

CITY OF YUBA CITY
STAFF REPORT
(REVISED)

Date: June 3, 2014

To: Honorable Mayor & Members of the City Council

From: Finance Department

Presentation By: Spencer Morrison, Accounting Manager

Summary

Subject: Adoption of the City of Yuba City's Fiscal Year 2014-2015 Operating and Capital Budgets and Fiscal Year 2014-2015 Appropriations Limit

Recommendation:

1. Adopt a resolution approving the proposed Fiscal Year 2014-2015 Operating Budget. The proposed All Funds Budget Summary for Fiscal Year 2014-2015 is attached.
2. Adopt a resolution approving the Fiscal Year 2014-2015 Capital Improvement Program. Project Summaries by Funding Source are attached to the resolution.
3. Adopt a resolution approving the City's Appropriations Limit for Fiscal Year 2014-15.

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

Purpose:

To formally adopt policy document authorizing implementation of fiscal priorities during FY 2014-15.

Background:

The City Council held a budget workshop on May 27th 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 and public 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 did not request any changes to the proposed budget at the budget workshop.

Analysis:

In accordance with the provisions of the City's Fiscal Policy, direction is to ensure that as of June 30, 2014, the General Fund has a fund balance of no less than 15% of FY 2014-15

General Fund expenditures (Section 2). The 15% fund balance shall include both the balance available in the City's Economic Stabilization Reserve Fund and the Unassigned General Fund Balance. The City's Economic Stabilization Reserve Fund is separately maintained, and is only adjusted annually prior to the City's independent audit based upon the amount used to cover the general fund operating deficit for that fiscal year.

In accordance with the provisions of the City's Budget Policy, direction is to ensure that as of June 30, 2014, 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 3).

The budget resolution includes direction to increase the minimum wage for hourly employees pursuant to the increase in the California minimum wage law effective July 1, 2014 (Section 4).

The budget resolution includes direction that the City Council members will continue to defer all but \$500 per month in compensation until such time as employee compensation reductions are restored (Section 5).

The FY 2014-15 operating budget once again includes provisions for a 10% furlough program. Negotiation meetings with all employee bargaining units are on-going, but as of the time of budget preparation, no agreements have been reached which result in furlough restoration. At the time bargaining unit contract talks are complete, a budget amendment will be brought forward for City Council adoption and approval along with the proposed Memoranda of Understanding (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 2014-2015 Operating Budget*
- 2) *Resolution approving the proposed Fiscal Year 2014-2015 Capital Improvement Program Budget*
- 3) *Resolution approving the City's Appropriations Limit for Fiscal Year 2014-15.*

Prepared By:

[/s/ Robin Bertagna](#)

Robin Bertagna, C.P.A.
Finance Director

Submitted By:

[/s/ Steven C. Kroeger](#)

Steven C. Kroeger
City Manager

Reviewed By:

City Attorney

[TH](#)

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF YUBA CITY ADOPTING THE CITY'S OPERATING
BUDGET FOR FISCAL YEAR 2014-2015**

WHEREAS, a proposed operating budget for the City of Yuba City for the fiscal year commencing July 1, 2014 and ending June 30, 2015 was submitted to the City Council by the City Manager on May 23, 2014 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2014-2015 Operating Budget ("proposed annual budget") was held on May 27, 2014; 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, 2014 and ending June 30, 2015.

Section 2. The Finance Director is directed to ensure that as of June 30, 2014, the general fund has a reserve fund balance no less than 15% of FY 14-15 General Fund expenditures in accordance with the provisions of the City's Fiscal Policy.

Section 3. The Finance Director is directed to ensure that as of June 30, 2014, 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 4. The Finance Director is directed to update the City's salary schedule to reflect the increase in the California minimum wage law effective July 1, 2014.

Section 5. *Pursuant to California Code Section 36516, Municipal Code Section 2-1.07 was amended in January 2008 to increase the City Council compensation from \$500 per month to \$600 per month. Due to fiscal constraints, implementation of the increase was not implemented and council members will continue to defer all but \$500 per month in compensation until such time as employee compensation reductions are restored.*

Section 6. The FY 2014-15 operating budget once again contains a 10% furlough program as a cost reduction measure. As all bargaining unit contracts are currently underway, this furlough may be reduced or eliminated. Any changes required

to the adopted budget will be presented to City Council along with proposed Memorandums of Understanding for each bargaining unit.

Section 7. 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 3rd day of June, 2014 by the following vote:

Ayes:

Noes:

Absent:

Kash Gill, Mayor

Attest:

Terrel Locke, City Clerk

All Funds Budget Summary

FY 2014-2015

Fund Description	Estimated Beg. Balance 6/30/2014	Projected Revenues	Total Appropriations	Projected Ending Balance 6/30/2015
General Fund (Note 1)	\$ 8,311,000	\$ 34,896,500	\$ 36,310,382	\$ 6,897,118
Special Revenue Funds				
CDBG Program	326,600	560,276	548,276	338,600
CDBG Housing RLF	300	2,400	2,400	300
HOME Program Income	88,300	118,800	118,800	88,300
Streets & Roads	2,121,400	3,119,300	2,578,052	2,662,648
Traffic Safety	190,200	155,900	150,000	196,100
Suspended Traffic Offender	136,100	75,400	75,000	136,500
Development Impact Fees	13,418,300	822,000	2,145,000	12,095,300
Fire Mitigation Impact Fees	1,250	210	-	1,460
Landscape Assessments	977,850	518,161	630,821	865,190
Residential Street Lighting	119,700	125,977	120,520	125,157
DOE Energy Conservation	102,100	32,300	20,000	114,400
NSP III	150	1,200,000	1,200,000	150
Recology Rate Stabilization	575,600	235,800	-	811,400
Total Special Revenue Funds	18,057,850	6,966,524	7,588,869	17,435,505
Enterprise Funds				
Surface Water Operating	4,506,500	10,463,000	8,424,183	6,545,317
Water Capital	1,412,000	2,278,100	1,706,492	1,983,608
Water - SRF Loans	596,850	650,000	518,767	728,083
Wastewater Operating	5,064,200	12,047,180	9,971,466	7,139,914
Wastewater Capital	1,926,000	464,400	951,299	1,439,101
Total Enterprise Funds	13,505,550	25,902,680	21,572,207	17,836,023
Internal Service Funds				
Employee Benefits	326,600	3,770,350	3,770,730	326,220
Dental/Vision	291,200	567,800	500,000	359,000
Disability Program	40,400	32,900	30,000	43,300
General Liability	714,800	634,300	684,300	664,800
Workers Comp Insurance	1,558,500	987,000	1,243,876	1,301,624
Vehicle Maintenance	285,750	766,300	773,317	278,733
Vehicle Replacement	7,112,800	786,500	564,697	7,334,603
Technology Replacement	2,448,000	518,950	527,124	2,439,826
Total Internal Service	12,778,050	8,064,100	8,094,044	12,748,106
Total	\$ 52,652,450	\$ 75,829,804	\$ 73,565,502	\$ 54,916,752

Note 1: Includes Economic Stabilization Reserve funds.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
YUBA CITY ADOPTING THE CITY'S CAPITAL
IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR
2014-2015**

WHEREAS, a proposed capital improvement program budget for the City of Yuba City for the fiscal year commencing July 1, 2014 and ending June 30, 2015 was submitted to the City Council by the City Manager on May 27, 2014 in accordance with Section 2-2.02 of the Municipal Code; and,

WHEREAS, a special City Council workshop on the proposed FY 2014-2015 Capital Improvement Program Budget ("proposed CIP budget") was held on May 27, 2014; and,

WHEREAS, City Council reviewed and discussed projects proposed in the FY 2014-2015 Capital Improvement Program Budget during the budget workshop on May 27, 2014; 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, 2014 and ending June 30, 2015.

Section 2. The Planning Commission did not meet during May, 2014. However, the Draft Capital Improvement Budget was provided to them for review and comment on May 23, 2014. The Planning Commission is expected to approve the findings of consistency with the General Plan at their regularly scheduled June 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 3rd day of June, 2014 by the following vote:

Ayes:

Noes:

Absent:

Kash Gill, Mayor

Attest:

Terrel Locke, City Clerk

City of Yuba City
List of Capital Improvement Program Projects
General Fund with Current Funding
FY 2014-2015

Fund 301 - General	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
901001 Fire Station Improvements	FD	*	\$ -	\$ 300,000	\$ 300,000
901023 City Hall Improvements	PW		35,000	25,000	60,000
901028 Improvements to Buildings and Grounds	PW	*	36,000	25,000	61,000
901072 Property Abatement	CD		109,000	-	109,000
901079 Public Safety Comms/Dispatch System Imp	IT		37,000	-	37,000
901080 General Plan Implementation	CD		168,000	32,000	200,000
901087 Feather River Parkway Project	PR	*	-	-	-
901127 Capital Replacement Program--Gauche Aq. Pk.	PR		33,000	25,000	58,000
901137 Madden House Improvements	PW		-	-	-
901164 Chamber of Commerce Funding	ED		105,000	-	105,000
901182 Public Safety Radio System Improvement	IT		25,000	-	25,000
901188 Stormwater Management Program	PW	*	-	21,000	21,000
901189 Police Department Improvements	PW		-	250,000	250,000
Total			\$ 548,000	\$ 678,000	\$ 1,226,000

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 2014-2015

Fund 303 - Streets & Roads Fund	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
921024 Striping and Marking	PW	\$	34,000	\$ 50,000	\$ 84,000
921025 Drainage Improvements	PW		25,000	100,000	125,000
921027 Traffic Signals	PW	*	230,000	50,000	280,000
921051 Road Rehabilitation	PW		616,000	400,000	1,016,000
921084 Fifth Street Bridge Replacement--Technical Studies	PW	*	32,000	-	32,000
921139 Second Street Underground Utility District	PW		298,000	-	298,000
921152 Bogue Road Rehabilitation	PW		100,000	126,000	226,000
921153 Garden Highway Improvements--Winship to Lincoln	PW	*	-	150,000	150,000
921162 King Avenue Safe Routes to School	PW	*	434,000	-	434,000
921167 SR-20 Median Improvement Project	PW		200,000	-	200,000
921168 Butte Hse Rd Cl. II Bike Ln-Madison to Royo Ranchero	PW	*	29,000	-	29,000
921169 Bicycle Master Plan Implementation	PW		25,000	-	25,000
921170 Bike Lane Striping Upgrades-Right Turn Conflicts	PW	*	38,000	-	38,000
921171 ADA Public Facilities Sidewalk Improvements	PW	*	-	90,000	90,000
921188 Stormwater Management Program	PW	*	-	21,000	21,000
921190 Pavement Management System	PW		-	100,000	100,000
Total			\$ 2,061,000	\$ 1,087,000	\$ 3,148,000

City of Yuba City
List of Capital Improvement Program Projects
Development Impact Fee Fund with Current Funding
FY 2014-2015

Fund 304 - Development Impact Fees	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
931027 Traffic Signals	PW	*	\$ 400,000	\$ -	\$ 400,000
931028 Improvements to Buildings and Grounds	PW	*	6,000	-	6,000
931084 Fifth Street Bridge Replacement	PW	*	25,000	-	25,000
931128 Walton Ave Improvements/Bogue Rd to Franklin Rd	PW		985,000	-	985,000
931153 Garden Highway Improvements--Winship to Lincoln	PW		523,000	-	523,000
931154 Garden Highway Rehabilitation	PW		142,000	180,000	322,000
931166 Feather River Parkway Project Phase II	PR		106,000	-	106,000
931172 Expansion of Park Amenities	PR		20,000	-	20,000
931187 Bridge Street Widening	PW		150,000	400,000	550,000
931193 Oji Way Extension ROW	PW		40,000	200,000	240,000
931200 Lincoln Road Extension	PW		-	300,000	300,000
931201 State Route 99 Widening	PW		-	260,000	260,000
Total			\$ 2,397,000	\$ 1,340,000	\$ 3,737,000

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 2014-2015

Fund 205 - CDBG	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
961001 Fire Station Improvements	FD	*	\$ 52,000	\$ -	\$ 52,000
961171 ADA Public Facilities Sidewalk Improvements	PW	*	-	210,000	210,000
Total			\$ 52,000	\$ 210,000	\$ 262,000

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 2014-2015

Fund 517 - Water	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
971028 Improvements to Buildings and Grounds	PW	*	\$ 10,000	\$ -	\$ 10,000
971042 Water Meter Installation	PW		12,000	20,000	32,000
971092 Water Line Ext. Proj. & Distr. Piping Enhanc.	PW		185,000	250,000	435,000
971093 Replacement and Major Maint. of Water Lines	PW		133,000	200,000	333,000
971094 Replace Water Service or Water Meter	PW		308,000	200,000	508,000
971095 Fire Hydrant Relocation and Repair	PW		32,000	30,000	62,000
971096 Recoating Water Storage Reservoirs	PW		-	400,000	400,000
971101 Alternative Corrosion Control Process	PW		50,000	-	50,000
971145 Groundwater Well Abandonments	PW		319,000	-	319,000
971153 Garden Highway Impr--Winship to Lincoln	PW		-	60,000	60,000
971158 Proposition 84 Waterline Extension	PW	*	350,000	-	350,000
971161 Low Lift Pump Station Security Improvements	PW	*	-	945,000	945,000
971174 Water Rate Study	PW		-	50,000	50,000
971188 Stormwater Management Program	PW	*	-	14,000	14,000
971191 Second Groundwater Well	PW		-	100,000	100,000
971192 Backwash Recovery	PW		-	350,000	350,000
Total			\$ 1,399,000	\$ 2,619,000	\$ 4,018,000

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

City of Yuba City
List of Capital Improvement Program Projects
State Revolving Loan Funding
FY 2014-2015

	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
951013 Wastewater Facility Electrical Improvements	PW	*	244,000	-	244,000
951014 Coating and Rehab. of Oxygen Reactors	PW	*	374,000	-	374,000
951112 Downtown Area Collection System Rehab./Repl.	PW	*	340,000	438,000	778,000
951175 Digester Impr and New Cogeneration System	PW	*	3,000,000	1,800,000	4,800,000
951177 Barscreen Rehab/Replacement/Addition	PW	*	-	700,000	700,000
951178 Digested Sludge Dewatering System Impr	PW	*	-	2,900,000	2,900,000
951179 PSA Compressor and CCB Replacement	PW	*	620,000	1,600,000	2,220,000
951195 Electrical & Instr Sys Eval and Improvements	PW	*	-	950,000	950,000
Total			4,578,000	8,388,000	12,966,000

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 2014-2015

Fund 528 - Sewer	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
981013 Wastewater Facility Electrical Improvements	PW		\$ 67,000	\$ -	\$ 67,000
981014 Coating and Rehab. of Oxygen Reactors	PW		215,000	-	215,000
981103 Recurring Plant Projects	PW		-	200,000	200,000
981104 Recurring Collection/Rehab System Projects	PW		246,000	-	246,000
981105 Lift Station Improvements	PW		58,000	200,000	258,000
981112 Downtown Area Collection System Rehab./Repl.	PW	*	53,000	-	53,000
981116 Secondary Clarifier Improvements	PW		300,000	-	300,000
981153 Garden Highway Impr--Winship to Lincoln	PW		-	40,000	40,000
981155 Stonegate Treatment Works Demolition	PW		25,000	-	25,000
981156 New Outfall and River Levee Crossing Replace	PW	*	650,000	-	650,000
981176 Digester Impr and New Cogeneration System	PW	*	-	200,000	200,000
981177 Barscreen Rehab/Replacement/Addition at WWTF	PW		50,000	-	50,000
981178 Digested Sludge Dewatering System Impr	PW	*	100,000	-	100,000
981179 Oxygen Generation Sys. & Disinfection Sys. Impr.	PW	*	80,000	100,000	180,000
981183 Future Wastewater Collection System Exp. Ph. I	PW	*	500,000	-	500,000
981188 Stormwater Management Program	PW	*	-	14,000	14,000
981195 Electrical & Instr Sys Eval and Improvements	PW	*	-	50,000	50,000
981196 Rehabilitation of the West Chlorine Contact Basin	PW		-	650,000	650,000
981197 Grit Removal Facility	PW		-	30,000	30,000
981198 Wastewater Rate Study	PW		-	50,000	50,000
Total			\$ 2,344,000	\$ 1,534,000	\$ 3,878,000

City of Yuba City
List of Capital Improvement Program Projects
Other Programs with Current Funding
FY 2014-2015

Fund XXX - Other Funded	Dept.	Note	Estimated Carryover Balance	Proposed 2014-2015 Approp.	Total Project Funds
921024 Striping and Markings ¹¹	PW	*	\$ 46,000	\$ -	\$ 46,000
921084 Fifth Street Bridge Replacement - Tech Studies ¹	PW	*	4,952,000	788,000	5,740,000
921152 Bogue Road Rehabilitation ⁶	PW	*	433,000	-	433,000
921162 King Avenue Safe Routes to School ⁷	PW	*	450,000	-	450,000
921168 Butte Hse Rd Class II Bike Lanes-Madison to Royo Ranchero ⁸	PW	*	144,000	-	144,000
921170 Bike Lane Striping Upgrades -Right Turn Conflicts ⁹	PW	*	116,000	-	116,000
931153 Garden Highway Improvements-Winship to Lincoln ¹⁰	PW	*	680,000	-	680,000
931154 Garden Highway Rehabilitation ^{6, 10}	PW	*	833,000	-	833,000
931165 Highway 20 Design Study ¹⁷	PW		109,000	-	109,000
941166 Feather River Parkway Phase II ²	PR	*	50,000	1,534,000	1,584,000
971158 Proposition 84 Waterline Extension ⁵	PW	*	6,989,000	571,000	7,560,000
971161 Low Lift Pump Station Security Improvements ¹⁸	PW	*	-	3,965,000	3,965,000
921180 Consolidated Streetlight Distr-Acq. and Conversion ¹²	PW		796,000	-	796,000
981156 New Outfall and River Levee Crossing Repl ¹⁵	PW	*	-	350,000	350,000
921199 Franklin Road Pedestrian Improvements ¹⁴	PW		-	220,000	220,000
Total			\$ 15,598,000	\$ 7,428,000	\$ 23,026,000

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
- 5 Funded through CDPH Prop 84 funding program
- 6 Funded through Regional Surface Transportation Program (RSTP)
- 7 Funded partly through Safe Routes to School grant
- 8 Funded through Bicycle Transportation Account
- 9 Funded partly through Highway Safety Improvement Program (HSIP)
- 10 Funded partly through Congestion Mitigation and Air Quality Program (CMAQ)
- 11 Funded partly through Feather River Air Quality Management District grant (FRAQMD)
- 12 Funded through Consolidated Streetlight District Funds
- 14 Funded through Active Transportation Program grant
- 16 Funded through new development connection fees and/or improvement district
- 17 Funded through SACOG reimbursements
- 18 Funded through Prop 50 Grant funds

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA
CITY DETERMINING AND ESTABLISHING THE CITY'S
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2014-2015**

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 2014-2015 is determined to be and shall be the sum of \$150,318,095.

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 \$26,381,439.

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 3rd day of June, 2014 by the following vote:

Ayes:

Noes:

Absent:

Attest:

Kash Gill, Mayor

Terrel Locke, City Clerk