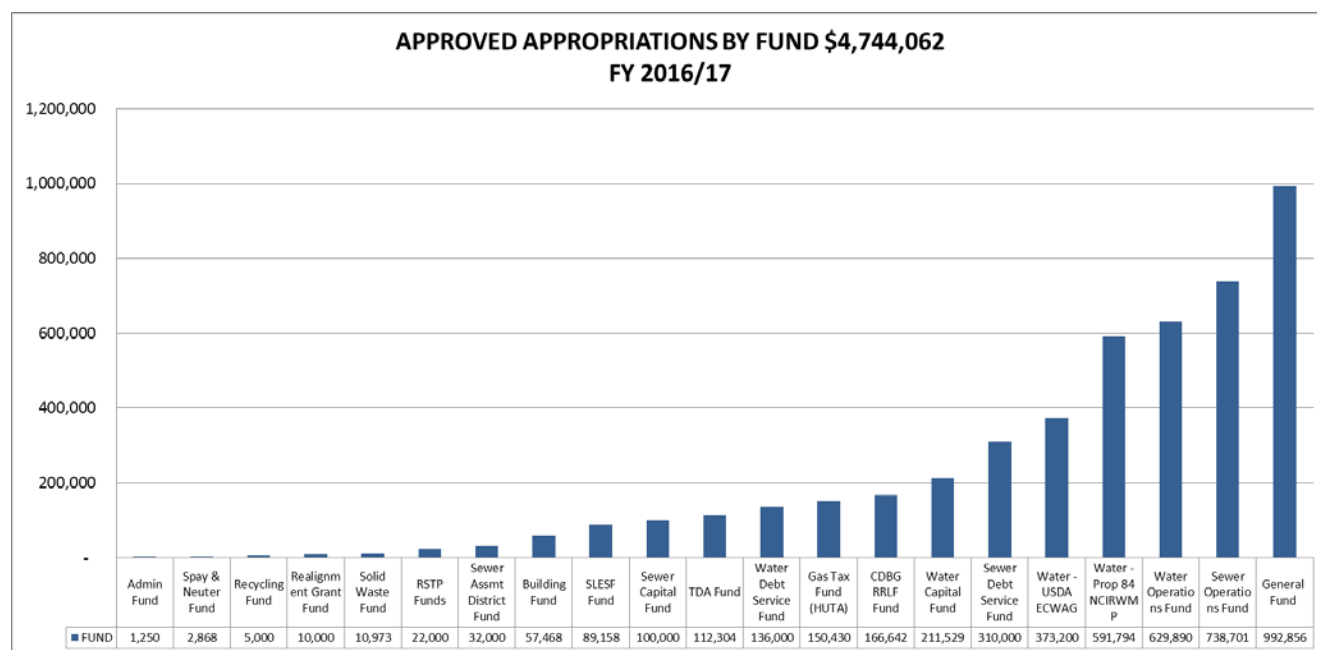
INTRODUCTION

The 2016/17 Operating and Capital Budget shows total revenues as adopted at \$4,520,048. General fund revenues are budgeted at \$879,765 (19%), water revenues are \$1,073,330 (24%), and sewer revenues are \$1,226,820 (27%). These are the City's largest revenue sources and reflect a combined total of \$3,179,915, or 70%, of FY 2016/17 adopted revenues. Streets revenues are reflected at \$207,939, or 5%. The Metropolitan Well project Prop 84 North Coast Integrated Regional Water Management Plan (NCIRWMP) and United States Department of Agriculture (USDA) Emergency Community Water Assistance Grant (ECWAG) total \$964,994, or 21% of the City's revenues for FY 2015/16. The additional 4% of revenues are Supplemental Law Enforcement Services Fund (SLESF) (\$100,000) and other various restricted funds.

The 2016/17 adopted budget shows allocated expenditures totaling \$4,744,062. Of this amount the general fund accounts for \$992,856 (21%) and the water and sewer utility funds total \$2,158,120 (sewer \$1,180,701, water \$977,419). Water and sewer expenditures account for 45% of the City's total budget for operations, debt service, and capital costs. Streets total \$284,734, or 6% of the budget. The budget also includes \$964,944 for the Metropolitan Well project, or 20% of City-wide appropriations. The remaining 8% is for various activities related to City government.

In 2016-2017 the general fund reserves show an estimated decrease of \$123,146 to fund capital projects that have been incorporated into the budget. Projects include beautification of the City's downtown parking lot (\$6,132), police vehicles funding match (\$40,000), streets projects (\$80,000), Bellevue/Ogle street repairs (\$45,000), a traffic control study at Highway 101 and Metropolitan Avenue (\$13,750), and Council Chamber electrical work (\$1,500). General fund subsidies total \$10,055 for the building fund (\$5,896) and SLESF fund (\$4,186) that goes towards police department activities.

The chart below displays budgeted appropriations for the 2016/17 fiscal year. The general fund has the largest budget (\$992,856), the sewer operations budget is second largest (\$738,701), and water operations is third (\$629,890).





BUDGET SUMMARY BY FUND

The chart below is a budget summary of revenues and expenditures by fund. Beginning and ending estimated fund balances are also shown.

The General Fund has an estimated beginning fund balance of \$1,012,190. The fund balance is estimated to be \$889,043 at year end. This is a decrease of 12% and is due to Council approved capital projects totaling \$186,382, of which \$95,437 are funded out of reserves.

BUDGET ANALYSIS SUMMARY BY FUND								
FUND	FUND NAME	7/1/16 EST. BEG. FUND BALANCE	PROPOSED REVENUE	TRANSFERS IN (SOURCES)	TRANSFERS OUT (USES)	PROPOSED EXPEND.	CHANGE IN FUND BALANCE	6/30/17 EST. END. FUND BALANCE
005	Admin Fund	6,598	2,800	-	-	1,250	1,550	8,148
008	Building Fund	18,698	32,901	(5,869)	-	57,468	(18,698)	-
039	CDBG Fund	-	-	-	-	-	-	-
037	CDBG RRLF Fund	204,605	12,000	-	-	166,642	(154,642)	49,963
000	General Fund	1,012,190	879,765	-	10,055	992,856	(123,147)	889,043
044	Measure Z	-	-	-	-	-	-	-
074	Recycling Fund	12,455	5,000	-	-	5,000	-	12,455
015	Parks Fund	12,111	-	-	-	-	-	12,111
046	Realignment Grant Fund	14,115	5,500	-	-	10,000	(4,500)	9,615
040	SLESF Fund	(15,028)	100,000	(4,186)	-	89,158	15,028	-
RES	Vehicle Abatement Fund	2,605	-	-	-	-	-	2,605
062	Water - Prop 84 NCIRWMP	-	591,794	-	-	591,794	-	-
062	Water - USDAECWAG	-	373,200	-	-	373,200	-	-
053	Sewer Assmt District Fund	4,416	32,000	-	-	32,000	-	4,416
52	Sewer Capital Fund	166,621	99,388	-	-	100,000	(612)	166,009
054	Sewer Debt Service Fund	402,934	310,000	-	-	310,000	-	402,934
054	Sewer Restricted Reserve	302,822	-	-	-	-	-	302,822
050	Sewer Operations Fund	319,676	785,432	-	-	738,701	46,731	366,407
027	Solid Waste Fund	44,726	9,000	-	-	10,973	(1,973)	42,753
093	Spay & Neuter Fund	2,868	-	-	-	2,868	(2,868)	-
020	Gas Tax Fund (HUTA)	205,356	74,339	-	-	150,430	(76,091)	129,265
024	TDA Fund	26,551	111,600	-	-	112,304	(704)	25,847
026	RSTP Funds	-	22,000	-	-	22,000	-	-
062	Water Capital Fund	117,763	194,051	-	-	211,529	(17,479)	100,285
063	Water Metro Wells Fund	5,296	11,697	-	-	-	11,697	16,993
064	Water Dinsmore Zone	7,278	17,466	-	-	-	17,466	24,744
061	Water Restricted Reserve	136,000	-	-	-	-	-	136,000
061	Water Debt Service Fund	68,000	152,371	-	-	136,000	16,371	84,371
060	Water Operations Fund	80,000	697,745	-	-	629,890	67,855	147,855
	TOTAL	3,158,656	4,520,048	(10,055)	10,055	4,744,062	(224,015)	2,934,641

- Beginning fund balances for all funds is estimated at \$3,158,656 for FY 2016/17
- At year end the adopted budget shows an estimated total fund balance of \$2,934,641
- \$224,015, or 5%, of total City-wide appropriations are funded out of reserve balances

KEY REVENUES

REVENUES – IN DEPTH

General Fund: Key revenues in the general fund are In-lieu vehicle license fees (\$342,000), Measure U (\$170,000), retail sales tax (\$100,500), property tax (\$102,000), and franchise fees (\$81,600). Together these revenues total \$796,100, or 90% of general fund revenues.

In Lieu Vehicle License Fees: Prior to 2004 the Department of Motor Vehicles (DMV) vehicle license fees were collected at a rate of 2% of the value of the vehicle. In 2004 the rate was reduced to 0.65% with the State's General Fund backfilling revenues for full realization by cities and counties. The backfill amount was then eliminated and in lieu of the State's General Fund VLF revenue, the amount was replaced with property taxes. In Lieu VLF revenues grow in proportion to the growth in each jurisdictions assessed property valuation.

Measure U: In November 2014 the majority of Rio Dell residents voted in a ½ cent sales tax (0.05%) for Rio Dell. Measure U revenues first started being collected by the state in April 2015 and the City's first receipt of revenues began in June of that year. Measure U has a five (5) year sunset date ending in December of 2020.

Retail Sales Tax: In 2011 the City's collection of retail sales tax peaked at \$145,261. In 2015/16 the same revenue stream was \$93,210, or a 35% drop in five (5) years. This is largely related to digital sales of music, books, movies, and an increase in services versus goods. These trends are expected to continue.

Property tax: Property tax revenues are collected and allocated at the County level with cities receiving 2.5% of property tax revenues in Humboldt County in FY 2015/16. For the City of Rio Dell this amounted to \$101,807. The lion's share of Humboldt County property tax revenues goes to schools (62.5%).

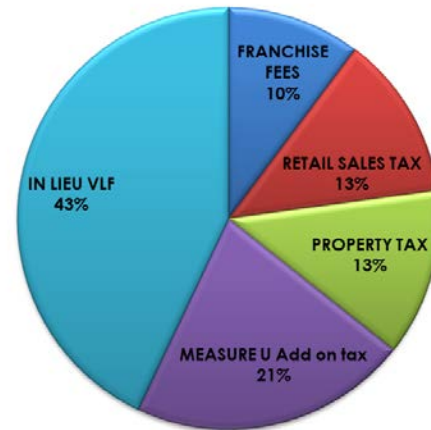
Franchise Fees: The City's budgeted franchise fees for FY 2016/17 are \$81,600. This amount is broken down into cable TV (\$33,600), electrical utilities (\$27,000), garbage collection (\$15,000), and natural gas utilities fees (\$6,000). The franchise fees are calculated by the entity providing the service and distributed to the City on a quarterly basis for some and annual basis for others.

Water Funds: The Water Funds are comprised of the Operating Fund, Capital Projects Funds, and the Debt Service Fund. This year's budgeted revenue amount totals \$2,038,323 with 54% (\$1,098,523) going towards the Metropolitan Well project. The revenues for the Water Funds were estimated based on user fees and charges taking into account the increase scheduled for January 1, 2017.

Operating revenues for the Water Fund are generated directly from water service charges. On average, City-wide water consumption is slightly above 8,000 units per month (96,000 annually). Beginning July 1, 2016 the cost for per one (1) unit of water is \$2.69 and the cost for one (1) service connection is \$41.26. On January 1, 2017 the water service charge will increase to \$46.63 and cost per unit will change to \$3.04. This will be the final increase for full implementation of the water rate increase that was adopted on December 1, 2015.

Water revenues were increased in 2015 in order to be in compliance with a current funding agreement with the State

General Fund Key Revenues



KEY REVENUES

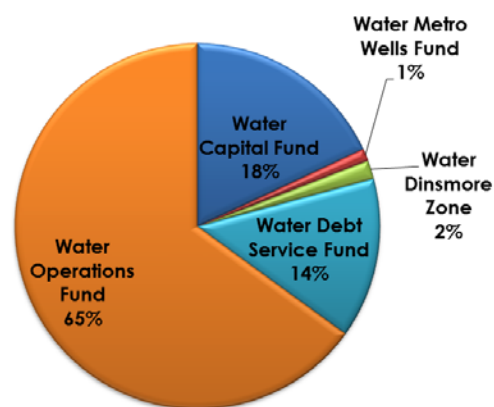
Water Resources Control Board (SWRCB) as well as bring in the necessary revenues to adequately maintain the City's water system. Through the water rate increase the City has been able to better manage aging infrastructure, and in five years is estimated to have available matching funds for financing agreements for major infrastructure repairs.

The Metropolitan Well project has been granted funds from Prop 84 funding (\$784,000) and USDA's Emergency Community Water Assistance Grant (ECWAG) (\$254,200). The funds are being used to refurbish the City's old wells that have passed outflow testing that was adequate to supply the City with water in case of severe drought or other emergency. The total well project has been estimated at \$1.3 million and is set for completion by the end of FY 2016/17.

The water capital funds set up for the Dinsmore Zone. This designated zone is comprised of thirty-one customers outside of City limits whose water use is restricted solely to their use. The Dinsmore Zone customers pay an additional add-on charge in order to build the capital necessary for matching funds to be used later in the future for major repairs to that area. The additional charge is \$39.13 until January 1, 2017 when the charge will be fully billed at \$65.21 per month.

A total of \$1.1 million per year was approved as the amount needed per year to keep the water system operating at a safe level. The cost was spread over a customer base of approximately 1,400 service counts. The average household consumes five (5) units per month for an average bill of \$61.83. Rio Dell's water quality has vastly improved over the years as a result of the City's efforts towards sustainability.

Water Funds FY 2016/17 Revenues
\$1,073,329

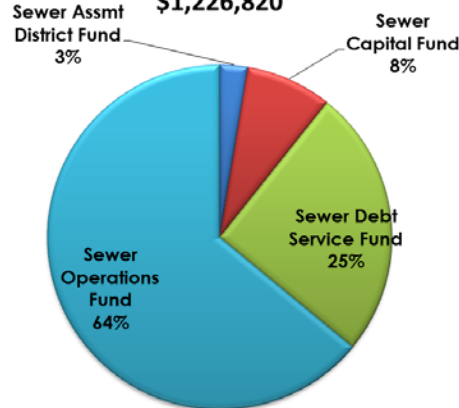


Sewer Revenues: The sewer funds are comprised of Sewer Operations, Sewer Capital, and Sewer Debt Service. The City also maintains a Sewer Assessment Fund where property owners are billed annually through their property tax bill. The sewer assessment bond began back in 1978 and will be fully paid off in FY 2017/18.

Sewer revenues as budgeted were based on the prior year's budgeted amount. This amount was increased by the Consumer Price Index, as stated in the sewer ordinance, as well as any increases (decreases) in which actual revenue trends displayed changes in comparison to budgeted amounts. The City now has two complete years of revenue data since the sewer rate increase.

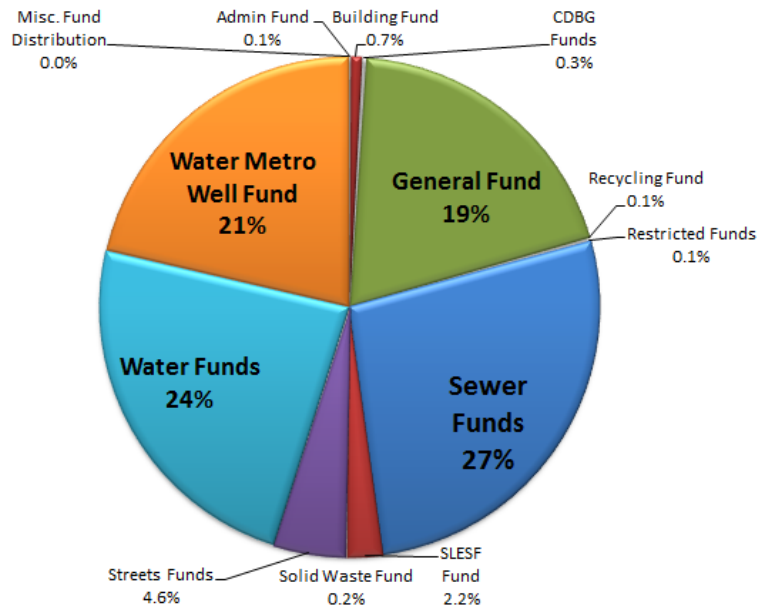
Total revenues for the Sewer Funds for FY 2016/17 are budgeted at \$1,226,820. Last fiscal year (FY 2015/16) revenues totaled \$1.27 million. Amounts include all wastewater revenue line items such as services, late charges and fees, connections, etc.

Sewer Funds FY 2016/17 Revenues
\$1,226,820

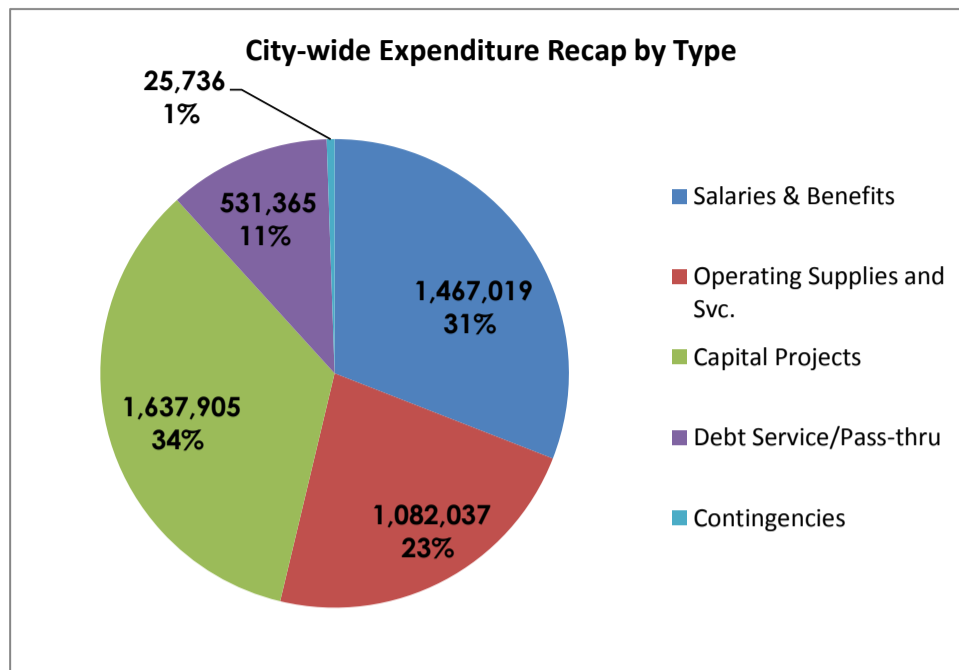


REVENUE SUMMARY BY FUND
ALL FUNDS FY 2016/17

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	2/29/2016 Y-T-D Actual	6/30/2016 Budget	6/30/17 ADOPTED
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,330,898	3,177,436	2,048,592	3,128,891	3,555,879
TOTAL ADMIN FUND	987	-	4,444	-	1,454	4,000	2,800
TOTAL ANNIVERSARY FUND	-	-	850	-	-	850	-
TOTAL BUILDING FUND	37,456	34,000	35,630	50,325	29,641	33,100	32,901
TOTAL CDBG FUNDS	5,413	5,120	6,490	-	7,968	-	12,000
TOTAL GENERAL FUND	748,489	763,992	767,169	775,488	463,636	937,978	879,765
TOTAL MEASURE Z FUND	-	-	-	-	17,458	35,569	-
TOTAL RECYCLING FUND	5,000	-	-	-	5,000	5,000	5,000
TOTAL RESTRICTED FUNDS	1,401,278	4,483,437	207,023	-	9,884	7,000	5,500
TOTAL SEWER FUNDS	1,302,372	1,219,543	1,240,064	1,251,870	758,314	1,094,500	1,226,820
TOTAL SLESF FUND	98,562	100,000	100,000	100,000	48,069	100,000	100,000
TOTAL SOLID WASTE FUND	8,173	8,500	9,199	8,500	4,976	9,500	9,000
TOTAL STREETS FUNDS	273,780	220,715	241,041	219,619	96,105	206,765	207,939
TOTAL WATER FUNDS	722,845	718,097	710,778	771,034	599,345	694,130	1,073,329
TOTAL WATER (Metro Wells)			192,206				964,994
TOTAL MISC FUND DIST.	2,462	41,654	8,210	600	6,743	500	825
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,523,104	3,177,436	2,048,592	3,128,891	4,520,873



CITY-WIDE RECAP REVENUES AND EXPENDITURES
FY 2016/17



CITY-WIDE EXPENDITURE RECAP BY DEPARTMENT		
Admin Car	0.03%	1,250
Building Dept. (11)	1%	57,468
City Council (12)	0.3%	15,656
City Mgr. (02)	6%	295,629
Finance Dept. (03)	8%	370,437
General Govt. (06)	1%	30,189
Planning (10)	1%	67,811
Police Dept. (07)	14%	641,529
Bldg. & Grnd. (19)	1%	48,996
Sewer (09)	10%	484,583
Streets (09)	3%	148,764
Water (09)	8%	375,772
Solid Waste (04)	0.2%	10,973
Capital Proj. (14)	35%	1,637,905
Debt Service/Pass-thru	11%	531,365
Contingency	1%	25,736
	100%	4,744,063

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	** 6/30/2016	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4010 Tax - Property Current Secured	101,279	100,235	101,807	103,921	104,569	103,500	102,000
4011 Tax - Property Current Unsecur	3,716	3,600	3,890	3,600	3,792	3,600	3,600
4012 Tax - Property Prior Secured	62	-	-	-	-	-	-
4013 Tax - Property Prior Unsecured	-	100	116	-	49	-	100
4025 Tax - Supplemental Roll	3,396	2,200	622	2,200	1,181	2,200	2,200
4026 Tax - Home Owner's Property	1,567	1,600	1,454	1,600	1,205	1,400	1,400
4027 Tax - Prior Years - Supplemental	778	-	709	-	131	-	-
4030 Tax - Transient Occupancy Tax	11,424	10,105	10,793	11,000	13,304	11,000	10,500
4035 Tax - Timber Yield	16	10	14	12	15	14	10
4040 Tax - Retail Sales	100,140	122,000	93,210	129,500	112,633	117,000	100,500
4041 Tax - In Lieu Retail Sales - County	43,570	51,192	29,148	43,510	22,509	29,100	16,000
4042 Tax - Measure U Sales Tax	-	-	44,477	-	193,101	160,000	170,000
4045 Tax - (HCAOG) Transportation - TDA	117,477	117,251	114,888	108,609	108,945	108,945	111,600
4048 Tax - Gasoline (Highway Users Tax)	109,540	103,464	103,581	90,010	80,540	76,820	74,339
4050 Tax - Documentary Real Property	4,350	2,200	3,503	2,300	5,398	4,000	2,800
4056 Tax - Public Safety .5% sales	2,987	3,200	3,445	3,300	3,362	3,100	3,300
4105 Fees - Recorders Fees	-	500	-	-	-	-	-
4110 Fees - Franchise - Electric	27,722	24,000	26,682	28,000	28,869	26,200	27,000
4115 Fees - Franchise - Gas	6,277	6,000	5,720	6,300	6,020	5,600	6,000
4120 Fees - Franchise - Garbage	15,145	15,000	15,568	15,275	15,916	15,000	15,000
4125 Fees - Franchise - Cable TV	33,531	33,000	34,590	33,000	34,617	33,000	33,600
4150 Fees - Business License	11,500	6,000	8,724	8,000	8,596	9,500	9,000
4151 Fees - Business License CASP SB1186	285	50	180	200	200	250	180
4162 Fees - Motor Vehicle License (VLF)	7,943	6,600	6,795	7,600	4,309	7,100	7,100
4163 Fees - In Lieu VLF - County	340,093	330,000	342,092	340,094	348,796	342,000	342,000
4170 Fees - Animal License	1,252	800	1,281	1,000	1,706	1,800	1,350
4173 Fees - Animal Control/Relinq.	1,588	500	1,278	1,200	928	1,200	1,200
4178 Fees - Booking	547	500	741	500	429	200	500
4180 Fees - Notary	47	-	220	-	40	100	-
4183 Fees - Special Police Services	1,712	1,200	3,125	1,500	2,449	1,500	1,900
4185 Fees - Street & Sidewalks	960	300	-	500	-	-	-
4186 Fees - Weed & Lot	-	300	-	300	-	300	-
4190 Fees - Integrated Waste Managemen	8,173	8,500	9,199	8,500	10,692	9,500	9,000
4195 Fees - Customer fax and copy	85	25	38	25	47	25	25
4197 Fees - Admin Vehicle User Fees	-	5,000	-	-	-	-	-
4220 Fines-.Animal Control/spa-neu	-	150	-	-	-	-	-
4240 Fines - Other	-	-	-	-	5,003	-	-
4310 Interest Income	1,267	100	6,548	100	1,348	100	425
4320 Rental Income - U.S. Cellular	6,513	6,000	6,571	6,370	6,605	6,370	6,500
4321 Rental Income - T. Mobile	13,587	10,800	11,983	11,681	13,557	13,000	11,800
4322 Rental Income - Property	-	4,500	-	-	-	-	-
4410 Building Plan - Constr Permits	23,951	28,800	14,123	30,000	15,783	18,000	13,885
4420 Planning - Zoning Fees	5,553	8,000	4,233	8,000	1,883	2,500	2,500
4430 Planning - Subdivison Fee	-	1,500	-	1,500	-	1,500	1,500

** UNAUDITED FY 2015/16 FINANCIAL DATA

CITY-WIDE RECAP REVENUES AND EXPENDITURES
FY 2016/17

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4435 Planning - Home Occupation Permi	80	750	440	500	160	300	200
4440 Building Plan - Plan Check Fee	9,898	5,000	5,324	19,800	4,335	6,000	3,950
4445 Building - Administrative Fees	2,846	-	14,854	150	16,199	8,000	14,000
4455 Planning - Other	-	-	138	-	-	50	-
4456 Planning - Parks & Recreation Devel	-	6,075	3,000	-	3,000	-	-
4460 Building Plan - Seismic Fees	142	75	112	125	139	75	125
4462 Building Standards- SB1473	119	125	63	-	56	60	66
4463 Building - Continuing Education	-	-	201	-	139	125	110
4464 Building - Technology Fee	-	-	453	-	314	340	340
4465 Encroachment Permits	500	-	500	250	500	500	425
4480 Insurance Premium Reimbursement	280	-	-	-	4,145	-	-
4510 Sewer - Service	696,322	670,458	673,082	602,614	729,317	555,000	758,656
4516 Sewer - Debt Service	359,382	323,184	348,356	325,900	291,530	310,000	310,000
4520 Sewer - Connection	5,220	4,600	10,440	-	20,880	5,220	5,220
4540 Sewer - Replacement Reserve	185,812	172,216	180,188	255,571	180,285	170,000	98,344
4570 Sewer - Assmt Dist #1 Current	28,159	28,785	2,962	28,785	28,264	30,950	32,000
4571 Sewer - Assmt Dist #1 - Prior	2,009	-	939	-	1,424	-	-
4610 Water - Service	466,408	543,397	426,809	501,967	547,739	450,000	667,805
4615 Water - Debt Service	144,920	134,000	172,949	140,724	165,117	140,000	152,371
4616 Water - Debt Service Restricted	-	-	-	-	14,327	-	-
4620 Water - Connection	8,100	10,800	5,400	5,410	11,384	2,700	2,700
4630 Late Fee	42,792	37,600	41,109	38,000	41,580	40,000	41,200
4635 Shut Off Fees	15,100	10,200	17,560	11,866	10,380	12,000	6,180
4640 Water - Damage Replacement	1,014	400	-	1,000	-	11,000	-
4650 Water - Capital	64,780	-	65,813	77,000	102,265	63,000	192,511
4651 Water Capital Infiltration Gallery	-	-	-	-	100,000	-	-
4653 Water - Metro Wells	-	-	-	-	7,172	-	11,697
4654 Water - Dinsmore Zone	-	-	-	-	7,200	-	17,466
4710 Grant Restr - ISTE A	-	21,000	-	-	-	-	-
4712 Grant Restricted - RSTP HCAOG	46,763	-	22,572	21,000	23,117	21,000	22,000
4720 Grant Headwaters	-	100,000	-	-	-	-	-
4725 GEN. FUND FROM CDBG PRINCIPAL	5,366	-	24,143	-	11,187	-	12,000
4727 Late Fees - GEN. FUND FROM CDBG	47	-	1	-	1	-	-
4728 GEN. FUND INCOME FROM CDBG M	-	-	32	-	-	-	-
4729 Deferred Revenue	-	5,120	(17,654)	-	(386)	-	-
4740 Grant Restr - Police Grant SLESF	98,562	100,000	100,000	100,000	114,618	100,000	100,000
4744 Grant Rest - Police Realignment Gr	20,000	-	14,817	-	9,884	7,000	5,500
4746 Grant Restristed - Recycling	5,000	-	-	-	5,000	5,000	5,000
4747 Grant - Measure Z	-	-	-	-	34,515	35,569	-
4750 Grant Restr- DOT RPSTLE-5396	536,412	-	-	-	-	-	-
4755 Grant Restricted - STIP	-	491,263	-	-	-	-	-
4757 Grant - Safe Routes To School	128,062	152,300	-	-	-	-	-
4759 Grant Restr-SWRCB Grant Facility & t	716,804	3,718,874	-	-	-	-	-
4763 Grant Rest.- Prop. 84 - SDWSRF	-	-	192,206	-	53,162	53,162	591,794
4765 Grant Rest. - USDA ECWAG	-	-	-	-	-	-	373,200
4802 Donations- Bicycle Helmets	300	-	500	-	600	-	-
4803 Donations- Misc	384	-	50	-	20	-	-
4900 Interfund Revenue	987	-	4,444	-	2,981	4,000	2,800
4920 Misc - Special Public Works	5,890	2,000	3,818	-	142	3,800	-
4935 Gain/Loss on Disposal of Assets	54	-	-	-	-	-	-
4936 Bad Debt Recovery	2,254	1,000	3,385	2,000	1,614	2,859	4,000
4941 Misc - Post Training & Special Projec	-	-	-	3,000	-	-	-
4950 Misc	400	1,000	520	500	495	400	400
4963 Anniversary Income	-	-	850	-	-	500	-
4990 Misc - Other	515	30,554	1,142	-	1,619	-	-
4991 Misc Income - Suspense	-	10,000	-	-	-	-	-
4995 Donations	100	-	-	-	116	-	-
TOTAL REVENUE	3,601,783	6,580,776	2,321,518	2,136,162	2,546,536	2,038,610	4,520,874
EXPENDITURES							
5000 Full Time Salaries	960,162	945,732	985,606	997,121	963,620	974,658	934,008
5026 Part Time Temporary Salaries	-	-	-	-	5,547	5,547	-
5030 Overtime Salaries	17,756	17,500	18,008	15,439	26,407	32,201	29,125
5032 Retirement - City Manager	6,761	11,300	2,457	-	-	-	-

** UNAUDITED FY 2015/16 FINANCIAL DATA

CITY-WIDE RECAP REVENUES AND EXPENDITURES
FY 2016/17

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	** 6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
EXPENDITURES							
5035 Benefit - ICMA City 457	120,286	129,908	128,529	141,403	132,755	134,249	130,089
5040 Benefit - Health Insurance	179,732	156,473	208,951	229,116	173,075	193,044	177,847
5041 Health Savings	-	-	-	-	10,200	8,851	-
5042 Benefit - Life Insurance	2,892	3,000	3,224	3,286	2,576	3,047	2,976
5044 Benefit - Dental/Vision Insur	22,833	21,832	27,047	26,743	26,909	30,715	26,845
5045 Worker Compensation Insurance	48,306	31,558	77,615	79,094	76,648	78,323	85,063
5050 FICA/MEDI	82,154	73,652	84,812	75,635	86,342	78,281	73,686
5055 Unemployment Insurance	8,469	9,170	8,680	9,455	8,462	8,454	7,377
5060 Clothing Allowance	6,040	5,703	5,529	6,084	6,449	6,051	6,051
5069 Accrued Payroll Taxes Expense	-	-	-	-	2,592	29	-
5080 Hiring Costs	28,617	51,506	-	5,750	2,950	2,000	3,000
5081 Compensated Absences Payable	8,053	-	(9,480)	-	3,066	-	-
5101 Office Supplies	7,190	8,476	8,015	7,217	8,802	7,977	8,327
5102 Operating Supplies	11,544	11,051	6,781	11,564	8,177	11,465	16,402
5103 Postage	10,819	8,577	9,711	11,755	10,670	9,610	9,616
5104 Printing - Forms	12,337	6,252	13,800	8,467	11,666	15,241	15,239
5105 Advertising	4,450	711	1,855	1,438	2,308	1,743	1,138
5106 Promotional	4,128	5,351	671	900	1,587	1,132	1,132
5107 Memorial Park Expense	1,410	2,500	233	1,300	-	1,101	1,100
5108 Streets	38,342	110,956	6,724	16,325	18,261	21,000	21,006
5109 Chemicals	42,329	47,719	38,795	52,000	46,830	53,000	53,000
5110 Accounting	36,970	36,790	34,936	28,800	32,069	30,000	26,500
5111 Cash Over/Short	30	10	20	-	10	-	-
5112 Legal	21,973	32,251	27,352	40,475	40,112	64,167	30,102
5115 Contract/Professional Services	123,221	145,021	158,097	194,136	68,473	135,529	337,127
5116 Bank Fees	2,117	2,000	1,893	2,092	1,294	2,200	2,200
5117 Animal Control	8,882	5,000	6,533	6,500	10,800	6,500	12,000
5119 Safety Supplies & Equipment	1,268	4,500	1,494	3,068	1,167	3,072	4,504
5120 Cell Phones	20,185	18,684	11,053	20,265	11,012	9,526	11,674
5121 Telephone - Pager	-	-	9,356	-	9,059	12,495	10,347
5122 Training - Conference	4,746	17,350	14,180	15,601	12,296	22,581	22,246
5123 Automobile - Transportation	10,549	10,750	11,747	10,654	8,799	11,515	11,595
5125 Publications - Books	2,595	2,300	1,014	1,554	427	1,565	1,569
5126 Dues & Memberships	6,838	11,002	6,323	9,331	6,406	9,357	9,282
5127 License	420	-	1,410	110	310	620	1,360
5128 Employee Relations	-	2,980	-	510	-	510	510
5129 Bank Fees	-	2,100	-	-	-	-	-
5130 Rents - Leases	10,200	14,300	11,572	12,454	11,032	13,701	13,701
5131 Records Maintenance	1,488	-	1,411	1,331	1,760	1,561	1,861
5135 Maintenance - Repair	69,968	66,101	53,432	85,488	70,439	134,431	310,432
5136 Parks Maintenance - Repair	-	2,500	566	4,251	-	2,024	2,023
5138 Office Equipment	7,952	10,943	4,894	9,539	7,581	14,230	18,326
5139 Equipment	14,657	15,550	25,977	24,934	16,329	18,024	18,025
5140 Bond Insurance	-	10	-	-	-	-	-
5141 General Liability Insurance	22,936	52,087	55,167	54,367	44,231	58,481	58,481
5143 Property Insurance	5,319	11,711	10,800	12,121	11,695	11,449	11,551
5144 Emp Practice Liab Insurance	1,294	4,125	827	3,954	8,708	5,216	10,246
5148 Office Equipment	215	251	-	33	-	-	-
5150 Electricity	174,948	143,011	176,890	192,210	172,239	186,390	188,328
5151 Natural Gas	20,532	10,741	17,714	20,771	19,013	23,413	24,130
5152 Water	-	-	27,939	39,530	37,827	33,891	36,348
5153 Sewer	-	-	23,288	44,103	30,490	27,366	28,135
5154 Garbage	1,804	4,060	1,095	2,466	3,366	1,855	750
5160 Elections	-	-	1,003	-	-	-	-
5161 Sales Tax Admin Fees	-	-	7,290	-	-	-	-
5162 Medical	2,065	6,801	3,284	3,580	2,489	3,580	3,780
5163 Property Tax Admin Fees	2,777	3,000	2,744	3,000	2,610	3,000	3,000
5164 Regulatory Fees	28,545	30,050	13,491	25,340	15,366	33,840	33,840
5165 Property Tax Assessment	-	101	6,115	-	2,242	-	2,242
5166 LAFCO Fees	1,245	1,700	1,429	1,700	1,695	1,500	1,500
5167 Seismic Fees	152	200	176	200	132	200	200
5171 Computer Software	1,421	5,326	492	2,495	2,386	2,525	2,525
5172 Computer Training	75	3,000	-	-	-	-	-
5173 Computer Maintenance - Support	24,068	14,949	26,583	27,396	27,805	29,807	30,317

** UNAUDITED FY 2015/16 FINANCIAL DATA

CITY-WIDE RECAP REVENUES AND EXPENDITURES
FY 2016/17

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	** 6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
EXPENDITURES							
5174 Web Design Services	320	1,126	1,230	1,014	320	1,564	2,635
5175 Community Promotions	-	20	-	-	-	-	-
5192 Code Enforcement	20	3,000	445	1,000	-	1,000	1,000
5193 Nuisance Abatement-Vehicle	80	2,500	150	1,250	1,000	1,250	1,250
5212 Gas & Oil	33,169	36,700	27,872	23,508	25,594	27,952	28,052
5213 Vehicle Repair	10,150	14,500	14,277	9,561	14,571	10,500	10,750
5215 Public Works - Small Tools	9,155	7,746	2,889	6,927	4,855	5,764	5,763
5217 License	68	-	-	40	-	40	40
5225 Public Works - Lab Testing	15,035	17,985	16,178	16,000	17,576	22,500	22,500
5227 Public Works - Equip. Repair	6,254	6,250	9,392	7,119	12,251	7,049	7,860
5229 Public Works - Equip. Rental	-	2,751	1,445	1,751	-	1,750	1,750
5305 Booking Fees Due	(3,439)	1,500	-	-	-	-	-
5308 Dispatch Service Due	18,504	18,503	18,504	18,500	24,900	24,900	24,900
5374 CDBG Housing Rehab Expense	22,945	-	32	-	-	-	-
5410 Interest Expense	55,995	37,500	179,179	-	141,529	-	-
5430 Fines/Penalties	50	3,000	-	2,000	-	2,000	1,000
5450 Miscellaneous Expense	6,250	6,250	-	-	-	-	-
5460 Contingency	-	-	-	(850)	-	-	-
5512 Planning	-	-	13	-	-	-	-
5514 Engineering	17,205	265,900	97,135	71,500	65,043	124,249	23,504
5520 Improvements	2,419	2,996	-	1,000	-	1,220	1,220
5540 Mayor Woodall	-	251	-	-	-	-	-
5541 Gordon Johnson	525	251	-	-	-	-	-
5560 Council Member Marks	-	251	-	-	-	-	-
5563 Council Member Thompson	-	1,096	-	-	-	-	-
5564 Council Member Wilson	-	1,096	-	-	-	-	-
5610 Bad Debt	19,970	12,500	21,515	-	12,641	-	-
5701 Depreciation-Vehicles	722	-	4,330	-	-	-	-
5702 Depreciation- Building & Improvements	13,140	-	13,140	-	13,139	-	-
5705 Depreciation - Mach & Equip	10,484	-	4,891	-	13,505	-	-
5710 Depreciation - Infrastructure	288,111	-	716,485	-	716,662	-	-
5900 RFD and Library Water/Sewer	-	-	4,252	3,388	5,719	4,000	4,667
6000 Fixed Asset - Equipment	28,294	98,000	7,078	-	46,140	42,000	30,000
6100 Fixed Asset - Computer Hardware	2,711	2,797	-	-	-	-	-
6300 Fixed Asset - Heavy Equipment	-	35,000	-	35,000	-	35,000	45,000
6400 Fixed Asset - Vehicles	91,767	108,890	-	-	-	-	40,000
6500 Infrastructure	733,358	4,498,334	-	-	3,868	10,000	1,104,655
6525 Building and Improvements	5,133	5,600	-	-	-	-	-
6600 Fixed Asset - Land Improvements	18,931	59,281	-	-	-	-	-
6700 Fixed Asset - Debt Service	242,583	180,498	384,516	-	370,933	470,683	478,000
8010 Contingency	-	-	-	77,682	-	90,557	25,736
TOTAL EXPENDITURES	3,905,974	7,782,254	3,912,098	2,880,841	3,817,814	3,477,818	4,744,066

** UNAUDITED FY 2015/16 FINANCIAL DATA

CURRENT ECONOMIC TOPICS

STATEWIDE AND LOCALLY

Marijuana: Nearly half of the states have already passed legislation in one form or another on medicinal use of marijuana, including California. This year more states may be added to that list when Florida, Missouri, and Arkansas voters take to the voter's booths and vote to allow marijuana for medicinal purposes.

Currently, the City of Rio Dell's medical marijuana ordinance allows for cultivation of medical marijuana for personal use. Ordinance 17.30.19 (5) states:

"Cultivation of medical marijuana for personal use means cultivation and processing of medical marijuana indoors in a residence or detached accessory structure by a qualified patient, or the primary caregiver on behalf of a qualified patient, which does not exceed 50 square feet or 10 feet in height."

The State of California is taking the marijuana issue a step further where voters will be asked to decide if marijuana should be legalized for recreational use. If passed, California will be joining Colorado, Washington, Alaska, and Oregon whose laws already allow recreational use of marijuana. Other states that have legalization on their ballot are Nevada, Arizona, Massachusetts, and Main.

Marijuana, whether passed for recreational use or medicinal use beyond a 215 card, will bring revenues into General Funds at the state and local levels. The City of Rio Dell's ordinances presently do not allow for taxation of marijuana used or sold for any purpose regardless of voters' majority decision.

Water: California's drought plays a role in the well-being of its cities and Californians' quality of life. Cities across the state have seen declines in water usage that have led to slumps in water revenues leaving water systems vulnerable to inadequate maintenance and repairs. Revenue declines may mean water pricing increases which then shifts consumer spending. From a macroeconomic standpoint consumers are forced to place more of their disposable income towards water, while leaving less for spending on other items.

Consumer driven water conservation efforts motivate water system management to update pricing. Updated water pricing then leads to exploration of a water system's overall efficiency. The end product is an updated analysis of how a water system is meeting specific goals of efficient practices meant to keep conservatory efforts continuing without the negative effects of overpricing that falls on the consumer. In many areas of California the drought is still an issue with further effects yet to be seen.

Water rights are also an issue faced by California cities. California's regulated water system is built on a tiered structure where senior water rights holders, those acquired prior to 1914, have an upper hand in the state's water delegation process. Junior water rights holders, on the other hand, are at the mercy of both the state and the senior water rights holders. Senior holders can distribute water rights downwards for a price. In the case of Rio Dell, in July 2014 Rio Dell's junior water rights were suspended in order that senior water rights holders were given priority during the state's worsening drought. Six months after the mandate the City's water consumption had fallen 19%.

The ranking structure of water rights allows for transfers of water from one jurisdiction to another and plays a significant role in many cities and organizations that draw water through a separate entity. Water entities vary in business structure; some water systems are privately owned corporations while others operate under a governmental

POLICY AND ECONOMIC ISSUES

structure. Factors such as these can cause water transfer pricing to be unpredictable, which causes more difficulty for many of California's jurisdictions in sustaining equilibrium in their water budgets.

Transfers of water are, in many cases, legislatively and economically not possible. For example Northern California which has more water than its drought ridden southern parts, is still subject to the stringent water conservation mandates issued at the state level based on the severity of water shortage in the south. Moreover, besides legislative mandates, costs in millions of dollars that would allow for a transfer of massive quantities of water from the north to the south is currently not feasible. Project financing is exorbitant and hinges on finding buyers that are willing to pay back the costs of constructing such a pipeline, and subsequently for the water transfers it would bring.

With the State's current water shortage, population shifts, legislation, and aging infrastructure, signs of systematic overload are interwoven into today's water markets where leveled pricing models may not be sustained for lasting lengths of time. These issues lead to increasing costs as a means to override California's water system's susceptibility to weakness. Moreover, rising costs equals increased pricing volatility. With the combination of drought, consumption shifts, long-standing legislation, unpredictable pricing, and the historical foundations of which California's water systems are based, it reasons that volatility is built in for an indeterminate amount of time.

Revenues: Statewide sales and use tax revenue has been decreasing. For Rio Dell the issue isn't so much a decline in this revenue source as it is the rising costs of the City's programs that are supported by it. To illustrate, the City's financial records show that between 2005 and 2015 sales tax revenue has increased 35%; however in this same time period the General Fund's budget has grown 72%.

There are several issues that impact sales and use tax amounts. These are demographics, purchasing behavior of goods versus services, technology, tax rebates, and tax sourcing rules. Consumerism is the driver of sales and use tax that is depended upon at the state and local level. Rio Dell's sales and use tax allocation accounts for 11% of its General Fund revenues, while at the state level that amount is 29%.

In comparison, California's neighboring state of Oregon, which doesn't have sales tax, funds 85% of their General Fund through personal income taxes (PIT); for California this amount is 50%. At the local level Oregon's jurisdictions are predominantly financed through property taxes; whereas Rio Dell's property tax apportionment for FY 2016/17 accounts for 12% of total General Fund revenues. Overall the City's General Fund is significantly leveraged through sales and use tax revenues which aren't keeping pace with increasing costs.

Growth of the economy at the state and local level is historically interconnected to consumer spending. In the past the economy grew because consumers would purchase more tangible consumer goods than services. Currently, and the trend is expected to continue, consumers are purchasing more services (nontaxable) and intangibles (nontaxable) than durable goods (taxable). In 2015 global-wide digital sales of music downloads surpassed all other music formats. Consumer spending has shifted towards internet sales which have shown continuous growth over the past decade.

Internet sales significantly affect Humboldt County since larger, on-line businesses with sales high in tangible goods are more likely to be located in urban areas that are along major shipping routes. Humboldt County is notably "behind the Redwood Curtain," which means that from the east, west, north, and south, Humboldt County roads are not optimal for major transportation of goods; nor is the County's single commercial airport equipped. Especially since the County's main airport has limited direct flights to two cities: Portland and San Francisco.

POLICY AND ECONOMIC ISSUES

With growing internet sales and shifting consumer behavior a yearlong study on Sales and Use Tax Reform was undertaken by the California League of Cities Revenue and Taxation Policy Committee (RTPC). The outcome included a submittal of various proposals that would include more taxable items.

Digital goods, which are already taxed in many states, were looked at to be included as taxable items. Including digital outputs would provide a more equitable sales tax system on many items that are similar except as to form. For example, a pay-per-view movie isn't taxable while a video rented from a brick and mortar store is. It is estimated in California that over \$150 million in sales tax revenue is lost due to purchased items in digital (nontaxable) format.

Another proposal looked at taxing recreation and entertainment as some other states have done. It is estimated that \$300 million in sales tax revenue is foregone each year in California because recreation and entertainment items such as admission tickets and health club memberships fall under the non-taxable category.

The committee also looked at the service industry where more personal income than ever before is going towards services. If the state of California were to tax maintenance and repair services alone it is estimated that \$1.6 billion in revenues could be recovered. This amounts to \$250 million to the local Bradley Burns 1% rate.

The proposals show that tax reform is necessary for an antiquated sales and use tax system that hasn't changed despite that consumer spending has changed significantly. The Situs tax, which was enacted over fifty (50) years ago, allows for sales tax revenue generated through sales of specific items to go into a statewide pool regardless of where the item was purchased or will be used. Amounts are allocated based on the proportionate amount of sales tax received at the county level. The tax revenue amount is then further broken down and distributed according to each jurisdiction on a pro-rata basis.

ITEMS THAT FALL UNDER THE SITUS TAX: Vehicles, vessels, aircraft, etc., use tax paid by contractors based on job site, outside state & on-line sales, long term leases on tangible property, catering trucks, vendors, vending machine operators, etc., and use tax on motor vehicle leases negotiated by out of state leasing companies

Much of the Sales and Use Tax policy that was originally put into place in the 1920s is still built into the Board of Equalization's current taxing legislation, regulations, and official guidance. The policies in place, such as the Situs tax and a proportionate share based on population, are assumed to have a positive effect on Rio Dell's General Fund because from a *micro* economic standpoint Rio Dell shows stagnant economic development and ultimately, consumer spending due to lack of businesses within its boundaries.

Streets revenues: The Highway User's Tax Account (HUTA) was created in 1953 to account for state highway revenues derived from gasoline sales. For the past several year's HUTA, also called the gasoline tax, has been showing declines in revenue because of technological advances in fuel efficiencies and alternative energies. Gasoline, as a nonrenewable energy source, is in finite supply and dependency isn't sustainable. The HUTA tax, as a prime indicator of societal shift, shows that Californian's are slowly moving away from fossil fuel to alternative energy sources.

The state estimates \$4.4 billion in HUTA revenues for FY 2016/17. Approximately 30% of these funds go to cities and counties. The California State Transportation Agency (CSTA) stated that 2016 cuts to the State Transportation Improvement Program (STIP) are due to "a crisis-level drop in gas tax revenue." A total of \$3.3 billion per year is needed for cities just to maintain local streets and roads. Based on CSTA information there is a \$2 billion shortfall in 2016 alone.

POLICY AND ECONOMIC ISSUES

In conjunction with HUTAs decreasing revenues purchasing power in general has declined. A gasoline tax dollar ten years ago could purchase more than that same dollar today. Decreases in revenues in an inflationary economy have led to system-wide deficits. At the state and local level a broad and extensive taxation policy is currently being studied. The proposed mileage tax will more equitably distribute the costs to taxpayers based on actual miles driven.

This election year Humboldt County Association of Governments (HCAOG) has proposed Measure S, a 0.5% sales tax specifically earmarked for Humboldt County's streets and roads. An estimated \$200 million will be generated and according to HCAOG's Humboldt County Transportation Ballot Measure Expenditure Plan Rio Dell's annual allocation is estimated at \$185,632. HCAOGs proposed tax will be a boon for the City of Rio Dell, especially since the City's Streets funds don't provide sufficient revenues for adequate maintenance of City streets. Moreover, if sales and use tax policy at the State level expands the tax base to include intangible items, Measure S will generate more tax revenue than anticipated.

The City's streets and roads department has seen extensive budget deficits in recent years. In three years' time at June 30, 2017 the streets funds reserve balances are estimated to have dropped 53% from \$329,000 (2014/15) to \$155,000 (2016/17). All things being equal, remaining reserves will be used up before the end of FY 2020/21.

NATIONAL TRENDS – MACROECONOMICS

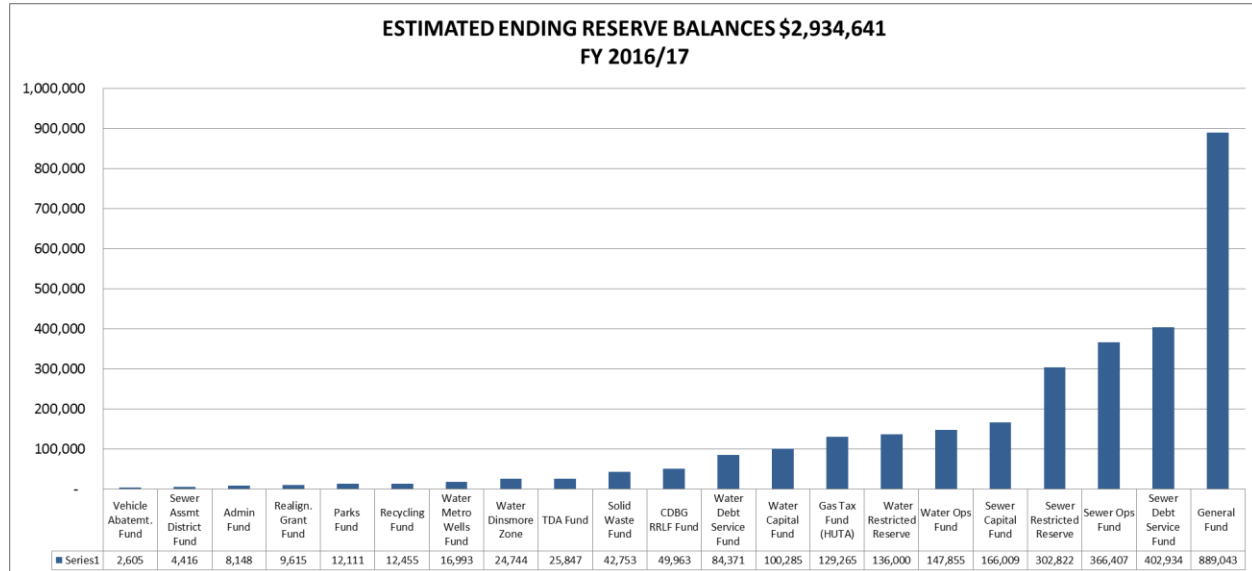
The bigger picture of national policies and economic issues that trickle down into Rio Dell's financial picture is the issue of the nation's healthcare system of Obamacare. This recently enacted policy caused healthcare insurance premiums to soar upwards of 24% for the City. The City has since moved to a Joint Powers Association (JPA) for healthcare insurance which has effectively kept costs down. The City is able to sustain the current health care costs through December 2017.

While economic indicators are reflecting positive signs that the 2008 downturn is easing, there are still challenges to be overcome at the local level. With inflationary trends and shifting consumer behavior, the policies and structures in place that support the City's operations at the micro and macro levels guide overall economic health, and thus far have worked to sustain the City of Rio Dell since its incorporation in 1965.

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RESERVE NARRATIVE

RESERVE BALANCES ALL FUNDS



NARRATIVE. The purpose of this form is to project the beginning reserve balance for each fund and provide an estimate of the ending reserve balance at June 30, 2017.

A fund is created for each special revenue and expenditure category in the City's financial management system. Except for the General Fund, which can be used to fund any activity, all other funds are for special purposes and have their own integrity. As such, they cannot be co-mingled or absorbed into the General Fund at the end of a fiscal year. Any balance leftover after revenues less expenditures roll forward at the end of the fiscal year into a fund's reserves.

GENERAL FUND. The General Fund has an estimated reserve balance available on July 1, 2016 of \$1,012,190. Revenues for the year are estimated at \$879,765 (including \$170,000 estimated for Measure U revenue) and expenditures total \$1,002,911. Transfers from the General Fund to cover appropriations in the Building Fund and SLESF Funds are \$5,869 and \$4,186 respectively. The draw on reserves for the FY 2016/17 is -\$123,146 for a projected General Fund reserve balance \$889,044.

BUILDING PROGRAM FUND. This fund was set up for activities related to building plan checks and inspection services for which user fees are collected. The Building Fund has been active since April 2014 and thus far, revenues have been less than expenditures resulting in General Fund subsidies. The current budget shows the Building Fund revenues falling short of expenditures by \$24,567. The estimated Building Fund reserve balance is zero at 2016/17 year end.

PARKS AND RECREATION FUND. Residential developments pay an assessment of \$1,500/lot into this fund to be used for park land acquisition and development. At year end there is estimated to be \$12,111 reserve balance in the fund. This is the same as the year's beginning balance since revenues are not anticipated, nor are there any capital projects budgeted for this fund. The fund balance as budgeted remains unchanged.

STREET FUNDS. A portion of the Highway Users Tax (HUTA Gas Tax) is apportioned to cities based on population, miles of maintained streets and registered vehicles. HUTA funds are restricted and can only be used for the

RESERVE BALANCES ALL FUNDS

construction, maintenance and repair of streets, including the salaries and equipment related to those activities. The estimated beginning balance in the fund is \$205,356 and revenues during the year are estimated at \$74,339. Expenditures are estimated at \$150,430, an 8% decrease from the prior year. The estimated ending reserve balance is \$129,265. There are insufficient revenues from the HUTA gas tax to meet the community's needs for street repair and reconstruction. The General Fund appropriations shows \$80,000 streets subsidy in order to allow the City to make modest streets improvements for FY 2016/17.

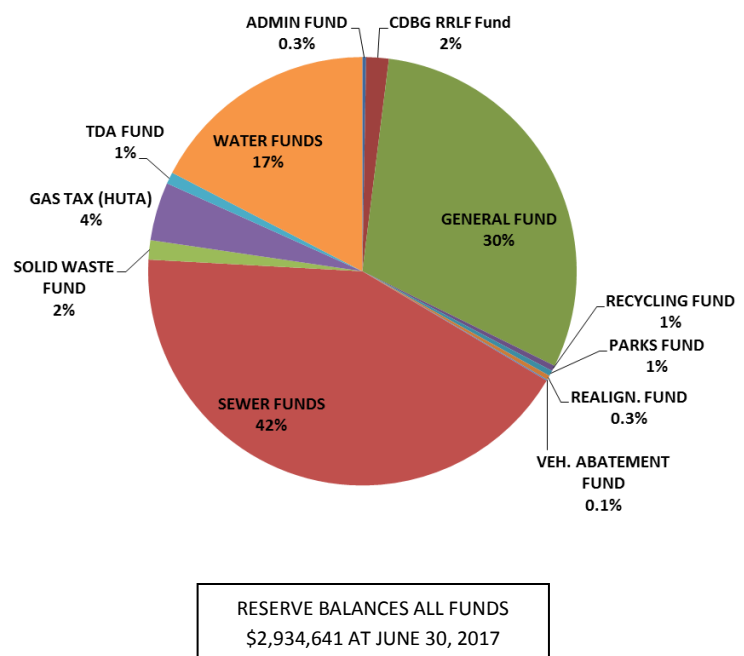
The Transportation Development Act (TDA) is allocated through the State for cities to meet their local public transportation needs for mass transit. For FY 2016/17 \$48,365 is contractually arranged to be passed-through to Humboldt Transit Authority (\$41,865) and Humboldt Senior Resource Center (\$6,500). The City may use the balance \$63,235 for street maintenance purposes. The estimated beginning fund balance is \$26,551 with a projected reserve balance at year end of -\$704.

SOLID WASTE FUND. The Humboldt Waste Management Authority annually contributes back to each member agency a portion of the tipping fee paid by customers for solid waste and recycling programs at the local level. It is projected that the fund will have a balance of \$44,726 on June 30, 2016 and \$42,753 at year end. The Solid Waste Fund appropriates one week's salary and benefits for the City Manager and pays for other administrative costs that total \$10,973 to carry out the fiscal year's activities associated with this fund. Revenues are estimated to be \$9,000.

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS. The Community Development Block (CDBG) Grant Program was established to address housing and community development needs and to assist low income residents with housing rehabilitation projects. The program has seen little activity because of the economy. The CDBG program has an array of grants available for uses other than housing loans and has budgeted \$160,000 of program income on hand to assist with ADA compliance for City Hall.

The CDBG program also offers a small selection of economic development grants. The program income funds must be spent down before the City can apply for other grant funds through the CDBG program.

SPECIAL LAW ENFORCEMENT SERVICE FUND (SLESF). This fund has received an annual \$100,000 State subvention for several years to fund the cost of sworn Police Officer's up to that amount. It is not believed to be a permanent source of revenue for law enforcement. In any given year if there are unspent monies that balance accrues to the fund. If there is a deficit in the fund at year end then a transfer of General Fund monies may be required. The SLESF Fund is estimated to start the year with -\$15,028 rolling forward with a General Fund subsidy of \$4,186 for a zero fund balance at year end.





RESERVE BALANCES ALL FUNDS

VEHICLE ABATEMENT. In the past \$1 per registered vehicle was collected through DMV to create a vehicle abatement fund. Even though the program ended, there is a balance in the Reserve which the Police Department utilizes to remove abandoned vehicles from public property. The present balance in the fund is \$2,605. Appropriations were not included in this year's budget for the vehicle abatement fund, therefore the estimated ending fund balance remains unchanged at \$2,605.

REALIGNMENT FUND. The State of California impacted local law enforcement agencies when it took an action to release inmates early and house State prisoners in local jails. The state referred to the program as prison realignment. Local agencies objected when this population caused a spike in their workload. As the result, monies have been provided by the Legislature for the exclusive use of law enforcement to mitigate the impact. This year's budget estimates \$14,115 fund balance at the beginning of the fiscal year with revenues budgeted at \$5,500 and appropriations set aside as a contingency item for \$10,000. The Realignment Grant reserve is estimated to be \$9,615 by year end.

SEWER FUNDS. The Sewer Funds are four (4) separate sources for operations, debt service, capital and the assessment district. The beginning combined reserve balance for *the sewer funds* is estimated at \$1,196,469 with an estimated ending balance of \$1,242,588.

SEWER CAPITAL FUND begins the year with an estimated reserve balance of \$166,621 and is expected to decrease to \$166,009 by June 30, 2016. Capital Projects have been budgeted at \$100,000 for the current year. This is for inflow and infiltration, lift station pumps, one-third cost for a vector trailer, and sewerline repairs at Dixie and Second and Dixie and Third.

SEWER ASSESSMENT DISTRICT FUND begins the fiscal year with a reserve of \$4,416 with revenues estimated at \$32,000. The annual debt payment is budgeted for \$32,000 including interest. The beginning reserve isn't expected to change at year end remaining at \$4,416. Any reserve amount in the final year of the loan payment (2018/19) will be applied to the outstanding balance to pay down the debt early.

SEWER DEBT SERVICE FUND has a positive balance of \$402,934. An additional \$302,822 has been set aside as restricted, which puts the City in compliance with the financing agreement for the \$12.5 million wastewater plant. The restricted funds will be used for the final debt service payment in 2043, as stipulated in the financing agreement.

The ending fund balance for year end in the Debt Service Fund is estimated to be \$402,934 plus an additional restricted balance of \$302,822 that has been set aside for the final loan payment due October 31, 2043.

WATER FUNDS. The water funds were in serious jeopardy of becoming insolvent during the prior fiscal year as all water reserves had been appropriated to cover operating, debt service, and capital costs. Fortunately there were three items that steered the City's water funds from insolvency. First, Metropolitan Wells costs were reimbursed with Prop 84 funds, with expenditures going all the way back to January 2014. Second, there was significant savings in water operations in 2015/16. Third, a water rate increase was passed on December 1, 2015. Revenues increased, expenditures were down, and ECWAG reimbursed the water funds for prior year's expenditures.

THE WATER OPERATIONS FUND Reserve has an estimated beginning balance of \$80,000. Revenues are estimated at \$697,745 and appropriations are \$629,890. This leaves an estimated \$147,855 in reserves at June 30, 2017.

WATER DEBT SERVICE FUND has a beginning balance of \$68,000 with revenue for the year estimated at \$152,371.



RESERVE BALANCES ALL FUNDS

Semi annual debt service payments of \$68,000 occur on July 1 and January 1 each year. The estimated ending reserve balance is \$84,371.

The budget shows a beginning fund balance for the Debt Service Fund of \$136,000, the amount required by the State Water Resources Control Board (SWRCB) funding agreement to be set aside as the final debt service payment in 2029. This major shift in the water fund restricted reserve had a beginning fund balance of \$37,999 at July 1, 2015/16 was transferred to the water operations fund in order to cover estimated expenses in the water operations fund.

THE WATER CAPITAL FUND begins the year with an estimated \$117,763 reserve balance. Revenues are estimated at \$194,051 with expenditures for capital projects appropriated at \$211,529 for an ending balance of \$100,285. Capital projects include \$133,529 matching funds for the wells project, \$15,000 for one-third cost for a vector trailer to be split between water, sewer, and streets, \$20,000 for top priority water system repairs, filter recoating at \$8,000, and Old Ranch Road repairs for \$35,000.

RECYCLING FUND. This fund is the result of an annual \$5,000 CalRecycle Grant awarded to the City to fund recycling and litter reduction programs. These are pass-through funds to Humboldt Waste Management Authority. The beginning and ending fund balance is estimated at \$12,455.

SPAY AND NEUTER FUND. In the past, a portion of the dog license fee was deposited into this fund to support a low cost spay and neuter program. The balance in the fund is presently \$2,868, the same as it was in 2013/14 and 2015/16. For the 2016/17 fiscal year these funds have been appropriated as a contingency item, as well as have a General Fund subsidy match of \$2,868. The program hasn't been fully developed, but the funds have been made available to spay and neuter animals within the City.

GENERAL FUND

GENERAL FUND OVERVIEW

The General Fund's budgeted plan for fiscal year 2016/17 shows that \$123,146 will be drawn from the General Fund reserve. Revenues are estimated at \$879,765 and expenditures are \$1,002,911 (*operational* expenditures \$793,606, *capital projects* totaling \$186,382, *contingency* items \$12,868, and *transfers* of \$10,055).

In comparison to FY 2015/16 this year's estimated revenues are down \$23,144 (3%), while appropriations overall are up \$56,630 (6%) attributed to the increase in budgeted capital projects.

While *capital projects* show an increase of \$51,462, or 38% having gone from \$134,920 in FY 2015/16 to \$186,382 in FY 2016/17, *operational costs* are down by \$2,301 in comparison to last year.

Transfers in the general fund budget total \$10,055 to help support the building fund (\$5,869) and the SLESF (\$4,168). The FY 2016/2017 building fund transfer is the smallest transfer thus far since the creation of the building fund in 2014.

After operational expenditures, revenues remaining are \$86,159; therefore this amount funds 46% of this year's proposed capital projects. Capital projects for FY 2016/17 are:

AMOUNT	PROJECT
6,132	Parking Lot
45,000	Bellevue/Ogle
40,000	Police Vehicles
80,000	Streets Subsidy
13,750	Traffic Control Study
1,500	Council Chambers
186,382	

The general fund reserve balance is estimated to decrease from \$1,012,190 to \$889,044 at June 30, 2017. This is a decrease of 12%.

REVENUES

The City collects revenues for the General Fund from

several different sources. The largest source is from the In-lieu Vehicle License Fee (VLF). In 2004 the legislature reduced the VLF percentage from 2% to .65% and backfilled city and county losses with property tax transfers from school property tax shares. This swap is referred to as "In Lieu VLF" revenues.

Measure U (\$170,000) is the second largest amount of revenues budgeted for 2016/17 in the general fund. The passage of Measure U in November 2014 reduced the budget deficit and assists in providing law enforcement services for the City of Rio Dell since the revenues flow into the General Fund. Measure U is a 1% special district tax and has a five year sunset date (December 2020).

Property tax (\$102,000) is the third largest amount of general fund revenues for the City for FY 2016/17. In 2015/16 the third largest revenue budgeted was sales tax, which has decreased to become the fourth largest general fund revenue source.

1979 was the peak year for sales tax revenues where consumers spent \$0.53 per dollar on taxable goods. In 2013 that number was \$0.33.

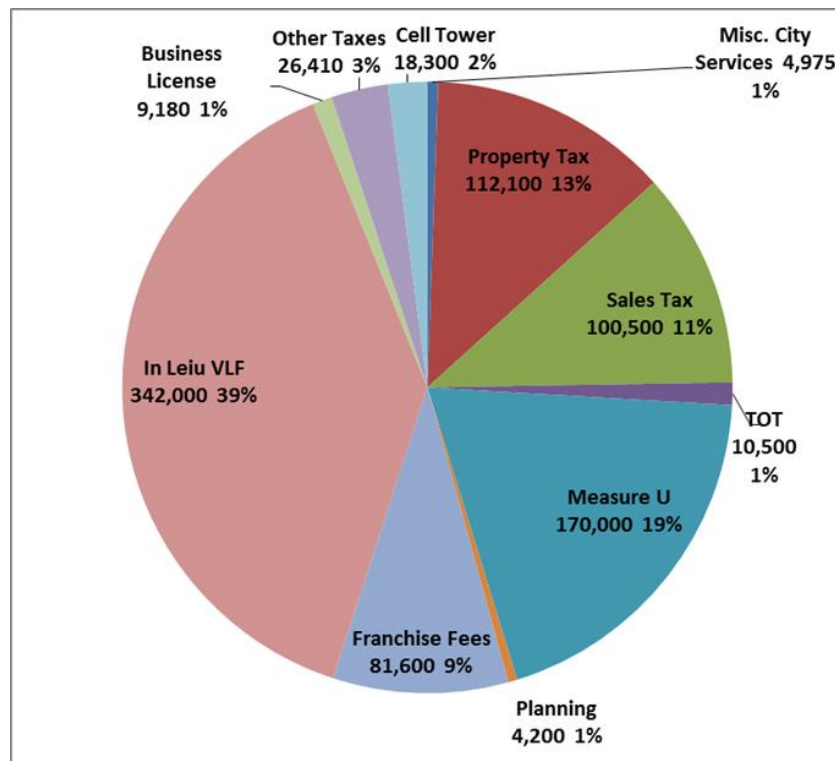
CA Legal Analysts Office accessed 8/5/16

Sales and use tax revenue, the fourth largest revenue, is highlighted in the *Policy and Economic Issues* portion of the budget (p. 18) and is recapped here.

At the statewide level sales and use tax has been decreasing. The current trends in purchasing behavior and its negative effects on sales tax revenues led to the California League of Cities Revenue and Taxation Policy Committee to propose the following solutions to expand California's tax base to increase revenues:

- Include digital outputs
- Include recreation and entertainment items
- Include services industry items

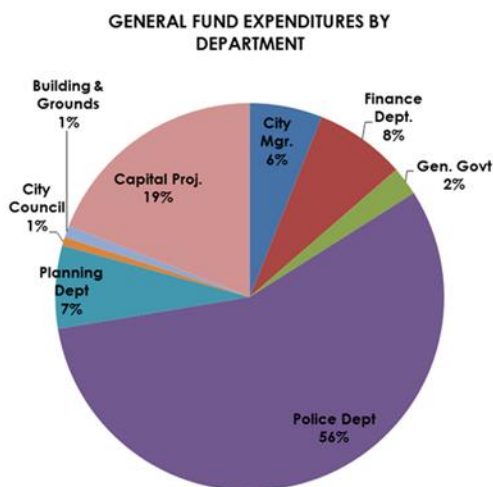
GENERAL FUND OVERVIEW



Change may inevitably come since a solution is necessary to remedy the major shift in spending habits that have led to a decrease of this vital revenue source.

EXPENDITURES

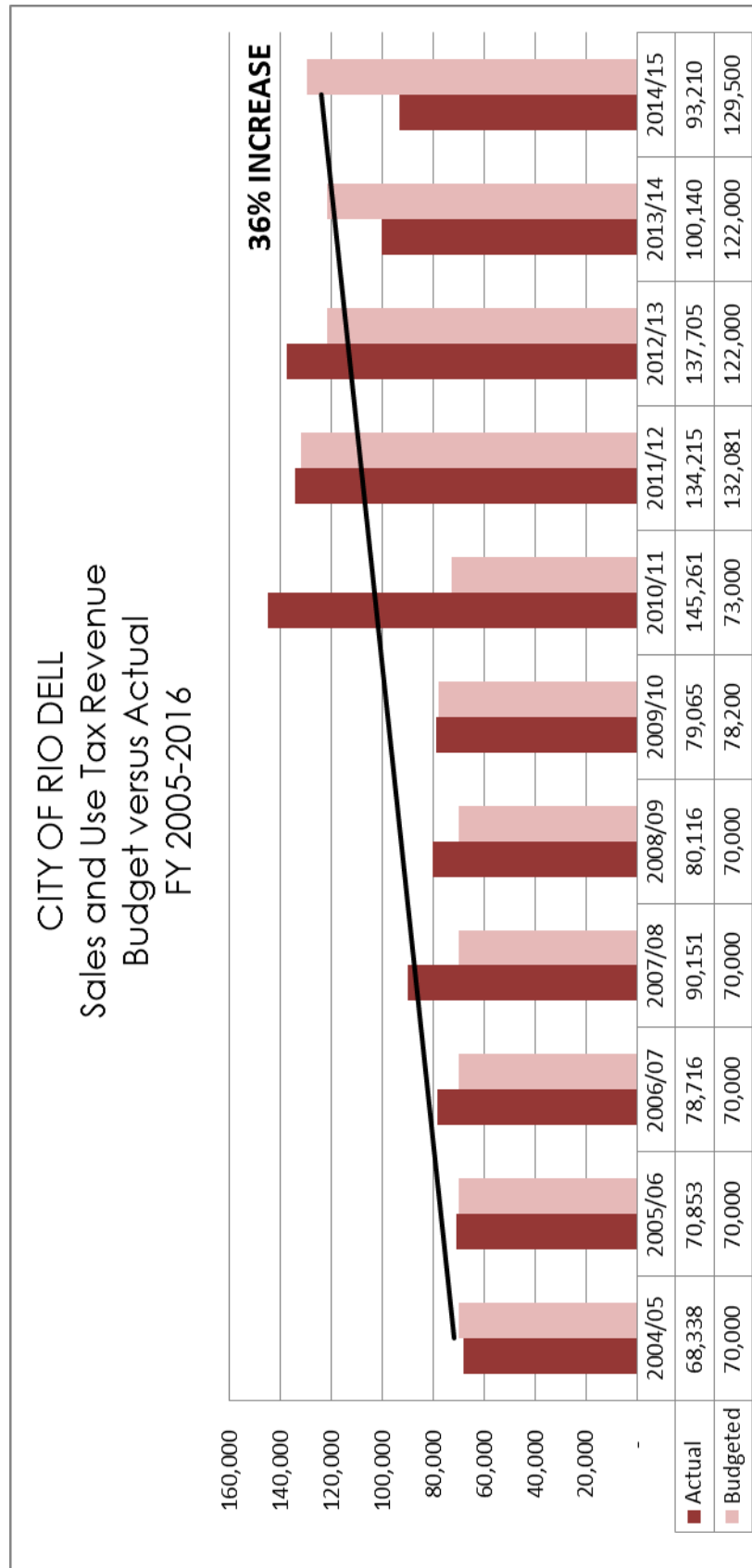
Total appropriations for the general fund for FY 2016/17 are \$1,002,911 to support the various departments including Police, Finance, City Manager, Council, buildings and Grounds, Planning, and several Capital Projects. General Fund *operating costs* are budgeted at \$793,606, *capital projects* for the general fund total \$186,382, and *transfers* total \$10,055



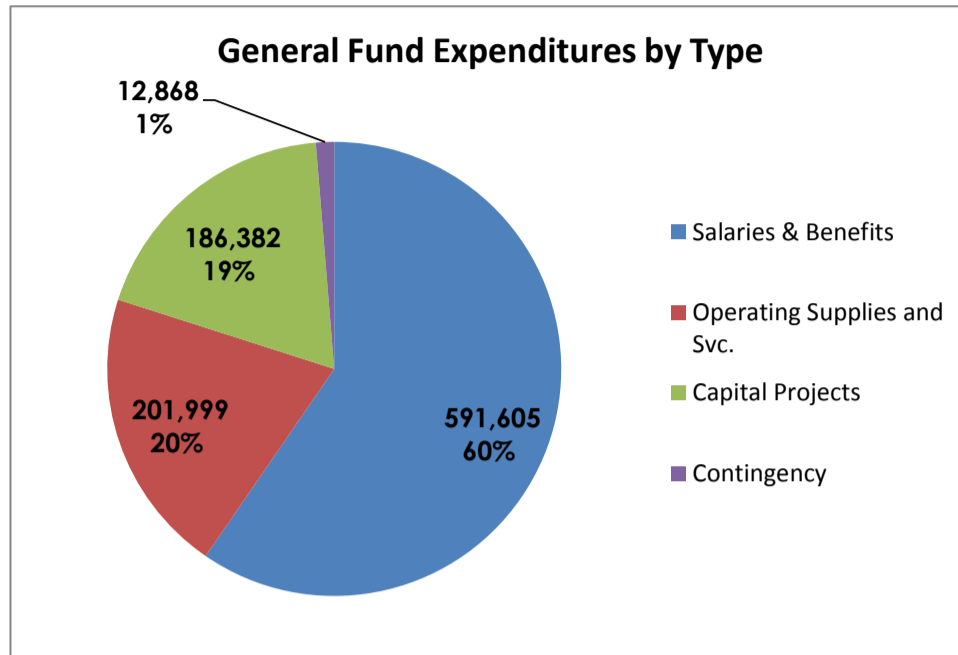
The Public Works Buildings and Grounds department has sufficient but minimal funding to meet the requirements of maintaining the City's buildings and grounds including parks. The minimal funding for the Buildings and Grounds Department is meant to keep General Fund expenditures down in light of the fact that the ending fund balance, with this year's budget, shows the General Fund reserve is estimated to have declined 25% since fiscal year 2013/14.

The 2016/17 Adopted Budget has been conservative, as in the previous year, yet is meant to maintain public services at decent levels.

GENERAL FUND OVERVIEW



GENERAL FUND REVENUES AND EXPENDITURES
FY 2016/17



ALLOCATION BY DEPARTMENT		
City Council (12)	0.7%	6,865
City Mgr. (02)	6.0%	59,126
Finance Dept. (03)	7.5%	74,087
General Govt. (06)	2.4%	23,547
Planning (10)	6.8%	67,811
Police Dept. (07)	55.6%	552,371
Bldg. & Grnd. (19)	1.0%	9,799
Capital Proj. (14)	18.8%	186,382
Contingency	1.3%	12,868
	100%	992,856

GENERAL FUND (000)	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4010 Tax - Property Current Secured	101,279	100,235	101,807	103,921	104,569	103,500	102,000
4011 Tax - Property Current Unsecur	3,716	3,600	3,890	3,600	3,792	3,600	3,600
4012 Tax - Property Prior Secured	62	-	-	-	-	-	-
4013 Tax - Property Prior Unsecured	-	100	116	-	49	-	100
4025 Tax - Supplemental Roll	3,396	2,200	622	2,200	1,181	2,200	2,200
4026 Tax - Home Owner's Property	1,567	1,600	1,454	1,600	1,205	1,400	1,400
4027 Tax - Prior Years - Supplemental	778	-	709	-	131	-	-
4030 Tax - Transient Occupancy Tax	11,424	10,105	10,793	11,000	10,969	11,000	10,500
4035 Tax - Timber Yield	16	10	14	12	15	14	10
4040 Tax - Retail Sales	100,140	122,000	93,210	129,500	112,633	117,000	100,500
4041 Tax - In Lieu Retail Sales - County	43,570	51,192	29,148	43,510	22,509	29,100	16,000
4042 Tax - Measure U Sales Tax	-	-	44,477	-	193,101	160,000	170,000
4050 Tax - Documentary Real Property	4,350	2,200	3,503	2,300	5,398	4,000	2,800
4056 Tax - Public Safety .5% sales	2,987	3,200	3,445	3,300	3,362	3,100	3,300
4105 Fees - Recorders Fees	-	500	-	-	-	-	-
4110 Fees - Franchise - Electric	27,722	24,000	26,682	28,000	28,869	26,200	27,000
4115 Fees - Franchise - Gas	6,277	6,000	5,720	6,300	6,020	5,600	6,000
4120 Fees - Franchise - Garbage	15,145	15,000	15,568	15,275	15,916	15,000	15,000
4125 Fees - Franchise - Cable TV	33,531	33,000	34,590	33,000	34,617	33,000	33,600
4150 Fees - Business License	11,500	6,000	8,724	8,000	8,596	9,500	9,000
4151 Fees - Business License CASP SB1186	285	50	69	200	200	250	180
4162 Fees - Motor Vehicle License (VLF)	7,943	6,600	6,795	7,600	4,309	7,100	7,100
4163 Fees - In Lieu VLF - County	340,093	330,000	342,092	340,094	348,796	342,000	342,000
4170 Fees - Animal License	1,252	800	1,281	1,000	1,706	1,800	1,350
4173 Fees - Animal Control/Relinq.	1,588	500	1,278	1,200	928	1,200	1,200
4178 Fees - Booking	547	500	741	500	429	200	500
4180 Fees - Notary	47	-	220	-	40	100	-
4183 Fees - Special Police Services	1,712	1,200	3,125	1,500	2,449	1,500	1,900
4185 Fees - Street & Sidewalks	960	300	-	500	-	-	-
4186 Fees - Weed & Lot	-	300	-	300	-	300	-
4195 Fees - Customer fax and copy	85	25	38	25	47	25	25
4220 Fines.-Animal Control/spa-neu	-	150	-	-	-	-	-
4240 Fines - Other	-	-	-	-	5,003	-	-
4310 Interest Income	176	100	1,417	100	317	100	425
4320 Rental Income - U.S. Cellular	6,513	6,000	6,571	6,370	6,605	6,370	6,500
4321 Rental Income - T. Mobile	13,587	10,800	11,983	11,681	13,557	13,000	11,800
4322 Rental Income - Property	-	4,500	-	-	-	-	-
4410 Building Plan - Constr Permits	23,951	28,800	-	-	16	-	-
4420 Planning - Zoning Fees	5,553	8,000	4,233	8,000	1,883	2,500	2,500
4430 Planning - Subdivision Fee	-	1,500	-	1,500	-	1,500	1,500
4435 Planning - Home Occupation Permit	80	750	440	500	160	300	200
4440 Building Plan - Plan Check Fee	9,898	5,000	-	-	-	-	-
4445 Building - Administrative Fees	-	-	-	-	51	-	-

** UNAUDITED FY 2015/16 FINANCIAL DATA

GENERAL FUND REVENUES AND EXPENDITURES
FY 2016/17

GENERAL FUND (000)	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4455 Planning - Other	-	-	138	-	-	50	-
4456 Planning - Parks & Recreation Development	-	75	-	-	-	-	-
4460 Building Plan - Seismic Fees	142	75	-	-	-	-	-
4462 Building Standards- SB1473	119	125	-	-	-	-	-
4465 Encroachment Permits	500	-	-	250	-	-	-
4480 Insurance Premium Reimbursement	360	-	-	-	4,145	-	-
4724 CDBG Transfer	-	-	29,226	-	-	-	-
4802 Donations- Bicycle Helmets	300	-	500	-	600	-	-
4803 Donations- Misc	384	-	50	-	20	-	-
4935 Gain/Loss on Disposal of Assets	35	-	-	-	-	-	-
4936 Bad Debt Recovery	168	-	-	-	-	-	-
4941 Misc - Post Training & Special Projects	-	-	-	3,000	-	-	-
4950 Misc	380	1,000	520	-	495	400	200
4990 Misc - Other	-	30,554	336	-	956	-	-
4995 Donations	-	-	-	-	116	-	-
TOTAL REVENUE	784,118	818,646	795,525	775,838	945,760	902,909	880,390
EXPENDITURES							
5000 Full Time Salaries	411,586	380,557	401,513	400,533	367,597	363,719	358,753
5030 Overtime Salaries	7,484	6,640	5,774	7,037	12,570	20,114	16,957
5032 Retirement - City Manager	1,371	2,260	491	-	-	-	-
5035 Benefit - ICMA City 457	62,710	68,691	61,206	67,647	60,887	61,884	62,360
5040 Benefit - Health Insurance	58,998	66,472	92,449	93,645	68,901	71,993	71,636
5041 Health Savings	-	-	-	-	3,765	3,878	-
5042 Benefit - Life Insurance	1,232	1,305	1,450	1,391	1,146	1,284	1,259
5044 Benefit - Dental/Vision Insurance	6,277	8,315	10,940	10,101	10,104	11,848	10,744
5045 Worker Compensation Insurance	21,201	11,555	27,770	27,970	28,427	27,793	31,643
5055 Unemployment Insurance	3,125	3,869	3,336	3,855	3,398	2,737	2,669
5050 FICA/MEDI	36,054	29,593	34,450	30,156	33,856	29,502	28,791
5060 Clothing Allowance	3,758	2,925	3,553	3,175	4,390	3,951	3,793
5069 Accrued Payroll Taxes Expense	-	-	-	-	1,134	-	-
5080 Hiring Costs	6,457	12,920	-	1,750	2,950	1,900	3,000
5101 Office Supplies	2,384	2,680	2,401	2,192	2,693	2,372	2,632
5102 Operating Supplies	3,374	4,000	1,704	2,930	2,090	3,099	2,722
5103 Postage	1,907	2,805	1,340	2,061	1,317	1,806	1,785
5104 Printing - Forms	5,145	2,060	4,460	2,808	4,086	4,456	4,303
5105 Advertising	657	50	-	50	401	50	300
5106 Promotional	4,128	5,060	243	50	907	268	266
5107 Memorial Park Expense	-	-	-	780	-	660	220
5109 Chemicals	-	-	105	-	10	-	-
5110 Accounting	7,764	7,358	5,240	4,320	6,414	6,000	5,300
5111 Cash Over/Short	30	10	20	-	10	-	-
5112 Legal	5,223	9,900	4,215	5,230	12,296	39,170	5,180
5115 Contract/Professional Services	51,996	91,179	17,413	19,053	8,037	18,050	26,018
5116 Bank Fees	445	400	284	314	259	440	440
5117 Animal Control	8,882	5,000	6,533	6,500	10,800	6,500	12,000
5119 Safety Supplies & Equipment	-	-	27	90	319	1,330	1,270
5120 Cell Phones	9,348	8,440	5,144	8,711	4,413	5,310	4,668
5121 Telephone - Pager	-	-	5,001	-	4,856	4,800	4,850
5122 Training - Conference	1,605	5,300	2,826	2,505	5,124	7,670	7,250
5123 Automobile - Transportation	4,302	4,210	2,900	3,295	2,147	3,530	3,339
5125 Publications - Books	2,351	1,810	128	624	199	635	631
5126 Dues & Memberships	5,110	3,880	4,561	3,324	1,598	3,334	2,946
5128 Employee Relations	-	2,650	-	295	-	295	295
5129 Bank Fees	-	2,100	-	-	-	-	-
5130 Rents - Leases	4,218	4,500	3,847	4,365	4,591	4,474	4,305
5131 Records Maintenance	628	-	561	549	730	746	723
5135 Maintenance - Repair	5,932	2,960	3,851	2,653	2,872	7,387	131,864
5136 Parks Maintenance - Repair	-	-	74	2,550	-	1,216	405
5138 Office Equipment	3,701	4,281	851	3,180	1,029	4,340	7,652
5139 Equipment	4,052	5,570	678	1,580	994	7,605	7,285
5140 Bond Insurance	-	2	-	-	-	-	-
5141 General Liability Insurance	9,197	21,772	20,406	22,322	15,802	19,895	19,842
5143 Property Insurance	2,133	4,896	3,995	4,947	4,254	3,895	3,940
5144 Emp Practice Liab Insurance	519	1,775	306	1,644	3,193	1,775	3,247
5148 Office Equipment	-	50	-	-	-	-	-
5150 Electricity	4,387	1,290	4,116	2,953	4,375	3,888	3,964
5151 Natural Gas	297	230	282	338	201	321	334

** UNAUDITED FY 2015/16 FINANCIAL DATA

GENERAL FUND REVENUES AND EXPENDITURES
FY 2016/17

GENERAL FUND (000)					**		6/30/2017 ADOPTED
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
EXPENDITURES							
5152 Water	-	-	1,942	1,220	1,805	542	943
5153 Sewer	-	-	472	344	329	483	498
5154 Garbage	166	-	-	200	-	-	-
5160 Elections	-	-	281	-	-	-	-
5161 Sales Tax Admin Fees	-	-	7,290	-	-	-	-
5162 Medical	1,487	6,000	3,096	3,000	2,394	3,000	3,200
5163 Property Tax Admin Fees	583	600	412	450	522	600	600
5164 Regulatory Fees	235	4,050	-	2,000	-	2,000	2,000
5166 LAFCO Fees	261	1,700	400	1,700	339	300	300
5167 Seismic Fees	152	200	-	-	-	-	-
5171 Computer Software	866	2,625	30	826	33	840	840
5172 Computer Training	16	600	-	-	-	-	-
5173 Computer Maintenance - Support	9,344	5,569	11,072	11,431	11,984	11,017	12,594
5174 Web Design Services	132	489	412	528	122	736	1,140
5192 Code Enforcement	20	3,000	445	-	-	1,000	1,000
5193 Nuisance Abatement-Vehicle	80	2,245	-	-	1,000	1,250	1,250
5212 Gas & Oil	15,712	15,000	13,452	13,900	13,339	13,700	13,800
5213 Vehicle Repair	3,443	4,000	8,389	2,500	5,229	4,000	4,000
5215 Public Works - Small Tools	36	20	253	600	179	112	37
5227 Public Works - Equip. Repair	-	-	130	510	272	480	160
5229 Public Works - Equip. Rental	-	-	-	450	-	300	100
5305 Booking Fees Due	(3,439)	1,500	-	-	-	-	-
5308 Dispatch Service Due	18,504	18,503	18,504	18,500	24,900	24,900	24,900
5450 Miscellaneous Expense	6,250	6,250	-	-	-	-	-
5460 Contingency	-	-	-	(850)	-	-	-
5512 Planning	-	-	13	-	-	-	-
5514 Engineering	7,526	67,000	-	45,200	953	45,200	200
5520 Improvements	970	-	-	-	-	44	44
5540 Mayor Woodall	-	50	-	-	-	-	-
5541 Gordon Johnson	110	50	-	-	-	-	-
5560 Council Member Marks	-	50	-	-	-	-	-
5563 Council Member Thompson	-	220	-	-	-	-	-
5564 Council Member Wilson	-	220	-	-	-	-	-
5900 RDFD and Library Water/Sewer	-	-	4,252	3,388	5,719	4,000	4,667
6000 Fixed Asset - Equipment	44	3,600	-	-	-	22,000	-
6100 Fixed Asset - Computer Hardware	2,711	1,602	-	-	-	-	-
6400 Fixed Asset - Vehicles	4,240	4,800	-	-	-	-	40,000
6500 Infrastructure	2,967	-	-	-	3,868	10,000	6,132
6525 Building and Improvements	1,078	1,176	-	-	-	-	-
6600 Fixed Asset - Land Improvements	5,230	10,600	-	-	-	-	-
8010 Contingency	-	-	-	31,186	-	9,750	12,868
TOTAL EXPENDITURES	848,692	963,039	817,289	896,556	778,129	922,174	992,854

** UNAUDITED FY 2015/16 FINANCIAL DATA

DEPARTMENTAL BUDGETS



BUDGET SUMMARY BY DEPARTMENT

The charts below show expenditures by department and by fund. The information also includes staff position allocations.

CITY MANAGER DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	20%	59,126
Streets Funds	10%	29,563
Wastewater Fund	35%	103,470
Water Fund	35%	103,470
	100%	295,629

ALLOCATION BY POSITION	
City Manager	98%
City Clerk	60%

FINANCE DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	20%	74,087
Streets Funds	10%	37,044
Wastewater Fund	35%	129,653
Water Fund	35%	129,653
	100%	370,437

ALLOCATION BY POSITION	
Finance Director	100%
Accountant I	100%
Senior Fiscal Assistant	100%
Fiscal Clerk II	100%

SOLID WASTE DEPARTMENT BUDGET

ALLOCATION BY FUND		
Solid Waste Fund	100%	10,973

ALLOCATION BY POSITION	
City Manager	2%



BUDGET SUMMARY BY DEPARTMENT

GENERAL GOVERNMENT DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	78%	23,547
CDBG	22%	6,642
	100%	30,189

ALLOCATION BY POSITION	
Community Development Director	30%

POLICE DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	86%	552,371
SLESF Fund	14%	89,158
Measure Z	0%	-
	100%	641,529

ALLOCATION BY POSITION	
Police Chief, Sergeant, and 3 Officers	100%

PLANNING DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	100%	67,811

ALLOCATION BY POSITION	
Community Development Director	40%
City Clerk	20%

ADMINISTRATION VEHICLE

ALLOCATION BY FUND		
Admin Fund	100%	1,250



BUDGET SUMMARY BY DEPARTMENT

BUILDING DEPARTMENT BUDGET

ALLOCATION BY DEPARTMENT		
General Fund	10%	5,869
Building Fund	90%	51,599
	100%	57,468

ALLOCATION BY POSITION	
Community Development Director	30%
City Clerk	20%

CITY COUNCIL DEPARTMENT BUDGET

ALLOCATION BY FUND		
General Fund	44%	6,865
Streets Funds	7%	1,099
Wastewater Fund	25%	3,846
Water Fund	25%	3,846
	100%	15,656

STREETS DEPARTMENT BUDGET

ALLOCATION BY FUND		
Gas Tax (HUTA) Fund	38%	74,339
TDA Fund	39%	76,002
RSTP Fund	11%	22,000
		172,341
RESERVES (Gas Tax)	12%	24,788
	100%	197,129

ALLOCATION BY POSITION	
Water and Roads Superintendent	15%
Utility Worker I (2)	35%
Wastewater Operator I	20%



BUDGET SUMMARY BY DEPARTMENT

SEWER DEPARTMENT BUDGET

ALLOCATION BY FUND

Sewer Fund	100%	484,583
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ALLOCATION BY POSITION

Wastewater Superintendent	100%
Water and Roads Superintendent	20%
Utility Worker I (2)	10%
Wastewater Operator I	50%

WATER DEPARTMENT BUDGET

ALLOCATION BY FUND

Water Fund	100%	375,772
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ALLOCATION BY POSITION

Water and Roads Superintendent	60%
Utility Worker I (2)	35%
Wastewater Operator I	20%

BUILDINGS AND GROUNDS DEPARTMENT BUDGET

ALLOCATION BY FUND

General Fund	20%	9,799
Streets Funds	10%	4,900
Wastewater Fund	35%	17,149
Water Fund	35%	17,149
	100%	48,996

ALLOCATION BY POSITION

Water and Roads Superintendent	5%
Utility Worker I (2)	20%
Wastewater Operator I	
I	10%



OVERVIEW – REVENUE BUDGET

STATEMENT OF FUNCTION

The Revenue Department exists solely for tracking and reporting revenues. All revenue is recorded within the Revenue Department for review and analysis by the Finance Department and City Manager.

2016/17 BUDGET

The Adopted Revenue Budget totals \$4,520,048. This includes \$2,387,772 in Operating Revenue, \$1,637,905 for Capital and \$494,371 for Debt Service. In comparison to the prior year, City-wide budgeted operating revenues have increased by \$1,426,445. The majority of the increase is due to the Metropolitan Wells project (\$964,994), and the water funds revenues have also been increased from the prior year's budget (\$377,299). The water fund revenue increase is directly related to a water rate increase in 2015/16.

The general fund shows estimated revenues of \$879,765. This is a 3% decrease from \$902,909 from the prior year. Retail sales tax was decreased from \$117,000 in FY 2015/16 to \$100,500 in 2016/17. This reflects the current trends in sales tax revenue that has been in decline for several years. In-lieu sales tax was significantly reduced as well from \$29,100 to \$16,000. The decrease was based on past year's data where actual receipts have continued to shrink. Midyear of 2015/16 in-lieu sales tax was \$5,010 (18% of budgeted amount).

The streets funds are still revenue deficient with revenues estimated at \$207,939. The Highway User's Tax Account fund (HUTA) is estimated to collect \$74,339 in revenues, Transportation Development Act fund (TDA) is estimated to collect \$111,600, and the Regional Transportation Planning funding is budgeted at \$22,000. Still total revenues of \$207,939 are \$76,795 under expenditures of \$284,734. The 2016/17 deficit is less than last year's streets budget deficit (2015/16) of \$83,278.

Humboldt County Association of Governments is currently looking into 0.5% tax to help with the streets and roads noticeable declining revenue sources. The

tax is estimated to be \$185,000 for the City of Rio Dell. This tax, if passed, will have a twenty (20) year sunset date.

The state is seeking a long term fix, as well. SB 1077 created a Road Usage Charge (RUC) Technical Advisory Committee to study RUC alternatives to the gas tax. A pilot program is underway to test the viability of a road user fee. A program to tax road usage will take several years to implement.

The water funds will show a significant increase in revenues. Operating at \$697,745, Metropolitan Wells on-going at \$11,697, capital at \$194,051, and debt service at \$152,371 for a total budgeted revenue of \$1,073,330. This amount is \$377,299 (48%) more than the previous year. The increased revenue is directly related to the water rate increase in FY 2015/16.

Water consumption continues a slow climb back to more normal levels; however consumption still remains below pre-drought amounts. The drought has been the worst drought on record and according to a study published June 21, 2016 in Geophysical Research Letters the drought for California isn't over.

Metropolitan Wells revenues are budgeted at \$591,794 for Prop 84 \$373,200 for the Emergency Community Water Assistance Grants (ECWAG). Revenues totaling \$1,098,523 are required for completion, meaning that the water capital fund will contribute \$133,529.

Fiscal year 2016/17 is the third year of the City's newly implemented sewer rate structure. The Sewer Funds budgeted revenue is \$1,226,820. This amount is more than the waste water study estimate of \$1,167,000. Not included in the wastewater study is \$32,000 that is received annually through the county for the 1978 property tax assessment. Also not included in the study were late charges and fees, which are budgeted at \$22,600. By subtracting both the assessment and late charges the amount from total sewer revenues moves closer towards the study's target of \$1,167,000.

DEPARTMENTAL BUDGET - REVENUE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,330,898	3,177,436	2,048,592	3,128,891	4,520,048
ADMIN FUND							
4900 Interfund Revenue	987	-	4,444	-	1,454	4,000	2,800
ANNIVERSARY FUND							
4963 Anniversary Income	-	-	850	-	-	850	-
BUILDING FUND							
4445 Building - Administrative Fees	2,846	-	14,854	150	12,622	8,000	14,000
4463 Building - Continuing Education	-	-	201	-	111	125	110
4464 Building - Technology Fee	-	-	453	-	250	340	340
4410 Building Plan - Constr Permits	23,951	28,800	14,123	30,000	12,398	18,000	13,885
4440 Building Plan - Plan Check Fee	9,898	5,000	5,324	19,800	3,720	6,000	3,950
4460 Building Plan - Seismic Fees	142	75	112	125	118	75	125
4462 Building Standards- SB1473	119	125	63	-	47	60	66
4465 Encroachment Permits	500	-	500	250	375	500	425
Total revenue	37,456	34,000	35,630	50,325	29,641	33,100	32,901
CDBG FUNDS							
4729 Deferred Revenue	-	5,120	(17,654)	-	(945)	-	-
4727 Grant Restr - CDBG PI Interest/late fees	47	-	1	-	1	-	-
4725 Grant Restr - CDBG PI Principle	5,366	-	24,143	-	8,912	-	12,000
Total revenue	5,413	5,120	6,490	-	7,968	-	12,000
GENERAL FUND							
4995 Donations	100	-	-	-	700	-	-
4802 Donations- Bicycle Helmets	300	-	500	-	-	-	-
4803 Donations- Misc	384	-	50	-	20	-	-
4197 Fees - Admin Vehicle User Fees	-	5,000	-	-	-	-	-
4173 Fees - Animal Control/Relinq.	1,588	500	1,278	1,200	489	1,200	1,200
4170 Fees - Animal License	1,252	800	1,281	1,000	1,327	1,800	1,350
4178 Fees - Booking	547	500	741	500	358	200	500
4150 Fees - Business License	11,500	6,000	8,724	8,000	4,440	9,500	9,000
4151 Fees - Business License CASP SB1186	285	50	180	200	90	250	180
4195 Fees - Customer fax and copy	85	25	38	25	36	25	25
4125 Fees - Franchise - Cable TV	33,531	33,000	34,590	33,000	16,974	33,000	33,600
4110 Fees - Franchise - Electric	27,722	24,000	26,682	28,000	-	26,200	27,000
4120 Fees - Franchise - Garbage	15,145	15,000	15,568	15,275	7,904	15,000	15,000
4115 Fees - Franchise - Gas	6,277	6,000	5,720	6,300	-	5,600	6,000
4163 Fees - In Lieu VLF - County	340,093	330,000	342,092	340,094	171,044	342,000	342,000
4162 Fees - Motor Vehicle License (VLF)	7,943	6,600	6,795	7,600	4,309	7,100	7,100
4180 Fees - Notary	47	-	220	-	-	100	-
4105 Fees - Recorders Fees	-	500	-	-	-	-	-
4183 Fees - Special Police Services	1,712	1,200	3,125	1,500	1,285	1,500	1,900
4185 Fees - Street & Sidewalks	960	300	-	500	-	-	-
4186 Fees - Weed & Lot	-	300	-	300	-	300	-
4220 Fines.-Animal Control/spa-neu	420	150	-	-	-	-	-
4728 Gen Fund Income from CDBG Misc. fees	-	-	32	-	-	-	-
4747 Grant - Measure Z	-	-	-	-	9,086	35,569	-
4941 Misc - Post Training & Special Project Reimburseme	-	-	-	3,000	-	-	-
4435 Planning - Home Occupation Permit Fee	80	750	440	500	160	300	200
4455 Planning - Other	-	-	138	-	-	50	-
4456 Planning - Parks & Rec Dev. Fees	-	6,075	3,000	-	1,500	-	-
4430 Planning - Subdivision Fee	-	1,500	-	1,500	-	1,500	1,500
4420 Planning - Zoning Fees	5,553	8,000	4,233	8,000	1,230	2,500	2,500
4322 Rental Income - Property	-	4,500	-	-	-	-	-
4321 Rental Income - T. Mobile	13,587	10,800	11,983	11,681	9,002	13,000	11,800
4320 Rental Income - U.S. Cellular	6,513	6,000	6,571	6,370	3,831	6,370	6,500
4050 Tax - Documentary Real Property	4,350	2,200	3,503	2,300	2,365	4,000	2,800
4026 Tax - Home Owner's Property	1,567	1,600	1,454	1,600	709	1,400	1,400
4041 Tax - In Lieu Retail Sales - County	43,570	51,192	29,148	43,510	5,010	29,100	16,000
4042 Tax - Measure U Sales Tax	-	-	44,477	-	101,910	160,000	170,000
4027 Tax - Prior Years - Supplemental	778	-	709	-	75	-	-
4010 Tax - Property Current Secured	101,279	100,235	101,807	103,921	52,444	103,500	102,000
4011 Tax - Property Current Unsecur	3,716	3,600	3,890	3,600	3,481	3,600	3,600
4012 Tax - Property Prior Secured	62	-	-	-	-	-	-
4013 Tax - Property Prior Unsecured	-	100	116	-	42	-	100
4056 Tax - Public Safety .5% sales	2,987	3,200	3,445	3,300	1,727	3,100	3,300
4040 Tax - Retail Sales	100,140	122,000	93,210	129,500	51,701	117,000	100,500
4025 Tax - Supplemental Roll	3,396	2,200	622	2,200	302	2,200	2,200
4035 Tax - Timber Yield	16	10	14	12	12	14	10
4030 Tax - Transient Occupancy Tax	11,424	10,105	10,793	11,000	10,073	11,000	10,500
Total Revenue	748,489	763,992	767,169	775,488	463,636	937,978	879,765
MEASURE Z FUND							
Measure Z	-	-	-	-	17,458	35,569	-

DEPARTMENTAL BUDGET - REVENUE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,330,898	3,177,436	2,048,592	3,128,891	4,520,048
RECYCLING FUND							
4746 Grant Restristed - Recycling	5,000	-	-	-	5,000	5,000	5,000
RESTRICTED FUNDS							
4757 Grant - Safe Routes To School	128,062	152,300	-	-	-	-	-
4720 Grant Headwaters	-	100,000	-	-	-	-	-
4710 Grant Restr - ISTE A	-	21,000	-	-	-	-	-
4750 Grant Restr- DOT RPSTLE-5396	536,412	-	-	-	-	-	-
4755 Grant Restricted - STIP	-	491,263	-	-	-	-	-
4759 Grant Restr-SWRCB Grant Fac&Eff Disp.	716,804	3,718,874	-	-	-	-	-
Total Revenue	1,381,278	4,483,437	-	-	-	-	-
REALIGNMENT GRANT							
4744 Grant Rest - Police Realignment Grant	20,000	-	14,817	-	9,884	7,000	5,500
METROPOLITAN WELLS - Grant #1034							
4763 Grant Rest.- Prop. 84 - SDWSRF	-	-	192,206	-	-	-	591,794
METROPOLITAN WELLS - Grant #1038							
4765 Grant Rest.-USDA ECWAG	1,401,278	4,483,437	207,023	-	9,884	7,000	373,200
SEWER OPERATIONS							
4510 Sewer - Service	696,322	670,458	673,023	602,614	392,630	555,000	758,656
4520 Sewer - Connection (80%)	5,220	4,600	10,440	-	15,660	5,220	4,176
4630 Late Fee	21,396	18,800	20,555	38,000	22,901	20,000	20,600
4936 Bad Debt Recovery	1,127	500	1,693	1,000	437	1,430	2,000
Total Revenue	724,065	694,358	705,710	641,614	431,628	581,650	785,432
SEWER CAPITAL							
4540 Sewer - Replacement Reserve - DEPT 14	185,812	172,216	180,188	255,571	105,167	170,000	99,388
SEWER ASSESSMENT - Dept 14							
4570 Sewer - Assmt Dist #1 Current	28,159	28,785	2,962	28,785	16,776	30,950	32,000
4571 Sewer - Assmt Dist #1 - Prior	2,009	-	939	-	1,424	-	-
Total Revenue	30,168	28,785	3,901	28,785	18,200	30,950	32,000
SEWER DEBT SERVICE - Dept 14							
4516 Sewer - Debt Service	359,382	323,184	348,356	325,900	203,319	310,000	310,000
WATER / SEWER SPLIT							
4920 Misc - Special Public Works	2,945	1,000	1,909	-	-	1,900	-
SLESF FUND							
4740 Grant Restr - Police Grant SLESF	98,562	100,000	100,000	100,000	48,069	100,000	100,000
SOLID WASTE FUND							
4190 Fees - Integrated Waste Management	8,173	8,500	9,199	8,500	4,976	9,500	9,000
TDA							
4045 Tax - (HCAOG) Transportation - TDA	117,477	117,251	114,888	108,609	48,365	108,945	111,600
RSTP FUNDS							
4712 Grant Restricted - RSTP HCAOG	46,763	-	22,572	21,000	-	21,000	22,000
GAS TAX							
4048 Tax - Gasoline (Highway Users Tax)	109,540	103,464	103,581	90,010	47,740	76,820	74,339
WATER OPERATIONS							
4610 Water - Service	466,408	543,397	426,809	501,967	299,410	450,000	667,805
4620 Water - Connection (80%)	8,100	10,800	5,400	5,410	8,100	2,700	2,160
4630 Late Fee	21,396	18,800	20,555	38,000	22,901	20,000	20,600
4635 Shut Off Fees	15,100	10,200	17,560	5,933	3,825	6,000	6,180
4936 Bad Debt Recovery	1,127	500	1,693	1,000	437	1,430	2,000
Total Revenue	512,131	583,697	472,016	552,310	334,673	480,130	698,745
WATER DEBT SERVICE - Dept 14							
4615 Water - Debt Service	144,920	134,000	172,949	140,724	108,698	140,000	152,371
4616 Water - Debt Service Restricted	-	-	-	-	3,053	-	20,783
	144,920	134,000	172,949	140,724	111,751	140,000	173,154
WATER CAPITAL							
4650 Water - Capital	64,780	-	65,813	77,000	48,967	63,000	171,728

DEPARTMENTAL BUDGET - REVENUE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,330,898	3,177,436	2,048,592	3,128,891	4,520,048
4651 Water Capital Infiltration Gallery	-	-	-	-	100,000	-	-
4620 Water - Connection (20%)	8,100	10,800	5,400	5,410	8,100	2,700	540
							172,268
METROPOLITAN WELLS							
4653 Water - Metro Wells	-	-	-	-	1,528	-	11,697
DINSMORE CAPITAL IMPROVEMENT							
4654 Water - Dinsmore Zone Charge	-	-	-	-	2,426	-	17,466
4640 Water - Damage Replacement	1,014	400	-	1,000	-	11,000	-
TOTAL REVENUE ALL FUNDS	4,606,817	7,595,058	3,330,898	3,177,436	2,048,592	3,128,891	4,520,048

	6/30/14	6/30/14	6/30/15	6/30/15	2/24/16	6/30/16	2016/17
	Actual	Budget	Actual	Budget	Y-T-D	Budget	ADOPTED
2016-2017 CITY MANAGER							
Salaries and Benefits	222,986	198,513	182,140	252,740	129,740	207,787	203,753
Operating Supplies	43,858	115,862	53,135	72,986	28,104	76,808	91,876
Total City Manager Dept.	266,844	314,375	235,275	325,726	157,844	284,595	295,629

STATEMENT OF FUNCTION

The City Manager is the Chief Administrative Officer for the City and is responsible for the day to day performance of all City operations. The City Manager oversees the activities of all Departments and special projects to ensure they are in concert with the policies and goals of the Council. The City Manager provides the City Council with accurate and timely information to support decision-making and policy direction, deals with conflict and dispute resolution, analyzes and recommends organizational enhancements and restructuring as necessary, also serves as the City Budget Officer, negotiates contracts and agreements and serves as the Human Resources Director as well as the Public Works Director.

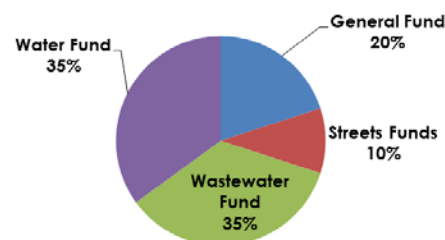
The City Clerk provides staff and administrative support to City Council and the City Manager, including preparation of City Council meeting agendas with the City Manager. Sixty percent (60%) of the City Clerk's position is budgeted to the City Manager's Department. The City Clerk's duties are to maintain official City records, conduct City elections and prepare and post the noticing requirements for public meetings. The City Clerk also is responsible for the filing of campaign and economic interest statements and provides information about conduct of City business to the public.

2016/17 BUDGET

The recommended budget for the City Manager's Department is \$295,629, an increase of \$11,034 from the July 1, 2015 final budget. The City Manager Budget is spread amongst various funds and allocations are as follows:

Amounts are \$59,126 (20%) to the General Fund, \$29,563 (10%) to Streets, \$103,470 (35%) to Sewer Operations, \$103,470 (35%) to the Water Fund, and 40 hours of City Manager's time is budgeted to the Recycling Fund. The City Manager's budget is based on projects that the City is currently undertaking and proposed estimates on the time the City Manager will spend on those projects within the particular funds. This year water and wastewater allocations are equal, whereas last fiscal year due to the water rate study the water funds were allocated a larger proportionate share.

City Manager Department Expenditures by Fund



SALARIES AND BENEFITS

Salaries and employee benefits for the Department of City Manager funds the positions of City Manager and City Clerk total \$203,751, a decrease of \$4,031 from 2015/16. The City Manager is funded 98% out of the City Manager's budget and the City Clerk is allocated at 60%.

Included in the City Manager's Budget is the contractual indenture that the City Manager and City Clerk may cash out available accrued vacation and

executive leave as stipulated per agreement. The total cost of the City Manager's salary and benefits for the City Manager department is \$150,226 and the City Clerk's portion is \$53,527.

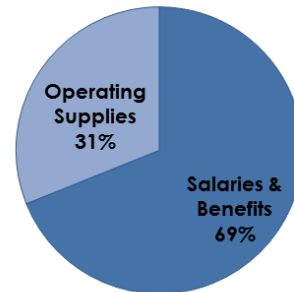
All other accounts have been adjusted to reflect actual costs.

SERVICES AND SUPPLIES

The Services and Supplies accounts total \$91,878 from \$76,808 in 2015/16. This is an increase of \$15,070 in services and supplies expenditures. The more significant increased costs are shown in the following line items: contract/professional services, liability insurance, and office equipment. Cost centers of note:

1. Legal (5112) includes \$15,000 as may be required.
2. Contract/Professional Services budgeted at \$33,300; budgeted under this line item
3. are Access Humboldt contract costs, codification costs, and miscellaneous legal expenditures (other than the City's own attorney)
4. Office equipment was increased \$3,000. This is for computer equipment (\$2,000) and additional chamber chairs (\$1,000).
5. Training (5122) includes \$3,000 for both the City Manager and City Clerk

City Manager Department



DEPARTMENTAL BUDGET - CITY MANAGER

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	137,720	110,019	139,444	171,281	92,590	151,272	154,945
5032 Retirement - City Manager	6,564	11,300	2,457	-	-	-	-
5035 Benefit - ICMA City 457	11,611	3,517	16,331	22,891	12,357	17,430	17,311
5040 Benefit - Health Insurance	15,760	14,077	15,433	34,427	13,557	21,641	14,679
5042 Benefit - Life Insurance	304	324	320	371	154	304	303
5044 Benefit - Dental/Vision Insur	2,426	2,507	1,753	2,417	1,418	3,214	1,949
5045 Worker Compensation Insurance	2,920	2,002	2,094	1,732	1,555	1,598	2,026
5050 FICA/MEDI	11,558	8,416	12,417	13,104	7,464	11,634	11,852
5055 Unemployment Insurance	642	1,100	1,016	1,517	645	694	686
5080 Hiring Costs	27,148	45,251	-	5,000	-	-	-
5081 Compensated Absences Payable	6,333	-	(9,125)	-	-	-	-
5101 Office Supplies	1,675	1,496	1,283	1,500	548	1,500	1,500
5102 Operating Supplies	306	700	382	350	219	350	350
5103 Postage	235	250	294	250	117	250	250
5104 Printing - Forms	3,931	2,000	4,011	3,000	1,561	4,000	4,000
5106 Promotional	-	51	85	-	-	-	-
5112 Legal	5,849	20,000	6,271	15,000	4,960	15,000	15,000
5115 Contract/Professional Services	17,827	61,420	4,804	29,240	639	23,000	33,300
5121 Telephone - Pager	1,707	900	1,739	2,000	1,115	1,760	1,760
5122 Training - Conference	1,501	4,500	1,686	2,000	585	3,000	3,000
5123 Automobile - Transportation	2,169	6,000	4,645	4,200	3,155	4,200	4,645
5125 Publications - Books	28	100	76	50	-	50	50
5126 Dues & Memberships	236	2,500	622	1,100	1,075	1,100	1,100
5128 Employee Relations	-	151	-	100	-	100	100
5130 Rents - Leases	920	4,500	1,858	3,000	983	2,100	2,100
5131 Records Maintenance	103	-	76	100	43	110	110
5135 Maintenance - Repair	537	251	1,083	450	715	700	700
5138 Office Equipment	783	251	419	500	-	500	3,500
5139 Equipment	-	500	-	500	-	500	500
5140 Bond Insurance	-	10	-	-	-	-	-
5141 General Liability Insurance	1,812	4,167	8,054	4,312	5,264	8,538	8,538
5143 Property Insurance	420	936	1,577	957	996	1,672	1,672
5144 Emp Practice Liab Insurance	102	330	121	318	994	762	1,400
5148 Office Equipment	-	201	-	-	-	-	-
5150 Electricity	676	651	1,375	586	858	1,430	1,473
5151 Natural Gas	59	300	111	63	54	137	141
5152 Water	-	-	59	38	70	50	225
5153 Sewer	-	-	99	73	40	100	103
5160 Elections	-	-	1,003	-	-	-	-
5161 Sales Tax Admin Fees	-	-	7,290	-	-	-	-
5162 Medical	2	-	-	-	-	-	-
5166 LAFCO Fees	1,245	-	1,429	-	1,695	1,500	1,500
5171 Computer Software	-	500	1	500	1	500	500
5173 Computer Maintenance - Support	1,248	1,100	2,161	1,769	1,485	2,379	2,739
5174 Web Design Services	24	500	521	30	47	300	400
5215 Public Works - Small Tools	-	100	-	-	-	-	-
5514 Engineering	272	-	-	1,000	885	1,000	1,000
5520 Improvements	191	-	-	-	-	220	220
6100 Fixed Asset - Computer Hardware	-	1,497	-	-	-	-	-
TOTAL EXPENDITURES	266,844	314,375	235,275	325,726	157,844	284,595	295,629

ALLOCATION BY FUND

General Fund	20%	59,126
Streets Funds	10%	29,563
Wastewater Fund	35%	103,470
Water Fund	35%	103,470
	100%	295,629

ALLOCATION BY POSITION

City Manager	98%
City Clerk	60%



FINANCE DEPARTMENT BUDGET

DEPARTMENT HEAD
Brooke Woodcox, Finance Director

2016-2017 FINANCE DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	211,394	247,283	266,309	259,714	164,409	266,506	277,352
Operating Supplies	96,534	100,148	85,813	98,526	56,510	97,213	93,085
Total Finance Department	307,928	347,431	352,122	358,240	220,919	363,719	370,437

STATEMENT OF FUNCTION

The Finance Department's objective is to carry out the fiscal policies and procedures set forth by the City Council and implement recommendations of the City's Independent Auditor. Finance Staff follows accounting standards set by the Governmental Accounting Standards Board (GASB) and Generally Accepted Accounting Principles (GAAP).

The City's financial activities and internal controls are audited annually and guide the Finance Department in its financial responsibilities and set standards that safeguard the City's assets and the integrity of financial data.

Functions of the Finance Department include utility billing, collections, payroll (P/R), accounts payable (A/P), accounts receivable (A/R), general ledger maintenance (G/L), financial analysis and reporting, budget preparation and budget management, and many other financial activities.

Stakeholders of the City include City Council, constituents, the public at large, staff, and others affected by the actions of local government. The Finance Department is responsible for providing an open and transparent forum where stakeholders are welcome to inquire about the City's financial activities and be kept informed, on an on-going basis, about current and future financial decisions of the Council.

STAFFING

The Finance Department is staffed by 4 full-time employees (FTEs). Positions budgeted for the 2016/17

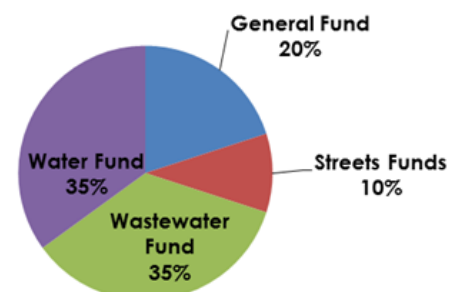
fiscal year are the Finance Director, Accountant I, the Senior Fiscal Assistant, and the Fiscal Assistant II.

2016/17 BUDGET

The approved budget for the Finance Department is \$370,437, an increase of \$6,718 from the prior budgeted amount in 2015/16 of \$363,719. The overall increase is generally related to pay step increases and an additional \$2,000 for replacement of computer equipment.

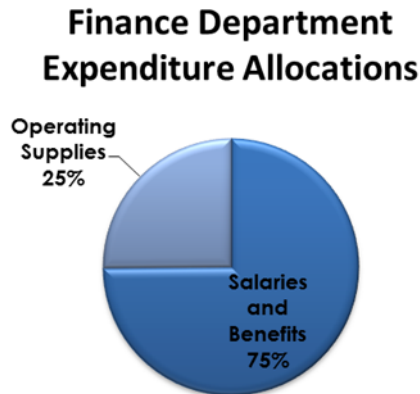
The Finance Department Budget is spread amongst various funds and the allocations are as follows: \$74,087 (20.0%) to the General Fund, \$37,044 (10.0%) to Streets, \$129,653 (35.0%) to Sewer Operations, and \$129,653 (35.0%) to the Water Fund.

Finance Department Expenditures by Fund



SALARIES AND BENEFITS

Salaries and benefits for the Finance Department positions (4) total \$277,352, which is \$10,846 more than the prior fiscal year. The additional amount is due to contractual step increases. Step increases take effect once an employee receives a positive annual review on his or her anniversary hire date.



SERVICES AND SUPPLIES

The operating supplies accounts total \$93,085 from \$97,213 in 2015/16. This is a decrease of \$4,128 in operating supplies expenditures.

Cost centers of note:

1. Accounting (5110) includes \$26,500 for auditing and financial services.
2. Training-Conference (5122) is approved at \$4,501.
3. Property Tax Admin. Fees (5163) are budgeted for \$3,000. These are fees that the County charges for administration costs for disbursements.
4. Computer Maintenance Support (5173) is budgeted for \$15,220 for information technology (IT) support and services.

All other accounts have been adjusted to reflect actual costs.

DEPARTMENTAL BUDGET - FINANCE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	148,874	172,212	180,043	179,006	112,147	185,654	198,081
5030 Overtime Salaries	1,015	2,000	5	-	132	-	-
5035 Benefit - ICMA City 457	15,133	20,693	19,162	19,313	12,104	19,698	20,964
5040 Benefit - Health Insurance	21,802	26,568	38,970	39,106	23,448	37,732	33,217
5042 Benefit - Life Insurance	435	630	540	651	221	461	480
5044 Benefit - Dental/Vision Insur	3,453	3,845	5,043	4,758	3,104	4,922	5,121
5045 Worker Compensation Insurance	3,496	1,674	2,496	1,793	1,931	2,042	2,600
5050 FICA	12,532	14,735	15,127	13,551	9,713	14,348	15,153
5055 Unemployment Insurance	2,103	1,926	1,669	1,536	1,609	1,649	1,736
5080 Hiring Costs	903	3,000	-	-	-	-	-
5081 Compensated Absences Payable	1,648	-	3,254	-	-	-	-
5101 Office Supplies	3,046	3,500	3,805	3,610	2,451	3,610	3,610
5102 Operating Supplies	787	1,500	333	800	218	800	800
5103 Postage	4,054	5,526	2,868	6,974	3,053	4,050	4,050
5104 Printing - Forms	3,825	2,000	3,232	3,301	1,328	3,301	3,301
5105 Advertising	2,937	-	-	-	-	-	-
5106 Promotional	-	-	80	-	34	-	-
5110 Accounting	36,970	36,790	34,936	28,800	20,937	30,000	26,500
5112 Legal	252	1,000	784	400	-	400	400
5115 Contract/Professional Services	833	500	-	400	24	750	750
5116 Bank Fees	2,117	2,000	1,893	2,092	992	2,200	2,200
5121 Telephone - Pager	1,330	1,530	1,614	2,238	1,114	2,200	2,200
5122 Training - Conference	2,402	4,500	2,786	4,501	1,785	4,501	4,501
5123 Automobile - Transportation	3,950	1,300	915	1,301	-	1,301	1,301
5125 Publications - Books	34	200	48	94	-	94	94
5126 Dues & Memberships	126	151	122	125	220	125	125
5128 Employee Relations	-	100	-	-	-	-	-
5130 Rents - Leases	2,549	3,000	1,740	3,101	922	2,500	2,500
5131 Records Maintenance	630	-	659	525	475	600	1,000
5135 Maintenance - Repair	1,395	1,800	1,088	1,951	899	1,951	1,951
5138 Office Equipment	2,582	3,000	41	3,200	4,314	8,200	5,200
5139 Equipment	-	100	-	-	-	-	-
5141 General Liability Insurance	4,794	10,938	7,999	11,408	5,228	8,480	8,480
5143 Property Insurance	1,112	2,460	1,566	2,531	989	1,660	1,660
5144 Emp Practice Liab Insurance	270	907	120	841	987	756	1,600
5150 Electricity	1,788	1,500	1,366	1,572	852	1,421	1,464
5151 Natural Gas	155	151	110	170	54	137	141
5152 Water	-	-	133	87	157	110	365
5153 Sewer	-	-	223	165	91	216	222
5162 Medical	100	-	-	-	-	-	-
5163 Property Tax Admin Fees	2,777	3,000	2,744	3,000	1,305	3,000	3,000
5171 Computer Software	68	500	1	170	76	200	200
5172 Computer Training	75	3,000	-	-	-	-	-
5173 Computer Maintenance - Support	14,998	8,999	14,497	15,023	7,959	14,500	15,220
5174 Web Design Services	73	196	110	146	46	150	250
5520 Improvements	505	-	-	-	-	-	-
TOTAL EXPENDITURES	307,928	347,431	352,122	358,240	220,919	363,719	370,437

ALLOCATION BY FUND

General Fund	20%	74,087
Streets Funds	10%	37,044
Wastewater Fund	35%	129,653
Water Fund	35%	129,653
	100%	370,437

ALLOCATION BY POSITION

Finance Director	100%
Accountant I	100%
Senior Fiscal Assistant	100%
Fiscal Clerk II	100%



CITY COUNCIL BUDGET

STATEMENT OF FUNCTION

The City Council is the legislative branch of Rio Dell City Government and is the policy making body. The Rio Dell City Council consists of five (5) members elected at large, one of which is nominated by the Council to serve as Mayor for a two-year term.

The role of the City Council is to establish City policies through ordinances and resolutions deemed in the best interest of the residents. The City Council oversees the City Manager who is tasked with implementing the Council's policy.

City Council Members serve staggered four (4) years terms without compensation.

2016/17 BUDGET

The adopted budget for the City Council is \$15,656, an increase of \$1,307 from the 2015/16 budget amount of \$14,349. The net general fund cost for the department is \$6,865. For the third year in a row the Council voted to include in its budget water and sewer costs for the Rio Dell Volunteer Fire Department and Humboldt County Library Rio Dell Branch. The budgeted appropriation amount for the general fund for RDVFD and the library is estimated to be \$4,667.

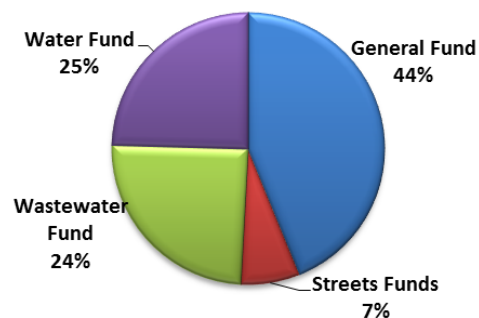
SALARIES AND BENEFITS

City Council Members serve without salaries and benefits.

SERVICES AND SUPPLIES

Services and supplies (not including RDVFD and library water and sewer) total \$10,989, an increase of \$640 from the 2015/16 budget. Expenditures include \$3,000 for City Council training, \$2,000 for mileage reimbursement for members using their personal vehicles or the City vehicle for City business, and \$2,751 for League of California Cities annual dues. The remaining balance of expenditure line items are related to equipment repair and liability insurance costs.

**City Council
Expenditures by Fund**



City Council Members at time of budget adoption FY 2016/17
Frank Wilson (Mayor) • Gordon Johnson (Mayor Pro-Tem)
Debra Garnes • Tim Marks • Jack Thompson

DEPARTMENTAL BUDGET - CITY COUNCIL

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5101 Office Supplies	-	-	12	-	21	-	40
5102 Operating Supplies	-	51	20	-	-	-	-
5103 Postage	-	-	120	-	3	111	111
5104 Printing - Forms	-	51	584	-	216	837	837
5106 Promotional	4,128	5,000	119	850	844	1,050	1,050
5112 Legal	-	1,000	1,769	502	1,827	502	502
5115 Contract/Professional Services	788	7,059	-	-	-	-	-
5122 Training - Conference	663	-	1,786	2,000	905	3,000	3,000
5123 Automobile - Transportation	1,409	-	1,661	1,502	1,089	2,000	2,000
5125 Publications-Books	-	-	98	-	-	-	-
5126 Dues & Memberships	2,578	2,751	2,344	2,751	-	2,751	2,751
5129 Meeting	-	2,100	-	-	-	-	-
5135 Maintenance - Repair	947	-	-	502	-	-	-
5138 Office Equipment	2,890	2,892	-	-	-	-	-
5141 General Liability Insurance	-	1,302	-	710	-	-	-
5143 Property Insurance	-	294	-	157	-	-	-
5173 Computer Maintenance - Support	-	-	-	-	-	-	600
5174 Web Design Services	-	-	60	-	-	98	98
5450 Miscellaneous Expense	6,250	6,250	-	-	-	-	-
5540 Mayor Woodall	-	251	-	-	-	-	-
5541 Gordon Johnson	525	251	-	-	-	-	-
5560 Council Member Marks	-	251	-	-	-	-	-
5563 Council Member Thompson	-	1,096	-	-	-	-	-
5564 Council Member Wilson	-	1,096	-	-	-	-	-
5900 RDFD and Library Water/Sewer	-	-	4,252	3,388	3,443	4,000	4,667
TOTAL EXPENDITURES	20,178	31,695	12,825	12,362	8,348	14,349	15,656
ALLOCATION BY FUND							
General Fund					44%		6,865
Streets Funds					7%		1,099
Wastewater Fund					25%		3,846
Water Fund					25%		3,846
					100%		15,656

2016-2017 POLICE DEPARTMENT	6/30/14	6/30/14	6/30/15	6/30/15	2/24/16	6/30/16	2016/17
	Actual	Budget	Actual	Budget	Y-T-D	Budget	ADOPTED
Salaries and Benefits	500,504	458,422	517,839	497,692	348,827	499,745	505,894
Operating Supplies	91,791	116,805	121,458	119,848	79,552	124,097	135,635
Total Police Department	592,295	575,227	639,297	617,540	428,379	623,842	641,529

STATEMENT OF FUNCTION

The Mission of the City of Rio Dell Police Department is to create and maintain a climate of safety in the community. The Department provides police services to the community and is staffed with five (5) sworn law enforcement officers, including the Chief of Police. The Chief of Police is responsible for all department functions, provides guidance to supervisory staff, manages the Department's budget, coordinates matters of internal affairs and handles other administrative needs of the Department, as well as provides street level enforcement when required. The Sergeant assists the Chief with administrative tasks, provides patrol supervision, and field training of new officers.

2016/17 BUDGET

The recommended Police Department budget totals \$641,529, an increase of \$17,687 in comparison to the prior year. The increases are most significant in animal control services and worker's compensation.

Although unchanged from last fiscal year, dispatch service costs had remained unchanged for several years however, in 2015/16 the City of Fortuna increased their fee by 35% with further increases to be expected in the future.

The Police Department represents net expenditures of \$552,371, or 56% of total General Fund expenditures and an additional \$89,158 in SLESF funds.

SALARIES AND EMPLOYEE BENEFITS

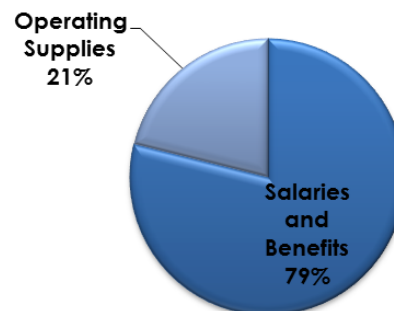
The Rio Dell Police Department continues its reduced staffing level of five (5) personnel from 9 full-time equivalents (FTEs) six years ago. Salaries and benefits for the Chief, Sergeant, and three (3) Officers total \$502,895. Due to the small staff in the Police

Department and the goal to have police coverage 24 hours a day, overtime has been budgeted for \$20,391, a decrease of \$2,150 from 2015/16.

SERVICES AND SUPPLIES

The services and supplies line items were approved at \$138,634, an increase of \$12,537 from 2015/16. The accounts generally are not discretionary and support police and patrol services.

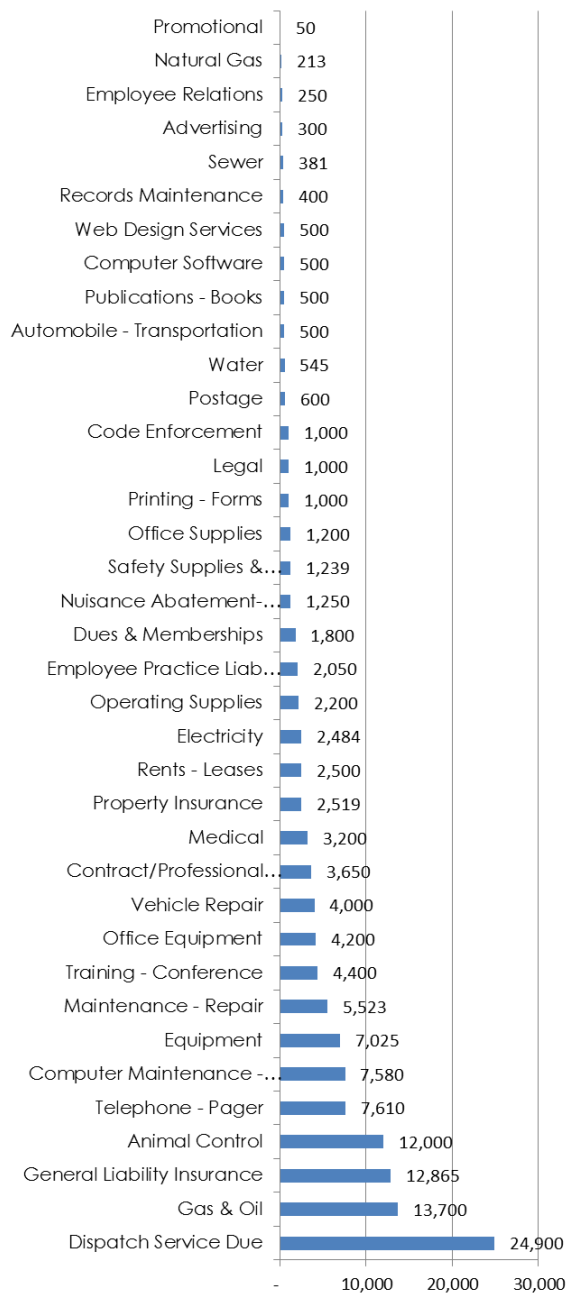
Police Department Expenditure Allocation



The more significant costs centers are as follows:

1. Professional services provides \$3,650 for the Police Department manual
2. Animal Control \$12,000 contract with Miranda's Animal Rescue for animal shelter services
3. Telephone-Pagers \$7,610 are essential for Officer communications

Police Department Operating Supplies



4. Rents-leases \$2,500 for Crimestar & DocStar information management systems
5. General liability insurance is budgeted for \$12,865 for Police Department coverage
6. Property insurance is budgeted for \$2,519 for Police Department property insurance

DEPARTMENTAL BUDGET - POLICE DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	302,774	278,897	304,756	289,554	202,102	279,238	279,020
5030 Overtime Salaries	11,087	8,000	11,196	8,112	13,599	22,541	20,391
5035 Benefit - ICMA City 457	54,173	60,599	54,433	59,918	33,549	57,685	58,336
5040 Benefit - Health Insurance	68,717	59,352	74,297	71,079	44,078	67,798	68,953
5042 Benefit - Life Insurance	1,013	990	1,237	1,075	483	1,075	1,056
5044 Benefit - Dental/Vision Insur	8,797	8,680	11,116	10,097	8,091	11,204	10,786
5045 Worker Compensation Insurance	20,203	11,389	27,938	28,318	19,647	28,911	35,528
5050 FICA	27,059	21,565	26,642	22,151	18,847	23,285	22,905
5055 Unemployment Insurance	2,356	2,199	2,671	2,896	3,043	2,258	2,170
5060 Clothing Allowance	3,759	3,751	3,553	3,742	2,438	3,750	3,750
5080 Hiring Costs	566	3,000	-	750	2,950	2,000	3,000
5101 Office Supplies	880	1,200	496	1,000	1,200	1,000	1,200
5102 Operating Supplies	2,740	3,200	1,309	2,500	1,121	2,500	2,200
5103 Postage	790	1,000	584	665	299	600	600
5104 Printing - Forms	303	800	860	463	167	1,000	1,000
5105 Advertising	40	50	-	50	386	50	300
5106 Promotional	-	50	115	50	15	50	50
5112 Legal	1,506	1,500	1,386	1,000	4,710	1,000	1,000
5115 Contract/Professional Services	3,680	3,000	1,546	3,000	5,184	3,000	3,650
5117 Animal Control	8,882	5,000	6,533	6,500	7,070	6,500	12,000
5119 Safety Supplies & Equipment	-	-	1,266	1,239	272	1,239	1,239
5121 Telephone - Pager	7,798	7,000	7,774	7,000	4,913	7,610	7,610
5122 Training - Conference	(2,931)	2,000	1,184	-	3,644	4,400	4,400
5123 Automobile - Transportation	193	1,000	749	500	416	500	500
5125 Publications - Books	2,226	500	73	500	136	500	500
5126 Dues & Memberships	1,638	2,000	1,659	1,800	390	1,800	1,800
5128 Employee Relations	-	2,550	-	250	-	250	250
5130 Rents - Leases	2,521	2,000	2,160	2,500	1,523	2,500	2,500
5131 Records Maintenance	242	-	370	350	270	500	400
5135 Maintenance - Repair	1,963	2,000	4,231	5,523	858	5,523	5,523
5138 Office Equipment	28	2,200	2,575	2,100	142	2,100	4,200
5139 Equipment	4,052	5,450	16,003	13,658	300	7,025	7,025
5141 General Liability Insurance	6,009	13,543	12,137	14,301	7,932	12,865	12,865
5143 Property Insurance	1,394	3,045	2,376	3,172	1,501	2,519	2,519
5144 Employee Practice Liab Insurance	339	1,114	182	1,106	1,497	1,147	2,050
5150 Electricity	2,482	-	2,317	2,000	1,439	2,412	2,484
5151 Natural Gas	194	-	167	200	82	207	213
5152 Water	-	-	226	147	267	180	545
5153 Sewer	-	-	377	274	153	370	381
5154 Garbage	166	-	-	200	-	-	-
5162 Medical	1,425	6,000	3,096	3,000	2,224	3,000	3,200
5171 Computer Software	378	1,500	389	500	2	500	500
5173 Computer Maintenance - Support	5,069	3,200	7,411	7,950	4,091	6,500	7,580
5174 Web Design Services	89	100	167	100	70	200	500
5192 Code Enforcement	20	3,000	445	1,000	-	1,000	1,000
5193 Nuisance Abatement-Vehicle	80	2,500	150	1,250	250	1,250	1,250
5212 Gas & Oil	15,712	15,000	13,452	13,000	7,900	13,400	13,700
5213 Vehicle Repair	3,443	4,000	9,189	2,500	2,528	4,000	4,000
5215 Public Works - Small Tools	30	-	-	-	-	-	-
5305 Booking Fees Due	(3,439)	1,500	-	-	-	-	-
5308 Dispatch Service Due	18,504	18,503	18,504	18,500	16,600	24,900	24,900
5520 Improvements	634	-	-	-	-	-	-
6100 Fixed Asset - Computer Hardware	2,711	1,300	-	-	-	-	-
TOTAL EXPENDITURES	592,295	575,227	639,297	617,540	428,379	623,842	641,529
ALLOCATION BY FUND							
General Fund					86%		552,371
SLESF Fund					14%		89,158
Measure Z					0%		-
					100%		641,529
ALLOCATION BY POSITION							
Police Chief, Sergeant, and 3 Officers							100%

BUILDING DEPARTMENT BUDGET

2016-2017 BUILDING DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	27,372	24,676	57,869	60,445	21,906	32,776	43,801
Operating Supplies	32,006	29,929	16,383	15,037	2,616	14,122	13,666
Total Building Department	59,378	54,605	74,252	75,482	24,522	46,898	57,468

STATEMENT OF FUNCTION

The Building Department is responsible to ensure that residents comply with state building codes and local laws. This serves to protect public health, safety, and welfare.

In previous years the building inspection and plan check components of the program were provided by an independent contractor; however, beginning in 2014/15 the service was contracted out and provided by the City of Fortuna while Rio Dell's Community Development Director underwent the necessary training to provide in-house inspection services. Training and certification was completed in 2015/16 and the City now has on staff its own building inspector.

BUILDING PROGRAM

On March 4, 2014 the City Council adopted Resolution 1218-2104 to place the Building Program on a self-funded basis as following:

1. Established a "Building Department Administrative Fee" in the amount of 66% for all plan check and building permit fees effective July 1, 2014.
2. Directed that the revenue from the administrative fee be deposited in a revenue account entitled "Building Department Administrative Fee" for the purpose of fully funding the Building Department including the costs of such services charged to the City by an independent contractor or another public agency.

3. Directed that in any fiscal year if the total revenue from building plan check and building permit fees is greater than the gross cost of the department the additional revenue shall be deposited into a "Building Department Revenue Trust Fund" to be used in future years when revenues fall short of covering the total cost of the program.

4. a). Directed that if the revenue in the "Building Department Trust Fund" accrues at the end of any fiscal year to \$20,000 or more the fund shall be reduced to \$10,000 by applying the amount in excess of \$10,000 towards the reduction of the "Building Inspection Administrative Fee" for the ensuing fiscal year.

- b). Directed that if the revenue in the "Building Department Trust Fund" after initially reaching \$10,000 or more then falls below \$10,000, at the end of any fiscal year, the "Building Department Administrative Fee" shall be adjusted (increased) administratively by an amount estimated to achieve a balance of at least \$10,000 by the end of the fiscal year.

2016/17 BUDGET

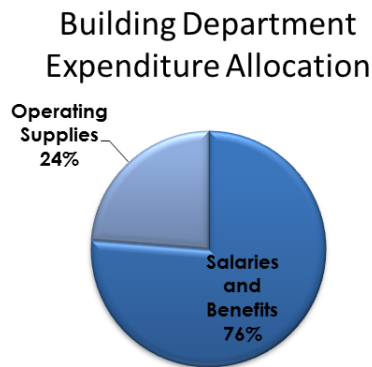
The approved Building Department Operating Budget for 2016/17 totals \$57,468, an increase of \$10,570. This amount is offset by \$32,901 of revenue from plan check and building permit fees, and a utilization of fund balance for an estimate of \$18,698. Thus, there is

a General Fund contribution to the Building Department in the amount of \$5,869 (10% of the Building Fund budget) to balance the budget.

The department is staffed by the Community Development Director (30%) and the City Clerk (20%).

SALARIES AND BENEFITS

Salaries and benefits for personnel providing services total \$43,802. This is an increase of \$11,026 from 2015/16. The increase is due to higher staffing allocations than the prior year when the Community Development Director was allocated at 15%, and the City Clerk at 20%.



SERVICES AND SUPPLIES

Services and supplies total \$13,666. Operating supplies have generally remained the same as the previous fiscal year with an increase in office equipment that allows for the replacement of aging computer equipment.

POLICY ITEMS

The City Council's policy decision of March 4, 2014 was to implement a Building Department Program that is self-supporting without General Fund subsidies to balance revenues to expenditures. However, for 2016/17 the trend of providing a general fund subsidy continues with a current building fund deficit is in the amount of \$5,869. This amount has been approved for transfer from the General Fund. In order to make the program self-funded, administrative fees may need further increases.

DEPARTMENTAL BUDGET - BUILDING DEPARTMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	16,712	14,654	38,403	39,319	14,769	22,153	32,967
5035 Benefit - ICMA City 457	1,929	3,664	4,556	4,718	1,748	2,528	3,762
5040 Benefit - Health Insurance	6,402	4,399	9,729	11,201	3,265	5,591	3,448
5042 Benefit - Life Insurance	48	45	169	150	41	82	125
5044 Benefit - Dental/Vision Insur	406	379	540	728	235	325	325
5045 Worker Compensation Insurance	474	267	970	928	413	237	436
5050 FICA	1,292	1,121	3,229	3,008	1,258	1,708	2,522
5055 Unemployment Insurance	109	147	273	393	177	152	217
5101 Office Supplies	56	80	544	150	101	400	347
5102 Operating Supplies	243	50	74	633	15	200	200
5103 Postage	32	50	45	40	13	40	40
5104 Printing - Forms	273	200	124	100	75	140	140
5106 Promotional	-	-	26	-	-	-	-
5112 Legal	1,363	1,000	37	700	-	500	500
5115 Contract/Professional Services	24,139	24,000	5,703	5,000	452	2,000	2,000
5121 Telephone - Pager	74	256	261	600	178	280	280
5122 Training - Conference	1,708	-	2,990	3,000	296	3,000	3,000
5123 Automobile - Transportation	810	-	1,223	1,000	31	1,000	1,000
5125 Publications - Books	2	1,000	706	500	-	500	500
5126 Dues & Memberships	525	500	283	250	-	250	250
5128 Employee Relations	-	-	-	25	-	25	25
5130 Rents - Leases	171	300	695	150	261	700	630
5131 Records Maintenance	102	-	128	60	85	115	115
5135 Maintenance - Repair	1,595	50	308	400	131	500	400
5138 Office Equipment	1	-	-	500	-	500	1,200
5141 General Liability Insurance	298	1,302	1,876	710	371	1,989	989
5143 Property Insurance	69	293	367	-	70	389	239
5144 Employee Practice Liab Insurance	17	124	28	-	168	178	285
5150 Electricity	111	300	320	125	61	341	351
5151 Natural Gas	10	50	26	50	4	25	26
5152 Water	-	-	49	33	58	40	107
5153 Sewer	-	-	82	61	33	80	82
5164 Regulatory Fees	185	50	168	250	70	250	250
5167 Seismic Fees	152	200	176	200	110	200	200
5171 Computer Software	-	25	-	100	-	100	100
5173 Computer Maintenance - Support	28	99	118	200	30	180	210
5174 Web Design Services	4	-	26	200	3	200	200
5215 Public Works - Small Tools	7	-	-	-	-	-	-
5520 Improvements	31	-	-	-	-	-	-
TOTAL EXPENDITURES	59,378	54,605	74,252	75,482	24,522	46,898	57,468
ALLOCATION BY FUND							
General Fund						43%	24,567
Building Fund						57%	32,901
						100%	57,468
ALLOCATION BY POSITION							
Community Development Director							30%
City Clerk							20%

2016-2017 PLANNING	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	120,034	122,633	89,459	95,503	32,428	49,343	52,454
Operating Supplies	12,669	24,031	8,485	19,117	4,310	15,757	15,357
Total Planning Department	132,703	146,664	97,944	114,620	36,738	65,100	67,811

STATEMENT OF FUNCTION

The Planning Department oversees the City's long-range and current planning activities, develops, implements and maintains any updates to the City's General Plan and zoning regulations, reviews all development projects to ensure conformance with all general plan goals, policies and standards, and overseas the City's housing programs. The Department is staffed by the Community Development Director (40%) and the City Clerk (20%).

The Department also provides staff support to the Rio Dell Planning Commission who is appointed by the City Council. The Commission holds hearings and makes recommendations to the City Council relating to the sound and orderly growth and development of the City. The Planning Commission is the approving authority for subdivisions, lot mergers, lot line adjustments, use permits, and variances.

2016/17 BUDGET

The approved budget for the Planning Department totals \$67,811, an increase of \$2,711. The budgeted expenditures are general fund costs and are offset by an estimated \$4,200 planning fee revenue. The *net* cost to the general fund is \$67,811.

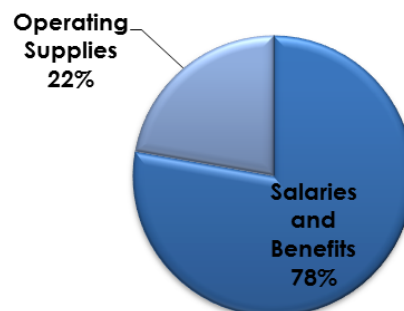
SALARIES AND BENEFITS

Salaries and benefits for the portion of the Community Development Director and City Clerk for planning activities total \$52,455 up \$3,112 from 2015/16. The increase is due to a slight change in staff allocation percentages.

SERVICES AND SUPPLIES

Services and supplies for 2016/17 are recommended at \$15,357, which is \$401 less than last year. This includes a \$900 increase in office equipment for the replacement of aging computer equipment.

Planning Department Expenditure Allocation



DEPARTMENTAL BUDGET - PLANNING DEPARTMENT

PLANNING DEPT FY 2016/17	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	2016/17 ADOPTED
5000 Full Time Salaries	89,092	91,780	62,258	64,592	22,576	35,210
5035 Benefit - ICMA City 457	11,088	12,919	7,527	7,751	2,724	4,023
5040 Benefit - Health Insurance	8,754	7,649	11,094	14,482	3,837	6,312
5042 Benefit - Life Insurance	333	297	299	266	70	139
5044 Benefit - Dental/Vision Insur	406	379	540	935	235	325
5045 Worker Compensation Insurance	2,078	1,670	1,889	1,890	743	380
5050 FICA	7,740	7,021	5,405	4,941	1,980	2,715
5055 Unemployment Insurance	543	918	447	646	263	239
5101 Office Supplies	336	400	619	350	119	350
5102 Operating Supplies	147	300	76	150	36	150
5103 Postage	428	600	258	300	231	300
5104 Printing - Forms	2,896	250	1,382	1,250	1,035	1,670
5106 Promotional	-	-	27	-	7	-
5112 Legal	363	3,000	418	1,000	-	1,000
5115 Contract/Professional Services	52	1,000	-	300	4	300
5121 Telephone - Pager	962	826	662	975	219	975
5122 Training - Conference	851	1,500	60	750	-	750
5123 Automobile - Transportation	606	1,750	9	1,250	-	1,250
5125 Publications - Books	110	250	35	100	-	100
5126 Dues & Memberships	178	300	228	350	85	350
5128 Employee Relations	-	50	-	25	-	25
5130 Rents - Leases	771	700	622	800	298	800
5131 Records Maintenance	93	-	66	100	43	100
5135 Maintenance - Repair	881	500	267	400	181	400
5138 Office Equipment	7	100	-	500	-	500
5141 General Liability Insurance	1,491	3,646	1,931	3,548	872	2,047
5143 Property Insurance	346	820	378	787	165	401
5144 Employee Practice Liab Insurance	84	289	29	261	209	183
5150 Electricity	556	560	330	600	142	343
5151 Natural Gas	48	90	27	100	9	33
5152 Water	-	-	25	16	29	30
5153 Sewer	-	-	41	30	17	50
5164 Regulatory Fees	50	4,000	-	2,000	-	2,000
5166 Regulatory Fees	-	1,700	-	1,700	-	-
5171 Computer Software	474	900	-	200	-	200
5173 Computer Maintenance - Support	762	250	955	875	601	1,050
5174 Web Design Services	20	250	27	400	8	400
5512 Planning	-	-	13	-	-	-
5520 Improvements	157	-	-	-	-	-
TOTAL EXPENDITURES	132,703	146,664	97,944	114,620	36,738	65,100
ALLOCATION BY FUND						
General Fund					100%	67,811
ALLOCATION BY POSITION						
Community Development Director						40%
City Clerk						20%

2016-2017 GENERAL GOVERNMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	-	-	10	-	22,919	41,491	25,959
Operating Supplies	-	-	12	-	2,539	3,500	4,230
Total General Government Dept	-	-	22	-	25,458	44,991	30,189

STATEMENT OF FUNCTION

The General Government department was reopened for the sole purpose of budgeting the salary and benefits allocation for the City's Community Development Director. It is estimated that the Community Development Director spends 25% of his time working on general government tasks for a total of \$23,547 out of the General Fund. An additional \$6,642 is budgeted out of the General Government department for the Community Development Director's time spent on Community Development Block Grant (CDBG) activities.

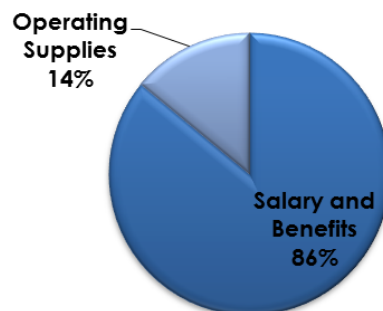
2016/17 BUDGET

The approved budget for the General Government Department totals \$30,189 and includes salary and benefits items for the Community Development Director, as well as services and supplies.

SERVICES AND SUPPLIES

Appropriations for the General Government Department for operating supplies are \$4,231.

General Government Expenditure Allocation



DEPARTMENTAL BUDGET - GENERAL GOVERNMENT

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	-	-	-	-	17,068	32,642	20,567
5035 Benefit - ICMA City 457	-	-	-	-	2,132	3,737	2,355
5040 Benefit - Health Insurance	-	-	-	-	1,189	1,876	975
5042 Benefit - Life Insurance	-	-	10	-	64	144	86
5045 Worker Compensation Insurance	-	-	-	-	714	359	272
5050 FICA	-	-	-	-	1,578	2,516	1,573
5055 Unemployment Insurance	-	-	-	-	174	217	130
5101 Office Supplies	-	-	6	-	62	-	106
5102 Special Department Supplies	-	-	-	-	52	-	89
5103 Postage	-	-	-	-	-	-	-
5104 Printing - Forms	-	-	-	-	23	-	39
5115 Contract/Professional Services	-	-	-	-	6	-	10
5121 Telephone - Pager	-	-	-	-	292	-	434
5125 Publications - Books	-	-	6	-	-	-	-
5130 Rents - Leases	-	-	-	-	120	-	205
5135 Maintenance - Repair	-	-	-	-	125	-	200
5138 Office Equipment	-	-	-	-	-	-	400
5141 General Liability Insurance	-	-	-	-	1,244	-	1,600
5143 Property Insurance	-	-	-	-	235	-	401
5144 Emp Practice Liab Insurance	-	-	-	-	92	-	157
5150 Electricity	-	-	-	-	203	-	347
5151 Natural Gas	-	-	-	-	13	-	22
5171 Computer Software	-	-	-	-	-	-	-
5173 Computer Maintenance - Support	-	-	-	-	61	3,500	179
5174 Web Design Services	-	-	-	-	11	-	40
TOTAL EXPENDITURES	-	-	22	-	25,458	44,991	30,189
ALLOCATION BY FUND							
General Fund					78%		23,547
CDBG					22%		6,642
					100%		30,189
ALLOCATION BY POSITION							
Community Development Director							30%



ADMIN FUND BUDGET

STATEMENT OF FUNCTION

The Admin Fund is used for inter-fund transactions related to departmental use of the City's automobile. The vehicle was purchased in 2013 and is available for staff and City Council use for City business. Mileage is billed out at \$0.54 per mile and charged to the fund(s) and department that utilize the vehicle.

2016/17 BUDGET

The approved budget for the Admin Fund shows \$1,250 in appropriations. This amount is budgeted for gas, oil, and other necessary repairs and maintenance.

Revenue is budgeted at \$2,800 and is offset by expenditures totaling \$1,250 for a change in reserve balance of \$1,550. This amount will carry forward next fiscal year increasing the fund's reserve balance from \$6,598 to \$8,148 at June 30, 2017.

The intent of this fund is to fully pay for the vehicle through inter-fund transfers. Revenues are generated through departmental use of the vehicle. Expenditures such as gas, oil, and repairs are then charged to the Admin Fund. When revenue and expenditures are netted together any revenue amount greater than expenditures goes to the reserve balance. Over time the accumulation of revenues should produce enough reserve balance to fully cover the cost to replace the vehicle.

DEPARTMENTAL BUDGET - ADMIN INTERFUND

<i>ADMIN FUND (VEHICLE)</i>	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5135 Maintenance - Repair	37	-	125	-	16	500	500
5212 Gas & Oil	259	5,000	374	-	236	700	500
5213 Vehicle Repair	-	-	66	-	-	-	250
TOTAL EXPENDITURES	296	5,000	565	-	252	1,200	1,250
ALLOCATION BY FUND							
Admin Fund						100%	1,250

SOLID WASTE BUDGET

2016-2017 GENERAL GOVERNMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	-	-	10	-	22,919	41,491	25,959
Operating Supplies	-	-	12	-	2,539	3,500	4,230
Total General Government Dept	-	-	22	-	25,458	44,991	30,189

STATEMENT OF FUNCTION

AB939 mandated a 50% diversion rate for a municipality's solid waste by the year 2000. We have recently seen new targets set by the State of California with the implementation of State Assembly Bill 939 (2009) which changes the way a jurisdiction's diversion performance is calculated from a community wide standard to a per capita amount, which is more difficult to meet.

2016/17 BUDGET

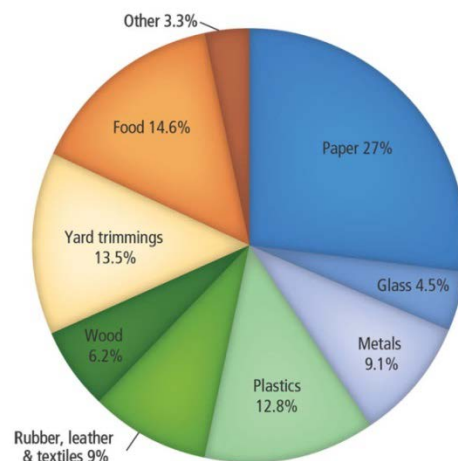
The recommended budget for this department is \$10,973. Besides the AB939 pass-through funds of \$2,000, the program is mostly funded by AB939 Humboldt Waste Management Authority tipping fees collected at their facility in Eureka. The amount of total revenue for this fund is estimated at \$9,000.

SALARIES AND BENEFITS

Payroll is reflected as 40 hours of City Manager time to be charged to the program (\$2,801).

SERVICES AND SUPPLIES

Services and supplies are budgeted at \$8,172 for FY 2016/17.



Total MSW Generation (by Material), 2013
254 Million Tons (before recycling)

Chart shows Municipal Solid Waste broken down by generated waste type. Image from epa.gov

DEPARTMENTAL BUDGET - SOLID WASTE

<i>SOLID WASTE FUND</i>	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	1,954	2,000	2,055	2,055	423	2,055	2,180
5030 Overtime Salaries	125	-	-	-	-	-	-
5032 Retirement - City Manager	198	-	-	-	-	-	-
5035 Benefit - ICMA City 457	83	-	288	288	59	247	249
5040 Benefit - Health Insurance	-	-	-	535	-	114	138
5042 Benefit - Life Insurance	-	-	-	6	-	4	4
5044 Benefit- Dental/Vision Ins	-	-	-	33	-	43	19
5045 Workers Compensation Insurance	144	-	25	20	4	23	32
5050 Fica	186	-	188	157	39	157	171
5055 Unemployment Insurance	9	-	-	21	-	127	8
5101 Office Supplies	14	200	18	17	7	17	17
5102 Operating Supplies	572	1,000	9	50	6	50	50
5103 Postage	13	500	34	-	-	23	23
5104 Printing - Forms	14	200	55	-	4	-	-
5105 Advertising	222	300	-	50	-	-	-
5106 Promotional	-	250	2	-	-	-	-
5112 Legal	746	-	1,763	-	972	-	-
5115 Contract Professional Services	140	3,671	12,000	5,000	1	7,000	7,000
5121 Telephone - Pager	29	-	6	-	4	-	8
5122 Training - Conference	-	-	-	-	-	-	-
5123 Automobile - Transportation	-	100	1	-	-	-	-
5125 Publications - Books	2	-	1	-	-	-	-
5126 Dues & Memberships	-	-	-	-	-	-	-
5130 Rents & Leases	146	-	60	110	25	-	-
5131 Records Maintenance	9	-	-	-	-	-	-
5135 Maintenance - Repair	84	-	236	56	14	-	-
5138 Office Equipment	1	-	-	-	-	-	-
5141 General Liability Insurance	298	521	221	-	144	234	234
5143 Property Insurance	69	117	43	-	27	46	46
5144 Emp Practice Liab Insurance	17	41	3	-	27	21	55
5150 Electricity	111	-	38	-	24	39	40
5151 Electricity	10	150	3	-	1	4	4
5154 Garbage	1,413	1,400	1,095	1,102	147	650	650
5171 Computer Software	-	-	-	-	-	-	-
5173 Computer Maintenance - Support	30	-	19	-	13	-	25
5174 Web Design Services	4	50	3	-	1	-	20
5520 Improvements	31	-	-	-	-	-	-
TOTAL EXPENDITURES	6,674	10,500	18,166	9,500	1,942	10,854	10,973

ALLOCATION BY FUND

Solid Waste Fund	100%	10,973
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ALLOCATION BY POSITION

City Manager	2%
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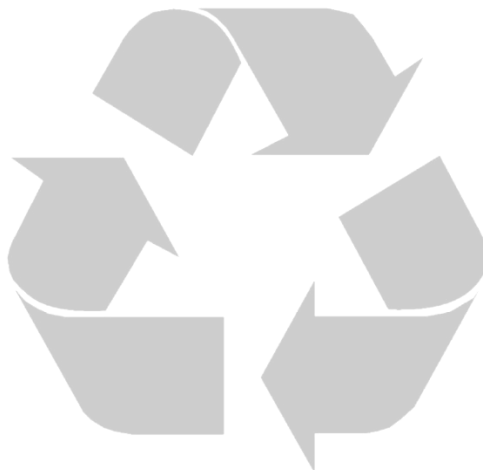
STATEMENT OF FUNCTION

The California Beverage Container Recycling and Litter Reduction Act (December 2014) provides the City with pass-through funds that assist in the establishment of a location to provide consumers with convenient recycling opportunities. The grant amount that the City collects is redirected over to Humboldt Waste Management Authority (HWMA) for administration and management of the recycling program. Prior to HWMA's involvement which began in 2014, the City's Recycling Department was tasked with providing responsible program development, coordination and administration designed to bring the City into compliance with State Assembly Bill 939 (Recycling). AB939 established the current organization, structure, and mission of CalRecycle.

AB939 mandated a 50% diversion rate for a municipality's solid waste by the year 2000. CalRecycle programs assist in lessening the amount of waste that would otherwise go into the states landfills. AB939 was implemented due to shrinking landfill capacity that at the time of passage had reached a statewide crisis. The bill has allowed for expanded waste diversion practices and more effective solid waste planning by allowing for better recycling practices.

2016/17 BUDGET

Funds are available in the amount of \$12,455 for activities allowed under the CalRecycle Beverage Container Grant. A program for 2016/17 hasn't been completely developed. An amount of \$7,000 has been budgeted as pass-through funds to administer the program.





BUILDINGS AND GROUNDS BUDGET

DEPARTMENT HEAD
Randy Jensen, Superintendent

2016-2017 BUILDINGS & GROUNDS	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	-	-	54,070	56,042	32,923	55,336	32,965
Operating Supplies	-	-	14,513	12,483	4,864	14,800	16,031
Total Building & Grounds Dept.	-	-	68,583	68,525	37,787	70,136	48,996

STATEMENT OF FUNCTION

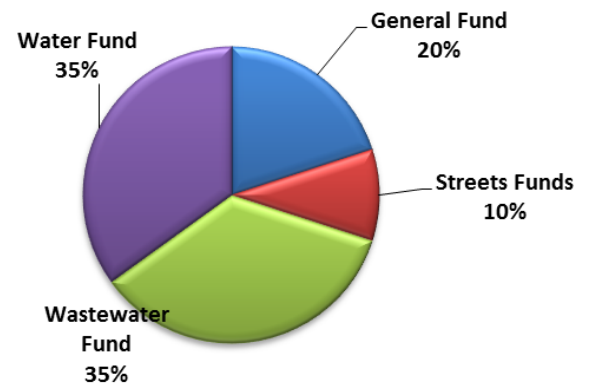
The City is responsible for the maintenance of the City's buildings and grounds. These areas include three City parks and City Hall along with its adjacent areas. The three parks include Triangle Park, Davis Street Park and Memorial Park. The City's Buildings and Grounds Department is part of Public Works. The 2016/17 fiscal year is the third year that a departmental budget has been fully developed and made a necessary part of the City's Operating and Capital Budget.

2016/17 BUDGET

The recommended budget for the Building and Grounds Department is \$48,996. This is a decrease of \$21,140 from last year's budget of \$70,136. The decision to reduce costs by leaving out one position in Public Works has largely accounted for the decrease in the budgeted appropriations for the current fiscal year.

Appropriations are spread amongst the various funds as adopted: \$9,799 (20%) to the General Fund, \$4,900 (10%) to Streets, \$17,149 (35%) to Sewer Operations, and \$17,149 (35%) to the Water Fund. 67% of the building and grounds department budget is for salaries and benefits and 33% is mainly for maintenance and repairs and liability insurance.

Buildings and Grounds Expenditures by Fund



DEPARTMENTAL BUDGET - BUILDINGS AND GROUNDS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	-	-	31,367	36,798	17,172	32,518	18,746
5030 Overtime Salaries	-	-	502	1,612	137	1,683	1,040
5035 Benefit - ICMA City 457	-	-	2,899	2,687	1,558	3,472	2,025
5040 Benefit - Health Insurance	-	-	9,206	6,649	7,822	7,000	4,436
5042 Benefit - Life Insurance	-	-	130	83	66	102	69
5044 Benefit - Dental/Vision Insur	-	-	1,369	909	1,458	1,217	728
5045 Worker Compensation Insurance	-	-	5,635	4,693	2,907	5,976	3,986
5050 FICA	-	-	2,551	2,057	1,467	2,651	1,514
5055 Unemployment Insurance	-	-	321	268	257	381	207
5060 Clothing Allowance	-	-	90	286	79	336	214
5101 Office Supplies	-	-	127	-	81	-	108
5102 Operating Supplies	-	-	281	151	118	365	365
5103 Postage	-	-	20	-	-	16	16
5104 Printing - Forms	-	-	60	-	30	68	68
5106 Promotional	-	-	21	-	-	32	32
5107 Memorial Park Expense	-	-	503	1,300	-	1,101	1,101
5109 Chemicals	-	-	175	-	16	-	-
5112 Legal	-	-	29	-	-	-	-
5115 Contract/Professional Services	-	-	-	-	7	-	-
5119 Safety Supplies & Equipment	-	-	48	151	79	153	153
5120 Cell Phones	-	-	889	-	248	1,100	1,100
5121 Telephone - Pager	-	-	67	-	43	122	122
5122 Training - Conference	-	-	5	-	-	-	-
5123 Automobile - Transportation	-	-	12	-	-	-	-
5125 Publications - Books	-	-	15	-	-	11	11
5126 Dues & Memberships	-	-	4	-	-	6	6
5130 Rents - Leases	-	-	386	-	214	423	423
5131 Records Maintenance	-	-	4	-	-	6	6
5135 Maintenance - Repair	-	-	2,366	-	476	1,557	1,557
5136 Parks Maintenance - Repair	-	-	1,416	4,251	-	2,024	2,024
5139 Equipment	-	-	250	800	-	799	799
5141 General Liability Insurance	-	-	2,483	-	1,622	2,632	2,632
5143 Property Insurance	-	-	486	-	307	514	514
5144 Employee Practice Liability Insurance	-	-	37	-	306	234	455
5150 Electricity	-	-	979	-	628	937	965
5151 Natural Gas	-	-	34	-	17	42	43
5152 Water	-	-	1,634	1,728	-	501	1,070
5171 Computer Software	-	-	-	-	-	-	-
5173 Computer Maintenance - Support	-	-	138	-	92	153	183
5174 Web Design Services	-	-	34	-	14	21	295
5212 Gas & Oil	-	-	468	1,500	10	500	500
5215 Public Works - Small Tools	-	-	756	1,000	298	184	184
5227 Public Works - Equip. Repair	-	-	552	851	258	799	799
5229 Public Works - Equip. Rental	-	-	234	751	-	500	500
TOTAL EXPENDITURES	-	-	68,583	68,525	37,787	70,136	48,996

ALLOCATION BY FUND

General Fund	20%	9,799
Streets Funds	10%	4,900
Wastewater Fund	35%	17,149
Water Fund	35%	17,149
	100%	48,996

ALLOCATION BY POSITION

Water and Roads Superintendent	5%
Utility Worker I (2)	20%
Wastewater Operator I	10%

STREETS DEPARTMENT AND FUND INFORMATION



STREETS DEPARTMENT BUDGET

DEPARTMENT HEAD
Randy Jensen, Roads Superintendent

2016-2017 STREETS	6/30/14	6/30/14	6/30/15	6/30/15	2/24/16 Y-T-D	6/30/16	2016/17
	Actual	Budget	Actual	Budget	Actual	Budget	ADOPTED
Salaries and Benefits	105,661	82,775	127,380	134,605	59,184	102,820	65,840
Operating Supplies	101,042	99,325	102,360	129,936	69,424	126,971	131,288
Total Streets Department	206,703	182,100	229,740	264,541	128,608	229,791	197,129

STATEMENT OF FUNCTION

The Public Works Streets Department is responsible for the maintenance of all City streets, drainage ditches, culverts, and related signage. The Streets Department is staffed by the Water/Streets Superintendent and a portion of two (2) Utility Workers who also maintain the Building and Grounds, as well as the Water and Wastewater plants and systems.

2016/17 BUDGET

The funding sources for the City's twenty (20) miles of streets is through the Highway User's Tax Account (HUTA) (\$74,339), Transportation Development Act (TDA) (\$111,600), and the Regional Surface Transportation Program (RSTP) (\$22,000). A total of \$48,365 of TDA funds is passed through from the streets budget to fund the transportation needs of the community. Thus, incoming funds available for City street maintenance and repairs total \$159,574 for 2016/17.

The appropriated expenditures for streets is \$148,764. The streets budget also picks up general administrative costs totaling \$72,604 for total budgeted expenditures of \$284,734 (including TDA transportation pass-through funds). Estimated revenues less expenditures show a deficit of \$76,795. Of this amount \$76,091 is budgeted to be drawn out of HUTA gas tax reserves and \$704 is budgeted to be drawn from TDA reserves.

The projected gas tax fund beginning reserve balance is \$205,356 and shows an estimated year-end reserve balance of \$129,265 after netting all FY 2016/17 revenues and expenditures. This is the third year that

streets activities have drawn a significant amount of reserves to balance the budget.

Without the passage of new legislation at the state level the streets funds reserves will be depleted within the next few fiscal years. Locally, however, Humboldt County Association of Governments (HCAOG) has proposed 0.5% County-wide tax for the County's aging streets and road infrastructure. HCAOGs proposed twenty (20) year tax will appear on the November 2016 ballot. HCAOG has estimated that the tax will bring in an additional \$185,000 annually to the City of Rio Dell. Presently, and due to the constrained revenues in the streets funds, the Council approved an \$80,000 general fund subsidy to repair and maintain high priority and problematic areas within the City.

The state is working on legislation for a pilot mileage tax program that is slated to begin no later than January 2017. The pilot program is projected to bring additional revenues when implemented.

The purpose of the mileage tax study is to collect and organize data to determine if such a system is feasible and if so, to find the least complicated trajectory towards implementation. As it is today California's streets and roads infrastructure is in serious need of repairs and maintenance with a price tag in the billions of dollars. Each passing year adds additional financial burdens to an already under maintained system. Without a doubt implementation of a pay-as-you-go tax will be cumbersome to carry out; however in the long run costs will be more equitably spread amongst California's drivers based on actual miles traveled, and no longer based on the amount of fuel purchased to travel those miles.

California Road Charge Pilot Program – Legislation (ca.gov)

“At the conclusion of the pilot, California State Transportation Agency (CalSTA) is required to prepare a report on the findings of the pilot program including: Cost, Privacy, Jurisdictional Issues, Feasibility, Complexity, Acceptance, Use of the Revenues, Security and Compliance, Data Collection, Technology, Potential for Value-Added Services and notable Implementation Issues. CalSTA will submit the report to the TAC, the California Transportation Commission (CTC), and appropriate policy and fiscal committees of the Legislature no later than June 30, 2018.”

With efforts both at the State and local level the streets funds have a larger margin of success to navigate the loss of revenues that continues year to year. While HCAOG's Measure U is tied to the gas tax whose revenues have seen declines, the State's solution of a pay-as-you-go tax creates a more stable tax base for revenues for rebuilding and repairing California's aging streets and roads systems.

SALARIES AND BENEFITS

In last year's budget, public works staffing expenditures for streets and roads was 32.5% of total Public Works' budget. For FY 2016/17 staffing allocations are 18% (\$65,841). This is a 14.5% decrease from prior year due to one (1) Utility Worker I/II position that wasn't included in this year's budget. The position was not reinstated in the current fiscal year since the position had mainly gone unfilled last fiscal year. Declining revenues in the Gas Tax Fund directly effects the number of personnel that are available to repair and maintain the City's streets.

SERVICES AND SUPPLIES

The services and supplies object line items for 2016/17 was approved at \$131,288. This is an increase of \$4,317 from 2015/16.

The streets line item, which is used for City streets projects (5108) remains unchanged and is budgeted at \$18,000 for 2016/17. The amount is to allow for streets maintenance and repairs for problem areas in the City. When put together with the general fund subsidy (\$80,000) and streets maintenance and repairs (\$6,300) the total amount allocable to streets repairs and maintenance is \$104,300.

In 2012 the City attempted the passage of a special bond measure to rehabilitate and resurface 11.5 miles of City streets. The measure failed the 66.666% voter approval by 25 votes. With the passage of new transportation funding; the streets reserve fund can be better preserved as well as the streets would be repaired and maintained at an adequate level.

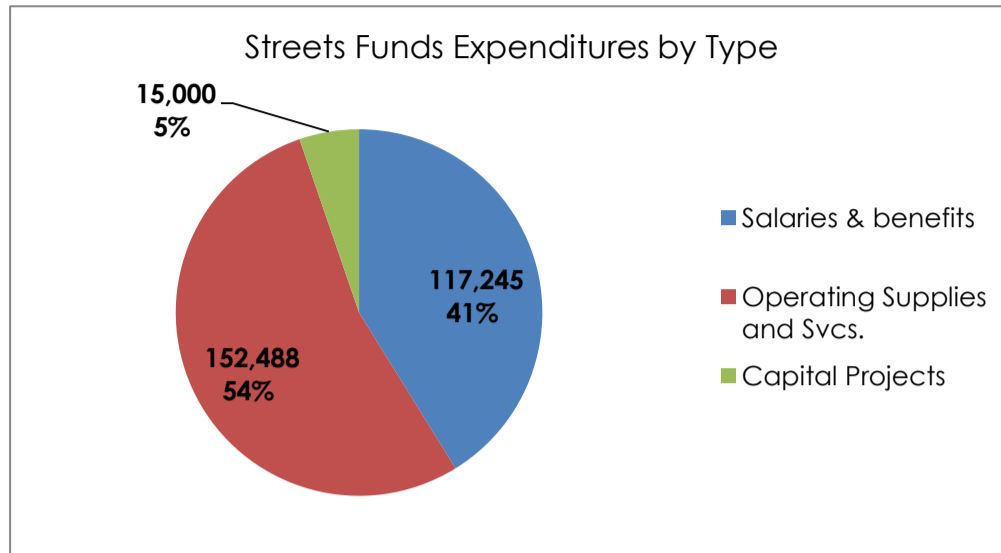
DEPARTMENTAL BUDGET - STREETS FUND

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	77,831	59,377	78,923	82,525	36,123	60,393	37,441
5030 Overtime Salaries	494	900	722	3,004	671	3,126	2,078
5035 Benefit - ICMA City 457	7,311	5,826	7,628	8,123	3,511	6,448	4,044
5040 Benefit - Health Insurance	6,413	5,331	15,785	15,705	7,258	12,999	8,860
5042 Benefit - Life Insurance	84	86	256	235	64	187	137
5044 Benefit - Dental/Vision Insur	807	725	2,300	2,108	1,371	2,259	1,455
5045 Worker Compensation Insurance	4,980	4,434	13,563	14,942	6,249	11,097	7,962
5050 FICA	6,494	4,991	6,752	6,313	3,164	4,921	3,023
5055 Unemployment Insurance	1,040	815	902	825	481	705	413
5060 Clothing Allowance	207	235	549	825	292	685	428
5080 Hiring Costs	-	55	-	-	-	-	-
5101 Office Supplies	90	264	345	90	235	300	300
5102 Operating Supplies	793	880	724	930	899	1,050	1,200
5103 Postage	42	45	24	26	1	20	20
5104 Printing - Forms	28	45	124	28	32	160	160
5105 Advertising	138	45	-	188	35	-	188
5106 Promotional	-	-	29	-	-	-	-
5107 Memorial Park Expense	1,269	2,200	-	-	-	-	-
5108 Streets	8,605	13,200	5,456	14,025	10,482	18,000	18,000
5109 Chemicals	304	-	65	-	20	-	-
5112 Legal	1,121	221	36	1,373	225	1,200	1,200
5115 Contract/Professional Services	52,745	2,640	47,260	47,276	28,221	47,479	48,365
5119 Safety Supplies & Equipment	135	2,200	59	173	245	175	805
5121 Telephone - Pager	898	1,056	2,362	1,068	1,189	2,350	2,350
5122 Training - Conference	-	1,320	196	-	85	250	250
5123 Auto/Transportation - Public Works	111	88	15	151	2	150	150
5125 Publications - Books	7	88	18	10	-	10	10
5126 Dues & Memberships	113	176	58	155	49	100	100
5127 License	8	-	-	10	-	10	10
5128 Employee Relations	-	17	-	-	-	-	-
5130 Rents - Leases	416	1,320	691	493	536	710	780
5131 Records Maintenance	36	-	30	46	15	40	40
5135 Maintenance - Repair	1,519	3,080	1,944	1,934	-	6,300	6,300
5136 Parks Maintenance-Repair	-	2,200	10	-	-	-	-
5138 Office Equipment - P.W.	28	88	336	39	24	130	130
5139 Equipment	1,285	3,140	137	1,476	284	1,200	1,200
5141 General Liability Insurance	870	2,000	3,034	2,347	1,983	3,255	3,255
5143 Property Insurance	202	449	594	739	375	637	637
5144 Employee Practice Liability Insurance	44	158	45	173	374	290	685
5148 Office Equipment	24	-	-	33	-	-	-
5150 Electricity	23,952	22,000	24,555	25,000	13,981	25,889	26,666
5151 Natural Gas	32	440	42	38	20	122	126
5152 Water	-	-	3,341	3,881	1,446	4,100	4,223
5154 Garbage	47	53	-	64	17	-	-
5162 Medical	25	133	66	30	29	30	30
5164 Regulatory Fees	66	880	7	90	466	90	90
5165 Property Tax Assessment	-	32	-	-	-	-	-
5171 Computer Software	55	133	-	75	48	75	75
5173 Computer Maintenance - Support	93	221	151	79	100	165	415
5174 Web Design Services	13	9	42	18	18	40	75
5175 Community Promotions	-	9	-	-	-	-	-
5212 Gas & Oil	1,820	2,200	4,542	1,508	2,335	4,350	4,350
5213 Vehicle Repair	1,410	1,760	1,211	1,861	1,670	1,800	1,800
5215 Public Works - Small Tools	750	1,760	531	781	1,603	780	780
5217 License	7	-	-	10	-	10	10
5227 Public Works - Equip. Repair	683	880	715	718	1,403	700	1,510
5229 Public Works - Equip. Rental	-	221	154	-	-	-	-
5410 Interest Expense	-	-	-	-	-	-	-
5450 Miscellaneous Expense	-	-	-	-	32	-	-
5514 Engineering	1,154	30,800	3,411	23,000	945	5,004	5,004
5520 Improvements	104	874	-	-	-	-	-
TOTAL EXPENDITURES	206,703	182,100	229,740	264,541	128,608	229,791	197,129

DEPARTMENTAL BUDGET - STREETS FUND

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
TOTAL EXPENDITURES	206,703	182,100	229,740	264,541	128,608	229,791	197,129
ALLOCATION BY FUND							
Gas Tax (HUTA) Fund					38%		74,339
TDA Fund					39%		76,002
RSTP Fund					11%		22,000
							172,341
RESERVES (Gas Tax)					12%		24,788
					100%		197,129
ALLOCATION BY POSITION							
Water and Roads Superintendent							15%
Utility Worker I (2)							35%
Wastewater Operator I							20%

STREETS FUNDS REVENUES AND EXPENDITURES
FY 2016/17



ALLOCATION BY DEPARTMENT		
City Council (12)	0%	1,099
City Mgr. (02)	10%	29,563
Finance Dept. (03)	13%	37,044
Bldg. & Grnd. (19)	2%	4,900
Streets (09)	52%	148,764
Capital Proj. (14)	5%	15,000
Debt Service/Pass-thru	17%	48,365
	100%	284,735

STREETS FUNDS (020, 024, 026)	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	** 6/30/2016 Actual	6/30/2016 Budget	6/30/2017 Budget
REVENUE							
4045 Tax - (HCAOG) Transportation - TDA	117,477	117,251	114,888	108,609	108,945	108,945	111,600
4048 Tax - Gasoline 2103-2107 (Highway L	109,540	103,464	103,581	90,010	80,540	76,820	74,339
4310 Interest Income	2	-	2	-	1	-	-
4480 Insurance Premium Reimbursement	(4)	-	-	-	-	-	-
4710 Grant Restricted - SAFETEA	-	21,000	-	-	-	-	-
4712 Grant Restricted - RSTP HCAOG	46,763	-	22,572	21,000	23,117	21,000	22,000
4935 Gain/Loss on Disposal of Assets	1	-	-	-	-	-	-
TOTAL REVENUE	273,779	241,715	241,043	219,619	212,603	206,765	207,939
EXPENDITURES							
5000 Full Time Salaries	97,526	87,405	91,951	97,279	78,025	86,198	74,616
5030 Overtime Salaries	588	1,155	890	3,166	1,120	3,294	2,182
5032 Retirement - City Manager	270	1,017	123	-	-	-	-
5035 Benefit - ICMA City 457	9,153	8,264	9,088	9,837	8,436	9,327	8,073
5040 Benefit - Health Insurance	8,492	9,433	17,800	18,635	15,921	16,360	14,096
5041 Health Savings	-	-	-	-	1,103	1,012	-
5042 Benefit - Life Insurance	121	179	277	269	193	246	221
5044 Benefit - Dental/Vision Insur	1,114	1,356	2,562	2,420	2,814	2,899	2,232
5045 Worker Compensation Insurance	5,690	4,879	14,328	15,524	10,013	11,936	8,822
5050 FICA/MEDI	8,142	7,254	7,858	7,367	6,787	6,924	5,878
5055 Unemployment Insurance	1,267	1,111	995	953	656	878	675
5060 Clothing Allowance	219	255	579	854	424	719	450
5069 Accrued Payroll Taxes Expense	-	-	-	-	170	-	-
5080 Hiring Costs	1,122	3,058	-	250	-	-	-
5101 Office Supplies	288	746	467	344	574	594	826
5102 Operating Supplies	919	1,203	773	1,002	1,415	1,153	1,348
5103 Postage	139	572	86	386	146	215	466
5104 Printing - Forms	324	416	439	344	638	740	978
5105 Advertising	268	51	-	188	35	-	188
5106 Promotional	-	5	39	-	1	4	108
5107 Memorial Park Expense	1,410	2,500	134	130	-	110	110
5108 Streets	37,149	108,586	5,161	14,025	18,261	18,000	18,006
5109 Chemicals	337	-	82	-	89	-	-
5110 Accounting	1,479	3,311	1,747	1,440	1,283	1,200	2,650
5112 Legal	1,541	2,231	449	2,169	2,056	2,742	2,790
5115 Contract/Professional Services	53,923	5,340	47,501	65,533	49,193	49,809	51,771
5116 Bank Fees	85	180	95	104	52	88	220
5119 Safety Supplies & Equipment	147	2,500	75	189	253	191	821
5120 Cell Phones	1,119	1,419	1,151	1,280	1,199	1,034	1,545
5121 Telephone - Pager	-	-	1,288	-	1,076	1,702	1,323
5122 Training - Conference	131	2,310	474	426	368	880	1,296
5123 Automobile - Transportation	366	757	359	503	584	722	944
5125 Publications - Books	10	127	17	16	12	21	28
5126 Dues & Memberships	133	687	80	353	445	353	498
5127 License	8	-	-	10	-	10	10
5128 Employee Relations	-	42	-	4	-	10	10
5130 Rents - Leases	613	2,175	945	799	949	1,062	1,282
5131 Records Maintenance	67	-	67	76	72	75	151
5135 Maintenance - Repair	1,764	3,685	2,157	2,080	17,269	20,604	6,722

STREETS FUNDS REVENUES AND EXPENDITURES
FY 2016/17

STREETS FUNDS (020, 024, 026)					**		6/30/2017 Budget
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
EXPENDITURES							
5136 Parks Maintenance-Repair	-	2,500	454	426	-	202	202
5138 Office Equipment	217	569	114	223	445	508	1,000
5139 Equipment	1,329	3,554	221	1,580	515	1,330	1,330
5140 Bond Insurance	-	1	-	-	-	-	-
5141 General Liability Insurance	1,330	3,643	3,786	2,511	3,308	4,712	5,221
5143 Property Insurance	309	819	741	775	865	923	1,023
5144 Emp Practice Liab Insurance	75	282	57	185	622	420	1,030
5148 Office Equipment	26	23	-	33	-	-	-
5150 Electricity	26,501	25,194	24,717	25,106	24,905	26,183	27,055
5151 Natural Gas	43	541	52	48	38	145	157
5152 Water	-	-	3,351	4,057	2,351	4,159	4,388
5153 Sewer	-	-	16	10	12	19	32
5154 Garbage	51	60	-	64	17	-	-
5160 Elections	-	-	50	-	-	-	-
5162 Medical	29	151	66	30	29	30	30
5163 Property Tax Admin Fees	111	270	137	150	104	120	300
5164 Regulatory Fees	72	1,000	7	90	69	90	90
5165 Property Tax Assessment	-	36	-	-	-	-	-
5166 LAFCO Fees	50	-	71	-	170	150	150
5171 Computer Software	63	241	1	107	55	133	145
5172 Computer Training	3	270	-	-	-	-	-
5173 Computer Maintenance - Support	750	1,159	837	919	1,159	999	2,289
5174 Web Design Services	18	72	77	26	23	82	181
5175 Community Promotions	-	10	-	-	-	-	-
5212 Gas & Oil	1,986	2,500	4,698	1,658	3,423	4,400	4,400
5213 Vehicle Repair	1,670	2,000	1,211	1,861	2,425	1,800	1,800
5215 Public Works - Small Tools	820	2,009	677	881	1,729	798	798
5217 License	8	-	-	10	-	10	10
5227 Public Works - Equip. Repair	757	1,000	803	804	1,736	780	1,590
5229 Public Works - Equip. Rental	-	251	232	76	-	50	50
5410 Interest Expense	-	-	-	-	-	-	-
5514 Engineering	1,247	35,000	8,611	23,050	1,833	5,104	5,104
5520 Improvements	140	996	-	-	-	22	22
5540 Mayor Woodall	-	23	-	-	-	-	-
5541 Gordon Johnson	21	23	-	-	-	-	-
5560 Council Member Marks	-	23	-	-	-	-	-
5563 Council Member Thompson	-	97	-	-	-	-	-
5564 Council Member Wilson	-	97	-	-	-	-	-
6000 Fixed Asset - Equipment	44	36,620	-	-	-	-	-
6100 Fixed Asset - Computer Hardware	-	135	-	-	-	-	-
6300 Fixed Asset - Heavy Equipment	-	21,000	-	-	-	-	15,000
6400 Fixed Asset - Vehicles	4,170	1,800	-	-	-	-	-
6500 Infrastructure	1,335	-	-	-	-	-	-
6525 Building and Improvements	205	224	-	-	-	-	-
6600 Fixed Asset - Land Improvements	2,354	4,770	-	-	-	-	-
8010 Contingency	-	-	-	9,765	-	9,765	-
TOTAL EXPENDITURES	281,658	413,172	261,024	322,400	267,465	304,046	284,733

WATER DEPARTMENT AND FUND INFORMATION



WATER ENTERPRISE BUDGET

DEPARTMENT HEAD
Randy Jensen, Superintendent

2016-2017 WATER DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	123,798	134,318	66,494	83,859	63,887	110,547	111,854
Operating Supplies	141,112	209,390	157,619	305,134	120,269	256,035	263,918
Total Water Department	264,910	343,708	224,113	388,993	184,156	366,582	375,772

STATEMENT OF FUNCTION

The City Public Works Department is responsible for the daily operation and maintenance of the water system, including the Infiltration Gallery (in the Eel River), water processing plant, three (3) storage tanks and almost twenty (20) miles of piping under City streets. The fund is operating as an enterprise fund where the fees for water service are calculated to cover all of the operating costs for safe drinking water, maintaining the system, as well as replace the capital assets (as needed) totaling over \$12 million.

A rate study was passed in December 2015 that increased rates in order to maintain the current system and provide revenues to secure funding for improvements to the aging infrastructure.

2016/17 BUDGET

The Water Funds are comprised of several funds: Water Operations Fund (60), Water Debt Service Fund (61), Water Capital Fund (62), Metropolitan Well Fund (63), and the Dinsmore Zone Fund (64). The water funds have seen substantial improvement in comparison to last fiscal year's budget that showed transfers to Water Operations totaling \$185, 616, which were necessary to balance the budget.

For the current fiscal year (2016/17) transfers weren't necessary due to several positive events that had occurred in the water funds in 2015/16, as well as additional elements that are on-going.

The prior fiscal year (2015/16) adopted budget indicated that water fund insolvency could occur by

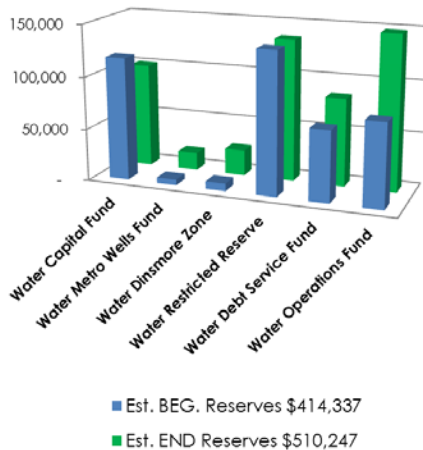
year's end. Fortunately, there were anticipated, and at the time of 2015/16 budget approval, unanticipated factors that bolstered the water funds' depleting reserves.

During FY 2015/16 litigation regarding the infiltration had concluded. The City accepted a settlement payment of \$100,000 to mitigate any further complications that might arise due to the infiltration gallery engineering design that had placed it too far from the main flows of the Eel River. In addition, the City went through the Prop 218 process to increase water rates. The rate increase has eliminated the further progression of the declining fund balances across all water funds. The new rates cover costs associated with repair, maintenance, and securing funding for any major capital improvements to Rio Dell's water system for years to come.

Another factor that attributed to a positive outcome for the water funds by year end of 2015/16 were budgetary savings coupled with actual revenues that exceeded budgeted amounts. Expenditures were budgeted at \$883,507. Actual amounts spent (not including depreciation) were \$702,868 for a budgetary savings of \$180,639. Revenues were budgeted as \$749,192, but actual amounts received were \$1,035,721(including settlement payment). The large gap (38% over budget) in actual revenues received compared to budgeted amounts is attributable to the water rate increase that went into effect in January 2016. Also contributing to revenues exceeding budgeted amounts was the fact that Rio Dell's residents had decreased water consumption in 2014/15 due to drought. The drop in consumption

had been to such a significant degree that revenue forecasts in 2015/16 were budgeted lower than typical

CHANGE IN WATER FUND RESERVES \$95,910 FY 2016/17



amounts in a non-drought year.

All of these factors assisted in the water funds beginning FY 2016/17 in a much more positive state than had been forecasted in the prior year. The water fund reserves will continue to trend upwards until major repairs and maintenance hinder their growth. Even so, the water funds will be in healthy shape to fund the necessary repairs and improvements well into the future for the aging infrastructure.

OVERVIEW OF WATER FUNDS

Revenues for the water funds are budgeted at \$1,073,330 while appropriations are \$977,419. Thus, the overall increase in fund balance at year end is for the water funds as approved at \$95,911.

SALARIES AND BENEFITS

The approved **Water Operations Department** budget totals \$375,772 in appropriations. The budget includes \$111,855 of salary and benefits for the Water Superintendent, a portion of two (2) Utility Workers I/II, and a salary allocation for the Water/Wastewater Operator. In comparison to last fiscal year salaries and benefits for water operations show an increase of \$1,308. Labor for water operations is 31% of total

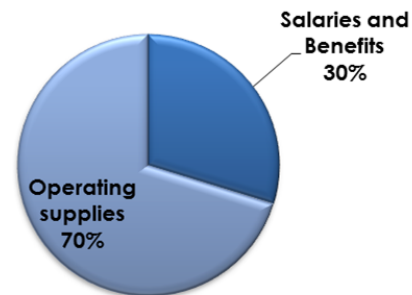
labor costs for the Public Works Department.

SERVICES AND SUPPLIES

The services and supplies line items for water operations total \$263,917. Major expense include chemicals \$23,000, repairs \$53,000, and electricity at \$20,751. Sewer costs are estimated at \$27,295. Also included in the Contract/Professional services line item is \$40,000. This amount is not identified with any specific project or vendor.

Revenue for water operations is budgeted at \$697,745 with \$629,890 in appropriations for an overall increase in net operations of \$67,855. The ending fund balance for operations is estimated at \$147,855.

Water Operations Expenditure Allocation



CAPITAL EXPENDITURE

The water capital fund is projected to begin the fiscal year with a balance of \$117,763 and receive revenues of \$194,051. The recommended expenditures for capital projects total \$211,529. This amount is broken down as \$133,529 for Metropolitan Wells project City match; \$15,000 Ditch Witch Vector Trailer (1/3 cost); \$20,000 water line spot repairs; \$8,000 filter recoating (contractor); and \$35,000 Old Ranch Road Repairs.

DEPARTMENTAL BUDGET - WATER OPERATIONS

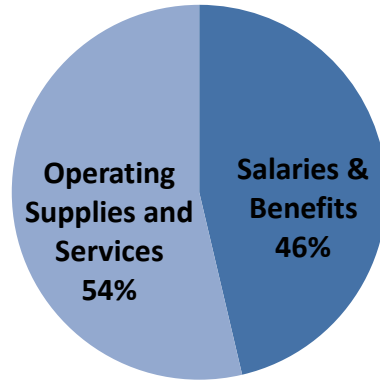
	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	75,901	89,202	37,622	49,586	39,117	65,039	63,606
5030 Overtime Salaries	2,879	2,850	2,853	1,612	1,425	3,368	3,530
5035 Benefit - ICMA City 457	7,771	9,798	4,763	6,192	3,905	6,945	6,870
5040 Benefit - Health Insurance	20,404	16,883	10,020	10,376	6,984	14,000	15,052
5042 Benefit - Life Insurance	266	271	188	171	78	202	233
5044 Benefit - Dental/Vision Insur	2,568	2,296	1,434	1,375	1,237	2,432	2,471
5045 Worker Compensation Insurance	5,972	4,371	6,572	9,797	6,719	11,951	13,527
5050 FICA	6,529	6,824	3,460	3,793	3,435	5,300	5,136
5055 Unemployment Insurance	585	892	564	496	524	760	702
5060 Clothing Allowance	894	741	690	461	463	550	728
5080 Hiring Costs	-	190	-	-	-	-	-
5081 Compensated Absences Payable	29	-	(1,672)	-	-	-	-
5101 Office Supplies	388	500	793	-	706	300	300
5102 Operating Supplies	3,450	1,500	1,069	4,000	1,575	4,000	9,000
5103 Postage	1,801	500	2,827	1,800	1,245	1,800	1,800
5104 Printing - Forms	469	500	2,687	200	241	3,600	3,600
5105 Advertising	438	110	-	450	46	450	450
5106 Promotional	-	-	78	-	-	-	-
5107 Memorial Park Expense	-	-	(135)	-	-	-	-
5108 Streets	1,189	1,200	1,539	1,300	-	2,000	2,000
5109 Chemicals	11,488	25,000	15,116	23,000	14,254	23,000	23,000
5112 Legal	3,730	4,000	12,689	20,000	6,483	10,000	10,000
5115 Contract/Professional Services	-	8,000	10,433	65,000	409	40,000	40,000
5119 Safety Supplies & Equipment	429	1,000	63	505	221	505	905
5120 Cell Phones	3,144	2,600	831	3,184	619	-	-
5121 Telephone - Pager	-	-	1,902	-	790	3,184	3,184
5122 Training - Conference	125	2,000	1,664	2,000	-	2,000	2,000
5123 Auto/Transportation - Public Works	352	250	862	250	-	250	250
5125 Publications - Books	23	100	51	100	-	100	100
5126 Dues & Memberships	467	1,800	856	1,800	853	1,800	1,800
5127 License	205	-	700	-	220	350	350
5128 Employee Relations	-	60	-	60	-	60	60
5130 Rents - Leases	1,076	1,000	1,810	1,000	890	2,000	2,000
5131 Records Maintenance	117	-	45	-	20	50	50
5135 Maintenance - Repair	44,708	43,000	17,069	40,000	35,131	53,000	53,000
5136 Parks Maintenance-Repair	-	-	(431)	-	-	-	-
5138 Office Equipment - P.W.	273	1,200	1,775	1,500	606	1,500	1,500
5139 Equipment	4,086	3,000	2,500	4,000	7,091	4,000	4,000
5141 General Liability Insurance	3,211	6,334	8,606	7,642	5,624	9,112	9,112
5143 Property Insurance	745	1,424	1,685	1,695	1,064	1,784	1,784
5144 Employee Practice Liab Insurance	181	502	129	563	1,062	813	1,531
5148 Office Equipment	75	-	-	-	-	-	-
5150 Electricity	23,446	60,000	19,733	54,000	11,720	20,147	20,751
5151 Natural Gas	104	2,000	118	150	58	140	144
5152 Water	-	-	277	-	83	380	391
5153 Sewer	-	-	22,297	43,500	17,451	26,500	27,295
5154 Garbage	69	100	-	100	22	100	100
5162 Medical	235	400	82	300	38	300	300
5164 Regulatory Fees	16,234	13,000	7,551	8,000	-	16,500	16,500
5165 Property Tax Assessment	-	30	-	-	-	-	-
5171 Computer Software	176	750	1	450	95	450	450
5173 Computer Maintenance - Support	958	1,000	449	1,000	380	500	750
5174 Web Design Services	42	20	119	55	50	80	180
5175 Community Promotions	-	10	-	-	-	-	-
5212 Gas & Oil	5,722	6,000	5,841	5,000	3,100	6,000	6,000
5213 Vehicle Repair	2,337	5,500	1,694	2,200	2,226	2,200	2,200
5215 Public Works - Small Tools	3,186	3,000	615	2,500	1,175	2,500	2,500
5217 License	24	-	-	30	-	30	30
5225 Public Works - Lab Testing	2,127	5,000	3,449	3,500	3,642	10,000	10,000
5227 Public Works - Equip. Repair	2,750	2,500	727	2,800	632	2,800	2,800
5229 Public Works - Equip. Rental	-	1,500	375	-	-	250	250

DEPARTMENTAL BUDGET - WATER OPERATIONS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5410 Interest Expense	-	-	-	-	-	-	-
5430 Fines/Penalties	25	-	-	-	-	-	-
5450 Miscellaneous Expense	-	-	-	-	43	-	-
5514 Engineering	1,168	2,000	-	1,500	404	1,500	1,500
5520 Improvements	339	1,000	-	-	-	-	-
6000 Fixed Asset - Equipment	-	-	7,078	-	-	-	-
TOTAL EXPENDITURES	264,910	343,708	224,113	388,993	184,156	366,582	375,772
ALLOCATION BY FUND							
Water Fund						100%	375,772
ALLOCATION BY POSITION							
Water and Roads Superintendent							60%
Utility Worker I (2)							35%
Wastewater Operator I							20%

WATER OPERATIONS FUND REVENUE AND EXPENDITURES
FY 2016/17

Water Operations Fund
(includes Administration)



ALLOCATION BY DEPARTMENT

City Council (12)	0.6%	3,846
City Mgr. (02)	16%	103,470
Finance Dept. (03)	21%	129,653
Bldg. & Grnd. (19)	3%	17,149
Water (09)	60%	375,772
	<u>100%</u>	<u>629,890</u>

WATER OPERATIONS (060)	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	** 6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4310 Interest Income	-	-	1	-	-	-	-
4480 Insurance Premium Reimbursement	(35)	-	-	-	-	-	-
4610 Water - Service	466,408	543,397	426,809	501,967	547,739	450,000	667,805
4620 Water - Connection	6,600	10,800	4,400	5,410	9,384	2,700	2,160
4630 Water - Service Late Fees	21,404	21,600	20,563	19,000	20,799	20,000	20,600
4635 Shut Off Fees	7,550	6,300	8,780	5,933	5,190	6,000	6,180
4640 Water - Damage Replacement	1,014	400	-	1,000	-	11,000	-
4920 Misc-Public Works Revenue	-	-	-	-	-	1,900	-
4935 Gain/Loss on Disposal of Assets	8	-	-	-	-	-	-
4936 Bad Debt Recovery	1,043	500	1,778	1,000	851	1,430	2,000
4950 Misc -	10	-	-	250	-	-	200
4990 Misc - Other	515	-	599	-	513	-	-
4991 Reimbursements	-	10,000	-	-	-	-	-
TOTAL REVENUE	504,517	592,997	462,930	534,560	584,476	493,030	698,945
EXPENDITURES							
5000 Full Time Salaries	176,748	176,470	156,566	211,083	197,042	207,725	193,725
5030 Overtime Salaries	3,234	3,470	3,022	1,773	2,571	3,578	3,894
5032 Retirement - City Manager	2,482	3,503	871	-	-	-	-
5035 Benefit - ICMA City 457	17,042	17,303	19,429	25,880	23,286	22,707	20,976
5040 Benefit - Health Insurance	33,556	29,483	28,774	40,625	28,619	36,939	33,369
5041 Health Savings	-	-	-	-	2,070	2,012	-
5042 Benefit - Life Insurance	525	566	511	612	440	527	531
5044 Benefit - Dental/Vision Insur	4,610	4,266	4,046	4,297	4,335	5,901	5,200
5045 Worker Compensation Insurance	8,237	5,511	8,976	11,855	12,480	14,193	16,541
5050 FICA	15,026	14,001	13,995	16,015	17,198	16,319	15,118
5055 Unemployment Insurance	1,541	1,830	1,469	1,882	1,439	1,747	1,622
5060 Clothing Allowance	894	741	720	490	705	592	803
5069 Accrued Payroll Taxes Expense	-	-	-	-	567	-	-
5080 Hiring Costs	9,818	16,228	-	3,000	-	-	-
5081 Compensated Absences Payable	3,753	-	(3,190)	-	2,377	-	-
5101 Office Supplies	1,979	2,050	2,476	2,345	2,967	2,347	2,141
5102 Operating Supplies	3,835	2,198	1,411	4,547	2,321	4,508	9,531
5103 Postage	3,493	2,290	4,232	4,741	4,879	3,488	3,351
5104 Printing - Forms	3,402	1,756	6,127	3,320	3,700	6,918	6,472
5105 Advertising	1,466	110	-	450	46	450	450
5106 Promotional	-	16	163	-	13	4	379
5107 Memorial Park Expense	-	-	-	130	-	138	385
5108 Streets	1,189	1,200	1,539	1,300	-	2,000	2,000
5109 Chemicals	11,488	25,000	15,134	23,000	24,728	23,000	23,000
5110 Accounting	12,939	11,405	13,974	11,520	12,186	11,400	9,275
5112 Legal	5,873	10,820	16,831	29,313	17,298	17,055	15,566
5115 Contract/Professional Services	240	16,060	13,240	82,704	2,639	50,635	51,918
5116 Bank Fees	741	620	757	837	492	836	770
5119 Safety Supplies & Equipment	429	1,000	79	520	259	524	959
5120 Cell Phones	4,079	3,353	1,971	5,279	2,090	1,600	2,415
5121 Telephone - Pager	-	-	1,992	-	1,746	3,365	2,583
5122 Training - Conference	1,272	4,790	3,896	5,610	4,229	5,975	5,675

** UNAUDITED FY 2015/16 FINANCIAL DATA

WATER OPERATIONS FUND REVENUE AND EXPENDITURES
FY 2016/17

WATER OPERATIONS (060)					**		6/30/2017 ADOPTED
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
EXPENDITURES							
5123 Automobile - Transportation	2,501	2,513	4,178	3,748	3,529	3,244	3,031
5125 Publications - Books	44	193	91	169	48	159	155
5126 Dues & Memberships	543	3,475	1,070	3,350	2,678	3,183	3,194
5127 License	205	-	700	-	310	350	350
5128 Employee Relations	-	138	-	121	-	105	95
5130 Rents - Leases	2,283	3,325	3,273	4,040	2,696	3,948	3,758
5131 Records Maintenance	357	-	349	271	410	329	441
5135 Maintenance - Repair	45,600	43,636	18,091	41,204	34,665	54,251	54,473
5136 Parks Maintenance-Repair	-	-	12	425	-	253	708
5138 Office Equipment	1,347	2,813	1,716	3,081	2,895	4,841	4,543
5139 Equipment	4,086	3,186	2,583	4,381	8,193	4,325	4,455
5140 Bond Insurance	-	3	-	-	-	-	-
5141 General Liability Insurance	5,527	11,421	15,696	13,155	12,930	16,505	15,989
5143 Property Insurance	1,282	2,567	3,073	2,918	3,404	3,231	3,130
5144 Emp Practice Liab Insurance	312	885	235	970	2,507	1,472	2,740
5148 Office Equipment	75	78	-	-	-	-	-
5150 Electricity	24,310	60,667	20,978	54,983	20,452	21,447	22,117
5151 Natural Gas	179	2,140	215	258	152	259	257
5152 Water	-	-	365	234	397	507	973
5153 Sewer	-	-	22,445	43,612	30,020	26,627	27,409
5154 Garbage	69	100	-	100	22	100	100
5160 Elections	-	-	531	-	-	-	-
5162 Medical	252	400	82	300	38	300	300
5163 Property Tax Admin Fees	972	930	1,098	1,200	992	1,140	1,050
5164 Regulatory Fees	16,234	13,000	5,402	8,000	6,789	16,500	16,500
5165 Property Tax Assessment	-	30	-	-	-	-	-
5166 LAFCO Fees	436	-	757	-	763	675	525
5171 Computer Software	199	1,060	2	819	183	751	695
5172 Computer Training	26	930	-	-	-	-	-
5173 Computer Maintenance - Support	6,613	4,131	6,250	8,072	7,750	7,100	7,310
5174 Web Design Services	76	236	453	133	92	305	545
5175 Community Promotions	-	10	-	-	-	-	-
5212 Gas & Oil	5,722	6,000	5,997	5,150	4,712	6,063	6,175
5213 Vehicle Repair	2,337	5,500	1,694	2,200	3,233	2,200	2,200
5215 Public Works - Small Tools	3,186	3,031	762	2,600	1,446	2,523	2,564
5217 License	24	-	-	30	-	30	30
5225 Public Works - Lab Testing	2,127	5,000	3,389	3,500	4,542	10,000	10,000
5227 Public Works - Equip. Repair	2,750	2,500	815	2,885	869	2,900	3,080
5229 Public Works - Equip. Rental	-	1,500	1,159	75	-	313	425
5410 Interest Expense	583	-	200	-	-	-	-
5430 Fines/Penalties	25	-	-	-	-	-	-
5514 Engineering	1,687	2,000	1,404	2,100	574	1,950	1,850
5520 Improvements	583	1,000	-	-	-	99	77
5540 Mayor Woodall	-	78	-	-	-	-	-
5541 Gordon Johnson	184	78	-	-	-	-	-
5560 Council Member Marks	-	78	-	-	-	-	-
5563 Council Member Thompson	-	339	-	-	-	-	-
5564 Council Member Wilson	-	339	-	-	-	-	-
5610 Bad Debt	7,100	6,250	6,487	-	4,610	-	-
6000 Fixed Asset - Equipment	-	-	7,078	-	-	-	-
6100 Fixed Asset - Computer Hardware	-	462	-	-	-	-	-
6500 Infrastructure	(1,905)	-	-	-	-	-	-
6525 Building and Improvements	1,797	1,960	-	-	-	-	-
6700 Fixed Asset - Debt Service	6,791	7,374	6,791	-	-	-	-
8010 Contingency	-	-	-	11,754	-	34,181	-
TOTAL EXPENDITURES	476,410	557,396	464,432	718,966	534,623	678,649	629,893

** UNAUDITED FY 2015/16 FINANCIAL DATA

WATER DEBT SERVICE REVENUE AND EXPENDITURES
FY 2016/17

WATER DEBT SERVICE (061)	6/30/2014	6/30/2014	6/30/2015	6/30/2015	**		6/30/2017
	Actual	Budget	Actual	Budget	6/30/2016	6/30/2016	ADOPTED
REVENUE							
4310 Interest Income	1	-	-	-	-	-	-
4615 Water - Debt Service	144,920	134,000	172,949	140,724	165,117	140,000	152,371
4616 Water - Debt Service Restricted	-	-	-	-	14,327	-	-
TOTAL REVENUE	144,921	134,000	172,949	140,724	179,444	140,000	152,371
EXPENDITURES							
5135 Maintenance - Repair	-	-	-	10,000	-	-	-
5514 Engineering	-	61,000	-	-	-	-	-
5610 Bad Debt	1,306	-	1,115	-	866	-	-
5702 Depreciation- Building & Improveme	8,223	-	8,223	-	8,223	-	-
5705 Depreciation - Mach & Equip	3,192	-	1,191	-	6,144	-	-
5710 Depreciation - Infrastructure	195,930	-	195,930	-	195,929	-	-
6000 Fixed Asset - Equipment	-	43,080	-	-	-	-	-
6300 Fixed Asset - Heavy Equipment	-	7,000	-	35,000	-	-	-
6400 Fixed Asset - Vehicles	-	7,440	-	-	-	-	-
6500 Infrastructure	-	40,400	-	-	-	-	-
6600 Fixed Asset - Land Improvements	-	16,430	-	-	-	-	-
6700 Fixed Asset- Debt Service	204,000	134,000	68,000	-	68,000	136,000	136,000
TOTAL EXPENDITURES	412,651	309,350	274,459	45,000	279,162	136,000	136,000
ALLOCATION BY DEPARTMENT							
Debt Service						100%	136,000
						100%	136,000

** UNAUDITED FY 2015/16 FINANCIAL DATA

WATER CAPITAL FUND REVENUE AND EXPENDITURES
FY 2016/17

WATER CAPITAL (062)					**		6/30/2017 ADOPTED
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
REVENUE							
4310 Interest Income	-	-	-	-	-	-	-
4620 Water - Connection/Capital	1,500	-	1,000	-	2,000	-	540
4650 Water Capital	64,780	-	65,813	77,000	102,265	63,000	192,511
4651 Water Capital Infiltration Gallery	-	-	-	-	100,000	-	-
4763 Grant Rest.- Prop. 84 - SDWSRF	-	-	192,206	-	53,162	53,162	-
TOTAL REVENUE	66,280	-	259,019	77,000	257,427	116,162	193,051
EXPENDITURES							
5000 Full Time Salaries	-	-	40,148	-	-	-	-
5032 Retirement - City Manager	-	-	603	-	-	-	-
5035 Benefit - ICMA City 457	-	-	2,023	-	-	-	-
5045 Worker Compensation Insurance	-	-	2,790	-	-	-	-
5050 FICA/MEDI	-	-	3,268	-	-	-	-
5055 Unemployment Insurance	-	-	304	-	-	-	-
5105 Advertising	-	-	1,855	-	1,043	1,043	-
5112 Legal	2,152	-	334	-	145	145	-
5115 Contract/Professional Services	-	-	58,171	-	-	-	8,000
5135 Maintenance - Repair	-	-	-	-	-	10,000	20,000
5139 Equipment	-	-	680	-	-	-	-
5154 Garbage	-	-	-	-	1,105	1,105	-
5164 Regulatory Fees	-	-	50	-	-	-	-
5225 Public Works - Lab Testing	-	-	464	-	-	-	-
5227 Public Works - Equip. Repair	-	-	422	-	-	-	-
5514 Engineering	-	-	81,415	-	60,574	55,746	-
5610 Bad Debt	-	-	-	-	226	-	-
6000 Fixed Asset - Equipment	44	-	-	-	14,514	-	-
6300 Fixed Asset - Heavy Equipment	-	-	-	-	-	35,000	15,000
6500 Infrastructure	-	-	-	-	-	-	133,529
TOTAL EXPENDITURES	2,196	-	192,527	-	77,607	103,039	176,529
ALLOCATION BY DEPARTMENT							
Capital Proj. (14)						100%	176,529
						100%	176,529

** UNAUDITED FY 2015/16 FINANCIAL DATA

WATER METRO WELL FUND REVENUE AND EXPENDITURES
FY 2016/17

WATER METROPOLITAN WELLS (063)					**		6/30/2017 ADOPTED
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
REVENUE							
4653 Water - Metro Wells	-	-	-	-	7,172	-	11,697
4763 Grant Rest. - Prop.84 - SDWSRF	-	-	-	-	-	-	591,794
4765 Grant Rest. - USDA ECWAG	-	-	-	-	-	-	373,200
TOTAL REVENUE	-	-	-	-	7,172	-	976,691
EXPENDITURES							
5150 Electricity	-	-	-	-	118	-	-
5610 Bad Debt	-	-	-	-	23	-	-
6500 Infrastructure	-	-	-	-	-	-	964,994
TOTAL EXPENDITURES	-	-	-	-	141	-	964,994

** UNAUDITED FY 2015/16 FINANCIAL DATA

WATER FUND DINSMORE ZONE REVENUE AND EXPENDITURES
FY 2016/17

WATER DINSMORE ZONE (064)					**		6/30/2017 ADOPTED
	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	
REVENUE							
4654 Water - Dinsmore Zone	-	-	-	-	7,200	-	17,466
TOTAL REVENUE	-	-	-	-	7,200	-	17,466
EXPENDITURES							
5135 Maintenance - Repair	-	-	-	-	-	-	35,000
5150 Electricity	-	-	-	-	837	-	-
5227 Public Works - Equip. Repair	-	-	-	-	426	-	-
6000 Fixed Asset - Equipment	-	-	-	-	6,000	-	-
TOTAL EXPENDITURES	-	-	-	-	7,263	-	35,000

** UNAUDITED FY 2015/16 FINANCIAL DATA

SEWER DEPARTMENT AND FUND INFORMATION



SEWER ENTERPRISE BUDGET

DEPARTMENT HEAD
Cameron Yaple, Wastewater
Superintendent Trainee

2016-2017 SEWER DEPARTMENT	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
Salaries and Benefits	156,446	172,955	155,094	145,411	105,301	147,193	153,396
Operating Supplies	265,799	190,505	281,440	290,177	194,676	314,505	331,187
Total Sewer Department	422,245	363,460	436,534	435,588	299,977	461,698	484,583

STATEMENT OF FUNCTION

The City's Public Works Department is responsible for the daily operation and maintenance of the Wastewater system including the main processing plant located at the City Corporation Yard and the wastewater irrigation site north of the City on Metropolitan Avenue. Also maintained by Public Works Wastewater Department are almost 20 miles of piping under City streets.

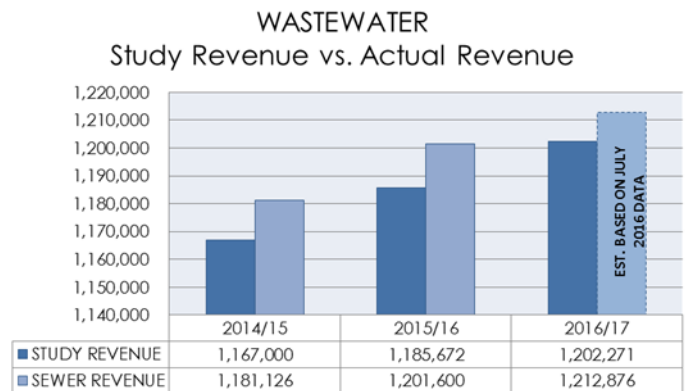
The sewer funds are operating as enterprise funds. The fees for wastewater services are intended to cover all of the operating and disposal costs, maintenance of aging sewer lines and pumps, the replacement of the capital assets (as needed) and debt service totaling over \$6 million. Debt service payments are \$302,822 annually with the final payment due in 2043. The final payment has been set aside and is restricted until then.

RATE STRUCTURE

The City Council voted to change the wastewater rate structure from a single fixed charge per customer to a consumption based rate structure. The fixed base charge is 70% of revenues collected and the volumetric, or variable portion, accounts for 30% of revenues collected. Wastewater customers are classified by type and are assigned a strength factor, which is used in calculating the costs of processing and removal of contaminants from the wastewater before final disposal. For example, a restaurant will have a higher strength factor than an ordinary household because theoretically the removal of contaminants from restaurant wastewater (oils, foods, etc.) carries a higher cost than the removal of waste products from a typical residence.

The wastewater study was based on \$1.167 million in revenue collections with an annual consumer price index (CPI) increase. The chart above compares the study's revenue base, which includes the CPI increase, to actual revenues for 2014/15 and 2015/16, and budgeted revenues for FY 2016/17.

The consumption based sewer rates took effect with the August 2014 billing cycle and have been exceeding revenue expectations by a small margin, as shown in the following chart.



The volumetric, or variable charge for wastewater billing purposes is established by averaging winter water consumption for the months of December, January, and February. The customer's average is then multiplied by unit cost, which is based on a customer's assigned strength factor. For FY 2016/17 the unit charge ranges from \$3.39 to \$7.41. Most customers are classified as domestic strength, and charged \$4.24 per unit. This is the variable portion of a customer's sewer bill.

Equivalent Dwelling Units (EDUs), or base charge, makes up the remaining revenues collected in the sewer funds. There are approximately 1,400 EDUs billed per month at a charge of \$48.23 each for FY 2016/17.

BROAD OVERVIEW OF SEWER FUNDS

The Wastewater Fund is separated into the Wastewater Operations fund (50), Wastewater Capital Fund (52), Sewer Assessment District Fund (53), and Wastewater Debt Service Fund (54).

The Wastewater Operations Fund begins the fiscal year with a projected beginning balance of \$319,676. Revenues are estimated at \$785,432 and approved appropriations are \$738,701. This includes \$484,583 for operations and \$254,118 for allocations in administrative costs. Ending sewer operations fund balance is reflected at \$366,407.

The Sewer Capital Fund has an estimated beginning fund balance of \$166,621 and revenue for the year is estimated at \$99,388. Expenditures are budgeted for \$100,000 for an ending fund balance of \$166,009.

Capital projects planned for the fiscal year are as follows:

AMOUNT	PROJECT
15,000	Inflow and Infiltration
30,000	Lift Station Pumps (2)
15,000	Ditch Witch Vactor Trailer
	Sewerline Repairs
20,000	-Dixie and Second Streets
20,000	-Dixie and Third Streets
100,000	

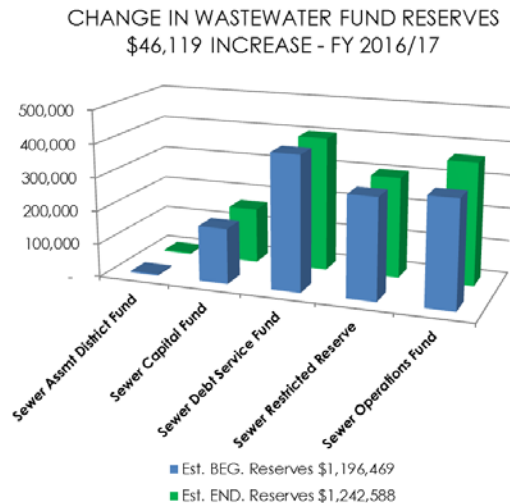
The Sewer Assessment District Fund has a beginning fund balance of \$4,416. The estimated ending fund balance is \$4,416. At the end of FY 2015/16 the outstanding balance on the loan is \$60,000. There are two (2) payments remaining for \$30,000 each and loan payoff is expected in fiscal year 2018/19.

The Sewer Debt Service Fund collects revenues for the City's \$12 million sewer treatment plant that was put into service in October 2013. The City financed \$6.5 million, and the additional \$6 million was paid for in grant funds from the State Water Resources Control Board (SWRCB). The fund begins the year with an

estimated balance of \$402,934 and will receive \$310,000 in revenue to meet the loan payment of \$302,822. The estimated ending fund balance for the Sewer Debt Service Fund (54) is \$402,934 as of June 30, 2017.

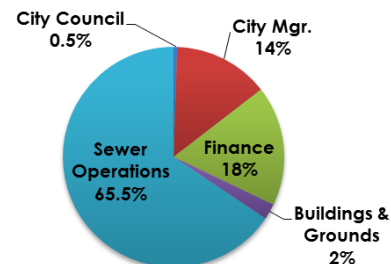
The chart below summarizes beginning and ending wastewater fund reserve balances.

The \$6,500,000 WWTF financing agreement with the



SWRCB requires the City to hold in reserve one (1) year of debt service of \$302,822. The restricted reserve fund balance must be maintained for the full term of the financing agreement and is subject to lien and pledge, as security, for the financing agreement. The final loan payment is due October 31, 2043.

WASTEWATER OPERATIONS FUND % OF COSTS BY DEPARTMENT



2016/17 BUDGET

The approved **Sewer Operations Department** budget totals \$484,583, an increase of \$22,885 from 2015/16. Operations Salaries and benefits provide for

the Wastewater Superintendent Trainee and a portion of two (2) Utility Workers and one (1) Wastewater/Water Operator who also maintain the City parks, building and grounds, the water system and streets maintenance.

SALARIES AND BENEFITS

Salaries and benefits for sewer operations total \$153,397, \$6,204 more than last year. 42% of total appropriations for labor for Public Works is dedicated to the wastewater system. This includes 100% of time for the Wastewater Superintendent Trainee, 50% for Wastewater Operator I/II, and 8% of time for other public works employees.

SERVICES AND SUPPLIES

The Services and Supplies accounts total \$331,186 which is \$16,681 more than 2015/16. The more significant costs are shown in the following line items with details given below: Electricity, chemicals, water, and natural gas.

Cost centers of note:

1. Electricity (5150) is budgeted for \$133,431
2. Chemicals (5109) \$30,000 (no increase from prior year)
3. Water (5152) is budgeted for \$29,355, up \$855. Sewer Operations uses anywhere from 500 units per month to 1000
4. Natural Gas (5151) is budgeted for \$23,243. This is a 3% increase from prior year

All other accounts have been adjusted to reflect estimated actual costs.

Sewer Operations Expenditures



DEPARTMENTAL BUDGET - WASTEWATER OPERATIONS

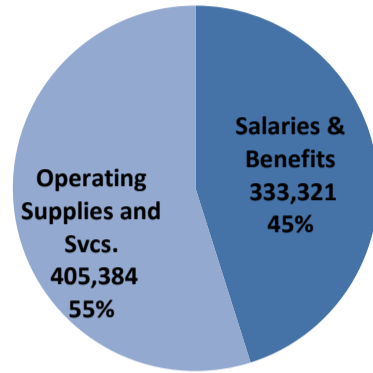
	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5000 Full Time Salaries	92,825	115,024	93,261	82,405	63,491	86,013	86,639
5030 Overtime Salaries	2,103	3,675	2,729	1,099	1,514	1,443	2,086
5035 Benefit - ICMA City 457	9,590	12,634	9,982	9,522	6,576	9,695	9,625
5040 Benefit - Health Insurance	30,897	21,770	24,416	25,556	14,120	22,693	24,312
5042 Benefit - Life Insurance	403	350	313	278	128	278	330
5044 Benefit - Dental/Vision Insur	3,896	2,961	3,322	3,383	2,292	3,545	3,963
5045 Worker Compensation Insurance	7,255	5,636	13,916	14,981	10,340	15,279	17,876
5050 FICA	7,414	8,799	7,628	6,560	5,305	6,757	6,787
5055 Unemployment Insurance	850	1,150	817	857	866	760	849
5060 Clothing Allowance	1,170	956	647	770	669	730	930
5081 Compensated Absences Payable	43	-	(1,937)	-	-	-	-
5101 Office Supplies	696	800	736	500	467	500	500
5102 Operating Supplies	2,409	1,750	2,549	2,000	1,590	2,000	2,000
5103 Postage	3,130	100	2,548	1,700	1,685	2,400	2,400
5104 Printing - Forms	504	200	584	125	103	465	465
5105 Advertising	663	200	-	700	35	200	200
5106 Promotional	-	-	91	-	9	-	-
5107 Memorial Park Expense	-	-	(135)	-	-	-	-
5108 Streets	4	1,170	24	1,000	-	1,000	1,000
5109 Chemicals	30,504	22,719	23,769	29,000	13,428	30,000	30,000
5112 Legal	2,495	500	1,348	500	-	500	500
5115 Contract/Professional Services	2,983	10,000	3,360	5,000	6,664	2,000	13,500
5119 Safety Supplies & Equipment	691	1,000	58	1,000	166	1,000	1,400
5120 Cell Phones	4,152	4,500	1,577	3,500	1,224	-	-
5121 Telephone - Pager	-	-	978	-	633	2,440	2,440
5122 Training - Conference	90	1,350	1,639	1,350	45	1,350	1,350
5123 Auto/Transportation - Public Works	582	250	1,090	500	-	500	500
5125 Publications - Books	162	50	53	200	-	200	200
5126 Dues & Memberships	965	800	301	1,000	279	1,000	1,000
5127 License	207	-	710	100	-	260	1,000
5128 Employee Relations	-	50	-	50	-	50	50
5130 Rents - Leases	1,558	1,300	1,886	1,300	892	1,968	1,968
5131 Records Maintenance	149	-	31	150	15	40	40
5135 Maintenance - Repair	15,528	15,000	15,443	15,000	4,196	20,000	20,000
5136 Parks Maintenance-Repair	-	-	(431)	-	-	-	-
5138 Office Equipment - P.W.	1,355	1,200	564	1,200	598	800	800
5139 Equipment	5,189	3,000	6,407	4,500	2,460	4,500	4,500
5141 General Liability Insurance	3,945	8,167	8,827	9,389	5,768	9,329	9,329
5143 Property Insurance	915	1,836	1,728	2,083	1,092	1,827	1,827
5144 Employee Practice Liab Insurance	223	647	132	692	1,089	832	1,680
5148 Office Equipment	114	-	-	-	-	-	-
5150 Electricity	118,656	55,000	125,877	108,327	68,144	133,431	133,431
5151 Natural Gas	19,918	7,500	17,078	20,000	11,244	22,566	23,243
5152 Water	-	-	21,893	33,600	44,963	28,500	29,355
5153 Sewer	-	-	169	-	-	50	-
5154 Garbage	105	2,500	-	1,000	17	-	-
5162 Medical	276	250	40	250	29	250	250
5164 Regulatory Fees	12,004	12,000	7,863	15,000	7,773	15,000	15,000
5165 Property Tax Assessment	-	35	6,115	-	2,242	-	2,242
5171 Computer Software	266	1,000	99	500	2,027	500	500
5173 Computer Maintenance - Support	869	50	740	500	386	920	1,290
5174 Web Design Services	52	-	122	65	51	75	175
5212 Gas & Oil	9,491	8,200	3,195	2,500	2,449	3,002	3,002
5213 Vehicle Repair	2,700	3,000	2,117	3,000	2,125	2,500	2,500
5215 Public Works - Small Tools	5,112	2,646	987	2,646	972	2,300	2,300
5217 License	36	-	-	-	-	-	-
5225 Public Works - Lab Testing	12,908	12,985	12,325	12,500	5,724	12,500	12,500
5227 Public Works - Equip. Repair	2,747	2,750	6,976	2,750	3,934	2,750	2,750
5229 Public Works - Equip. Rental	-	1,000	(23)	1,000	-	1,000	1,000
5410 Interest Expense	-	-	-	-	-	-	-
5430 Fines/Penalties	25	3,000	-	2,000	-	2,000	1,000
5450 Miscellaneous Expense	-	-	-	-	32	-	-

DEPARTMENTAL BUDGET - WASTEWATER OPERATIONS

	6/30/14 Actual	6/30/14 Budget	6/30/15 Actual	6/30/15 Budget	2/24/16 Y-T-D Actual	6/30/16 Budget	2016/17 ADOPTED
5514 Engineering	1,005	1,000	-	1,000	126	1,000	1,000
5520 Improvements	416	1,000	-	1,000	-	1,000	1,000
TOTAL EXPENDITURES	422,245	363,460	436,534	435,588	299,977	461,698	484,583
ALLOCATION BY FUND							
Wastewater Operations Fund						100%	484,583
ALLOCATION BY POSITION							
Wastewater Superintendent							100%
Water and Roads Superintendent							20%
Utility Worker I (2)							10%
Wastewater Operator I							50%

SEWER OPERATIONS FUND REVENUE AND EXPENDITURES
FY 2016/17

Sewer Operations Fund
(includes Administration)



ALLOCATION BY DEPARTMENT

City Council (12)	0.5%	3,846
City Mgr. (02)	14.0%	103,470
Finance Dept. (03)	17.6%	129,653
Bldg. & Grnd. (19)	2.3%	17,149
Sewer (09)	65.6%	484,583
	<u>100%</u>	<u>738,701</u>

SEWER OPERATIONS (050)

	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4310 Interest Income	1	-	1	-	-	-	-
4480 Insurance Premium Reimbursement	(40)	-	-	-	-	-	-
4510 Sewer - Service	696,322	670,458	673,082	602,614	729,317	555,000	758,656
4520 Sewer - Connection	-	4,600	8,352	-	16,704	5,220	4,176
4630 Late Fee	21,388	16,000	20,545	19,000	20,781	20,000	20,600
4635 Shut Off Fees	7,550	3,900	8,780	5,933	5,190	6,000	-
4920 Misc - Public Works Revenue	5,103	-	3,818	-	142	1,900	-
4935 Gain/Loss on Disposal of Assets	10	-	-	-	-	-	-
4936 Bad Debt Recovery	1,043	500	1,607	1,000	763	1,430	2,000
4950 Misc	10	-	-	250	-	-	-
TOTAL REVENUE	731,387	695,458	716,185	628,797	772,897	589,550	785,432
EXPENDITURES							
5000 Full Time Salaries	209,284	227,916	182,528	175,989	211,561	198,445	216,758
5030 Overtime Salaries	2,509	4,475	2,898	1,260	2,690	1,654	2,450
5032 Retirement - City Manager	2,441	4,520	369	-	-	-	-
5035 Benefit - ICMA City 457	20,622	22,318	19,577	20,008	23,822	21,971	23,731
5040 Benefit - Health Insurance	45,921	38,028	40,295	44,246	36,086	41,964	42,629
5041 Health Savings	-	-	-	-	2,052	1,352	-
5042 Benefit - Life Insurance	698	732	527	581	474	542	628
5044 Benefit - Dental/Vision Insur	6,229	5,502	5,387	5,476	5,426	6,371	6,692
5045 Worker Compensation Insurance	9,837	7,107	15,749	16,352	18,032	17,201	20,890
5050 FICA	17,166	18,060	15,250	13,587	18,001	15,449	16,769
5055 Unemployment Insurance	1,974	2,360	1,636	1,652	1,662	1,608	1,769
5060 Clothing Allowance	1,170	956	677	799	929	772	1,005
5069 Accrued Payroll Taxes Expense	-	-	-	-	439	-	-
5080 Hiring Costs	11,220	19,300	-	750	-	-	-
5081 Compensated Absences Payable	4,300	-	(6,291)	-	689	-	-
5101 Office Supplies	2,525	2,800	2,149	2,169	2,376	2,247	2,341
5102 Operating Supplies	2,843	2,650	2,720	2,387	2,297	2,438	2,531
5103 Postage	5,040	2,410	3,865	4,527	4,247	4,038	3,951
5104 Printing - Forms	3,454	1,820	2,524	1,895	2,749	2,983	3,337
5105 Advertising	1,838	200	-	700	465	200	200
5106 Promotional	-	20	148	-	22	4	379
5107 Memorial Park Expense	-	-	-	130	-	138	385
5108 Streets	4	1,170	24	1,000	-	1,000	1,000
5109 Chemicals	30,504	22,719	23,457	29,000	22,003	30,000	30,000
5110 Accounting	14,788	14,716	13,974	11,520	12,186	11,400	9,275
5112 Legal	4,894	9,300	3,338	3,063	5,768	4,555	6,066
5115 Contract/Professional Services	6,985	20,400	4,070	9,546	8,122	8,035	25,418
5116 Bank Fees	847	800	757	837	492	836	770
5119 Safety Supplies & Equipment	691	1,000	74	1,015	332	1,019	1,454
5120 Cell Phones	5,188	5,472	2,139	4,695	2,688	1,288	2,780
5121 Telephone - Pager	-	-	1,018	-	1,351	2,581	1,474
5122 Training - Conference	1,401	4,950	3,462	4,060	1,633	4,725	5,025
5123 Automobile - Transportation	3,023	3,170	2,521	2,108	1,866	2,654	3,281
5125 Publications - Books	187	170	72	245	165	249	255

** UNAUDITED FY 2015/16 FINANCIAL DATA

SEWER OPERATIONS FUND REVENUE AND EXPENDITURES
FY 2016/17

	6/30/2014	6/30/2014	6/30/2015	6/30/2015	**	6/30/2016	6/30/2016	6/30/2017
SEWER OPERATIONS (050)	Actual	Budget	Actual	Budget	Actual	Budget	ADOPTED	
EXPENDITURES								
5127 License	207	-	710	100	-	260	1,000	
5128 Employee Relations	-	150	-	65	-	75	85	
5130 Rents - Leases	2,940	4,300	2,781	2,990	2,278	3,496	3,726	
5131 Records Maintenance	423	-	306	375	384	297	431	
5135 Maintenance - Repair	16,544	15,820	25,390	25,272	10,011	21,111	21,473	
5136 Parks Maintenance-Repair	-	-	12	425	-	253	708	
5138 Office Equipment	2,686	3,280	398	2,555	3,208	4,041	3,843	
5139 Equipment	5,189	3,240	6,490	4,655	4,986	4,725	4,955	
5140 Bond Insurance	-	4	-	-	-	-	-	
5141 General Liability Insurance	6,583	14,730	13,120	15,669	11,347	15,014	16,206	
5143 Property Insurance	1,527	3,312	2,569	3,481	2,949	2,939	3,173	
5144 Emp Practice Liab Insurance	371	1,142	197	1,155	2,137	1,338	2,889	
5148 Office Equipment	114	100	-	-	-	-	-	
5150 Electricity	119,639	55,860	126,645	109,043	121,334	134,445	134,797	
5151 Natural Gas	20,003	7,680	17,136	20,077	18,611	22,657	23,356	
5152 Water	-	-	21,955	33,813	32,970	28,617	29,937	
5153 Sewer	-	-	272	76	72	157	114	
5154 Garbage	105	2,500	-	1,000	17	-	-	
5160 Elections	-	-	140	-	-	-	-	
5162 Medical	296	250	40	250	29	250	250	
5163 Property Tax Admin Fees	1,111	1,200	1,098	1,200	992	1,140	1,050	
5165 Property Tax Assessment	-	35	6,115	-	2,242	-	2,242	
EXPENDITURES								
5164 Regulatory Fees	12,004	12,000	7,863	15,000	8,395	15,000	15,000	
5166 LAFCO Fees	498	-	200	-	424	375	525	
5171 Computer Software	293	1,400	99	643	2,114	701	745	
5172 Computer Training	30	1,200	-	-	-	-	-	
5173 Computer Maintenance - Support	7,331	4,090	8,286	6,774	6,771	7,044	7,850	
5174 Web Design Services	90	279	258	127	77	240	540	
5212 Gas & Oil	9,491	8,200	3,351	2,650	3,717	3,065	3,177	
5213 Vehicle Repair	2,700	3,000	2,117	3,000	3,639	2,500	2,500	
5215 Public Works - Small Tools	5,112	2,686	1,133	2,746	1,487	2,323	2,364	
5217 License	36	-	-	-	-	-	-	
5225 Public Works - Lab Testing	12,908	12,985	12,325	12,500	13,034	12,500	12,500	
5227 Public Works - Equip. Repair	2,747	2,750	7,064	2,835	8,925	2,850	3,030	
5229 Public Works - Equip. Rental	-	1,000	55	1,075	-	1,063	1,175	
5410 Interest Expense	583	-	200	-	-	-	-	
5430 Fines/Penalties	25	3,000	-	2,000	-	2,000	1,000	
5514 Engineering	1,114	1,000	-	1,150	221	1,250	1,350	
5520 Improvements	694	1,000	-	1,000	-	1,055	1,077	
5540 Mayor Woodall	-	100	-	-	-	-	-	
5541 Gordon Johnson	210	100	-	-	-	-	-	
5560 Council Member Marks	-	100	-	-	-	-	-	
5563 Council Member Thompson	-	440	-	-	-	-	-	
5564 Council Member Wilson	-	440	-	-	-	-	-	
5610 Bad Debt	7,210	6,250	8,810	-	4,653	-	-	
6000 Fixed Asset - Equipment	44	7,200	-	-	-	-	-	
6100 Fixed Asset - Computer Hardware	-	598	-	-	-	-	-	
6400 Fixed Asset - Vehicles	13,640	9,600	-	-	-	-	-	
6500 Infrastructure	5,935	-	-	-	-	-	-	
6525 Building and Improvements	2,053	2,240	-	-	-	-	-	
6600 Fixed Asset - Land Improvements	11,348	27,481	-	-	-	-	-	
6700 Fixed Asset - Debt Service	6,791	7,374	6,791	-	-	-	-	
8010 Contingency	-	-	-	-	-	26,861	-	
TOTAL EXPENDITURES	699,260	678,117	629,233	635,352	658,979	709,524	738,705	

** UNAUDITED FY 2015/16 FINANCIAL DATA

SEWER CAPITAL FUND REVENUE AND EXPENDITURES
FY 2016/17

	6/30/2014	6/30/2014	6/30/2015	6/30/2015	6/30/2016	6/30/2016	6/30/2017
SEWER CAPITAL (052)	Actual	Budget	Actual	Budget	Actual	Budget	ADOPTED
REVENUE							
4310 Interest Income	-	-	-	-	-	-	-
4520 Sewer - Connection/Capital	5,220	-	2,088	-	4,176	-	1,044
4540 Sewer - Replacement Reserve	185,812	172,216	180,188	255,571	180,285	170,000	98,344
4759 Grant Restr-SWRCB Grant Facility & E	716,804	3,718,874	-	-	-	-	-
TOTAL REVENUE	907,836	3,891,090	182,276	255,571	184,461	170,000	99,388
EXPENDITURES							
5000 Full Time Salaries	8,126	-	-	-	-	-	-
5035 Benefit - ICMA City 457	815	-	-	-	-	-	-
5045 Worker Compensation Insurance	284	-	-	-	-	-	-
5050 FICA	653	-	-	-	-	-	-
5055 Unemployment Insurance	119	-	-	-	-	-	-
5103 Postage	79	-	-	-	-	-	-
5115 Contract/Professional Services	7,357	8,371	-	-	-	-	-
5122 Training - Conference	338	-	-	-	-	-	-
5123 Automobile - Transportation	348	-	-	-	-	-	-
5131 Records Maintenance	3	-	-	-	-	-	-
5135 Maintenance - Repair	-	-	-	-	5,350	20,000	40,000
5410 Interest Expense	50,327	-	-	-	-	-	-
5514 Engineering	5,631	-	5,707	-	-	15,000	15,000
5610 Bad Debt	1,484	-	1,740	-	828	-	-
5701 Depreciation-Vehicles	722	-	4,330	-	-	-	-
5702 Depreciation- Building & Improveme	4,917	-	4,917	-	4,916	-	-
5705 Depreciation - Mach & Equip	7,292	-	3,700	-	7,361	-	-
5710 Depreciation - Infrastructure	92,181	-	520,555	-	520,733	-	-
6000 Fixed Asset - Equipment	22,228	7,500	-	-	25,626	20,000	30,000
6300 Fixed Asset - Heavy Equipment	-	7,000	-	-	-	-	15,000
6400 Fixed Asset - Vehicles	-	3,600	-	-	-	-	-
6500 Infrastructure	-	3,766,971	-	-	-	-	-
TOTAL EXPENDITURES	202,904	3,793,442	540,949	-	564,814	55,000	100,000
ALLOCATION BY DEPARTMENT							
Capital Proj. (14)						100%	100,000
						100%	100,000

** UNAUDITED FY 2015/16 FINANCIAL DATA

SEWER ASSESSMENT FUND REVENUE AND EXPENDITURES
FY 2016/17

					**		
SEWER ASSESSMENT (053)	6/30/2014 Actual	6/30/2014 Budget	6/30/2015 Actual	6/30/2015 Budget	6/30/2016 Actual	6/30/2016 Budget	6/30/2017 ADOPTED
REVENUE							
4310 Interest Income	18	-	39	-	23	-	-
4570 Sewer - Assmt Dist #1 Current	28,159	28,785	2,962	28,785	28,264	30,950	32,000
4571 Sewer - Assmt Dist #1 - Prior	2,009	-	939	-	1,424	-	-
TOTAL REVENUE	30,186	28,785	3,940	28,785	29,711	30,950	32,000
EXPENDITURES							
5410 Interest Expense	6,750	-	5,500	-	2,125	-	-
6700 Fixed Asset - Debt Service	25,000	31,750	-	-	-	31,750	32,000
TOTAL EXPENDITURES	31,750	31,750	5,500	-	2,125	31,750	32,000

** UNAUDITED FY 2015/16 FINANCIAL DATA

SEWER DEBT SERVICE FUND REVENUE AND EXPENDITURES
FY 2016/17

SEWER DEBT SERVICE (054)	6/30/2014	6/30/2014	6/30/2015	6/30/2015	**		6/30/2017
	Actual	Budget	Actual	Budget	6/30/2016	6/30/2016	ADOPTED
REVENUE							
4310 Interest Income	3	-	4	-	11	-	-
4516 Sewer - Debt Service	359,382	323,184	348,356	325,900	291,530	310,000	310,000
TOTAL REVENUE	359,385	323,184	348,360	325,900	291,541	310,000	310,000
EXPENDITURES							
5410 Interest Expense	(2,249)	37,500	173,280	-	139,404	-	-
5610 Bad Debt	2,869	-	3,364	-	1,435	-	-
6700 Fixed Asset- Debt Service	-	-	302,933	-	302,933	302,933	310,000
TOTAL EXPENDITURES	620	37,500	479,577	-	443,772	302,933	310,000
ALLOCATION BY DEPARTMENT							
Debt Service						100%	310,000
						100%	310,000

** UNAUDITED FY 2015/16 FINANCIAL DATA

CAPITAL PROJECTS

CAPITAL PROJECTS BUDGET

STATEMENT OF FUNCTION

The Capital Projects Budget contains special projects and capital expenditures for all funds.

2016/17 BUDGET AT A GLANCE

GENERAL FUND	
Parking Lot (Carry over 15/16)	6,132
Bellevue/Ogle (carry-over 15/16)	45,000
Police Vehicles	40,000
Streets Subsidy	80,000
Traffic Control Study	13,750
Council Chambers	1,500
General Fund Capital Proj.	186,382

WATER	
Wells project Prop 84 funding	591,794
Wells project USDA ECWAG	373,200
Wells project City match	133,529
Ditch Witch Vactor Trailer	15,000
Spot repairs	20,000
Filter Recoating (Contractor)	8,000
Old Ranch Road Repairs	35,000
Water Fund Capital Proj.	1,176,523

SEWER	
Inflow and Infiltration (carry over)	15,000
Lift Station Pumps (2)	30,000
Ditch Witch Vactor Trailer	15,000
Sewerline Repairs	
Dixie and Second Streets	20,000
Dixie and Third Streets	20,000
Sewer Fund Capital Proj.	100,000

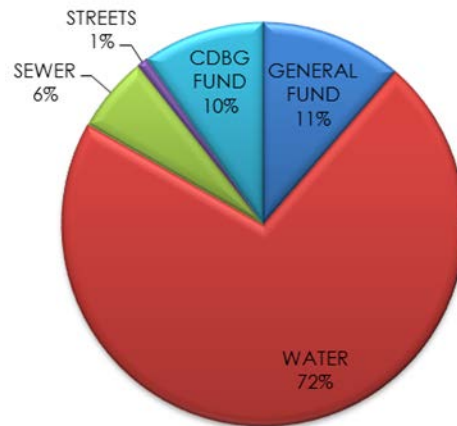
STREETS	
Ditch Witch Vactor Trailer	15,000
Streets Funds Capital Proj.	15,000

CDBG FUND	
CDBG ADA Entrance/Bathrooms	160,000
CDBG Capital Proj.	160,000

ADOPTED CAP PROJ 2016/17	1,637,905
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The capital projects for 2016/17 total \$1,637,905 as compared to \$234,920 last fiscal year.

CAPITAL PROJECTS BY FUND



GENERAL FUND

There are several anticipated projects in the general fund totaling \$186,382. These are as follows:

AMOUNT	GENERAL FUND CAPITAL PROJECTS
6,132	Parking Lot
45,000	Bellevue/Ogle
40,000	Police Vehicles
80,000	Streets Subsidy
13,750	Traffic Control Study
1,500	Council Chambers
186,382	TOTAL GENERAL FUND CAPITAL PROJ.

Parking lot lighting and landscaping for the City's downtown lot was budgeted at \$10,000 in FY 2015/16 with only a portion having been spent. At the time of budget adoption \$6,132 in funds remained. This amount has been carried over and will be used for any remaining ADA compliance regulations and to beautify the downtown lot including nighttime lighting for the City's new electric vehicle (EV) charging station.

Ogle and Bellevue (shovel ready) was budgeted for in the prior year's budget and has been carried over since the project wasn't completed. The estimated cost is \$45,000. The approved funds will be used to move the project a year closer to fruition.

Originally, the City applied for a \$100,000 CDBG Planning Grant for topographic work and drainage analysis of the Ogle and Bellevue area. A concept



CAPITAL PROJECTS BUDGET

plan of 70% was completed and specifications were drawn up. The cost to get the project "shovel ready" is estimated at \$45,000.

Two (2) police vehicles for the City's Police Department are estimated to cost \$80,000. This year's capital budget includes matching funds in the amount of \$40,000 for the United States Department of Agriculture's (USDA) Community Facilities Program grant funding.

A street subsidy from the general fund has been approved in the amount of \$80,000. This will pay for some of the City's top priorities in streets repairs and maintenance. These projects will help prevent worsening problems and better preserve the City's roads.

A traffic control study has been budgeted in the amount of \$13,750 for the area of Metropolitan Avenue and Highway 101. The study is intended to identify traffic concerns for future development.

The **Council Chamber** is in need of an electrical outlet to be placed in the floor. This will help prevent injuries related to the electrical cords that are used during presentations as well as the microphone that currently sits on the podium. The cost of this item is estimated at \$1,500.

SEWER FUND

AMOUNT	SEWER CAPITAL PROJECTS
15,000	Inflow and Infiltration
30,000	Lift Station Pumps (2)
15,000	Ditch Witch Vector Trailer
	Sewerline Repairs
20,000	-Dixie and Second Streets
20,000	-Dixie and Third Streets
100,000	TOTAL SEWER CAPITAL PROJECTS

Inflow and infiltration (I&I) is budgeted for \$15,000 to maintain and repair issues that are identified through the smoke tests. This amount is being carried over from FY 2015/16.

Lift station pumps need replacement since the aging pumps are nearing their life expectancy. It is estimated that the pumps will cost \$15,000 each totaling \$30,000 for FY 2016/17.

A **Ditch Witch vector trailer** is estimated to cost \$45,000 and is to be split evenly between sewer, water and streets (\$15,000 each).

Priority **sewerline repairs** have been budgeted for Dixie Street at Second and Third Streets. The cost is estimated at \$40,000, or \$20,000 for each repair.

WATER FUND

AMOUNT	WATER CAPITAL PROJECTS
591,794	Wells project Prop 84 funding
373,200	Wells project USDA ECWAG
133,529	Wells project City match
15,000	Ditch Witch Vector Trailer
20,000	Spot repairs
8,000	Filter Recoating (Contractor)
35,000	Old Ranch Road Repairs
1,176,523	TOTAL WATER CAPITAL PROJ.

The **Metropolitan Wells project** at the time of budget approval was estimated at \$1.2 million. The City's matching portion is estimated to be \$133,529.

A **Ditch Witch vector trailer** is estimated to cost \$45,000 and is to be split evenly between sewer, water and streets (\$15,000 each).

Spot repairs for the water system's top priority maintenance and repairs is budgeted for \$20,000.

Filter recoating for the water system filters is needed and is budgeted for \$8,000 for contractor work.

Old Ranch Road repairs and maintenance is once again on the Capital Projects Budget. The project was listed in last year's Budget for \$10,000 however, work was never started. Due to rising prices and a more realistic estimate the amount is now \$35,000. The funds will be used to assist property owners through the transition phase of transferring water line responsibility from the City to the owners. The \$35,000 amount is not expected to be reimbursed but will be funded out of the Dinsmore Capital Improvements fund.



CAPITAL PROJECTS BUDGET

CDBG FUND

AMOUNT	PROJECT
160,000	CDBG ADA Entrance/Bathrooms

The CDBG funds have approximately \$149,000 in program income that the City needs to spend. Budgeted in this year's capital projects is \$160,000 for **ADA compliance** for the entrance to City Hall and City Hall bathrooms.

The CDBG ADA project has a program income spending deadline of September 30, 2017 in order to fulfill another contracted grant amount of \$100,000 (5% City match is required) for an engineering study for Ogle and Bellevue.

STREETS FUNDS

AMOUNT	STREETS PROJECTS
15,000	Ditch Witch Vector Trailer

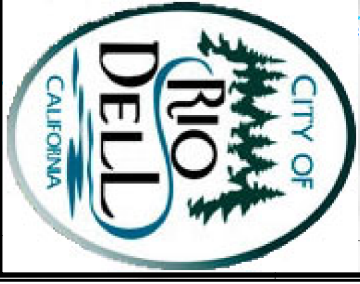
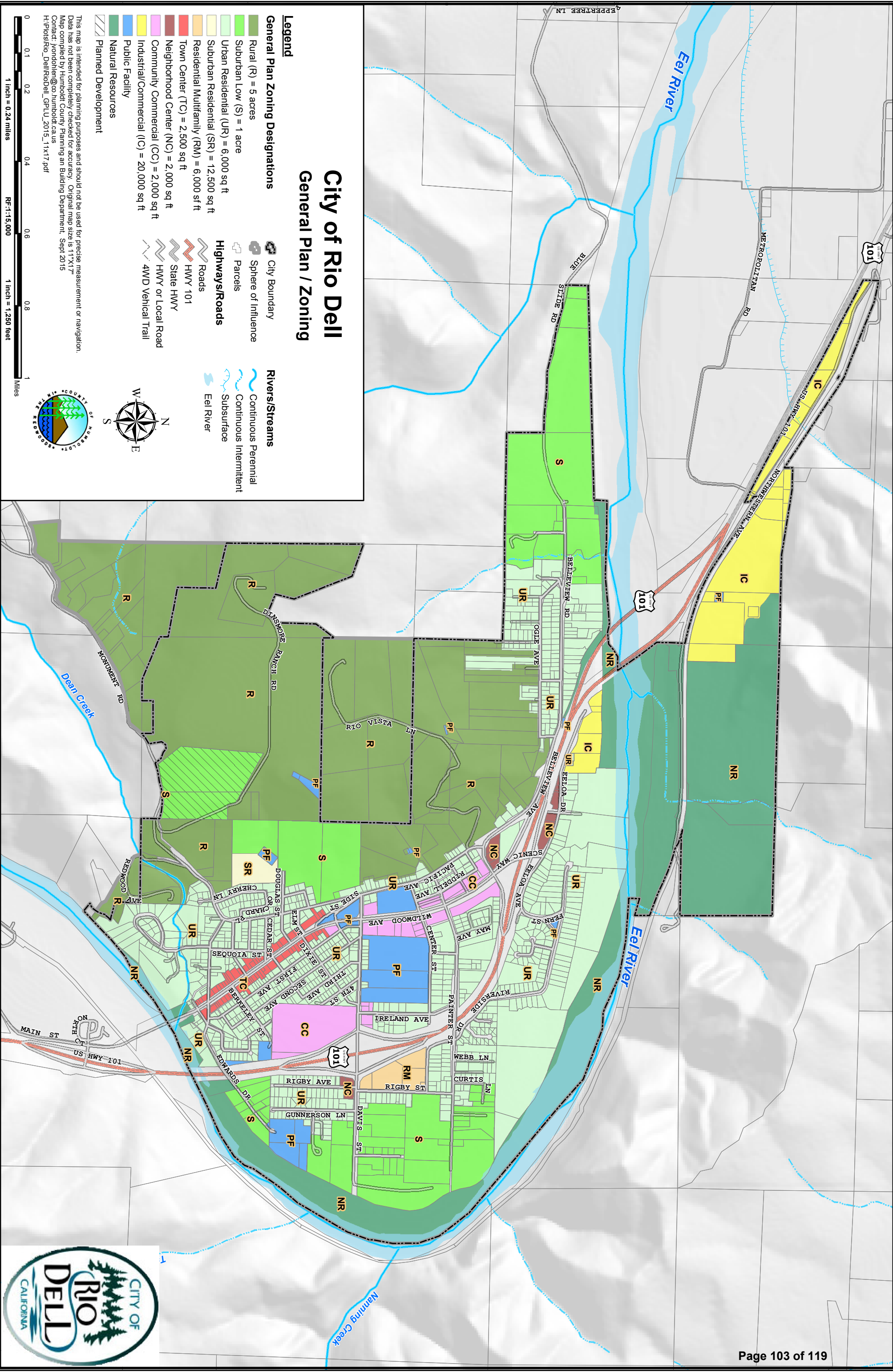
A **Ditch Witch vector trailer** is estimated to cost \$45,000 and is to be split evenly between sewer, water and streets (\$15,000 each).

FY 2016-2017
CAPITAL PROJECTS DEPARTMENT 14



000 GENERAL FUND		DESCRIPTION
Parking Lot (Carry over 15/16)	6,132	Carried over from 2015/16 capital projects
Bellevue/Ogle (carry-over 15/16)	45,000	Grant match for Bellevue/Ogle street repairs
Police Vehicles	40,000	City's matching funds for 2 Police Vehicles (USDA)
Streets Subsidy	80,000	Subsidy for Streets Maint.and Repairs (see list)
Traffic Control Study	13,750	Hwy. 101 and Metropolitan Avenue
Council Chambers	1,500	Floor electrical outlet
GEN FUND CAP PROJ	186,382	
060 WATER		
Wells project Prop 84 funding	591,794	Grant funding through PROP 84
Wells project USDA ECWAG	373,200	Grant funding through USDA ECWAG
Wells project City match	133,529	City match for the Metro. Well Project
Ditch Witch Vactor Trailer	15,000	1/3 cost each between Water/Sewer/Streets
Spot repairs	20,000	Set aside funds for top priority water system repairs
Filter Recoating (Contractor)	8,000	Recoating project
Old Ranch Road Repairs	35,000	Paid for out of Dinsmore Zone Revenues
WATER FUND CAP PROJ	1,176,523	
050 SEWER		
Inflow and Infiltration (carry over)	15,000	Carry over from 2015/16
Lift Station Pumps (2)	30,000	Pumps are nearing the end of their useful lives
Ditch Witch Vactor Trailer	15,000	1/3 cost each between Water/Sewer/Streets
Sewerline Repairs		
Dixie and Second Streets	20,000	Top priority sewer line maintenance
Dixie and Third Streets	20,000	Top priority sewer line maintenance
SEWER CAP PROJ	100,000	
024 STREETS		
Ditch Witch Vactor Trailer	15,000	1/3 cost each between Water/Sewer/Streets
STREETS CAPITAL PROJECTS	15,000	
039 CDBG FUND		
CDBG ADA Entrance/Bathrooms	160,000	CDBG program income upgrades
CDBG CAP PROJ	160,000	
PROPOSED CAPITAL PROJECTS FY 2016-2017	1,624,155	

APPENDICES



- THE BUDGET PROCESS
- BASIS OF ACCOUNTING
- GLOSSARY OF TERMS

THE BUDGET PROCESS

THE BUDGET PROCESS – IN DEPTH

The budget process sets into motion a spending plan for the coming fiscal year and provides the critical steps of revenue and expenditure projecting, goal building, and prioritizing the City's objectives. Moreover, the City's budgetary spending plan builds a coherent picture of the City's fiscal soundness, and acts as a guide for long and short term goals. The budget process spans the course of several months that begins well before June, the month that the budget is commonly adopted.

The first step in the budgetary process is building the budgetary calendar. The budgetary calendar puts the steps in place to provide relevant and timely information to department heads, the City Manager, and ultimately the City Council regarding the coming year's revenues and appropriations.

Salaries and benefits is the first building block of the City's budget. The development of a staffing plan includes calculating costs as close to actual as possible. This means researching health care, workers compensation, and other ancillary benefits costs. Salary and/or position changes are discussed, and step increases for staff are also captured in the budgeted amounts.

Through the budget adoption process appropriations are authorized by the governing body and become legally bound to the limits set.

Once salaries and benefits are complete, data from the City's accounting system is extracted that gives the past two fiscal years, as well as the current fiscal year, up-to-date information on budget versus actual amounts categorized by department. The current fiscal year's data is extracted up to the point in time that the report is based. Historically, this report is the

foundation in which the City's budget document is built, with fund information fully disclosed and reported throughout the budget process.

Departmental appropriations are expensed to the fund(s) that support the activities. Allocations are specifically broken down by a position's assumed time that will be spent on the City's various activities. This methodology results in an overall departmental fund allocation. Moreover, departmental apportionment takes into account both assumed and concrete variables, such as normal operating activities versus capital, or special, activities. The result is logical, reasonable, and practical rates that set the parameters for the next twelve (12) months of City spending.

Revenue forecasting is next and is constructed out of verifiable information, researched forecasts, noticeable trends, and reasonable assumptions, if any. Historical data, especially, is an important tool in estimating revenues since over time revenue trends can be identified and generally relied upon as what to expect from the more stable revenue streams. In addition, several of the City's revenue streams have forecasted amounts available on-line, such as fuel taxes and in-depth analysis of sales tax trends.

Appropriations for operating supplies are then forecasted. This is done by placing the current and prior year's amounts into context with the City's anticipated goals for the coming fiscal year. Essential budgeting tools also include analyzation of specific factors, forecasted assumptions, and anticipated projections. The most prominent factor when determining appropriations is matching appropriations to revenues for a balanced budget, which is the ultimate goal when building the City's budget.

Unless there is specific information, certain assumptions have to be made in order to build a budget that is a well-developed, and at the same time, estimated spending plan. Appropriation amounts, wholly, are defined through a historical, logical, and conservative viewing platform.

THE BUDGET PROCESS

Once all the data has been gathered and compiled to the extent possible and made into a cohesive document by the Finance Department

the budget is given to the City Manager for further analysis and final input. Any changes proposed by the City Manager are addressed prior to Council presentation. After the City Manager inspects the final document the budget is presented to Council. At this point staff has generally been working on compilation of the budget for three (3) months' time.

A series of public hearings are then held for full transparency of the City's spending plan which oftentimes changes from its original presentation. Workshops may be held for further comprehension and clarification of the detailed budget amounts. In its entirety the budget process serves as a platform for full transparency and accountability for spending of public funds.

The budget is a living document in the sense that throughout the year items may come up that at the time of budget adoption weren't foreseen, or information that couldn't be relied on in previous months may have materialized. Therefore, from time to time budget amendments are necessary in order to capture and make current the full scope of the City's financial affairs.

The entire budget process serves as a platform for full transparency and accountability for appropriations public funds.

To recap, revenue and expenditure data for budgetary purposes is organized, designed, and prioritized by a particular set of criteria and assumptions that serve to calculate to the closest extent possible the inflows and outflows of City funds for an entire year. The budget amendment process further serves to make any necessary adjustments to the budget as the fiscal year progresses. As a whole, the systematic approach in creating the City's budget is meant to be fully transparent and with the purposeful intent of

spending the City's scarce resources as reasonably sound as possible.

As an aside, this year's budget process ran parallel with the medicinal cannabis legislation that was being discussed at several of the Council meetings where the budget was also agendized. In essence there were two key items (budgetary appropriations and medicinal cannabis) being presented on a weekly basis. The diversion of the topic of medicinal cannabis led to a lag in the City's capital projects budget process.

The late addition of the full capital projects budget called for special meeting in order that the requested draw on reserves be discussed in detail and made fully transparent prior to Council approval. Capital projects items were then individually looked at, and ultimately assimilated into the City's overall capital project plan. Staff came away with a clear direction for future budgeting processes, while full transparency in a public forum was given on the entire scope of the City's proposed budget.

In summary, the objective each year for the budget process is to fully disclose the City's twelve (12) month financial path by putting into budgetary language a guide for City spending. As the fiscal year progresses Council's continued feedback during the year further provides direction to City staff. The City's goals are laid out not necessarily in so many words, which they are, but in the budgetary language shown in the amounts that serve to build a stronger foundation for the City of Rio Dell.

The budget calendar as adopted is shown on the following page.



THE BUDGET PROCESS

BUDGET CALENDAR
ADOPTED APRIL 19, 2016

MAR	<ul style="list-style-type: none">•March Salary Costs are calculated based on the proposed staffing plan•March Revenue Forecasting is completed•March 14th Budget Packets Distributed to Department Heads/Supervisors•March 31st Departmental Budget Requests compiled by Finance and presented to the City Manager
APR	<ul style="list-style-type: none">•April 22nd City Manager Submits Revised Departmental Proposals to Finance•April Finance prepares the City Managers recommended budget for the City Council (Agenda prepared by April 29th)
MAY	<ul style="list-style-type: none">•May 3rd Study Session– City Manager Presents the Recommended Operating Budget•May 18th City Public Hearing– City Manager Presents the Revised Recommended Operating and Capital Budget
JUN	<ul style="list-style-type: none">•June 7th Special Presentation– Finance Director Presents the Final Operating and Capital Budget for Adoption Resolution No. 1288–2016

ACCOUNTING BASIS

BASIS OF ACCOUNTING

Budgetary: A fundamental principle in governmental accounting begins with the annual budget. The budget is the guiding document for all spending throughout the fiscal year. Through the budget adoption process appropriations are authorized by the governing body and become legally bound to the limits set.

Generally, the budget is designed, organized, and prioritized by a particular set of assumptions. Assumptions, however, may not capture changes that at the time of budget adoption weren't foreseen. In that case financial events are brought to the governing board's attention in order that budgetary compliance is maintained through the budget amendment process.

Generally, the budget is designed, organized, and prioritized by a particular set of assumptions

Budgetary assumptions for drafting the FY 2016/17 budget included the following:

- Utility increases: based on information from PG&E an increase was expected, increased water rates means increased costs for the City, as well as higher revenues for the Water Funds
- Worker's Compensation increase: based on reports from City's worker's compensation carrier that an increase is expected
- Operating supplies: change in amounts were based on observations within the line items that showed over (under) budgeted amounts; budgetary talks with department heads also gives information where costs may increase/decrease
- Personnel: Salaries and benefits are based on actual wage and benefit information known at the time of budget adoption; wage

amounts include any step increases and potential vacation and executive leave buy-outs

- Capital projects are designed to add value and enhance infrastructure such as streets improvements, well emergency water system, ADA compliance, etc.
- Capital projects that are proposed by the City Manager contribute to serving the needs of the community

Through the budget adoption process appropriations are authorized by the governing body and become legally bound to the limits set.

The City of Rio Dell's budgetary basis differs from Generally Accepted Accounting Principles (GAAP) that are used in the preparation of its financial statements. Because of the differences in budgetary accounting versus GAAP, budgetary control and accountability are paramount to sound fiscal responsibility.

One of the most significant differences in GAAP versus budgetary accounting is depreciation costs.

Depreciation is a major expense for the City's Sewer and Water Funds and is recorded within the financial statements; however for budget purposes depreciation is left out. Moreover, while depreciation is recorded in the proprietary funds for financial reporting purposes, depreciation for governmental funds isn't required to be recorded except as a note within the audited financial statements.

In 2014/15 depreciation City-wide was \$848,682 (Water \$205,344; Sewer \$533,502; Governmental Funds \$109,836). Amounts such as these are recorded expenses at year end in the proprietary funds, but not in governmental funds.

Fund accounting: Another distinct feature of governmental accounting is its fund structure where

ACCOUNTING BASIS

different funds are set up to account for a subset of the City's activities. The separate funds allow for the governmental organization to abide by the legal restrictions placed on the resources within the fund.

There are two types of funds that the City uses in its accounting system: Governmental funds and proprietary funds. Each group has a different set of criteria for recording and reporting financial activities within the fund.

Separate funds allow for the governmental organization to abide by the legal restrictions placed on the resources within the fund.

Governmental Funds: The City's governmental funds are the general fund, special revenue funds, debt service funds, and capital projects funds (not including sewer and water debt service and capital funds; these are part of the proprietary fund group). Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Current financial resources are the sources, uses, and balances available for spending. Under the modified accrual basis of accounting revenues are recognized in the accounting period in which they become both measureable and available to finance expenditures of the current period. Revenues are recorded when received, and expenditures are recorded when paid; however at year end revenues and expenditures are recorded if they actually occurred prior to June 30th, even though they are received or invoiced beyond June 30th. For example, sales tax revenue for the month of June isn't received until July; the modified accrual basis of accounting requires that these revenues be recognized in June.

The general fund is used to account for any transaction that isn't legally required to be accounted for elsewhere. In addition, the majority of general

government activities are recorded in the general fund. These activities include law enforcement, general and fiscal administration, planning, and a portion of buildings and grounds maintenance.

The City's special revenue funds include Community Service Block Grant (CDBG) funds, Recycling Fund, Parks Fund, Realignment Grant Fund, Supplemental Law Enforcement Services Fund (SLESF), Vehicle Abatement Fund, Gas Tax Fund, and Transportation Development Act Fund (TDA). Special revenue funds have legally imposed constraints and can only be used for the purpose that resources are intended.

Debt service funds are used to account for the accumulation of resources that will be used to pay general long-term debt principle and interest. The City uses debt service funds for the wastewater treatment plant and the water infiltration gallery.

Capital Projects Funds are used to account for resources and expenditures for the construction or purchase of major capital assets. Capital projects funds maintain accounting controls over resources that are restricted for the purchase or construction of a major capital asset for a particular purpose.

Proprietary Funds: Business-type activities are recorded in the proprietary funds where revenues are recognized when earned and expenses when incurred. In other words, proprietary funds match revenues earned to the expenditures which were incurred to make those revenues. This is known as the matching principle. Proprietary funds include enterprise funds and internal service funds.

Enterprise funds are required to be used when fees are charged to customers in exchange solely for goods or services. The City has three enterprise funds: Building, and Water and Sewer Funds.

ACCOUNTING BASIS

FUND TYPES

The separate funds used in governmental accounting allow for the governmental organization to abide by the legal restrictions placed on the resources within the fund.

Governmental funds include the General Fund and Special Revenue Funds

SPECIAL REVENUE FUNDS

- CDBG, Gas Tax (HUTA)
- Transportation Development Act (TDA), Solid Waste
- Recycling
- Measure Z
- Parks, Realignment Grant
- Vehicle Abatement
- Spay & Neuter
- Regional Surface Transportation Planning (RSTP)

Proprietary funds include Enterprise Funds and an Internal Service Fund

ENTERPRISE FUNDS

- Water and Sewer Operations
- Water and Sewer Debt Service
- Water and Sewer Capital Projects
- Building Fund

INTERNAL SERVICE FUND

- Admin Car

A second type of proprietary fund is an **internal service fund**. This type of fund accounts for any goods or services provided within the governmental agency. The City has one (1) internal service fund: Admin Vehicle, which is used to account for the City's vehicle revenues and expenditures. As mileage is logged by a particular department the expenditure is recorded within that department and correspondingly put into the admin vehicle fund as revenue. Essentially, revenue is transferred *internally* between funds through accounting transactions. Any vehicle maintenance and repair costs are charged against the revenue in the admin vehicle fund. The chart that follows shows the proportions of the City's budgeted Expenditures by fund type. Proprietary funds include building, water, sewer, and an internal service fund that make up 47.03% of this year's budget while Governmental Funds make up 52.97% of expenditures. The chart reflects a more detailed breakdown and further details of the City's fund accounting structure are highlighted in blue.

The chart above shows funds by type, and the chart to the left breaks down each fund by its subtypes

GLOSSARY OF TERMS

Activities

Specific services performed in accomplishing program objectives and goals (See Program).

ADA

Americans with Disabilities Act is federal legislation governing the abilities of all citizens to have equal access to all city buildings and materials.

Appropriation

An authorization made by the Council which permits the City to incur obligations and to make expenditures of resources.

Appropriation Limitation

Imposed by Proposition 4 and 111, creates a restriction on the amount of revenue which can be appropriated in any fiscal year. The Limit is based on actual appropriations during the 1978-79 fiscal year, and is increased each year using the growth of population and inflation. Not all revenues are restricted by the limit; only those which are referred to as "proceeds of taxes." Some examples of proceeds of taxes are sales tax, property tax, and business license tax.

Assessed Valuation

A value established for real property for use as a basis in levying property taxes. For all agencies in the State of California, assessed value is established by the County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under Article XIII of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. Proposition 13 also modified the value of real taxable property for fiscal 1979 by rolling back values to fiscal 1976 levels. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal. Property taxes for general purposes cannot exceed 1% of assessed value.

Audit

Prepared by an independent certified public accountant (CPS), the primary objective of an audit is to determine if the City's financial statements present fairly the City's financial position and results of operations in conformity with generally accepted accounting principles. In conjunction with their performance of an audit, it is customary for an independent auditor to issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

BASIS OF ACCOUNTING

Accrual Accounting

Use of accrual basis of accounting is considered appropriate for proprietary funds, nonexpendable trust funds, and pension trust funds of governmental units. Accrual accounting means that revenues should be recorded in the period in which the service is given, although payment is received in a prior or subsequent period; and that expenses should be recorded in the period in which the benefit is received, although payment is made in a prior or subsequent period. Examples of funds using the accrual basis of accounting are the Water and Wastewater Funds.

Modified Accrual Accounting

Funds such as general funds, special revenue funds, capital project funds, debt service funds, special assessment funds and expendable trust funds use the modified accrual accounting basis because they are not concerned with income determination. Under the modified accrual basis, revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, which should be recognized when due.

GLOSSARY OF TERMS

Examples of funds using the modified accrual basis of accounting are the General Fund, Gas Tax Fund, and Capital Improvements Fund.

Bonds

A form of borrowing (debt financing) which reflects a written promise from the City to repay a sum of money on a specific date at a specified interest rate. Bonds are used to finance large capital projects such as buildings, streets, utility infrastructure, and bridges.

Budget

A financial plan for a specified period of time that matches planned revenues and expenditures to municipal services, goals and objectives. The City of Rio Dell uses a financial plan covering a fiscal year, with actual budget appropriations made annually.

Budget Amendment

The City Council has the sole responsibility for adopting the City's budget, and may amend or supplement the budget at any time after adoption by majority vote. The City Manager has the authority to approve administrative adjustments to the budget as long as those changes are between objects within the same expenditure category.

Budget Calendar

The schedule of budget preparations, hearings and adoption of the annual budget.

Budget Policies

General and specific guidelines that govern financial plan preparation and administration.

CAFR

The Comprehensive Annual Financial Report encompasses the City's annual financial reports for all funds, a comparative analysis of prior year and current year financial transactions, notes to support financial transactions and financial statistics covering the past ten years.

Capital Improvement Plan (CIP)

A plan providing for the maintenance or replacement of existing public facilities and assets and for building or acquiring new ones.

Capital Lease

The periodic payment for assets acquired with a lease financing instrument.

Capital Outlay

The costs of acquiring land or purchasing "fixed assets," i.e., building improvements, buildings, improvements other than building, machinery and equipment (in general, items to be purchased are those with a cost of \$5,000 or more, having a useful life of greater than one year, with a few exceptions).

Certificates of Participation

Form of lease-purchase financing used to construct or acquire capital facilities and equipment.

CDBG

Community Development Block Grants are funded by the Federal Government and their purpose is to provide funds for very low and moderate income families to eliminate substandard and deteriorated housing.

Contingency

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.



GLOSSARY OF TERMS

Contractual Services

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, maintenance agreements, and professional consulting services.

Cost Allocation

Costs which are charged to a department in the City for services of a generalized nature provided by another fund or department through a cost allocation procedure. Examples included as part of the allocation are the cost of the City Manager's Office, the City Attorney's Office, and the Finance Department. Departments which receive services from these departments are charged based on a standard formula.

CSMFO

California Society of Municipal Finance Officers. A state-wide organization whose purpose is to provide educational opportunities and interaction amongst municipal finance officers. It provides an opportunity for recognition in the achievement of excellence in operational budgeting.

Debt Financing

Borrowing funds as needed and pledging future revenues to make current expenditures. The City of Rio Dell uses debt financing only for one-time capital improvements whose life will exceed the term of financing and where expected revenues are sufficient to cover the long-term debt.

Debt Instrument

Methods of borrowing funds, including general obligation bonds, revenue bonds, tax allocation bonds, lease/purchase agreements, lease-revenue bonds, certificates of participation, and assessment district bonds.

Debt Service

Payments of principal and interest on bonds and other debt instruments according to a pre-determined schedule.

Deficit

The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department

A major organizational unit of the City which has been assigned overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Governmental Finance Officers Association on a federal level and by the California Society of Municipal Finance Officers Association on a state-wide basis to encourage governments to prepare effective budget documents.

RDEA

The Rio Dell Employees Association is an employee organization representing those employees who are not management or police.

EFT

Electronic Funds Transfer is a term used by the banking industry to signify a transaction that occurs through electronic means rather than a physical transfer of funds.



GLOSSARY OF TERMS

Employee Benefits

Costs of benefits for City employees, including Unemployment Insurance, Workers' Compensation Insurance, Health Insurance, Dental Insurance, Vision Insurance, Retirement, and Life Insurance.

EPA

Environmental Protection Agency. A federal agency that has oversight for environmental issues and that provides grant funds to facilitate environmental endeavors by the City.

RDPOA

The Rio Dell Police Officers Association is an organization representing police employees and who bargains with the City for employee salaries and benefits.

ERAF

Educations Revenue Augmentation Fund. The California State Legislature enacted the ERAF in 1991 to permanently redirect property taxes from counties, cities, and special districts to public school entities within each county. This is a state level of funding for the Education system within the State of California. Revenues have been "shifted" from local governments to fund this education fund from both the City and Redevelopment Agency.

Expenditure

The outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not expenditure; an encumbrance reserves funds to be expended.

Expenditure Savings

Under the City's budgeting procedures, personnel cost projections are based on all positions being filled throughout the year. Cost projections for major supply purchases and service contracts are projected on a similar basis. However, past experience indicates that expenditures are consistently less than budgeted amounts, due at least in part to this costing methodology. Accordingly, the expenditure savings category is used to account for this factor in preparing Working Capital projections.

FEMA

Federal Emergency Management Agency. A federal agency that provides grants for fire related equipment and also training for fire personnel.

FPPC

The "Fair Political Practice Commission" is the State agency that oversees the Political Reform Act (PRA).

Fixed Assets

Assets of long-term nature such as land, buildings, machinery, furniture, and other equipment. The City has defined such assets as those with an expected life in excess of one year and an acquisition cost in excess of \$10,000.

FTE

An employee unit of measurement for one "full time employee". When employee positions are allocated within the budget, these allocations are measured in terms of full time employees. Two employees working half-time would be added together and listed as one FTE.

Fund

An accounting entity that records all financial transactions for specific activities or government functions. The six generic fund types used by the City are: General Fund, Special Revenue, Proprietary Funds, Debt Service, Capital Project, Enterprise, and Trust & Agency Funds.

Fund Balance (Working Capital replaces the term Fund Balance)

Also known as financial position. Working Capital for the governmental fund types is the excess of fund assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditures and other

GLOSSARY OF TERMS

financing uses. For the enterprise funds, this term is used interchangeably with “working capital”, a comparable (although not exact) financial position concept as Working Capital (see Working Capital).

FUND TYPES

The City uses funds to organize and operate its accounting system. A fund is a separate accounting entity with a self-balancing set of accounts. Funds are further classified into several types, depending on the purpose and funding source, as explained below.

General Fund (Fund 000)

This fund is used for all financial transactions/resources that are not accounted for in other funds. Most City departments, except those classified as Enterprise Funds, Grants, Housing and Redevelopment, receive their funds from the General Fund.

Special Revenue Funds (Funds 015, 020, 024, 026, 027, 037, 040, 041, 044, 046, 047, 074)

These funds account for proceeds of revenues designated for financing specified activities of the City. Special Revenue funds are also used when there is some compelling reason for segregating a revenue source from the General Fund.

Debt Service Funds (Funds 054, 061)

These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest of the Agency and the Authority. Revenues for this purposed include property tax increment and related interest.

Enterprise Funds (Funds 008, 050, 051, 052, 053, 060, 061, 062, 063, 064)

These funds account for activities which are intended to be self-supporting or where periodic determination of net income is appropriate for management control and accountability. Costs are financed primarily through cost-reimbursement.

Internal Service Funds (Fund 005)

These funds account for activities and services provided by one City organizational unit to another, financed through cost-reimbursement.

Trust & Agency Funds (Funds 091, 092, 093, 094, 095)

Also known as Fiduciary Fund Types, these funds are used to account for assets held by the City in a trustee capacity or as an agent for private individuals, organizations, or other governmental agencies. The fiduciary funds used by the City include expendable trust and agency funds. Expendable trust funds are accounted for in the same manner as Governmental Funds (general, special revenues, debt service, and capital project funds). Agency funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

FY

The “Fiscal Year” is the beginning and ending period for recording financial transactions. The City has specified July 1 to June 30 as its fiscal year.

GAAP

Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GASB

Governmental Accounting Standards Board sets all requirements for governmental agency reporting and accounting methodologies.

GLOSSARY OF TERMS

GFOA

Government Finance Officers Association of the United States and Canada. A national organization whose purpose is to provide accounting guidance and educational opportunities to governmental finance officers. This organization sets the standards for budget documents that must meet program criteria as a policy document, operations guide, a financial plan and a communication device.

Goal

Broad statement of purpose for particular program within the agency.

Inter-fund Transfers

The movement of monies between funds of the same governmental entity.

Investment Revenue

Revenue received as interest from the investment of funds not immediately required to meet cash disbursement obligations.

LAFCO

Local Area Formation Commission is a regional agency that oversees land use within the Humboldt County area.

Line Item Budget

A budget that lists detailed expenditure categories (salary, materials, telephone service, travel, etc.) separately, along with the amount budgeted for each specified category. The City uses a line-item detail to maintain and record for financial reporting and control purposes. This line item budget has been developed into a Program Budget format that presents each department's operations under a broader program of service (Public Works, Community Services, etc.)

Materials and Supplies

Expendable materials and operating supplies necessary to conduct departmental operations.

Mission

Is an ideal statement of what the organization hopes to achieve.

MOU

Memorandum of Understanding is an agreement between employees and administration covering salaries, benefits and rights of employees.

NPDES

The National Pollution Distribution Elimination System sets the standards for storm water runoff.

Object of Expenditure

An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, and contract services.

Objective

Is a measurable accomplishment to be achieved within a specific period of time.

OES

Office of Emergency Services is a state-wide emergency services organizational structure. There are six mutual aid regions within California.

Operating Budget

The portion of the budget that pertains to daily operations providing basic governmental services. The program budgets in the financial plan from the operating budget.

GLOSSARY OF TERMS

Operations

A grouping of related programs within a functional area (See Function and Program).

Performance Measures (Objectives)

A statement of specific direction, purpose, or intent based on the needs of the community and the goals established for a specific program. Performance measures are clearly stated objectives that are measurable in quantitative terms.

PERS

The Public Employee Retirement System is a statewide retirement system in which all full time and regular part time employees participate as one of their employee benefits. Alternately referred to as CalPERS to designate the retirement system within the State of California. The City of Rio Dell does not participate in PERS.

PLC

A Programmable Logic Controller is a type of computer that is used to control the water treatment process.

POST

"Peace Officers Standards and Training" is a requirement or standard that all police officers within California must meet.

Program

A grouping of activities organized to accomplish basic goals and objectives.

PSAPS

Public Safety Answering Point System is a county-wide computerized connection process with law agencies within the County.

Reserve

An account used to indicate that a portion of a fund's balance is legally restricted for a specific purpose or designated by Council and is, therefore, not available for general appropriation.

Reserve Draw Down

Refers to the amount of Working Capital required as a revenue funding source to balance fund budgets where appropriations exceed current revenues. If current revenues exceed appropriations, the Working Capital will increase and be referred to a reserve improvement.

Revenue Bonds

Bonds sold to construct a project that will produce revenues pledged for the payment of related principal and interest (See Bonds).

Resolution

A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources (Sources)

Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

RFP

Request for Proposals is a method of inviting proposals from qualified vendors of a specific commodity or service.

RPT

Regular part time employees who are employed by the City less than 40 hours per week but whose position is allocated as a permanent position within the annual budget process.



GLOSSARY OF TERMS

Salaries

Costs of salaries of City employees, including full-time and part-time/temporary employees, overtime and miscellaneous categories apply.

SCADA

The Supervisory Control and Data Acquisition is a software package that is installed in a PLC to gather necessary data on the water treatment process.

Services and Supplies

The costs of services or supplies purchased by the City. Examples of such services and supplies include consultants, architectural, engineering, legal services, contractual services for construction/maintenance of public facilities, removal and repair of equipment, purchase of gasoline and diesel fuel, payment of gas and electrical bills, office supplies, chemicals and other operating supplies, cost of liability and fire insurance and principal and interest payments on outstanding City debt.

Significant Accomplishments

Outlines the changes and accomplishments that occurred over the past fiscal year. Significant changes would be changes that affect the structural nature of a department or program that may or may not impact the way services are rendered. Accomplishments review how performance objectives were met.

STAF

State Transit Assistance Funds are disbursed locally by the Humboldt County Association of Governments for local transit needs.

STIP

State Transportation Improvement Program – The STIP is a multi-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the State Highway Account and other funding sources.

Subventions

Revenues collected by the State (or other level of government), which are allocated to the City on a formula basis. The major subventions received by the City from the State of California include motor vehicle in-lieu and gasoline taxes.

Tax Allocation Bonds

Bonds sold to fund capital projects, whereby principal and interest payments are secured by tax revenues.

Units of Measure

A reasonable, realistic standard of precise units of measures whereby performance data can be compared. The resulting information is the feedback for management, the City Council, and citizens concerning the relative success and efficiency of the various city programs.

Unencumbered Working Capital

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Working Capital (Reserves)

Also known as financial position in private sector accounting and in enterprise fund accounting in the public sector, working capital is the excess of current assets over current liabilities. For the enterprise funds, this term is used interchangeably with "Working Capital", a comparable (although not exact) financial position concept in the governmental fund types (see Working Capital).

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**RESOLUTION NO. 1288-2016
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF RIO DELL
ADOPTING THE OPERATING & CAPITAL BUDGET
FOR THE FISCAL-YEAR 2016-2017**

WHEREAS, the City is required to adopt an annual operations budget pursuant to City of Rio Dell Resolution 966-2007; and

WHEREAS, the proposed budget for the Fiscal-year beginning July 1, 2016 and ending June 30, 2017, as presented by the Finance Department has been reviewed and revised by the City Manager, and the City Council; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby adopt the City of Rio Dell 2016-2017 Operating & Capital Budget, including projected revenues totaling **\$4,520,048**, expenditures in the amount of **\$4,744,062**, and an appropriation to and from reserves in the amount of **-\$224,015** as shown on the following page:

2016/17 City of Rio Dell
Operating and Capital Budget

SUMMARY BUDGET ANALYSIS BY FUND								
Fund	Fund Name	Est. Beg. Fund Balance 7/1/16	Est. Revenue	Transfers In	Transfers Out	Proposed Expenditures	Change in Fund Balance	Est. End. Fund Balance 6/30/17
ADM	Admin Fund	6,598	2,800	-	-	1,250	1,550	8,148
BUI	Building Fund	18,698	32,901	(5,869)	-	57,468	(18,698)	-
CDBG	CDBG Fund	-	-	-	-	-	-	-
CDBG	CDBG RRLF Fund	204,605	12,000	-	-	166,642	(154,642)	49,963
GF	General Fund	1,012,190	879,765	-	10,055	992,856	(123,146)	889,044
MZ	Measure Z	-	-	-	-	-	-	-
REC	Recycling Fund	12,455	5,000	-	-	5,000	-	12,455
RES	Parks Fund	12,111	-	-	-	-	-	12,111
RES	Realignment Grant Fund	14,115	5,500	-	-	10,000	(4,500)	9,615
RES	SLESF Fund	(15,028)	100,000	(4,186)	-	89,158	15,028	-
RES	Vehicle Abatement Fund	2,605	-	-	-	-	-	2,605
RES	Water - Prop 84 NCIRWMP	-	591,794	-	-	591,794	-	-
RES	Water - USDA ECWAG	-	373,200	-	-	373,200	-	-
SEW	Sewer Assmt District Fund	4,416	32,000	-	-	32,000	-	4,416
SEW	Sewer Capital Fund	166,621	99,388	-	-	100,000	(612)	166,009
SEW	Sewer Debt Service Fund	402,934	310,000	-	-	310,000	-	402,934
SEW	Sewer Restricted Reserve	302,822	-	-	-	-	-	302,822
SEW	Sewer Operations Fund	319,676	785,432	-	-	738,701	46,731	366,407
SO	Solid Waste Fund	44,726	9,000	-	-	10,973	(1,973)	42,753
SP	Spay & Neuter Fund	2,868	-	-	-	2,868	(2,868)	-
ST	Gas Tax Fund (HUTA)	205,356	74,339	-	-	150,430	(76,091)	129,265
ST	TDA Fund	26,551	111,600	-	-	112,304	(704)	25,847
ST	RSTP Funds	-	22,000	-	-	22,000	-	-
WAT	Water Capital Fund	117,763	194,051	-	-	211,529	(17,479)	100,285
WAT	Water Metro Wells Fund	5,296	11,697	-	-	-	11,697	16,993
WAT	Water Dinsmore Zone	7,278	17,466	-	-	-	17,466	24,744
WAT	Water Restricted Reserve	136,000	-	-	-	-	-	136,000
WAT	Water Debt Service Fund	68,000	152,371	-	-	136,000	16,371	84,371
WAT	Water Operations Fund	80,000	697,745	-	-	629,890	67,855	147,855
	TOTAL	3,158,656	4,520,048	(10,055)	10,055	4,744,062	(224,015)	2,934,641

BE IT FURTHER RESOLVED, that the staffing is adopted and funded in the 2016-2017 Operations Budget as follows:

JOB TITLE	FULL TIME EMPLOYEES BY FISCAL YEAR				
	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017
ACCOUNTANT I/II	1	1	--	1	1
ADMINISTRATIVE ASSISTANT	--	--	--	--	--
CHIEF OF POLICE	1	1	1	1	1
CITY CLERK	1	1	1	1	1
CITY MANAGER /PUBLIC WORKS DIRECTOR	1	1	1	1	1
COMMUNITY DEVELOPMENT DIRECTOR	1	1	0.8	0.8	0.8
FINANCE DIRECTOR	1	1	1	1	1
FISCAL ASSISTANT I/II	1	1	1	1	1
POLICE CORPORAL	--	--	--	--	--
POLICE OFFICER	3	3	3	3	3
POLICE RECORDS TECHNICIAN	--	--	--	--	--
POLICE SERGEANT	1	1	1	1	1
PUBLIC WORKS LEADMAN	--	--	--	--	--
PW ADMINISTRATIVE TECHNICIAN	--	--	--	--	--
SENIOR FISCAL ASSISTANT	1	1	1	1	1
UTILITY WORKER I/II	3	3	3	3	2
WATER/WASTEWATER PLANT OPERATOR	1	1	1	1	1
WASTEWATER SUPERINTENDENT TRAINEE	--	--	--	--	1
WASTEWATER SUPERINTENDENT	1	1	1	1	--
WATER & ROADWAYS SUPERINTENDENT	1	1	1	1	1
PUBLIC WORKS DIRECTOR	--	--	--	--	--
ALLOCATED POSITIONS	17.75	17.75	16.80	17.80	16.80

BE IT FURTHER RESOLVED, as follows:

Section 1.

It is the intention of the City Council in approving and adopting an annual budget to provide financial guidance for routine operations of City business and for the purpose of providing information to the general public.

Section 2.

The adopted annual City budget will be implemented and maintained in accordance with City Budget Policy as outlined in Resolution 966-2007.

Section 3.

Adoption of the annual budget does not expressly approve expenditures of funds in excess of purchasing authority as outlined by City Resolution, Ordinance, State, or Federal law.

Section 4.

Adoption of the 2016-2017 Budget shows a minimum fund balance below the City's fund balance policy of 15% in the Building Fund, TDA Fund, and Water Operations Fund.

Section 5.

Adoption of the 2016-2017 Operating and Capital Budget includes inter-fund transfers totaling \$10,055: The General Fund transfer of \$10,055 is made up of two amounts: 1) Building Fund \$5,869 and SLESF Fund \$4,186.

PASSED AND ADOPTED by the City of Rio Dell on this 21st day of June 2016, by the following roll call vote:

Ayes:	Wilson, Johnson, Garnes, Marks, Thompson
Noes:	None
Abstain:	None
Absent:	None



Frank Wilson, Mayor

ATTEST:


Karen Dunham, City Clerk

**Fiscal Year 2016-2017
City of Rio Dell
OPERATING AND CAPITAL BUDGET**

675 Wildwood Ave.
Rio Dell, California
(707) 764-3532