

CITY OF YUBA CITY
STAFF REPORT

Date: June 4, 2019
To: Honorable Mayor & Members of the City Council
From: Finance/IT Department
Presentation By: Robin Bertagna, CPA, Finance Director

Summary

Subject: Adoption of the City of Yuba City's Fiscal Year 2019-2020 Operating and Capital Budgets and Fiscal Year 2019-2020 Appropriations Limit.

Recommendation: A. Adopt a Resolution approving the proposed Fiscal Year 2019-2020 Operating Budget. The proposed All Funds Budget Summary for Fiscal Year 2019-2020 is attached.

B. Adopt a Resolution approving the Fiscal Year 2019-2020 Capital Improvement Program. Project Summaries by Funding Source are attached to the resolution.

C. Adopt a Resolution approving the City's Appropriations Limit for Fiscal Year 2019-2020.

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

Purpose:

To formally adopt policy documents authorizing implementation of fiscal priorities during Fiscal Year 2019-2020.

Background:

The City Council held a budget workshop on May 28th to review the proposed operating budget and capital improvement program. At that time, the Finance Director provided an overview of the upcoming year and 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. In addition, City Council was provided an overview of the proposed projects provided for in the City's Capital Improvement Project budget. City Council discussed and made the following changes/amendments to the proposed budgets at the budget workshop:

- The proposed operating budget includes an allocation of \$127,640 for the Yuba-Sutter Lodging Association (YSLA); this allocation remains in account 4120-66020, but authorization to encumber the funds is pending approval based on the YSLA providing a successful presentation to City Council on June 4, 2019;
- The proposed operating budget includes an allocation of \$52,000 to join the Yuba-Sutter Economic Development Corporation (YSEDC); this allocation remains in account 4120-

62701, but authorization to encumber the funds is pending approval based on agreeing to future terms for the City to rejoin the YSEDC;

- The funding allocated for the Community Coordinator position within the City Manager's budget unit is to remain, but the title is to be removed pending further discussion;
- Community Contribution funding requests will be presented and approved on June 4, 2019;
- The Executive Director position for Sutter-Butte Flood Control Agency (SBFCA) is to be removed from the proposed operating budget;
- An addition of \$15,000 in revenues to the Madden House Lease account (100-46340) are to be added to the operating budget;
- City Council requested that the \$2,900 in account 1110-62801 be reallocated to 1110-66030 in the operating budget;
- The FY 2019-20 proposed budget did not include any increase in revenues for water or wastewater operating funds since the rate model update is not yet completed. City Council will review rates and the updated rate model on June 18, 2019; any budget amendments, if applicable, will be made at that time;
- City Council discussed the budget inclusion of \$500,000 in Additional Discretionary Payments (ADP) to CalPERS from the City's general fund Pension Stabilization Trust fund reserve (\$837,808 in total Citywide including water, wastewater, fleet and SASA). Staff was directed to leave this appropriation in the proposed operating budget but to return to City Council for further direction prior to making an ADP to CalPERS pending discussions by the CalPERS Unfunded Liability Committee;
- \$60,000 was authorized by City Council on May 21, 2019, in CDBG funding for the Sam Brannon Playground Equipment project; therefore the capital improvement program budget will be amended to reflect this other source of funding (instead of City general funds).

Analysis:

As discussed at the budget workshop, Finance is recommending various year end transfers to occur as of June 30, 2019, prior to the start of the new fiscal year. They include the following:

Technology Replacement Purchases:

\$268,800 to be transferred from the general fund to the technology replacement fund (TRP) to provide necessary funding for police handheld and patrol car radios (\$42,800); police and fire radio system uplift (\$111,000); PD/IT server room HVAC upgrade (\$95,000); and Palo Alto VM Firewall (\$20,000).

Police Vehicles Purchases:

\$132,212 to be transferred from the general fund to the vehicle replacement fund (VRP) to provide necessary funding for Police vehicle purchases that are included as capital acquisition purchases in the FY 2019-2020 proposed budget, but for which sufficient funding is not currently available in the VRP.

Developer Impact Fee Fund Loan:

\$239,688 for Fire and \$158,398 for Police development impact fees (DIF). This is to advance funds from the general fund to the developer impact fee fund for repayment of development impact fee loans and accounts with negative balances. The City Council first recommended this as of June 30, 2016, this is the fourth year of similar action. The recommendation is that 10% per year of each of these balances be loaned from the general fund to the DIF fund. Section 3 of the

attached budget resolution anticipates that City Council desires to continue this practice again as of June 30, 2019 using anticipated surplus funds from FY 2018-2019 as a source of partial repayment. Notably, any such advances from the general fund to the development impact fee (DIF) fund would ultimately be repaid from future DIF collections in order to ensure that new development pays its own way in accordance with the City Council's Growth Policies.

Combine "Reserve for Operations Fund" with "Fund Balance Unreserved":

The City originally set aside \$441,095 in a special reserve fund within the general fund for one-time costs. This was set aside in November, 2015, and was to be used to fund one-time expenditures. \$123,500 was used in May, 2016, to fund start-up expenses for the Chamber of Commerce to form the Tourism Business Improvement District (TBID) that ultimately formed the Yuba-Sutter Lodging Association (YSLA). The remaining \$317,594 was earmarked last year for the City's matching contributions for the new SAFER Grant. The proposed FY 2019-2020 Operating Budget includes both the 75% revenues to be received from the SAFER Grant and 100% of the expenditures to be paid for staffing costs of the 9 Fire Recruits hired under the SAFER Grant. Therefore, this set aside is no longer required and staff is recommending that it be rolled into the regular "Fund Balance Unreserved" account. This action is included in Section 5 of the budget adoption resolution. Combining these accounts will help meet the City's higher (based upon FY 2019-2020 appropriations) 15% reserve fund balance (also referred to as our Healthy Cities Reserve).

Split Year-End Surplus Equally Between General Unallocated CIP and the Pension Stabilization Trust Fund:

The City's Fiscal Policy ensures that as of June 30th of each year, the General Fund has a reserve balance of no less than 15% of the subsequent fiscal year's appropriations, and anything in excess of that is split equally as a set aside for one-time capital infrastructure needs in the City's general unallocated capital improvement reserve fund and the City's pension stabilization trust fund.

The Fiscal Policy goes both ways toward ensuring the reserve policy is met in that if the general fund does not have sufficient reserve funds to meet the policy threshold, funds are transferred back to the general fund from the general unallocated capital improvement reserve fund. No funds would be transferred back from the pension stabilization trust fund to meet the 15% reserve requirement, once funds are transferred to this trust fund they can only be utilized to pay CalPERS retirement costs and not for any other purpose.

This action provides prudent financial management practices as it sets aside one-time budget savings at the end of a fiscal year for future one-time capital expenditures or to provide funding for pension liabilities. Absent other explicit direction from the City Council, by default this will occur at the end of every year. However, City Council retains full discretion to provide alternative direction to Finance each year.

This action is included in Section 3 of the budget adoption resolution. It is currently projected that surplus funds from FY 2018-2019 will be approximately \$1.05 million. \$268,800 will be transferred to the TRP and \$132,212 will be transferred to the VRP, which leaves approximately \$266,000 which could be available for one-time capital investment and transfer to the pension stabilization trust fund (if approximately \$400,000 of funds are loaned to the developer impact fee fund (DIF) for Police and Fire's negative balances as previously described). An alternative for City Council to consider would be for these funds to instead be utilized as one-time monies as part of negotiations.

Water and Wastewater Working Capital:

In accordance with the provisions of the City's Budget Policy, direction is to ensure that as of June 30, 2019, the 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 7 of the budget adoption resolution).

Historically, the water fund's connection fee fund has been paying 75% of the debt service payments for bonds that were originally sold in 2005 to finance improvements that were to benefit new development. Development has not occurred as it was originally anticipated. Therefore, staff recommends that the amount allocated to capital connection fees be reduced from 75% to only 50%. This results in a reallocation/reimbursement of \$5,374,470 in debt service payments which will be sufficient to offset the negative cash within the water capital connection fee fund. Furthermore, staff recommends that future debt service payments also be allocated one-half each between the water operating fund and the water capital connection fee fund. This is included in Section 6 of the budget adoption resolution.

The unallocated water fund capital improvement project (CIP) balance is currently \$5,954,874. Transferring \$5,374,470 to the capital connection fee fund would leave a balance of \$580,405 in the unallocated CIP fund. This \$580,405 remaining balance will increase as of June 30, 2019, with the year-end operating transfer of excess revenues in excess of 90 days working capital.

Additional Discretionary Payment (ADP) to CalPERS:

The proposed FY 2019-20 operating budget includes a general fund transfer of \$500,000 from the City's Pension Stabilization Trust Fund towards making an additional discretionary payment (ADP) towards the Miscellaneous CalPERS Plan. In addition to the general fund contribution from the Pension Stabilization Trust, the City's other funds which have Miscellaneous CalPERS covered employees would participate in making an ADP as well. Their share would total \$337,808 for water, wastewater, fleet, and SASA departmental expenditures (for a total ADP of \$837,808).

By paying extra funds to CalPERS, the City will reduce the unfunded actuarial accrued liability (UAL) and save in future years' interest costs. Finance also saves retirement costs by pre-paying the unfunded actuarial liability in July each year. CalPERS allows a discount by pre-paying the annual payment instead of making monthly payments equal to one-twelfth of the total amount owed for the year. City staff is also requesting to make a second, separate ADP payment to CalPERS equal to the interest discounted amount. This ensures the City will pay the total amount budgeted to CalPERS for the UAL instead of the discounted amount. This too, is yet another way to reduce our unfunded liabilities and save interest expense long-term. Section 4 of the budget adoption resolution includes authorization for this ADP.

As described above, during the Budget Workshop, City Council authorized leaving the appropriations in the operating budget, but directed staff to return to City Council for further direction prior to making an ADP to CalPERS pending discussions by the CalPERS Unfunded Liability Committee.

Fiscal Impact:

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

Alternatives:

Make other 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 2019-2020 Operating Budget*
- 2) *Resolution approving the proposed Fiscal Year 2019-2020 Capital Improvement Program Budget*
- 3) *Resolution approving the City's Appropriations Limit for Fiscal Year 2019-2020.*

Prepared By:

/s/ Robin Bertagna

Robin Bertagna, C.P.A.
Finance Director

Submitted By:

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed By:

City Attorney

[SLC by email](#)

ATTACHMENT 1

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
ADOPTING THE CITY'S OPERATING BUDGET FOR FISCAL YEAR 2019-2020**

WHEREAS, a proposed operating budget for the City of Yuba City for the fiscal year commencing July 1, 2019 and ending June 30, 2020 was submitted to the City Council by the Interim City Manager on May 21, 2019 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2019-2020 Operating Budget ("proposed annual budget") was held on May 28, 2019; and,

WHEREAS, the City 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.

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, 2019 and ending June 30, 2020.

Section 2. The Finance Director is directed to make the following transfers from the General Fund to the Technology Replacement Fund (Fund 622) and Vehicle Replacement Fund (Fund 620) from the following accounts in the current budget year:

<u>No.</u>	<u>From Account No.</u>	<u>Description</u>	<u>Amount</u>	<u>To Account No.</u>
1	100-Z69990	Unalloc. Fund Balance	\$268,800	622-Z69980
2	100-Z69990	Unalloc. Fund Balance	\$132,212	620-Z69980

Section 3. The Finance Director is directed to ensure that as of June 30, 2019, the general fund has a reserve fund balance of no less than 15% of FY 2019-2020 General Fund expenditures in accordance with the provisions of the City's Fiscal Policy. The Finance Director is further directed to transfer any reserve fund balance in excess of 15% as follows:

<u>No.</u>	<u>Account Number</u>	<u>Description</u>	<u>Amount</u>
1	304-20415-Fire	Advance DIF-Fire Pooled Loan	\$239,688
2	304-20415-Police	Advance DIF-Police Pooled Loan	\$158,398
3	301-Z69980	General Unallocated CIP	½ of Remaining \$ > 15%
4	702-Z69980	Pension Stabilization Trust	½ of Remaining \$ > 15%

If the general fund reserve fund balance is less than 15% as of June 30, 2019, the Finance Director is directed to transfer any deficiency back from the Unallocated General Fund Capital Improvement Fund reserve to the General Fund to ensure it meets the 15% reserve requirement.

Section 4. The Finance Director is directed to withdraw \$500,000 from the City's Pension Stabilization Trust Fund to make an additional discretionary payment to CalPERS from the general fund after further direction from the City Council based upon meetings held by CalPERS Unfunded Liability Committee. Including water, wastewater, fleet, and SASA, the total additional discretionary payment to be made is \$837,808. Additionally, the Finance Director is directed to pay the unfunded actuarial liability in a lump sum payment in July for the entire fiscal year to take

advantage of CalPERS interest rate discount. After the lump sum payment is made, the Finance Director is directed to make another additional discretionary payment equal to the interest rate discount authorized by CalPERS so that the total paid equals the amount budgeted for the City's unfunded actuarial liability payment.

Section 5. The Finance Director is directed to transfer \$317,594 from the Reserve for Operations Fund (account 100-30525) to Fund Balance Unreserved (account 100-30600).

Section 6. The Finance Director is directed to reimburse \$5,374,470 in debt service that was previously paid from the Water fund's capital connection fee fund from the Water Unallocated CIP Fund balance. Furthermore, staff is directed to allocate future debt service payments from the 2005/2013 Water Revenue Bonds to be paid one-half each from the Water Operating Fund and the Water Connection Fee Fund.

Section 7. The Finance Director is directed to ensure that as of June 30, 2019, the Water and Wastewater operating funds have a 90 day reserve fund balance in accordance with the provisions of the City's Budget Policy.

Section 8. 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.

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 4th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

ATTEST:

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

All Funds Budget Summary

FY 2019-2020

Fund Description	Estimated Beg. Balance 6/30/2019	Projected Revenues	Total Appropriations	Projected Ending Balance 6/30/2020
General Fund	\$ 6,463,227	\$ 45,070,300	\$ 44,615,500	\$ 6,918,027
Special Revenue Funds				
CDBG Program	186,800	650,000	650,000	186,800
CDBG Housing RLF	48,700	15,100	14,000	49,800
HOME Program Income	435,000	75,000	53,400	456,600
Streets & Roads	2,383,700	33,610,300	33,303,100	2,690,900
Transportation Development Act	1,656,900	1,701,500	717,700	2,640,700
Traffic Safety	275,100	191,500	152,000	314,600
Suspended Traffic Offender Program	205,400	134,600	125,000	215,000
Development Impact Fees	13,264,000	1,476,600	389,966	14,350,634
Fire Mitigation Impact Fees	10,000	1,700	7,500	4,200
Lighting & Landscape Maint. Districts	645,900	842,645	922,916	565,629
Residential Street Lighting	87,300	131,413	105,409	113,304
DOE Energy Conservation	13,500	66,800	32,200	48,100
Recology Rate Stabilization	49,300	304,700	-	354,000
Total Special Revenue Funds	19,261,600	39,201,858	36,473,191	21,990,267
Enterprise Funds				
Water Enterprise	6,109,200	17,511,500	13,267,279	10,353,421
Wastewater Enterprise	7,471,600	17,093,400	14,951,699	9,613,301
Total Enterprise Funds	13,580,800	34,604,900	28,218,978	19,966,722
Internal Service Funds				
Employee Benefits	490,800	3,738,250	3,738,250	490,800
Dental/Vision	321,700	587,400	500,000	409,100
Disability Program	183,400	84,100	41,100	226,400
General Liability	328,500	857,400	916,600	269,300
Workers Comp Insurance	1,359,700	1,261,100	1,461,100	1,159,700
Vehicle Maintenance	600	975,000	930,628	44,972
Vehicle Replacement	9,368,900	1,306,000	355,580	10,319,320
Technology Replacement	2,276,500	767,672	1,013,020	2,031,152
Total Internal Service	14,330,100	9,576,922	8,956,278	14,950,744
Total	\$ 53,635,727	\$ 128,453,980	\$ 118,263,947	\$ 63,825,760

ATTACHMENT 2

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
ADOPTING THE CITY'S CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL
YEAR 2019-2020**

WHEREAS, a proposed capital improvement program budget for the City of Yuba City for the fiscal year commencing July 1, 2019 and ending June 30, 2020 was submitted to the City Council by the Finance Director on May 21, 2019 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2019-2020 Capital Improvement Program Budget ("proposed CIP budget") was held on May 28, 2019; and,

WHEREAS, City Council reviewed and discussed projects proposed in the FY 2019-2020 Capital Improvement Program Budget during the budget workshop on May 28, 2019; 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, 2019 and ending June 30, 2020.

Section 2. The Draft Capital Improvement Budget was provided to the Planning Commission for review and comment on May 17, 2019. The Planning Commission approved the findings of consistency with the General Plan at their regularly scheduled May 22, 2019 meeting.

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 4th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

Attest:

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

City of Yuba City
List of Capital Improvement Program Projects
General Fund with Current Funding
FY 2019 - 2020

Fund 301 - General	Dept.	Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
901023 City Hall Improvements	PW	*	25,000	50,000	75,000
901028 Improvements to Buildings and Grounds	PW	*		112,000	112,000
901072 Property Abatement	DS		70,000	15,000	85,000
901080 General Plan Implementation and Future Update	DS		690,000		690,000
901127 Capital Repl. Prog - Gauche Aquatic Park	CS		73,500	35,000	108,500
901188 Stormwater Management Program	PW	*	38,000	30,000	68,000
901207 Harter Parkway Park and Bike Connection	CS	*	313,000		313,000
901209 Union Pacific Railroad Property Acquisition	PW		29,000	(10,000)	19,000
901221 Feather River Mill Site Development	PW		23,000		23,000
901234 Blackburn-Talley Field Lighting Replacement	CS			260,000	260,000
901236 Fire Station 2 Remodel	FD		707,758	407,500	1,115,258
901237 Fire Station Repair and Renovation	FD		126,715	(100,000)	26,715
901265 Sam Brannan Restroom Replacement	CS			150,000	150,000
901272 Police Department Work Station Modifications	PD			140,000	140,000
Total			\$2,095,973	\$1,089,500	\$3,185,473

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

City of Yuba City
List of Capital Improvement Program Projects
Transportation Development Act Programs with Current Funding
FY 2019 - 2020

Fund 305 - Transportation Development Act	Dept.	Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
911024 Striping and Marking	PW	*		125,000	125,000
911025 Drainage Improvements	PW	*	110,000		110,000
911027 Traffic Signals	PW	*	164,000	10,000	174,000
911051 Road Rehabilitation	PW	*	648,000		648,000
911069 Tuly Parkway - Queens Ave Extension	PW	*	303,000		303,000
911169 Bicycle Master Plan Implementation	PW	*	16,000		16,000
911188 Stormwater Management Program	PW	*	21,000		21,000
911207 Harter Parkway Park and Bike Connection	CS	*	130,000		130,000
911220 ADA Public Facilities Sidewalk Improvements	PW	*	185,000		185,000
911241 Center Bore Street Light Pole Replacement Project	PW		50,000	50,000	100,000
911242 Franklin Avenue Pedestrian Improvements	PW	*	23,000		23,000
911253 2018 Safe Routes to School Plan	PW	*	53,675	5,000	58,675
911254 State Route 20 Corridor Improvements	PW	*	20,000		20,000
911266 Sutter Bike Path Gap Closure	PW	*	39,000	77,000	116,000
Total			\$1,762,675	\$267,000	\$2,029,675

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

City of Yuba City
List of Capital Improvement Program Projects
Streets and Roads Fund with Current Funding
FY 2019 - 2020

Fund 303 - Streets and Roads	Dept. Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
921025 Drainage Improvements	PW *	45,000		45,000
921028 Improvements to Buildings and Grounds	PW *		11,000	11,000
921051 Road Rehabilitation	PW *		100,000	100,000
921169 Bicycle Master Plan Implementation	PW *	88,000		88,000
921190 Pavement Management System	PW *		10,000	10,000
921213 Residential Road Rehabilitation	PW	150,000	500,000	650,000
921220 ADA Public Facilities Sidewalk Improvements	PW *	50,000	90,000	140,000
921242 Franklin Avenue Pedestrian Improvements	PW *	293,000		293,000
921243 Bridge Street Utility Undergrounding	PW *	4,000		4,000
921244 Systemic Safety Analysis Report	PW *	19,000		19,000
921255 Road Maintenance and Rehabilitation Account (RMRA)	PW	1,235,000	1,150,000	2,385,000
921257 SCADA Master Plan	PW *	45,000		45,000
Total		\$1,929,000	\$1,861,000	\$3,790,000

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 2019 - 2020

Fund 304 - Development Impact Fees	Dept.	Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
931028 Improvements to Buildings and Grounds	PW	*		50,000	50,000
931069 Tuly Parkway - Queens Ave Extension	PW	*	671,000		671,000
931084 Fifth Street Bridge Replacement	PW	*	25,000		25,000
931166 Feather River Parkway Project Phase II	CS	*	53,000		53,000
931187 Bridge Street Widening	PW	*	1,150,000		1,150,000
931207 Harter Parkway Park and Bike Connection	CS	*	295,000		295,000
931214 Citywide Traffic Model Update	PW		357,000		357,000
931243 Bridge Street Utility Undergrounding	PW	*	161,000		161,000
Total			\$2,712,000	\$50,000	\$2,762,000

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 Fund with Current Funding
 FY 2019 - 2020

Fund 205 - CDBG	Dept. Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
961220 ADA Public Facilities Sidewalk Improvements	PW *		210,000	210,000
961222 Annual Playground Replacement	CS		60,000	60,000
Total			\$270,000	\$270,000

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 2019 - 2020

Fund 517 - Water	Dept.	Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
971028 Improvements to Buildings and Grounds	PW	*		11,000	11,000
971042 Water Meter Installation	PW	*	107,810		107,810
971084 Fifth Street Bridge Replacement	PW	*	518,000		518,000
971092 Water Line Ext Proj & Distribution Piping Enhancement	PW	*	837,085		837,085
971093 Replacement and Major Maintenance of Water Lines	PW		1,223,770	500,000	1,723,770
971094 Replace Water Service or Water Meter	PW	*	267,710		267,710
971095 Fire Hydrant Relocation and Repair	PW		122,964		122,964
971096 Recoating Water Storage Reservoirs	PW		1,300,000	400,000	1,700,000
971145 Groundwater Well Abandonments	PW		385,206	125,000	510,206
971188 Stormwater Management Program	PW	*	29,000	20,000	49,000
971191 Second Groundwater Well	PW	*	1,789,971		1,789,971
971215 Water Treatment Facility Security Improvements	PW		129,796		129,796
971224 WTP Electrical and Instrumentation Improvement	PW		1,669,565		1,669,565
971226 Carbon Feed System Replacement	PW		500,000		500,000
971227 Recurring WTP & Water Storage Improvements	PW		238,651	450,000	688,651
971246 Pressure Surge Relief Facility	PW		899,777	2,500,000	3,399,777
971248 Storm Damage Repairs to Low Lift Facility & Access Rd	PW	*	17,655	187,500	205,155
971257 SCADA Master Plan	PW	*	120,000		120,000
971268 Plumas Water Tower Maintenance	PW			135,000	135,000
Total			10,156,960	\$4,328,500	\$14,485,460

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 2019 - 2020

Fund 528 - Wastewater	Dept.	Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
981028 Improvements to Buildings and Grounds	PW	*		11,000	11,000
981103 Recurring Plant Projects	PW		511,355	150,000	661,355
981104 Recurring Collection or Rehabilitation System Projects	PW		104,569	1,000,000	1,104,569
981105 Lift Station Improvements	PW		666,608	150,000	816,608
981116 Secondary Clarifier Improvements	PW	*	322,164		322,164
981155 Stonegate Treatment Works Demolition	PW		324,704		324,704
981156 New Outfall and River Levee Crossing Replacement	PW	*	577,114	500,000	1,077,114
981179 Oxygen Generation System Improvements	PW	*	58,515		58,515
981188 Stormwater Management Program	PW	*	29,000	20,000	49,000
981196 Rehabilitation of the West Chlorine Contact Basin	PW		1,300,000	200,000	1,500,000
981219 Secondary Clarifier No. 4	PW	*	(6,056)	120,000	113,944
981229 Capitalization Fund	PW		3,000,000	1,000,000	4,000,000
981249 Wastewater System Master Plan Update	PW		800,000		800,000
981250 Storm Damage Repairs to Ponds and Access Road	PW	*	82,461		82,461
981252 Wastewater Treatment Facility Improvements	PW	*	488,000	500,000	988,000
981257 SCADA Master Plan	PW	*	110,000		110,000
Total			\$8,368,434	\$3,651,000	\$12,019,434

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

City of Yuba City
 List of Capital Improvement Program Projects
 SRF Fund with Current Funding
 FY 2019 - 2020

Fund 534 - State Revolving Loan Fund		Dept. Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
971094	Replace Water Service or Water Meter	PW *	8,000,000		8,000,000
971258	Barry School Water Transmission Line	PW	1,583,363	600,000	2,183,363
Total			\$9,583,363	\$600,000	\$10,183,363

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

City of Yuba City
List of Capital Improvement Program Projects
Other Fund with Current Funding
FY 2019 - 2020

Fund XXX - Other Funded	Dept. Note	Estimated Carryover Balance	Proposed 2019-2020 Approp.	Total Project Funds
941084 Fifth Street Bridge Replacement	1 PW *	36,720,00		36,720,000
971093 Replacement and Major Maintenance of Water Lines	11 PW	74,353		74,353
941166 Feather River Parkway Project Phase II	2 CS *	1,512,000		1,512,000
921180 Consolidated Streetlight District-Acquisition and Conversion	4 PW	823,000		823,000
941207 Harter Parkway Park and Bike Connection	9 CS *	800,000		800,000
921242 Franklin Avenue Pedestrian Improvements	5 PW *	376,000		376,000
921244 Systemic Safety Analysis Report	6 PW *	144,000		144,000
971248 Storm Damage Repairs to Low Lift Facility & Access Rd	7 PW *	264,828	2,812,500	3,077,328
981250 Storm Damage Repairs to Ponds and Access Road	7 PW *	1,236,917		1,236,917
981252 Wastewater Treatment Facility Improvements	8 PW *	23,112,00		23,112,000
921253 2018 Safe Routes to School Plan	3 PW *	221,325		221,325
921254 State Route 20 Corridor Improvements	5 PW *	100,000		100,000
901264 CalFire Urban Forest Management Grant	12 CS		376,240	376,240
921266 Sutter Bike Path Gap Closure	10 PW *	153,000		153,000
901267 Fire Admin Fencing & Flooring	7 FD	7,000		7,000
Total		\$65,544,423	\$3,188,740	\$68,733,163

Notes:

- * Multiple funding sources exist for this project. See individual project sheet for breakdown.
- 1 Funded partly through HBP, RSTP, Demo HPP, and local funds
- 2 Funded by Proposition 84 grant funds
- 3 Funded partly through Feather River Air Quality Management District grant (FRAQMD)
- 4 Funded through Consolidated Streetlight District Funds
- 5 Funded partly through Sacramento Area Council of Governments grant (SACOG)
- 6 Funded with the Systemic Safety Analysis Report Program (SSARP) grant
- 7 Partly funded by FEMA
- 8 Partly funded by bond/loan financing
- 9 Funded partly through the Land and Water Conservation Fund
- 10 Funded partly through the ATP grant
- 11 Funded partly through a WaterSmart grant
- 12 Funded through the CalFire Urban Forest Management grant, with a labor match from the City

ATTACHMENT 3

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
DETERMINING AND ESTABLISHING THE CITY'S APPROPRIATIONS LIMIT FOR FISCAL
YEAR 2019-2020**

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 2019-2020 is determined to be and shall be the sum of \$199,183,222.

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 \$33,834,750.

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 4th day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Shon Harris, Mayor

Attest:

Patricia Buckland, City Clerk

APPROVED AS TO FORM
COUNSEL FOR YUBA CITY

Shannon L. Chaffin, City Attorney
Aleshire & Wynder, LLP

GANN Appropriations

CITY OF YUBA CITY GANN APPROPRIATIONS LIMIT FY 2019-2020

In 1979, California voters approved Proposition 4 (Article XIII-B of the California State Constitution). Informally known as the "Gann Initiative," Article XIII-B provides limits regarding the total amount of appropriations in any fiscal year from "the proceeds of taxes."

In 1980, the State Legislature added Section 9710 to the Government Code. This section states that the governing body of each city must establish, by resolution, an appropriations limit for the following year. The limit for any fiscal year is equal to the previous year's limit, adjusted for population changes and the change in the US Consumer Price Index (or California per capita personal income, if smaller). The necessary statistical information is provided by the California Department of Finance.

The original Article XIII-B (Proposition 4) and its implementing legislation were further modified by SB88 and Proposition 111 (approved by the voters in June 1990). The changes were incorporated into the FY 1990-91 and FY 1991-92 Appropriations Limits. Beginning with the FY 1990-91 Appropriations Limit, a city may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income, or the growth in the non-residential assessed valuation due to construction within the city and the population growth within the county or the city.

The following compares the difference between Yuba City's FY 2019-2020 Appropriations Limit and the estimated proceeds of taxes in the adopted FY 2019-2020 Annual Budget. It reflects a significant gap of \$165,348,472. The City remains well below its Appropriations Limit for FY 2019-2020.

Yuba City Appropriations Limit

<i>Fiscal Year</i>	<i>Appropriations Limit</i>	<i>Subject to Limit</i>	<i>Difference</i>
1997-1998	20,764,309	\$ 10,672,576	\$10,091,373
1998-1999	22,053,773	11,287,371	10,766,402
1999-2000	23,168,150	11,742,557	11,425,593
2000-2001	24,507,269	12,121,933	12,385,336
2001-2002	31,472,235	13,723,116	17,749,119
2002-2003	32,671,327	15,469,027	17,202,300
2003-2004	36,124,686	17,528,659	18,596,027
2004-2005	39,119,422	18,111,670	21,007,752
2005-2006	46,743,797	21,537,304	25,206,493
2006-2007	50,254,256	25,972,260	24,281,996
2007-2008	53,867,537	27,832,496	26,035,041
2008-2009	60,611,753	28,429,415	32,182,337
2009-2010	116,156,363	25,527,163	90,629,200
2010-2011	116,353,829	23,828,071	92,525,758
2011-2012	120,589,108	23,210,946	97,378,162
2012-2013	126,136,207	23,049,722	103,086,485
2013-2014	133,616,084	25,359,739	108,256,345
2014-2015	150,318,095	26,381,439	123,936,655
2015-2016	157,984,318	28,281,716	129,702,602
2016-2017	167,131,610	30,377,348	136,754,262
2017-2018	182,541,144	31,615,591	150,925,553
2018-2019	189,861,044	32,080,601	157,780,443
2019-2020	199,183,222	33,834,750	165,348,472

GANN Appropriations

**CITY OF YUBA CITY
GANN APPROPRIATIONS LIMIT
FY 2019-2020
Appropriations Setting Limit Methodology**

FY 2018-2019 Appropriations Limit	\$189,861,044
Percentage Change in Non-Residential Construction	4.61%
Percentage Change in Sutter County Population	0.29%
<i>January 2018 to January 2019</i>	
FY 2019-2020 Appropriations Limit Adjustment Factor <u>times 1.0491</u> <i>(1.0461 x 1.0029)</i>	
City of Yuba City FY 2019-2020 Appropriations Limit	\$199,186,222
Appropriations Subject to Limitation <i>FY 2019-2020</i>	<u>\$ 33,834,750</u>
<hr/> Difference <hr/>	<hr/> \$ 165,348,472 <hr/>