

# CITY OF RIO DELL

FISCAL YEAR 2021-22 ADOPTED BUDGET







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June 1, 2021



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

I am pleased to present the Fiscal Year (FY) 2021-22 Budget for the City of Rio Dell. We are optimistic that Rio Dell has built a solid financial base that can withstand the challenges created by the pandemic. This budget provides the resources needed for the City to continue paving its way towards a brighter future and creates a road forward to recovery.

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

**Continue to invest in Streets:** This budget contributes \$550,000 of General Fund monies into local street projects. This is year two of the Council approved plan to invest \$1,800,000 in city streets over five years, the largest road surfaces investment in Rio Dell's history.

**Support Code Enforcement:** We continue to meet the rising cost of law enforcement services as we invest in greater capacity. This budget funds a full time Community Services Officer and provides \$10,000 for abatement which will increase code enforcement activities within the community.

**Reduce staff turnover:** Providing dependable services requires talented employees with experience in and an understanding of the community as well as city government. There are funds allocated to develop strategies to support staff and encourage retention. There is also \$10,000 included for enhanced police recruitment.

**Economic Opportunity:** This budget provides \$77,000 to implement the Economic Development Immediate Action Plan and \$38,000 for beautification and revitalization projects in the City. Additionally, the budget adds a Management Analyst position to perform economic development activities.

**Cannabis Expansion:** This budget includes \$107,500 for upgrades to the Dinsmore water system to support cannabis cultivation. Cannabis is a new local business opportunity and supports previous revenue enhancement strategies to help preserve and enrich the City's quality of life.

**SB 1383-Organic Waste:** The new Management Analyst position will increase the City's ability to apply for grants and respond to the requirements of SB 1383.

**Maintain a Prudent Reserve:** The City's General Fund Reserves are projected to \$1.4 million, a level that will help insure the City can continue to provide services and recover from the impacts of the ongoing COVID-19 pandemic.

During the months of May and June 2021 the City Council participated in budget workshops and a priority setting session that helped develop priorities and outlined available revenues, proposed staffing levels



and City activities for FY 2021-22. The proposed budget was reviewed by the City Council on May 18<sup>th</sup> and the final budget was prepared for adoption at the June 1, 2021 City Council Meeting.

The total proposed budget for FY 2021-22 is \$5.67 million. The major operating budgets include the City's General Fund of \$2.04 million, (which supports our day-to-day police services, City operations and capital expenditures) the Water Enterprise fund of \$1.16 million and Wastewater Enterprise fund of \$1.52 million. This adopted budget is structurally balanced using ongoing resources of \$5.14 million for ongoing expenditures. Fund balance provides \$530,848 towards \$1.37 million in onetime expenditures for capital and special projects.

The budget for FY 2021-22 continues down the road of improving the City's future. As you travel the streets of our town we hope you can appreciate the strength, resiliency, and hope that we are building for generations to come. As we pave our path forward we know that the heart and soul of the community is growing stronger every day and from the difficult times we have experienced we will continue to come together and build a brighter tomorrow. Due to community support for Measure J and Measure X the City has a diverse revenue base and is in a relatively good financial position. As a result, this budget includes required services to residents, infrastructure improvements, and support for local business.

I would like to thank the City Council for their participation in the budget process and their continued commitment to fiscal responsibility. I would also like to acknowledge and thank our City employees for providing outstanding service to our community.

Sincerely,



Kyle Knopp





# 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 2021-22 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: Recommended Budget

The City Council discusses the recommended budget and prioritizes for the next fiscal year and receives 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 30<sup>th</sup> 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, Recycling, 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 in May. 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 13 months.

# 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, in Humboldt County at an elevation of 161 feet.

Rio Dell occupies 2.4 square miles and the Census web site estimates the City’s population at 3,379. Located along U.S. 101, Rio Dell is an excellent starting point for tourists to visit local attractions such as Humboldt Bay, the historic Pacific Lumber 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 Mondays 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

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**

In the 1870's Lorenzo Painter settled in what is now known as Rio Dell. He is credited with helping to transform the small collection of farms known as 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 a town center that became the heart of old Rio Dell.

Wildwood which is located at the southern end of the City was started primarily to supply housing and services for persons employed by the lumber mill in the neighboring 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 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 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 local 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.



# Elected and Appointed City Officials

## City Council

Debra Garnes, Mayor

Gordon Johnson, Mayor Pro Tem

Amanda Carter, Councilmember

Frank Wilson, Councilmember

Julie Woodall, Councilmember



## City Officials

Kyle Knopp, City Manager

Jeff Conner, Police Chief

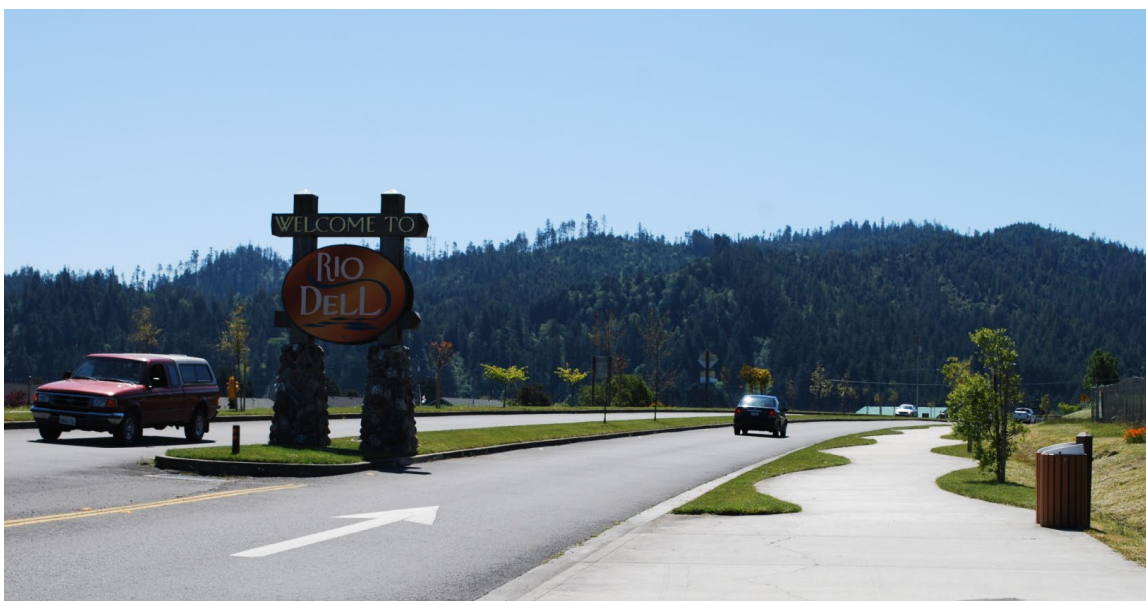
Karen Dunham, City Clerk

Kevin Caldwell, Community Development Director

Cheryl Dillingham, Finance Director

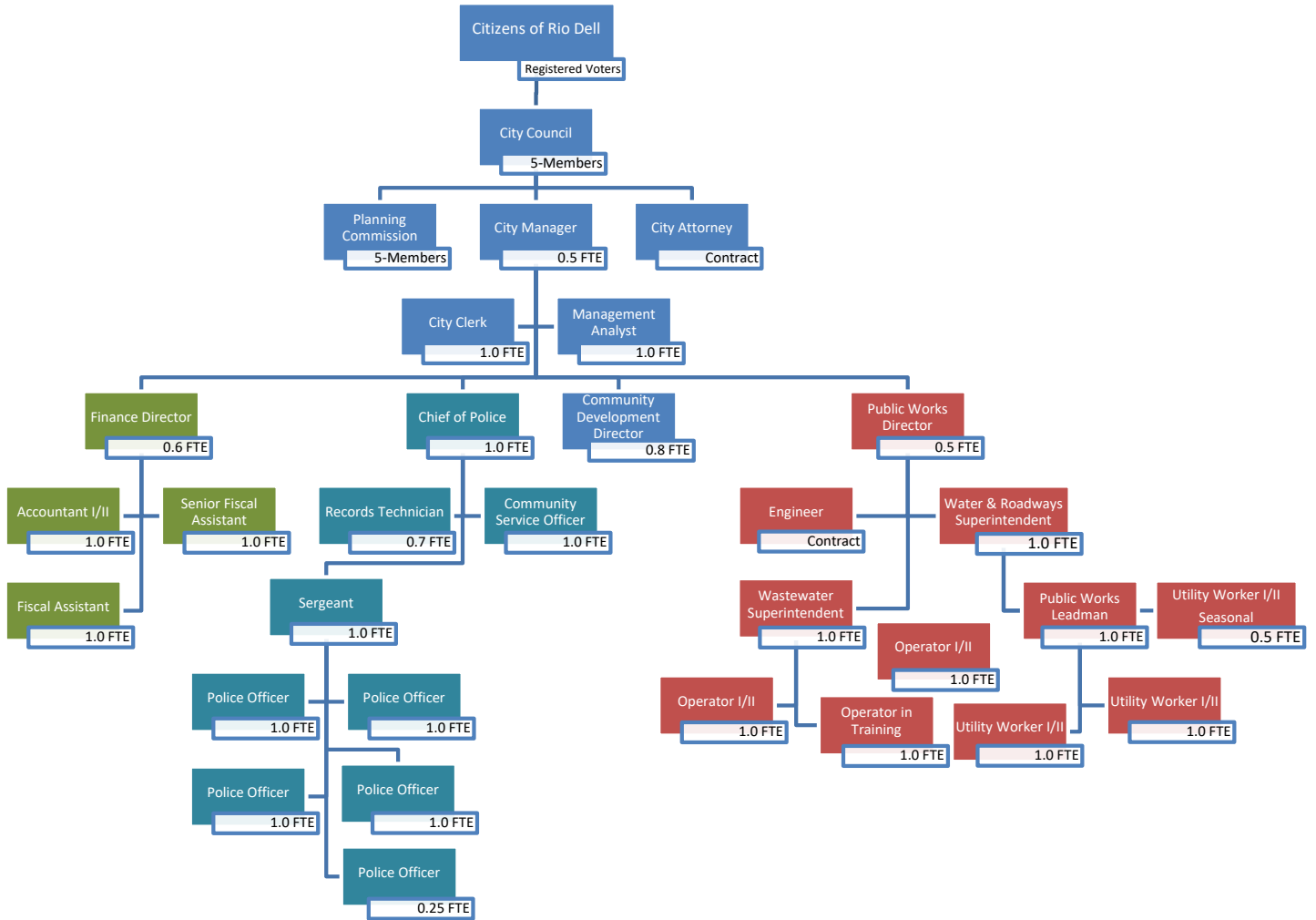
Randy Jensen, Water/Roadway Superintendent

Derek Taylor, Wastewater Superintendent



# City Organizational Chart

As of July 1, 2021



# City Priorities

On May 18, 2021 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 four years of priorities and the current priority list for FY 2021-22.

Priorities				
2017	2018	2019	2020	2021
Street Work	Street Work	Code Enforcement	Street Planning & Work	Economic Development
Habitat Parcel	River Access	Police Employees	Code Enforcement	Code Enforcement
I&I Mitigation	Habitat Parcel	Street Work	Public Safety	Staff Turnover Reduction
Tax Measure	Code Enforcement	Water Sewer Study	Economic Development	Cannabis Expansion
Proposition 64	Access Humboldt	Economic Development	Personnel	SB 1383-Organic Waste

The following list describes how the Councils priorities are reflected in the FY 2021-22 budget.

- ▶ **Economic Development:** In FY 2019-20 a new economic development fund was created through an interfund transfer of \$300,000 from the General Fund. A draw down of \$77,000 is budgeted for FY 2021-22 to implement the Economic Development Immediate Action Plan (IAP). Additionally, the budget has a 1.0 FTE increase for an Administrative Analyst to perform economic development activities. There is also \$38,000 for beautification and revitalization projects in the City.
- ▶ **Code Enforcement:** This budget continues to fund a Community Service Officer to perform code enforcement activities. Additionally, \$10,000 is included for abatement activity.
- ▶ **Staff Turnover Reduction:** The budget includes \$20,000 for a labor consultant to start labor negotiations and develop strategies to support staff and encourage retention. There is also \$10,000 included for enhanced police recruitment.
- ▶ **Cannabis Expansion:** This budget includes \$107,500 for upgrades to the Dinsmore water system to support cannabis cultivation. Cannabis continues to be a source of additional revenues for the City General Fund.
- ▶ **SB 1383 Organic Waste Diversion:** The new Administrative Analyst position will increase the City's ability to respond to the requirements of SB 1383

## Ongoing Priorities

- ▶ **Street Work:** This budget includes a Streets General Fund subsidy of \$550,000 for street work.
- ▶ **Water/Sewer Study:** Funding of \$60,000 for a water/sewer rate study is included in the budget.



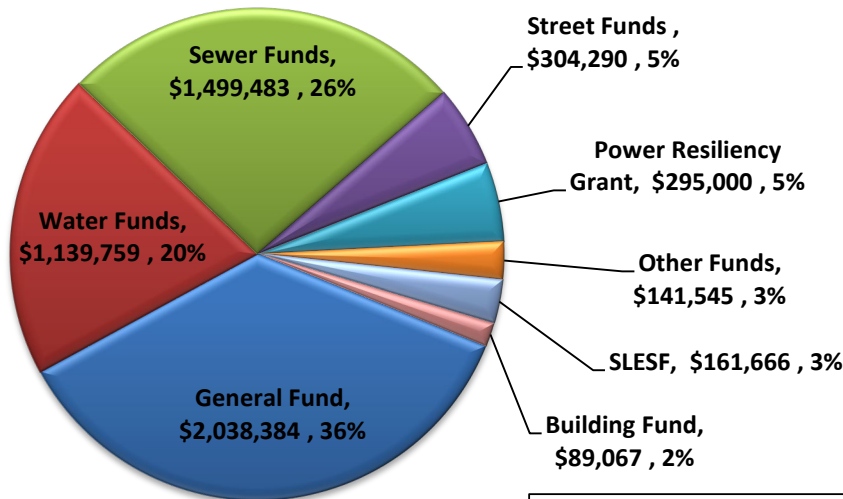
# Budget Summary – All Funds

## Overview of the City’s Budget

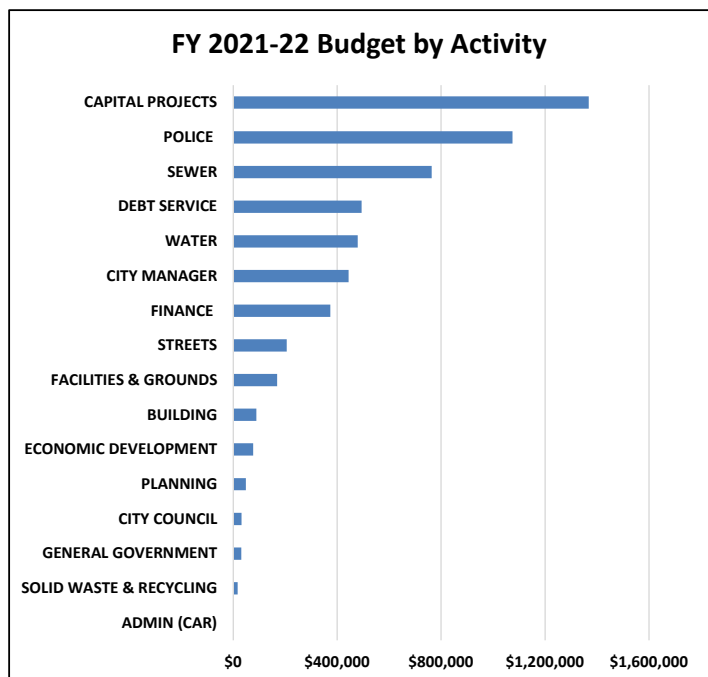
The City of Rio Dell’s total annual budget for FY 2021-22 is \$5,669,194. Total appropriations are \$887,317 or 18% more than the adopted budget for FY 2020-21. This increase is primarily due to additional capital project spending of \$685,700, salary increases due to the implementation of a compensation study and a new Administrative Analyst position.

The City’s three major operating budgets are the General Fund (37%), Sewer Enterprise Funds (27%) and Water Enterprise Funds (21%). Core city services are budgeted in the General Fund and are supported primarily by property tax (32%), sales tax (35%) and cannabis tax (24%) revenues. The City’s Water and Wastewater Enterprise funds are supported by user fee revenues which are charged for services provided to the City’s residents. The largest City service is the Police Department which comprises 44% of the General Fund budget and 18% of the total City budget. The budget for capital projects, special projects and equipment replacement totals \$1,368,000 and is accounted for in the Capital Project 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 2021-22 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 2021-22 ADOPTED BUDGET

Budget Summary by Department and by Fund

Fund	Fund Name	EST Beginning Fund Bal.	Projected Totals	Admin Car	Building Dept.	City Council Dept.	City Manager Dept.	Finance Dept.	General Govt. Dept.	Planning Dept.	Police Dept.	Recycling and Solid Waste
005	Admin Fund	17,619	21,000	1,400								
008	Building Fund	6,629	44,110		89,067							
037	CDBG Fund	-										
039	CDBG RRLF Fund	409,522	5,000						2,500			
000	General Fund	1,709,830	1,779,642			11,173	246,341	85,898	28,890	48,976	894,450	
003	Economic Development	295,000	-						77,000			
044	Measure Z Fund	-	18,500								18,500	
074	Recycling Fund	22,759	-									7,200
015	Parks Fund	18,102	-									
028	Power Resiliency Equipment	-	295,000									
040	SLESF Fund	100,255	150,000								161,666	
043	Vehicle Abatement Fund	2,669										
052	Sewer Capital Fund	1,223,330	110,000									
054	Sewer Debt Svc Fund	94,590	302,934									
054	Sewer Restricted Reserve	302,822	-									
050	Sewer Operations Fund	569,935	892,066			9,577	90,329	130,714				
027	Solid Waste Fund	21,456	4,000									9,945
093	Spay & Neuter Fund	3,146										
020	Gas Tax Fund (HUTA)	160,916	93,967			958	10,037	3,735				
024	TDA Fund	41,923	120,000			638	6,691	3,735				
026	RSTP Fund	21,371	25,627									
021	SB1 (RMRA) Fund	60,990	64,700									
047	STIP ATP Grant	-	-									
062	Water Capital Fund	1,000,140	239,400									
063	Water Metro Wells Fund	48,392	17,100									
064	Water Dinsmore Zone	86,008	21,800									
061	Water Restricted Reserve	136,000	-									
061	Water Debt Svc Fund	274,322	136,000									
060	Water Operations Fund	997,628	797,500			9,577	90,329	149,387				
	<b>TOTAL</b>	<b>7,625,354</b>	<b>5,138,346</b>	<b>1,400</b>	<b>89,067</b>	<b>31,924</b>	<b>443,725</b>	<b>373,468</b>	<b>108,390</b>	<b>48,976</b>	<b>1,074,616</b>	<b>17,145</b>

# Budget Summary – All Funds

FY 2021-22 ADOPTED BUDGET

Budget Summary by Department and by Fund

FUND	NAME	Facilities and Grounds	Sewer Dept	Streets Dept	Water Dept	Capital Projects	Pymts and Debt Svc	Contingency	Projected Totals	Transfers	Change in Fund Balance	Est. End. Fund Balance
005	Admin Fund					25,000			26,400		(5,400)	12,219
008	Building Fund								89,067	(34,808)	(10,149)	(3,520)
037	CDBG Fund								-		-	-
039	CDBG RRLF Fund								2,500	3,950	(1,450)	410,572
000	General Fund	67,657				655,000		-	2,038,384	28,218	(286,960)	1,422,870
003	Economic Development								77,000	-	(77,000)	218,000
044	Measure Z Fund								18,500		0	-
074	Recycling Fund								7,200		(7,200)	15,559
015	Parks Fund								-		-	18,102
028	Power Resiliency Equipment					295,000			295,000		-	-
040	SLESF Fund								161,666		(11,666)	88,589
043	Vehicle Abatement Fund								-		-	2,669
052	Sewer Capital Fund					160,000			160,000		(50,000)	1,173,330
054	Sewer Debt Svc Fund						302,934		302,934		-	94,590
054	Sewer Restricted Reserve								-		-	302,822
050	Sewer Operations Fund	42,286	763,644						1,036,549		(144,483)	425,452
027	Solid Waste Fund								9,945	2,640	(8,585)	12,871
093	Spay & Neuter Fund								-		-	3,146
020	Gas Tax Fund (HUTA)	11,840		69,591					96,160		(2,193)	158,723
024	TDA Fund	5,074		48,418			55,360		119,916		84	42,007
026	RSTP Fund			22,347					22,347		3,280	24,651
021	SB1 (RMRA) Fund			65,867					65,867		(1,167)	59,823
047	STIP ATP Grant								-		-	-
062	Water Capital Fund					88,000			88,000		151,400	1,151,540
063	Water Metro Wells Fund				22,050				22,050		(4,950)	43,442
064	Water Dinsmore Zone				10,100	145,000			155,100		(133,300)	(47,292)
061	Water Restricted Reserve								-		-	136,000
061	Water Debt Svc Fund						136,000		136,000		-	274,322
060	Water Operations Fund	42,286			447,031				738,609		58,891	1,056,519
	<b>TOTAL</b>	<b>169,142</b>	<b>763,644</b>	<b>206,223</b>	<b>479,181</b>	<b>1,368,000</b>	<b>494,294</b>	<b>-</b>	<b>5,669,194</b>	<b>-</b>	<b>(530,849)</b>	<b>7,097,005</b>

# 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 \$894,450 for police services and \$655,000 for special and capital projects.

The General Fund budget for FY 2021-22 estimates revenues of \$1,779,642 and expenditures (including transfers) of \$2,066,603. The budget uses \$286,960 in carry forward reserves and has \$655,000 in one-time expenditures made up of the following: \$550,000 for Streets projects, \$10,000 for law enforcement radios, \$38,000 for City beautification projects and \$57,000 for City Hall improvements and planning. Ongoing expenditures are less than ongoing revenues so the budget is considered structurally balanced.

The General Fund is predominately supported by property taxes (32%), sale taxes (35%) and cannabis taxes (24%). Revenues for FY 2021-22 are estimated to be higher than the prior year’s budget by \$545,067 or 44%. This is primarily due to \$300,000 in additional cannabis taxes and \$190,000 of increased sales taxes. The adopted FY 2021-22 General Fund expenditures represent an increase of \$279,000 or 16% from FY 2020-21 budgeted appropriations. This is mainly the result of increases for capital projects and a new position being added to support economic development activities. Approximately 48% of the General Fund budget is for City staff salary and benefit costs. The table below summarizes the General Fund revenues and expenditures.

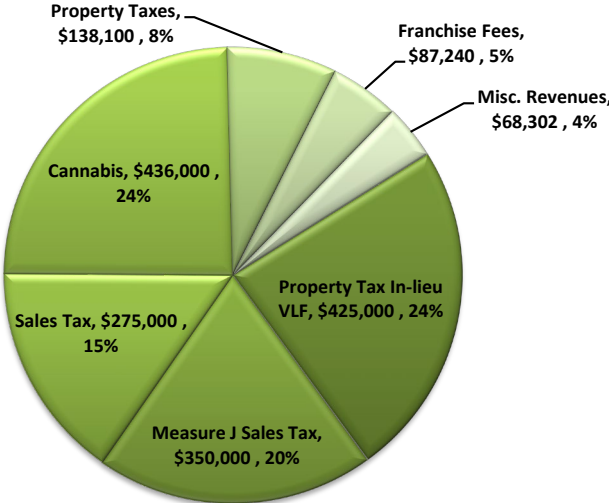
	2016-17 ACTUAL	2017-18 ACTUAL	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 BUDGET	2021-22 BUDGET
<b>REVENUE</b>						
Property Taxes	122,122	124,746	119,582	131,188	124,080	138,100
Property Tax In-lieu VLF	365,353	369,160	382,576	407,072	400,000	425,000
Sales Tax	175,143	203,758	197,781	237,872	177,900	275,000
Measure U/J Sales Tax	255,944	289,425	285,708	330,795	256,500	350,000
Transient Occupancy Tax	13,697	13,857	9,328	11,797	5,000	11,000
Franchise Fees	92,334	85,790	88,045	87,139	87,000	87,240
Planning Fees	5,696	6,313	4,297	3,536	5,200	3,740
Rental Income	20,826	21,546	21,671	23,596	22,445	24,535
Miscellaneous Revenues	42,440	39,443	43,103	44,701	20,450	29,027
Cannabis Fees and Taxes	-	23,000	46,581	221,144	136,000	436,000
Interest	711	648	19,915	27,093	-	-
<b>TOTAL GENERAL FUND REVENUES</b>	<b>1,094,266</b>	<b>1,177,686</b>	<b>1,218,587</b>	<b>1,525,933</b>	<b>1,234,575</b>	<b>1,779,642</b>
<b>EXPENDITURES</b>						
City Council	7,357	11,396	13,142	10,265	11,557	11,173
City Manager	56,685	85,050	84,078	87,000	118,942	246,341
Finance	60,365	69,185	89,128	69,576	90,421	85,898
General Government	23,015	23,412	37,226	27,878	26,200	28,890
Planning	64,858	67,465	58,521	39,207	52,424	48,976
Police	542,237	473,002	450,024	600,503	816,552	894,450
Facilities and Grounds	8,355	16,712	22,776	36,843	33,890	67,657
Capital Projects	123,582	153,041	136,885	114,179	518,900	655,000
Contingency/COVID				39,111	90,000	-
Transfers	5,891		18,300	300,000	(5,810)	28,218
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>892,345</b>	<b>899,263</b>	<b>910,080</b>	<b>1,324,562</b>	<b>1,753,076</b>	<b>2,066,602</b>
Fund Balance Increase/(Decrease)	201,921	278,423	308,507	201,371	(518,501)	(286,960)

# Revenues

## General Fund Revenues

Total General Fund revenues are estimated to be \$1,779,642 compared to \$1,234,575 in the prior year, an increase of \$545,067 or 44%.

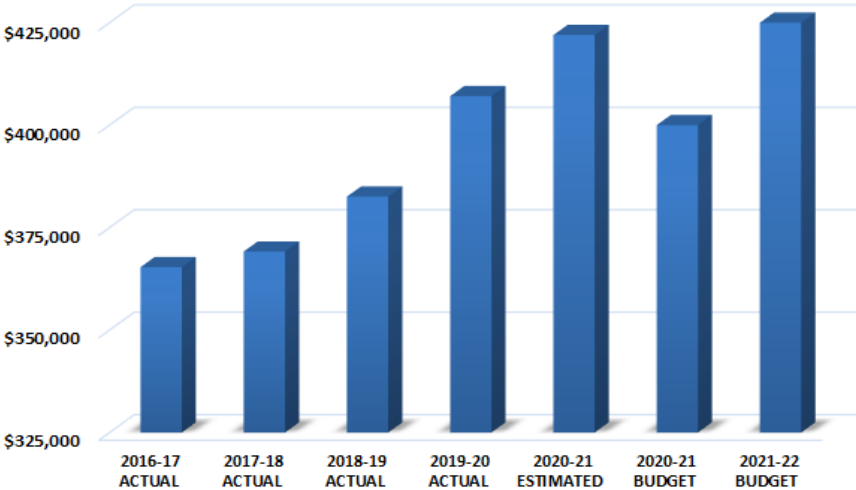
**General Fund Revenues by Type**



## 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 2021-22 it accounts for 24% of revenues.

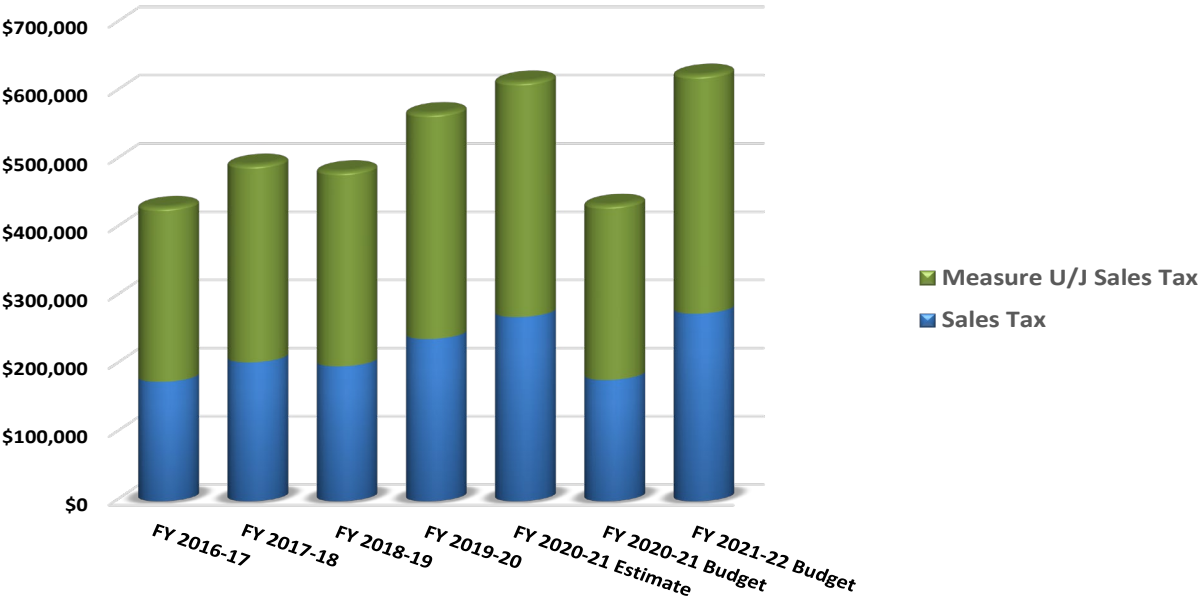
**Property Tax In-lieu VLF**



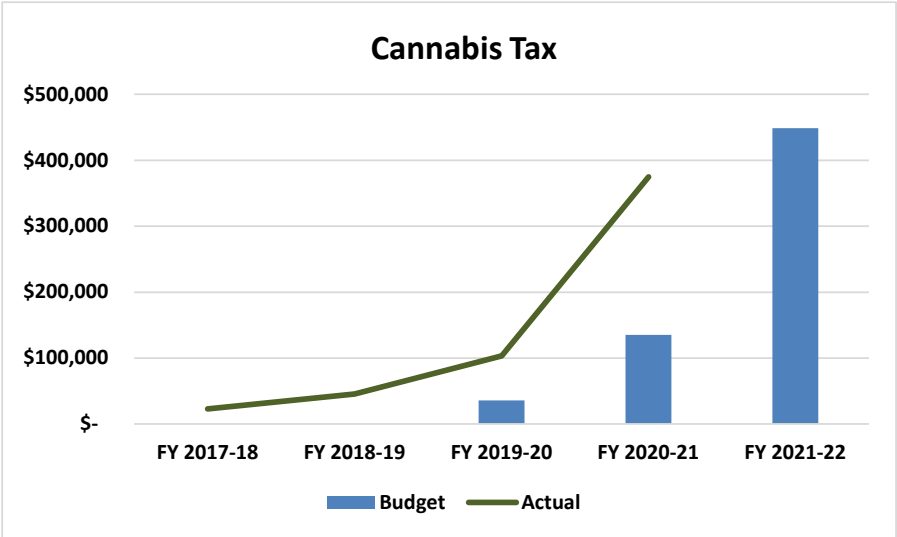
Local Sales Tax – In November 2014 the voters of the City of Rio Dell approved a five-year 1% general purpose sales tax with the passage of Measure U. In November 2018 the voters extended this with the passage of Measure J, which also has a five-year sunset, and expires December 31, 2024. This is a significant source of revenue for the City and accounts for about 20% of General Fund revenues.

# 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 15% of General Fund revenues come from this source.



**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 2% of gross receipts or two dollars per square foot of cultivation space. Cannabis revenues have been increasing and are estimated to be 24% of General Fund revenues for FY 2021-22.



**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 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 8% of General Fund revenues

# Revenues

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. Franchise fees account for about 5% of General Fund revenues.

## **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.

## **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.

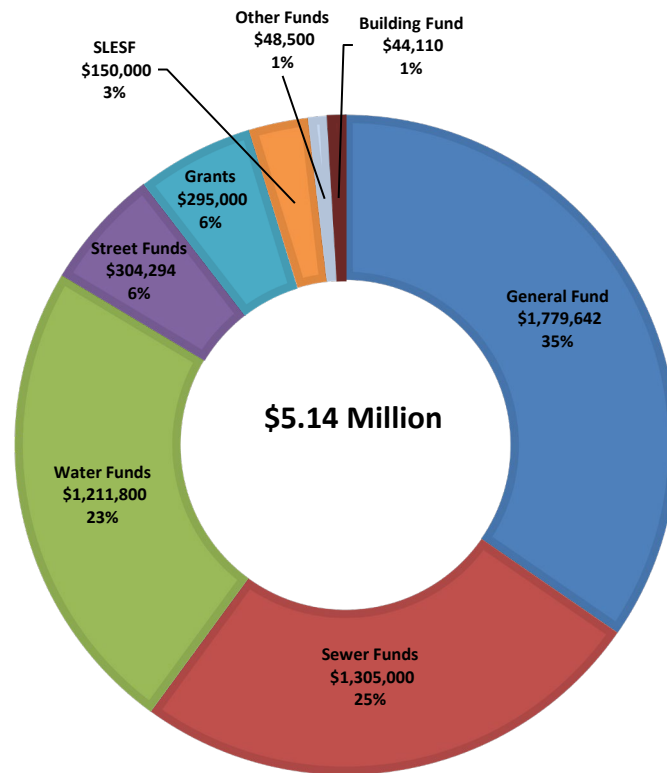
Water and Sewer Fees – The City Council establishes fees, rates and charges by resolution to cover the cost of water delivery, water and sewer system maintenance, water and sewer operations, administration, capital expenditures and/or debt service. Sewer rates were adjusted annually on July 1 based on the Consumer Price Index (CPI). This adjustment was only authorized for five years and ended in July 2020.

# Revenues

## Revenue Estimates

All City revenues are budgeted by fund in one department. The distribution by fund is shown on the right. 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.

CITY REVENUES BY FUND



00 - Revenue	6/30/2019 Actual	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted	Fund
4010 Tax - Property Current Secured	111,955.00	122,986.00	118,000.00	130,450.00	General Fund
4011 Tax - Property Current Unsecur	4,550.00	4,652.00	4,000.00	4,600.00	General Fund
4013 Tax - Property Prior Unsecured	50.00	56.00	50.00	50.00	General Fund
4025 Tax - Supplemental Roll	1,432.00	1,792.00	500.00	1,500.00	General Fund
4026 Tax - Home Owner's Property	1,329.00	1,339.00	1,330.00	1,200.00	General Fund
4027 Tax - Prior Years - Supplemental	266.00	363.00	200.00	300.00	General Fund
4030 Tax - Transient Occupancy Tax	9,328.00	11,797.00	5,000.00	11,000.00	General Fund
4035 Tax - Timber Yield	33.00	21.00	30.00	22.00	General Fund
4040 Tax - Retail Sales	197,781.00	237,872.00	177,900.00	275,000.00	General Fund
4042 Tax - Measure U Sales Tax	285,708.00	168,175.00	0.00	0.00	General Fund
4044 Tax - Measure J Sales Tax	0.00	162,620.00	256,500.00	350,000.00	General Fund
4045 Tax - (HCAOG) Transportation - TDA	124,891.00	154,657.00	111,219.00	120,000.00	Streets Fund
4046 Tax SB1 RMRA	69,069.00	58,333.00	57,250.00	64,700.00	Streets Fund
4048 Tax - Gasoline (Highway Users Tax)	75,809.00	83,365.00	81,670.00	92,467.00	Streets Fund
4050 Tax - Documentary Real Property	8,298.00	6,639.00	8,000.00	8,000.00	General Fund
4056 Tax - Public Safety .5% sales	3,105.00	4,757.00	3,100.00	3,200.00	General Fund
4110 Fees - Franchise - Electric	22,578.00	23,027.00	23,000.00	23,000.00	General Fund
4115 Fees - Franchise - Gas	8,233.00	9,354.00	8,000.00	9,000.00	General Fund
4120 Fees - Franchise - Garbage	22,296.00	21,240.00	22,000.00	21,240.00	General Fund
4125 Fees - Franchise - Cable TV	34,938.00	33,518.00	34,000.00	34,000.00	General Fund
4150 Fees - Business License	11,806.00	10,046.00	5,000.00	10,000.00	General Fund
4151 Fees - Business License CASP SB1186	1,060.00	928.00	800.00	800.00	General Fund
4152 Fees - Memorial Park	100.00	0.00	50.00	0.00	General Fund
4153 Cannabis Stamp Fee Acct.	400.00	0.00	0.00	0.00	General Fund
4154 Fees - Cannabis	12,713.00	28,040.00	25,000.00	36,000.00	General Fund
4155 Cannabis Business Tax Revenue	33,868.00	193,104.00	110,000.00	400,000.00	General Fund
4162 Fees - Motor Vehicle License (VLF)	1,617.00	2,666.00	0.00	2,400.00	General Fund
4163 Fees - In Lieu VLF - County	382,576.00	407,072.00	400,000.00	425,000.00	General Fund
4170 Fees - Animal License	2,540.00	1,028.00	2,000.00	2,000.00	General Fund
4173 Fees - Animal Control/Relinq.	429.00	168.00	400.00	200.00	General Fund



# Revenues

00 - Revenue	6/30/2019 Actual	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted	Fund
4178 Fees - Booking	596.00	286.00	350.00	250.00	General Fund
4180 Fees - Notary	165.00	105.00	120.00	135.00	General Fund
4183 Fees - Special Police Services	1,590.00	1,956.00	1,500.00	2,000.00	General Fund
4190 Fees - Integrated Waste Management	4,358.00	4,233.00	4,000.00	4,000.00	Solid Waste
4195 Fees - Customer fax and copy	112.00	75.00	100.00	20.00	General Fund
4230 Fines - Building Code	920.00	0.00	0.00	0.00	Building Fund
4240 Fines - Other	6,531.00	5,738.00	0.00	0.00	General Fund
4310 Interest Income	86,382.00	101,339.00	0.00	0.00	Various
4320 Rental Income - U.S. Cellular	6,421.00	7,736.00	7,073.00	8,045.00	General Fund
4321 Rental Income - T. Mobile	15,250.00	15,860.00	15,372.00	16,490.00	General Fund
4410 Building Plan - Constr Permits	56,950.00	18,679.00	24,000.00	24,000.00	Building Fund
4420 Planning - Zoning Fees	4,097.00	3,299.00	5,000.00	3,300.00	General Fund
4435 Planning - Home Occupation Permit Fee	200.00	240.00	200.00	440.00	General Fund
4440 Building Plan - Plan Check Fee	11,009.00	2,455.00	5,000.00	4,500.00	Building Fund
4445 Building - Administrative Fees	44,924.00	12,301.00	15,000.00	15,000.00	Building Fund
4456 Planning - Parks & Recreation	0.00	0.00	500.00	0.00	Parks
4460 Building Plan - Seismic Fees	657.00	168.00	200.00	150.00	Building Fund
4462 Building Standards - SB1473	204.00	86.00	100.00	100.00	Building Fund
4463 Building - Continuing Education	326.00	126.00	200.00	120.00	Building Fund
4464 Building - Technology Fee	733.00	280.00	400.00	240.00	Building Fund
4465 Encroachment Permits	2,000.00	1,500.00	1,500.00	1,500.00	Streets Fund
4480 Insurance Premium Reimbursement	2,229.00	21,961.00	0.00	0.00	Various
4510 Sewer - Service	830,556.00	835,392.00	788,500.00	867,066.00	Sewer Fund
4610 Water - Service	766,299.00	787,458.00	727,700.00	767,500.00	Water Fund
4630 Late Fee	52,405.00	27,468.00	25,000.00	25,000.00	Sewer Fund
4630 Late Fee	0.00	27,467.00	25,000.00	25,000.00	Water Fund
4635 Delinquent Fees	10,050.00	8,040.00	10,000.00	5,000.00	Water Fund
4640 Water - Damage Replacement	400.00	0.00	0.00	0.00	Water Fund
4653 Water - Metro Wells	17,451.00	17,771.00	17,100.00	17,100.00	Water Fund
4654 Water - Dinsmore Zone	21,429.00	21,836.00	21,400.00	21,800.00	Water Fund
4712 Grant Restricted - RSTP HCAOG	26,707.00	28,315.00	24,500.00	25,627.00	Streets Fund
4716 CARES Act	0.00	0.00	0.00	0.00	General Fund
4725 Gen. Fund Income from CDBG Principal	83,959.00	26,296.00	4,644.00	5,000.00	CDBG
4740 Grant Restr - Police Grant SLESF	148,747.00	159,426.00	100,000.00	150,000.00	SLESF
4746 Grant Restrictd - Recycling	5,000.00	5,000.00	0.00	0.00	Grant Fund
4747 Grant - Measure Z	27,058.00	23,442.00	0.00	18,500.00	Measure Z
4763 Grant Rest.- Prop. 84/NCIRWMP	8,165.00	0.00	0.00	0.00	Grant Fund
4766 Grant Restricted - ATP	85,448.00	837,653.00	0.00	0.00	Grant Fund
4900 Interfund Revenue	1,729.00	2,536.00	1,750.00	21,000.00	Admin Fund
4920 Misc - Special Public Works	0.00	0.00	0.00	0.00	Various
4936 Bad Debt Recovery	3,707.00	2,052.00	0.00	0.00	Various
4941 Misc - Post Training & Special	1,036.00	939.00	0.00	0.00	General Fund
4950 Misc	504.00	585.00	0.00	0.00	Various
4990 Misc - Other	94,718.00	464.00	0.00	0.00	Various
4995 Donations	700.00	0.00	0.00	0.00	Special Fund
4516 Sewer - Debt Service	327,174.00	329,111.00	320,000.00	302,934.00	Sewer Fund
4540 Sewer - Replacement Reserve	100,671.00	101,244.00	100,000.00	100,000.00	Sewer Fund
4520 Sewer - Connection	151,380.00	27,250.00	5,000.00	10,000.00	Sewer Fund
4570 Sewer - Assmt Dist #1 Current	0.00	0.00	0.00	0.00	Sewer Fund
4571 Sewer - Assmt Dist #1 - Prior	1,848.00	1,207.00	0.00	0.00	Sewer Fund
4615 Water - Debt Service	174,414.00	177,634.00	200,000.00	136,000.00	Water Fund
4616 Water - Debt Service Restricted	-61,358.00	0.00	0.00	0.00	Water Fund
4620 Water - Connection	86,400.00	18,900.00	0.00	5,400.00	Water Fund
4650 Water - Capital	168,591.00	171,693.00	165,000.00	234,000.00	Water Fund
4730 CAL OES	0.00	0.00	0.00	295,000.00	Grant Fund
4765 Grant Rest. DWSRF	0.00	0.00	0.00	0.00	Grant Fund
4768 SWRCB - PROP 1 Water CIP	189,036.00	115,357.00	0.00	0.00	Grant Fund
4770 SWRCB - Sewer Evaluation Study	0.00	64,765.00	0.00	0.00	Grant Fund
4935 Gain/Loss on Disposal of Assets	13,500.00	0.00	0.00	0.00	Various
<b>Total Revenue</b>	<b>5,012,136.00</b>	<b>5,767,339.00</b>	<b>4,071,208.00</b>	<b>5,138,346.00</b>	

# Fund Balances and Descriptions

## 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 \$7,625,354. The City of Rio Dell budget for FY 2021-22 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 \$7,094,506, a decrease of \$530,848. 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 2021-22 PROJECTED CHANGES IN FUND BALANCE

Fund Description	Fund #	Projected Beginning Fund Balance 7/1/21	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 6/30/22
		A	B	C	D	E	F	G	H	I
			C		{B - C}			{E - F}	{D + G}	{A + H}
<b>General Fund</b>	<b>000</b>	<b>1,709,830</b>	<b>1,779,642</b>	<b>1,411,602</b>	<b>368,040</b>	<b>-</b>	<b>655,000</b>	<b>(655,000)</b>	<b>(286,960)</b>	<b>1,422,870</b>
<b>Special Revenue Funds</b>										
Economic Development	003	295,000	-	-	-		77,000	(77,000)	(77,000)	218,000
Admin Fund	005	17,619	21,000	1,400	19,600		25,000	(25,000)	(5,400)	12,219
Building Fund	008	6,629	44,110	89,067	(44,957)	34,808		34,808	(10,149)	(3,520)
Parks Fund	015	18,102			-			-	-	18,102
Solid Waste Fund	027	21,456	4,000	7,585	(3,585)		5,000	(5,000)	(8,585)	12,871
CDBG RRLF Fund	039	409,522	5,000	6,450	(1,450)			-	(1,450)	408,072
SLESF Fund	040	100,255	150,000	161,666	(11,666)			-	(11,666)	88,589
Vehicle Abatement Fund	043	2,669			-			-	-	2,669
Realignment Grant Fund	046	-			-			-	-	-
Recycling Fund	074	22,759			-		7,200	(7,200)	(7,200)	15,559
Spay & Neuter Fund	093	3,146			-			-	-	3,146
Gas Tax Fund (HUTA)	020	160,916	93,967	96,160	(2,193)			-	(2,193)	158,723
SB1 (RMRA) Fund	021	60,990	64,700	65,867	(1,167)			-	(1,167)	59,823
TDA Fund	024	41,923	120,000	119,916	84			-	84	42,007
RSTP Fund	026	21,371	25,627	22,347	3,280			-	3,280	24,651
<b>Total Special Revenue Funds</b>		<b>1,182,357</b>	<b>528,404</b>	<b>570,458</b>	<b>(42,054)</b>	<b>34,808</b>	<b>114,200</b>	<b>(79,392)</b>	<b>(121,446)</b>	<b>1,060,911</b>
<b>Sewer Enterprise Fund</b>										
Sewer Capital Fund	052	1,223,330	110,000	-	110,000	-	160,000	(160,000)	(50,000)	1,173,330
Sewer Debt Svc Fund	054	94,590	302,934	302,934	-	-	-	-	-	94,590
Sewer Restricted Reserve	054	302,822	-	-	-	-	-	-	-	302,822
Sewer Operations Fund	050	569,935	892,066	971,549	(79,483)	-	65,000	(65,000)	(144,483)	425,452
<b>Total Sewer Enterprise Fund</b>		<b>2,190,677</b>	<b>1,305,000</b>	<b>1,274,483</b>	<b>30,517</b>	<b>-</b>	<b>225,000</b>	<b>(225,000)</b>	<b>(194,483)</b>	<b>1,996,194</b>
<b>Water Enterprise Fund</b>										
Water Capital Fund	062	1,000,140	239,400	-	239,400	-	88,000	(88,000)	151,400	1,151,540
Water Metro Wells Fund	063	48,392	17,100	22,050	(4,950)	-	-	-	(4,950)	43,442
Water Dinsmore Zone	064	86,008	21,800	10,100	11,700		145,000	(145,000)	(133,300)	(47,292)
Water Restricted Reserve	061	136,000	-	-	-	-	-	-	-	136,000
Water Debt Svc Fund	061	274,322	136,000	136,000	-	-	-	-	-	274,322
Water Operations Fund	060	997,628	797,500	708,609	88,891	-	30,000	(30,000)	58,891	1,056,519
<b>Total Water Enterprise Fund</b>		<b>2,542,490</b>	<b>1,211,800</b>	<b>876,759</b>	<b>335,041</b>	<b>-</b>	<b>263,000</b>	<b>(263,000)</b>	<b>72,041</b>	<b>2,614,531</b>
<b>Total All Funds</b>		<b>7,625,354</b>	<b>4,824,846</b>	<b>4,133,302</b>	<b>691,544</b>	<b>34,808</b>	<b>1,257,200</b>	<b>(1,222,392)</b>	<b>(530,848)</b>	<b>7,094,506</b>

# Fund Balances and Descriptions

## 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 2021-22 is \$2,038,384 and the projected ending fund balance reserve is \$1.42 million. For FY 2021-22 44% of the General Fund is budgeted for police services and 32% for capital projects. This includes \$550,000 of General Fund monies appropriated for streets projects. 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, 24%, (2) Cannabis Tax, 24%, and (3) Measure J Sales Tax, 20%. 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 less than 1% of budgeted revenues. These were pre-pandemic TOT percentages and revenues were negatively impacted state-wide over the last year, fortunately the impacts were minimal to the City.

#### Streets Funds

The following four special revenue funds are used to budget for maintenance of the City's fourteen centerline 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 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.

# Fund Balances and Descriptions

## **Miscellaneous Governmental Funds**

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

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, with a growth factor. 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) provides the City with pass-through funds that assist in the establishment of a location to provide consumers with convenient recycling opportunities. The annual grant amount that the City receives (\$5,000) is redirected over to HWMA for administration and management of the recycling program.

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 fees should be adjusted accordingly.

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

## **Grant Funds**

ATP Grant Fund – Safety Improvement and Community Outreach Project 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 and construction was completed in FY 2020-21. The Outreach project will be completed this fiscal year. Nothing was budgeted in this fund for FY 2021-22 a supplemental budget will be done based on remaining available grant funding at the end of FY 2020-21.

Sanitary Sewer Evaluation Grant Fund – SWRCB Clean Water funds will be used to develop a sanitary sewer evaluation study to be developed by a consultant. Total grant funding is \$499,500.

Power Resiliency Equipment – A new Grant Fund was created in the FY 2021-22 budget for federal pass through funding from Cal OES for the purchase of equipment to provide alternative emergency power during a power outage event. Total funding is \$295,000.

## **PROPRIETARY FUNDS**

### **Water and Sewer Enterprise Funds**

The Water and Sewer funds operate 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 from infrastructure financing. Water and Sewer are the City's only enterprise Funds. Separate Water and Sewer funds are maintained for operations, capital projects, debt service, and assessments.

# City Position Allocation Table

The table below shows the number of positions funded in the adopted FY 2021-22 budget and the previous four years history. There was an increase of 1.0 FTE Management Analyst and a reduction of 0.4 FTE Finance Director for a net change of 0.6 FTE from the prior year.

FISCAL YEAR 2021-22					
POSITION ALLOCATION TABLE					
DEPARTMENT/POSITION	FULL-TIME EMPLOYEES (FTEs)				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>ADMINISTRATION</b>					
Management Analyst I/II/Sr	-	-	-	-	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
Total FTEs	2.80	2.80	2.80	2.80	3.80
<b>FINANCE DEPARTMENT</b>					
Accountant I/II	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	0.60
Fiscal Assistant I/II	1.00	1.00	1.00	1.00	1.00
Senior Fiscal Assistant	1.00	1.00	1.00	1.00	1.00
Total FTEs	4.00	4.00	4.00	4.00	3.60
<b>POLICE DEPARTMENT</b>					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Community Service Officer	--	--	--	1.00	1.00
Police Officer	3.00	4.00	4.25	4.25	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
Total FTEs	5.70	6.70	6.95	7.95	7.95
<b>PUBLIC WORKS DEPARTMENT</b>					
Operator in Training (OIT)	--	1.00	1.00	1.00	1.00
Public Works Leadman	1.00	1.00	1.00	1.00	1.00
Utility Worker I/II/III	2.00	2.50	2.50	2.50	2.50
Wastewater Superintendent Trainee	1.00	1.00	--	--	--
Wastewater Superintendent	--	--	1.00	1.00	1.00
Water/Streets Superintendent	1.00	1.00	1.00	1.00	1.00
Water/Wastewater Plant Operator I/II/III	1.00	2.00	2.00	2.00	2.00
Total FTEs	6.00	8.50	8.50	8.50	8.50
<b>TOTAL CITY FTEs</b>	<b>18.50</b>	<b>22.00</b>	<b>22.25</b>	<b>23.25</b>	<b>23.85</b>

# City Compensation Table

The City adopted the following salary schedule by Resolution 1496-2021 on July 27, 2021. The only changes in compensation for FY 2021-22 were the addition of Management Analyst I/II/Sr salary ranges and a 5% increase for the PW Leadman to differentiate it from the Utility Worker III.

## Peace Officers Association

JOB TITLE	Salary Range				
	A	B	C	D	E
Police Officer	46,005	48,305	50,721	53,257	55,919
Police Corporal	53,352	56,019	58,820	61,761	64,849
Sergeant	58,890	61,835	64,927	68,173	71,582

## Rio Dell Employee's Association

JOB TITLE	Salary Range				
	A	B	C	D	E
Accountant I	47,155	49,513	51,989	54,588	57,317
Accountant II	52,051	54,653	57,386	60,255	63,268
Admin. Assistant	33,373	35,042	36,794	38,633	40,565
Administrative Tech.	38,702	40,638	42,669	44,803	47,043
Community Service Officer	39,670	41,654	43,736	45,923	48,219
Fiscal Assistant I	31,765	33,353	35,021	36,772	38,610
Fiscal Assistant II	35,063	36,816	38,656	40,589	42,619
Management Analyst I	52,051	54,653	57,386	60,255	63,268
Office Assistant	28,777	30,216	31,727	33,314	34,979
PW Leadman	38,702	40,638	42,669	44,803	47,043
Records Tech.	35,063	36,816	38,656	40,589	42,619
Sr. Fiscal Assistant	38,702	40,638	42,669	44,803	47,043
Utility Worker I	30,234	31,746	33,333	35,000	36,750
Utility Worker II	33,373	35,042	36,794	38,633	40,565
Utility Worker III	36,838	38,679	40,613	42,644	44,776
W/WW Plant Op. I	35,939	37,736	39,623	41,604	43,684
W/WW Plant Op. II	39,670	41,654	43,736	45,923	48,219
W/WW Plant Op. III	43,788	45,978	48,277	50,690	53,225
Operator In Training (OIT)	35,939				

## Management/Confidential Employees

JOB TITLE	Salary Range				
	A	B	C	D	E
City Clerk **	47,155	49,513	51,989	54,588	57,317
City Manager	101,384	106,453	111,776	117,365	123,233
Chief of Police	85,291	89,555	94,033	98,735	103,672
Finance Director	75,385	79,154	83,112	87,267	91,631
Community Dev. Dir.	75,385	79,154	83,112	87,267	91,631
Management Analyst II	57,454	60,327	63,343	66,510	69,839
Senior Management Analyst	63,419	66,589	69,919	73,415	77,086
Wastewater Sup.	61,872	64,965	68,214	71,624	75,205
Water/Streets Sup.	61,873	64,965	68,214	71,624	75,205

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

\*\* employees whose compensation under Resolution No. 1428-2019 is higher than the above schedule are Y-Rated to maintain compensation under Resolution No. 1428-2019

# City Position Allocations by Department and Fund

The table below shows how positions are funded in the budget by department and fund.

Function/Job Description	FTEs	Percent Allocated by Fund											
		General Fund	Solid Waste	SLESF	Streets	TDA	RSTP	SB 1	Water	Sewer	Metro Wells	CDBG	Building
<b>City Manager</b>													
City Manager/Public Works Director	1.000	40.0%	1.5%		3.0%	2.0%			25.0%	25.0%		1.5%	2.0%
Admin Analyst I/II/III	1.000	100.0%											
City Clerk	0.600	40.0%			3.0%	2.0%			27.5%	27.5%			
<b>Total</b>	<b>2.600</b>												
<b>Finance</b>													
Finance Director	0.600	23.0%			1.0%	1.0%			40.0%	35.0%			
Accountant	1.000	23.0%			1.0%	1.0%			40.0%	35.0%			
Sr Fiscal Assistant	1.000	23.0%			1.0%	1.0%			40.0%	35.0%			
Fiscal Assistant I/II	1.000	23.0%			1.0%	1.0%			40.0%	35.0%			
<b>Total</b>	<b>3.600</b>												
<b>General Government</b>													
Community Development Director	0.200	95.0%										5.0%	
<b>Building</b>													
Community Development Director	0.400												100.0%
City Clerk	0.300												100.0%
<b>Total</b>	<b>0.700</b>												
<b>Planning</b>													
Community Development Director	0.200	100.0%											
City Clerk	0.100	100.0%											
<b>Total</b>	<b>0.300</b>												
<b>Police</b>													
Chief of Police	1.000	100.0%											
Sergeant	1.000	100.0%											
Police Officer	2.750	100.0%											
Police Officer	1.500			100.0%									
Community Service Officer	1.000	100.0%											
Records Technician	0.700	100.0%											
<b>Total</b>	<b>7.950</b>												
<b>Public Works</b>													
<b>Sewer</b>													
Wastewater Superintendent	0.900									100.0%			
Water/Streets Superintendent	0.050									100.0%			
Public Works Leadman	0.070									100.0%			
W/WW Operator I/II/III	0.400									100.0%			
<b>Sewer (continued)</b>													
W/WW Operator I/II/III	0.850									100.0%			
Operator In Training	0.950									100.0%			
Utility Worker I/II/III	0.100									100.0%			
Utility Worker I/II/III	0.100									100.0%			
<b>Total</b>	<b>3.420</b>												
<b>Water</b>													
Wastewater Superintendent	0.040								95.0%		5.0%		
Water/Streets Superintendent	0.800								95.0%		5.0%		
Public Works Leadman	0.170								95.0%		5.0%		
W/WW Operator I/II/III	0.600								95.0%		5.0%		
W/WW Operator I/II/III	0.150								95.0%		5.0%		
Operator In Training	0.050								95.0%		5.0%		
Utility Worker I/II	0.100								95.0%		5.0%		
Utility Worker I/II	0.100								95.0%		5.0%		
<b>Total</b>	<b>2.010</b>												
<b>Streets</b>													
Wastewater Superintendent	0.060				32.0%	26.0%	12.0%	30.0%					
Water/Streets Superintendent	0.150				32.0%	26.0%	12.0%	30.0%					
Public Works Leadman	0.300				32.0%	26.0%	12.0%	30.0%					
Utility Worker I/II	0.300				32.0%	26.0%	12.0%	30.0%					
Utility Worker I/II	0.300				32.0%	26.0%	12.0%	30.0%					
Part-Time Utility I/II	0.100				32.0%	26.0%	12.0%	30.0%					
<b>Total</b>	<b>1.210</b>												
<b>Facilities &amp; Grounds</b>													
Public Works Leadman	0.460	40.0%			7.0%	3.0%			25.0%	25.0%			
Utility Worker I/II	0.500	40.0%			7.0%	3.0%			25.0%	25.0%			
Utility Worker I/II	0.500	40.0%			7.0%	3.0%			25.0%	25.0%			
Part-Time Utility I/II	0.400	40.0%			7.0%	3.0%			25.0%	25.0%			
<b>Total</b>	<b>1.860</b>												
<b>Total Public Works</b>	<b>8.500</b>												
<b>Total City</b>	<b>23.850</b>												

# 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

Building is staffed with 0.40 FTE Community Development Director and 0.30 FTE City Clerk position.

## Accomplishments

- Processed 103 Building Permits.
- Permitted and approved Building Permits for cannabis businesses in the Dinsmore zone.

## 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 includes an estimated General Fund transfer of \$38,328 to subsidize building activities. When fees are not sufficient to cover actual costs of the program General Fund dollars must make up the difference. The prior year budget did not include a transfer, the last transfer was \$18,300 and was done in FY 2018-19.

11 - BUILDING	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	54,914	58,905	63,479
5035 Benefit - ICMA City 457	6,193	6,285	6,794
5040 Benefit - Health Insurance	5,542	5,813	3,281
5042 Benefit - Life Insurance	211	171	171
5044 Benefit - Dental/Vision Insur	481	482	481
5045 Worker Compensation Insurance	1,654	1,346	1,440
5050 FICA	4,957	5,073	5,462
5055 Unemployment Insurance	252	280	280
5056 Employment Training Tax	6	6	6
5101 Office Supplies	84	350	200
5102 Operating Supplies	31	50	50
5103 Postage	19	75	75
5104 Printing - Forms	202	300	300
5106 Promotional	0	10	0
5112 Legal	0	500	500
5115 Contract/Professional Services	1,381	2,000	2,000
5119 Safety Supplies & Equipment	17	20	20
5120 Cell Phones	1,117	1,120	1,120
5121 Telephone - Pager	15	30	30
5122 Travel and Training Expense	1,625	3,000	2,000
5123 Automobile - Transportation	276	1,000	1,000
5125 Publications - Books	4	50	100
5126 Dues & Memberships	725	300	350
5130 Rents - Leases	90	440	200
5131 Records Maintenance	165	180	200
5135 Maintenance - Repair	8	200	200
5138 Office Equipment	411	200	200
5141 General Liability Insurance	801	850	911
5143 Property Insurance	322	350	395
5144 Emp Practice Liab Insurance	69	75	82
5150 Electricity	115	175	120
5151 Natural Gas	15	25	20
5152 Water	109	140	200
5153 Sewer	34	48	45
5164 Regulatory Fees	331	220	220
5167 Seismic Fees	0	165	0
5171 Computer Software	231	100	100
5173 Computer Maintenance - Support	57	50	100
5174 Web Design Services	21	100	50
5513 Building Expense	150	0	150
<b>Total Expenditures</b>	<b>82,635</b>	<b>90,484</b>	<b>92,332</b>



# 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 2021-22.

## Priorities

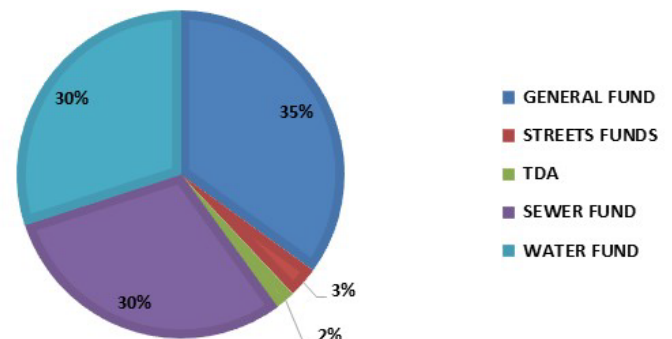
- Economic Development (non-cannabis)
- Cannabis Expansion
- Staff Turnover Reduction
- Code Enforcement
- SB 1383 – Organic Waste Diversion

12 - CITY COUNCIL	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5101 Office Supplies	20	100	50
5102 Operating Supplies	9	20	70
5103 Postage	0	46	100
5104 Printing - Forms	0	151	150
5105 Advertising	306	300	300
5106 Promotional	2,622	4,000	3,500
5112 Legal	746	5,000	5,000
5115 Contract/Professional Services	0	751	750
5122 Travel and Training Expense	2,511	8,000	8,000
5123 Automobile - Transportation	1,044	1,100	1,000
5126 Dues & Memberships	2,626	2,754	2,754
5138 Office Equipment	0	0	200
5141 General Liability Insurance	0	600	0
5143 Property Insurance	0	99	0
5173 Computer Maintenance - Support	0	5,000	5,000
5174 Web Design Services	0	98	50
5900 RDFD and Library Water/Sewer	4,724	5,000	5,000
<b>Total Expenditures</b>	<b>34,682</b>	<b>33,019</b>	<b>31,924</b>

## 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

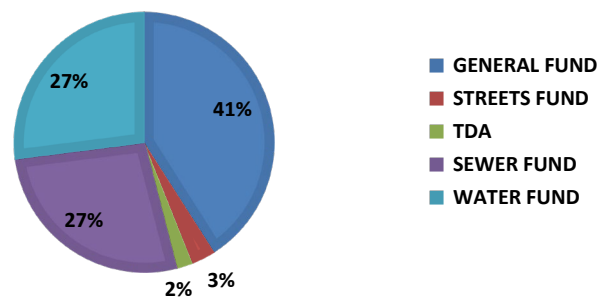
The City Manager Department is staffed by 1.0 FTE City Manager, 0.60 FTE City Clerk and 1.0 FTE new Administrative Analyst position. In addition to roles in Risk Management, Human Resources, contract negotiations the City Manager also serves as the Director of Public Works. There is no change to budgeted positions from the previous fiscal year.

02 - CITY MANAGER	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	145,116	160,371	250,190
5035 Benefit - ICMA City 457	17,987	20,226	29,576
5040 Benefit - Health Insurance	16,914	16,732	37,405
5042 Benefit - Life Insurance	330	341	612
5044 Benefit - Dental/Vision Insur	1,918	1,331	4,512
5045 Worker Compensation Insurance	1,133	1,871	2,323
5050 FICA	12,115	15,301	18,999
5055 Unemployment Insurance	499	560	910
5056 Employment Training Tax	11	13	18
5101 Office Supplies	887	1,500	1,500
5102 Operating Supplies	435	501	400
5103 Postage	1,938	1,000	800
5104 Printing - Forms	4,392	4,349	4,300
5105 Advertising	488	500	480
5106 Promotional	258	1,500	1,500
5112 Legal	10,838	15,000	19,100
5115 Contract/Professional Services	1,541	12,000	35,000
5119 Safety Supplies & Equipment	115	6,050	3,000
5120 Cell Phones	2,228	2,240	2,640
5121 Telephone - Pager	102	125	120
5122 Travel and Training Expense	1,319	3,000	3,000
5123 Automobile - Transportation	4,850	4,800	4,800
5125 Publications - Books	29	100	50
5126 Dues & Memberships	583	4,600	4,500
5130 Rents - Leases	596	1,200	500
5131 Records Maintenance	83	121	125
5135 Maintenance - Repair	540	700	250
5138 Office Equipment	0	1,499	1,400
5139 Equipment	17	500	500
5141 General Liability Insurance	5,300	5,500	3,510
5143 Property Insurance	2,130	2,130	1,305
5144 Emp Practice Liab Insurance	455	455	450
5150 Electricity	759	860	780
5151 Natural Gas	98	100	120
5152 Water	496	580	900
5153 Sewer	155	150	150
5160 Elections	0	1,500	0
5164 Regulatory Fees	450	0	400
5166 LAFCO Fees	1,647	1,850	1,850
5171 Computer Software	824	500	500
5173 Computer Maintenance - Support	2,581	2,700	2,750
5174 Web Design Services	617	500	500
5514 Engineering	4,230	2,500	2,000
<b>Total Expenditures</b>	<b>247,004</b>	<b>297,356</b>	<b>443,725</b>

## Funding Source

The City Manager budget is allocated by fund as follows:

### CITY MANAGER BUDGET BY FUND



# City Manager

## Accomplishments

- Completed streets planning and created a list of projects to be completed over the next five years. Paved Dixie, Eeloa and a number of other streets.
- Fully implemented the compensation study of all City positions.
- Generation during FY 2020-21 of \$347,772 in discretionary revenue associated with cannabis activities.
- Continued to provide local leadership and community support to help navigate the challenges of COVID-19.
- Recruited and trained a Community Services Officer and started code enforcement activities in the City.

## Opportunities/Challenges

- Accomplishing progress on extensive code enforcement backlog.
- Economic Development – attracting a diversified set of businesses that will help fund City services and contribute to the identity of the community.
- Street Projects – for FY 2021-22 the city is set to spend a relatively high amount of local discretionary dollars on streets projects throughout town.
- Implementation of the City's first Façade Improvement Program.
- Bike trails and beautification program implementation.
- Provision of a positive vision and determined leadership style in light of the challenges facing the City and Community due to the pandemic.
- 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.



# Economic Development

## Program Purpose

The purpose of Economic Development is to improve employment opportunities within the City and to increase revenue for the provision of public services through additional municipally taxed economic activity. Increased economic growth also leads to improved housing conditions and will allow Rio Dell to better 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 2021-22. A new position has been allocated in the City Manager budget to assist with economic development.

## Accomplishments

- Adopted a City Economic Development Strategy.
- Continued to provide economic support to business during the COVID-19 pandemic.
- Continued to increase General Fund revenues through a focus on cannabis as a form of economic development.

## Opportunities/Challenges

- Creation 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 such as police. California tax law rewards cities with diverse and robust retail sectors that can help shoulder the cost of 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 services within the city limits in order to maintain or increase the standard of living of all Rio Dell residents.

06 - GENERAL GOVERNMENT	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5106 Promotional	0	2,000	2,000
5115 Contract/Professional Services	0	50,000	75,000
<b>Total Expenditures</b>	<b>0</b>	<b>52,000</b>	<b>77,000</b>

## 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.



# Finance

## Program Purpose

The Finance Department carries out the fiscal policies and procedures set forth by the City Council and coordinates and directs all fiscal operations. This program provides all City accounting functions in an accurate and timely manner in accordance with Generally Accepted Accounting Principles and State and Federal laws. Finance works to safeguard the financial strength of the City and ensure the availability of adequate resources to fund City services for the community.

## Primary Activities

The functions of the Finance Department include utility billing, general ledger accounting, financial reporting, financial forecasting, fixed asset inventory, accounts payable, payroll, accounts receivable, cash receipting, treasury investment functions, fiscal and regulatory compliance, audit liaison and preparation of the City's annual budget.

## Staffing

The Finance Department is staffed by 3.6 FTEs. Positions budgeted for FY 2021-22 are 0.6 FTE Finance Director, Accountant II, Senior Fiscal Assistant and Fiscal Assistant I/II. This is a reduction of 0.4 FTE from the prior fiscal year.

## Accomplishments

- Issued a request for proposal for the sewer and water rate study.
- No audit findings or material internal control weaknesses.
- Accurately billed and receipted over 1,400 utility customers monthly.

## Opportunities/Challenges

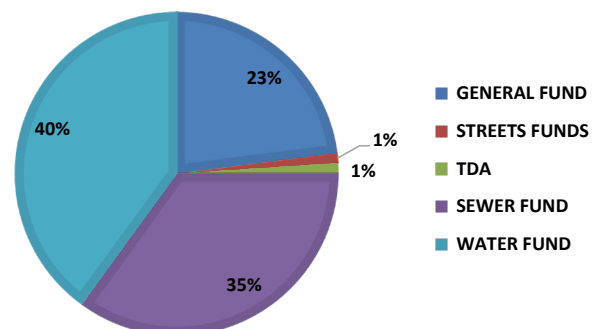
- Work on City sewer and water rate updates.
- Ensure timely billing and compliance with grant and funding requirements.
- Utility bill arrearages due to pandemic.
- Implementation of the new mandated water shutoff program.
- Provide staff within Finance Department access to training and cross-training to support business continuity.

03 - FINANCE	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	171,154	207,652	197,113
5030 Overtime Salaries	2,522	3,546	8,000
5035 Benefit - ICMA City 457	12,663	21,726	20,662
5040 Benefit - Health Insurance	48,205	73,697	41,780
5042 Benefit - Life Insurance	540	720	720
5044 Benefit - Dental/Vision Insur	5,010	8,290	5,750
5045 Worker Compensation	1,312	2,056	2,370
5050 FICA	13,824	18,237	17,673
5055 Unemployment Insurance	1,474	1,386	1,400
5056 Employment Training Tax	28	30	28
5069 Accrued Payroll Taxes Expense	2	0	0
5080 Hiring Costs	114	0	500
5081 Compensated Absences Payable	3,398	0	0
5101 Office Supplies	3,651	3,500	3,650
5102 Operating Supplies	276	500	275
5103 Postage	877	749	750
5104 Printing - Forms	892	1,500	1,200
5106 Promotional	0	33	100
5110 Accounting	11,686	27,000	27,000
5112 Legal	87	400	400
5115 Contract/Professional Services	9,940	2,500	2,000
5116 Bank Fees	2,375	1,200	2,750
5119 Safety Supplies & Equipment	116	0	0
5120 Cell Phones	0	1,400	1,400
5121 Telephone - Pager	103	284	120
5122 Training - Conference	182	500	2,000
5123 Automobile - Transportation	1,297	1,500	1,500
5125 Publications - Books	30	95	95
5126 Dues & Memberships	114	220	220
5127 License	610	1,753	1,000
5130 Rents - Leases	854	1,000	1,000
5131 Records Maintenance	1,287	1,600	1,000
5135 Maintenance - Repair	4,652	3,000	1,500
5138 Office Equipment	5,423	2,126	4,000
5141 General Liability Insurance	2,179	347	2,180
5143 Property Insurance	466	134	475
5144 Emp Practice Liab Insurance	777	1,000	1,000
5150 Electricity	100	139	120
5151 Natural Gas	650	650	1,000
5152 Water	203	200	160
5153 Sewer	0	0	120
5163 Property Tax Admin Fees	3,357	2,800	3,357
5171 Computer Software	2,651	2,000	2,000
5173 Computer Maintenance -	12,798	15,178	15,000
5174 Web Design Services	140	358	100
<b>Total Expenditures</b>	<b>328,019</b>	<b>411,006</b>	<b>373,468</b>

## 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.

## 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 by 0.20 FTE of the Community Development Director position.

## Accomplishments

- Approval of a City Economic Development Strategy
- Provided CDBG program administration and oversight.
- Supported Code Enforcement, City Manager, Streets, Water and Wastewater as needed.

## Opportunities/Challenges

- 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 primarily to the General Fund with a transfer in of \$1,310 from CDBG to cover 5% of the Community Development Director staffing costs.

06 - GENERAL GOVERNMENT	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	17,652	17,946	20,018
5035 Benefit - ICMA City 457	2,079	2,055	2,199
5040 Benefit - Health Insurance	831	813	0
5042 Benefit - Life Insurance	67	45	45
5045 Worker Compensation Insurance	760	1,663	1,772
5050 FICA	1,602	1,619	1,726
5055 Unemployment Insurance	79	88	88
5056 Employment Training Tax	2	2	2
5101 Office Supplies	12	400	200
5102 Operating Supplies	6	40	200
5103 Postage	38	65	65
5104 Printing - Forms	28	40	40
5106 Promotional	0	2,000	2,000
5112 Legal	1,678	750	1,500
5115 Contract/Professional Services	3,601	50,000	75,000
5119 Safety Supplies & Equipment	6	5	0
5120 Cell Phones	357	350	350
5121 Telephone - Pager	5	8	10
5122 Travel and Training Expense	14	20	0
5123 Automobile - Transportation	37	50	0
5125 Publications - Books	1	10	10
5130 Rents - Leases	76	80	80
5135 Maintenance - Repair	3	50	2,600
5138 Office Equipment	821	950	0
5141 General Liability Insurance	246	300	260
5143 Property Insurance	99	100	100
5144 Emp Practice Liab Insurance	21	30	30
5150 Electricity	35	40	45
5151 Natural Gas	5	10	10
5171 Computer Software	50	0	5
5173 Computer Maintenance - Support	18	25	25
5174 Web Design Services	6	25	10
7000 Transfer In	0	-1,379	-1,310
<b>Total Expenditures</b>	<b>30,235</b>	<b>78,200</b>	<b>107,080</b>

# 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 sound and orderly growth and development within the City. The Planning Commission is the approving authority for subdivisions, lot line adjustments, use permits, and variances.

## Staffing

Planning is staffed with 0.20 FTE Community Development Director and 0.10 FTE City Clerk positions.

## Accomplishments

- Finalized the 2019–2027 Housing Element.
- Participated in completion of the regional Climate Action Plan.
- Assisted with adoption of a City Economic Development Strategy.
- Submitted application to LAFCO for annexation of the City's Wastewater Disposal field.

## Opportunities/Challenges

- City implementation of Regional Climate Action Plan.
- Assist with carrying out the City Economic Development Strategy.
- Finalize annexation of the City's Wastewater Disposal field.

10 - PLANNING	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	24,309	25,888	27,832
5035 Benefit - ICMA City 457	2,770	2,780	2,998
5040 Benefit - Health Insurance	2,133	2,209	1,094
5042 Benefit - Life Insurance	93	72	72
5044 Benefit - Dental/Vision Insur	160	161	160
5045 Worker Compensation Insurance	805	1,464	1,564
5050 FICA	2,197	2,230	2,396
5055 Unemployment Insurance	110	123	123
5056 Employment Training Tax	2	2	2
5101 Office Supplies	73	450	450
5102 Operating Supplies	23	150	150
5103 Postage	143	350	250
5104 Printing - Forms	865	1,200	1,200
5106 Promotional	0	50	0
5112 Legal	131	1,200	1,200
5115 Contract/Professional Services	30	5,300	2,000
5119 Safety Supplies & Equipment	19	20	20
5120 Cell Phones	494	490	490
5121 Telephone - Pager	16	50	30
5122 Travel and Training Expense	54	750	750
5123 Automobile - Transportation	0	250	250
5125 Publications - Books	1,283	250	250
5126 Dues & Memberships	22	150	100
5128 Employee Relations	0	0	25
5130 Rents - Leases	97	450	450
5131 Records Maintenance	83	100	100
5135 Maintenance - Repair	9	300	200
5138 Office Equipment	411	500	500
5141 General Liability Insurance	863	1,000	1,000
5143 Property Insurance	347	350	425
5144 Emp Practice Liab Insurance	74	100	100
5150 Electricity	124	165	150
5151 Natural Gas	16	20	25
5152 Water	129	150	220
5153 Sewer	40	50	50
5164 Regulatory Fees	0	2,000	1,000
5171 Computer Software	231	200	200
5173 Computer Maintenance - Support	1,029	1,100	1,100
5174 Web Design Services	22	350	50
<b>Total Expenditures</b>	<b>39,207</b>	<b>52,424</b>	<b>48,976</b>

## Funding Source

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

# 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 department provides public safety services for the City. The Chief of Police is responsible for all department functions, provides guidance to supervisory staff, ensures training and certification in accordance with California Peace Officers Standards and Training regulations (POST), 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 7.95 FTEs. Positions budgeted for FY 2021-22 are Chief of Police, 1.0 FTE Sergeant, 4.25 FTE Police Officers, 1.0 Community Service Officer and 0.7 FTE Records Technician. Previously the Records Technician position was 100% funded by Humboldt County with Measure Z sales tax, for FY 2021-22 the position is being partially funded by the General Fund. The Community Service Officer was added last fiscal year.

## Funding Source

The Police budget is allocated 100% to the General Fund, except for one Police Officer position which is paid for by the SLESF fund.

07 - POLICE	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	336,377	405,563	456,875
5026 Part Time Temporary Salaries	35,931	44,089	46,816
5030 Overtime Salaries	10,840	9,000	19,461
5035 Benefit - ICMA City 457	59,324	69,441	77,899
5040 Benefit - Health Insurance	72,702	113,039	107,083
5042 Benefit - Life Insurance	1,485	1,890	1,890
5044 Benefit - Dental/Vision Insur	8,436	13,276	13,278
5045 Worker Compensation Insurance	31,783	32,635	36,294
5050 FICA	33,509	42,019	46,719
5055 Unemployment Insurance	2,662	3,150	3,150
5056 Employment Training Tax	57	63	63
5060 Clothing Allowance	4,125	5,250	5,250
5069 Accrued Payroll Taxes Expense	14	0	0
5080 Hiring Costs	2,342	3,000	10,000
5101 Office Supplies	2,050	2,200	1,500
5102 Operating Supplies	3,090	3,200	3,200
5103 Postage	577	600	700
5104 Printing - Forms	265	480	250
5105 Advertising	0	300	0
5106 Promotional	0	50	50
5112 Legal	1,081	1,000	1,500
5115 Contract/Professional Services	4,823	5,000	5,000
5117 Animal Control	23,120	22,800	23,800
5119 Safety Supplies & Equipment	245	1,200	2,500
5120 Cell Phones	3,753	4,611	4,406
5121 Telephone - Pager	1,921	2,420	2,420
5122 Travel and Training Expense	6,658	12,500	12,500
5123 Automobile - Transportation	1,222	2,500	20,500
5125 Publications - Books	191	500	500
5126 Dues & Memberships	206	1,800	800
5128 Employee Relations	0	250	250
5130 Rents - Leases	4,044	3,000	4,000
5131 Records Maintenance	376	400	400
5135 Maintenance - Repair	250	2,500	1,200
5138 Office Equipment	4,730	7,500	2,500
5139 Equipment	1,960	5,000	38,500
5141 General Liability Insurance	7,888	8,200	8,200
5143 Property Insurance	3,170	3,170	3,170
5144 Emp Practice Liab Insurance	677	827	827
5150 Electricity	1,224	1,500	1,500
5151 Natural Gas	145	200	200
5152 Water	1,184	1,400	1,800
5153 Sewer	370	400	400
5162 Medical	2,355	2,800	2,800
5171 Computer Software	3,910	2,500	9,000
5173 Computer Maintenance - Support	14,894	15,000	15,000
5174 Web Design Services	204	250	100
5192 Code Enforcement	1,621	10,500	10,000
5193 Nuisance Abatement-Vehicle	0	1,750	2,000
5212 Gas & Oil	16,422	16,970	15,000
5213 Vehicle Repair	3,461	12,500	5,000
5308 Dispatch Service Due	47,300	47,300	48,364
<b>Total Expenditures</b>	<b>764,974</b>	<b>947,493</b>	<b>1,074,615</b>



# Police

## Accomplishments

- The Department investigated the first intentional homicide case in more than thirty years. The investigation required a significant allocation of resources, both personnel and financial, but provided for the apprehension of both suspects in North Dakota.
- The Department migrated to a new Records and Information Management System (RIMS). This will allow the Department access to the records maintained by other public safety agencies in Humboldt County, which is a very valuable investigative tool. It should also reduce the amount of staff time required to manage case records.

## Opportunities/Challenges

- The Department lost two officers during the previous fiscal year, but was able to fill one of those positions. It will be an ongoing challenge to maintain budgeted staffing levels.
- Recruit and train the new Community Service Officer position which should allow the department to conduct more code enforcement activities.
- The conversion to the new case management system did not include data migration. The software vendor recommended that it would be more cost effective if the Department did this manually. This project started off well, but it will take a continuing and lengthy effort to move all of the necessary records to the new system.



# 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, parks, facilities, and water and sewer systems.

## Primary Activities

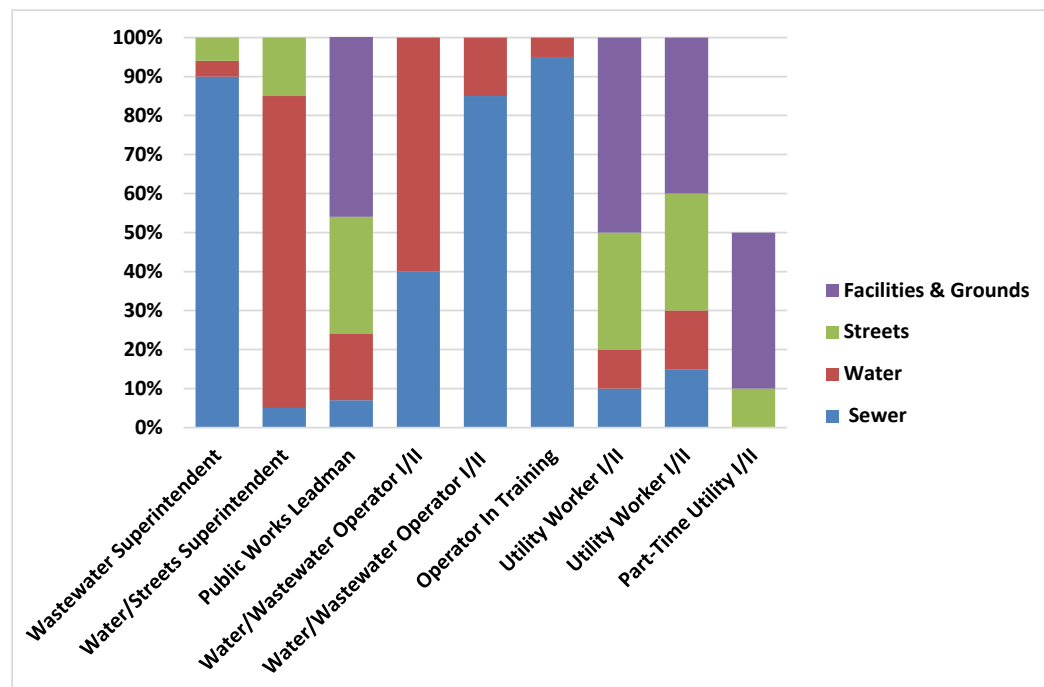
Divisions under Public Works operations are Streets, Facilities & Grounds, Water Operations, and Sewer Operations. Capital replacement, repairs, and maintenance for the City's property, plant, and equipment are managed under Capital Projects.

## Staffing

The Public Works Department is staffed with 1.0 FTE Water/Streets Superintendent, 1.0 FTE Wastewater Superintendent, 2.0 FTE Water/Wastewater Operators, 1.0 FTE Operator in Training, 1.0 FTE Public Works Leadman, and 2.5 FTE Utility Workers. Total positions budgeted for FY 2021-22 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.



# Facilities and Grounds

## Program Purpose

Facilities and Grounds is part of Public Works and is tasked with maintenance of City owned facilities, 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 facilities 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: 60% of 1.0 FTE Public Works Leadman and 50% of 1.0 FTE Utility Worker, 40% of 1.5 FTE Utility Workers.

## Accomplishments

- Maintained City areas so that they were clean and aesthetically pleasing to the public.
- Built path for river access on City property.

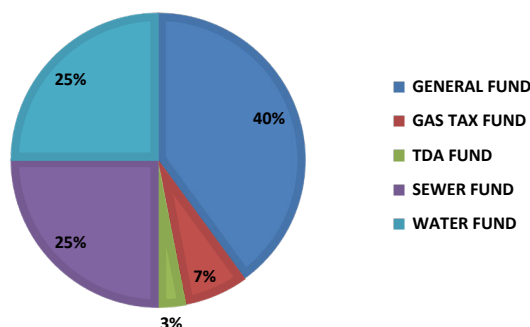
## Opportunities/Challenges

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

## Funding Source

The Facilities & Grounds budget is allocated as follows:

**FACILITIES & GROUNDS BUDGET BY FUND**



19 - FACILITIES & GROUNDS	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	51,215	48,530	58,905
5026 Part Time Temporary Salaries	0	0	19,614
5030 Overtime Salaries	4,937	7,000	7,000
5035 Benefit - ICMA City 457	4,636	4,854	5,890
5040 Benefit - Health Insurance	16,999	18,536	20,094
5042 Benefit - Life Insurance	248	251	263
5044 Benefit - Dental/Vision Insur	1,940	2,020	2,239
5045 Worker Compensation Insurance	8,878	6,510	9,965
5050 FICA	4,505	5,068	7,197
5055 Unemployment Insurance	428	195	672
5056 Employment Training Tax	10	10	13
5060 Clothing Allowance	929	420	576
5081 Compensated Absences Payable	-192	0	0
5101 Office Supplies	44	36	36
5102 Operating Supplies	442	376	1,000
5103 Postage	4	0	0
5104 Printing - Forms	31	20	30
5107 Memorial Park Expense	3,850	500	1,000
5115 Contract/Professional Services	32	80	100
5119 Safety Supplies & Equipment	20	151	100
5120 Cell Phones	504	487	672
5121 Telephone - Pager	209	230	230
5122 Travel and Training Expense	85	100	100
5125 Publications - Books	5	5	5
5126 Dues & Memberships	1	1	1
5130 Rents - Leases	146	267	200
5131 Records Maintenance	0	20	20
5135 Maintenance - Repair	4,798	3,500	15,000
5136 Parks Maintenance - Repair	277	2,000	7,000
5141 General Liability Insurance	924	951	950
5143 Property Insurance	372	380	380
5144 Emp Practice Liab Insurance	79	80	80
5150 Electricity	616	1,300	1,060
5151 Natural Gas	17	2,246	20
5152 Water	6,459	5,194	6,600
5171 Computer Software	0	0	10
5173 Computer Maintenance - Support	65	70	80
5174 Web Design Services	24	30	20
5212 Gas & Oil	0	100	20
5215 Public Works - Small Tools	0	151	1,000
5227 Public Works - Equip. Repair	0	800	0
5229 Public Works - Equip. Rental	0	498	1,000
<b>Total Expenditures</b>	<b>96,488</b>	<b>112,967</b>	<b>169,142</b>

# Streets

## Program Purpose

The Streets Department’s purpose is to provide for safe transportation through the maintenance of streets, sidewalks, bike lanes, drainage ditches, culverts 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 discretionary monies to provide several projects with funding.

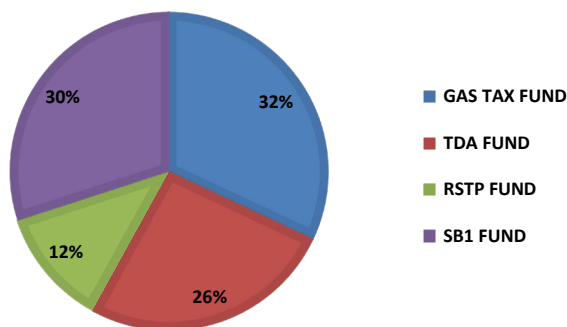
## Staffing

Staffing is allocated to Street Operations as follows: 15% Water/Streets Superintendent, 6% Wastewater Superintendent, 30% Public Works Leadman, 30% 2.0 FTE Utility Workers and 10% 0.5 FTE Utility Worker.

## Funding Source

The Streets budget is allocated to the four Streets Special Revenue funds as follows:

**STREETS BUDGET BY FUND**



18 - STREETS	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	43,216	38,911	53,075
5026 Part Time Temporary Salaries	0	3,147	4,329
5030 Overtime Salaries	388	500	560
5035 Benefit - ICMA City 457	3,881	4,024	5,515
5040 Benefit - Health Insurance	12,603	13,986	15,369
5042 Benefit - Life Insurance	178	174	200
5044 Benefit - Dental/Vision Insur	1,442	1,556	1,671
5045 Worker Compensation Insurance	7,049	9,891	10,754
5050 FICA	3,550	3,722	4,928
5055 Unemployment Insurance	291	310	459
5056 Employment Training Tax	7	8	9
5060 Clothing Allowance	341	320	363
5069 Accrued Payroll Taxes Expense	-2	0	0
5080 Hiring Costs	70	20	500
5081 Compensated Absences Payable	-594	0	0
5101 Office Supplies	5	673	250
5102 Operating Supplies	258	696	500
5103 Postage	0	20	20
5104 Printing - Forms	7	50	50
5105 Advertising	0	50	50
5108 Streets	7,019	28,000	28,000
5112 Legal	1,058	850	850
5115 Contract/Professional Services	52,169	52,722	55,360
5119 Safety Supplies & Equipment	442	800	500
5120 Cell Phones	839	1,000	1,000
5121 Telephone - Pager	626	1,000	750
5122 Travel and Training Expense	176	250	250
5123 Automobile - Transportation	57	50	50
5126 Dues & Memberships	19	20	20
5130 Rents - Leases	0	780	250
5131 Records Maintenance	12	20	20
5135 Maintenance - Repair	4,283	6,300	8,500
5138 Office Equipment - P.W.	0	100	100
5139 Equipment	225	1,200	1,200
5141 General Liability Insurance	0	6,241	6,241
5143 Property Insurance	0	1,020	1,020
5144 Emp Practice Liab Insurance	0	400	400
5150 Electricity	19,150	23,100	20,000
5151 Natural Gas	89	100	100
5152 Water	7,602	9,000	11,500
5154 Garbage	272	0	350
5162 Medical	0	20	20
5164 Regulatory Fees	232	250	250
5171 Computer Software	412	100	100
5173 Computer Maintenance - Support	0	100	100
5174 Web Design Services	0	100	50
5212 Gas & Oil	1,444	2,500	2,000
5213 Vehicle Repair	1,785	1,800	1,000
5215 Public Works - Small Tools	369	2,000	2,000
5227 Public Works - Equip. Repair	93	1,000	1,000
5514 Engineering	4,705	4,000	20,000
<b>Total Expenditures</b>	<b>221,955</b>	<b>222,881</b>	<b>261,583</b>

# Streets

## Accomplishments

- Completed slurry seal project on Painter, Pacific, Bridge and Edwards streets plus Belleview Ave.
- Completed asphalt pavement overlays on Dixie, Rio Dell, Painter, Butcher, Townsend, Ogle, River, Spring and Eeloa and drainage improvements.
- Ongoing ditch cleaning.
- Completed construction of the Active Transportation Program (ATP) Project to increase safety and reshape the Wildwood/US101 interface.

## Opportunities/Challenges

- Continued implementation of five-year street improvement planning and repairs.
- Complete street striping along Eeloa Street and various locations throughout town.
- Complete street patch repairs at multiple locations around town.
- Continued drainage issues in the Belleview and Ogle neighborhood.
- Wildwood Ave medians maintenance and rehabilitation planning.
- General storm drain repair planning.



# Sewer Operations

## Program Purpose

Sewer Operations serve to protect the public health and environment and thereby serve to greatly enhance the quality of life for all City 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 Sewer division (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, 7% Public Works Leadman, 85% 1.0 FTE Water/ Wastewater Operator, 40% 1.0 FTE Water/ Wastewater Operator, 95% 1.0 Operator in Training and 10% 2.0 FTE Utility Workers.

## Funding Source

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

08 - SEWER	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	123,005	150,227	181,066
5026 Part Time Temporary Salaries	0	6,230	0
5030 Overtime Salaries	1,408	5,000	5,610
5035 Benefit - ICMA City 457	12,380	15,087	18,061
5040 Benefit - Health Insurance	27,283	53,448	55,522
5042 Benefit - Life Insurance	471	580	616
5044 Benefit - Dental/Vision Insur	2,966	6,112	6,437
5045 Worker Compensation Insurance	20,303	22,878	26,396
5050 FICA	10,388	13,745	15,909
5055 Unemployment Insurance	1,016	1,267	1,197
5056 Employment Training Tax	24	28	24
5060 Clothing Allowance	2,667	1,026	2,665
5080 Hiring Costs	2,482	2,000	2,500
5081 Compensated Absences Payable	891	0	0
5101 Office Supplies	1,090	1,000	1,000
5102 Operating Supplies	2,308	3,300	2,500
5103 Postage	6,899	6,500	13,500
5104 Printing - Forms	1,720	1,300	1,000
5106 Promotional	0	0	100
5108 Streets	0	1,000	0
5109 Chemicals	24,415	30,000	25,000
5112 Legal	87	1,000	1,000
5115 Contract/Professional Services	4,081	40,000	70,000
5119 Safety Supplies & Equipment	4,324	2,500	2,500
5120 Cell Phones	1,058	2,162	2,194
5121 Telephone - Pager	2,129	2,500	2,500
5122 Travel and Training Expense	587	3,000	3,000
5123 Automobile - Transportation	246	1,200	1,200
5125 Publications - Books	106	500	250
5126 Dues & Memberships	85	85	85
5127 License	595	1,200	1,200
5130 Rents - Leases	2,204	2,500	2,500
5131 Records Maintenance	42	100	100
5135 Maintenance - Repair	29,306	25,000	30,000
5138 Office Equipment - P.W.	3,853	1,000	1,000
5139 Equipment	11,334	7,000	7,000
5141 General Liability Insurance	19,413	19,500	22,075
5143 Property Insurance	7,801	7,960	9,600
5144 Emp Practice Liab Insurance	1,667	1,750	2,000
5150 Electricity	157,556	136,500	150,000
5151 Natural Gas	25,972	21,525	25,000
5152 Water	3,465	5,000	5,000
5154 Garbage	0	0	50
5162 Medical	0	500	500
5164 Regulatory Fees	10,549	12,000	12,000
5165 Property Tax Assessment	2,441	2,500	2,487
5171 Computer Software	1,287	500	500
5173 Computer Maintenance - Support	1,656	2,000	2,000
5174 Web Design Services	502	375	300
5212 Gas & Oil	6,414	6,600	6,000
5213 Vehicle Repair	6,629	3,000	2,000
5215 Public Works - Small Tools	2,314	2,500	2,500
5225 Public Works - Lab Testing	28,017	26,800	20,000
5227 Public Works - Equip. Repair	12,918	15,500	12,000
5229 Public Works - Equip. Rental	1,007	2,000	4,000
5430 Fines/Penalties	0	1,000	1,000
5514 Engineering	136	1,000	1,000
<b>Total Expenditures</b>	<b>591,497</b>	<b>678,985</b>	<b>763,644</b>

# Sewer Operations

## Accomplishments

- Retention of quality employees facilitating day to day operations, training and completion of additional projects.
- Manhole installation on Ogle.
- Started energy resiliency project with grant from Tesla for battery backup at the corporation yard it is anticipated to provide one day of power.
- Worked with consultant on Sanitary Sewer Evaluation Study (SSES) mapping out and cataloging collection system for future improvement projects and regulatory compliance.
- Sewer lateral program and other improvements seem to be reducing I & I problem during rain events.
- Completed boiler maintenance and repairs.

## Opportunities/Challenges

- Collection system sewer lateral inspections, investigate problem areas for inflow and infiltration (I&I).
- Complete SSES as requested by the State of California in order to develop a capital plan that will make the system eligible for grants.
- Returning to regulatory compliance with disinfection byproducts.
- Impacts of COVID-19 including material shortages, delays with outside agencies and ZOOM meetings.
- Recruitment of qualified personnel to fill the Operator in Training position and other vacancies.



# 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: 87% Water/Streets Superintendent, 5% Wastewater Superintendent, 10% Public Works Leadman, 80% 1.0 FTE Water/Wastewater Operator, 15% 1.0 FTE Water/Wastewater Operator, 15% 1.0 Operator in Training, 15% 2.0 FTE Utility Workers and 20% 0.5 FTE Utility Worker.

## Funding Source

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

09 - WATER	6/30/2020 Actual	FY 2020-21 Budget	FY 2021-22 Adopted
<b>Expenditures</b>			
5000 Full Time Salaries	128,347	137,920	135,197
5026 Part Time Temporary Salaries	0	6,295	0
5030 Overtime Salaries	1,181	4,693	5,260
5035 Benefit - ICMA City 457	12,666	13,960	13,461
5040 Benefit - Health Insurance	22,385	28,281	24,315
5042 Benefit - Life Insurance	393	436	362
5044 Benefit - Dental/Vision Insur	2,388	2,979	2,320
5045 Worker Compensation Insurance	21,126	21,050	19,826
5050 FICA	10,924	12,663	11,941
5055 Unemployment Insurance	759	987	987
5056 Employment Training Tax	17	10	20
5060 Clothing Allowance	1,326	1,200	1,320
5080 Hiring Costs	258	250	500
5081 Compensated Absences Payable	776	0	0
5101 Office Supplies	1,005	850	850
5102 Operating Supplies	1,206	4,000	3,000
5103 Postage	3,295	3,700	3,500
5104 Printing - Forms	2,091	1,900	2,000
5105 Advertising	0	450	75
5108 Streets	0	4,000	0
5109 Chemicals	18,253	20,000	20,000
5112 Legal	783	5,000	5,000
5115 Contract/Professional Services	6,762	37,000	44,500
5119 Safety Supplies & Equipment	1,117	2,500	2,000
5120 Cell Phones	1,010	1,000	1,882
5121 Telephone - Pager	2,072	2,600	2,600
5122 Travel and Training Expense	962	2,500	2,500
5123 Automobile - Transportation	623	2,450	2,500
5125 Publications - Books	110	600	600
5126 Dues & Memberships	901	1,900	1,500
5127 License	315	2,500	1,000
5130 Rents - Leases	2,217	3,000	3,000
5131 Records Maintenance	42	200	200
5135 Maintenance - Repair	29,739	40,000	40,000
5138 Office Equipment - P.W.	3,612	150	500
5139 Equipment	1,115	7,500	7,500
5141 General Liability Insurance	20,275	20,880	24,000
5143 Property Insurance	8,148	8,400	10,000
5144 Emp Practice Liab Insurance	1,741	1,800	2,000
5150 Electricity	30,621	34,440	34,000
5151 Natural Gas	285	300	350
5153 Sewer	20,318	20,950	5,000
5154 Garbage	0	100	0
5162 Medical	0	300	1,200
5164 Regulatory Fees	10,411	12,000	12,000
5171 Computer Software	876	1,500	1,000
5173 Computer Maintenance - Support	1,443	3,000	6,865
5174 Web Design Services	525	500	500
5212 Gas & Oil	5,731	6,500	6,000
5213 Vehicle Repair	9,188	4,000	2,000
5215 Public Works - Small Tools	959	2,000	2,000
5225 Public Works - Lab Testing	3,040	11,700	5,000
5227 Public Works - Equip. Repair	1,663	5,800	5,000
5229 Public Works - Equip. Rental	0	250	250
5514 Engineering	0	1,800	1,800
<b>Total Expenditures</b>	<b>395,000</b>	<b>510,744</b>	<b>479,181</b>



# Water Operations

## Accomplishments

- Completed Capital Improvement Plan for water system.
- Completed Painter Street tank SCADA and solar upgrade.
- Completed water storage tank maintenance, cleaning and inspection.
- Continued to replace failing water meters.
- Continued to ensure water supply is drought prepared.
- Applied for Hazard Mitigation grant from CalOES for two water system resiliency projects.

## Opportunities/Challenges

- Implementation of new Capital Improvement Plan for water system.
- Replacement of old piping throughout the water distribution system.
- Replace and update outdated components at the water treatment facility.
- Upgrades and improvements for the Dinsmore plateau area.
- Meter reading equipment upgrades and replacement, vendor is no longer supporting current hardware.
- Drought



# 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 has no positions allocated. There is a transfer out of \$2,640 to reimburse 1.5% of the City Manager position.

## Accomplishments

- Hosted a city wide clean up event.
- Started having public meetings and outreach regarding universal collection.
- Purchased new trash and recycling containers for the City.

## 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.
- In 2018 China and other counties stopped taking recyclable materials from the U.S., this has created a serious problem for California which does not have the infrastructure to support recycling.

- Compliance with SB 1383 – Organic Waste; effective January 1, 2022 CalRecycle's regulations to meet statewide organics reduction and food recovery requirements take effect.

<b>04 - SOLID WASTE/RECYCLING</b>	<b>6/30/2020</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>
	<b>Actual</b>	<b>Budget</b>	<b>Adopted</b>
<b>Expenditures</b>			
5000 Full Time Salaries	1,531	0	0
5030 Overtime Salaries	0	0	0
5035 Benefit - ICMA City 457	202	0	0
5040 Benefit - Health Insurance	138	0	0
5042 Benefit - Life Insurance	3	0	0
5044 Benefit - Dental/Vision Insur	15	0	0
5045 Worker Compensation Insurance	12	0	0
5050 FICA	130	0	0
5055 Unemployment Insurance	5	0	0
5101 Office Supplies	23	30	30
5102 Operating Supplies	11	3,000	3,000
5103 Postage	312	20	0
5104 Printing - Forms	519	0	0
5106 Promotional	0	1,200	1,200
5115 Contract Professional Services	17	20	5,000
5119 Safety Supplies & Equipment	11	10	0
5120 Cell Phones	21	0	0
5121 Telephone - Pager	9	0	10
5123 Automobile - Transportation	70	0	0
5125 Publications - Books	3	0	5
5130 Rents - Leases	7	10	0
5131 Records Maintenance	0	0	5
5135 Maintenance - Repair	5	3,000	3,000
5139 Equipment	0	12,000	0
5141 General Liability Insurance	493	510	500
5143 Property Insurance	198	200	200
5144 Emp Practice Liab Insurance	42	55	50
5150 Electricity	71	75	75
5151 Natural Gas	9	10	20
5154 Garbage	4,361	3,600	4,000
5173 Computer Maintenance - Support	35	25	50
5174 Web Design Services	13	20	0
7000 Transfer Out	0	2,450	2,640
<b>Total Expenditures</b>	<b>8,266</b>	<b>26,235</b>	<b>19,785</b>

## Funding Source

The Solid Waste/Recycling budget is allocated 58% to the Solid Waste fund and 42% to the Recycling fund.

# Capital Projects Overview

## Capital Budget

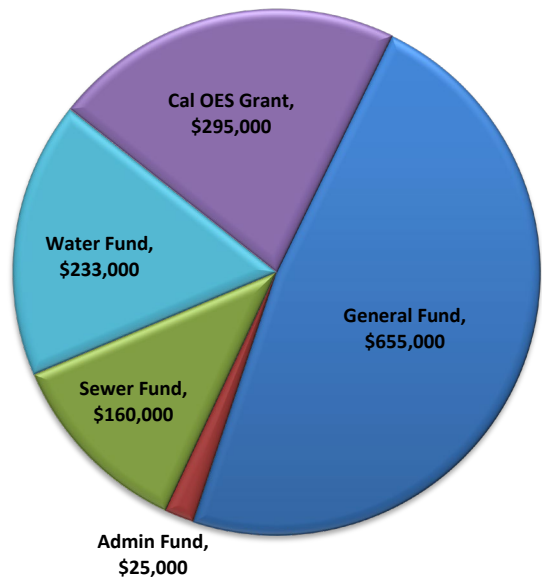
The FY 2021-22 Capital Projects Budget includes \$1,368,000 in capital projects, special projects, and equipment replacements. The following projects and appropriations were adopted in the budget:

- » Street Resurfacing: Funding for street asphalt maintenance resurfacing projects.
- » City-wide Beautification: Improvements to Gateway, signs, planters and landscaping.
- » City Hall Improvements: Replace original windows and other upgrades to City Hall.
- » Police Radios:
- » City Hall Planning: Long term planning for services
- » Replace Admin Vehicle: Purchase of new administrative vehicle.
- » Power Resiliency Equipment: Installation of solar panels, batteries, generator equipment and upgrade main electric service panel.
- » Generator and Transfer Switch Replacement: The generators and transfer switches at both lift stations are out dated and have proven to be unreliable during power outages.
- » Boiler Repair: Wastewater system dryer boiler improvements.
- » SCADA Programming and Components: Upgrades to the wastewater and water control system software and hardware to improve data collection and operations and incorporate new battery project and disinfection system.
- » I & I Reductions: Improvements to sewer lateral collection system to reduce inflow and infiltration problems and improve compliance.
- » Chloramine System: Modifications to the current disinfection system. Disinfection by-products are creating issues for compliance with State requirements.
- » Water Meter Replacement: Replace aging water meters at plant.
- » Meter Reading Equipment Replacement:
- » Backwash Flow Meter: Water treatment system meter required for reporting to State.

- » Turbidity Meters: Replace six older outdated turbidity meters at water plant.
- » Monument Water Line Replacement: Replace older failing water line.
- » Dinsmore Upgrades: Water system upgrades to support expanded cannabis cultivation.

The adopted Capital Projects Budget does not include any appropriations from grant funding for the sanitary sewer evaluation study. This project is still in progress but actual funding available for FY 2021-22 was not known at the time of budget adoption. A supplemental budget will need to be done once remaining grant funding amounts are known.

**Capital Projects by Fund:**



# Capital Project Summary

FY 2021-22 Summary of Capital & Special Projects								
ACCOUNT	PROJ #	PROJECT NAME	Gen Fund (000)	Admin (005)	Cal OES (028)	Sewer (052)	Water (062)	TOTAL
<b>GENERAL FUND PROJECTS</b>								
6500 14 000 0000	9068	Asphalt Street Resurfacing	550,000					550,000
6500 14 000 0000	9070	Beautification (Gateway, landscape, signs)	38,000					38,000
6525 14 000 0000	9031	City Hall Improvements	27,000					27,000
6000 14 000 0000	9050	Police Radio Upgrades	10,000					10,000
5115 14 000 0000	9004	City Hall Planning	30,000					30,000
								-
6400 14 005 0000	9054	Replace Admin Vehicle		25,000				25,000
<b>GRANTS</b>								
6000 14 028 0000	9074	Power Resiliency Equipment			295,000			295,000
<b>WASTEWATER PROJECTS AND EQUIPMENT</b>								
6200 14 052 0000	9012	Generator & Transfer Switch Replacement				65,000		65,000
5115 14 052 0000	9036	SCADA Upgrades				10,000		10,000
6500 14 052 0000	9061	Boiler				15,000		15,000
6500 14 052 0000	9010	I&I Reductions				45,000		45,000
6500 14 052 0000	9008	Chloramine System				25,000		25,000
<b>WATER PROJECTS AND EQUIPMENT</b>								
5115 14 062 0000	9036	SCADA Upgrades					10,000	10,000
6500 14 062 0000	9048	Water Meter Replacement					12,000	12,000
6200 14 062 0000	9021	Meter Reading Equipment Replacement					26,000	26,000
6000 14 062 0000	9054	Backwash Flow Meter					10,000	10,000
6200 14 062 0000	9022	Turbidity Meter Replacement					30,000	30,000
6500 14 064 0000	9011	Monument Water Line Replacement					45,000	45,000
6500 14 064 0000	9040	Dinsmore Upgrades					100,000	100,000
<b>TOTAL ALL PROJECTS</b>			<b>655,000</b>	<b>25,000</b>	<b>295,000</b>	<b>160,000</b>	<b>233,000</b>	<b>1,368,000</b>

# 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 1<sup>st</sup> 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 not withstanding 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 2021-22 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

- **3/2 Tuesday, March 2 City Council Meeting**
  - Proposed Budget Calendar to City Council
- **Week of March 2 – March 6**
  - Development of proposed staffing plan
- **3/2 through 3/18/2021**
  - Salary costs are calculated based on the proposed staffing plan
  - Revenue forecasting is completed
  - Budget worksheets are compiled
- **3/24 Wednesday, March 24**
  - Budget packets distributed to department heads/supervisors

## APRIL

- **4/12 Monday, April 12 by 5:00 pm**
  - Department heads/supervisors turn in budget requests to Finance Director
- **4/13 through 4/16/2021**
  - Information compiled by Finance
- **Week of April 19 – April 21**
  - City Manager reviews budget and provides recommended changes to Finance
  - City Manager meets with Department Heads/Supervisors as needed
- **4/28 Wednesday, April 28**
  - Finance finishes preparing recommended budget for City Manager approval

## MAY

- **5/4 Tuesday, May 4 City Council Meeting**
  - Priority Setting Session
- **5/18 Tuesday, May 18 City Council Meeting**
  - City Public Hearing-City Manager presents recommended proposed budget at City Council meeting
  - Priority Setting Session

## JUNE

- **6/1 Tuesday, June 1 City Council Meeting**
  - Special Presentation- Finance Director presents the Final Proposed Operating and Capital Budget for Adoption Resolution No. 1490-2021

# Resolutions

## Budget Adoption Resolution



### RESOLUTION NO. 1490-2021 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIO DELL ADOPTING THE OPERATING & CAPITAL BUDGET FOR FISCAL YEAR 2021-22

WHEREAS, the City is required to adopt an annual operating budget pursuant to City of Rio Dell Resolution 1227-2014; and

WHEREAS, the City Manager's proposed budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022, has been reviewed and revised at various public meetings by the City Council; and

NOW THEREFORE BE IT RESOLVED, that the City of Rio Dell City Council does hereby approve and adopt the City of Rio Dell Fiscal Year (FY) 2021-22 Operating & Capital Budget comprised of revenues totaling \$5,138,346 and expenditure appropriations in the amount of \$5,669,194, with a net draw from fund balance of \$530,848 as follows:

FUND	NAME	RESERVES	REVENUES	EXPENDITURES		RESERVES		
		EST Beginning Fund Bal.	Projected Totals	Projected Totals	Transfers	Change in Fund Balance	Est. End. Fund Balance	Target 30% Reserve
005	Admin Fund	17,619	21,000	26,400		(5,400)	12,219	7,920
008	Building Fund	6,629	44,110	89,067	(34,808)	(10,149)	(3,520)	NA
037	CDBG Fund	-	-	-		-	-	-
039	CDBG RRLF Fund	409,522	5,000	2,500	3,950	(1,450)	410,572	750
000	<b>General Fund</b>	<b>1,709,830</b>	<b>1,779,642</b>	<b>2,038,384</b>	<b>28,218</b>	<b>(286,960)</b>	<b>1,422,870</b>	<b>611,515</b>
003	Economic Development	295,000	-	77,000	-	(77,000)	218,000	23,100
044	Measure Z Fund	-	18,500	18,500		0	-	-
074	Recycling Fund	22,759	-	7,200		(7,200)	15,559	2,160
015	Parks Fund	18,102	-	-		-	18,102	-
028	Power Resiliency Equipment	-	295,000	295,000		-	-	NA
040	SLESF Fund	100,255	150,000	161,666		(11,666)	88,590	48,500
043	Vehicle Abatement Fund	2,669	-	-		-	2,669	-
052	Sewer Capital Fund	1,223,330	110,000	160,000		(50,000)	1,173,330	48,000
054	Sewer Debt Svc Fund	94,590	302,934	302,934		-	94,590	-
054	Sewer Restricted Reserve	302,822	-	-		-	302,822	302,822
050	Sewer Operations Fund	569,935	892,066	1,036,549		(144,483)	425,452	310,965
027	Solid Waste Fund	21,456	4,000	9,945	2,640	(8,585)	12,871	2,984
093	Spay & Neuter Fund	3,146	-	-		-	3,146	-
020	Gas Tax Fund (HUTA)	160,916	93,967	96,160		(2,193)	158,723	28,848
024	TDA Fund	41,923	120,000	119,916		84	42,007	35,975
026	RSTP Fund	21,371	25,627	22,347		3,280	24,651	6,704
021	SB1 (RMRA) Fund	60,990	64,700	65,867		(1,167)	59,823	19,760
047	STIP ATP Grant	-	-	-		-	-	-
062	Water Capital Fund	1,000,140	239,400	88,000		151,400	1,151,540	26,400
063	Water Metro Wells Fund	48,392	17,100	22,050		(4,950)	43,442	6,615
064	Water Dinsmore Zone	86,008	21,800	155,100		(133,300)	(47,292)	46,530
061	Water Restricted Reserve	136,000	-	-		-	136,000	136,000
061	Water Debt Svc Fund	274,322	136,000	136,000		-	274,322	40,800
060	Water Operations Fund	997,628	797,500	738,609		58,891	1,056,519	221,583
<b>TOTAL</b>		<b>7,625,354</b>	<b>5,138,346</b>	<b>5,669,194</b>	<b>-</b>	<b>(530,848)</b>	<b>7,097,006</b>	<b>1,927,930</b>

Resolution 1490-2021 Adopting the Operating and Capital Budget  
For FY 2021-22

# Resolutions

BE IT FURTHER RESOLVED, that staffing is adopted and funded in the FY 2021-22 Operating Budget as follows:

<b>FISCAL YEAR 2021-22</b>					
<b>POSITION ALLOCATION TABLE</b>					
DEPARTMENT/POSITION	FULL-TIME EMPLOYEES (FTEs)				
	2017-18	2018-19	2019-20	2020-21	2021-22
<b>ADMINISTRATION</b>					
Administrative Analyst I/II/III	-	-	-	-	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
Total FTEs	2.80	2.80	2.80	2.80	3.80
<b>FINANCE DEPARTMENT</b>					
Accountant I/II	1.00	1.00	1.00	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	0.60
Fiscal Assistant I/II	1.00	1.00	1.00	1.00	1.00
Senior Fiscal Assistant	1.00	1.00	1.00	1.00	1.00
Total FTEs	4.00	4.00	4.00	4.00	3.60
<b>POLICE DEPARTMENT</b>					
Chief of Police	1.00	1.00	1.00	1.00	1.00
Community Service Officer	-	-	-	1.00	1.00
Police Officer	3.00	4.00	4.25	4.25	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
Total FTEs	5.70	6.70	6.95	7.95	7.95
<b>PUBLIC WORKS DEPARTMENT</b>					
Operator in Training (OIT)	-	1.00	1.00	1.00	1.00
Public Works Leadman	1.00	1.00	1.00	1.00	1.00
Utility Worker I/II/III	2.00	2.50	2.50	2.50	2.50
Wastewater Superintendent Trainee	1.00	1.00	-	-	-
Wastewater Superintendent	-	-	1.00	1.00	1.00
Water/Streets Superintendent	1.00	1.00	1.00	1.00	1.00
Water/Wastewater Plant Operator I/II/III	1.00	2.00	2.00	2.00	2.00
Total FTEs	6.00	8.50	8.50	8.50	8.50
<b>TOTAL CITY FTEs</b>	<b>18.50</b>	<b>22.00</b>	<b>22.25</b>	<b>23.25</b>	<b>23.85</b>

Resolution 1490-2021 Adopting the Operating and Capital Budget  
For FY 2021-22

# Resolutions

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, capital projects 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 1227-2014.

Section 3.

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

Section 4.

Adoption of the FY 2021-22 Budget includes one fund which is not projected to have the 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 for the Water Dinsmore Zone fund (064).

Section 5.

Adoption of the FY 2021-22 budget includes the following inter-fund transfers:

From:			
027	Solid Waste	\$ 2,640	For City Manager time on solid waste activities
039	CDBG	\$ 1,310	For Community Development Director time on CDBG activities
039	CDBG	\$ 2,640	For City Manager time on CDBG activities
008	Building	\$ 3,520	For City Manager time on Building activities
000	General Fund	\$ 38,328	Subsidy for Building fund activities that exceed actual revenues
	Total	\$ 48,438	
To:			
000	General Fund	\$ 2,640	From Solid Waste for City Manager staff costs
000	General Fund	\$ 1,310	From CDBG for Community Development Director staff costs
000	General Fund	\$ 2,640	From CDBG for City Manager staff costs
000	General Fund	\$ 3,520	From Building for City Manager staff costs
008	Building	\$ 38,328	From General Fund to cover expenses that exceed charges for services
	Total	\$ 48,438	



# Resolutions

Section 6.

Adoption of the FY 2021-22 Budget authorizes the use of fund balance (expenditures exceeding revenues and transfers) in the following funds in the following amounts: General Fund (000) \$286,960, Economic Development Fund (003) \$77,000, Admin Fund (005) \$5,400, Building Fund (008) \$10,419, Gas Tax Fund (020) \$2,193, Solid Waste Fund (027) \$8,585, CDBG Fund (039) \$1,450, Recycling Fund (074) \$7,200, SLESF Fund (040) \$11,666, Sewer Operations Fund (050) \$144,483, Sewer Capital Fund (052) \$50,000, Gas Tax Fund (020) \$2,193, SB1 (RMRA) Fund (021) \$1,167, Water Metro Wells (063) \$4,950 and Water Dinsmore Zone (064) \$133,300.

PASSED AND ADOPTED by the City of Rio Dell on this 1st day of June 2021, by the following roll call vote:

Ayes: Garnes, Johnson, Carter, Wilson and Woodall  
Noes: None  
Abstain: None  
Absent: None

  
\_\_\_\_\_  
Debra Garnes, Mayor

ATTEST:

  
\_\_\_\_\_  
Karen Dunham, City Clerk

# Appropriations Limit

## FY 2021-22 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 -1.43% and for the City is 0.89%. For FY 2021-22 the City’s population change was used. The per capita income percentage change was 5.73%.

Appropriations Subject to Limitation City of Rio Dell 2021-2022 Gann Limit Worksheet			
a)	2020-2021 Appropriations Limit		1,349,505
	Calculation of 2021-2022 Appropriations Limit		
	Annual Adjustment Factors:		
b)	Per Capita Personal Income	5.73%	
c)	City of Rio Dell Population Change OR	0.89%	
d)	Humboldt County Population Change (whichever is greater)	-1.43%	
e)	Calculation: $(1 + .0573) \times (1 + .0089) =$		1.0667100
f)	2021-2022 Appropriations Limit (a x e)		1,439,530
g)	2021-22 Estimated Tax Proceeds Subject to Appropriations Limit		
	Total Tax Proceeds Subject To Limit (sum of g)		1,653,100
	2021-22 Expenditures Exempt From Limit		
	Capital Streets Project	550,000	
h)	Total Expenditures Exempt From Limit		550,000
i)	2021-22 Appropriations Subject To Limit (g - h)		1,103,100
j)	Under (Over) Limit (f - i)		336,430

The Appropriations Limit is \$1,439,530, total proceeds of taxes budgeted for FY 2021-22 is \$1,653,100, and the capital expenditures exempt from limit is \$550,000, resulting in the City being \$336,430 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 including the Transportation Alternatives Program (TAP), Bicycle Transportation Account (BTA), and State Safe Routes to School (SRTS), 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 (appropriations) 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.

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

**Appropriation:** A legal authorization granted by the city council 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.

# Glossary of Terms

**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.

**Brown Act:** The Ralph M. Brown Act is California's "sunshine" law for local government. It is found in the California Government Code beginning at Section 54950. It requires local government business to be conducted at open and public meetings, except in certain limited situations.

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

**Budget Adjustment:** A financial planning tool that allows the City per adopted policy to amend or supplement the budget at any time after it is adopted as circumstances may change throughout the fiscal year.

**Budget Surplus:** The difference between recurring revenues and recurring expenditures. The budget surplus may be used for ongoing expenses (as opposed to year-end fund balances, which may only be used for one-time expenses).

**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:** Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.

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

**Capital Outlay:** Expenditures for tangible property with an initial cost of \$5,000 or more and a useful life of one year or more. 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.

# Glossary of Terms

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

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

**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. Government Code 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.

**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.

**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.

**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).

# Glossary of Terms

**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: 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.

**Expenditure:** The actual spending of funds for goods and services.

**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.

**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.

# Glossary of Terms

**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.

**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:** Charge designed to reimburse city for costs of regulating activities being licensed or permitted, such as licensing of animals or permitting construction.

**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.

# Glossary of Terms

**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.

**Local Agency Investment Fund (LAIF):** A voluntary program created by California statute in 1977 in which participating agencies (local governments and special districts) invest public funds.

**Major Fund:** A fund that comprises more than 10% of total citywide budgeted revenues and transfers-in and/or 10% of total budgeted appropriations and transfers-out.

**Measure J:** An extension of Measure U for five years 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, ended December 31, 2019.

**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.

**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.



# Glossary of Terms

**Possessory Interest:** Taxable private ownership of interests in tax-exempt public property.

**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.”

**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.

**Redwood Coast Energy Authority (RCEA):** A JPA formed to develop and implement regional measures that reduce energy demand, increase energy efficiency and advance the use of clean efficient renewable resources.

**Redwood Region Economic Development Commission (RREDC):** A JPA formed to support and implement regional economic development and support the growth of local businesses.

**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.

# Glossary of Terms

**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 (SB 1):** 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 to receive funding every city must submit a project list, adopted by resolution and an annual expenditure report.

**Senate Bill 998 (SB 998):** Also known as the Water Shutoff Protection Act, was approved by the Governor in September 2018 and declares that all Californians have the right to safe, accessible and affordable water. The intent of SB 998 is to minimize the number of Californians who lose access to water service due to their inability to pay. It requires that the City have a written policy on discontinuation of water service, prohibits discontinuance until accounts are at least 60 days delinquent, requires 7 business days' notice before discontinuance and prohibits discontinuance when doing so would pose a serious threat to the health and safety of a resident if the customer demonstrates an inability to pay and is willing to make payments via alternative methods.

**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.

**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.

# Glossary of Terms

**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 these unitary properties 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.

