

City of Rio Dell

FY 2019-2020

Adopted Budget



Like a bridge over troubled waters....





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June 16, 2019



Honorable Mayor, Members of the City Council and the Citizens of Rio Dell:

I am pleased to present the Fiscal Year (FY) 2019-20 Budget for the City of Rio Dell. This year's theme is the *Bridge Over Troubled Waters*. Indeed, this budget keeps the city out of troubled water and moving towards a more sustainable path. We're in a position to invest in services, maintain reserves while new revenue streams are on the horizon. This budget provides a path forward to a better future.

The annual budget serves as a financial management tool and a statement of the City's organization, stability, operations and resources. This budget keeps the focus on City Council priorities and allocates current funding available to achieve those goals. Through this budget we plan to:

Invest in Public Safety: We continue to meet the rising cost of law enforcement services as we invest in greater community protection. This budget sees a 45% increase in Police Department staffing over FY 2014-15 levels.

Invest in Streets: We're aiming to expedite the most expensive grant funded project for streets in city history; the ATP project will reconfigure Wildwood Avenue and US 101 while bringing increased ADA and bicycle connectivity from Davis Street to Bellevue Avenue. Furthermore, this budget invests \$139,000 of General Fund monies into local street projects on Rigby, Ireland and Center streets. It's the largest allocation in recent memory and the construction season of 2020 should be transformative.

Maintain a Prudent Reserve: The City's General Fund Reserves are projected to be \$1.38 million, a level that will help insure that the City can continue to provide services through the next economic downturn.

Create New Opportunity for Economic Development: Establishes a new fund for Economic Development through a transfer of discretionary City dollars.

During the months of April and May 2019, the City Council participated in priority setting sessions and budget workshops that helped develop priorities and outlined available revenues, proposed staffing levels and City activities for FY 2019-20. The proposed budget was reviewed by the City Council on June 4th and based on their direction the final budget was prepared for adoption at the June 18, 2019 City Council meeting.

The total proposed budget for FY 2019-20 is \$4.43 million. The major operation budgets include the City's General Fund of \$1.33 million, (which supports our day-to-day police services, City operations and capital expenditures) the Water Enterprise fund of \$1.09 million and the Wastewater Enterprise fund of \$1.36 million. This adopted budget is structurally balanced using ongoing resources for ongoing expenditures.



The budget for FY 2019-20 can be characterized as being “like a Bridge Over Troubled Waters.” The City of Rio Dell currently is in good financial position thanks to community support for Measure J, the City’s complete lack of pension debt and prudent proactive financial planning by the City Council. However, despite our achievements there are troubled waters we still must cross.

- Rio Dell’s traditional revenue base is not keeping up with expenses. Most importantly, expense challenges include providing salaries that are competitive enough to recruit, and to retain qualified employees. Every service the city provides, and that the community depends upon requires talented employees with experience in and an understanding of the community as well as city government.
- Costs for other services continue to escalate. Dispatch services, information systems and animal control costs have all gone up significantly with this budget. We can continue to expect that the cost of doing business will increase.
- Additionally, an economic downturn is becoming more of a possibility - just as the city is recovering from the last recession.

While there are certainly troubled waters we must still cross, there is good news as we move into the future. *Very good news.*

The City has comparatively little debt, the City’s reserves are very healthy and there is a very real possibility that FY 2019-2020 will see the City’s cannabis tax revenue (Measure X) generate six figures in new discretionary revenue. This is the single largest economic development and revenue enhancing activity in Rio Dell’s history. New interest in investment has been created along with new construction and jobs. We expect this new revenue stream to be sustainable for the foreseeable future. All of the hard work, sacrifice and discipline will really show through this fiscal year. The Bridge Over Troubled Waters is leading to a good place.

Developing the budget involved strategic planning and a dedication to fiscal responsibility, and I sincerely appreciated the City Council’s help with this effort. I would also like to thank our City employees for their continued commitment to providing outstanding service to our community.

Sincerely,



Kyle Knopp
City Manager



User's Guide to the Budget

The functions of local government stem from three levels of policy direction: federal, state and local. Within this intergovernmental system, local government is responsible for providing basic public services such as maintaining streets and roadways, providing traffic management systems, maintaining parks, providing community services, and ensuring public safety. Local government must also fulfill certain state and national policy objectives such as housing and environmental protection while addressing the expectations and values of its citizens. For local governments, the primary tool used to coordinate the provision of governmental services and to provide legal authorization for the expenditure of funds is the annual budget. A local government budget is a financial plan that matches existing resources with the needs of the community.

The City of Rio Dell's budget is developed and adopted by the City Council and provides residents and City staff with a plan for implementation of the services, goals and priorities specified by the City Council. The Operating Budget is a guide for the receipt and disbursement of funds used to provide daily, routine public services to the community. The Capital Projects Budget provides citizens and City officials with information about capital projects that are planned for implementation. This budget outlines the many municipal services, programs and projects provided by the City of Rio Dell over the course of the fiscal year. It identifies revenue projections and specific expenditures necessary to deliver services to the community. The budget is intended to provide transparency to City residents about programs and services as well as the policies underlying the City Council's spending decisions.

Budget Organization

The FY 2019-20 Budget includes five basic sections as follows:

1. Introduction – Includes the City Manager's budget message, this Users' Guide, a community profile of the City of Rio Dell, a directory of elected and appointed City officials, a citywide organizational chart and the City Council priorities.
2. Summary – Provides summary information on the City's revenues, expenditures, fund balances, fund descriptions and allocated positions and compensation.
3. Operating Budgets – Describes each program purpose, activities, staffing, accomplishments, opportunities, budget and funding source by fund.
4. Capital Project Budgets – Contains information on budgeted capital expenditures.
5. Budget Reference Materials – Includes the City's financial policies and practices, budget calendar, the budget adoption resolution, the annual Gann appropriations limit calculation and a glossary of terms used in the budget document and their definitions.

Budget Process and Adoption

The budget process starts with budget development. During this stage staff reviews the current year's budget along with actual amounts and projects revenues and expenditures for the new budget. Current capital project progress is evaluated and future project proposals are developed. The Finance Department works with the management team to prepare the next fiscal year proposed budget.

Budget review is an on-going effort that takes place throughout the year. Proposals for necessary and desirable budget adjustments are put together for presentation to the City Council on an on-going basis. In addition, reports are put out each quarter as opportunities to discuss the fiscal health of the City in conjunction with the goals and objectives of the organization. The City Council authorizes staff to make changes to the current budget, as needed. The quarterly reporting periods are: Q1: Jul – Sep, Q2: Oct – Dec, Q3: Jan – Mar, and Q4: Apr – Jun.

User's Guide to the Budget

The annual budget process time-line occurs as follows:

February – March: New Fiscal Year Budget Preparation Process Begins

The prior year's budget, excluding one-time revenue and expenditure items, is used as the base-line budget. Management team members develop a proposed staffing plan and salary and benefit costs are calculated. Budget packets are distributed to department heads and supervisors. The Finance Department prepares preliminary revenue estimates based on known factors, information provided from external parties, and economic and historical trends.

March – April: The City Manager Reviews Proposed Budget

Budget requests are turned in to the Finance Director. The information is compiled and a draft budget is prepared, the results are then reviewed to ensure expenditures are in line with revenue projections (i.e. recurring costs do not exceed ongoing revenues). The budget submission is prepared by the Finance Department for the City Manager's review. The City Manager meets with key staff members to discuss the proposed budget and makes recommendations or changes as appropriate. The proposed budget is then presented to the City Council.

April – May: Series of Budget Workshops

The City Council conducts a series of public workshops to discuss the proposed budget for the next fiscal year and receive community feedback. Public input helps to shape the City Council's priorities and prepare the budget for final adoption.

June: Budget Adoption

A public hearing is held at a regularly scheduled meeting of the City Council and the revised recommended budget is presented by the City Manager. The proposed budget is then presented for adoption; this is usually the last meeting in June. Any final changes requested by the City Council at the public hearing will be incorporated into the formal resolution adopting the budget.

July: The fiscal year begins on July 1 and ends on June 30. As the fiscal year progresses the management team prepares a variety of follow-up reports and resolutions related to the budget for the City Council to consider for adoption. This is a necessary step, as required by law. Prior year encumbrances that are not completed on or before June 30th may be incorporated in the new budget as "carryover" items for the City Council to consider for adoption enabling these projects to be finished in the new fiscal year.

Budget Accounting Structure

To demonstrate fiscal accountability, various funds are established to meet the objectives of special regulations, restrictions, and/or limitations. The City's budget includes twenty-two funds and each fund is considered a separate accounting entity with a self-balancing set of accounts. The funds that are included in the budget for the City of Rio Dell are outlined below.

The General Fund is the City's largest operating fund and it contains all financial resources not required by law or administrative action to be accounted for in another fund. This is the fund in which the City Council has the most budget discretion.

The City budget includes two major proprietary funds which are used to account for government activities that are similar to businesses found in the private sector. Enterprise funds are a type of proprietary fund and account for activity for which a fee is charged. The Water Utility and Sewer Utility funds account for the operation and maintenance of the City's water and wastewater systems. Water and Sewer are the City's

User's Guide to the Budget

only enterprise funds. Four separate Water funds and five separate Sewer funds are used to account for the activities of operations, capital projects, debt service, reserves and assessments.

The City budget includes twelve special revenue funds. Special revenue funds are governmental funds used to account for revenues that are legally restricted or committed and can only be expended for a particular purpose. The budget includes four funds used to account for streets activities these are: Gas Tax, Transportation Development Act (TDA), Regional Surface Transportation Program (RSTP) and SB 1 Road Maintenance Rehabilitation Account (RMRA). Additionally the City budgets in eight other special revenue funds: Administration, Building, CDBG, Economic Development, Measure Z, Parks, Solid Waste and Supplemental Law Enforcement Services.

The City further breaks out budgets by department and program, there are fifteen of these operating budget units. A single fund can have appropriations in multiple budget units and a budget unit can be spread across multiple funds. The Budget Summary by Department and Fund included in the Summary section shows how the total budget is allocated. The Operating Budget section details expenditures for each budget unit by account.

Conclusion

Financial forecasting is, at best, an inexact science. Staff has developed the budget using revenue and expenditure estimates based on trends and forecasts available as of May 2019. These estimates take into account what has happened in the local economy, current revenue and expenditure experiences and to the extent possible what is projected to happen over the next year.

Community Profile

City Geography

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 hills covered with redwood trees. The City is approximately 245 miles north of San Francisco and 25 miles south of Eureka and is located in Humboldt County at an elevation of 161 feet. Rio Dell occupies 2.4 square miles and Census 2010 placed the City’s population at 3,363. Located along U.S. 101, Rio Dell is an excellent starting point for tourists to visit local attractions such as Humboldt Bay, the historic mill town of Scotia, and the Avenue of the Giants with over 30 miles of majestic redwood groves. Rio Dell is also known for its fossil beds across the Eel River in the Scotia Bluffs. Fossils preserved in sandstone are aged from one million to fifty million years when 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.



Rio Dell has a mild climate and benefits from the breezes that follow the Eel River valley and being slightly inland and away from the coastal fog. The average high temperature is 69°F in July, with no average monthly temperatures above 72 degrees. Although snow is rare within the City limits, it is often visible on the hills above Rio Dell in winter.



City Authority and Administration

Rio Dell operates under the City Council - City Manager form of government. The City Council sets policy while the City Manager carries out the day-to-day business of the City. The City Council appoints the City Manager who is responsible for appointing other City staff. The Mayor is selected by the City Council and serves as the presiding officer at city council meetings and as the official head of the city for legislative and ceremonial purposes. The Council holds meetings on the first and third Tuesday of each month and at such other times as is necessary.

Rio Dell is a general law city under California state law and its rights, powers, privileges, authority, and functions are established through the State constitution. These statutory rights include the power to: sue and be sued; purchase, receive by gift or bequest and hold land, make contracts and purchases and hold personal property necessary to the exercise of its powers; manage, sell, lease, or otherwise dispose of its property as the interest of its inhabitants require; levy and collect taxes authorized by law and

Community Profile

exercise such other and further powers as may be especially conferred by law or as may be necessarily implied from those expressed. The City provides a wide range of services to its residents including public safety services, construction and maintenance of streets and infrastructure, water and wastewater services, community development, financial management and administrative services.

History of Rio Dell

Rio Dell was originally the site of a Native American village thought to be named Tokemuk. The village was unique in that it was occupied by members of the Wiyot, Nekanni and possibly additional tribes. The area was a confluence of several different Native American tribal territories. On or around March 1, 1860, the women and children of the village were victims in the “Indian Island Massacre” which was actually a series of massacres stretching from Humboldt Bay to areas south and east of Rio Dell.

In the 1870’s an artistic dreamer named Lorenzo Painter settled in the area. He started a farming community which he named Eagle Prairie and built a hotel that he called the Rio Dell House. The name ‘Rio Dell’ is most likely the poetic license of Mr. Painter with a unique combination of the Spanish ‘Rio’ (River) and the English ‘Dell’ (small valley amongst trees). He is credited with helping to transform Eagle Prairie into a community. Painter took the initiative and helped build public roads, schools, post offices and other public improvements, including the first waterworks comprised of a storage tank from which water was delivered to residents in pipes made from redwood. This contributed to Rio Dell being recognized as a legitimate township in the county before the 1880’s. He also subdivided his land into 13 blocks and sold lots for businesses and homes. Painter laid out Main Street (now Pacific Avenue), Rigby Avenue, Painter Street and Center Street, forming the basic configuration of the town. His original design for the town would have had the town center located in the area now surrounded by Center Street, Painter Street and Wildwood Avenue, however this never materialized and the economic center of town eventually became Wildwood.

Wildwood, which is the city’s main business district on the south end of Wildwood Avenue was started primarily to supply housing and services for persons employed by the lumber mill in the neighboring company town of Scotia. It is said that Wildwood really came into its own and earned its name during the prohibition years as it developed a reputation for rowdy lumbermen and bootlegged whiskey. The Eagle Prairie Bridge which was built in 1941 was the third bridge to join the Scotia and Wildwood communities and it was the first able to withstand annual winter flooding.

In the late 1940’s, the Redwood Highway (Highway 101) was expanded through Rio Dell, with four lanes going down Wildwood Avenue. A period of post-war prosperity resulted as business packed both sides of the highway and merchandising flourished. This resulted in Wildwood becoming the new town center and talks began concerning incorporating the communities as a single town. After weathering the storms and flooding of 1955 and 1964 the communities of Wildwood, Eagle Prairie and Rio Dell finally officially came together and incorporated as the City of Rio Dell in February of 1965. However, in 1976 the construction of a freeway by-pass reduced traffic flow through town and devastated the Wildwood business district. The reduction in sales tax revenues from the by-pass and property tax revenues from the implementation of Proposition 13 severely impacted the finances of the relatively new City in the 1980’s.

Automation, environmental regulations, corporate takeovers, liquidations and bankruptcies further negatively altered the economic landscape of Rio Dell. Once a bedroom community for the County’s largest single private employer, by the dawn of the new millennium Rio Dell saw virtually every economic pillar of the community rendered a shadow of its former self.

Elected and Appointed City Officials

City Council

Debra Garnes, Mayor

Julie Woodall, Mayor Pro Tem

Sue Strahan, Councilmember

Frank Wilson, Councilmember

Gordon Johnson, Councilmember



City Officials

Kyle Knopp, City Manager

Jeff Conner, Police Chief

Karen Dunham, City Clerk

Kevin Caldwell, Community Development Director

Cheryl Dillingham, Interim Finance Director

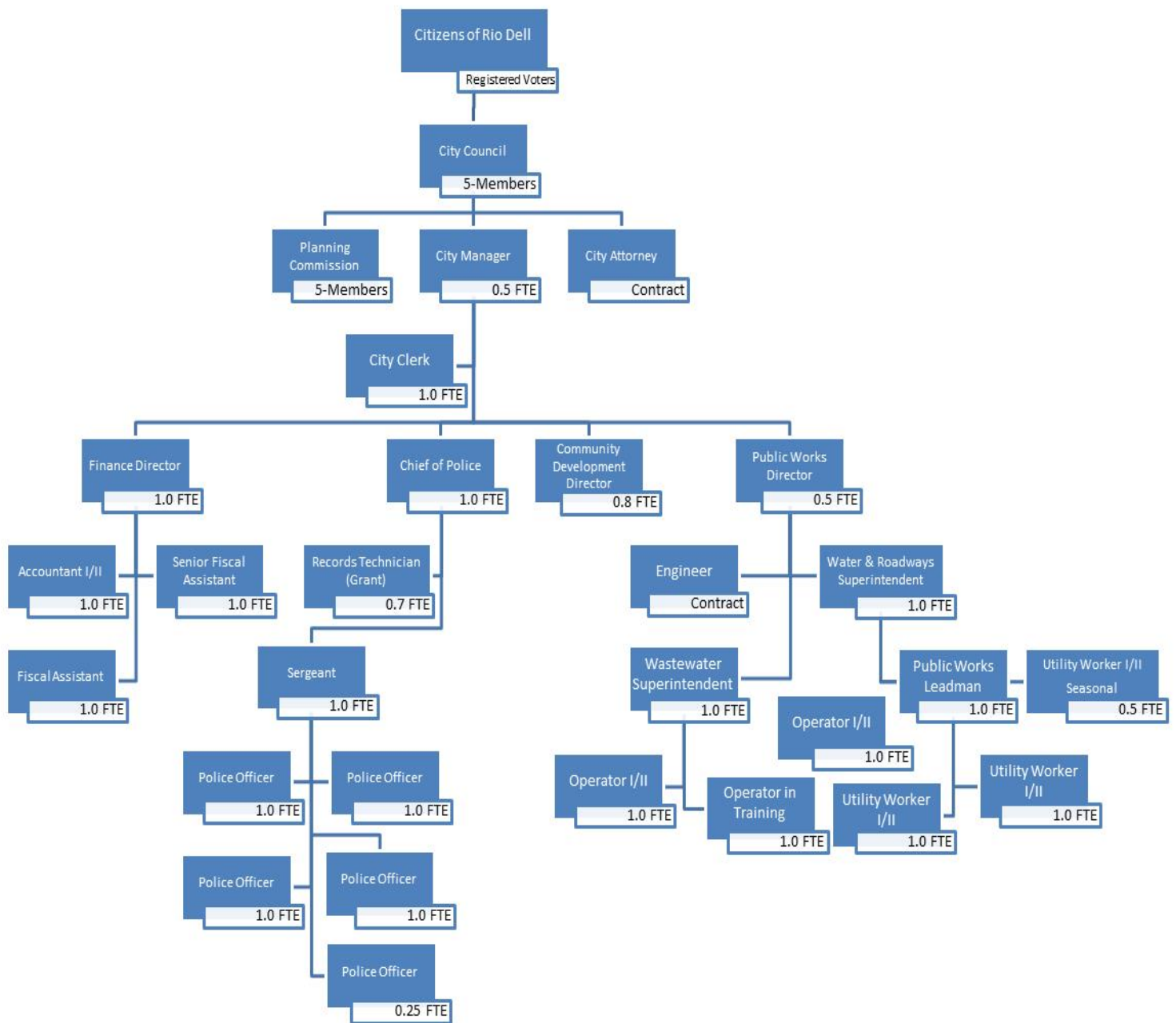
Randy Jensen, Water/Roadway Superintendent

Derek Taylor, Wastewater Superintendent



City Organizational Chart

As of July 1, 2019



City Priorities

Priorities

On April 2, 2019 the City Council and staff held a PRIORITY SETTING session to discuss the priorities of the City Council for the upcoming year. The council underwent a priority setting exercise that listed individual councilmembers priorities that were then subdivided by topic area. Below is a list of the past three years of priorities, including the current priority list for FY 2019-20.

Priorities		
2017	2018	2019
Street Work	Street Work	Code Enforcement
Habitat Parcel	River Access	PD Employees
I&I Mitigation	Habitat Parcel	Street Work
Tax Measure	Code Enforcement	Water Sewer Study
Proposition 64	Access Humboldt	Economic Development

The following list describes how the Councils priorities are reflected in the FY 2019-20 budget.

- ▶ **Code Enforcement:** This budget maintains the additional FY 2018-19 allocation of \$30,000 to the Police Department for enhanced abatement activity. This budget maintains the 1.0 FTE increase in the Police Department from FY 2018-19 and adds a .20 FTE reserve officer. The current reserve officer has prior code enforcement experience.
- ▶ **Police Department Personnel Recruitment and Retention:** This budget maintains the 1.0 FTE increase in officer staffing from FY 2018-19 and adds an increase of 0.2 FTE for a reserve officer who can help fill in for vacation and training time. Absorbs \$22,400 increase in the cost of dispatch services and maintains \$28,694 in Measure Z funded clerical support. This budget also allocates \$35,000 for a compensation study.
- ▶ **Street Work:** This budget maintains the Streets General Fund subsidy of \$107,000 and rolls over \$32,000 in unspent funds from FY 2018-19. Additionally, unspent TDA funds in the amount \$43,232 were allocated to the budget for a total increase in street related projects of \$182,232 for FY 2019-20.
- ▶ **Water and Sewer Study:** This budget allocates \$30,000 for a water rates study. Any study will require the approval of the City Council before moving forward.
- ▶ **Economic Development:** This budget provides for the creation of a new Economic Development Fund through an interfund transfer of \$300,000 from the General Fund. The new fund will be created using these funds with a budgeted draw down of \$46,400 during FY 2019-20.

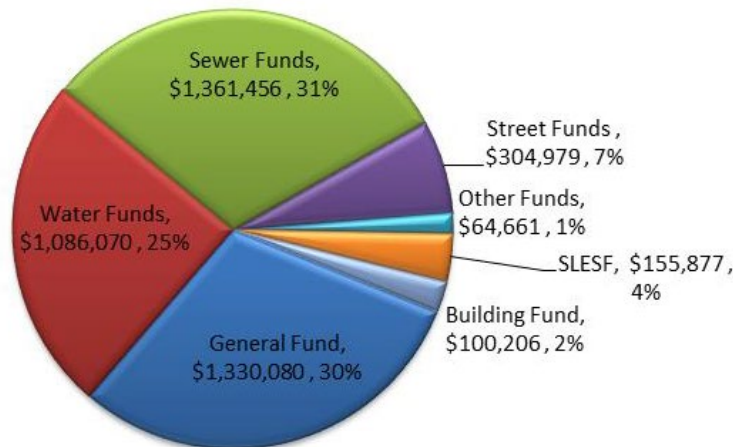
Budget Summary – All Funds

Overview of the City's Budget

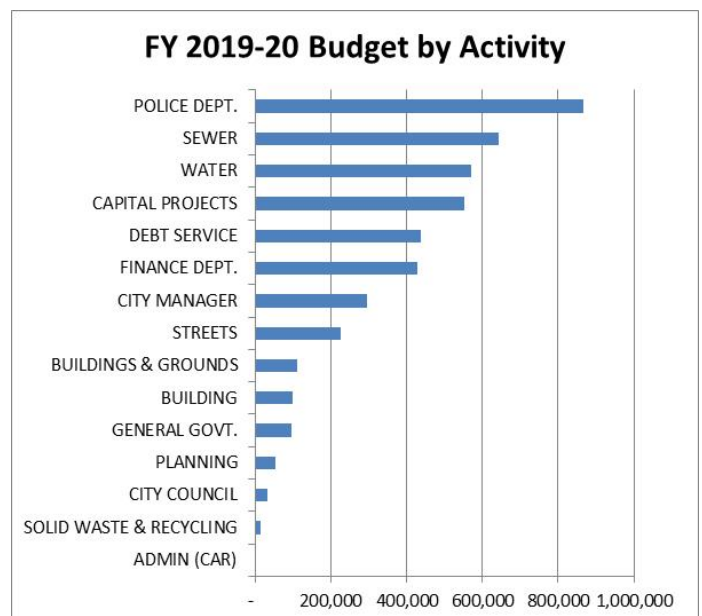
The City of Rio Dell's total annual budget for FY 2019-20 is \$4,432,022. Total appropriations are \$1.7 million less than the adopted budget for FY 2018-19. This is primarily due to a reduction of \$1.4 million for grant funding not included in the budget and \$316,550 less in the Sewer Capital fund as a result of the completion of a sewer infrastructure project.

The City's three major operating budgets are the General Fund (30%), Water Enterprise Funds (25%) and Wastewater Enterprise Funds (31%). Core city services are budgeted in the General Fund and are supported primarily by property tax (44%) and sales tax (40%) revenues. The City's Water and Wastewater Enterprise funds are supported by user fee revenues which are charged for water and sewer services provided to the City's residents. The largest City service is the Police Department which comprises 51% of the General Fund budget and 20% of the total City budget. The budget for capital projects, special projects and equipment replacement totals \$551,132 and is accounted for in the Capital Projects Department. The chart below shows appropriations budgeted by fund. A table showing the total adopted budget by fund and department is also included in this section.

FY 2019-20 Appropriations by Fund



At the department level expenditures are allocated out of the various funds depending on departmental activities. The graph to the right shows City-wide appropriations by activity.



Budget Summary – All Funds

FY 2019-20 Adopted Budget

Budget Summary by Department and Fund

No.	Fund Name	Est. Beginning Fund Bal.	Revenue Totals	Admin Car	Building Dept.	City Council Dept.	City Manager Dept.	Finance Dept.	General Govt. Dept.	Planning Dept.	Police Dept.
005	Admin Fund	11,918	1,200	1,200							
008	Building Fund	54,471	45,735		100,206						
037	CDBG Fund										
039	CDBG RRLF Fund	2,461	-						2,461		
000	General Fund	1,851,000	1,159,772			15,538	103,104	85,990	46,751	53,748	682,059
003	Economic Development	-	-						46,400		
044	Measure Z Fund	-	28,694								28,694
074	Recycling Fund	19,360									
015	Parks Fund	17,644	1,500								
046	Realignment Grant Fund	3,400	-								
040	SLESF Fund	12,877	143,000								155,877
043	Vehicle Abatement Fund	2,605									
052	Sewer Capital Fund	241,809	102,076								
054	Sewer Debt Svc Fund	210,000	302,899								
054	Sewer Restricted Reserve	302,899	-								
050	Sewer Operations Fund	547,412	808,919			8,261	88,375	167,681			
027	Solid Waste Fund	40,241	9,000								
093	Spay & Neuter Fund										
020	Gas Tax Fund (HUTA)	164,135	94,614			826	8,837	4,300			
024	TDA Fund	45,169	164,343			551	5,892	4,300			
026	RSTP Fund	2,462	24,500								
021	SB1 (RMRA) Fund	-	55,746								
047	STIP ATP Grant	-									
062	Water Capital Fund	724,664	164,319								
063	Water Metro Wells Fund	29,865	17,006								
064	Water Dinsmore Zone	47,297	22,509								
061	Water Restricted Reserve	100,422	34,562								
061	Water Debt Svc Fund	54,915	172,821								
062	Water CIP Grant										
060	Water Operations Fund	686,839	777,676			8,261	88,375	167,681			
Total FY 2019-20		5,173,865	4,130,892	1,200	100,206	33,438	294,582	429,951	95,612	53,748	866,629

Budget Summary – All Funds

FY 2019-20 Adopted Budget

Budget Summary by Department and Fund (continued)

No.	Fund Name	Recycling and Solid Waste	PUBLIC WORKS OPERATIONS				Capital Projects	Debt Service	Expenditure Totals	Transfers	Change in Reserves	Est. End Fund Balance
			Buildings and Grounds	Sewer Dept	Streets Dept	Water Dept						
005	Admin Fund								1,200		-	11,918
008	Building Fund								100,206		(54,471)	0
037	CDBG Fund								-		-	-
039	CDBG RRLF Fund								2,461		(2,461)	0
000	General Fund		33,890				309,000		1,330,080	300,000	(470,308)	1,380,692
003	Economic Development								46,400	(300,000)	253,600	253,600
044	Measure Z Fund								28,694		0	0
074	Recycling Fund	-							-		-	19,360
015	Parks Fund								-		1,500	19,144
046	Realignment Grant Fund								-		-	3,400
040	SLESF Fund								155,877		(12,877)	0
043	Vehicle Abatement Fund								-		-	2,605
052	Sewer Capital Fund						117,200		117,200		(15,124)	226,685
054	Sewer Debt Svc Fund							302,899	302,899		-	210,000
054	Sewer Restricted Reserve								-		-	302,899
050	Sewer Operations Fund		33,890	643,150					941,357		(132,439)	414,973
027	Solid Waste Fund	14,600							14,600		(5,600)	34,641
093	Spay & Neuter Fund								-		-	3,090
020	Gas Tax Fund (HUTA)		7,908		25,769				47,640		46,974	211,109
024	TDA Fund		3,389		69,235		43,232	51,876	178,474		(14,131)	31,038
026	RSTP Fund				24,342				24,342		158	2,620
021	SB1 (RMRA) Fund				54,523				54,523		1,223	1,223
047	STIP ATP Grant								-		-	-
062	Water Capital Fund						81,700		81,700		82,619	807,283
063	Water Metro Wells Fund					11,300			11,300		5,706	35,571
064	Water Dinsmore Zone					2,600			2,600		19,909	67,206
061	Water Restricted Reserve								-		34,562	134,984
061	Water Debt Svc Fund							136,000	136,000		36,821	91,736
062	Water CIP Grant								-		-	-
060	Water Operations Fund		33,890			556,263			854,470		(76,794)	610,045
Total FY 2019-20		14,600	112,966	643,150	173,869	570,163	551,132	490,775	4,432,022	-	(301,130)	4,875,825

Budget Summary – General Fund

The General Fund is the City's primary operating fund. Revenues are available for general purposes and are used to fund the City's operations including police services, general operations and management of City services, as well as special and capital projects. The top two appropriations included in the adopted General Fund budget are \$682,059 for police services and \$309,000 for special and capital projects.

The General Fund budget for FY 2019-20 estimates revenues of \$1,159,772 and expenditures (including transfers) of \$1,630,080. The budget uses \$470,308 in carry forward reserves and has \$609,000 in one time expenditures made up of the following: \$189,000 for Streets projects, \$85,000 for law enforcement software, \$35,000 for a compensation study and a \$300,000 transfer for economic development. Ongoing expenditures are less than ongoing revenues so the budget is considered structurally balanced.

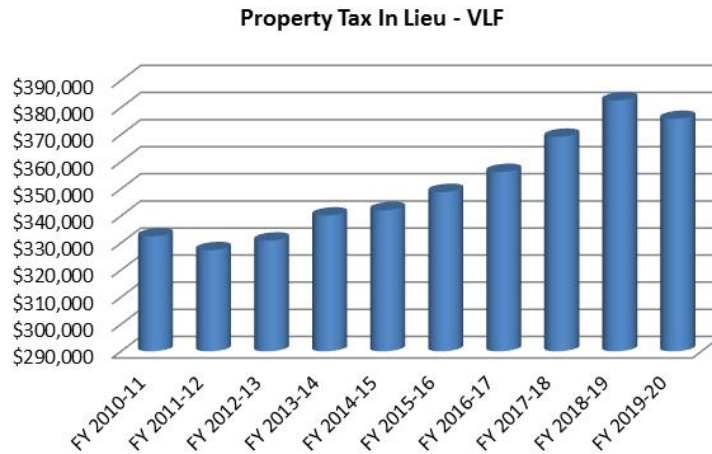
The General Fund is predominately supported by property taxes (44%) and sale taxes (40%). Revenues for FY 2019-20 are estimated to be \$125,979 or 12% higher than the prior year's budget. This is primarily due to \$70,000 in increased sales taxes, \$36,000 in cannabis fees and taxes and \$14,000 more in property taxes. The adopted FY 2019-20 General Fund expenditures represent an increase of \$215,133 or 15% from FY 2018-19 budgeted appropriations. This is mainly the result of the transfer of \$300,000 for establishment of the new Economic Development Fund. Approximately 43% of the General Fund budget is for City staff salary and benefit costs. The table below summarizes the General Fund revenues and expenditures.

	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ACTUAL	2018-19 BUDGET	2019-20 BUDGET
REVENUE						
Property Taxes	112,101	116,326	122,122	124,746	124,421	126,651
Property Tax In-lieu VLF	348,887	358,109	365,353	369,160	373,105	375,777
Sales Tax	122,358	137,223	175,143	203,758	139,143	189,451
Measure U District Sales Tax	44,477	216,054	255,944	289,425	245,000	265,000
Transient Occupancy Tax	10,793	13,304	13,697	13,857	13,152	13,152
Franchise Fees	82,561	85,422	92,334	85,790	94,182	94,182
Planning Fees	4,811	2,543	5,696	6,313	2,700	5,200
Rental Income	18,554	20,162	20,826	21,546	21,153	22,445
Miscellaneous Revenues	18,935	17,772	20,531	35,045	19,462	31,914
Cannabis Fees and Taxes	-	-	-	23,000	-	36,000
One-time Revenues and Fees	32,049	8,367	22,620	5,046	1,475	-
TOTAL GENERAL FUND REVENUES	795,525	975,282	1,094,266	1,177,686	1,033,793	1,159,772
EXPENDITURES						
City Council	9,453	9,954	7,357	11,396	15,537	15,538
City Manager	86,741	62,739	56,685	85,050	88,167	103,104
Finance	74,219	55,781	60,365	69,185	98,421	85,990
General Government		38,177	23,015	23,412	58,626	46,751
Planning	97,837	57,874	64,858	67,465	62,245	53,748
Police	497,138	515,121	542,237	473,002	843,962	682,059
Buildings and Grounds	36,835	33,080	8,355	16,712	25,672	33,890
Transfers	54,866	17,265	5,891		18,300	300,000
Capital Projects	14,870	4,239	123,582	153,041	204,017	309,000
TOTAL GENERAL FUND EXPENDITURES	871,959	794,230	892,345	899,263	1,414,947	1,630,080
Fund Balance Increase/(Decrease)	(76,434)	181,052	201,921	278,423	(381,154)	(470,308)

Revenues

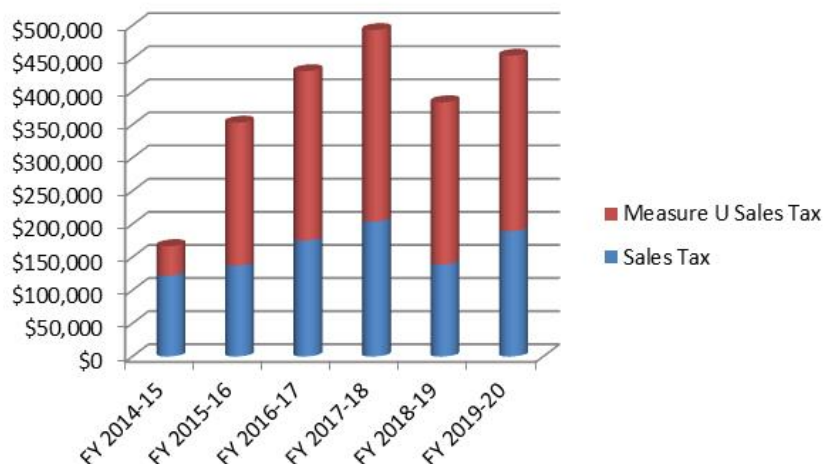
Major Revenues of the General Fund

Property Tax in Lieu of Vehicle License Fee – Cities and counties receive property tax revenues in lieu of Vehicle License Fees (VLF). In 2004, the Legislature permanently reduced the VLF rate from 2% to 0.65% and compensated cities and counties for their revenue loss with a like amount of property taxes, dollar-for-dollar. Each agency's property tax in lieu of VLF allocation increases annually in proportion to the growth in gross assessed valuation in that city. This is the largest source of discretionary revenue for the City's General Fund, in FY 2019-20 it accounts for 33% of revenues.



Local Sales Tax – In November 2014 the voters of the City of Rio Dell approved a five year 1% general purpose sales tax with the passage of Measure U. In November 2018 the voters extended this with the passage of Measure J, which also has a five year sunset, and expires December 31, 2024. This is a significant source of revenue for the City and accounts for about 23% of General Fund revenues.

Sales Tax – In accordance with the State Revenue Taxation Code and the Bradley-Burns Uniform Local Sales and Use Tax Law of 1955, the State imposes a 7.25% Sales and Use Tax on taxable sales in the City. The City receives 99.18% of the local 1% share of the 7.25% sales tax. The remaining 0.82% is retained by the State for administration. About 16% of General Fund revenues come from this source.



Property Tax – Is a tax imposed on real property and tangible personal property. Since the passage of California Proposition 13, the tax is based on either a 1% rate applied to the 1975-76 assessed value of the property (which can increase by a maximum of 2% per year), or on 1% of the sales price of the property on

Revenues

sales transactions and construction which occur after the 1975-76 assessment. The amount collected by the County is distributed in accordance with State law to the various public agencies. Property tax currently makes up about 11% of the General Fund's revenues. Projections for property tax revenues are based on home valuations and the 2% maximum annual growth.

Franchise Fees – In lieu of rent, franchise fees are collected from refuse collectors, cable television companies and utilities for the use of city streets. Some franchise charges are limited by statute.

Cannabis Business Tax – In November 2017 the voters of the City of Rio Dell approved Measure X an excise tax on commercial cannabis activity. The rate is set by the City Council up to 2% of gross receipts or up to two dollars per square foot of cultivation space.

Other General Fund Revenues

Transient Occupancy Tax (TOT) – Is an 8% tax on room charges for hotel, motel, tourist home and recreational vehicle park occupancy of less than thirty (30) days.

Business License Tax – A flat fee license tax on businesses operating within the City set by resolution.

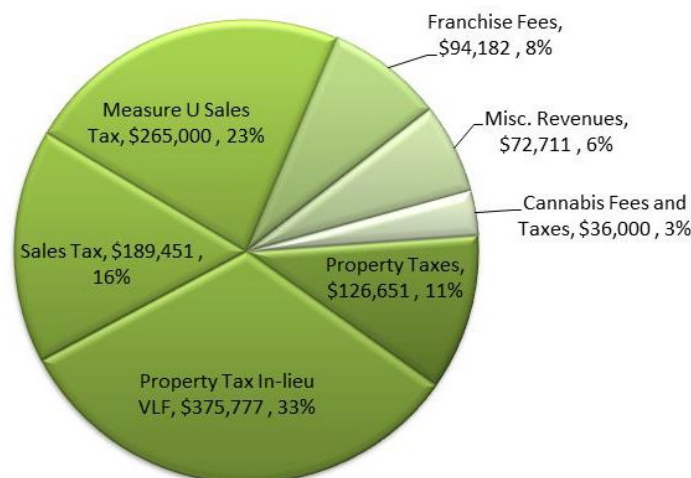
Rental Income – Rent collected for use of city property, primarily for cell towers.

Fines, Forfeitures and Penalties – Cities receive a share of fines and bail forfeitures from misdemeanors and infractions committed within city boundaries. These consist primarily of parking fines, vehicle code fines and court fines. These revenues fluctuate from year to year, depending upon changes in State law and the level of enforcement and collection.

Charges for Services – Fees that the City collects for specific services performed. Examples are special police, zoning changes, and animal control charges. Costs are allocated on various bases and are set by resolution. Each fee is analyzed separately to estimate revenues for the coming year.

Investment Interest – Revenue earned on investments. Monies in individual funds that are not required for daily operations are pooled for investment purposes. The City currently only has funds invested in the State's Local Agency Investment Fund (LAIF). The City's investments are governed by an investment policy and must conform to State law.

General Fund Revenues



Revenues

Major Revenues of Other City Funds

Gas Taxes – Taxes applied to the sale of gasoline. A portion of the revenue from this tax is allocated by the State of California to cities and counties on a formula that is based on population, plus a fixed apportionment amount. The funds are to be used only for street purposes. Estimates are based on experience and State estimates. Other State Highway Account funds are allocated to the City through the regional County Association of Governments under SB1435 and SB45. These funds can be used in a manner similar to gas tax, and come from both state and federal monies. Through legislation, AB 2928 Traffic Congestion Relief funds were allocated to each city directly from the State.

Water and Sewer Fees – The City Council establishes fees, rates and charges by resolution to cover the cost of water delivery, water and sewer system maintenance, water and sewer operations, administration, capital expenditures and/or debt service. Sewer rates are adjusted annually on July 1 based on the Consumer Price Index (CPI).

Revenue Estimates

All City revenues are budgeted in one department. Revenues are projected based on current year actuals received, previous year's trends, economic forecasts and City staff input. Where possible revenue estimates from the State Controller, County of Humboldt, League of California Cities and California Local Government Finance Almanac are used. The City's quarterly financial reviews also help form the basis for many of the assumptions used to formulate revenue estimates for the budget. The table below shows the revenues estimated in the adopted budget.

00 REVENUES	6/30/2017 Actual	6/30/2018 Actual	FY 2018-19 Budget	FY 2019-20 Adopted	FUND
4010 Tax - Property Current Secured	106,862	110,376	113,371	113,371	GENERAL FUND
4011 Tax - Property Current Unsecur	4,048	3,892	3,700	3,700	GENERAL FUND
4013 Tax - Property Prior Unsecured	35	66	50	50	GENERAL FUND
4025 Tax - Supplemental Roll	1,780	1,565	600	600	GENERAL FUND
4026 Tax - Home Owner's Property	1,343	1,360	1,380	1,380	GENERAL FUND
4027 Tax - Prior Years - Supplemental	159	220	120	120	GENERAL FUND
4030 Tax - Transient Occupancy Tax	13,697	13,857	13,152	13,152	GENERAL FUND
4035 Tax - Timber Yield	15	32	18	18	GENERAL FUND
4040 Tax - Retail Sales	175,143	203,758	139,143	189,451	GENERAL FUND
4042 Tax - Measure U Sales Tax	255,944	289,425	245,000	265,000	GENERAL FUND
4045 Tax - (HCAOG) Transportation - TDA	111,856	114,217	124,891	164,343	STREETS FUNDS
4046 SB1 RMRA	-	12,892	57,241	55,746	STREETS FUNDS
4048 Tax - Gasoline (Highway Users Tax)	79,588	72,769	94,168	94,614	STREETS FUNDS
4050 Tax - Documentary Real Property	7,895	6,965	5,200	7,430	GENERAL FUND
4056 Tax - Public Safety .5% sales	3,457	3,957	3,100	3,707	GENERAL FUND
4110 Fees - Franchise - Electric	31,581	28,223	32,213	32,213	GENERAL FUND
4115 Fees - Franchise - Gas	6,550	9,138	6,681	6,681	GENERAL FUND
4120 Fees - Franchise - Garbage	17,252	13,088	17,597	17,597	GENERAL FUND
4125 Fees - Franchise - Cable TV	36,952	35,341	37,691	37,691	GENERAL FUND
4150 Fees - Business License	9,543	10,313	9,500	9,557	GENERAL FUND
4151 Fees - Business License CASP SB1186	238	581	310	702	GENERAL FUND
4153 Cannabis Stamp Fees	-	420	-	-	GENERAL FUND
4154 Fees - Cannabis Revenues	-	23,000	-	16,000	GENERAL FUND
4155 Cannabis Business Tax Revenue	-	-	-	20,000	GENERAL FUND
4162 Fees - Motor Vehicle License (VLF)	9,160	13,999	11,569	11,569	GENERAL FUND
4163 Fees - In Lieu VLF - County	356,193	369,160	361,536	375,777	GENERAL FUND
4170 Fees - Animal License	2,432	1,199	1,657	1,657	GENERAL FUND
4173 Fees - Animal Control/Relinq.	422	316	650	650	GENERAL FUND
4178 Fees - Booking	155	784	350	350	GENERAL FUND
4180 Fees - Notary	170	120	120	120	GENERAL FUND

Revenues

00 REVENUES	6/30/2017 Actual	6/30/2018 Actual	FY 2018-19 Budget	FY 2019-20 Adopted	FUND
4183 Fees - Special Police Services	3,900	1,951	3,700	1,900	GENERAL FUND
4190 Fees - Integrated Waste Management	10,359	6,698	9,800	9,000	SOLID W. FUND
4195 Fees - Customer fax and copy	110	99	57	90	GENERAL FUND
4310 Interest Income	13,722	1,842	1,400		VARIOUS
4320 Rental Income - U.S. Cellular	6,727	6,882	6,657	7,073	GENERAL FUND
4321 Rental Income - T. Mobile	14,100	14,664	14,496	15,372	GENERAL FUND
4410 Building Plan - Constr Permits	18,488	18,912	14,500	20,000	BUILDING FUND
4420 Planning - Zoning Fees	5,296	5,993	2,500	5,000	GENERAL FUND
4435 Planning - Home Occupation Permit Fee	400	320	200	200	GENERAL FUND
4440 Building Plan - Plan Check Fee	4,154	8,564	4,100	10,000	BUILDING FUND
4445 Building - Administrative Fees	17,508	16,035	15,500	15,000	BUILDING FUND
4456 Planning - Parks & Recreation Development	4,500	1,500	1,500	1,500	PARKS AND REC
4460 Building Plan - Seismic Fees	177	442	75	75	BUILDING FUND
4462 Building Standards - SB1473	85	108	56	60	BUILDING FUND
4463 Building - Continuing Education	156	161	100	200	BUILDING FUND
4464 Building - Technology Fee	353	361	300	400	BUILDING FUND
4465 Encroachment Permits	500	1,175	500	1,500	GENERAL FUND
4480 Insurance Premium Reimbursement	27,789	19,921	-	-	VARIOUS
4510 Sewer - Service	844,726	795,560	805,212	779,649	SEWER FUND
4516 Sewer - Debt Service (14)	213,884	315,539	302,899	302,899	SEWER FUND
4520 Sewer - Connection	15,660	20,880	5,000	5,000	SEWER FUND
4540 Sewer - Replacement Reserve (14)	136,999	97,080	97,076	97,076	SEWER FUND
4610 Water - Service	686,728	755,966	760,476	748,406	WATER FUND
4615 Water - Debt Service (14)	156,094	171,700	172,821	172,821	WATER FUND
4616 Water - Debt Service Restricted (14)	31,222	34,338	34,562	34,562	WATER FUND
4620 Water - Connection	9,259	8,100	13,500	-	WATER FUND
4630 Late Fee	47,572	52,707	40,000	50,000	WA/SE FUND
4635 Delinquent Fees	8,810	9,130	8,540	8,540	WA/SE FUND
4650 Water - Capital	150,983	165,979	167,061	164,319	WATER FUND
4653 Water - Metro Wells	15,606	17,178	17,291	17,006	WATER FUND
4654 Water - Dinsmore Zone	19,378	22,196	22,509	22,509	WATER FUND
4700 Grant Revenue	-	100,000	-	-	
4712 Grant Restricted - RSTP HCAOG	22,358	27,451	22,000	24,500	STREETS FUND
4725 Income from CDBG Principal	40,982	44,246	3,174	-	GENERAL FUND
4740 Grant Restr - Police Grant SLESF	97,058	139,416	100,000	143,000	SLESF FUND
4746 Grant Restristed - Recycling	10,000	5,000	5,000	-	SOLID W. FUND
4747 Grant - Measure Z	29,402	26,112	34,582	28,694	MEASURE Z
4763 Grant Rest.- Prop. 84/NCIRWMP	27,467	488,206	-	-	
4764 Grant Rest.-USDA ECWAG	215,050	158,150	-	-	
4766 Grant Restricted - ATPL-5396	1,151	96,838	1,000,000	-	
4804 Sculptures on the Avenue	-	1,250	-	-	
4900 Interfund Revenue	2,239	1,977	1,760	1,200	ADMIN FUND
4920 Misc -Revenue	22,018	7,527	4,746	-	VARIOUS
Total Revenue	4,165,440	5,009,187	4,974,658	4,130,797	

Fund Descriptions and Balances

Fund Descriptions

The information that follows describes the funds included in the City's budget.

GOVERNMENTAL FUNDS

General Fund

The General Fund is the City's primary operating fund. It accounts for all financial resources not required by law or administrative action to be accounted for in another fund. The General Fund houses the City monies over which the City Council and the community at-large hold the most discretion. The total adopted budget for FY 2019-20 is \$1,630,080 and the projected ending fund balance reserve is \$1.38 million. For FY 2019-20 51% of the General Fund is budgeted for police services. Additionally, a one-time allocation of \$189,000 of General Fund monies was appropriated for streets. Historically, use of General Fund monies for street projects has been limited or nonexistent.

Rio Dell's top three sources of General Fund monies are (1) Property Tax in Lieu of VLF, 32%, (2) Measure U Sales Tax 23%, and (3) Bradley-Burns Sales Tax, 16%. Under California tax law, most cities are heavily reliant on retail sales taxes and Transient Occupancy Taxes (TOT). Rio Dell's status as more of a "bedroom community" means there are fewer dollars available to pay for municipal services, whether those are police or water services. As an example according to the League of California Cities TOT provides the average city 7% of their general revenues and often as much as 17%. In the City of Rio Dell TOT accounts for only 1% of budgeted revenues.

Streets Funds

The following four special revenue funds are used to budget for maintenance of the City's 20 miles of streets:

Gas Tax Fund - Gas Tax collected by the State is allocated to local governments using several formulas based on the various sections of the California Streets and Highways Code. Also called Highway Users Tax Account (HUTA), the funds distributed from the Gas Tax Fund must be used for street related expenditures (e.g. maintenance and repair costs, engineering and traffic studies, and streets improvements). The largest portion of HUTA funds for the City goes towards street repairs and maintenance.

Road Maintenance Rehabilitation Account (RMRA) Fund - In 2017 the state adopted the Road Repair and Accountability Act (RMRA) (SB1) which established supplemental funds for road repairs and maintenance. RMRA funding requires cities to submit a project list to the California Transportation Commission (CTC) for approval and cities to maintain the same level of local government monies used for road repairs and improvements on average during Fiscal Years 2009-10 through 2011-12. During those years the City did not contribute any General Fund monies towards its streets program; therefore, the City's maintenance of effort requirement is zero. These funds are restricted to use on approved streets projects.

Regional Surface Transportation Program (RSTP) Fund -The Regional Surface Transportation Program was established by the State and originates from the federal excise tax on gasoline. The State of California distributes the funds to regional agencies and counties based on population. Locally RSTP funds are received and distributed to the cities by HCAOG and must be spent on eligible streets projects.

Transportation Development Act (TDA) Fund - The Cities TDA funds come from the Local Transportation fund (LTF) which is derived from a 1/4-cent general sales tax. The funds are collected by the State and allocated by HCAOG. The City can use TDA funds for local streets and roads projects if all transit needs are met. The City holds annual public hearings and provides approximately 40% of its TDA funds to meet local transportation needs in Rio Dell.

Miscellaneous Governmental Funds

The following miscellaneous special revenue funds are included in the City's budget:

Fund Descriptions and Balances

Measure Z Fund - Humboldt County's Measure Z is a countywide general purpose 0.5% sales tax. The City goes through the annual competitive application process to obtain Measure Z funds from the County that are used to support the City's Police Department in providing better services to the community.

The Supplemental Law Enforcement Services Fund (SLESF) – The State allocates SLESF to the County which then distributes them to the cities. The City of Rio Dell is entitled to receive the minimum grant of \$100,000. Revenues must be used for front-line, municipal police services and should supplement, not supplant current front-line law enforcement services. No more than 0.5% can be spent on administration. Funds must be spent within two years.

Recycling Fund - The California Beverage Container Recycling and Litter Reduction Act (December 2014) provided the City with pass-through funds that assist in the establishment of a location to provide consumers with convenient recycling opportunities. There are no funds budgeted for the current year.

Community Development Block Grant (CDBG) Fund - This fund contains revenue received when previous CDBG loans granted through the City are paid off. These funds known as "program income" can only be used for eligible projects and activities.

Admin Fund - The Admin inter-fund is used to account for transfers of expenditures for departmental use of the City's vehicle. The monies in this fund are committed to the purchase of a replacement vehicle.

Solid Waste Fund - These funds are received from HWMA and must be used for solid waste diversion and reduction activities.

Economic Development Fund - This fund was established in FY 2019-20 with a transfer of \$300,000 from the General Fund. The Rio Dell City Council has directed that these funds be committed for economic development in the City.

Building Fund - This fund was established by Resolution 1218-2014 and collects fees and charges for permits, building inspections and plan checks. Fees should cover the actual cost of providing services and if more than \$20,000 in unrestricted revenue accrues in the fund or a negative balance occurs the Building fee should be adjusted accordingly.

Parks Fund - This fund is used to collect parkland dedication fees and expenditures are restricted to park facilities.

Grant Funds

No funds were budgeted in these funds for FY 2019-20. Both grants are still active and supplemental budgets will need to be approved by the City Council based on available funding allocated by the granting agencies.

ATP Grant Fund - Safety Improvement and Community Outreach Project Infrastructure (SRTS) grant funding is restricted for use to make the City's streets safer and more accessible through the State's Alternative Transportation Program (ATP). The grant total is \$1.5 million.

Water CIP Grant Fund - State Water Resources Control Board (SWRCB) Prop 1 funds will be used towards a water capital improvement plan to be developed by GHD, Incorporated. Total grant funding is \$433,300.

PROPRIETARY FUNDS

Water and Sewer Enterprise Funds

The Water and Sewer funds are operating as Enterprise Funds. Enterprise funds are proprietary funds used to account for operations that are financed and operated in a manner similar to private business enterprises. The fees for water and sewer services are intended to cover all of the operating costs for maintaining the systems, replacement of the capital assets totaling over \$27.7 million (as needed), as well as cover any debt service related to infrastructure financing agreements. Water and Sewer are the City's only enterprise Funds. Separate Water and Sewer funds are maintained for the activities of operations, capital projects, debt service, and assessments.

Fund Descriptions and Balances

Fund Balances

The budget was prepared using *projected beginning fund balances* available for use in each fund. The total beginning balance of all funds was estimated to be \$5,173,865. The City of Rio Dell budget for FY 2019-20 was balanced using reserves in some of the funds where revenues fell short of expenditures this was mainly due to capital projects. The estimated ending balance of all funds is \$4,872,733, a decrease of \$301,132. The City's major funds are the General Fund, Sewer and Water enterprise funds and the Streets funds. These funds meet the target fund balance reserve policy set at 30% of operating expenditures (Resolution 1154-2012). The table below shows the projected beginning and ending fund balances for the City's budgeted funds.

FY 2019-20 PROJECTED CHANGES IN FUND BALANCE

Fund Description	Fund #	Projected Beginning Fund Balance 7/1/19	Recurring Revenue & Transfers In	Recurring Expenses & Transfers Out	Net Recurring Surplus (Shortfall)	Non-Recurring Revenue & Transfer In	Non-Recurring Expenses & Transfers Out	Net Non-Recurring Revenue & Expenses	Change in Reserves	Estimated Ending Fund Balance 6/30/20
		A	B	C	D	E	F	G	H	I
			{B - C}					{E - F}	{D + G}	{A + H}
General Fund	000	1,851,000	1,159,772	1,021,080	138,692		609,000	(609,000)	(470,308)	1,380,692
Special Revenue Funds										
Economic Development	003	-	-	-	-	300,000	46,400	253,600	253,600	253,600
Admin Fund	005	11,918	1,200	1,200	-	-	-	-	-	11,918
Building Fund	008	54,471	45,735	100,206	(54,471)	-	-	-	(54,471)	-
CDBG RRLF Fund	039	2,461		2,461	(2,461)				(2,461)	
Measure Z Fund	044	-	28,694	28,694	-	-	-	-	-	-
Recycling Fund	074	19,360	-	-	-	-	-	-	-	19,360
Parks Fund	015	17,644	1,500	-	1,500	-	-	-	1,500	19,144
Realignment Grant Fund	046	3,400	-	-	-	-	-	-	-	3,400
SLESF Fund	040	12,877	143,000	143,000	-	-	12,877	(12,877)	(12,877)	-
Vehicle Abatement Fund	043	2,605	-	-	-	-	-	-	-	2,605
Solid Waste Fund	027	40,241	9,000	-	9,000	-	14,600	(14,600)	(5,600)	34,641
Gas Tax Fund (HUTA)	020	164,135	94,614	47,640	46,974	-	-	-	46,974	211,109
SB1 (RMRA) Fund	021	-	55,746	54,523	1,223	-	-	-	1,223	1,223
TDA Fund	024	45,169	164,343	135,242	29,101	-	43,232	(43,232)	(14,131)	31,038
RSTP Fund	026	2,462	24,500	24,342	158	-	-	-	158	2,620
Total Special Revenue Funds		376,743	568,332	537,308	31,024	300,000	117,109	182,891	213,915	590,658
Sewer Enterprise Fund										
Sewer Capital Fund	052	241,809	102,076	-	102,076	-	117,200	(117,200)	(15,124)	226,685
Sewer Debt Svc Fund	054	210,000	302,899	302,899	-	-	-	-	-	210,000
Sewer Restricted Reserve	054	302,899	-	-	-	-	-	-	-	302,899
Sewer Operations Fund	050	547,412	808,919	911,357	(102,438)	-	30,000	(30,000)	(132,438)	414,974
Total Sewer Enterprise Fund		1,302,120	1,213,894	1,214,256	(362)	-	147,200	(147,200)	(147,562)	1,154,558
Water Enterprise Fund										
Water Capital Fund	062	724,664	164,319	-	164,319	-	81,700	(81,700)	82,619	807,283
Water Metro Wells Fund	063	29,865	17,006	11,300	5,706	-	-	-	5,706	35,571
Water Dinsmore Zone	064	47,297	22,509	2,600	19,909	-	-	-	19,909	67,206
Water Restricted Reserve	061	100,422	34,562	-	34,562	-	-	-	34,562	134,984
Water Debt Svc Fund	061	54,915	172,821	136,000	36,821	-	-	-	36,821	91,736
Water Operations Fund	060	686,839	777,676	824,470	(46,794)	-	30,000	(30,000)	(76,794)	610,045
Total Water Enterprise Fund		1,644,002	1,188,893	974,370	214,523	-	111,700	(111,700)	102,823	1,746,825
Total All Funds		5,173,865	4,130,891	3,747,014	383,877	300,000	985,009	(685,009)	(301,132)	4,872,733

City Position Allocation Table

The table below shows the number of positions funded in the adopted FY 2019-20 budget and the previous four years history. There was an increase of 0.25 FTE Police Officer position from the prior year.

FISCAL YEAR 2019-20					
POSITION ALLOCATION TABLE					
JOB TITLE	FULL-TIME EMPLOYEES (FTEs)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Accountant I/II	1.00	1.00	1.00	1.00	1.00
Chief of Police	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00
City Manager/Public Works Director	1.00	1.00	1.00	1.00	1.00
Community Development Director	0.80	0.80	0.80	0.80	0.80
Finance Director	1.00	1.00	1.00	1.00	1.00
Fiscal Assistant I/II	1.00	1.00	1.00	1.00	1.00
Public Works Leadman	1.00	--	1.00	1.00	1.00
Police Officer	3.00	3.00	3.00	4.00	4.25
Records Technician	0.70	0.70	0.70	0.70	0.70
Sergeant	1.00	1.00	1.00	1.00	1.00
Senior Fiscal Assistant	1.00	1.00	1.00	1.00	1.00
Utility Worker I/II	3.00	2.00	2.00	2.50	2.50
Water/Wastewater Plant Operator I/II	1.00	1.00	1.00	2.00	2.00
Operator in Training (OIT)	--	--	--	1.00	1.00
Wastewater Superintendent Trainee	--	1.00	1.00	1.00	--
Wastewater Superintendent	1.00	--	--	--	1.00
Water/Streets Superintendent	1.00	1.00	1.00	1.00	1.00
	19.50	17.50	18.50	22.00	22.25

City Compensation Table

The City adopted the following salary schedule by Resolution 1428-2019 on July 16, 2019. The only change in compensation for FY 2019-20 was the addition of salary ranges D and E for the Chief of Police position.

Peace Officers Association

JOB TITLE	Salary Range				
	A	B	C	D	E
Police Officer	43,705	45,016	46,367	47,758	49,190
Police Corporal	48,075	49,517	51,003	52,533	54,109
Sergeant	53,895	55,512	57,178	58,893	60,659

Rio Dell Employee's Association

JOB TITLE	Salary Range				
	A	B	C	D	E
Accountant I	44,622	45,961	47,340	48,760	50,223
Accountant II	49,084	50,557	52,074	53,636	55,245
Admin. Assistant	30,356	31,266	32,204	33,170	34,166
Administrative Tech.	36,848	37,954	39,093	40,266	41,474
Fiscal Assistant I	29,919	30,816	31,740	32,692	33,673
Fiscal Assistant II	33,542	34,548	35,584	36,651	37,750
Office Assistant	24,839	25,584	26,352	27,142	27,956
PW Leadman	34,678	35,718	36,789	37,893	39,030
Records Tech.	34,130	35,154	36,209	37,295	38,414
Sr. Fiscal Assistant	38,457	39,611	40,799	42,023	43,284
Utility Worker I	27,400	28,222	29,069	29,941	30,839
Utility Worker II	30,154	31,059	31,991	32,951	33,939
W/WW Plant Op. I	36,334	37,424	38,547	39,703	40,895
W/WW Plant Op. II	39,968	41,167	42,402	43,674	44,984
Operator In Training (OIT)	34,528	-	-	-	-

Contract Employees

JOB TITLE	Salary Range				
	A	B	C	D	E
City Clerk	53,644	55,253	56,911	58,618	60,377
City Manager	106,875	110,081	113,384		
Chief of Police	79,540	81,926	84,384	86,916	89,523
Finance Director	67,473	69,497	71,582		
Community Dev. Dir.	73,394	75,596	77,863	81,756	85,623
Wastewater Sup. Tr.	49,192				
Wastewater Sup.	58,050	59,791	61,585	63,432	65,335
Water/Streets Sup.	61,556	63,403	65,305	67,264	69,282

ELECTED OFFICIALS*	Salary Range				
	A	B	C	D	E
Mayor	-	-	-	-	-
Mayor Pro-tem	-	-	-	-	-
City Council Members	-	-	-	-	-
Planning Commissioner - Chair	-	-	-	-	-
Planning Commissioners	-	-	-	-	-

*Elected officials are reimbursed for travel expenses related to official duties



City Council

Program Purpose

The City Council is elected by the residents, and serves as the governing body that provides policy level direction for the effective functioning of city government on behalf of all the citizens of Rio Dell. The City Council, as a whole, responds to the issues and concerns of the residents and community, formulating public policy that guides the operation of the City.

Primary Activities

The role of the City Council is to establish City policies through ordinances, resolutions, and motions. Through the City Manager the City Council oversees the implementation activities of city government and also develops long-term future plans for the community. The Council and individual councilmembers are required by the Brown Act to conduct themselves in a transparent manner. The Council must also act in accordance with all relevant State and Federal laws and also have a fiduciary responsibility towards the City and community. Members of the City Council also represent the City on nine external Boards, Commissions, Authorities, Bureaus and Associations and invest a significant amount of time on matters of regional importance through these varied organizations. The City Council consists of five members that serve staggered four year terms without compensation. Expenses directly related to their representational duties can be reimbursed.

Staffing

The City Council has no paid positions budgeted for FY 2019-20.

Priorities

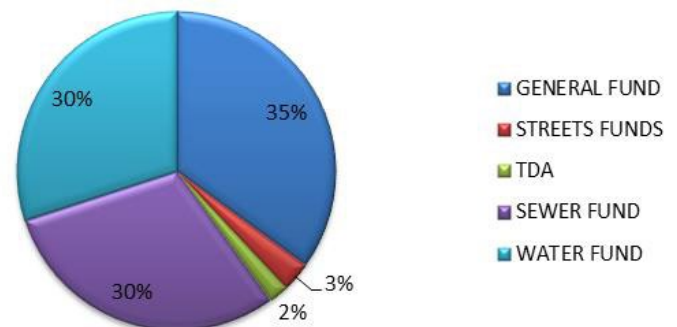
- Code enforcement
- Police Department personnel recruitment and retention
- Street work
- Water and Sewer study
- Economic development

12 CITY COUNCIL	6/30/2018 Actual	FY 2018-19 Budget	FY 2019-20 Adopted
EXPENDITURES			
5101 Office Supplies	196	96	96
5102 Operating Supplies	31	20	20
5103 Postage	6	46	46
5104 Printing - Forms	195	27	27
5106 Promotional	1,661	1,700	1,700
5112 Legal	5,265	4,000	4,000
5115 Contract/Professional Services	-	751	751
5122 Training - Conference	4,263	6,251	6,251
5123 Automobile - Transportation	750	1,100	1,100
5126 Dues & Memberships	-	2,753	2,753
5138 Office Equipment	326	-	
5141 General Liability Insurance	-	643	643
5143 Property Insurance	-	100	100
5173 Computer Maintenance - Suppor	-	9,800	9,800
5174 Web Design Services	-	251	251
5900 RFD and Library Water/Sewer	4,780	5,900	5,900
Total Expenditures	17,473	33,438	33,438

Funding Source

The City Council budget is allocated by fund as follows:

CITY COUNCIL BUDGET BY FUND



City Manager

Program Purpose

The City Manager's Office is dedicated to effective, professional management for the City of Rio Dell. This program provides for administrative services executed by the City Manager for all departments and functions within the City.

Primary Activities

The City Manager is responsible for the performance of all City operations and oversees the activities of all departments to ensure they are in concert with the policies and goals of the Council. The City Manager provides the City Council with relevant information to support decision-making and policy direction. This position deals with conflict and dispute resolution, analyzes and recommends organizational enhancements and restructuring as necessary. The City Manager 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.

As part of the City Manager's Department, the City Clerk provides staff and administrative support to the City Council and City Manager including preparation of City Council meeting agendas at the direction of the City Manager. The City Clerk's duties are to maintain official City records, conduct City elections, prepare and post the noticing requirements for public meetings, filing of campaign and economic interest statements, and provide information about conduct of City business to the public.

Staffing

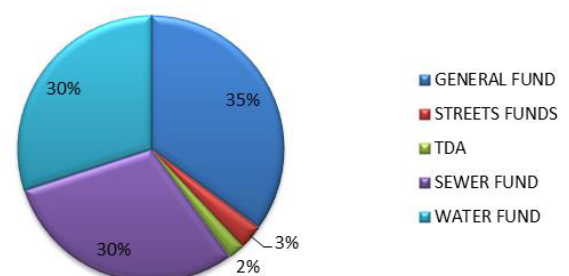
The City Manager Department is staffed by two FTEs. In addition to roles in Risk Management, Human Resources, contract negotiations the City Manager also serves as the Director of Public Works. Positions budgeted for FY 2019-20 are City Manager and City Clerk. There is no change from the previous fiscal year.

	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
02 CITY MANAGER			
EXPENDITURES			
5000 Full Time Salaries	144,899	156,003	162,761
5035 Benefit - ICMA City 457	19,247	17,600	20,201
5040 Benefit - Health Insurance	13,788	15,855	16,942
5041 Health Savings	-	-	-
5042 Benefit - Life Insurance	315	339	285
5044 Benefit - Dental/Vision Insur	1,820	1,914	955
5045 Worker Compensation Insur	1,436	3,119	8,415
5050 FICA	12,238	11,936	13,997
5055 Unemployment Insurance	644	755	688
5069 Accrued Payroll Taxes Expense	18	-	-
5081 Compensated Absences Payab	(920)	-	-
5101 Office Supplies	916	1,502	1,502
5102 Operating Supplies	183	349	349
5103 Postage	587	546	546
5104 Printing - Forms	4,009	4,350	4,350
5105 Advertising	-	209	209
5106 Promotional	-	200	200
5112 Legal	19,341	23,702	23,702
5115 Contract/Professional Service	6,896	9,647	9,647
5120 Cell Phones	1,462	1,502	2,219
5121 Telephone - Pager	185	359	359
5122 Training - Conference	456	3,000	3,000
5123 Automobile - Transportation	4,819	4,644	4,644
5125 Publications - Books	247	86	86
5126 Dues & Memberships	5,214	2,000	2,000
5128 Employee Relations	-	102	102
5130 Rents - Leases	1,158	1,924	1,924
5131 Records Maintenance	83	127	127
5135 Maintenance - Repair	1,108	702	702
5138 Office Equipment	1,783	1,406	1,406
5139 Equipment	-	1,702	500
5141 General Liability Insurance	5,210	3,511	3,511
5143 Property Insurance	977	574	574
5144 Emp Practice Liab Insurance	425	226	226
5150 Electricity	637	794	794
5151 Natural Gas	86	140	140
5152 Water	375	226	226
5153 Sewer	238	102	102
5160 Elections	5,601	1,400	-
5166 LAFCO Fees	1,029	1,851	1,851
5171 Computer Software	257	502	502
5173 Computer Maintenance - Supp	2,485	2,743	2,743
5174 Web Design Services	477	876	876
5514 Engineering	2,446	1,000	1,000
5520 Improvements	-	220	220
TOTAL EXPENDITURES	262,175	279,745	294,582

Funding Source

The City Council budget is allocated by fund as follows:

CITY MANAGER BUDGET BY FUND



City Manager

Accomplishments

- Completion of 2018-19 street repair work and sidewalk repair ("Habitat Project") projects and drainage enhancement projects.
- Provision of live audio and video of City Council meetings.
- Voter approval of Measure J sales tax extension.
- Implementation of the Humboldt-Rio Dell Business Park (HRDBP) and generation during FY 2018-19 of \$88,684 in discretionary revenue associated with business park activities.
- Completion of 4,700 feet of privately funded water main extension at Humboldt Rio Dell Business Park.
- Implementation of expanded staffing in the Public Works department provided for in the FY 2018-19 budget.
- Established new contract for City Engineering services.

Opportunities/Challenges

- Accomplishing progress on Code Enforcement in light of extensive code enforcement backlog and lack of human resources to accomplish code enforcement activities.
- Employee compensation – providing for meaningful market data and adjustments in light of this data and questions over affordability.
- Economic Development – attracting a diversified set of businesses that will help fund city services and contribute to the identity of the community.
- Street Projects – FY 2019-20 is set to be one of the biggest years in street projects in city history. Implementation of the Active Transportation Project (ATP) will reconfigure one of the main entrances to town. Additionally, the city is set to spend a relatively high amount of local discretionary street dollars on projects throughout town.
- Provision of a positive vision and determined leadership style in light of the many challenges facing the City and Community.
- Retention of a Rio Dell Police Department in light of budgetary constraints, increasing competition for human resources and declining interest in this field of work.



Finance

Program Purpose

The Finance Department carries out the fiscal policies and procedures set forth by the City Council and ensures all funds are managed effectively and in accordance with Generally Accepted Accounting Principles and state and federal laws. The Finance Department is responsible for maintaining the integrity of all accounting functions and safeguarding the long-range financial strength of the City.

Primary Activities

The Finance Department provides all fiscal services for the City including general ledger accounting, financial reporting, financial forecasting, internal auditing, fixed asset inventory, accounts payable, payroll, utility billing, cash receipting, treasury investment functions, fiscal and regulatory compliance, and preparation of the City's annual budget.

Staffing

The Finance Department is staffed by four FTEs. Positions budgeted for FY 2019-20 are Finance Director, Accountant II, Senior Fiscal Assistant and Fiscal Assistant I/II. There is no change from the previous fiscal year.

Accomplishments

- Increased investment of available cash resulting in more interest revenue for City.
- No audit findings or material internal control weaknesses.
- Accurately billed utility customers.

Opportunities/Challenges

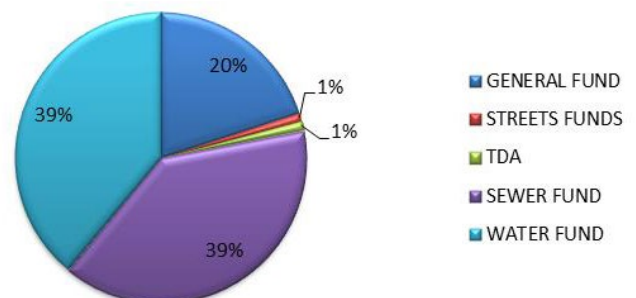
- Work on City sewer and water rate updates.
- Ensure timely billing and compliance with grant and funding requirements.
- Review workload and changes in staff within Finance Department.

	6/30/2018 Actual	FY 2018-19 Budget	FY 2019-20 Adopted
03 FINANCE DEPARTMENT			
EXPENDITURES			
5000 Full Time Salaries	205,249	203,146	209,774
5026 Part Time Temporary Salaries			-
5030 Overtime Salaries	793	-	2,793
5035 Benefit - ICMA City 457	21,255	21,334	25,093
5040 Benefit - Health Insurance	37,137	51,660	64,405
5042 Benefit - Life Insurance	724	900	720
5044 Benefit - Dental/Vision Insur	6,378	6,602	7,250
5045 Worker Compensation Insuran	2,031	4,063	1,272
5050 FICA	17,103	15,540	18,350
5055 Unemployment Insurance	2,079	1,903	1,736
5080 Hiring Costs	620	-	-
5081 Compensated Absences Payabl	1,102	-	-
5101 Office Supplies	2,797	3,611	3,611
5102 Operating Supplies	124	500	500
5103 Postage	1,986	3,500	3,500
5104 Printing - Forms	1,217	3,300	3,300
5106 Promotional	-	52	52
5110 Accounting	34,970	32,000	32,000
5112 Legal	516	400	400
5115 Contract/Professional Services	28	3,000	12,500
5116 Bank Fees	968	1,200	1,200
5120 Cell Phones	1,400	1,452	1,400
5121 Telephone - Pager	187	283	283
5122 Training - Conference	1,535	2,903	2,903
5123 Automobile - Transportation	1,358	3,208	3,208
5125 Publications - Books	75	95	95
5126 Dues & Memberships	224	125	125
5127 License	43	-	-
5130 Rents - Leases	1,054	1,752	1,752
5131 Records Maintenance	804	1,000	1,000
5135 Maintenance - Repair	780	1,600	1,600
5138 Office Equipment	2,210	3,200	3,780
5141 General Liability Insurance	5,331	2,126	2,126
5143 Property Insurance	1,000	348	348
5144 Emp Practice Liab Insurance	435	136	136
5150 Electricity	651	1,400	1,400
5151 Natural Gas	89	140	140
5152 Water	514	585	585
5153 Sewer	324	280	280
5163 Property Tax Admin Fees	1,416	2,800	2,800
5171 Computer Software	536	2,000	2,000
5173 Computer Maintenance - Supp	12,570	15,183	15,183
5174 Web Design Services	130	352	352
Total Expenditures	369,739	393,679	429,951

Funding Source

The Finance budget is allocated by fund as follows:

FINANCE BUDGET BY FUND



General Government

Program Purpose

The General Government budget funds a portion of the salary and benefits allocation for the City's Community Development Director. Starting in FY 2019-20 it includes Economic Development.

Primary Activities

General Government funds the time spent by the Community Development Director doing activities that are not directly related to Building or Planning.

Staffing

General Government is staffed with 25% of the Community Development Director position.

Accomplishments

- Established a new Economic Development fund.
- Provided CDBG program administration and oversight.
- Supported Code Enforcement, City Manager, Streets, Water and Wastewater as needed.

Opportunities/Challenges

- Preparation of a City Economic Development Strategy
- Continue CDBG program administration and oversight.
- Continue Code Enforcement, City Manager, Streets, Water and Wastewater support as needed.

Funding Source

The General Government budget is allocated 49% to the General Fund, 2.5% to the CDBG fund and 48.5% to the Economic Development fund. The Economic Development fund was created with a \$300,000 transfer from the General Fund in FY 2019-20.

06 GENERAL GOVERNMENT	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	20,541	31,565	18,373
5035 Benefit - ICMA City 457	2,481	4,624	2,086
5040 Benefit - Health Insurance	984	1,463	750
5042 Benefit - Life Insurance	82	11	45
5045 Worker Compensation Insurance	849	631	3,651
5050 FICA	1,870	2,414	1,565
5055 Unemployment Insurance	130	214	109
5069 Accrued Payroll Taxes Expense	(1)	-	-
5081 Compensated Absences Payable	(1,230)	-	-
5101 Office Supplies	12	-	400
5102 Operating Supplies	4	41	41
5103 Postage	62	32	32
5104 Printing - Forms	37	39	39
5106 Promotional	-	-	2,000
5112 Legal	424	-	-
5115 Contract/Professional Services	1	20,098	64,098
5116 Bank Fees	66	-	-
5120 Cell Phones	414	218	350
5121 Telephone - Pager	9	64	64
5125 Publications - Books	1	10	10
5130 Rents - Leases	76	78	78
5135 Maintenance - Repair	23	49	49
5138 Office Equipment	-	998	998
5141 General Liability Insurance	242	591	591
5143 Property Insurance	45	97	97
5144 Emp Practice Liab Insurance	20	38	38
5150 Electricity	30	54	54
5151 Natural Gas	4	17	17
5173 Computer Maintenance - Support	24	39	39
5174 Web Design Services	6	39	39
Total Expenditures	27,219	63,424	95,612

Economic Development

Program Purpose

The purpose of Economic Development is to increase employment opportunities within the city and to increase city revenue for the provision of public services through increased municipally taxed economic activity. Increased economic growth also leads to improved housing conditions and a city that can compete within the region for new residents and outside investment.

Primary Activities

The primary activities of the Division are proposed to include: (1) Studies and analytics for proposed investments; (2) marketing and promotion of the City to create a sense of place that encourages investment; (3) Incentives to attract and retain business; (4) Expertise in the field of economic development.

Staffing

There is no staff budgeted for FY 2019-20.

Accomplishments

- Established a new Economic Development fund

Opportunities/Challenges

- Preparation of a City Economic Development Strategy
- Development of a competitive CDBG strategy and application to bring dollars into the community for infrastructure and other purposes.
- Primarily considered a “bedroom community” Rio Dell is at a significant disadvantage when it comes to funding city services including police and water services. California tax law rewards cities with diverse and robust retail sectors that can help shoulder the cost of these public services. Currently, many Rio Dell residents travel outside of the city for work or retail purchases resulting in a benefit for those outside of Rio Dell. Therefore, the city must act to create more jobs and retail services within the city limits in order to maintain or increase the standard of living of all Rio Dell residents.

06 ECON DEVELOPMENT	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5101 Office Supplies	-	-	400
5106 Promotional	-	-	2,000
5115 Contract/Professional Services	-	-	44,000
Total Expenditures	-	-	46,400

Funding Source

The Economic Development budget is allocated 100% to the new Economic Development fund, which was created with a \$300,000 transfer from the General Fund as part of the FY 2019-20 budget process. The budget is included in the General Government department.



Planning

Program Purpose

The purpose of Planning is to manage all planning functions, processes, and projects for the City, working closely with the Planning Commission and City Council to ensure the City's planning goals are met and the General Plan is implemented.

Primary Activities

Planning oversees the City's long-range and current planning activities; updates the City's General Plan and zoning regulations; reviews all development projects; monitors and comments on County development activity occurring within the City's sphere of influence; and oversees the City's housing programs.

Planning 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 line adjustments, use permits, and variances.

Staffing

Planning is staffed with 25% of the Community Development Director and 10% of the City Clerk positions.

Accomplishments

- Made comprehensive amendments to the Cannabis regulations.
- Facilitated permits at the Humboldt Rio Dell Business Park.
- Updated the 2019–2027 Housing Element.
- Participated in the preparation of a regional Climate Action Plan.

Opportunities/Challenges

- Completion of 2019–2027 Housing Element.
- Completion of Regional Climate Action Plan.
- Participate in the preparation of a City Economic Development Strategy.
- Annexation of the City's Wastewater Disposal field.

10 PLANNING	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	43,485	33,669	25,211
5035 Benefit - ICMA City 457	5,061	4,489	2,823
5040 Benefit - Health Insurance	4,480	3,673	2,043
5042 Benefit - Life Insurance	177	61	63
5044 Benefit - Dental/Vision Insur	412	320	-
5045 Worker Compensation Insuran	1,308	673	4,941
5050 FICA	3,799	2,576	2,145
5055 Unemployment Insurance	282	238	152
5069 Accrued Payroll Taxes Expense	26	-	-
5101 Office Supplies	220	485	485
5102 Operating Supplies	14	150	150
5103 Postage	396	395	395
5104 Printing - Forms	1,102	2,200	2,200
5106 Promotional	-	50	50
5112 Legal	2,038	1,200	1,200
5115 Contract/Professional Services	346	300	300
5120 Cell Phones	597	875	700
5121 Telephone - Pager	30	120	120
5122 Training - Conference	622	750	750
5123 Automobile - Transportation	112	1,250	1,250
5125 Publications - Books	3	250	250
5126 Dues & Memberships	403	350	350
5128 Employee Relations	-	25	25
5130 Rents - Leases	444	595	595
5131 Records Maintenance	78	105	105
5135 Maintenance - Repair	163	300	300
5138 Office Equipment	-	1,100	1,100
5139 Equipment	-	-	-
5141 General Liability Insurance	848	1,454	1,454
5143 Property Insurance	159	238	238
5144 Emp Practice Liab Insurance	69	93	93
5150 Electricity	104	300	300
5151 Natural Gas	14	34	34
5152 Water	102	97	97
5153 Sewer	64	87	87
5164 Regulatory Fees	-	2,000	2,000
5171 Computer Software	41	200	200
5173 Computer Maintenance - Suppo	967	1,193	1,193
5174 Web Design Services	21	350	350
Total Expenditures	67,987	62,245	53,748

Funding Source

The Planning budget is allocated 100% to the General Fund.

Building

Program Purpose

The Building program purpose is to regulate construction of structures in the City and require compliance with State Building Codes and local laws. Public health, safety and welfare are protected through plan reviews and inspection of structures.

Primary Activities

The Community Development Director provides building inspection and most residential plan check services. Commercial plan checks are outsourced. Prior to FY 2015-16 all of these activities were performed by an independent contractor.

Staffing

The Building Department is staffed with 50% of the Community Development Director and 30% of the City Clerk positions.

Accomplishments

- Permitted a 26 Unit Supportive Housing Project in the City.
- Developed a number of handouts regarding Building Permit requirements.
- Processed, permitted and approved Building Permits for cannabis businesses at the Humboldt Rio Dell Business Park.

Opportunities/Challenges

- Continue creating and developing handouts on Building Permit requirements.
- Implement and enforce the updated 2020 California Building Code.
- Encourage property owners to apply for and obtain required Building Permits.

Funding Source

The Building budget is allocated 100% to the Building fund. The adopted budget does not have a General Fund transfer to subsidize building activities. The prior year budget had an \$18,300 transfer.

11 BUILDING	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	36,770	30,162	57,260
5035 Benefit - ICMA City 457	4,249	3,976	6,383
5040 Benefit - Health Insurance	4,159	3,510	5,378
5042 Benefit - Life Insurance	150	60	144
5044 Benefit - Dental/Vision Insur	412	320	-
5045 Worker Compensation Insuran	984	603	11,171
5050 FICA	3,188	2,307	4,869
5055 Unemployment Insurance	239	214	347
5069 Accrued Payroll Taxes Expense	3	-	-
5101 Office Supplies	301	347	347
5102 Operating Supplies	13	95	95
5103 Postage	249	75	75
5104 Printing - Forms	652	136	136
5106 Promotional	-	30	30
5112 Legal	87	500	500
5115 Contract/Professional Services	335	2,000	2,000
5120 Cell Phones	458	475	350
5121 Telephone - Pager	28	55	55
5122 Training - Conference	323	3,000	3,000
5123 Automobile - Transportation	532	1,000	1,000
5125 Publications - Books	3	500	1,500
5126 Dues & Memberships	303	295	295
5128 Employee Relations	-	25	25
5130 Rents - Leases	438	585	585
5131 Records Maintenance	155	187	187
5135 Maintenance - Repair	158	400	400
5138 Office Equipment	-	1,000	1,000
5141 General Liability Insurance	788	1,454	1,454
5143 Property Insurance	148	238	238
5144 Emp Practice Liab Insurance	64	93	93
5150 Electricity	96	185	185
5151 Natural Gas	13	25	25
5152 Water	97	205	205
5153 Sewer	60	105	105
5164 Regulatory Fees	379	220	220
5167 Seismic Fees	24	165	165
5171 Computer Software	39	100	100
5173 Computer Maintenance - Supp	74	84	84
5174 Web Design Services	19	200	200
Total Expenditures	55,990	54,931	100,206

Police

Program Purpose

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, animal control, and code enforcement services to the community.

Primary Activities

The Chief of Police is responsible for all department functions, provides guidance to supervisory staff, manages the department's budget, coordinates internal affair matters, 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. The Chief of Police reports to the City Manager.

Staffing

The Police Department is staffed with 7.25 FTEs. Positions budgeted for FY 2019-20 are Chief of Police, 1 FTE Sergeant, 4.25 FTE Police Officers, and 0.7 FTE Records Technician. The Records Technician position is funded by Humboldt County with Measure O sales tax. There is an increase of 0.25 FTE from FY 2018-19 due to the addition of a part-time Police Officer.

Accomplishments

- The department became fully staffed in June of 2018.
- Budgeted staffing levels have increased 45% since FY 2014-15.
- The department staff have met and exceeded the requirements for training as set by the California Commission on Police Officer Standards and Training.

Opportunities/Challenges

- The increase in staffing should allow the department to conduct more code enforcement investigations.
- The department is continuing to move forward on the transition to a new case management system that will allow the sharing of information with all of the other police agencies in the County.

	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
07 POLICE			
EXPENDITURES			
5000 Full Time Salaries	280,164	320,892	356,725
5026 Part Time Temporary Salaries	23,979	26,114	38,626
5030 Overtime Salaries	22,069	-	9,000
5035 Benefit - ICMA City 457	49,574	60,509	69,234
5040 Benefit - Health Insurance	59,583	84,120	80,965
5041 Health Savings	-	-	-
5042 Benefit - Life Insurance	1,212	1,350	1,620
5044 Benefit - Dental/Vision Insur	8,501	12,155	9,246
5045 Worker Compensation Insurance	24,605	39,029	29,925
5050 FICA	28,337	26,546	35,330
5055 Unemployment Insurance	2,604	2,856	3,472
5060 Clothing Allowance	3,125	4,500	5,000
5069 Accrued Payroll Taxes Expense	(137)	-	-
5080 Hiring Costs	4,553	3,000	3,000
5101 Office Supplies	1,326	1,200	1,200
5102 Operating Supplies	2,546	2,200	3,200
5103 Postage	600	600	600
5104 Printing - Forms	359	480	480
5105 Advertising	1,152	300	300
5106 Promotional	-	50	50
5112 Legal	1,702	1,000	1,000
5115 Contract/Professional Services	3,537	3,650	3,650
5117 Animal Control	12,184	12,000	23,800
5119 Safety Supplies & Equipment	125	1,239	1,239
5120 Cell Phones	2,959	3,110	4,270
5121 Telephone - Pager	2,984	4,500	4,500
5122 Training - Conference	2,148	9,900	4,719
5123 Automobile - Transportation	702	4,000	2,000
5125 Publications - Books	360	500	500
5126 Dues & Memberships	785	1,800	1,800
5127 License	56	-	-
5128 Employee Relations	-	250	250
5130 Rents - Leases	1,903	2,900	2,900
5131 Records Maintenance	354	400	400
5135 Maintenance - Repair	1,824	2,523	2,523
5138 Office Equipment	382	4,600	12,525
5139 Equipment	(1,064)	4,525	10,525
5141 General Liability Insurance	7,754	12,265	8,200
5143 Property Insurance	1,455	2,013	2,013
5144 Emp Practice Liab Insurance	633	827	827
5150 Electricity	1,203	1,425	1,425
5151 Natural Gas	129	200	200
5152 Water	930	878	878
5153 Sewer	587	390	390
5162 Medical	905	2,800	2,800
5171 Computer Software	1,307	105,000	15,000
5173 Computer Maintenance - Support	6,858	6,901	9,500
5174 Web Design Services	189	500	500
5192 Code Enforcement	-	30,500	30,500
5193 Nuisance Abatement-Vehicle	1,882	1,750	1,750
5212 Gas & Oil	13,190	13,225	13,225
5213 Vehicle Repair	4,977	7,548	7,548
5308 Dispatch Service Due	24,900	24,900	47,300
Total Expenditures	611,992	853,920	866,629

Funding Source

The Police budget is allocated 100% to the General Fund.

Solid Waste/Recycling

Program Purpose

Assembly Bill (AB) 939 mandated a 50% diversion rate for a municipality's solid waste by the year 2000. The City of Rio Dell has an Approved Petition for Rural Reduction that lowers this level to 43%. As part of the implementation of AB 939 in 2009, the State changed the way a jurisdiction's diversion performance is calculated from a communitywide standard to a per capita amount which is more difficult to meet.

AB 939 was implemented due to shrinking landfill capacity that at the time of passage had reached a statewide crisis. CalRecycle programs assist in lessening the amount of waste that would otherwise go into landfills.

Primary Activities

Solid Waste/Recycling activities include: waste diversion, source reduction, recycling and solid waste planning. Reporting is performed by the Humboldt Waste Management Authority under contract.

Staffing

Solid Waste/Recycling is staffed with 1.5% of the City Manager position.

Accomplishments

- Hosted a city wide clean up event.
- Hosted an e-waste collection event.

Opportunities/Challenges

- Universal garbage and recycling collection.
- Recology Eel River, the City's new franchise hauler has voiced its interest in reworking Rio Dell's current franchise agreement to better align with other regional contracts.
- Beginning in 2018, environmental reforms in China began having an impact on recycling in the United States as China began implementing high standards for recycling waste. Prior to these standards, low quality US recycling was often placed in incinerators where it would produce energy but also high levels of air pollution.

RECYCLING	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	1,701	1,799	1,854
5030 Overtime Salaries	153	-	-
5035 Benefit - ICMA City 457	250	204	240
5040 Benefit - Health Insurance	113	118	140
5042 Benefit - Life Insurance	3	3	3
5044 Benefit - Dental/Vision Insur	15	15	15
5045 Worker Compensation Insurance	47	36	10
5050 FICA	157	138	160
5055 Unemployment Insurance	7	7	7
5101 Office Supplies	24	17	17
5102 Operating Supplies	8	50	50
5103 Postage	22	23	23
5104 Printing - Forms	30	-	-
5112 Legal	535	-	-
5115 Contract Professional Services	(1,997)	5,000	-
5120 Cell Phones	21	-	-
5121 Telephone - Pager	17	8	8
5123 Automobile - Transportation	72	-	-
5125 Publications - Books	2	-	-
5130 Rents - Leases	3	-	-
5131 Records Maintenance	1	-	-
5135 Maintenance - Repair	46	-	-
5139 Equipment	-	800	8,000
5141 General Liability Insurance	485	234	234
5143 Property Insurance	91	46	46
5144 Emp Practice Liab Insurance	40	55	55
5150 Electricity	59	44	44
5151 Natural Gas	8	-	-
5154 Garbage	4,257	650	3,650
5171 Computer Software	23	-	-
5173 Computer Maintenance - Support	45	25	25
5174 Web Design Services	12	20	20
Total Expenditures	6,250	9,292	14,600

Funding Source

The Solid Waste/Recycling budget is allocated 100% to the Solid Waste fund.

Public Works Summary

Program Purpose

The City Public Works Department is responsible for the operation, maintenance, and management of City owned infrastructure which includes streets and roads, parks, facilities, and water and sewer systems.

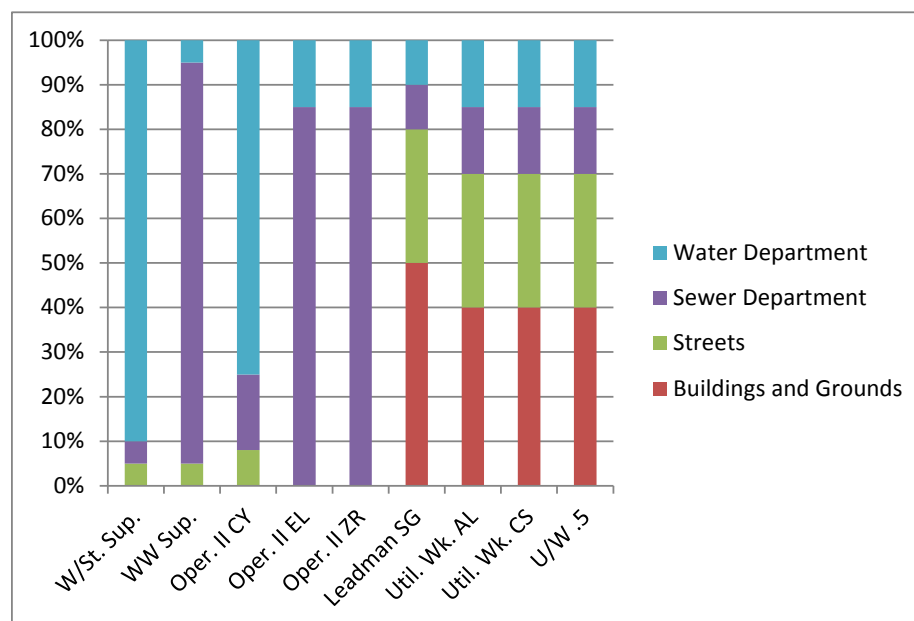
Primary Activities

Divisions under Public Works operations are Streets and Roads, Buildings and Grounds, Water Operations, and Sewer Operations. Capital replacement, repairs, and maintenance for the City's property, plant, and equipment are managed under Capital Projects.

Staffing

The Public Works Department is budgeted for 1.0 FTE Water/Streets Superintendent, 1.0 FTE Wastewater Superintendent, 2.0 FTE Water/Wastewater Plant Operators, 1.0 FTE Operator in Training, 1.0 FTE Public Works Leadman, and 2.5 FTE Utility Workers. Total positions budgeted for FY 2019-20 are 8.5 FTE, with no changes from the prior fiscal year. The Public Works Department and its functions are also managed and assisted by the City Manager and Finance Departments.

Staffing is distributed to the Public Works divisions as shown in the graph below.



Buildings and Grounds

Program Purpose

Buildings and Grounds is part of Public Works and is tasked with the maintenance of City owned buildings and grounds. These areas include three City parks, City Hall and other City owned property. The three parks are Triangle Park, Davis Street Park, and Memorial Park.

Primary Activities

The primary activities are preventative maintenance programs and repairs of City buildings and grounds. Other activities include mowing, weeding, trimming, watering and general upkeep of City parks and open space areas.

Staffing

Staffing is allocated to Buildings and Grounds as follows: 50% Public Works Leadman and 40% 2.5 FTE Utility Workers.

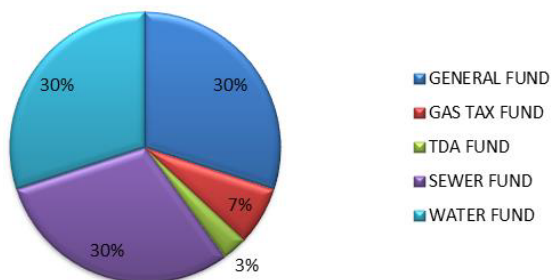
Accomplishments

- Maintained City areas so that they were aesthetically pleasing to the public.

Opportunities/Challenges

- Identify aging infrastructure and develop maintenance strategies that will prolong the life span.
- Continue to maintain building and grounds.
- Support code enforcement activities that involve weed abatement and other clean-up activities.

BUILDINGS & GROUNDS BUDGET BY FUND



19 BUILDINGS AND GROUNDS	6/30/2018 Actual	FY 2018-19 Budget	FY 2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	25,949	45,336	48,057
5026 Part Time Temporary Salaries			6,585
5030 Overtime Salaries	-	1,906	2,600
5035 Benefit - ICMA City 457	2,174	4,068	4,611
5040 Benefit - Health Insurance	2,807	12,499	19,566
5042 Benefit - Life Insurance	65	230	234
5044 Benefit - Dental/Vision Insur	512	1,723	2,164
5045 Worker Compensation Insurance	4,397	6,348	7,650
5050 FICA	2,146	3,468	4,533
5055 Unemployment Insurance	495	723	738
5060 Clothing Allowance	-	287	650
5069 Accrued Payroll Taxes Expense	(47)	-	-
5080 Hiring Costs	56	-	-
5081 Compensated Absences Payable	9	-	-
5101 Office Supplies	46	-	-
5102 Operating Supplies	41	-	-
5103 Postage	3	17	17
5104 Printing - Forms	27	40	40
5106 Promotional	-	33	33
5107 Memorial Park Expense	92	1,100	1,100
5109 Chemicals	-	80	80
5112 Legal	-	100	100
5115 Contract/Professional Services	627	-	-
5119 Safety Supplies & Equipment	-	156	156
5120 Cell Phones	756	197	515
5121 Telephone - Pager	36	46	46
5122 Training - Conference	-	10	10
5123 Automobile - Transportation	-	15	15
5125 Publications - Books	3	12	12
5126 Dues & Memberships	1	-	-
5130 Rents - Leases	261	157	157
5131 Records Maintenance	1	17	17
5135 Maintenance - Repair	8,105	3,651	3,651
5136 Parks Maintenance - Repair	-	2,023	2,023
5139 Equipment	-	800	800
5141 General Liability Insurance	909	1,451	1,451
5143 Property Insurance	170	587	587
5144 Emp Practice Liab Insurance	74	230	230
5150 Electricity	425	1,110	1,110
5151 Natural Gas	15	40	40
5152 Water	7,280	1,072	1,072
5171 Computer Software	44	-	-
5173 Computer Maintenance - Support	85	69	69
5174 Web Design Services	22	296	296
5212 Gas & Oil	-	500	500
5215 Public Works - Small Tools	24	151	151
5227 Public Works - Equip. Repair	32	800	800
5229 Public Works - Equip. Rental	-	500	500
Total Expenditures	57,642	91,848	112,966

Streets

Program Purpose

The Streets Department purpose is to provide for safe streets through the maintenance of streets, drainage ditches, culverts, sidewalks and related signage.

Primary Activities

The Streets Department activities include: street patching, pothole repair, sweeping, cleaning culverts and storm drains, vegetation control, pavement markings, traffic sign maintenance and street lighting.

The department is primarily funded with State government allocations from gas tax funds and expenditures are governed by the California Constitution and Streets and Highways Code. Revenues received from the State are inadequate to maintain the City's 20 miles of streets. Historically major street project activities have been grant funded. As state transportation grants become scarcer, the City has used non-street local monies to provide several projects with funding.

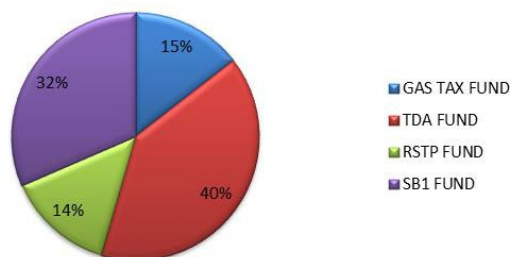
Staffing

Staffing is allocated to Street Operations as follows: 5% Wastewater Superintendent, 5% Water/Streets Superintendent, 30% Public Works Leadman, 8% 1.0 FTE Operator and 30% 2.5 FTE Utility Workers.

Funding Source

The Streets budget is allocated to the four Streets Special Revenue funds.

STREETS BUDGET BY FUND



18 STREETS - PUBLIC WORKS	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	35,555	50,937	43,863
5026 Part Time Temporary Salaries			4,939
5030 Overtime Salaries	237	1,961	1,880
5035 Benefit - ICMA City 457	3,273	4,969	4,334
5040 Benefit - Health Insurance	7,295	12,973	16,000
5042 Benefit - Life Insurance	136	235	194
5044 Benefit - Dental/Vision Insur	923	1,753	1,795
5045 Worker Compensation Insurance	6,600	7,131	6,832
5050 FICA	2,980	3,897	4,065
5055 Unemployment Insurance	750	695	599
5060 Clothing Allowance	148	274	540
5069 Accrued Payroll Taxes Expense	(10)	-	-
5080 Hiring Costs	237	-	-
5081 Compensated Absences Payable	(1,178)	-	-
5101 Office Supplies	51	300	300
5102 Operating Supplies	423	1,200	1,200
5103 Postage	43	19	19
5104 Printing - Forms	11	160	160
5105 Advertising	23	188	188
5108 Streets	11,868	18,000	18,000
5112 Legal	-	850	850
5115 Contract/Professional Services	50,967	50,910	51,876
5119 Safety Supplies & Equipment	197	805	805
5120 Cell Phones	1,134	-	528
5121 Telephone - Pager	413	1,700	1,700
5122 Training - Conference	35	250	250
5123 Automobile - Transportation	47	150	150
5125 Publications - Books	-	10	10
5126 Dues & Memberships	19	100	100
5130 Rents - Leases	11	781	781
5131 Records Maintenance	11	81	81
5135 Maintenance - Repair	2,591	6,300	6,300
5138 Office Equipment - P.W.	25	131	131
5139 Equipment	47	1,200	1,200
5141 General Liability Insurance	2,756	6,241	6,241
5143 Property Insurance	517	1,021	1,021
5144 Emp Practice Liab Insurance	225	400	400
5150 Electricity	22,317	24,500	24,500
5151 Natural Gas	77	126	126
5152 Water	7,832	7,200	7,200
5162 Medical	16	60	60
5164 Regulatory Fees	408	90	90
5171 Property Insurance	-	76	76
5173 Computer Maintenance - Suppor	-	414	414
5174 Web Design Services	-	126	126
5212 Gas & Oil	1,356	4,350	4,350
5213 Vehicle Repair	773	1,800	1,800
5215 Public Works - Small Tools	388	781	2,200
5217 License	-	10	10
5227 Public Works - Equip. Repair	922	1,755	1,755
5229 Public Works - Equip. Rental	43	-	-
5514 Engineering	4,200	5,705	5,705
Total Expenditures	166,692	222,615	225,744

Streets

Accomplishments

- Street repairs on Ireland, Rigby, Bellevue and Center Street.
- Culvert Replacement at Bellevue and Pacific also at Spring and Bellevue.
- Ditch cleaning along Pacific Ave, Ogle Ave, and Rigby Ave.
- Sidewalk and retaining wall repair project next to 81 Monument Road.

Opportunities/Challenges

- General street repairs such as potholes.
- Construction of Active Transportation Project (ATP) during 2020: reshaping the Wildwood/US101 interface.
- Complete slurry seal project prior to June 30, 2020.
- Continued drainage issues in the Bellevue and Ogle neighborhood.
- Wildwood Ave medians maintenance and rehabilitation planning.
- General storm drain repair planning.



Sewer Operations

Program Purpose

Wastewater Operations serve to protect the public health and environment and thereby serve to greatly enhance the quality of life for all residents.

Primary Activities

Sewer Operations 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 are almost 20 miles of piping and pump stations, known as the Collection System.

City staff operate the facilities in compliance with both State and Federal laws and regulations. These regulations are some of the strictest in the nation and serve to protect the waters of the Eel River and the health of the general public. Nearly all activities of the Wastewater Department (and their associated costs) are conducted to comply with the Clean Water Act and the Basin Plan of the North Coast Regional Water Quality Control Plan.

Staffing

Staffing is allocated to Sewer Operations as follows: 90% Wastewater Superintendent, 5% Water/Streets Superintendent, 10% Public Works Leadman, 85% 2.0 FTE Operators, 17% 1.0 FTE Operator and 15% 2.5 FTE Utility Workers.

Funding Source

The Sewer Operations budget is allocated 100% to the Sewer Operations Enterprise fund.

08 SEWER - PUBLIC WORKS	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	104,524	161,669	156,577
5026 Part Time Temporary Salaries			2,469
5030 Overtime Salaries	3,088	5,156	2,670
5035 Benefit - ICMA City 457	9,854	16,915	16,247
5040 Benefit - Health Insurance	23,963	53,336	34,025
5042 Benefit - Life Insurance	416	758	580
5044 Benefit - Dental/Vision Insur	3,837	7,639	3,655
5045 Worker Compensation Insurance	19,066	22,634	22,266
5050 FICA	8,727	12,368	13,410
5055 Unemployment Insurance	1,581	1,671	1,463
5060 Clothing Allowance	1,323	1,721	1,610
5069 Accrued Payroll Taxes Expense	36	-	-
5080 Hiring Costs	1,812	-	-
5081 Compensated Absences Payable	(987)	-	-
5101 Office Supplies	1,795	525	525
5102 Operating Supplies	995	3,300	3,300
5103 Postage	4,295	3,700	3,700
5104 Printing - Forms	1,208	1,900	1,900
5105 Advertising	83	500	500
5106 Promotional	-	90	90
5108 Streets	-	1,000	4,000
5109 Chemicals	32,304	32,675	32,675
5112 Legal	135	2,500	2,500
5115 Contract/Professional Services	13,358	43,500	43,500
5119 Safety Supplies & Equipment	1,268	2,150	2,150
5120 Cell Phones	778	1,415	1,415
5121 Telephone - Pager	2,082	2,000	2,000
5122 Training - Conference	4,732	1,350	4,000
5123 Automobile - Transportation	1,552	500	2,500
5125 Publications - Books	222	575	575
5126 Dues & Memberships	84	-	-
5127 License	1,130	800	800
5128 Employee Relations	-	50	50
5130 Rents - Leases	2,392	2,105	2,105
5131 Records Maintenance	62	196	196
5135 Maintenance - Repair	42,701	25,000	35,000
5138 Office Equipment - P.W.	1,526	800	800
5139 Equipment	10,805	4,500	6,000
5141 General Liability Insurance	19,082	17,817	17,817
5143 Property Insurance	3,580	2,915	2,915
5144 Emp Practice Liab Insurance	1,557	1,141	1,141
5150 Electricity	139,986	137,434	101,434
5151 Natural Gas	25,566	22,000	22,000
5152 Water	31,322	19,560	19,560
5162 Medical	148	490	490
5164 Regulatory Fees	8,262	8,600	8,600
5165 Property Tax Assessment	2,385	2,443	2,443
5171 Property Insurance	1,258	500	500
5173 Computer Maintenance - Support	2,007	2,805	2,805
5174 Web Design Services	465	375	375
5212 Gas & Oil	5,253	4,017	4,017
5213 Vehicle Repair	2,833	2,500	2,500
5215 Public Works - Small Tools	1,946	1,250	2,500
5225 Public Works - Lab Testing	20,702	26,800	26,800
5227 Public Works - Equip. Repair	15,967	15,501	15,501
5229 Public Works - Equip. Rental	1,825	1,500	3,500
5430 Fines/Penalties	-	1,000	1,000
5514 Engineering	1,149	1,000	1,000
5520 Improvements	-	1,000	1,000
Total Expenditures	586,040	685,646	643,150

Sewer Operations

Accomplishments

- Achieved full staffing and is able to keep up with day to day operations, training and complete additional projects.
- Developed a program to respond to collection system emergencies: sanitary sewer overflows (SSOs), sewer backups by regularly scheduled sewer main cleaning and maintenance.
- Trained and worked with new staff to complete projects that would have been previously subcontracted to save money.
- Large scale investments that were made in the past and required by the State of California mean that Rio Dell operates a state-of-the-art treatment plant that produces some of the cleanest effluent in our region.

Opportunities/Challenges

- Collection system sewer lateral inspections, investigate problem areas for inflow and infiltration (I&I).
- Initiate a Sanitary Sewer Evaluation Study (SSES) as requested by the State of California in order to develop a capital plan that will make the system eligible for grants.
- Work with the State to eliminate disinfection byproducts.
- Retention of employees through competitive compensation and a positive working environment.



Water Operations

Program Purpose

Access to clean, safe and affordable drinking water is a core function of any municipal government. A rate study was passed in December 2015 that established appropriate billing levels to maintain the current system and provide for its efficient and safe operation into the future.

Primary Activities

Water Operations is responsible for the daily operation and maintenance of the City's water system, including the infiltration gallery (in the Eel River), water processing plant, three storage tanks, backup well site and almost 20 miles of distribution piping under City streets.

Staffing

Staffing is allocated to Water Operations as follows: 5% Wastewater Superintendent, 90% Water/Streets Superintendent, 10% Public Works Leadman, 15% 2.0 FTE Operators, 75% 1.0 FTE Operator and 15% 2.5 FTE Utility Workers.

Funding Source

The Water Operations budget is allocated 100% to the Water Operations Enterprise fund.

09 WATER - PUBLIC WORKS	6/30/2018 Actual	2018-19 Budget	2019-20 Adopted
EXPENDITURES			
5000 Full Time Salaries	83,257	134,734	136,325
5026 Part Time Temporary Salaries			2,469
5030 Overtime Salaries	1,792	3,187	1,850
5035 Benefit - ICMA City 457	8,607	14,202	14,281
5040 Benefit - Health Insurance	18,388	28,893	32,436
5042 Benefit - Life Insurance	346	488	432
5044 Benefit - Dental/Vision Insur	2,316	3,959	3,710
5045 Worker Compensation Insura	15,045	18,863	19,431
5050 FICA	7,209	10,307	11,710
5055 Unemployment Insurance	907	1,195	1,107
5060 Clothing Allowance	1,150	1,221	1,200
5069 Accrued Payroll Taxes Expens	154	-	-
5080 Hiring Costs	904	-	-
5081 Compensated Absences Payab	(20)	-	-
5101 Office Supplies	1,447	800	800
5102 Operating Supplies	1,223	6,100	6,100
5103 Postage	2,586	3,700	3,700
5104 Printing - Forms	1,057	1,900	1,900
5105 Advertising	83	450	450
5108 Streets	-	2,000	4,000
5109 Chemicals	13,626	29,300	29,300
5112 Legal	2,822	10,000	10,000
5115 Contract/Professional Service	16,377	45,000	45,000
5119 Safety Supplies & Equipment	537	1,350	1,350
5120 Cell Phones	1,134	1,650	1,860
5121 Telephone - Pager	2,010	2,000	2,000
5122 Training - Conference	982	3,500	7,500
5123 Automobile - Transportation	547	450	2,450
5125 Publications - Books	75	250	600
5126 Dues & Memberships	85	1,900	1,900
5127 License	431	380	2,500
5128 Employee Relations	-	60	60
5130 Rents - Leases	2,399	1,700	1,700
5131 Records Maintenance	63	200	200
5135 Maintenance - Repair	33,820	58,020	58,020
5138 Office Equipment - P.W.	362	2,520	2,520
5139 Equipment	6,201	7,000	7,000
5141 General Liability Insurance	17,174	10,584	10,584
5143 Property Insurance	3,222	1,731	1,731
5144 Emp Practice Liab Insurance	1,402	678	678
5150 Electricity	23,650	32,551	76,751
5151 Natural Gas	254	265	265
5153 Sewer	38,597	43,700	19,560
5154 Garbage	184	100	100
5162 Medical	59	300	300
5164 Regulatory Fees	8,700	8,000	8,000
5171 Computer Software	854	1,500	1,500
5173 Computer Maintenance - Supp	3,192	3,423	3,423
5174 Web Design Services	486	460	460
5212 Gas & Oil	4,783	6,000	6,000
5213 Vehicle Repair	2,833	3,700	3,700
5215 Public Works - Small Tools	1,477	875	2,000
5225 Public Works - Lab Testing	3,590	11,700	11,700
5227 Public Works - Equip. Repair	3,610	5,800	5,800
5229 Public Works - Equip. Rental	-	250	250
5514 Engineering	15,343	1,500	1,500
Total Expenditures	357,332	530,396	570,163

Water Operations

Accomplishments

- Complete overhaul and programming updates to the water / wastewater SCADA system.
- Painting of the Painter Street water tank (aka Steel Tank)
- Painting and maintenance of the water filters at the water treatment facility.
- Repairs to water leaks within the water distribution system.
- Acquired backup generator for power emergencies for the City wells and the infiltration gallery.

- Completed water plant effluent project utilizing components of the old wastewater treatment plant.
- Metropolitan Wells are fully operational after their reconstruction in FY 2017-18.
- Water supply is drought prepared.

Opportunities/Challenges

- Working on CIP for water system.
- Replacement of old piping throughout the water distribution system.
- Replace and update outdated components at the water treatment facility.



Capital Projects Overview

Capital Budget

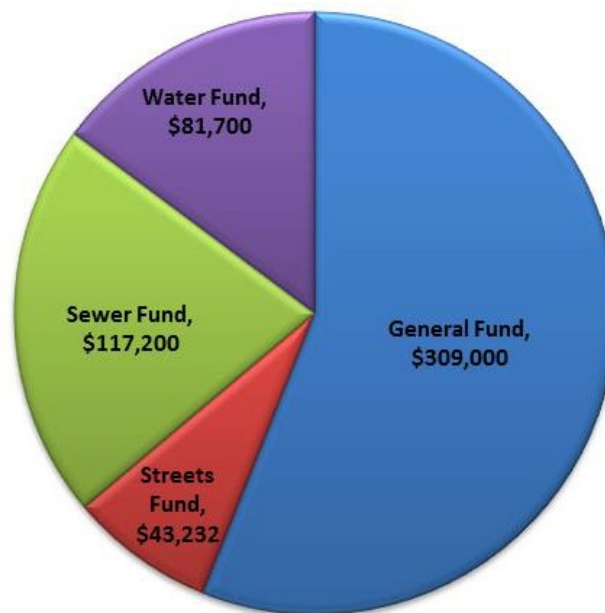
The FY 2019-20 Capital Projects Budget includes \$551,132 in capital projects, special projects, and equipment replacements. The following projects and appropriations were adopted in the budget:

- » Street Planning: Funding to plan street projects and better position the City to apply for competitive grants.
- » Compensation Study: Contract with a consultant to perform a compensation study to help retain employees by understanding what competitive rates of pay are and to determine what benefit programs are expected.
- » RIMS Law Enforcement Software: Upgrade of public safety software to better support records and case management.
- » Streets Slurry Seal: Apply slurry seal to restore and maintain asphalt surfaces on Rigby, Ireland and Center streets and other streets throughout town if funding is sufficient.
- » Belt Press: Repair wastewater belt press.
- » SCADA Programming and Components: Upgrades to the wastewater and water control system programming to improve data collection and operations.
- » PG&E Separate Meter: Installation of a separate meter to allow for accurate allocation of utility costs to water and wastewater.
- » Push Cameras: Replace equipment used for sewer inspections.
- » I & I Reductions: Improvements to sewer lateral collection system to reduce inflow and infiltration problems and improve compliance.
- » Painter Street Lift Station: This is the City's main lift station and requires the replacement of a traffic rated sewer system access lid.
- » Chlorine Generator: Disinfection system improvements and upgrades.
- » Water Meter Replacement: Replace aging water meters at plant.
- » Water Storage Tank Cleaning and Inspection: Maintenance of water tank.

- » Backwash Flow Meter: Replace water system meters.
- » Filter Level Controllers: Replace failing and obsolete water filters.

The adopted Capital Projects Budget does not include any appropriations from grant funding for the Alternative Transportation Program (ATP) streets improvement project and State Water Resources Control Board (SWRCB) water capital improvement plan. These projects are still in progress but actual funding available for FY 2019-20 was not known at the time of budget adoption. A supplemental budget will need to be done once grant funding amounts are known.

Capital Projects by Fund



Capital Project Summary

FY 2019-20 Summary of Capital & Special Projects							
ACCOUNT	PROJECT NAME	Gen Fund (000)	Gas Tax (020)	TDA (024)	Sewer (052)	Water (062)	TOTAL
GENERAL FUND PROJECTS							
6500 14 000 0000 9043	Planning - GHD (Streets)	50,000					50,000
5115 14 000 0000 9062	Compensation Study	35,000					35,000
5171 14 000 0000 9063	RIMS Law Enf. Software	85,000					85,000
6500 14 000 0000 9014	Slurry Seal (General Fund Subsidy)	139,000		43,232			182,232
WASTEWATER PROJECTS AND EQUIPMENT							
6200 14 052 0000 9009	Belt Press				4,000		4,000
5115 14 052 0000 9036	SCADA Programming				15,000		15,000
5115 14 052 0000 9065	PG&E Separate Meter				3,200		3,200
6000 14 052 0000 9010	Push Cameras Misc. Equipment				12,000		12,000
6500 14 052 0000 9010	I&I Reductions				50,000		50,000
6500 14 052 0000 9051	Painter Street Lift Stations				20,000		20,000
6200 14 052 0000 9046	Chlorine Generator				13,000		13,000
WATER PROJECTS AND EQUIPMENT							
6200 14 062 0000 9036	SCADA Components					15,000	15,000
6500 14 062 0000 9048	Water Meter Replacement					12,000	12,000
5135 14 062 0000 9049	Water Storage Tank Cleaning & Insp.					6,500	6,500
5115 14 062 0000 9065	PG&E Separate Meter					3,200	3,200
6000 14 062 0000 9054	Backwash Flow Meter					10,000	10,000
5115 14 062 0000 9064	Filter Level Controllers					35,000	35,000
TOTAL ALL PROJECTS		309,000	-	43,232	117,200	81,700	551,132

Budget Policies and Practices

Annual Audit

It shall be the policy of the City to contract for an independent audit on an annual basis. (Approved by the City Council on July 15, 1997)

Balanced Budget

A budget is structurally balanced when the total recurring revenues are equal to or greater than total recurring expenditures. In all cases funding uses should not exceed funding resources.

Budget Adjustments

The budget is an estimated fiscal plan that requires adjustments and perhaps amendments, delegated by the City Council to the City Manager, Finance Director and department heads, subject to the following Policy:

1. Budget transfers in amounts less than \$3,000 between line items and in the same budget and fund are allowable with the approval of the Finance Director.
2. Budget transfers between \$3,001 and \$10,000 between line items in the same budget and fund are allowable with the approval of the Finance Director and City Manager.
3. Budget transfers in excess of \$10,000 within the same budget and fund require the recommendation of the City Manager and approval of the City Council.
4. Budget transfers between budget units (departments) must pass through the contingency budget of the fund for the purpose of an audit trail and require the recommendation of the Finance Director and City Manager and approval of the City Council.
5. Budget transfers to create new line items in the budget require the approval of the Finance Director and the City Manager.
6. Budget transfers from the contingency budget require the recommendation of the Finance Director and City Manager and approval of the City Council.
7. All requests to increase appropriations and revenues through the supplemental budget process must be approved by the Finance Director and the City Manager and be submitted with an amending budget resolution to the City Council for approval.
8. All transfer of funds and supplemental budget requests must be signed by the department head and be submitted on the form created for that purpose. Forms are available in the Finance Department where accounts and balances are to be verified. The Finance Director must approve the request in writing before submitting the form to the City Manager.

(Per Resolution No. 1227-2014, adopted June 24, 2014)

Budget Adoption

The City of Rio Dell adopts an annual budget by resolution consistent with GAAP for all governmental funds (modified accrual basis) prior to July 1st of the budget year. All annual appropriations lapse at the end of each fiscal year. (Per Resolution No. 1227-2014, adopted June 24, 2014)

Budgets and Budgetary Basis

The budget information is presented on a basis consistent with generally accepted accounting principles (GAAP) and is formally adopted by resolution. Any amendments to the adopted budget are done consistent with budget policies adopted on June 24, 2014 through Resolution 1227-2014.

The City uses two fund types to account for its activities. Governmental funds (the General Fund, special revenue funds, debt service funds, capital projects and expendable trust funds), focus on measurement of current financial resources. Proprietary funds (enterprise funds) which are used to account for activities similar to private businesses focus on the determination of net income. GAAP, the modified accrual basis is

Budget Policies and Practices

followed by governmental funds, which means that revenue is recognized when measurable and available for paying the liabilities of the current period. Also, under GAAP, the full accrual basis of accounting is used by proprietary funds. This means that revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. All annual appropriations lapse at year end except amounts that have been encumbered which can be carried forward into the next budget year with City Council approval.

Annual appropriated budgets are adopted for all funds of the City except agency funds. In general, the budget is prepared on a basis consistent with GAAP. However, the budget varies from GAAP basis in the following areas:

- Budgetary revenues include such items as repayments of loans receivable and other items which on a GAAP basis are considered as reclassifications of Working Capital between reserved Working Capital and unreserved Working Capital
- Non-GAAP (budgetary basis) expenditures include encumbrances (in the year of commitment to purchase), loans, debt principal payments, and capital outlay in the proprietary funds.
- Depreciation expense is not budgeted in the proprietary funds of the City.

Budget Contingency

The use of a contingency account for all or a number of the various funds provides the City Council with more flexibility in meeting the needs of a fund for matters that were not foreseen when the budget was adopted. Budget transfers from the contingency budget require the recommendation of the Finance Director and City Manager and approval of the City Council. (Per Resolution No. 1227-2014, adopted June 24, 2014)

Capital Improvements

Capital assets should be maintained at a level sufficient to protect the City's capital infrastructure and to minimize future maintenance and replacement costs.

Financial Management System

The City maintains a financial management system that provides budget reporting and monitoring. The City's original chart of accounts was established to track revenues and expenditures by Fund, Account and Department. Two additional account categories were added to track grants, projects and capital assets.

Fund Balance Reserve Policy

The purpose of this policy is to maintain fund balance reserves in the various operating funds at levels sufficient to protect the City's credit worthiness as well as its financial position from unforeseeable emergencies and to maintain cash flow requirements. Policy adopted May, 15, 2012 by Resolution No. 1154-2012 as follows:

1. The City's target fund balance or working capital balance of all major operating funds including the General Fund, all Streets funds and all enterprise funds is set at 30% of operating expenditures within that fund.
2. The City's minimum fund balance or working capital balance for those same funds shall be established at 15% of operating expenditures within each corresponding fund. This is considered the minimum level necessary to maintain and adequately provide for:
 - a. Economic uncertainties and financial hardships or downturns in the economy
 - b. Local disasters and catastrophic events
 - c. Contingencies for unforeseen operating or capital needs
 - d. Cash flow requirements

Budget Policies and Practices

3. In order to ensure that the City Council has some discretion in their financial decision making options, these reserves may be reduced from the minimum 15% by a super majority City Council vote, and declaration of a local emergency, to fund unforeseeable financial conditions such as one-time expenditures, or as transition funding in a recessionary economy, or other budget shortfall stop gap measures of a temporary nature.

A reserve amount for a fund is not appropriated in the budget and should be held in reserve for emergencies in that fund. (Per Resolution No. 1227-2014, adopted June 24, 2014)

Fund Classifications

In February 2009, the Governmental Accounting Standards Board issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The fund balance classifications are: Non-Spendable, Restricted, Committed, Assigned, and Unassigned.

Non-Spendable – That portion of fund balance that includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

Restricted – That portion of fund balance that includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

Committed – That portion of fund balance that includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned – That portion of fund balance that comprises amounts intended to be used for specific purposes, but that are neither restricted nor committed. Such intent can be expressed either by the governing body or by an official designated for that purpose.

Unassigned – That portion of fund balance that includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

One-Time Revenues

One-time revenues should not be used to balance budgets, and can be used for time-limited services, establishment of reserves, capital projects, equipment requirements, or services that can be terminated without significant disruption to the community or City organization. Before accepting one-time revenues such as grants for specific projects or programs, consideration and careful analysis should be given to the long-term implications of accepting the revenue. Funding for positions or projects should not be accepted if the City cannot afford to maintain the project or continue funding the positions after the one-time revenue is gone.

Operating Budgets

The City Council approves operating appropriations at the department and fund level. The City Manager, Chief of Police, Director of Public Works and Finance Director are responsible for maintaining expenses within fund levels within their assigned departments as approved by the City Council. (Per Resolution No. 1227-2014, adopted June 24, 2014)

Budget Policies and Practices

Revenues and Fees

It is desirable for the City to develop and maintain a diversified and stable revenue base to support services and minimize the effects of economic downturns. The City fee schedule provides a structure and methodology to support recovery of the full cost of services provided.

Other Budget Principles

Beyond formal actions of the City Council, City staff employs a series of principles to guide decision-making on budgetary matters. These include:

- Remain adaptive and ready to act to any changes in economic and financial environment.
- Protect and enhance local sources of revenue.
- Commit to realistic financial planning and budgeting, and not to use loans and inflated revenue figures.
- Focus and direct financial and human resources toward core priorities and services.
- Maintain the City's financial assets and infrastructure.

Other City Adopted Financial Policies

City of Rio Dell Investment Policy, Resolution No. 1346-2017

OBJECTIVES

The City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield on its investments consistent with the criteria established for safety and liquidity.

POLICY AND GUIDELINES

The City Council's management responsibility for the investment program is hereby delegated to the City Manager. The Finance Director through the City Manager shall monitor and review all investments for consistency with this investment policy and assume full responsibility for those transactions until the delegation of authority is revoked or expires.

The Finance Director is responsible for depositing and/or investing the surplus funds in the City Treasury in accordance with the California Government Code, Sections 53601, 53607 and 53635. The City manages its investment program in accordance with California Government Code Sections 53600.3 under which those making investments on its behalf are deemed to act in a fiduciary capacity subject to the prudent investor standard.

The three objectives of SAFETY, LIQUIDITY, and YIELD are to be taken into consideration when making investment decisions in accordance with Section 53600.5 of the California Government Code.

1. SAFETY IS THE PRIMARY OBJECTIVE: Safety and the minimizing of risk associated with investing refers to attempts to reduce the potential for loss of principal, interest or combination of the two. The City invests only in those instruments that are considered very safe.
2. LIQUIDITY IS THE SECONDARY OBJECTIVE: Liquidity refers to the ability to convert an investment to cash promptly with minimum risk of losing some portion of principal or interest. A portion of the portfolio should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements.

Budget Policies and Practices

Investments must not have a term remaining to maturity in excess of three years without prior approval from the City Council at least three months prior to making the investment notwithstanding that the California Government Code Section 53601 allows for maturities of up to five years without City Council approval.

3. **YIELD IS THE THIRD OBJECTIVE:** Yield is the average annual return on an investment based on the interest rate, price, and length of time to maturity. The City attempts to obtain the highest yield possible, provided that the basic criteria of safety and liquidity have been met.

INVESTMENT INSTRUMENTS

Eligible Securities: The City of Rio Dell may invest in the following instruments under the guidelines as provided herein. and in accordance with Sections 53601, 53635, 53637, 53638, 53651, 53652 and 53653 of the California Government Code. Percentage limitations on the purchase of securities apply at the time of purchase.

1. **CERTIFICATES OF DEPOSIT** Time Certificates of Deposit will be made only in accounts insured pursuant to Federal laws. For deposits in excess of the insured maximum of \$100,000, approved collateral shall be required in accordance with California Government Code Section 53652. Purchase of Time Certificates of Deposit are restricted to a maximum of 30% of the City's surplus funds and a maximum maturity of one year.
2. **SECURITIES OF THE U.S. GOVERNMENT OR ITS AGENCIES** include obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.
3. **TREASURY BILLS AND NOTES** U.S. Treasury Bills, Notes, Bonds or Certificates of Indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
4. **LOCAL AGENCY INVESTMENT FUND (LAIF)** Investment of funds in the California LAIF which allows the State Treasurer to invest through the Pooled Money Investment Account subject to the State's annual investment policy. Maximum investment is subject to State regulation.
5. **CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP)** The Program consists of the California Asset Management Trust, a California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. CAMP currently offers a professionally managed money market investment portfolio, the Cash Reserve Portfolio (the "Pool"). The Program also offers individual professionally managed accounts ("Individual Portfolios"). The Individual Portfolios are not part of the assets of the Trust.

Cash in the Pool and the Individual Portfolios will be invested by the California Asset Management Trust investment advisor in accordance with the prudent investor standard of

Budget Policies and Practices

the California Government Code. To the extent prohibited by the California Government Code, the Pool, and Individual Portfolios will not invest in any inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. Only those investments authorized by the California Government Code will be used in the Cash Reserve Portfolios and/or the Individual Portfolios.

6. **BANKERS ACCEPTANCES** Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as Bankers Acceptances, both domestic and foreign, which are eligible for purchase by the Federal Reserve System. Purchases of Bankers Acceptances must be from banks rated A1/P1 and may not exceed 180 days maturity or 40% of the City's surplus money which may be invested. However, no more than 30% of the City's surplus funds may be invested in the Bankers Acceptances of any one commercial bank.
7. **COMMERCIAL PAPER** of "prime" quality of the highest rating as provided by a nationally recognized statistical rating organization (NRSRO). Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of any single issuing corporation, nor 15% of the City's surplus money which may be invested. An additional 15%, or a total of 25% of the City's surplus money may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000). The issuing corporation must have an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided by Moody's Investors Services Inc. or Standard and Poor's Corporation.
8. **NEGOTIABLE CERTIFICATES OF DEPOSIT** Issued by a nationally or State-chartered bank or a State or Federal savings and loan association or by a State-licensed branch of a foreign bank. Issuers must be rated A1/P1. Purchases of Negotiable Certificates of Deposit may not exceed 30% of the City's surplus money which may be invested.
9. **REPURCHASE AGREEMENTS** A purchase of securities by the City pursuant to an agreement by which the seller will repurchase such securities on or before a specified date, or on demand of either party, and for a specified amount. No more than 10% of the City's surplus funds shall be invested in repurchase agreements. Investments in repos will be used solely as short term investments not to exceed 90 days and the market value of the securities used as collateral that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be marked to market daily. The collateral shall be limited to obligations of the United States government and its agencies. Securities used as collateral shall be held by the City's depository bank trust department. Said securities shall be held in a manner that establishes the City's right of ownership.
10. **SHARES OF BENEFICIAL INTEREST (MONEY MARKET MUTUAL FUNDS) ISSUED BY DIVERSIFIED MANAGEMENT COMPANIES** Money Market Mutual funds must consist of highly-rated short-term debt instruments. The management companies shall either (1) attain the highest ranking or the highest letters and numerical rating provided by not less than two of the three largest nationally recognized rating services, or (2) have an

Budget Policies and Practices

investment advisor registered with the Securities and Exchange Commission with not less than five years experience investing in the securities and obligations as authorized above and with assets under management in excess of five hundred million dollars (\$500,000,000) and (3) follow regulations specified by the SEC under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1, et seq.). The purchase price of shares for beneficial interest shall not include any commission these companies may charge and shall not exceed 15% of the City's surplus money which may be invested.

11. **MEDIUM TERM NOTES TO A MAX. MATURITY OF THREE YEARS** Medium-term notes of a maximum maturity of three years issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any State and operating within the United States. Notes eligible for investment shall be rated in a rating category of "AA" or its equivalent or better by at least two nationally recognized rating agencies (NRSRO). Furthermore, the Medium Term Note may not be rated below "AA" by any rating agency. Investments may not exceed 30% of the City's surplus funds.
12. **STATE AND LOCAL AGENCY OBLIGATIONS** include bonds, notes, warrants, or other evidence of indebtedness of any local agency within the State of California and/or the State of California. Investment in State and Local Agency Obligations are limited to taxable issues rated "AAA" by one of the three nationally recognized rating agencies and further limit investments to 30% of the City's surplus funds.
13. **OTHER** investments that are, or may become, legal investments through the State of California Government Code and with prior approval of the City Council.

Prohibited Securities:

1. Those securities not enumerated under Section V. A. "Eligible Securities" and
2. Inverse floaters, range notes, interest only strips derived from a pool of mortgages (collateralized mortgage obligations) and any security that could result in zero interest accrual if held to maturity as specified in Section 53601.6 of the California Government Code.
3. Securities lending agreements.

INTERNAL CONTROLS

Internal controls are designed to ensure that the assets of the City are protected from loss, theft or misuse. The internal controls shall address the following points:

- A. Control of Collusion - Collusion is a situation where two or more employees are working together to defraud their employer.
- B. Separation of duties - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- C. Safekeeping - Securities purchased from any bank or dealer including appropriate collateral (as defined by State law) shall be placed with the City's depository bank in its trust department for safekeeping. Said securities shall be held in a manner that establishes the City's right of ownership.
- D. Clear Delegation of Authority - Subordinate staff members must have a clear understanding of their authority and responsibility to avoid improper actions.
- E. Written Confirmation of Telephone Transactions for Investments and Wire Transfers - Due to

Budget Policies and Practices

the potential for error arising from telephone transactions, all telephone transactions shall be supported by written communications and approved by the appropriate person.

CRITERIA FOR SELECTING BROKERS AND DEALERS

A Broker is a firm that does not own the securities being offered. A firm could be both a Broker and a Dealer. A Dealer owns a position in the securities being offered. As used below, the term "Dealer" refers to both Brokers and Dealers.

- A. A qualified dealer must be a bank, savings and loan, or an investment securities dealer. Commercial paper issuers may be considered qualified dealers for direct issuance of their commercial paper.
- B. Investment Securities dealers must be primary dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).
- C. A qualified dealer must have a minimum capital requirement under SEC Rule 15C3-1 of \$250,000 and have at least five years of experience.
- D. A qualified dealer must supply proof of Financial Industry Regulatory Authority (FINRA) certification and State of California registration.
- E. A qualified dealer must certify that it has reviewed and understands the California Government Code Sections 53600 et seq. and the City's Investment Policy and that all securities offered to the City will comply fully with all provisions of the Government Code and with the City's Investment Policy.
- F. Broker/Dealers must be approved by the City Council prior to doing business with the City of Rio Dell.

FY 2019-20 Budget Calendar

The budget calendar is proposed and a timeline is formally adopted by City Council and is used as a tracking tool to ensure timely adoption of the City's Budget. The budget calendar is also a means to promote transparency through open discussions revolving around how the City allocates resources in line with the City Council's goals and objectives.

MARCH

- **Week of March 4 – March 8**
 - Development of proposed staffing plan
- **Week of March 11 – March 19**
 - Salary costs are calculated based on the proposed staffing plan
 - Revenue forecasting is completed
 - Budget worksheets are compiled
- **3/19 Tuesday, March 19 City Council Meeting**
 - Proposed Budget Calendar to City Council
- **3/20 Wednesday, March 20**
 - Budget packets distributed to department heads/supervisors

APRIL

- **4/1 Monday, April 1 by 5:00 pm**
 - Department heads/supervisors turn in budget requests to Finance Director
- **4/2 Tuesday, April 2 City Council Meeting**
 - Priority Setting Session
- **4/3 Wednesday, April 3**
 - Staff budget discussions at regular staff meeting
 - Information compiled by Finance
- **Week of April 8 – April 12**
 - City Manager meets with each department head
 - City Manager submits revised departmental proposals to Finance
- **4/16 Tuesday, April 16 City Council Meeting**
 - Priority Setting Session
- **4/26 Friday, April 26**
 - Finance finishes preparing recommended budget for City Manager approval
- **Week of April 29 – May 3**
 - Final preparations for Budget Workshop

MAY

- **5/8 Wednesday, May 8 Budget Workshop**
 - Budget study session (6:00 pm)
- **5/14 Tuesday, May 14 City Council Meeting**
 - Budget study session (6:00 pm)

JUNE

- **6/4 Tuesday, June 4 City Council Meeting**
 - City Public Hearing- City Manager presents the revised budget at City Council meeting
- **6/18 Tuesday, June 18 City Council Meeting**
 - Special Presentation- Finance Director presents the Final Proposed Operating and Capital Budget for Adoption Resolution No. 1425-2019

Resolutions

Budget Adoption Resolution



RESOLUTION NO. 1425-2019 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL ADOPTING THE OPERATING & CAPITAL BUDGET FOR FISCAL YEAR 2019-20

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, 2019 and ending June 30, 2020, 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 Fiscal Year (FY) 2019-20 Operating & Capital Budget, including revenues totaling \$4,130,892 and expenditures in the amount of \$4,432,022, for a net draw on reserves in the amount of \$301,130 as follows:

FUND NAME	RESERVES	REVENUES	EXPENDITURES		RESERVES		
	EST Beginning Fund Bal.	Projected Totals	Projected Totals	Transfers	Change in Reserves	Est. End. Fund Balance	Target 30% Reserve
005 Admin Fund	11,918	1,200	1,200		-	11,918	360
008 Building Fund	54,471	45,735	100,206		(54,471)	0	30,062
037 CDBG Fund			-		-	-	-
039 CDBG RRLF Fund	2,461	-	2,461		(2,461)	0	738
000 General Fund	1,851,000	1,159,772	1,330,080	300,000	(470,308)	1,380,692	399,024
003 Economic Development	-	-	46,400	(300,000)	253,600	253,600	13,920
044 Measure Z Fund	-	28,694	28,694		0	0	8,608
074 Recycling Fund	19,360		-		-	19,360	-
015 Parks Fund	17,644	1,500	-		1,500	19,144	-
046 Realignment Grant Fund	3,400	-	-		-	3,400	-
040 SLESF Fund	12,877	143,000	155,877		(12,877)	0	46,763
043 Vehicle Abatement Fund	2,605		-		-	2,605	-
052 Sewer Capital Fund	241,809	102,076	117,200		(15,124)	226,685	35,160
054 Sewer Debt Svc Fund	210,000	302,899	302,899		-	210,000	90,870
054 Sewer Restricted Reserve	302,899	-	-		-	302,899	-
050 Sewer Operations Fund	547,412	808,919	941,357		(132,439)	414,973	282,407
027 Solid Waste Fund	40,241	9,000	14,600		(5,600)	34,641	4,380
093 Spay & Neuter Fund			-		-	-	-
020 Gas Tax Fund (HUTA)	164,135	94,614	47,640		46,974	211,109	14,292
024 TDA Fund	45,169	164,343	178,474		(14,131)	31,038	53,542
026 RSTP Fund	2,462	24,500	24,342		158	2,620	7,302
021 SB1 (RMRA) Fund	-	55,746	54,523		1,223	1,223	16,357
047 STIP ATP Grant	-		-		-	-	-
062 Water Capital Fund	724,664	164,319	81,700		82,619	807,283	24,510
063 Water Metro Wells Fund	29,865	17,006	11,300		5,706	35,571	3,390
064 Water Dismore Zone	47,297	22,509	2,600		19,909	67,206	780
061 Water Restricted Reserve	100,422	34,562	-		34,562	134,984	-
061 Water Debt Svc Fund	54,915	172,821	136,000		36,821	91,736	40,800
062 Water CIP Grant			-		-	-	-
060 Water Operations Fund	686,839	777,676	854,470		(76,794)	610,045	256,341
TOTAL FY 2019/20	5,173,865	4,130,892	4,432,022	-	(301,130)	4,872,735	1,329,607

Resolution 1425-2019 Adopting the Operating and Capital Budget
FY 2019-20

Resolutions

BE IT FURTHER RESOLVED, that the staffing is adopted and funded in the FY 2019-20 Operations Budget as follows:

FISCAL YEAR 2019-20 POSITION ALLOCATION TABLE					
JOB TITLE	FULL-TIME EMPLOYEES (FTEs)				
	2015/16	2016/17	2017/18	2018/19	2019/20
Accountant I/II	1.0	1.0	1.0	1.0	1.0
Chief of Police	1.0	1.0	1.0	1.0	1.0
City Clerk	1.0	1.0	1.0	1.0	1.0
City Manager/Public Works Director	1.0	1.0	1.0	1.0	1.0
Community Development Director	0.8	0.8	0.8	0.8	0.8
Finance Director	1.0	1.0	1.0	1.0	1.0
Fiscal Assistant II	1.0	1.0	1.0	1.0	1.0
Public Works Leadman	1.0	--	1.0	1.0	1.0
Police Officer	3.0	3.0	3.0	4.0	4.25
Records Technician	0.7	0.7	0.7	0.7	0.7
Sergeant	1.0	1.0	1.0	1.0	1.0
Senior Fiscal Assistant	1.0	1.0	1.0	1.0	1.0
Utility Worker I	3.0	2.0	2.0	2.5	2.5
Water/Wastewater Plant Operator I	1.0	1.0	1.0	2.0	2.0
Operator in Training (OIT)	--	--	--	1.0	1.0
Wastewater Superintendent Trainee	--	1.0	1.0	1.0	--
Wastewater Superintendent	1.0	--	--	--	1.0
Water/Streets Superintendent	1.0	1.0	1.0	1.0	1.0
	19.50	17.50	18.5	22	22.25

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.

Resolutions

Section 4.

Adoption of the FY 2019-20 Budget includes three funds which are not projected to have the required minimum Reserve balance (15%) as set forth in City policy. Therefore, an exception to the City's Minimum Fund Balance Policy established by Resolution No. 1154-2012 is hereby granted to SB1 (RMRA) Fund (021), RSTP Fund (026) and Building Fund (008).

Section 5.

Adoption of the FY 2019-20 budget includes an inter-fund transfer of \$300,000 from the General Fund (000) to the new Economic Development Fund (003).

Section 6.

Adoption of the FY 2019-20 Budget shows deficits (expenditures exceeding revenues and transfers) in the following funds in the following amounts: General Fund (000) \$470,308, SLESF Fund (040) \$12,877, Sewer Capital Fund (052) \$15,124, Sewer Operations Fund (050) \$132,439, TDA Fund (024) \$14,131, and Water Operations Fund (060) \$76,794.

PASSED AND ADOPTED by the City of Rio Dell on this 18th day of June 2019, by the following roll call vote:

Ayes:	Garnes, Woodall, Strahan and Wilson
Noes:	None
Abstain:	None
Absent:	None


Debra Garnes, Mayor

ATTEST:


Karen Dunham, City Clerk

Appropriations Limit

FY 2019-20 Gann Appropriations Limit

Voters approved Proposition 4, also known as the Gann Initiative, in November of 1979 adding Article XIII B to the California Constitution. The Appropriations Limit imposed by Proposition 4 and modified by Propositions 98 and 111 creates a restriction on the amount of revenue that can be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during the base fiscal year and is increased each year using the change in population and change in cost of living. The only revenues that are restricted by the Appropriations Limit are those referred to as “proceeds of taxes.” Some examples of taxes are sales tax, property tax, transient occupancy tax and State motor vehicles in lieu tax. During any fiscal year, a city may not appropriate any proceeds of taxes it receives in excess of its Appropriations Limit. If the city receives excess funds in any one year, it can carry them into the subsequent year to be used if the city falls below its Appropriations Limit in that year. Any excess funds remaining after the second year must be returned to the taxpayers by reducing tax rates or fees. As an alternative, a majority of the voters may approve an “override” to increase the Appropriations Limit. The City of Rio Dell’s budgeted expenditures have always been below its annual Appropriations Limit. The factors used are:

- **Population Factor** – At the City’s choice, either the annual change in City or County population.
- **Inflation Factor** – At the City’s choice, either the change in California per capita income or increase in nonresidential assessed valuation due to new construction.

The population change for the County is -.55% and for the City is -.75%. For FY 2019-20 the City’s population change was used. The per capita income percentage change was 3.85%.

<i>GANN Appropriations Limit Calculation</i>	
<i>FY 2019-2020</i>	
<i>Prior Years Appropriations Limit</i>	<i>\$ 1,268,430</i>
<i>Adjustment Factors for the current year</i>	
<i>2019-2020 Inflation*</i>	<i>1.0385</i>
<i>2019-2020 Population Change*</i>	<i>x 0.9925</i>
<i>Total Adjustment</i>	<i>1.0307</i>
<i>2019-2020 Appropriations Limit</i>	<i><u>\$ 1,307,385</u></i>
<i>* Provided by Demographic Research Unit, Department of Finance, State of California</i>	
<i>Data and appropriations limit calculation from California Department of Finance</i>	

The Appropriations Limit is \$1,307,385 and the total proceeds of taxes budgeted for FY 2019-20 is \$1,011,175, resulting in the City of Rio Dell being \$296,210 under the limit.

Glossary of Terms

Account: The classification of records by number and name dealing with financial transactions and events related to an organization's assets, liabilities, reserves, fund balances, expenditures, or revenues.

Active Transportation Program (ATP): Created by SB 99 and AB 101 to encourage increased use of active modes of transportation, such as biking and walking. The ATP consolidates existing federal and State transportation programs into a single program with a focus to make California a national leader in active transportation.

Activity: A specific and distinguishable category of work, occupational specialty or service.

Adjusted Budget: The adopted budget as amended through formal action of the City Council.

Adopted Budget: City Council approved revenue estimates and uses of funds for the upcoming fiscal year.

Americans with Disabilities Act (ADA): Became federal law in 1990, the ADA is a wide-ranging civil rights law that prohibits discrimination against people with disabilities in several areas, including, employment, transportation, public accommodations, communications and access to State and local government programs and services.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes within a specific time frame.

Assembly Bill (AB): State law which originated as a proposal from the Assembly.

Assessed Valuation: The valuation set upon real estate or other property by the County Assessor and used as a basis for levying taxes.

Assessment: A levy imposed upon real property for a special benefit conferred upon the real property (e.g. road, sewer, lighting & landscaping improvements as well as maintenance of these items).

Assessment District (AD): An area that is charged and will benefit from a real property assessment.

Assets: Owned property which has monetary value.

Audit: A review of the financial transactions prepared by an independent Certified Public Accountant (CPA) to determine if the financial statements fairly present the financial position and results of operations in conformity with Generally Accepted Accounting Principles (GAAP).

Available Fund Balance: That portion of the fund balance which is unencumbered and available for financing expenditures in the budget.

Balanced Budget: A proposed or adopted financial plan in which the beginning available fund balance plus current year revenue equals or exceeds the planned expenditures. When the total recurring revenues are equal to or greater than the total recurring expenditures, a budget is considered structurally balanced.

Budget: The planning and controlling document for financial operation of the City, with proposed spending appropriations and estimated revenues for the fiscal year.

Glossary of Terms

California Society of Municipal Finance Officers (CSMFO): A statewide organization of finance professionals working for governmental agencies which promotes professional development and provides support with key issues facing municipalities.

Capital Budget: The portion of a budget that lists anticipated expenditures for capital items for which there are appropriations in a fiscal year.

Capital Improvement Program (CIP): A plan that identifies capital projects and provides a guideline for budgeting, prioritizing, scheduling and planning infrastructure improvements.

Capital Item: A physical enhancement to a facility, vehicle or piece of equipment with a useful life of one year or more and costing more than \$5,000.

Capital Outlay: Expenditures which result in the acquisition of or additions to fixed assets. Examples include land, buildings, machinery, equipment and construction projects.

Capital Projects Fund: In governmental accounting, a fund that accounts for financial resources to be used for the acquisition of capital assets or construction of capital facilities other than those financed by proprietary funds. The total cost of a capital project is accumulated in a single expenditures account and continues to accumulate until the project is completed, at which time the fund ceases to exist and the asset is capitalized.

Cash Flow: The net cash available for expenditures at any given point.

Certificate of Participation (COP): A financing instrument used by municipalities which provides the shareholder with a share of lease revenue. The City currently does not have any active COPs. The 1998 Refunding Certificates of Participation were used to construct the Civic Center / City Hall location and were paid off February 1, 2016.

Chart of Accounts: A listing of individual accounts by number and name used to track financial activities.

Citizens' Option for Public Safety (COPS): Front line law enforcement funds allocated by the State to the County based on population; the County then allocates the funds to the cities. Can only be used to supplement existing police services. GovCode 30061 (f)

Community Development Block Grant (CDBG): Federal grant funds distributed from the U.S. Department of Housing and Urban Development that are passed through to the City. The City primarily uses these funds for public improvements, elimination of blight and local social programs.

Cost of Living Adjustment (COLA): An inflationary adjustment made to salaries in an effort to keep earnings in line with the cost of living. COLA adjustments are typically prescribed by the Memorandum of Understanding between the City and the employees and require the approval of the City Council.

City Clerks Association of California (CCAC): A professional organization which promotes and supports the City Clerk profession across the State of California.

Glossary of Terms

Comprehensive Annual Financial Report (CAFR): The annual financial statement report for a governmental entity that is prepared in accordance with the accounting requirements established by the Government Accounting Standards Board (GASB).

Consumer Price Index (CPI): A measure of the average change over time in the prices paid for a market basket of consumer goods and services. Data is collected and maintained by the United States Department of Labor Bureau of Labor Statistics.

Contingency: A budgetary reserve set aside for emergency or unanticipated expenditures, revenue shortfalls and/or unknown expenditures.

Contract Services: Services provided to the City from the private sector or other public agencies.

Debt Service Funds: Debt service funds are governmental funds used to account for the accumulation of resources that are used in the payment of general long-term debt principal and interest as well as related fiscal agent costs.

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: (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence. (2) Portion of the cost of a capital asset that is charged as an expense during a particular period.

Division: A sub-unit of a department which provides specific services or functions.

Document Transfer Tax: The tax imposed to record each document pertaining to the transfer or sale of real property. The City receives \$0.55 per \$500.00 in real property value, exclusive of any lien or encumbrance.

Encumbrance: A legal obligation in the form of a purchase order or contract which is chargeable to a budget appropriation. The obligation is encumbered or set aside to preserve the appropriation for that purpose until an actual expenditure is made (upon receipt of goods/services or successful completion of the contract).

Enterprise Fund: A type of fund established to account for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprise. These funds are entirely or predominately self-supporting. The City of Rio Dell has two enterprise funds: The Water Fund and the Sewer Fund.

Equivalent Dwelling Unit (EDU): The measurement unit assigned to a household or business which is multiplied by adopted fees for purposes of determining the amount of fees to be collected from each customer.

Expenditure: The actual spending of funds in accordance with budgeted appropriations.

Fair Labor Standards Act (FLSA): Federal statute which defines wage and hour laws. In particular, this act is the basis for determining rate of pay for overtime purposes.

Glossary of Terms

Federal Emergency Management Agency (FEMA): Federal agency which responds to and prepares for disasters. It is responsible for providing financial and physical assistance to state and local governments during federally declared emergencies.

Fee or Charge: As distinguished from a tax, a fee is a charge imposed for services provided. A fee may not exceed the estimated reasonable cost of providing a service or use of a facility, plus overhead.

Fiscal Year (FY): A twelve month period of time used for budgeting and financial reporting purposes. The City's fiscal year runs from July 1 through June 30.

Franchise Fees: Imposed on utility companies for the privilege of doing business in the City. Fees are usually based upon a percentage of gross revenue derived from business conducted in the City.

Full-Time Equivalents (FTE): The portion of time a position has been budgeted based on full-time employment. A full time position works 40 hours per week. For example: A position that is budgeted to work 30 hours per week equals 0.75 FTE (30 hours per week / 40 hours per week).

Function: Related activities grouped under a division.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or other resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying out specific service activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: Fund Balance is also known as financial position and is the excess or deficit of current assets over current liabilities and represents the cumulative effect of revenues and other financing sources over expenditures and other financing uses.

Gas Tax Fund: The Gas Tax Fund is used to account for revenues and expenditures apportioned under the Streets and Highways Code of the State of California. Expenditures may be made only for street related purposes.

General Fund: This is the general operating fund of the City. All revenues that are not allocated by law or by contractual agreement to some other fund are accounted for in this fund and are available for any government activity without restriction.

Generally Accepted Accounting Principles (GAAP): Standards and procedures which prescribe how financial statements are to be compiled and journal entries are to be recorded.

Goal: A general standard established to promote the accomplishment of an organization's stated mission.

Government Accounting Standards Board (GASB): The organization responsible for setting accounting and financial reporting standards applicable to federal, state and local governments.

Governmental Fund: Funds used to account for all activities usually associated with the current operating expenditures of a governmental entity. Governmental funds include the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds.

Glossary of Terms

Grant: External contributions and/or gifts of cash or other assets typically from another governmental entity to be used or expended for a specific purpose, activity or facility.

Humboldt County Association of Governments (HCAOG): A local JPA formed for regional transportation planning, responsible for programming State highway, local street and road improvements and public transportation resources. All seven cities and the County are participants.

Humboldt Transit Authority (HTA): A JPA formed to administer transit services. Participants are Humboldt County, Arcata, Eureka, Fortuna, Rio Dell and Trinidad.

Humboldt Waste Management Authority (HWMA): A JPA formed to administer solid waste, recycling and other material diversion programs and services. Formed in 1999 and comprised of the County of Humboldt, Arcata, Blue Lake, Eureka, Ferndale and Rio Dell.

Improvements: Buildings, structures or attachments to land such as sidewalks, parking lots, drainage and other infrastructure including sewer lift stations and transportation lines.

Interfund Transfers: The movement of money from one fund to another, usually to finance operations or reimburse expenditures. Accounting entries for interfund transfers are processed through transfer-in and transfer-out accounts which offset each other (net to zero).

Joint Powers Authority (JPA): Established by contract and authorized by Government Code Section 6502; where two or more local governments jointly exercise any power common to all of them.

Liability: An obligation to pay or provide services to another entity as a result of a past transaction.

Licenses and Permits: Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

Line Item Budget: A type of budget that lists separate accounts (education & training, insurance, utilities, etc.) along with anticipated expenditure levels for each account listed. The City's budget contains a line item budget.

Local Agency Formation Commission (LAFCO): Implements legislative direction and policies aimed at standardizing the municipal government structure to ensure efficient and effective delivery of public services. A regional agency that oversees municipal boundaries and services.

Measure J: An extension of Measure U that provides for a 1% local sales tax through December 31, 2024.

Measure U: Local general purpose tax measure approved by the voters in November 2014 wherein the voters approved a 1% increase in the local retail sales tax for five years.

Measure X: An excise tax on commercial cannabis activity approved by voters in November 2017. The rate is set by the City Council up to 10% of gross receipts or up to five dollars per square foot of cultivation space. The rate is currently set at 2% or two dollars per square foot.

Glossary of Terms

Memorandum of Understanding (MOU): An agreement between the City and the represented employees which describes the wages, benefits and rights of those employees and the employer organization. It can also refer to an agreement between the City and another governmental agency.

Notice of Funding Availability (NOFA): A method of notifying grant applicants of funding opportunities and providing information on the process for applying, matching requirements, etc.

Objective: A time-specific and quantifiable standard established to promote the accomplishment of a goal.

Ordinance: A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

Overhead: Those costs necessary in providing goods/services that are not directly related, such as rent, utilities, management and supervision.

Occupational Safety and Health Administration (OSHA): Created by the Occupational Safety and Health Act of 1970, to ensure safe working conditions. OSHA sets and enforces standards as part of the United States Department of Labor.

Office of Emergency Services (OES): California's equivalent to the Federal Emergency Management Agency (FEMA); also known as Cal OES.

Operating Budget: The annual appropriation of funds for ongoing program costs.

Program: Related activities grouped under a function.

Property Tax: A tax Imposed on real property and tangible personal property levied as a percentage of the assessed value of such property.

Proposition 4 (Gann Limits): A constitutional amendment approved by the voters in November 1979, enacted as Article XIII B of the California Constitution. This constitutional provision imposed spending limits on the State, schools and most local agencies. Limits are generally prior year appropriations adjusted by the consumer price index (CPI) and population changes.

Proposition 8: A constitutional amendment approved by the voters in 1978 which amended Article XIII A of the California Constitution. This constitutional amendment allows for the temporary reduction in assessed values when real property suffers a decline in value (i.e. market value < assessed value). Recovery of assessed value is not limited by the 2% cap under Proposition 13 until the value returns to the Proposition 13 adjusted base year value or changes ownership or under goes new construction.

Proposition 13: A tax limitation initiative approved by the voters in June 1978, enacted as Article XIII A of the California Constitution. Proposition 13 provided for: (1) a 1 % property tax limit exclusive of tax rates to repay existing voter-approved bonded indebtedness, (2) assessment restrictions establishing 1975 level values for all property with allowable increase of the CPI up to 2 % annually and reappraisal to current value upon change in ownership and new construction, (3) a two-thirds vote requirement to increase State taxes and (4) a two-thirds vote of the electorate for local agencies to impose "special taxes."

Glossary of Terms

Proposition 62: A statutory initiative approved by California voters in November 1986. This initiative added Sections 53720 to 53730 to the Government Code to require new local government taxes be approved by voters.

Proposition 218: A constitutional amendment approved by the voters in November 1996, adding Article XIII C and D to the California Constitution. These added constitutional provisions impose new landowner approval procedures for benefit assessments on real property and for fees imposed as an incident of property ownership.

Public Works (PW): The City's department responsible for maintaining the City's streets, parks, public facilities, and water and sewer systems.

Regional Surface Transportation Program (RSTP): Originate from the federal excise tax on gasoline and are allocated through HCAOG to the City. Funds must be used for eligible streets projects.

Reserve: A portion of the fund balance set aside for a specific purpose (e.g. debt covenants, constitutional provisions, enabling legislation, accounting standards, City Council commitments). Funds are committed or designated for this purpose and cannot be used without authorization from the City Council.

Resolution: A special order of the City Council which has a lower legal standing than an ordinance.

Resources: Total amounts available for appropriation including revenue, income, transfers in from other funding sources and beginning balances.

Revenue: Sources of income financing the operations of government.

Sales and Use Tax: An excise tax which applies to all retail sales of merchandise. Retailers are liable for reporting and payment of the tax.

Special Revenue Fund: Fund used to account for revenue derived from specific sources that are legally restricted to expenditures for specified purposes.

Senate Bill (SB): A state law which originated as a proposal from the Senate.

Senate Bill 1 (SB1): The Road Repair and Accountability Act of 2017 increased taxes on fuel and vehicle registration. The new revenues are dedicated to transportation purposes and provide funding for roads and transit in California. Revenue is allocated to cities on a per capita basis. Each year every city must submit a project list, adopted by resolution and an annual expenditure report.

Subventions: A type of financial support provided by one level of government to another. For example, the State levies certain taxes that it provides to cities such as the gas tax. Most subventions are restricted to particular areas.

Supplemental Law Enforcement Services Fund (SLESF): The City has established a special revenue fund to receive SLESF. Pursuant to current State law, the State allocates COPS funds to each county that has established a SLESF based on the proportionate share of the State's total population that resides in each county and city.

Glossary of Terms

Supplemental Property Tax: Legislation enacted in 1983 requires the assessment of property when a change in status occurs, such as a change in ownership or completion of new construction. Previously this was done annually. The Assessor's Office issues a supplemental assessment which reflects the difference between the prior assessed value and the new assessed value. The supplemental property tax is prorated based on the number of months remaining in the year and is in addition to the regular tax bill.

Supplies: An expenditure classification for articles and commodities purchased for consumption or resale.

Tax: A charge for public services and facilities that provide general benefits. There need not be a direct relation between an individual taxpayer's relative benefit and the tax paid. Counties and cities may impose any tax not otherwise prohibited by state law (Gov't. Code section 37100.5). However, the State has reserved a number of taxes for its own purposes including taxes on cigarettes, alcohol and personal income. The California Constitution distinguishes between a general tax and a special tax. General tax revenues may be used for any purpose. A majority of voters must approve a new general tax or increase. Special tax revenues must be used for a specific purpose and two-thirds of voters must approve a new special tax or its increase.

Teeter Plan: An alternate method of property tax apportionment authorized in Revenue & Taxation Code Sections 4701-4717. Secured taxes are distributed by the County on the basis of the full tax levy (receivable) regardless of delinquencies. Eligible local agencies are guaranteed to receive 100% of levied taxes. Under this plan the County is allowed to finance all delinquent property taxes.

Total Maximum Daily Load (TMDL): As defined by the Clean Water Act, this is the maximum amount of pollutant that is allowed to enter a body of water in a given day to avoid exceeding water quality standards.

Transient Occupancy Tax (TOT): An 8% tax imposed on charges for lodging facilities including private home rentals for short term rentals (i.e. guest stays less than 30 days). Rio Dell first established this tax in 1965.

Unitary Property Tax: A tax assessed on property owned or used by certain public utilities and other specified companies operating in California. The State Board of Equalization determines the fair market value of the assessee's unitary property enabling counties to use those values to levy and collect local property taxes.

Vehicle License Fee (VLF) in Lieu: Property tax revenues received in lieu of VLF. In 2004, the Legislature permanently reduced the VLF rate from 2% to 0.65% and compensated cities and counties for their revenue loss with a like amount of property taxes, dollar-for-dollar.

Unsecured Tax: A tax on properties such as office furniture, equipment and boats which are not secured by real property owned by the assessee.

Year-to-Date (YTD): A term used to describe what is included in a particular set of data. Typically this term is used to indicate the set of data from the beginning of the fiscal year to a specified date or the current day.

NOTES:

