

**City of Yuba City
Staff Report**

Date: June 15, 2010
To: Honorable Mayor & Members of the City Council
From: Finance Department
Presentation By: Robin Bertagna, CPA, Finance Director

Summary

Subject: Adoption of the City of Yuba City's Fiscal Year 2010-2011 Operating and Capital Budgets and Fiscal Year 2010-2011 Appropriations Limit

Recommendation:

1. Adopt a resolution approving the proposed Fiscal Year 2010-2011 Operating Budget. The proposed All Funds Budget Summary for Fiscal Year 2010-2011 is attached.

2. Adopt a resolution approving the Fiscal Year 2010-2011 Capital Improvement Program Budget and accept findings of consistency with the General Plan as approved by the Planning Commission. Project Summaries by Funding Source are attached to the resolution.

3. Adopt a resolution approving the City's Appropriations Limit for Fiscal Year 2010-11.

Fiscal Impact: Adoption of these documents sets forth the City's financial plan for the next twelve months.

Background:

The City Council held a budget workshop on May 17th and a budget study session on June 1st to review the proposed operating budget and capital improvement program. At that time, the City Manager provided an overview of the upcoming year and staff presented assumptions, charts and changes from prior years that were included in the proposed budget. The City Council asked questions and made comments with regard to the proposed operating budget. City Council did not recommend any changes to the proposed budget during the workshop or the study session. Due to time constraints, the presentation regarding the City's Capital Improvement Program (CIP) Budget was not reviewed and instead will be presented and discussed at tonight's City Council meeting. Any recommended changes will be incorporated into the final Adopted CIP Budget.

Analysis:

Since the study session, staff has not made any changes to the Operating budget. As stated above, any changes will be discussed and addressed separately by City Council at tonight's meeting and then incorporated into the Adopted Operating or CIP budget documents.

In accordance with the provisions of the City's Budget Policy, direction is to ensure that as of June 30, 2010, the General Fund has a fund balance equal to 10% of FY 10-11 General Fund expenditures (Section 2).

In accordance with the provisions of City's Budget Policy, direction is to ensure that as of June 30, 2010, the Surface Water Fund and the Wastewater Fund have a 90 day working capital balance. Working capital beyond the 90 day requirement, will be transferred to the respective Capital Improvement Program Fund to fund future rehabilitation and replacement projects for the Utility (Section 3).

As discussed during the budget workshop and study session, the City had savings due to attrition and vacant positions during the FY 09/10 year sufficient that it was not necessary to utilize the one time funds of \$1,850,000 which were included in the Adopted FY 09/10 Operating Budget. The attached Resolution directs the Finance Director not make the one time transfers of \$1,850,000 previously included in the FY 09/10 Budget and instead to roll them forward and include them as funding sources for the FY 10/11 year (Section 4).

In order to charge planning and administrative costs to the Redevelopment Agency Housing Fund, City Council needs to make a finding the use of Housing funds are necessary for the production, preservation, or improvement of affordable housing (Section 6).

Fiscal Impact:

Adoption of an operating budget and a capital improvement program budget that prioritizes the needs of the community.

Alternatives:

Make changes to the budget as proposed.

Recommendation:

The required resolutions have been prepared and are attached for Council consideration.

Attachments:

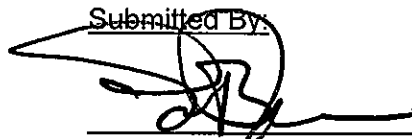
- 1) *Resolution approving the proposed Fiscal Year 2010-2011 Operating Budget*
- 2) *Resolution approving the proposed Fiscal Year 2010-2011 Capital Improvement Program Budget*
- 3) *Resolution approving the City's Appropriations Limit for Fiscal Year 2010-11.*

Prepared By:



Robin Bertagna, CPA
Finance Director

Submitted By:



Steven R. Jepsen
City Manager

Reviewed By:

City Attorney

via e-mail

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF YUBA CITY ADOPTING THE CITY'S OPERATING
BUDGET FOR FISCAL YEAR 2010-2011**

WHEREAS, a proposed operating budget for the City of Yuba City for the fiscal year commencing July 1, 2010 and ending June 30, 2011 was submitted to the City Council by the City Manager on June 1, 2010 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2010-2011 Operating Budget ("proposed annual budget") was held on May 17, 2010 and a study session was held on June 1, 2010; and,

WHEREAS, the Council desires to make certain year-end transfers in the current fiscal year to establish reserves and anticipate certain expenditures that are incorporated in the proposed annual budget; and,

NOW, THEREFORE, the City Council of the City of Yuba City does hereby resolve as follows:

Section 1. The proposed annual budget is adopted as the annual budget for the City of Yuba City for the fiscal year commencing July 1, 2010 and ending June 30, 2011.

Section 2. The Finance Director is directed to ensure that as of June 30, 2010, the general fund has a reserve fund balance equal to 10% of FY 10-11 General Fund expenditures in accordance with the provisions of the City's Budget Policy.

Section 3. The Finance Director is directed to ensure that as of June 30, 2010, the Surface Water and Wastewater operating funds have a 90 day reserve fund balance in accordance with the provisions of the City's Budget Policy.

Section 4. In recognition of savings due to attrition and vacant positions during the FY 09-10 the Finance Director is directed not to make the one time transfers of \$1,850,000 as previously included in the FY 09-10 Adopted Budget. These transfers have instead been rolled forward and included in the FY 10-11 Budget to support general fund operating costs necessary to balance the FY 10-11 Budget.

Section 5. The Finance Director is authorized to make other such revisions, individual appropriation line-item changes, changes in summaries, fund totals, grand totals, and other portions of the budget document as necessary to reflect and implement the programs specified in this resolution, and in full accordance to the direction provided by the City Council up until the adoption of the resolution.

Section 6. The City Council has determined that planning and administrative costs charged to the Redevelopment Agency Housing Fund are necessary for the production, preservation, or improvement of affordable housing.

The foregoing Resolution of the City Council of the City of Yuba City is duly introduced, PASSED AND ADOPTED at a regular meeting thereof held on this 15th day of June, 2010 by the following vote:

Ayes:

Noes:

Absent:

Mayor

Attest:

City Clerk

All Funds Budget Summary

FY 2010-11

Fund Description	Estimated Beg. Balance 6/30/2010	Projected Revenues	Total Appropriations	Projected Ending Balance 6/30/2011
General Fund (Note 1)	\$ 3,754,035	\$ 34,488,669	\$ 35,196,432	\$ 3,046,272
Special Revenue Funds				
CDBG Program	850	792,000	425,500	367,350
CDBG Housing RLF	267,066	25,000	25,000	267,066
HOME Program Income	24,256	737,100	737,100	24,256
Streets & Roads	1,469,922	5,676,524	2,321,358	4,825,088
Traffic Safety	47,986	367,700	350,000	65,686
Suspended Traffic Offender	231,915	102,800	150,000	184,715
Development Impact Fees	22,370,438	1,015,000	1,457,000	21,928,438
Fire Mitigation Impact Fees	83,717	6,700	-	90,417
Landscape Assessments	1,225,553	419,513	550,927	1,094,139
Residential Street Lighting	112,166	104,919	117,579	99,506
Total Special Revenue Funds	25,833,869	9,247,256	6,134,464	28,946,661
Enterprise Funds				
Surface Water Operating	893,268	8,435,900	8,165,843	1,163,325
Water Capital (Note 2)	3,707,867	865,897	1,530,751	3,043,013
Groundwater Operating	(385,164)	-	-	(385,164)
Wastewater Operating	4,039,472	9,361,300	8,143,316	5,257,456
Wastewater Capital (Note 3)	5,106,883	472,000	879,723	4,699,160
Total Enterprise Funds	13,362,326	19,135,097	18,719,633	13,777,790
Internal Service Funds				
Employee Benefits	557,471	2,901,547	2,890,397	568,621
Dental/Vision	130,572	505,835	527,000	109,407
Disability Program	138,229	17,765	30,000	125,994
General Liability	530,646	583,600	675,000	439,246
Workers Comp Insurance	829,159	640,152	839,280	630,031
Vehicle Maintenance	629,934	747,776	802,785	574,925
Vehicle Replacement	8,442,369	1,075,620	1,507,000	8,010,989
Technology Replacement	2,636,118	539,367	701,220	2,474,265
Total Internal Service	13,894,497	7,011,662	7,972,682	12,933,477
Redevelopment Agency Funds				
RDA Operating	3,839,495	3,425,151	4,312,349	2,952,297
RDA Debt Service	-	1,092,425	1,092,425	-
Low/Mod Housing	3,449,428	837,334	884,844	3,401,918
Low/Mod Debt Service	-	302,166	302,166	-
Total Redevelopment	7,288,923	5,657,076	6,591,784	6,354,215
Total	\$ 64,133,650	\$ 75,539,760	\$ 74,614,995	\$ 65,058,415

Note 1: Does not include \$2.3 million stabilization reserve set up in FY 08/09, of which \$592,000 was used for FY 08/09, \$1,000,000 is expected to be used for FY 09/10 and of which \$700,000 is expected to be used during FY 10/11 to cover General Fund operating deficit.

Note 2: Includes \$3,500,000 cash designated for Debt Service Reserve.

Note 3: Includes \$2,700,000 cash designated for Debt Service Reserve.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF YUBA CITY ADOPTING THE CITY'S CAPITAL
IMPROVEMENT PROGRAM BUDGET FOR FISCAL
YEAR 2010-2011**

WHEREAS, a proposed capital improvement program budget for the City of Yuba City for the fiscal year commencing July 1, 2010 and ending June 30, 2011 was submitted to the City Council by the City Manager on June 1, 2010 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2010-2011 Capital Improvement Program Budget ("proposed CIP budget") was held on June 1, 2010; and,

WHEREAS, City Council reviewed and discussed projects proposed in the FY 2010-2011 Capital Improvement Program Budget during tonight's City Council meeting; and,

NOW, THEREFORE, the City Council of the City of Yuba City does hereby resolve as follows:

Section 1. The proposed annual CIP budget is adopted for the City of Yuba City for the fiscal year commencing July 1, 2010 and ending June 30, 2011.

Section 2. The City Council accepts the findings of consistency with the General Plan as approved by the Planning Commission.

The foregoing Resolution of the City Council of the City of Yuba City is duly introduced, PASSED AND ADOPTED at a regular meeting thereof held on this 15th day of June, 2010 by the following vote:

Ayes:

Noes:

Absent:

Mayor

Attest:

City Clerk

City of Yuba City
 List of Capital Improvement Program Projects
 General Fund with Current Funding
 FY 2010-2011

Fund 301 - General		Account	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
901001	Fire Station Improvements	FD *	\$ 300,000	\$ -	\$ 300,000
901023	City Hall Improvements	GS	66,000	-	66,000
901028	Improvements to Buildings and Grounds	GS	108,000	-	108,000
901072	Property Abatement	CD	2,000	5,000	7,000
901078	Corporation Yard Hazardous Materials Clean-Up	PW *	205,000	-	205,000
901079	Fire Communications/Dispatch System Imp	GS	57,000	-	57,000
901080	General Plan Implementation	CD	387,000	-	387,000
901081	Animal Control Facility	GS	29,000	-	29,000
901127	Capital Replacement Program--Gauche Aq. Pk.	PR	-	25,000	25,000
Total			\$ 1,154,000	\$ 30,000	\$ 1,184,000

Notes: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
 List of Capital Improvement Program Projects
 Streets & Roads Fund with Current Funding
 FY 2010-2011

Fund 303 - Streets & Roads Fund		City District	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
921024	Striping and Marking	PW	\$	300,000	\$ -	300,000
921025	Drainage Improvements	PW		397,000		397,000
921027	Traffic Signals	PW	*	183,000		183,000
921051	Road Rehabilitation	PW	*	838,000	500,000	1,338,000
921060	Safe Routes to School Project - Jamie Dr./Blevin Rd.	PW	*	71,000		71,000
921078	Corp Yard Hazardous Materials Clean-up	PW	*	6,000		6,000
921084	Fifth Street Bridge Replacement - Tech Studies	PW	*	26,000		26,000
Total				\$ 1,821,000	\$ 500,000	\$ 2,321,000

Note: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
List of Capital Improvement Program Projects
Development Impact Fee Fund with Current Funding
FY 2010-2011

Fund 304 - Development Impact Fees		Dept	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
931001	Fire Station Improvements	FD	*	\$ 300,000	\$ -	\$ 300,000
931027	Traffic Signals	PW	*	822,000	292,000	1,114,000
931030	West Onstott and South Detention Ponds	PR		367,000	-	367,000
931034	Queens Ave./SR99 Interchange Mods	PW		1,600,000	-	1,600,000
931041	Western Parkway and SR-20 Intersection	PW		3,000,000	-	3,000,000
931045	Garden Highway Improvements--Second to Lincoln	PW	*	500,000	-	500,000
931061	Franklin Road/Walton Avenue Improvements	PW		251,000	-	251,000
931083	1301 Tharp Road Street Widening	PW		224,000	-	224,000
931086	Civic Center Field	PR		16,000	170,000	186,000
931087	Feather River Parkway Project	PR	*	24,000	20,000	44,000
931088	Future Park Planning and Design	PR		16,000	275,000	291,000
931128	Lincoln Road Widening	PW		-	500,000	500,000
931129	Walton Ave Widening/Bogue Rd to Franklin Rd	PW		-	200,000	200,000
Total				\$ 7,120,000	\$ 1,457,000	\$ 8,577,000

Note: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
 List of Capital Improvement Program Projects
 Community Development Block Grant Programs with Current Funding
 FY 2010-2011

Fund 205 - CDBG		Dept	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
961063	Sidewalk Improvements	PW	\$	-	\$ 300,000	\$ 300,000
961118	ADA Public Facilities Improvements 09	GS		75,000	30,000	105,000
961121	Senior Center Upgrades	GS		19,000	-	19,000
961124	ADA Public Facilities Improvements 06	GS		43,000	-	43,000
Total				\$ 137,000	\$ 330,000	\$ 467,000

Note: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
List of Capital Improvement Program Projects
Redevelopment Programs with Current Funding
FY 2010-2011

Fund 305 - Redevelopment

	Dept	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
911046	PW	*	\$ 70,000	\$ -	\$ 70,000
911089	RDA		87,000	300,000	387,000
911090	RDA		108,000	-	108,000
911117	CD		60,000	20,000	80,000
911120	RDA		220,000	250,000	470,000
911125	RDA		-	200,000	200,000
Total			\$ 545,000	\$ 770,000	\$ 1,315,000

Note: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
 List of Capital Improvement Program Projects
 Water Fund with Current Funding
 FY 2010-2011

Fund 517 - Water		Project #	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
951057	Water Storage Tanks & Pumping Station	PW		\$ 5,335,000	\$ -	\$ 5,335,000
971042	Water Meter Installation	UD		-	16,000	16,000
971062	Schedule B Obligation/Developer Reimburs.	UD		41,000	-	41,000
971077	Well/Aquifer Storage Project	UD		488,000	-	488,000
971078	Corp Yard Hazardous Materials Clean-up	PW	*	12,000	-	12,000
971092	Water Line Ext. Proj. & Distr. Piping Enhanc.	UD		-	250,000	250,000
971093	Replacement and Major Maint. of Water Lines	UD		630,000	370,000	1,000,000
971094	Replace Water Service or Water Meter	UD		-	250,000	250,000
971095	Fire Hydrant Relocation and Repair	UD		18,000	42,000	60,000
971097	Exp. of the Water Treatment Plant - Phase I	UD		700,000	-	700,000
971101	Alternative Corrosion Control Process	UD		50,000	-	50,000
971102	High Lift Pump Upgrade	UD		215,000	-	215,000
Total				\$ 7,489,000	\$ 928,000	\$ 8,417,000

Note: * Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
 List of Capital Improvement Program Projects
 Wastewater Fund with Current Funding
 FY 2010-2011

Fund 528 - Sewer		Dept	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
951013	Wastewater Facility Electrical Improvements	PW	*	\$ -	\$ 900,000	\$ 1,500,000
951014	Coating and Rehab. of Oxygen Reactors	PW	*	-	2,600,000	4,500,000
951107	Waste Gas Burner Replacement	PW	*	-	500,000	500,000
951112	Various 8 inch Collection System Replacements	PW	*	-	3,150,000	3,150,000
981013	Wastewater Facility Electrical Improvements	PW	*	225,000	-	225,000
981014	Coating and Rehab. of Oxygen Reactors	PW	*	251,000	-	251,000
981078	Corp Yard Hazardous Materials Clean-up	PW	*	6,000	-	6,000
981004	Recurring Collection/Rehab System Projects	PW	*	1,232,000	268,000	1,500,000
981105	Lift Station Improvements	PW		50,000	50,000	100,000
981130	New Collection System Trunk Line	PW		-	1,000,000	1,000,000
Total				\$ 1,764,000	\$ 8,468,000	\$ 12,732,000

Notes:

* Multiple funding sources exist for this project. See individual project sheet for breakdown.

City of Yuba City
List of Capital Improvement Program Projects
Other Programs with Current Funding
FY 2010-2011

Fund XXX - Other Funded	Dept	Note	Estimated Carryover Balance	Proposed 2010-2011 Approp.	Total Project Funds
911046 Town Center Property Environmental Assessment ⁹	PW	*	\$ -	\$ 500,000	\$ 500,000
921051 Road Rehabilitation ^{1,4}	PW	*	3,167,000		3,167,000
921084 Fifth Street Bridge Replacement - Tech Studies ²	PW	*	1,457,000		1,457,000
931085 Tharp Road S. of SR-20 - NB Ded. Right Turn Lane ³	PW		371,000		371,000
931087 Feather River Parkway Project ⁷	PR	*	566,000	885,000	1,451,000
971007 Water Intake Improvements ^{5,6}	PW	*	1,429,000	4,520,000	5,949,000
971019 Water Intake Access Road ⁸	PW		-	557,000	557,000
Total			\$ 6,990,000	\$ 6,462,000	\$ 13,452,000

Notes:

- * Multiple funding sources exist for this project. See individual project sheet for breakdown.
- 1 Funded by the Regional Surface Transportation Program and Prop 1B
- 2 Funded partly through the Seismic Safety Retrofit Program and an 11.5% local share.
- 3 Funded through a development agreement with Lowe's HIW, 304-20231.
- 4 Funded by the American Recovery/Reinvestment Act grant
- 5 Funded by the AFSP Fish Screen, Cal Fed Fish Screen
- 6 Funded by a CA Clean Water State Revolving Fund loan.
- 7 Funded in part by State Prop. 50 grant funds.
- 8 Funded through reimbursement grants from OES and FEMA.
- 9 Funded through reimbursement from Yuba City Steel.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
YUBA CITY DETERMINING AND ESTABLISHING THE CITY'S
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-2011**

WHEREAS, on November 6, 1979, the voters of the State of California approved an initiative measure which added Article XIII B to the California Constitution; and,

WHEREAS, said constitutional provision imposes a limitation upon certain annual appropriations of state and local public entities; and,

WHEREAS, pursuant to said new constitutional provision, the State Legislature amended the Government Code by adding thereto Division 9 to Title I of said Code (§7900 et seq.); and,

WHEREAS, California Government Code Section 7910 requires the governing body of each local jurisdiction to establish its appropriations limit by resolution; and,

WHEREAS, pursuant to said code section, the documentation provided by the Finance Director upon which the determination and establishment of this resolution is based has been and is on file with and available for public inspection in the office of the City Clerk for fifteen (15) days prior to the date of adoption of this resolution.

NOW, THEREFORE, the City Council of the City of Yuba City does hereby resolve as follows:

Section 1. Pursuant to Government Code §7910 the appropriations limit for Fiscal Year 2010-2011 is determined to be and shall be the sum of \$116,353,829.

Section 2. The limitation established by the above paragraph includes only "appropriations subject to limitation," as said phrase is defined by Section 9 of Article XIII B of the California Constitution is the sum of \$23,828,071.

The foregoing Resolution of the City Council of the City of Yuba City is duly introduced, PASSED AND ADOPTED at a regular meeting thereof held on this 15th day of June, 2010 by the following vote:

Ayes:

Noes:

Absent:

Attest:

Mayor

City Clerk