



2018-2019 BUDGET



CITY OF SEBASTOPOL

7120 BODEGA AVE
SEBASTOPOL, CA 95472



MEET THE CITY COUNCIL



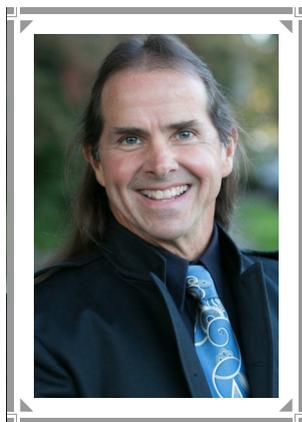
Patrick Slayter, Mayor
Term Expires—November 2018



Una Glass
Council Member
Term Expires
November 2018



Neysa Hinton
Vice Mayor
Term Expires
November 2020



Michael Carnacchi
Council Member
Term Expires
November 2020



Sarah Glade Gurney
Council Member
Term Expires
November 2018

CITY OFFICIALS

City Council:

Patrick Slayter, Mayor
Neysa Hinton, Vice Mayor
Michael Carnacchi
Una Glass
Sarah Glade Gurney

City Staff:

City Manager / City AttorneyLawrence McLaughlin
Assistant City Manager / City ClerkMary Gourley
Building Official Glenn Schainblatt
Engineering Manager.....Henry Mikus
Finance Director Ana Kwong
Fire Chief William Braga
Planning Director Kenyon Webster
Police ChiefJames Conner
Public Works Superintendent Dante Del Prete

Advisory Commissions or Committees:

Planning Commission
Design Review Board
Public Arts Committee

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City Council
Mayor Patrick Slayter
Vice Mayor Neysa Hinton
Michael Carnacchi
Una Glass
Sarah Glade Gurney



City Manager
Larry McLaughlin
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Assistant City Manager/City Clerk, MMC
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City of Sebastopol

May 3, 2018

Mayor, Councilmembers, Residents, Community Organizations and Business Owners,

Attached is the City of Sebastopol's fiscal year 2018-19 proposed budget, as prepared by staff and reviewed and presented to the City Council by the Budget Subcommittee. The budget is the primary policy document adopted by the City Council each year. This budget is developed in accordance with the City's financial management policies and guidelines and reflects the City Council's goals and objectives and how resources are allocated to achieve these goals. In addition, the budget serves as the annual financial plan, an operational guide and a communication tool. Although adjustments are expected as needs arise, the budget ultimately maps out the City's activities over the course of the next fiscal year. Overall guiding principles were utilized to develop this budget including ensuring the City operates within its means while allowing for the continuation of existing services, enhances service delivery, and fosters transparency.

The proposed fiscal year 2018-19 general fund budget was prepared under the conservative approach. The budget was developed with the cautious optimism that our local economy will continue at its current pace. Although revenue estimates show increases in resources, City staff continues to be cautious and responsible in developing a budget that maintains service levels, while continuing to fund new projects to maintain and improve the economic vitality of this City. In preparing departmental budgets for the new fiscal year, department directors were instructed to once again analyze their department expenditures for potential savings. Each department went through a detailed budget review with the Budget Subcommittee that focused on the Council's goals and priorities and evaluated departmental need assessments. This budget recognizes the need for a conservative approach to managing expenditures while providing a balance to maintaining existing high-quality programs, services and infrastructure, and funding enhancements and new initiatives, to best meet the goals and priorities of the City of Sebastopol and citizens of this community.

Highlights of the FY 2018-19 Budget follow:

✓ **The budget is balanced:**

The FY 2018-19 operating budget is balanced, meaning general fund revenues and other sources equal or exceed general fund expenditures and other uses. Total Revenue and transfers in are \$8,751,000; and total expenditures and transfers out are \$8,668,000.

✓ **General Fund Reserve Policy:**

The projected FY 2018-19 end-of-year general fund reserve balance is \$2,112,000, which represents 24.4% of general fund operating expenditures, well within the City Council policy directive of 20%. The FY 2018-19 projected end-of-year balance is based on a projected June 30, 2018 general fund balance of \$2,030,000, plus the FY 18-19 proposed budget's result.

- The City Council has "assigned" \$3,334,000 of the balance for future needs, including building and infrastructure, replacement of vehicles, equipment, and pension obligations.

- ✓ **Existing core services and programs are maintained** by funding operating departments at the baseline level. “Baseline” funding provides the prior year’s appropriations, with adjustments for inflation and known cost changes in contractual services.
- ✓ **Fee Studies will ensure adequate resources are obtained for two important programs:**
 - \$55,000 is included in the proposed budget to ensure Development Impact Fees recover the costs of impacted services attributed to development.
 - \$50,000 is provided in the Water Enterprise Fund, adhering to City best practice to periodically study water rates to ensure the water storage and delivery systems are adequately funded, including the provision for future improvements within changing regulatory environment.

Future Challenges:

The FY 2018-19 budget was challenging to balance due to a combination of various contractual obligations; anticipated increases in pension contributions and insurance costs; as well as softening revenue projections in core areas, with flat property taxes and lower growth in sales taxes.

Measure Y Sales Tax Revenue Sunset:

The Measure Y general sales tax measure is set to expire on March 31, 2021. This revenue source currently provides \$1,341,000 in annual revenue. Structural changes to operating departments’ budgets and related service reductions will need to be implemented in order to balance future budgets if the voters do not approve a continuance of the tax. Revenue projections for sales taxes are detailed in the revenue section of this budget letter.

Long-term financing vision impacting FY 2018-19 proposed budget:

The Sebastopol Budget Subcommittee presents a balanced budget in conformance with California State legislation that requires anticipated revenues plus any use of fund balance do not exceed appropriations for expenditures. As an integral part of the annual budget development process, the Budget Subcommittee and City Staff perform an annual assessment of long-term financing issues. The longer-term vision assists in providing year-to-year financial stability for the City’s core programs.

The goals and priorities of the City of Sebastopol are listed in detail starting on page 23 of this budget document. A summary of the most financially-significant items that impacted this year’s budget development follows:

- I. Maintain core services to the public as a top priority:
 - a. This budget provides for “baseline” funding in core areas, including police, fire, roadways, recreation and development services; and funds administrative efforts to make public communications and decision-making transparent and responsive.
 - b. By policy, funding requests that are above a baseline budget (prior years’ minimum operating requirements, contractual obligation plus an inflation factor), will be incorporated in departmental operating budgets based on a cost to service benefit analysis.

- c. The City seeks outside revenues, such as operating and capital grants, when available. This budget \$25,000 in anticipated grant revenue from the County of Sonoma for tourism impact mitigation that will be used to study pedestrian-related traffic improvements.
- d. Create and charge fair prices for services that are provided on an “as requested” basis, such as planning and development services which are regulated through the user fee schedule. This budget provides \$55,000 in funding to study development impact fees.

II. Create and maintain appropriate operating budgetary surpluses:

- a. Anticipated revenues plus beginning fund balances (financing sources) should be higher than appropriations for expenditures equal ending fund balances (financing uses).
- b. The City’s goal of creating and maintaining fund balances while providing for core services is intended to provide a cushion against uncontrollable spikes in costs or unanticipated short-term drops in revenue.
- c. Planned fund balance uses, besides providing stability when expenses spike or revenues drop, should be limited to taking care of deferred City infrastructure and equipment needs, funding one-time costs to create efficiencies in City programs, and providing pre-funding of longer-term liabilities that will save money in future years.
- d. This proposed budget meets the City Council’s fund balance policy and does not fund items above the policy level.

III. Debt financing is limited to achieving operating efficiencies:

- a. Consistent with the City Council’s goal to provide stability for ongoing core service programs, limit debt financing to fund operating and/or program budgets.
- b. This budget provides for no additional debt financing.
- c. Core programs that require significant infrastructure, like Water and Wastewater may use debt financing for significant capital costs due to the long-term nature of the assets and financing plans.

The goals, objectives, long-term planning and departmental needs have guided the Budget Subcommittee and City staff in their recommendations for the FY 2018-19 budget. The discussion of significant revenues and expenditure items that informed this year’s plan follow:

GENERAL FUND REVENUES:

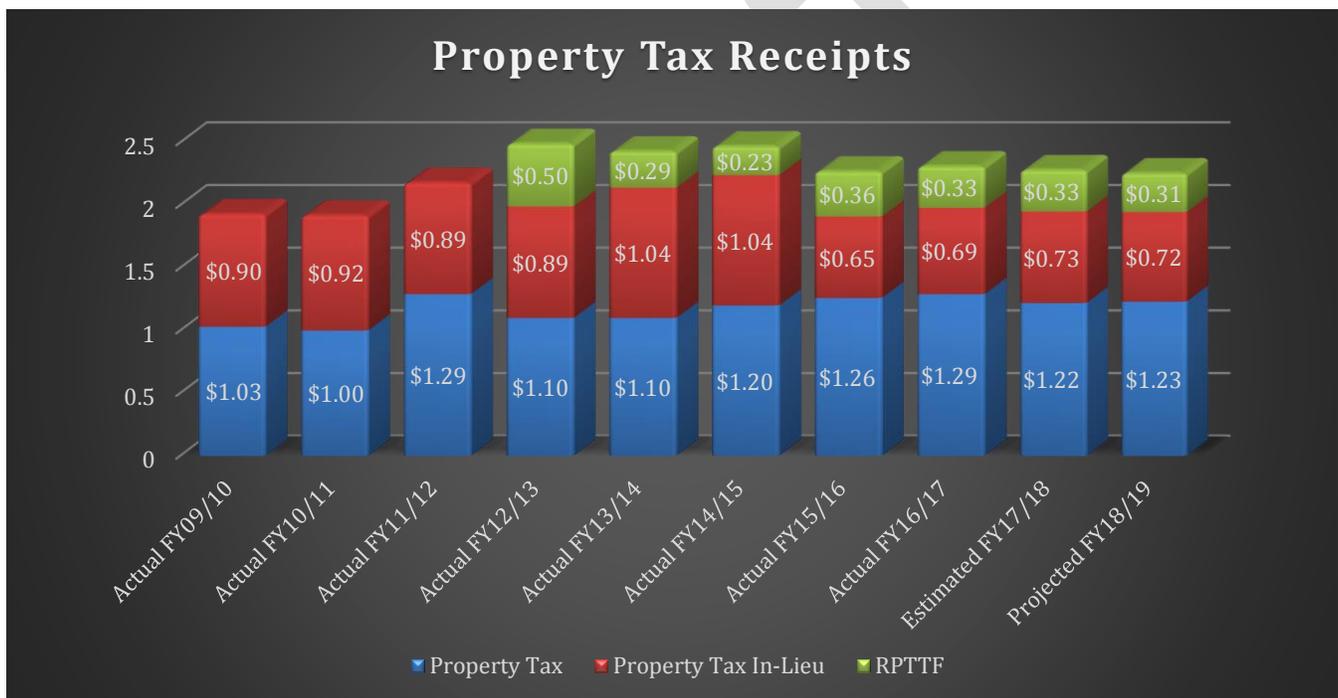
PROPERTY TAX:

The projected year-end property tax revenue for FY 2017-18 is \$2.32M, which is 10% below the prior year actual. Sonoma County region experienced the 2017 fires which caused tragic loss of life and property throughout various areas of the County. Approximately 5,300 parcels within Sonoma County sustained some element of fire damage, which has an adverse impact on property tax revenue that supports a variety services for our residents and the community at large. Sebastopol has a share of the countywide reduction to assessed value, and this will impact the City’s property tax revenue.

In FY 2018-19, the chart below reflects a small projected decrease in property tax as a whole. The City anticipates that any decrease related to the October 2018 wildfires will be mitigated by future rebuilding and related re-assessments.

Revenue Description	2016/17 Actual	2017/18 Estimated Actual	% Change from 17/18 to 16/17	2018/19 Projected Budget	% Change from Projected to Est. 17/18
Property Tax	\$1,293,029	\$1,215,000	-6.0%	\$1,245,375	2.5%
Property Tax (RPTTF)	\$ 332,311	\$ 332,600	0.1%	\$ 315,000	-5.3%
Transfer Tax	\$ 47,194	\$ 41,000	-13.1%	\$ 41,000	0.0%
Property Tax in Lieu of VLF	\$ 695,973	\$ 732,600	5.3%	\$ 715,000	-2.4%
Property Tax in Lieu of Sales Tax	\$ 202,083	\$ -	-100.0%	\$ -	0.0%
Total Property Tax	\$2,570,590	\$2,321,200	-9.7%	\$2,316,375	-0.2%

The following graph depicts the historical funds distributed to the City of Sebastopol.



SALES TAX

The City of Sebastopol receives both Bradley Burns sales tax and two additional voter-approved sales taxes of ¼ & ½ cent taxes known as “Measures “T” and “Y.” Combined, these sales taxes provide approximately 46.2% of all general fund resources.

Measure T - 2004:

On November 5, 2002, the voters of the City of Sebastopol adopted a retail Transactions and Use tax to be administered and collected by the State Board of Equalization in the amount of 1/8 cent per dollar. The tax was effective on April 1, 2003, and was increased on April 1, 2005 by a general election held on November 2, 2004 to ¼ cent per dollar. There is no expiration date. This tax is a general tax and legally could be used for any purpose, but the City Council has determined that the greatest need for the proceeds of the tax are for capital expenditures, public safety (including police and fire), and street maintenance.

Measure Y- 2012:

On November 6, 2012 a general municipal election was held in Sebastopol and the City voters passed Measure Y, a ½ cent per dollar Transaction and Use tax. This tax became operative on April 1, 2013 and will remain in effect for 8 years through March 31, 2021. The tax is a general tax and can be used for a range of services and projects, including, without limitation, services such as police, fire, street and road maintenance and repairs, flood prevention, park and open space maintenance, and other general community services. Measure Y has helped the City stay solvent, maintain essential services and rebuild reserve funds. As a locally enacted measure, the sales tax created a funding stream that could not be taken by other entities such as the State of California.

Measure Y Expiration:

Should Measure Y expire, the City will lose approximately \$1.4 million annually. This revenue generated by Measure Y represents approximately 15% of the City’s annual resources. Without Measure Y revenues, the City will face a budget shortfall over \$2.05 million in the next 3 years, which will require an additional permanent budget reduction, and further reduce community programs and services. The City Council is anticipated to place a ballot measure in November 2018 for an extension of Measure Y.

Sales Tax – Prop 172 Pass Thru

“Public Safety Augmentation Fund” – In 1992, facing serious budget deficits, the California Legislature and the then-Governor instructed county auditors to shift the allocation of local property tax revenues from local government to an “educational revenue augmentation fund” (ERAF), directing that specified amounts of city property tax to be deposited into these funds to support schools. School funding from the state general fund was reduced by a commensurate amount. To cushion the impact of the ERAF shifts, the Legislature submitted to the voters a proposal for a new half-cent sales tax to be dedicated to local public safety.

Revenue Description	2016/17 Actual	2017/18 Estimated Actual	% Change from 17/18 to 16/17	2018/19 Projected Budget	% Change from Projected to Est. 17/18
General Sales Tax	\$1,716,029	\$1,862,000	8.5%	\$1,947,000	4.6%
Measure T - 1/4 cent	\$ 625,623	\$ 635,000	1.5%	\$ 664,000	4.6%
Measure Y - 1/2 cent	\$1,280,240	\$1,282,000	0.1%	\$1,341,000	4.6%
Sales Tax - Prop 172 pass thru	\$ 78,990	\$ 83,100	5.2%	\$ 85,800	3.2%
Total Sales Tax	\$3,700,882	\$3,862,100	4.4%	\$4,037,800	4.5%

Sales Tax overall is projected to see an increase of 4.5% in FY18/19 compared to estimated collection in 17/18. The following chart depicts the history for sales tax revenues, with a separate color used to designate the additional sales taxes approved by Sebastopol citizens:

Sales Tax Receipts



TRANSIENT OCCUPANCY TAX

Receipts from Transient Occupancy Tax (TOT) continue to be an important source of revenue for the City. The City receives a fixed percentage of hotel/motel and bed & breakfast inn room rentals in Sebastopol.

The FY 18/19 budget incorporates a \$500,000 estimate for TOT, holding relatively flat in comparison to the prior years. Even though there are indications that tourism is on the upswing with the rebound of the economy, the projection calls for the conservative growth estimate given the unpredictability of consumers.

The City Council is anticipated to request voter approval to raise the TOT rate by 2% on the November ballot, from 10% to 12%. The ballot measure, if approved, will align the City's TOT rates to what many neighboring cities charge.

An additional 2% fee is assessed on occupancy, which is used by the Sonoma County Tourism Bureau to promote tourism in the County of Sonoma. Also, the City continues to use resources of the Sonoma County Tourism Bureau to help promote Sebastopol. These efforts help increase occupancy rates for Sebastopol establishments.

The following chart depicts the projection of Transient Occupancy Tax (TOT) collections:

Transient Occupancy Tax Receipts



UTILITY USER TAX

The Utility User Tax (UUT) was approved by the voters in 2010, and was originally slated to expire on January 1, 2015. On November 6, 2014, voters approved amendments to the City’s UUT which modernized the definitions and broadened the base to include telephone, garbage, and cable providers and reduced the tax rate from 4% to 3.75%. The tax measure will remain in effect for 10 years through January 1, 2025. The City imposes a tax on the consumption of these utility services and this tax is collected by the utility service provider as part of their regular billing procedure and is then remitted to the City on a monthly basis. These funds are used to maintain the long term financial stability and sustainability of the City of Sebastopol and to operate City government in a fiscally responsible manner.

The following chart shows 10 years history for UUT revenues as well as recent AB1717 data:

Utility User Tax Receipts



FRANCHISE FEES

In general, a municipal franchise fee is the “rent” that a utility company pays the City to use the right-of-ways for our lines, pipes, poles, streets, etc. Franchise fees are entirely different and are not a tax, but a fee negotiated by the Operators through an agreement with the City for the right to use the public rights-of-way. While the utility company collects this fee, it is turned over to the City based on a negotiated agreement between the City and the Operators.

Franchise fees are applied to garbage, cable television and electric utility operations, and have become an important part of the City’s revenue structure. Combined collections for all franchises are expected to be \$350,000 for FY 2018-19 and comprise 4% of total general fund financing sources.

- **Pacific Gas & Electric Franchise:** The estimated fee for FY 2018-19 is \$80,000, which is relatively flat compared to FY 2017-18 collections.
- **Video/Cable Television Franchise:** The combined franchise fee revenues are estimated to come in at \$90,000 for the current fiscal year. The revenue is estimated at \$90,000 for FY 2018-19 based on the average of two prior years’ collections.
- **Garbage Franchise:** The City has an exclusive franchise agreement with Redwood Empire Disposal recently changed ownership to Recology for providing refuse hauling service. The current contract, which expires December 31, 2023, provides for a 10% franchise fee on refuse gross revenues. The budget estimate for FY 2018-19 is \$180,000 based on current receipts.

LICENSES & PERMITS

Business license fees are collected on retail, professional, semi-professional, general contractors, sub-contractors, wholesalers, and other classifications of businesses including residential property used for home occupations. Generally, business license fees in Sebastopol are based on a flat fee per the number of employees.

Building permit fees are also included in this revenue category. This service provides permit processing and quality control and inspection services. The projected FY 2018-19 revenue for this category is \$150,000 in line with average of three prior year collections.

The City now uses an outdated “legacy system” to process business license transactions for approximately 1,700 businesses. The available alternative module in the newly installed financial system was not good enough to use as a replacement, because it lacked a customer-friendly web interface. To provide better customer service through an online business license system, the Finance Department recommends using a third-party provider with a robust web-based system to process business licenses. This solution will create efficiencies for the customers and City staff.

The Finance Department also plans for an update to the business license ordinance and related fee structure, and has solicited a proposal from Muni-Services, LLC, a firm with required expertise and experience to conduct the work. Muni-Services, LLC is the City’s current sales tax consultant. The project cost is not to exceed \$5,000. There would be no charge for the migration of data to the online portal. Future processing of each business license is anticipated to be \$12.00.

INTEREST & RENTS

Expected interest earnings accruing to the general fund are estimated at \$30,000. The City’s investment portfolio has recently been expanded to include four longer-term certificates of deposits yielding from 2.4% to 2.6% in interest for the next two to three years. The investment policy can be found on page 188.

For this revenue category, the “rent” revenue is more significant than the investment earnings, and covers items such as residential parking permits, cell tower land leases, use of the little league park, and other miscellaneous rental items. Total anticipated revenue included in the FY 18/19 budget for rents is \$48,000.

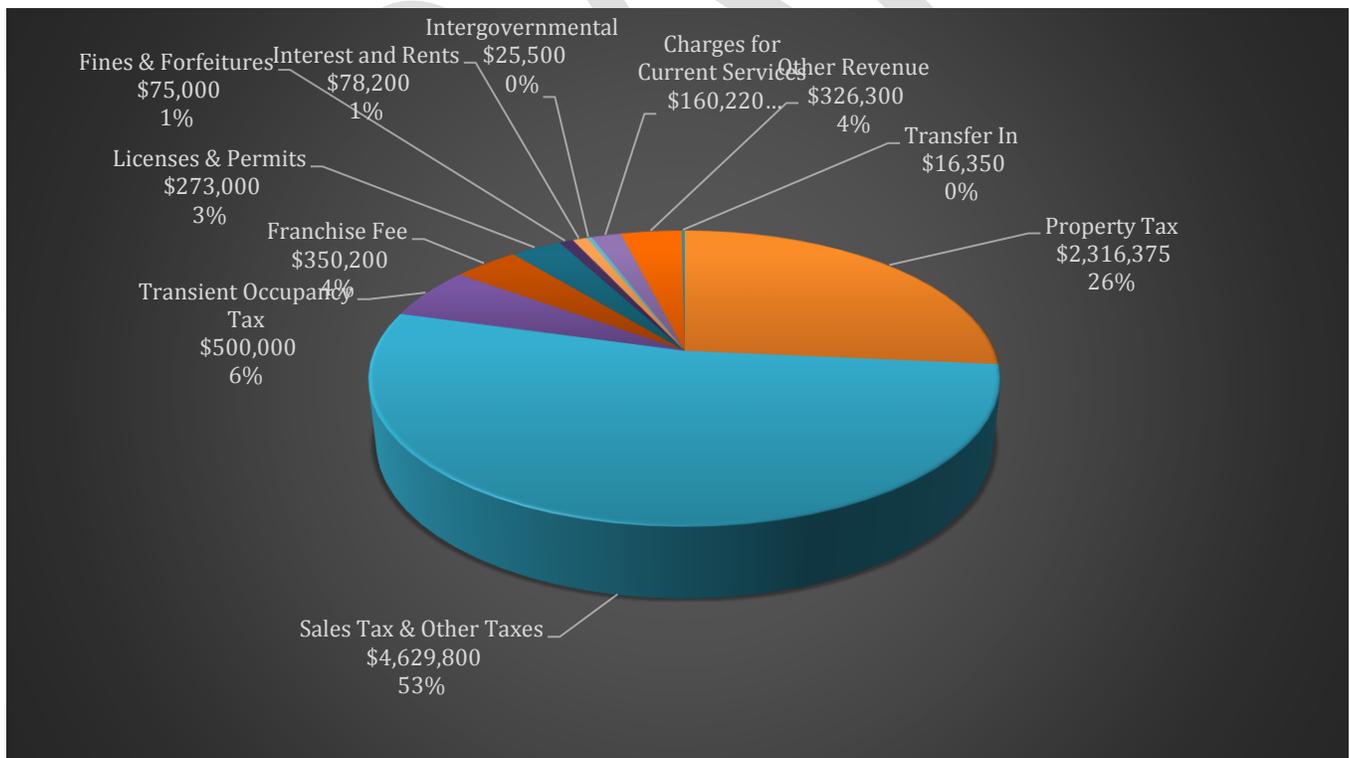
INTERGOVERNMENTAL & GRANTS

The most significant revenue account in this category continues to be the Casino Mitigation Reimbursement, with anticipated FY 2018-19 revenue of \$14,500. This category of revenue experiences variances due to other governments’ ability to provide funding. For FY 2018-19, the budgeted amount is \$25,000.

The FY 2018-19 general fund financing sources are displayed in the following pie chart, to reflect the relative percentage of total general fund support supplied by each revenue category.

Chart 1: FY 2018-19 General Fund Sources

Revenues = \$8,734,595
Transfers in = \$16,350
Total sources = \$8,750,945



GENERAL FUND EXPENDITURES:

This year, we once again made strides towards bringing ongoing revenues in line with recurring routine expenses. As stated, each department director was instructed to prepare operating budgets in a manner that would show moderate increase to the general fund net cost (department-specific revenue less expenditures). Expenditures that departments must incorporate into their budgets, but do not have control over, include increase in retirement system contributions (PERS), medical premiums, and workers' compensation premiums.

Looking to the near and long-term future, there is considerable cause for concern regarding escalating costs beyond the City's control. Despite revenue growth, the cost of doing business continues to outpace that growth. Budget pressures include: the rising cost of materials to maintain City streets, rising health care costs for employees, increased demand for public services, and new initiatives important to the City of Sebastopol's future, types of which were formerly funded through the former Community Development Agency such as the Wayfinding Sign Program, Façade Improvement Program, and enhancements to the downtown area.

Other expenditures the City must incorporate into the budget, but does not have control over, are rates set by the City's insurance carrier, Redwood Empire Municipal Insurance Fund (REMIF). The City continues to work with our insurance carrier to ensure that the City is receiving the best rates possible. The following changes are included in FY 2018-19 budget:

1. Kaiser's rates increased by 2.5%
2. REMIF Blue Cross increased by 3.0%
3. Significant increase in workers' compensation premium and deductible by 44.3%
4. Property and other liability premiums project a 20% increase.

Personnel

The City's agreements and MOU's with all bargaining groups expire on June 30, 2019. No provision for increases in costs, beyond those already included in current agreements are included in the FY 2018-19 operating budgets or the long-range financial plan. No provision for City-hired negotiators is included in this year's budget.

The costs of employee benefits have continued to rise faster than revenue projections. In addition to salary increases programmed into the FY 2018-19 budget based on contractual agreements with employee groups, the City has seen increases in employee benefits that impact our ability to expand or offer any other significant project or program enhancements.

The Police Department budget continues to partially funded \$7,500 annually to help with the cost associated with the SRO duties.

On April 17, 2017, the City Council approved a letter of support requesting funding from the Federal Emergency Management Agency (FEMA) to hire one full-time firefighter; and committed of funding the City's share of costs for a three-year total of \$96,000.

The proposed budget includes \$30,000 for a total compensation study that is anticipated to help the City resolve issues related to salary compaction that occurs when subordinate employees earning exceed those of the related managers due to overtime, incentive pay and a salary step system.

Other Services & Programs:

This budget also includes ongoing routine funding for an information technology provider to support infrastructure and maintenance. Vehicle purchases related to replacement of City vehicles that are beyond useful service life total to approximately \$150,000 (\$77,000 falls within the Police Department, \$40,000 for the Fire Department and the residual balance of \$33,000 belongs to the Public Works.

The City continues funding for the Sebastopol Community & Cultural Center of \$135,100 to support public art, music and other Community Center programs.

New this fiscal year 2018-19 is the requested funding contribution for the Senior Center to their operation of \$42,800. The Senior Center provides a place of services to be delivered to aging residents of activities to enrich the lives of seniors, such as classes, trips, and other group activities. In February 2017, the Senior Center requested funding support from the City of Sebastopol City Council. Per the Staff Report, “The Senior Center is requesting that the City help keep the Senior Center viable in maintaining existing programs for the community. This budget assumes funding contribution for the Senior Center their operation of \$30,000. The Budget Sub-Committee has also requested that the SCCC and the Senior Center review opportunities to combine resources to best provide services and deliver these services cost effectively to serve our community at large.

The proposed budget includes \$55,000 to perform a nexus fee study of development impacts. Impact fees are charged to developers to ensure the economic impacts associated with growth cover the costs of growth; and the nexus study makes sure the fees are properly attributed to developments and their associated impacts.

The proposed budget includes an appropriation of \$40,000 to reimburse the Sonoma County Register of Voters for costs associated with the upcoming November 2018 elections. Three council seats will be up for election; and the continuation of the measure Y sales tax and a tax measure to increase the transient occupancy tax rate are expected to be on the ballot.

The proposed budget includes a general fund appropriation of \$76,000 to address the recognized need for an approved permit process related to storm water. The new process includes a change in approach, with a multi-entity workgroup created to address changing regulatory requirements; and the City participating in the regional workgroup to obtain necessary permits and achieve regulatory compliance. Numerous issues will be addressed, such as trash and litter assessments, bio hazard assessments, and storm and creek sampling at outfalls. The cooperative, workgroup, approach is considered the most effective and efficient manner in which to address the requirements of this important program.

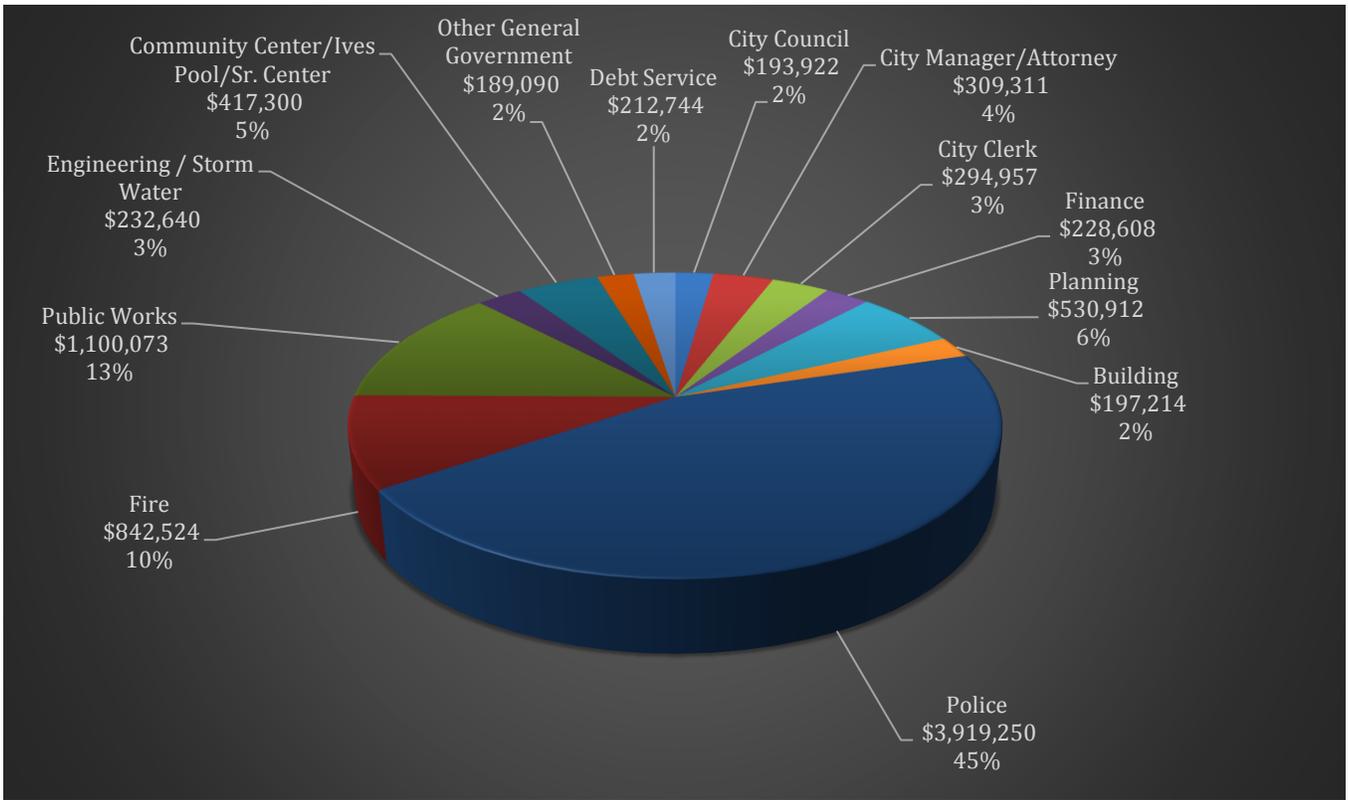
The FY 2018-19 general fund financing uses are displayed in the following pie chart to reflect the relative percentage of general fund spending by department:

Chart 2: FY 2018-19 General Fund Uses

Expenditures = \$8,664,145

Transfers out = \$4,400

Total uses = \$8,668,545



The City of Sebastopol revenues and expenditures will be closely monitored throughout FY 2018-19, and department budgets will continue to be reviewed and analyzed to better identify potential savings and improved efficiencies in how services are delivered. However, with a balanced operating budget and adequate reserves level, the City’s overall financial health is fairly stable at this time.

WATER AND WASTEWATER FUND:

The Water and Wastewater Fund is an enterprise fund that accounts for the water and wastewater services that are provided to City residents and customers. All activities to maintain these services are accounted for in this fund, including operations, maintenance, billing and collections, administration, financing, and related debt service. The Water & Wastewater Fund’s principle source of revenues are charges to customers for water consumption, and wastewater collection, and fees related to providing consumers with new water and wastewater services.

The City’s desire to maintain appropriate infrastructure investments and meet a sustainable water self-sufficiency goal is an integral element of the strategic plan. The City continues to evaluate the future operating revenues and expenses and the effect on the utility’s operation. The need to assess and develop a rate structure to fund the projected water and wastewater enterprise financial requirements, both at Local and State level. To that end, the proposed budget has built in a water rate study plan for winter of 2018.

The total fund revenues for FY 2018-19 are estimated at \$5,350,000, an average of 5% increase based on the current collection trend. The total expenditures are budgeted at \$5,161,000.

RESERVES

Since FY 2011-2012, the City has been working towards meeting the goal of City Council policy #69 on page 163 which calls for an unassigned fund balance within the range of not less than 15% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unassigned fund balance level. The proposed budget calls for a reserve level that exceeds the 20% minimum goal.

Although this budget meets the reserve policy, and reflects adequate reserves, the City still faces some significant challenges that must be addressed:

- Measure Y (½ cent) is set to sunset in March 2021. This sales tax revenue currently provides a stable source of income of approximately \$1.4 million; and the City's finances must be re-aligned with service expectations if a continuance is not approved.
- The vehicle and infrastructure replacement funds are expected to remain at \$1.1M in FY 2018-19, There's no additional plan contributions into the replacement fund. This level of funding is not sustainable in the long run. The vehicle replacement schedule and capitalization and depreciation policy can be found starting on page 155 & 191 respectively.
- CalPERS pension funding requirements continue to be of concern. The City has formed a CalPERS subcommittee to monitor pension costs and consider pension funding alternatives. The Budget Subcommittee recommended set aside of \$1.0M in FY 2017-18. Since then, the City's Pension and Budget Sub-committee recommends an additional set-aside, within the City's control, that is formally considered "assigned" fund balance for \$550,000 for a total of \$1,500,000. The initial set aside of \$1.0M is invested in money market earning interest of 2.4% to 2.6% annually.

The General Fund Reserve category is the primary category of fund balance. Reserves provide financial stability and demonstrate an ability to respond to changes in revenue projections, expenditure needs, and unforeseen fiscal threats and opportunities. The following section highlights recent activity and the recommended budget's planned changes for reserves through FY 2018-19:

- a) **The City Council set a goal for the general fund reserve** with a minimum of 15% of expenditures; with a plan to achieve a goal of 20% of expenditures.¹ The 20% goal provides greater stability for core programs in recognition of fluctuations in difficult-to-measure expenditures (like pension liability payments to CalPERS) and protect against economic events that will impact revenues.
- b) **The Fiscal Year 2017-18 estimated year end budget result is expected to increase fund balance by \$167,000**, bringing the anticipated reserve total to \$2,2,030,000 at June 30, 2018. Any other adjustments to the FY 2017-18 estimated expenditure appropriations and anticipated revenues will change the anticipated June 2018 reserve level on a dollar-for-dollar basis.
- c) **Planned addition to reserves of \$82,000 at June 30, 2019** are based on the current proposed budget that is brought to the City Council and Citizenry for direction and action.

¹ For purposes of calculating the reserve percentage benchmark, expenditures include transfers to support to other funds.

- d) **\$3,335,000 of current reserves have been assigned at June 30, 2018** for future spending for buildings, facilities & infrastructure, equipment, technology & vehicle replacement and CalPERS Retirement & OPEB.

The 20% goal, applied to recommended FY 2018-19 expenditures of \$8,668,000, produces a minimum unassigned reserve of \$1,734,000. Anticipated reserves balance of \$2,112,000 at June 2019 exceed the maximum policy requirement by \$378,000. In anticipation of future expenditure needs, possible revenue shortfalls, and expiration of Measure Y (1/2 cents sales tax) as well as the need for fiscal agility in respond to threats and opportunities; however, the Budget Subcommittee does face challenges during the budget process; therefore, no recommendation for use of reserve balances to fund additional appropriations for FY 2018-19.

The following chart reflect current reserves and anticipated changes in reserves:

Account No.	Reserves Description	Controlling Dept.	Amount	
Unassigned Operating Reserves @ 6/30/17			2,413,000	UA1
CITY COMMITTED RESERVE				
100-00-00-2900	City Building	City Council	125,000	C1
100-00-00-2900	Fire Station Bay	City Council	25,000	C2
100-00-00-2900	Wayfinding Signs	City Council	25,000	C3
100-00-00-2900	Community Center	City Council	10,000	C4
CITY COMMITTED RESERVE (Total C1+C2+C3+C4)			185,000	C5
CITY ASSIGNED RESERVES @ 6/30/17				
100-00-00-2901	Buildings, Facilities & Infrastructure Reserve	City Council	685,000	A1
100-00-00-2902	Equipment, Technology & Vehicle Replacement Reserve	City Council	1,100,000	A2
100-00-00-2903	CalPERS Retirement & OPEB Reserves	City Council	1,000,000	A3
CITY ASSIGNED RESERVE (Total A1+A2+A3)			2,785,000	A4
CITY PROPOSED ASSIGNED RESERVES @ 6/30/18			549,900	A5
Anticipated (Unassigned) Budget Savings @ 6/30/18			167,100	UA2
Proposed Budget Addition/(Uses) @ 6/30/19			82,000	UA3
Total Unassigned Reserve (UA1+UA2+UA3)			2,112,200	

5-YEAR FORECAST

City staff has also presented in the proposed budget the five year financial forecast on page 152. This document helps paint a picture of the financial status of the City and highlights some of the major challenges the City will need to address in future budgets, such as previously noted vehicle replacement costs, potential reduction in Successor Agency administrative revenues, and sales tax Measure Y (½ cent)

which sunsets in March 2021. This five-year financial forecast is a good starting point for the allocation of available resources to fund necessary future expenditures.

The forecast incorporates revenue and expenditure assumptions that staff considers the most probable, based on information currently available. The total compensation increases, ranging from 4% to 5% during the next year, is included in the forecast and reflects the provisions of the City's agreements with various bargaining units. Another factor that contributes to the increase in total compensation arises from required increases in employer contribution rates to the CalPERS retirement system, along with potential increases in health care costs. The question remains what steps will be used to fill the gap in the future years. Managing the anticipated gap that is expected to grow and remain well above historical levels, over the next five years, is remaining to be a challenge and a complex element. While the Budget Subcommittee and management staff continue to focus on finding cost effective ways to fulfill operational objectives, it is inevitable that expenses will continue to rise. Given the report that costs associated to retirement are expected to rise significantly, it becomes more of a necessity that revenue growth exceeds historical patterns. However, if expenses continue to outpace revenues, the ability to fund the current level of services will be in jeopardy.

To that end, this adopted budget is a reflection of the City of Sebastopol's commitment to meet our fiscal challenges, while maintaining appropriately responsive service levels.

CAPITAL IMPROVEMENT PLAN (CIP)

The CIP is a five-year plan designed to improve the City's physical infrastructure, building, roadway and water and wastewater system. The preliminary capital budget is recommended in the amount of approximately \$4.5 million, an increase of 42%. In reviewing the CIP budget, it is important to keep in mind that most projects are funded by restricted revenue sources or grants. Consequently, there will potentially be significant differences from year to year in both the numbers of projects adopted and the total dollars spent. Primary funding sources for capital projects include Measure M, Gas Tax Traffic Congestion Relief SB1, Community Development Block Grant (CDBG), Traffic Impact Fee, Street Pavement Reserve.

FUTURE ACTIONS:

In an effort to continue the stabilization of the City's budget, the Sub-Committee discussed several revenue enhancement measures such as the extension of the Measure Y (1/2 cent) sales tax and an increase to the Transient Occupancy Tax (TOT) which is currently 12% (2% of which goes to the Sonoma County Tourism). Based on these discussion, the Budget Sub-Committee has recommended an agenda item for Council consideration at the May 15, 2018 City Council Meeting to consider these measures going forward to the November 2018 general election. That agenda item contains a history of the Transient Occupancy Tax (TOT) as well as Measure Y (Sales Tax) revenue figures, as well as a projection for TOT based on potential hotel development as approved by the City Council.

CONCLUSION

The FY 2018-19 budget is a responsible financial plan that will enable the City to continue to provide the community with a full scope of high quality municipal services, programs, and special events that enhance the quality of life of all residents. We are committed to finding creative and impactful solutions to improve services to our residents and businesses and encourage economic growth in the City. This proposed budget is a reflection of the City of Sebastopol's commitment to continue and meet our fiscal challenges, while

maintaining appropriately responsive service levels. The budget development process begins as early as January, if significant changes to programs or revenues are required during the fiscal year, on an annual basis, mid-year actions that are necessary to ensure a healthy budget status at the end of the fiscal year. The budget subcommittee would like to recognize all of the City's employees, both full-time and part-time, and our volunteers for their continued support and contributions to our City. Their efforts are visible and make our City a better place to work and live.

Last but not least, the City is proudly a recipient for the Distinguished Budget Presentation Award for FY 2017-18 from the Government Finance Officers Association (GFOA) of the United States and Canada, North America's leading municipal government finance organization. This is the 2nd year the City has been honored by the GFOA. In order to receive the award, local government entities had to satisfy nationally recognized guidelines. Our City is committed to providing good customer service, develop policies of fiscal responsibility, offer transparency and continue to improve on our budget.

Special thanks go to our Department Directors, listed below. Without exception, the City's senior management team continues to recognize the fiscal challenges the City faces, display incredible leadership and true sense of teamwork when navigating through challenging issues, and develop budgets which allow them to continue to deliver high quality services.

City of Sebastopol Department Directors/Manager

- City Hall Administration / City Attorney - City Manager – Larry McLaughlin
- City Hall Administration – Assistant City Manager / City Clerk – Mary Gourley
- Building Department – Building Official Glenn Schainblatt
- Engineering Department – Engineering Manager Henry Mikus
- Finance Department – Finance Director Ana Kwong
- Fire Department – Fire Chief Bill Braga
- Planning Department – Planning Director Kenyon Webster
- Police Department – Police Chief James Conner
- Public Works – Superintendent of Public Works Dante Del Prete

The City of Sebastopol is focused on what is truly important - the core functions of operating a City – resulting in a healthy community for residents. To that end, the Budget Subcommittee presents a balanced budget for fiscal year 2018/19 and recommends the City Council adopt the City of Sebastopol budget as presented.

Respectfully submitted,

Neysa Hinton – Vice Mayor

Una Glass – Councilmember

Larry McLaughlin
City Manager/Attorney

Mary Gourley
Assistant City Manager / City Clerk

Ana Kwong
Finance Director

City of Sebastopol Budget Subcommittee Members:

Neysa Hinton, Vice Mayor

Una Glass, Councilmember

Larry McLaughlin, City Manager/Attorney

Mary Gourley, Assistant City Manager / City Clerk

Ana Kwong, Finance Director

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sebastopol
California**

For the Fiscal Year Beginning

July 1, 2017

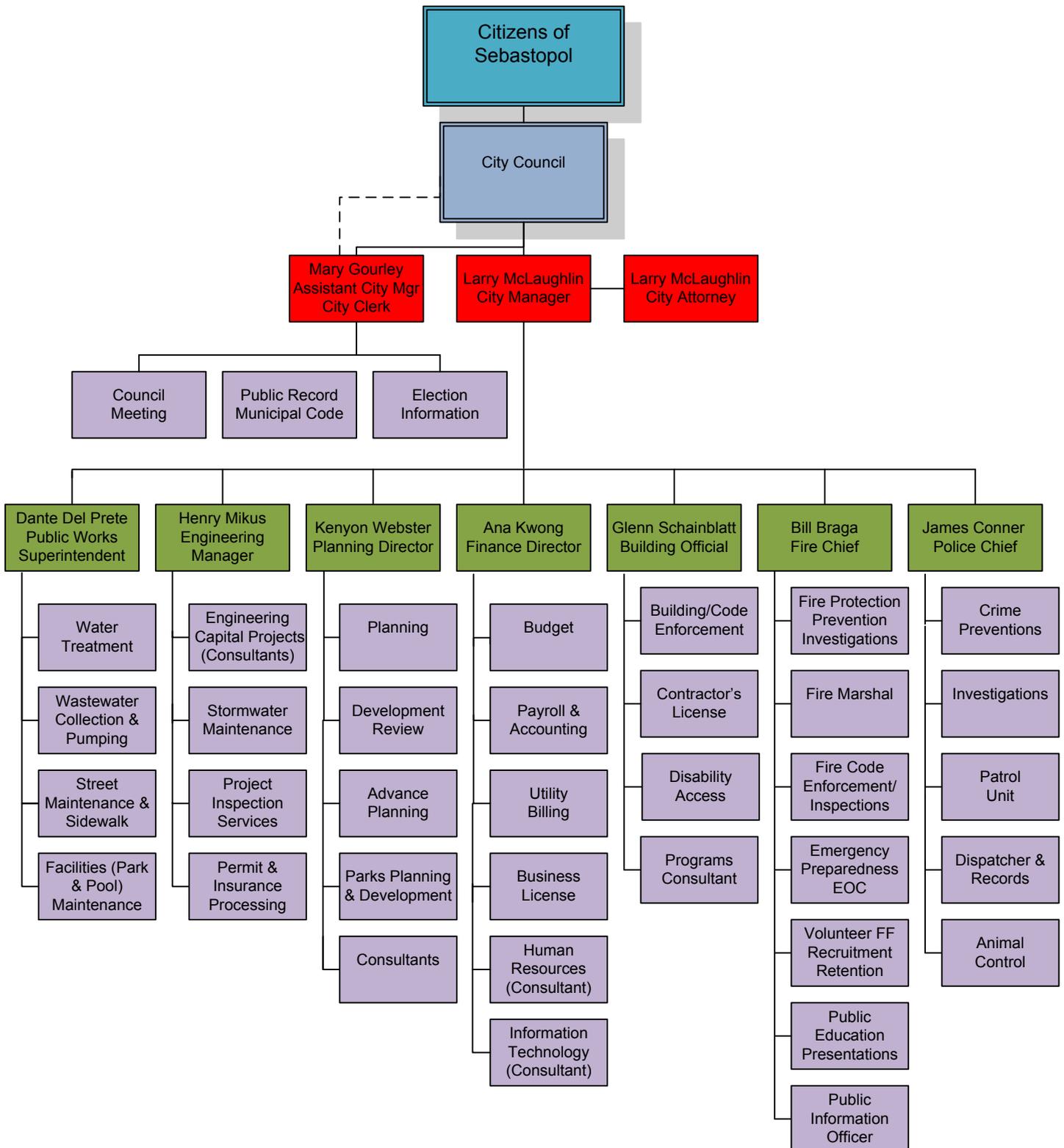
Christopher P. Morill

Executive Director

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City Wide Organization Chart by Function



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STATISTICS

Date of Incorporation	1902
Form of Government	Council/City Manager
Estimated Population as of January 1, 2018	7,786
Area in Square Miles	1.853
Fire Protection	
Number of Full Time Equivalents	1.50
Number of Volunteers	34
Calls for Service (2017 Calendar Year)	1,150
Fire Inspections (2017 Calendar Year)	350
Police Protection	
Sworn Police Officers	14
Civilian Employees	6.75
Calls for Service (2017 Calendar Year)	15,067
Adult Arrests (2017 Calendar Year)	583
Water and Sewer Utility	
Active Residential Accounts	2,503
Active Commercial Accounts	381
Average Daily Water Consumption (2017)	810,959
Ground Storage Capacity (gallons)	7.5 million
Elevated Storage Capacity (gallons)	0 - no elevated tanks
Ground Water Production Capacity (gallons per day)	3,225,600
Pump Capacity (gallons per minute)	2,300
Waste Water Treatment Capacity (gallons per day)	840,000
Building Permits	
Residential Building Permits (2017 Calendar Year)	333
Residential Assessed Valuation	6,388,183
Commercial Building Permits	60
Commercial Assessed Valuation	1,931,242

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Budget Development/Calendar

The Budget Development Process

The budget development process is the formal method through which the City establishes its program priorities, goals and service levels for the upcoming fiscal year. Through the budget development process, programs are established, service levels are expressed, performance measures are articulated, and resources are identified. The budget development process is summarized in this flowchart.



January						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

31 - FY18/19 Budget Packet Distribution
 20-31 Prepare revenue estimates

February						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

1 - Solicit request from Community Service Agencies
 28 - Departments submit budgets to Finance
 28 - Community Service Agencies Grant Submittal

March						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

12 / 13 / 14 - Budget Subcommittee discuss with Department Directors proposed budgets & CIP Budget
 20 - Budget Subcommittee review Community non-profit requests

April						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

10 - Budget Subcommittee continue discussion with DH of their proposed budget including CIP
 11-23 Make all necessary revisions
 24 - Budget Subcommittee review draft budget and/or recommend further changes if necessary

May						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

3 Preliminary budget distribution to a full City Council
 15 - Public Hearing for Operation & Capital Improvement Plan

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

Public Hearing 1
 Budget Adoption 5

City Holidays are in RED
 City Council Meetings are BLUE
 Budget Subcommittee/Staff dates are in GRAY
 Public Meetings are in GREEN

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ALL FUND REVENUE/EXPENDITURE

Department	General Fund	Water Fund	Sewer Fund	Special Revenue Fund	Assessment District	Grant & Other Funds	Total
Projected Revenue	8,750,945	2,265,000	3,085,000	996,600	177,417	3,025,325	18,300,287
City Council	193,922	26,044	30,385				250,351
City Manager	177,420	43,640	43,640				264,700
City Attorney	131,891	7,168	4,301				143,360
City Clerk	294,957	23,290	20,379				338,626
Finance	228,608	338,363	329,459				896,430
Planning Department	530,912	25,555	15,333				571,800
Building Inspection	197,214	33,943	33,943				265,100
Engineering Department	112,405	96,815	79,730				288,950
Storm Water Management	120,235						120,235
Fire Services	838,524	61,451					899,975
Emergency Preparedness	4,000						4,000
Police Services	3,891,650						3,891,650
Police Grants							-
Animal Control	17,600						17,600
Police SLESF Funding	10,000			130,550			140,550
Public Works - Corporation Yard	79,925	213,528	155,698				449,151
Public Works - Government Buildings	58,013	24,006	24,006				106,025
Public Works - General Fund Streets	474,875						474,875
Public Works - Parking Lots	102,500						102,500
Public Works - Parks & Landscaping	384,760						384,760
Public Works - Gas Tax Streets				147,950			147,950
Recreation & Community Center	234,650						234,650
Ives Pool	132,050						132,050
Senior Center	50,600						50,600
Non-Departmental	184,690	20,281	20,281			3,151,925	3,377,177
Debt Service - General Government	212,744						212,744
Transfer Out	4,400						4,400
Water Operations		920,150					920,150
Water - Debt Service		115,910					115,910
Water - Capital Debt Service		176,068					176,068
Wastewater Operations			512,150				512,150
Wastewater - Subregional Treatment			1,674,415				1,674,415
Wastewater - Debt Service			91,108				91,108
Transfer to Capital Projects				1,135,342		87,000	1,222,342
Debt Service - Park In Lieu				31,470			31,470
Woodstone Assessment					38,530		38,530
Street Lighting Assessment District					129,440		129,440
Total Expenditures	8,668,545	2,126,212	3,034,828	1,445,312	167,970	3,238,925	18,681,792
Net Budget Result	82,400	138,788	50,172	(448,712)	9,447	(213,600)	(381,505)
Addition/(Uses) of Reserves	82,400	138,788	50,172	(448,712)	9,447	(213,600)	(381,505)
Ending Balances	-	-	-	-	-	-	-

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City of Sebastopol

Goals and Priorities - Action Plan

Goal 1 - Maintain the long term financial stability and sustainability of the City of Sebastopol and Operate City government in a fiscally responsible and responsive manner

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
1.1 Develop and Implement Sound Financial Management Policies and Procedures									
1.1.1 Review the City Council Financial Policies to ensure they meet the needs of the City									
1.1.2 Create City Policy to Maintain Operating Reserves and Create Emergency Reserves which complies with the City's Strategic Plan, provides for optimal staffing levels, minimizes service level reductions, and develops a plan for the General Fund to obtain long-term financial stability									
1.1.3 Evaluate methods to increase City revenues									
1.1.4 Create a multiyear City liability and revenue chart showing when tax expire and when debt service items are paid in full showing total and installment payment amounts.									
1.2 Develop Private / Public Partnerships									
1.2.1 Work with Cittaslow to encourage community services to enhance the economic vitality of the City.									
1.2.2 Work with local government, agencies and private entities on funding revenue sources for expanded operations and improved facilities for the Sebastopol Library.									
1.2.3 Continue & Conduct efforts to pre-plan opportunity sites and maintain awareness of sites as identified in the General Plan									
1.3 Develop Appropriate Expenditure of Water and Sewer Funds									
1.3.1 Develop programs (such as CARE) and incentives for conservation and coordinate with/promote ongoing community efforts.									

City of Sebastopol
Goals and Priorities - Action Plan

Goal 1 - Maintain the long term financial stability and sustainability of the City of Sebastopol and Operate City government in a fiscally responsible and responsive manner

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
1.3.2 Continue to inform and educate the community on water conservation New efforts and programs. Goal							Council Subcommittee / Public Works		
1.4 Develop potential uses for Village Mobile Home Park									
1.4.1 Develop plan in partnership with outside resources for transition of Goal Village Mobile Home Park to supply affordable housing, low income Revised housing, and community programs and services such as homelessness.						Budget to be discussed during the City budget process	City Subcommittee	Work in progress. Comprehensive inspection completed. Cost estimate presented to Council subcommittee.	
1.4.2 Annexation of Property							Planning Department	City process initiated. Annexation scheduled for Council review February 2017 with processing by LAFCO and State to Follow.	

City of Sebastopol

Goals and Priorities - Action Plan

Goal 2 - Maintain, Improve and Invest in the City's Infrastructure (Water, Sewer, Streets, Circulation, Parks, Storm Drains and Public Facilities).

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
2.1	Develop Priorities for Improvement or Construction of Infrastructure	Community Services and Facilities (CSF) ~Goal CSF 1: Provide High Quality Community Services, Facilities, and Infrastructure to All Residents, Businesses, and Visitors in Sebastopol [Pg.4-2] ~Goal CSF 3: Provide an Adequate, Clean, Safe, and Environmentally Sound Water Supply to All Existing and Future Water Users in Sebastopol [Pg.4-8] ~Goal CSF 4: Provide Adequate Sewer Service Capacity to Serve Existing and Future Demands [Pg.4-9] Conservation and Open Space (COS) ~Goal COS 5: Protect, Manage, and Enhance Groundwater as a Valuable and Limited Shared Resource [Pg.5-8]							
2.1.1	Maintain and update the five year rolling capital improvement program list with prioritized projects					See CIP Budget	Engineering Division of the Public Works Department	On going	
2.1.2	Pursue other financial participation from Federal, State and Local agencies such as grants or matching programs.						All Department	On going	
2.1.3	Review the City's Pavement Management Plan and develop long term rehabilitation plans based on expected funded levels.					See CIP Budget	Engineering Division of the Public Works Department	On going	
2.1.4	Develop building maintenance plans for each City Building						Public Works	Ongoing - Items scheduled for various components of the plan such as roof replacements, exterior and interior paint, and HVAC replacement.	
2.1.5	Explore the possibility of installing solar on public facilities.						Public Works	*This item may be moved to environmental or energy conservation goal with potential to all for private facilities as well.	
2.1.6	Continue to beautify and enhance the Library and City Hall buildings with the completion of the Library/City Hall Landscape Project						City Council Library/City Hall Landscaping Committee	Working with Daily Acts on Volunteer Programs as well as other ideas to beautify this area.	
2.1.7	Explore the concept for a new City Hall and / or new Civic Center Building						City Council Sub-Committee (Pine Grove Square)	Report to be given to City Council on status, Work ongoing with consultant.	
2.1.8	Analyze as appropriate, review and remove street signage within the City – sign litter.								
2.2	Work to improve traffic circulation and enhance trail, bicycle and pedestrian facilities.								

City of Sebastopol

Goals and Priorities - Action Plan

Goal 2 - Maintain, Improve and Invest in the City's Infrastructure (Water, Sewer, Streets, Circulation, Parks, Storm Drains and Public Facilities).

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
2.2.1 Revise sidewalk repair program - optimize current maintenance techniques and reduce administrative/legal costs							Public Works	Department Heads to work with the Community Outreach Coordinator to Prepare a one Page Informational Sheet for Public Education on Private Property Owner Responsibility for things such as: sidewalks, fence height, foliage encroachment, etc.	
2.2.2 Evaluate and create list of potential sidewalks to be established to provide connect-ability to the entire community and maintain efforts to eliminate gaps in sidewalks to improve pedestrian amenities							Engineering Division of the Public Works Department	See City of Sebastopol Bike and Pedestrian Plan and Project List. Four key sections previously identified are on hold pending resolution of developer's plans that could address the sidewalk gaps as appropriate to those locations.	
2.2.3 Continue to explore opportunities for dedicated bicycle and pedestrian thoroughfares within the City							Planning Department		
2.2.4 Identify initial funding sources to enable a phase implementation of the bike/pedestrian plan.						\$842,560 is in the current FY CIP for bike/ped projects. The largest single project is \$579,000 for design and construction of bike paths on locally-owned streets.	Engineering Division of the Public Works Department	Bike plans will be developed as part of a cooperative project with Caltrans to repave 116 then affix bike lane striping within City limits. Engineering design of Local Street portions is about 50% complete, with construction set for the summer of 2017. On SR 116, Caltrans will do paving plus striping while Sebastopol is responsible for ADA curb ramp upgrades. Caltrans will do their work summer of 2017 and 2018. - Continuous Review in the CIP	
2.2.5 Continue the City of Sebastopol's commitment to the reduction of Green House Gas Emissions							Planning Department	Climate Action 2020 Plan in preparation. City Council Sub-Committee established. Draft Plan adopted by RCPA. City plan on hold due to pending CEQA litigation. Planning Commission to review and provide recommendations to the City Council	
2.3 Work to improve traffic circulation and enhance trail, bicycle, bus and pedestrian facilities.									
2.3.1 Work with Caltrans to improve traffic synchronization within the City of Sebastopol.						\$44,000 in FY 16-17 from the CVS Settlement	Engineering Division of the Public Works Department	W Trans (consultant) is doing a traffic synchronization study. - Study awarded to W Trans.	
2.3.2 Work with interested Groups and C+B17izens in efforts dedicated to Class I Bicycle Routes in the City.							Engineering Division of the Public Works Department		

City of Sebastopol

Goals and Priorities - Action Plan

Goal 2 - Maintain, Improve and Invest in the City's Infrastructure (Water, Sewer, Streets, Circulation, Parks, Storm Drains and Public Facilities).

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
2.3.3 Work with the citizens and Sonoma County Transit to increase the number of bus stops in town and encourage usage by the entire community and address services for the elderly and improvements to bus service and number of bus stops.								Engineering Division of the Public Works Department Explore ways to gather community input to improve local transit	

City of Sebastopol

Goals and Priorities - Action Plan

Goal 3 - Maintain, Enhance and Increase Park-land in the City of Sebastopol

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
<p>3.1 Investigate the Potential for Purchase of Land for Park Amenities Priority:</p> <p>Community Services and Facilities (CSF) ~Goal CSF 2: Provide a Diversified and High Quality Public Park and Trail System that Provides Active and Passive Recreational Opportunities for All Segments of the Community and Provides Enhanced Connectivity between Key Residential, Commercial, and Recreational Areas of the City [Pg.4-4] Conservation and Open Space (COS) ~Goal COS 12: Ensure the Provision and Preservation of Diverse and Accessible Open Spaces throughout the Sebastopol Planning Area [Pg.5-18]</p>									
3.1.1 Research and identify possibilities for access and/or purchase of the former concrete plant on Morris Street for connection to the Laguna de Santa Rosa							City Council Sub-Committee Established	Waiting on next steps from Council Subcommittee	
3.1.2 Research establishment of permanent parklets and pocket parks and grabbing the opportunity when it arises							Planning Department	General Plan calls for investigation of park development in south Sebastopol.	
<p>3.2 Work to Enhance the Laguna Preserve</p>									
3.2.1 Implement Laguna Preserve Master Plan		√					Planning Department		
<p>3.3 Increase Accessibility to the Laguna and Open Space Areas</p>									
3.3.1 Provide, develop and preserve clean, well- maintained and accessible streets and sidewalks, facilities, amenities, parks recreational facilities that are accessible to all									
3.3.2 Establish permanent parklets and pocket parks and seize opportunity when it arises.							Planning Department		

City of Sebastopol

Goals and Priorities - Action Plan

Goal 4 - Maintain and Enhance the City of Sebastopol as a Walkable/Bike-able Community and Enhance the City's Commitment to Promotion of our public's health by Creating and Participating in City and Community Programs, Services and Policies.

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
<p>4.1 Create a Safe, Healthy and Attractive Environment for Residents and Visitors</p> <p>Circulation (CIR) ~Goal CIR 2: Maintain and Expand a Safe and Efficient Pedestrian, Bicycle, and Transit Network that Connects Neighborhoods with Key Destinations to Encourage Travel by Non-Automobile Modes while also Improving Public Health [Pg.3-9] Community Health and Wellness (CHW) Chapter 10: Goals CHW 1 thru CHW 6 [Pg.10-1 thru 10-8]</p>									
4.1.1	Improve and beautify the downtown plaza to create a people centric space for community events and gatherings							Public Works Department	On going
4.1.2	Perform comprehensive evaluation of current improvements, uses, and access to Ives Park							Public Works Department	ADA Pool Project includes path improvements in park.
4.1.3	Implementation of the Ives Park Master Plan							Planning Department	Monitoring funding opportunities.
4.1.4	Evaluate public commons and land and identify opportunities to enhance benefits to the community							Planning Department	Parklets and City Repair Ordinance policies adopted.
4.1.5	Establishment of a Parks and Public Space Foundation							Planning Department	
4.1.6	Explore funding sources for implementation of the Way Finding Sign Program							Planning Department	
4.1.7	Completion of the Freedom of Speech area in the downtown plaza							Planning Department	Occupy Bench Project completion expected 2017.
<p>4.2 Create Economic, Cultural and Recreational Opportunities to Maintain the Small Town Character of Sebastopol</p>									
4.2.1	Incorporate the priorities of Cittaslow Sebastopol wherever appropriate, and build a cohesive and collaborative community, identified as Peace-town USA								Ongoing
4.2.2	Foster a Sense of Community by Providing and Encouraging Participation in Community Events, Volunteering, and working with Non Profits to Support Local Events							All Departments	On-going. This is an ongoing goal for the City. The City has participated and supported to date the Holiday Lights Program as well as Providing Funding for Community Center, Mr. Music, Apple Press, etc. - Community Event.
4.2.3	Create a walkable downtown that improves connectivity, with emphasis on Main Street to Morris Street for unification							Public Works Department/ Engineering Division of Public Works	Cittaslow members and staff have completed and submitted a Caltrans encroachment permit application which has been approved.

City of Sebastopol

Goals and Priorities - Action Plan

Goal 5 - Provide Open and Responsive Municipal Government Leadership

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
Expand and Encourage Community Involvement in the Government Process by Increasing the Public's Understanding of local Government Operations and Increasing Interaction with Elected Officials ~Community Services and Facilities (CSF) ~Goal CSF 6, Policy CSF 6-1: Continue to maximize public participation in local government actions and maintain excellent levels of City government service. [Pg.4-12]									
5.1.1 Enhance the City Website that encourages communication with the City in a user friendly format, easy calendar event scheduling and include potential additional on- line services							City Manager / Assistant City Manager / City Clerk	On Going. City Web Site Completed. Efforts underway to digitalize City newsletters; create fill-in-able forms; review online permit processing, etc.	
5.1.2 Create easy to read documents that educate the public and community on City Finances.		√					Finance Department	On going. Created easy to read budget and 5 year CIP budget/plan for easier understanding.	
5.1.3 Conduct Town Hall Meetings on Matters of Interest to the Community as needed.								On going	
5.1.4 Enhance the use of the City of Sebastopol Committees, Commission and Board.									
5.1.5 Engage in outreach to underserved communities to include in community processes."									
5.2 Develop and Encourage a Volunteer Service Program Priority									
5.2.1 Promote and enhance utilization of community energy and skills by creating opportunities for volunteer service.							All Departments	On Going. City Hall has initiated volunteer services with high school students. Look to partner with local high schools and colleges for volunteers or interns. Working on Tomorrow Leaders Today (TLT) in February 2017.	
5.3 Develop and Implement a Program to evaluate delivery of City Services to Community									
5.3.1 Develop community service delivery process and analyze results to evaluate community satisfaction							All Departments	On going. Working with Community Outreach Coordinator; Cittaslow and Web Site Consultant	
5.3.2 Maintain Community Outreach Coordinator position to provide professional, educational and publicity material promoting the values of Sebastopol, why Sebastopol is the unique and special place that it is, what it is about Sebastopol and who we are that attracts residents, visitors and businesses who enjoy Sebastopol's small town character and charm and what the City is doing and why. Review community outreach policies, methodology and messaging.						\$40,000	City Manager / Assistant City Manager / City Clerk	On going. June 2017 for this contract	

City of Sebastopol

Goals and Priorities - Action Plan

Goal 5 - Provide Open and Responsive Municipal Government Leadership

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
5.3.3 Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.								On going	

City of Sebastopol

Goals and Priorities - Action Plan

Goal 6 - Maintain a highly qualified Staff that works to provide services to serve and protect the residents, visitors and business of this community.

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21		
<p>Safety (SA) Chapter 8: Goals SA 1 thru SA 6 [Pg.8-1 thru 8-12]</p> <p>Enhance the Mayor, City Council, and manager-employee communication by the continuation of clear communications and direction and enhance positive relations between the City Council, Staff and Public so that all groups. Work together to provide stability and consistency.</p>								
6.1.1 To analyze the adequacy of fire services and to budget for analysis in order to determine best long term plan for the fire department							City Manager / Assistant City Manager / City Clerk	
6.1.2 Implement a City- wide Standard Performance Evaluation System for Employees							City Manager / Assistant City Manager / City Clerk	Draft Program Established. Under current review.

City of Sebastopol

Goals and Priorities - Action Plan

Goal 7 - Provide and Develop a Plan for the Future for the City of Sebastopol with the Implementation of the new General Plan

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21		
7.1 Complete the General Plan Update by December 2016.								
~Entire Sebastopol General Plan [Adopted November 15, 2016] Relates to the Future of Sebastopol								
7.1.1 Work with the community to update the City's General Plan						Planning Department	Plan Adopted. Staff to continue work on Zoning Ordinance Amendments from Changes to General Plan	
7.1.2 Establish a sub- committee for the General Plan, incorporating local experts						Planning Department	Sub-Committee Established – Plan Adopted	
7.2 Review and establish updated downtown plan, including updating the downtown plan and developing a street scape scheme in Conjunction with Implementatin of the new General Plan								
7.2.1 Incorporate the Small Town Character values into the City's land use policies						Planning Department	Plan Adopted	
7.2.2 Review, evaluate and update the Design Review Guidelines						City Council Subcommittee	Design Review Board has created a sub-committee to work with staff on this item.	
7.2.3 Review of enforcement of City policies and ordinances such as the Antenna Ordinance						Planning Department	On going	

City of Sebastopol

Goals and Priorities - Action Plan

Goal 8 - Enhance and Maintain the Economic Vitality of the City

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
<p>~Economic Vitality (EV) ~Goal EV 1: Encourage Economic Development that Broadens the City's Employment Base, Attracts High-Quality Jobs, Provides Services and Goods that Reflect the City's Values, and Increases the City's Tax Base [Pg.9-2] ~Goal EV 3: Protect and Increase the Economic Vitality of the City's Main Economic Sectors: Downtown and the Northern and Southern Gateways [Pg.9-5]</p>									
<p>8.1 Promote the City of Sebastopol as the destination for slow travel, eco-tourism and supporting of bike activities:</p>									
8.1.1 Develop Programs & Policies to Promote, Attract and Retain Local Businesses.							Planning Department	Parklets and City Repair policies adopted.	
8.1.2 Support a Vibrant, Attractive and Accessible Downtown That Attracts Residents and Visitors thereby creating a Viable Sales Tax Base							Planning Department	Parklets and City Repair policies adopted/Façade Improvement Program in place	
8.1.3 Promotion of Experience Sebastopol.com to increase visitors to the City							City Council Subcommittee Reviewing BOC Function		
8.1.4 Identify Businesses wanted in Sebastopol - (Use of City Committees to conduct survey of the community)									
8.1.5 Encourage new and existing businesses to offer living wage to employees									
8.1.6 Review of the Downtown Association District							City Council Subcommittee	Sub-Committee to review and provide recommendations	
8.1.7 Research consulting services for inventory, assessment, and management practices of City parking							Planning Department		
8.1.8 Provide adequate parking facilities at key locations in the City and ensure ADA compliant parking is distributed in these key locations							Planning Department		
8.1.9 Review the City's policies on parking							Planning Department		
8.1.10 Review existing parking lots for potential alternate re- use of those properties							Planning Department		

City of Sebastopol

Goals and Priorities - Action Plan

Goal 8 - Enhance and Maintain the Economic Vitality of the City

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
8.1.11 Create a list of potential uses that will optimize the use of City Parking Lots							Planning Department		
8.1.12 Encourage beautification of all parking areas							Planning Department		
8.2 Encourage Participation in Regional Events and other County-wide Programs to Capture the Economic Vitality beyond the City Limits.									
8.2.1 Research possibility of partnerships with various organizations to promote participation in regional events to increase economic vitality									

City of Sebastopol

Goals and Priorities - Action Plan

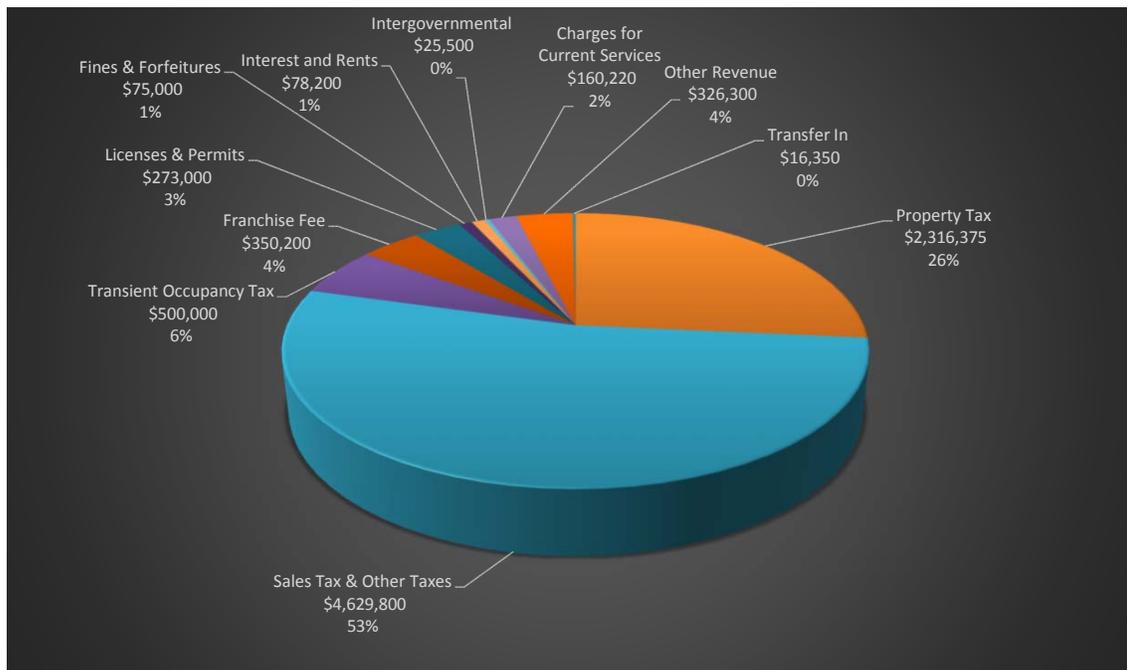
Goal 9 - Enhance housing opportunities in Sebastopol and, when possible, provide assistance to housing projects.

Objective of Goal Defined Action Task Under Goal	General Plan or SDAT Reference	Fiscal Year to Accomplish					Budget Allocation	Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21			
9.1 Encouragement of Jobs and Housing in Sebastopol Housing Chapter 11: All Goals established under sections A thru I. [Pg.11-1 thru 11-18]									
9.1.1 Encourage Employment Opportunities as well as Housing Opportunities (Need for Assisted living facilities or graduated living facilities)							Planning Department	New General Plan includes policies that address this issue.	
9.1.2 Encourage housing in the downtown core and commercial district to include all stages of life cycles							Planning Department	New General Plan includes policies that address this issue.	
9.1.3 Engage with community on housing issues." And suggested review of City policies to facilitate a positive jobs/housing balance									
9.1.4 Review potential policies to increase requirements for housing in the downtown core							Planning Department	New General Plan includes policies that address this issue.	

2018/19 Proposed General Fund Revenue Budget at a Glance

Where does the City's Money Come From?

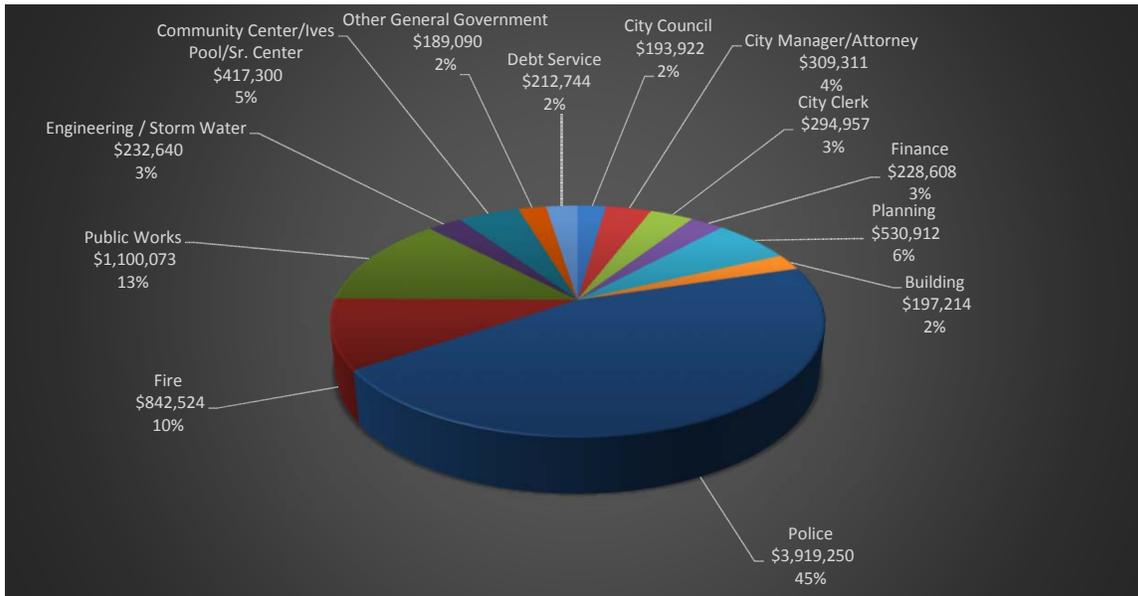
Revenue Summary	2017/18 Adopted Budget	2017/18 Adjusted Budget	2018/19 Proposed Budget	Increase (Decrease)	% Change
Property Tax	\$ 2,322,000	\$ 2,285,000	\$ 2,316,375	\$ 31,375	1.4%
Sales Tax & Other Taxes	\$ 4,201,000	\$ 4,483,300	\$ 4,629,800	\$ 146,500	3.3%
Transient Occupancy Tax	\$ 480,000	\$ 510,000	\$ 500,000	\$ (10,000)	-2.0%
Franchise Fee	\$ 324,000	\$ 349,200	\$ 350,200	\$ 1,000	0.3%
Licenses & Permits	\$ 279,400	\$ 284,400	\$ 273,000	\$ (11,400)	-4.0%
Fines & Forfeitures	\$ 87,000	\$ 75,000	\$ 75,000	\$ -	0.0%
Interest and Rents	\$ 61,700	\$ 71,300	\$ 78,200	\$ 6,900	9.7%
Intergovernmental	\$ 28,100	\$ 124,421	\$ 25,500	\$ (98,921)	-79.5%
Charges for Current Services	\$ 194,220	\$ 193,720	\$ 160,220	\$ (33,500)	-17.3%
Other Revenue	\$ 294,800	\$ 301,200	\$ 326,300	\$ 25,100	8.3%
Transfer In	\$ 10,000	\$ 10,000	\$ 16,350	\$ 6,350	63.5%
TOTAL REVENUES	\$ 8,282,220	\$ 8,687,541	\$ 8,750,945	\$ 63,404	0.7%



2018/19 Requested General Fund Expenditures Budget at a Glance

How does the City Spend the Money It Receives?

Expenditures by Department	2017/18 Adopted Budget	2017/18 Adjusted Budget	2018/19 Proposed Budget	Increase (Decrease)	% Change
City Council	\$ 200,459	\$ 211,559	\$ 193,922	\$ (17,637)	-8.3%
City Manager/Attorney	\$ 341,671	\$ 341,671	\$ 309,311	\$ (32,360)	-9.5%
City Clerk	\$ 246,066	\$ 246,066	\$ 294,957	\$ 48,891	19.9%
Finance	\$ 195,560	\$ 219,760	\$ 228,608	\$ 8,848	4.0%
Planning	\$ 508,358	\$ 508,358	\$ 530,912	\$ 22,554	4.4%
Building	\$ 181,581	\$ 181,581	\$ 197,214	\$ 15,633	8.6%
Police	\$ 3,807,800	\$ 3,859,900	\$ 3,919,250	\$ 59,350	1.5%
Fire	\$ 945,694	\$ 1,042,015	\$ 842,524	\$ (199,491)	-19.1%
Public Works	\$ 901,527	\$ 1,001,282	\$ 1,100,073	\$ 98,791	9.9%
Engineering / Storm Water	\$ 174,137	\$ 192,537	\$ 232,640	\$ 40,103	20.8%
Community Center/Ives Pool/Sr. C	\$ 349,550	\$ 349,550	\$ 417,300	\$ 67,750	19.4%
Other General Government	\$ 191,861	\$ 325,061	\$ 189,090	\$ (135,971)	-41.8%
Debt Service	\$ 186,290	\$ 186,290	\$ 212,744	\$ 26,454	14.2%
TOTAL EXPENDITURES	\$ 8,230,554	\$ 8,665,630	\$ 8,668,545	\$ 2,915	0.0%
Chargeback Services *					
Insurance	\$ 263,750	\$ 263,750	\$ 347,275	\$ 83,525	31.7%
Employee Benefits	\$ 2,283,890	\$ 2,283,890	\$ 2,654,550	\$ 370,660	16.2%
* Allocated across departments					



GENERAL FUND

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$INC/(DEC) FROM ADJUSTED	% CHANGE
REVENUE						
Property Taxes	\$ 2,523,396	\$ 2,282,000	\$ 2,245,000	\$ 2,275,375	\$ 30,375	1.4%
Real Property Transfer	47,194	40,000	40,000	41,000	1,000	2.5%
Sales & Use Tax	4,396,515	4,201,000	4,483,300	4,629,800	146,500	3.3%
Transient Occupancy Tax	514,225	480,000	510,000	500,000	(10,000)	-2.0%
Franchise Fees	359,466	324,000	349,200	350,200	1,000	0.3%
Licenses and Permits	406,529	279,400	284,400	273,000	(11,400)	-4.0%
Fines & Forfeitures	88,747	87,000	75,000	75,000	-	0.0%
Intergovernmental	30,809	28,100	124,421	25,500	(98,921)	-79.5%
Interest and Rents	84,769	61,700	71,300	78,200	6,900	9.7%
Charges for Current Services	289,782	194,220	193,720	160,220	(33,500)	-17.3%
Miscellaneous/Other Income	342,212	294,800	301,200	326,300	25,100	8.3%
TOTAL REVENUE	\$ 9,083,644	\$ 8,272,220	\$ 8,677,541	\$ 8,734,595	57,054	0.7%
EXPENSE BY DEPARTMENT						
City Council	\$ 206,294	\$ 200,459	\$ 211,559	\$ 193,922	\$ (17,637)	-8.8%
City Manager	231,646	214,665	214,665	177,420	(37,245)	-17.4%
City Attorney	129,453	127,006	127,006	131,891	4,885	3.8%
City Clerk	238,969	246,066	246,066	294,957	48,891	19.9%
Finance	174,737	195,560	219,760	228,608	8,848	4.5%
Planning	454,344	508,358	508,358	530,912	22,554	4.4%
Building	187,906	181,581	181,581	197,214	15,633	8.6%
Police Protection	3,541,243	3,807,800	3,859,900	3,919,250	59,350	1.6%
Fire Protection	765,564	945,694	1,042,015	842,524	(199,491)	-21.1%
Public Works	1,061,889	901,527	1,001,282	1,100,073	98,791	11.0%
Engineering / Storm Water	149,917	174,137	192,537	232,640	40,103	23.0%
Community Center / Ives Pool	307,526	349,550	349,550	417,300	67,750	19.4%
Non Departmental	221,260	187,206	195,406	184,690	(10,716)	-5.7%
Debt Service	197,626	186,290	186,290	212,744	26,454	14.2%
TOTAL EXPENSE	\$ 7,868,374	\$ 8,225,899	\$ 8,535,975	\$ 8,664,145	\$ 128,170	1.6%
Transfer In from Other Funds	\$ 670	\$ 10,000	\$ 10,000	\$ 16,350	\$ 6,350	63.5%
Transfer Out to Other Funds	(167,048)	(4,655)	(129,655)	(4,400)	125,255	-2690.8%
TOTAL TRANSFERS	\$ (166,378)	\$ 5,345	\$ (119,655)	\$ 11,950	\$ 131,605	2462.2%
NET BUDGET RESULT	\$ 1,048,892	\$ 51,666	\$ 21,911	\$ 82,400	\$ 60,489	
Addition/(Uses) of Operating Reserve	\$ 1,048,892	\$ 51,666	\$ 21,911	\$ 82,400		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -		

GENERAL FUND REVENUES

REVENUES	ACCOUNT	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	FY 2017/18	FY 2018/19	\$ INCR (DECR)	% INCR/ (DECR)
		ACTUAL	ACTUAL	ADOPTED BUDGET	ADJUSTED BUDGET	ESTIMATED ACTUAL	PROJECTED BUDGET		
Taxes									
Property Taxes	100-3000	1,257,993	1,293,029	1,279,000	1,242,000	1,215,000	1,245,375	3,375	0.3%
Property Taxes (RPTTF)	100-3001	364,373	332,311	300,000	300,000	332,600	315,000	15,000	5.0%
Transfer Tax	100-3002	50,657	47,194	40,000	40,000	41,000	41,000	1,000	2.5%
Property Tax In-Lieu of VLF	100-3004	652,761	695,973	703,000	703,000	732,600	715,000	12,000	1.7%
Property Tax In-Lieu of Sales Tax	100-3005	100,511	202,083	-	-	-	-	-	-
Sales Tax - Bradley Burn	100-3010	1,452,923	1,716,029	1,721,000	1,844,000	1,862,000	1,947,000	103,000	5.6%
Sales Tax - Measure T	124-3011	607,886	625,623	622,000	657,000	635,000	664,000	7,000	1.1%
Sales Tax - Measure Y	124-3012	1,199,872	1,280,240	1,233,000	1,322,000	1,282,000	1,341,000	19,000	1.4%
Sales Tax - Prop 172 pass thru	100-3014	76,685	78,990	72,000	82,300	83,100	85,800	3,500	4.3%
Utility Users Tax	100-3015	614,051	692,185	550,000	575,000	589,200	586,000	11,000	1.9%
Utility Users Tax - AB1717 (Wireless)	100-3016	2,225	3,448	3,000	3,000	2,400	2,500	(500)	-16.7%
Vehicle In-Lieu Tax	100-3017	3,029	-	-	-	3,900	3,500	3,500	100.0%
Off Highway User Tax	100-3018	270	-	-	-	-	-	-	-
Transient Occupancy Tax	100-3020	483,738	514,225	480,000	510,000	510,000	500,000	(10,000)	-2.0%
Garbage Franchise	100-3050	176,082	189,706	162,000	180,000	180,000	180,000	-	0.0%
PG&E Franchise	100-3051	84,095	79,489	70,000	79,000	80,000	80,000	1,000	1.3%
Cable TV Franchise	100-3052	100,595	81,283	82,000	81,200	81,200	81,200	-	0.0%
Video Franchise Fees	100-3053	10,795	8,988	10,000	9,000	9,000	9,000	-	0.0%
Total Taxes		7,238,541	7,840,796	7,327,000	7,627,500	7,639,000	7,796,375	168,875	2.2%
Licenses and Permits									
Business Licenses	100-3101	136,820	116,455	127,400	127,400	127,400	116,000	(11,400)	-8.9%
Building Permits	100-3103	345,879	288,069	150,000	150,000	150,000	150,000	-	0.0%
Dog License Fees	100-3104	1,959	2,005	2,000	2,000	2,000	2,000	-	0.0%
RBS Training Fees	100-3107	-	-	-	5,000	5,000	5,000	-	100.0%
Total Licenses & Permits		484,658	406,529	279,400	284,400	284,400	273,000	(11,400)	-4.0%
Fines, Forfeits & Penalties									
Vehicle / Criminal Code Fines	100-3105	89,751	56,436	62,000	50,000	50,000	50,000	-	0.0%
Parking Violations	100-3106	32,483	32,311	25,000	25,000	25,000	25,000	-	0.0%
Total Fines, Forfeits & Penalties		122,234	88,747	87,000	75,000	75,000	75,000	-	0.0%
Intergovernmental & Grants									
State Mandated Cost Reimb.	100-3202	17,672	5,832	3,500	3,500	3,500	3,500	-	0.0%
P.O.S.T Reimbursements	100-3203	6,511	8,312	2,500	2,500	2,500	2,500	-	0.0%
Casino Mitigation Reimbursements	100-3204	-	16,665	14,500	14,500	14,500	14,500	-	0.0%
Beverage Container Pass Thru	100-3205	5,000	-	5,000	5,000	-	5,000	-	0.0%
County Grant	100-3206	-	-	2,600	2,600	-	-	(2,600)	-
State Grant	100-3207	-	-	-	96,321	96,321	-	(96,321)	100.0%
Total Intergovernmental & Grants		29,183	30,809	28,100	124,421	116,821	25,500	(98,921)	-79.5%
Interest & Rents									
Interest Income	100-3300	31,479	39,433	15,000	25,000	25,000	30,000	5,000	20.0%
Cell Tower Lease Rental	100-3301	33,244	40,910	42,000	42,000	42,000	43,200	1,200	2.9%
City Property Rental - Little League	100-3302	579	887	1,200	800	1,500	1,500	700	87.5%
City Property Rental - Parking Space	100-3304	440	520	500	500	500	500	-	0.0%
City Property Rental - Palm Ave	100-3305	3,517	3,019	3,000	3,000	3,000	3,000	-	0.0%
Total Interest & Rents		69,259	84,769	61,700	71,300	72,000	78,200	6,900	9.7%
Charges for Current Services									
Park and Plaza Rental Fees	100-3401	3,491	6,490	3,500	3,500	3,500	3,500	-	0.0%
Notary Fees	100-3403	70	20	20	20	20	20	-	0.0%
Finance Staff Time	100-3405	6,388	9,126	6,000	6,000	6,000	6,000	-	0.0%
Pet Shelter Release Fees	100-3406	3,450	4,005	3,500	3,500	3,500	3,500	-	0.0%
Building Inspector Fees	100-3421	350	-	500	-	-	-	-	-
Fire Department Fees	100-3425	53,353	33,765	32,000	32,000	32,000	30,000	(2,000)	-6.3%
Planning Fees	100-3426	49,185	53,591	40,000	40,000	40,000	40,000	-	0.0%
Sale of Plans & Specifications	100-3427	1,095	1,220	1,000	1,000	1,000	1,000	-	0.0%
City Clerk Scholarships	-----	1,350	-	-	-	-	-	-	-
Encroachment Permits	100-3441	24,190	27,275	20,000	20,000	25,000	25,000	5,000	25.0%
Grading Permits	100-3442	3,300	1,200	1,200	1,200	1,200	1,200	-	0.0%
Engineering Fees	100-3443	23,936	44,535	25,000	25,000	-	-	(25,000)	-
Public Works Services	100-3445	8,488	20,423	15,000	15,000	7,000	5,000	(10,000)	-66.7%

GENERAL FUND REVENUES

REVENUES	ACCOUNT	FY 2015/16	FY 2016/17	FY 2017/18	FY 2017/18	FY 2017/18	FY 2018/19	\$ INCR (DECR)	% INCR/ (DECR)
		ACTUAL	ACTUAL	ADOPTED BUDGET	ADJUSTED BUDGET	ESTIMATED ACTUAL	PROJECTED BUDGET		
Police Services	100-3502	35,903	64,988	35,500	35,500	35,500	35,500	-	0.0%
Police D.U.I. Recovery	100-3503	529	9,401	2,000	2,000	2,000	500	(1,500)	-75.0%
Vehicle Releases	100-3504	9,060	7,200	7,500	7,500	7,500	7,500	-	0.0%
Police Overtime Reimbursement	100-3507	3,687	6,543	1,500	1,500	1,500	1,500	-	0.0%
Total Charges for Current Services		227,825	289,782	194,220	193,720	165,720	160,220	(33,500)	-17.3%
<u>Miscellaneous/Other Income</u>									
Planning Publication Sales	100-3800	-	233	300	200	300	300	100	50.0%
Sale of Surplus Property	100-3801	120,405	798	1,500	500	1,500	1,500	1,000	200.0%
Sale of Publications	100-3803	483	503	500	500	500	500	-	0.0%
Miscellaneous Income	100-3805	14,986	39,625	2,500	10,000	10,000	10,000	-	0.0%
Ives Pool Reimbursement	100-3810	37,479	51,053	40,000	40,000	54,200	64,000	24,000	60.0%
Successor Agency Administration	100-3999	250,000	250,000	250,000	250,000	250,000	250,000	-	0.0%
Total Miscellaneous/Other Income		423,353	342,212	294,800	301,200	316,500	326,300	25,100	8.3%
Subtotal General Fund Revenue		8,595,053	9,083,644	8,272,220	8,677,541	8,669,441	8,734,595	57,054	0.7%
Transfer In	3999	8,695	670	10,000	-	10,000	16,350	16,350	
Total General Fund Revenue		8,603,748	9,084,314	8,282,220	8,677,541	8,679,441	8,750,945	73,404	0.8%

GENERAL FUND EXPENDITURES

CATEGORY/DEPT.	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED ACTUAL	2018-19 PROPOSED BUDGET	\$ INCR (DECR)	% CHANGE
GENERAL GOVERNMENT								
City Council	\$ 177,174	\$ 206,294	\$ 200,459	\$ 211,559	\$ 205,136	\$ 193,922	\$ (17,637)	-8.3%
City Manager	151,145	231,646	214,665	214,665	213,375	177,420	(37,245)	-17.4%
City Attorney	124,574	129,453	127,006	127,006	127,006	131,891	4,885	3.8%
City Clerk	216,138	238,969	246,066	246,066	246,066	294,957	48,891	19.9%
Finance	116,057	174,737	195,560	219,760	219,760	228,608	8,848	4.0%
Planning	538,787	454,344	508,358	508,358	538,358	530,912	22,554	4.4%
Building	170,766	187,906	181,581	181,581	181,581	197,214	15,633	8.6%
General Gov't-Non Dept.	215,225	221,260	187,206	195,406	195,406	184,690	(10,716)	-5.5%
Debt Service	421,252	364,674	190,945	315,945	311,890	217,144	(98,801)	-31.3%
TOTAL GENERAL GOVERNMENT	2,131,118	2,209,283	2,051,846	2,220,346	2,238,578	2,156,758	(63,588)	-2.9%
PUBLIC SAFETY								
Police Protection	\$ 3,371,441	\$ 3,533,143	\$ 3,799,700	\$ 3,851,800	\$ 3,815,500	\$ 3,901,650	\$ 49,850	1.3%
Animal Control	8,677	8,100	8,100	8,100	17,600	17,600	9,500	117.3%
Fire Protection	669,859	761,725	941,694	1,038,015	921,703	838,524	(199,491)	-19.2%
Fire Emergency Preparedness	3,828	3,839	4,000	4,000	5,100	4,000	-	
TOTAL PUBLIC SAFETY	4,053,805	4,306,807	4,753,494	4,901,915	4,759,903	4,761,774	(140,141)	-2.9%
PUBLIC WORKS/PARKS								
Corporation Yard	\$ 86,522	\$ 64,729	\$ 101,326	\$ 134,281	\$ 79,925	\$ 79,925	\$ (54,356)	-40.5%
Government Building	57,962	192,462	66,050	76,050	48,013	58,013	(18,037)	-23.7%
Streets	270,640	396,266	338,750	382,126	436,212	474,875	92,749	24.3%
Parking Lots	37,853	110,897	53,500	51,925	62,400	102,500	50,575	97.4%
Parks & Landscapes	257,091	297,535	341,901	356,900	362,600	384,760	27,860	7.8%
Engineering	101,783	104,747	109,137	100,993	105,079	112,405	11,412	11.3%
Storm Water Management	35,601	45,170	65,000	91,544	70,050	120,235	28,691	31.3%
TOTAL PUBLIC WORKS/PARKS	847,452	1,211,806	1,075,664	1,193,819	1,164,279	1,332,713	138,894	11.6%
RECREATION								
Ives Pool	\$ 88,274	\$ 111,182	\$ 142,000	\$ 142,000	\$ 142,000	\$ 132,050	\$ (9,950)	-7.5%
Senior Center	-	-	-	-	-	50,600	50,600	100.0%
Recreation & Community Support	214,187	196,344	207,550	207,550	207,550	234,650	27,100	11.5%
TOTAL RECREATION	302,461	307,526	349,550	349,550	349,550	417,300	67,750	16.2%
TOTAL ALL DEPARTMENTS	7,334,836	8,035,422	8,230,554	8,665,630	8,512,310	8,668,545	2,915	0.0%

GENERAL FUND - TRANSFERS

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)
OTHER SOURCES (USES):					
Transfer in					
From Police Grant	670	-	-	-	-
From Vehicle Abatement	-	10,000	10,000	-	(10,000)
From General Plan Update	-	-	-	-	-
From Casino Mitigation Fund	-	-	-	16,350	16,350
Subtotal Transfer in	<u>670</u>	<u>10,000</u>	<u>10,000</u>	<u>16,350</u>	<u>6,350</u>
Transfer out					
To Woodstone Assessment District Fund	-	(4,305)	(4,305)	-	4,305
To SLESF	(17,048)	-	-	-	-
To Gas Tax Fund	-	-	-	(4,400)	(4,400)
To Street Pavement Reserves	(150,000)	-	(125,000)	-	125,000
Subtotal Transfer out	<u>(167,048)</u>	<u>(4,305)</u>	<u>(129,305)</u>	<u>(4,400)</u>	<u>124,905</u>
TOTAL TRANSFERS	<u>(166,378)</u>	<u>5,695</u>	<u>(119,305)</u>	<u>11,950</u>	<u>131,255</u>

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**Transaction & Use Sales Tax
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2016/17 Adjusted Budget	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
124-1001-4375	City Council Equipment Rental	5,712	5,682	5,700	5,400	5,400	5,400	6,000
124-1101-4210	City Manager Contract Services	7,087	80,256	74,525	50,000	50,000	50,000	-
124-1101-4210	City Manager Community Outreach	37,338	39,028	40,000	40,000	40,000	40,000	40,000
124-1101-4212	City Manager Technology Maintenance	-	65	1,000	1,000	1,000	1,000	500
124-1101-4375	City Manager Equipment Rental	4,354	5,533	4,000	5,000	5,000	5,000	6,000
124-1301-4212	City Clerk Technology Maintenance	-	995	1,000	1,000	1,000	1,000	1,000
124-1301-4270	City Clerk Election Expense - Ballot Measurers	-	12,753	18,000	-	-	-	40,000
124-1301-4375	City Clerk Equipment Rental	4,972	6,495	5,600	5,600	5,600	5,600	6,500
124-1401-4375	Finance Equipment Rental	60,396	6,543	6,000	6,000	6,000	6,000	6,000
124-2102-4210	Planning Contract Services	152,307	73,033	100,000	60,000	60,000	60,000	55,000
124-2102-4375	Planning Equipment Rental	5,536	5,391	5,700	5,700	5,700	5,700	5,700
124-2202-4420	Building Equipment Rental	3,016	3,113	3,000	3,500	3,500	3,500	4,000
124-2302-4375	Engineering Equipment Rental	3,894	4,378	4,200	4,200	4,200	4,200	4,200
124-2307-4330	Storm Water Misc Supplies & Services	419	22	1,000	1,000	1,000	1,000	1,000
124-2307-4210	Storm Water Contract Services	14,561	18,202	44,400	32,000	50,400	50,400	81,900
124-2307-4515	Storm Water Meetings & Training	-	-	2,000	2,000	2,000	2,000	2,000
124-2307-4345	Storm Water Dues / Subscriptions	20,622	26,946	28,000	30,000	30,000	30,000	35,335
124-3202-4012	Police Overtime (School Resources Officer)	9,639	7,784	10,000	10,000	10,000	10,000	7,500
124-3202-4375	Police Equipment Rental	39,956	327	3,800	-	-	-	-
124-3202-5100	Police Capital Outlay	60,929	81,181	99,250	99,250	99,250	99,250	14,000
124-3102-4330	Fire Misc Supplies & Services	-	113	1,000	1,000	1,000	1,000	1,000
124-3102-4375	Fire Equipment Rental	3,016	2,830	3,500	3,500	3,500	3,500	4,000
124-3102-4390	Fire Other Community Support	-	-	-	-	-	-	6,000
124-3102-5100	Fire Capital Outlay	3,253	7,073	10,000	10,000	10,000	10,000	10,000
124-4102-4375	PW Corp Yard Equipment Rental	4,533	4,378	4,200	4,200	4,200	4,200	4,300
124-4102-5100	PW Corp Yard Capital Outlay	13,000	-	-	28,500	28,500	28,500	-
124-4106-4213	PW Govt Bldg Facilities/Grounds Maintenance	10,868	192,462	216,000	20,000	20,000	15,000	10,000
124-4002-5100	Senior Center Capital Outlay	-	-	-	-	-	-	14,600
124-4202-5100	Community Center Capital Outlay	138,200	35,626	37,000	-	-	-	4,250
124-4302-9100	Pool Capital Outlay	11,989	-	-	41,000	41,000	16,000	-
124-9971-6100	Infrastructure Lease - Principal	36,656	36,656	38,456	40,344	40,344	40,344	47,875
124-9971-6200	Infrastructure Lease - Interest	24,698	24,698	30,677	21,011	21,011	21,011	21,554
124-9972-6100	Village Mobile Home Park - Principal	36,128	36,128	37,467	39,325	39,325	39,325	39,325
124-9972-6200	Village Mobile Home Park - Interest	28,456	28,457	27,118	25,260	25,260	25,260	25,260
124-9973-6100	CREBS Solar Panel Lease - Principal	46,267	46,267	46,267	46,267	46,267	46,267	46,267
124-9974-6100	Vacuum Truck Lease - Principal	6,308	6,296	8,588	12,806	12,806	12,806	13,096
124-9974-6200	Vacuum Truck Lease - Interest	609	745	1,588	1,277	1,277	1,277	988
124-99-79-6100	911 Equipment Lease - Principal	-	15,838	-	-	-	-	17,061
124-99-79-6200	911 Equipment Lease - Interest	-	2,541	-	-	-	-	1,318
-----	Velocity Pumper Fire Engine Lease - Principal	68,497	-	-	-	-	-	-
-----	Velocity Pumper Fire Engine Lease - Interest	1,050	-	-	-	-	-	-
Total Capital Outlay/Debt Services		864,266	817,835	919,036	656,140	674,540	644,540	583,529
124-4102-4998	G & A Allocation - PW Corp Yard	86,520	60,351	65,953	68,626	68,881	68,881	75,625
124-4103-4998	G & A Allocation - PW Streets	274,307	276,997	300,400	338,655	411,655	405,100	474,875
124-4104-4998	G & A Allocation - PW Parks & Landscapes	114,431	130,138	134,852	174,064	180,289	180,289	159,675
124-3202-4998	G & A Allocation - Police Services	303,611	359,887	361,133	383,807	388,487	388,487	403,536
Total G & A Cost Allocation		778,869	827,373	862,338	965,152	1,049,312	1,042,757	1,113,711
TOTAL DEPARTMENT		1,643,135	1,645,208	1,781,374	1,621,292	1,723,852	1,687,297	1,697,240

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BUILDING PERMIT TECHNOLOGY FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 35,126 \$ 40,476

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED ACTUAL</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	11,030	6,000	6,000	5,000	6,000	6,000	100.0%
Interest Earnings	216	-	-	350	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 11,246</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 5,350</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>0.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	3,207	32,000	32,000	-	-	(32,000)	-100.0%
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 3,207</u>	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,000)</u>	<u>-100.0%</u>
NET BUDGETARY RESULT	<u>\$ 8,039</u>	<u>\$ (26,000)</u>	<u>\$ (26,000)</u>	<u>\$ 5,350</u>	<u>\$ 6,000</u>	<u>\$ 32,000</u>	<u>-123.1%</u>
Addition/(Use) of Reserves	<u>\$ 8,039</u>	<u>\$ (26,000)</u>	<u>\$ (26,000)</u>	<u>\$ 5,350</u>	<u>\$ 6,000</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 35,126			\$ 40,476	\$ 46,476		

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STREET PAVEMENT RESERVE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 131,356 \$ 257,856

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED ACTUAL	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	2,665	2,500	2,500	1,500	1,500	(1,000)	-40.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	150,000	-	-	125,000	-	-	
TOTAL REVENUE	\$ 152,665	\$ 2,500	\$ 2,500	\$ 126,500	\$ 1,500	\$ (1,000)	-40.0%
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Capital Projects	486,108	130,607	130,607	-	87,000	(43,607)	-33.4%
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	\$ 486,108	\$ 130,607	\$ 130,607	\$ -	\$ 87,000	\$ (43,607)	-33.4%
NET BUDGETARY RESULT	\$ (333,443)	\$ (128,107)	\$ (128,107)	\$ 126,500	\$ (85,500)	\$ 42,607	-33.3%
Addition/(Use) of Reserves	\$ (333,443)	\$ (128,107)	\$ (128,107)	\$ 126,500	\$ (85,500)		
TOTAL BUDGETARY BALANCE	\$ -	\$ -		\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 131,356			\$ 257,856	\$ 172,356		

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POLICE VEHICLE ABATEMENT FUND

Estimated Beginning Fund Balance 7/1/18

\$ 10,620 \$ 1,820

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED ACTUAL</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	4,035	2,000	2,000	1,200	1,200	(800)	-40.0%
Interest Earnings	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 4,035</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ (800)</u>	<u>-40.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Police Service	-	10,000	10,000	10,000	-	(10,000)	-100.0%
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (10,000)</u>	<u>-100.0%</u>
NET BUDGETARY RESULT	<u>\$ 4,035</u>	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>	<u>\$ (8,800)</u>	<u>\$ 1,200</u>	<u>\$ 9,200</u>	<u>-115.0%</u>
Addition/(Use) of Reserves	<u>\$ 4,035</u>	<u>\$ (8,000)</u>	<u>\$ (8,000)</u>	<u>\$ (8,800)</u>	<u>\$ 1,200</u>		
TOTAL BUDGETARY BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Ending Fund Balance (Estimated)	\$ 10,620			\$ 1,820	\$ 3,020		

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INSURANCE & BENEFITS FUND

Beginning Fund Balance 7/1/17	\$ 1,051			\$ 1,051	\$ 1,051		
	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED ACTUAL</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INC/(DEC) FROM ADJUSTED</u>	<u>% CHANGE</u>
OPERATING REVENUE							
Charges for Services - Insurance	\$ 226,333	\$ 500,150	\$ 500,150	\$ 500,150	\$ 652,525	\$ 152,375	30.5%
Charges for Services - Benefits	2,127,419	2,060,554	2,060,554	2,080,554	2,349,300	288,746	14.0%
Other Income	-	-	-	-	-	-	0.0%
Interest Earnings	-	-	-	-	-	-	0.0%
TOTAL REVENUE	<u>\$ 2,353,752</u>	<u>\$ 2,560,704</u>	<u>\$ 2,560,704</u>	<u>\$ 2,580,704</u>	<u>\$ 3,001,825</u>	<u>\$ 441,121</u>	<u>17.2%</u>
OPERATING EXPENSES							
REMIF - Liability Insurance	\$ 165,544	\$ 288,650	\$ 288,650	\$ 288,650	\$ 347,275	\$ 58,625	20.3%
REMIF - Workers' Comp Insurance	232,382	211,500	211,500	211,500	305,250	93,750	44.3%
Health Insurance	578,749	664,260	664,260	664,260	718,900	54,640	8.2%
Dental Insurance	65,855	65,000	65,000	85,000	120,000	55,000	84.6%
Vision Insurance	13,210	20,000	20,000	20,000	20,000	-	0.0%
Retirement Benefits	1,143,308	1,217,315	1,217,315	1,217,315	1,393,000	175,685	14.4%
Other Benefits	154,704	93,979	93,979	93,979	97,400	3,421	3.6%
TOTAL OPERATING EXPENSE	<u>\$ 2,353,752</u>	<u>\$ 2,560,704</u>	<u>\$ 2,560,704</u>	<u>\$ 2,580,704</u>	<u>\$ 3,001,825</u>	<u>\$ 441,121</u>	<u>17.2%</u>
NET BUDGETARY RESULT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Addition/(Use) of Reserves	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL BUDGETARY BALANCE		\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 1,051			\$ 1,051	\$ 1,051		

Detail - Liability Insurance
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
601-0000-4996	Allocated Liability Insurance	(228,957)	(238,802)	(288,650)	(288,650)	(288,650)	(347,275)
601-0000-4811	Liability Premium	136,480	148,966	163,900	163,900	163,900	210,025
601-0000-4812	Liability Deductible	26,563	29,046	30,000	30,000	30,000	33,000
601-0000-4813	Environmental Pollution Ins.	2,731	2,499	5,500	5,500	5,500	6,050
601-0000-4814	Cyber Risk & Safety Services	3,257	-	10,000	10,000	10,000	11,000
601-0000-4815	Property Premium	14,822	14,144	15,000	15,000	15,000	16,500
601-0000-4816	Vehicle Insurance	11,088	10,613	15,000	15,000	15,000	16,500
601-0000-4817	Earthquake & Flood	32,471	33,534	47,250	47,250	47,250	52,000
601-0000-4818	Boiler & Machinery Insurance	1,545	-	2,000	2,000	2,000	2,200
TOTAL		-	-	-	-	-	-

Detail - Workers' Compensation Insurance
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
601-0000-4997	Allocated Workers' Comp Insurance	(145,088)	(232,382)	(211,500)	(211,500)	(211,500)	(305,250)
601-0000-4190	Worker's Compensation Premium	119,788	203,336	191,500	191,500	191,500	255,250
601-0000-4191	Worker's Comp Deductible	25,300	29,046	20,000	20,000	20,000	50,000
TOTAL		-	-	-	-	-	-

Detail - Employee Benefits
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
601-0000-4100	Direct Charge to Departments	(1,757,767)	(1,895,038)	(2,060,554)	(2,060,554)	(2,080,554)	(2,349,300)
601-0000-4105	FICA - Medicare/Social Security Tax	76,707	70,580	61,480	61,480	61,480	64,000
601-0000-4110	Employer PERS Retirement	1,007,894	1,143,308	1,217,315	1,217,315	1,217,315	1,393,000
601-0000-4130	Health Insurance	565,550	578,749	664,260	664,260	664,260	718,900
601-0000-4150	Dental Insurance Program	71,977	65,855	65,000	65,000	85,000	120,000
601-0000-4151	Vision Insurance Program	16,473	13,210	20,000	20,000	20,000	20,000
601-0000-4181	Long Term Disability Insurance	6,920	9,267	12,375	12,375	12,375	13,000
601-0000-4182	Short Term Disability Ins.	4,697	4,048	6,224	6,224	6,224	6,500
601-0000-4183	EAP Insurance	2,267	2,995	6,000	6,000	6,000	6,000
601-0000-4184	Life Insurance	2,768	3,352	3,100	3,100	3,100	3,100
601-0000-4187	Employee Longevity Awards	2,514	3,674	4,800	4,800	4,800	4,800
TOTAL		-	-	-	-	-	-

VEHICLE REPLACEMENT FUND

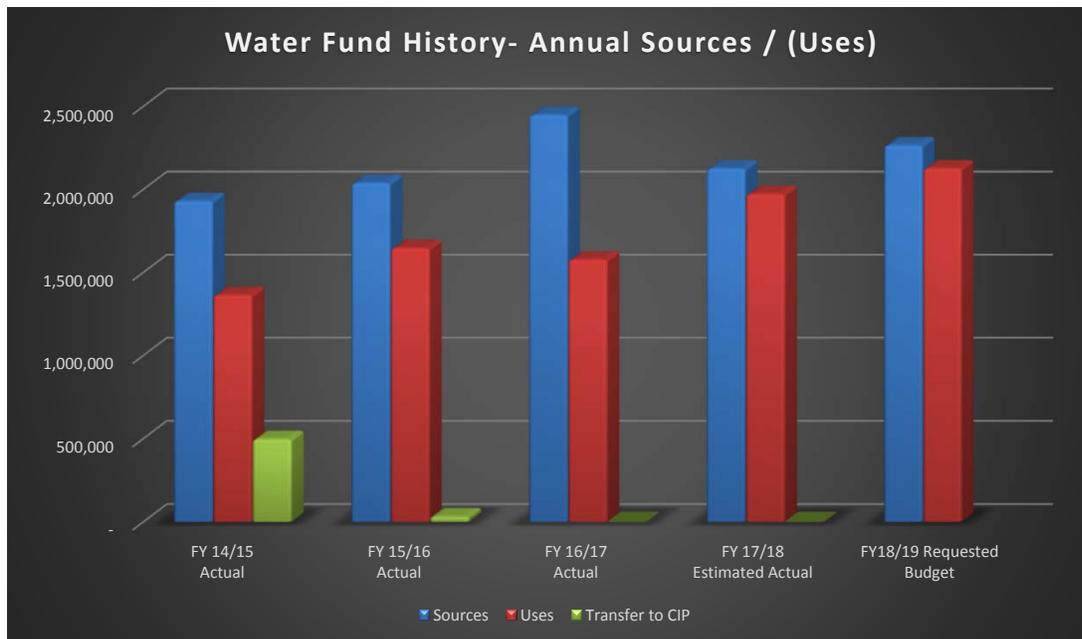
Beginning Fund Balance 7/1/17	\$ 1,100,000		\$ 1,100,000	\$ 1,100,000			
	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED ACTUAL</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INC/(DEC) FROM ADJUSTED</u>	<u>% CHANGE</u>
<u>OPERATING REVENUE</u>							
Charges for Services - Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100.0%
Other Income	-	-	-	-	14,800	14,800	100.0%
Interest Earnings	-	-	-	-	-	-	0.0%
TOTAL REVENUE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,800</u>	<u>\$ 14,800</u>	<u>#DIV/0!</u>
<u>OPERATING EXPENSES</u>							
Fire - Vehicle Purchase	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	100.0%
Police - Vehicle Purchase	-	-	-	-	77,400	77,400	100.0%
Public Works - Vehicle Purchase	-	-	-	-	32,700	32,700	100.0%
TOTAL OPERATING EXPENSE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,100</u>	<u>\$ 150,100</u>	<u>100.0%</u>
NET BUDGETARY RESULT	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,300)</u>	<u>\$ (135,300)</u>	
Addition/(Use) of Reserves	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,300)</u>		
TOTAL BUDGETARY BALANCE		\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 1,100,000			\$ 1,100,000	\$ 964,700		

Detail - Vehicle
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
602-3102-5100	Fire - Vehicle Purchase	-	-	-	-	-	40,000
602-3202-5100	Police - Vehicle Purchase	-	-	-	-	-	77,400
602-4202-5100	Public Works - Vehicle Purchase	-	-	-	-	-	32,700
TOTAL		-	-	-	-	-	150,100

WATER FUND

	2016-17 ACTUAL	2017/18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INC/(DEC) FROM ADOPTED	% CHANGE
OPERATING REVENUE						
Charges for Services						
Residential	\$ 1,860,043	\$ 1,550,000	\$ 1,600,000	\$ 1,700,000	\$ 100,000	5.88%
Commercial	524,767	500,000	500,000	510,000	10,000	2.00%
Other Income	49,983	4,000	25,000	45,000	20,000	44.44%
Interest Earnings	13,049	600	600	10,000	9,400	1566.67%
TOTAL REVENUE	\$ 2,447,842	\$ 2,054,600	\$ 2,125,600	\$ 2,265,000	\$ 139,400	6.15%
OPERATING EXPENSES						
G & A Allocation - City Council	\$ 29,987	\$ 25,638	\$ 27,438	\$ 26,044	\$ (1,394)	-5.35%
G & A Allocation - City Manager	35,588	39,555	39,555	43,640	4,085	10.33%
G & A Allocation - City Attorney	6,851	6,903	6,903	7,168	265	3.84%
G & A Allocation - City Clerk	20,586	22,538	22,538	23,290	752	3.34%
G & A Allocation - Finance	218,500	288,131	324,915	338,363	13,448	3.97%
G & A Allocation - Planning	20,431	24,058	24,058	25,555	1,497	6.22%
G & A Allocation - Building	31,016	31,285	31,285	33,943	2,658	8.50%
G & A Allocation - Engineering	89,804	93,891	93,891	96,815	2,924	3.11%
G & A Allocation - Fire	57,113	69,706	69,706	61,451	(8,255)	-11.84%
G & A Allocation - PW Corp Yard	170,404	193,766	194,486	213,528	19,042	8.92%
G & A Allocation - PW Govt Bldg	21,210	23,025	24,025	24,006	(19)	-0.08%
Public Works - Water Operations	741,829	876,770	941,770	920,150	(21,620)	-2.35%
Debt Service - Operations	108,864	115,910	115,910	115,910	-	0.00%
Debt Service - Capital	-	176,068	176,068	176,068	-	0.00%
Transfer to CIP	-	-	-	-	-	0.00%
G & A Allocation - Non Departmental	24,837	20,547	21,447	20,281	(1,166)	-5.75%
TOTAL OPERATING EXPENSE	\$ 1,577,020	\$ 2,007,791	\$ 2,113,995	\$ 2,126,212	\$ 12,217	0.57%
NET BUDGETARY RESULT	\$ 870,822	\$ 46,809	\$ 11,605	\$ 138,788	\$ 127,183	
Addition/(Use) of Reserves	\$ 870,822	\$ 46,809	\$ 11,605	\$ 138,788		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -		



**Detail - Water Fund
Budget Expenditures**

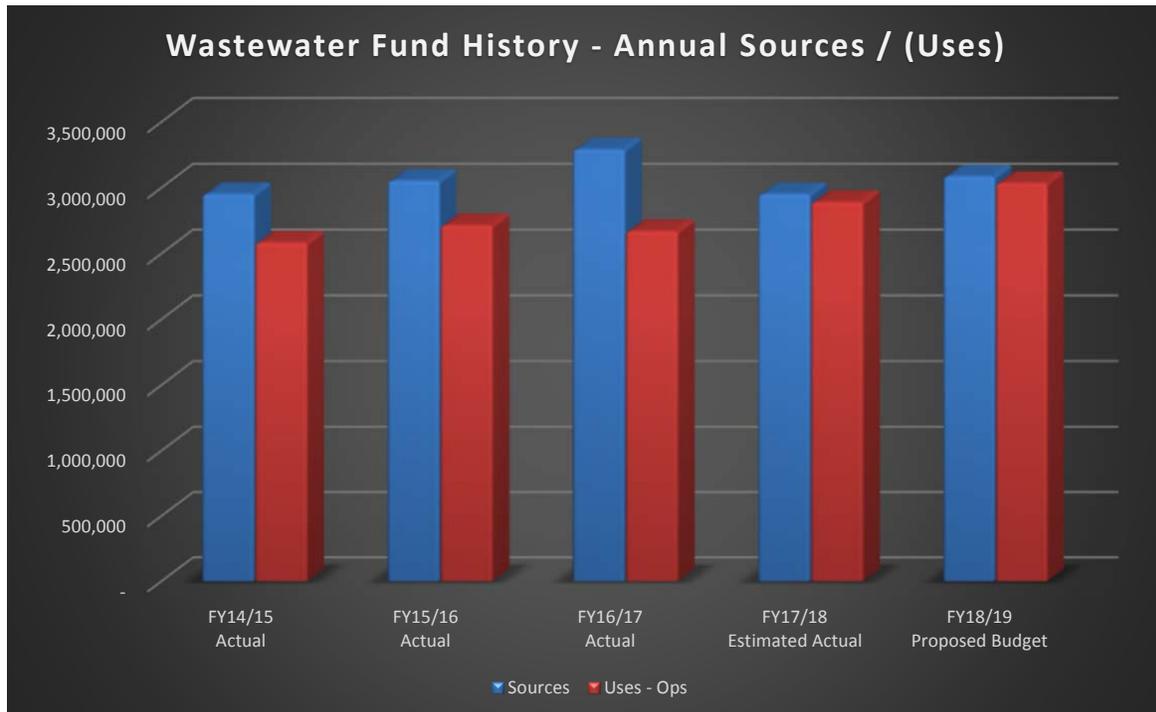
Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
500-4402-4010	Salaries ¹ (2.58 FTE)	212,188	238,630	251,800	251,800	251,800	240,400
500-4402-4012	Overtime	9,868	7,759	10,000	10,000	10,000	10,000
500-4402-4013	Standby	11,933	9,488	12,500	12,500	12,500	10,000
500-4402-4100	Benefits ²	97,099	105,398	109,000	109,000	109,000	112,200
500-4402-4210	Contract Services	95,200	63,113	142,000	207,000	185,000	113,800
500-4402-4330	Misc. Supplies / Services	118,669	118,088	111,500	111,500	123,450	140,750
500-4402-4361	Meter Replacement Program	20,034	18,458	20,000	20,000	10,000	21,000
500-4402-4365	Fire Hydrant Replacement Program	9,172	15,026	15,000	15,000	7,000	15,750
500-4402-4366	Backflow Prevention Program	1,972	2,050	3,000	3,000	3,000	3,150
500-4402-4510	Conference & Training	9,003	8,064	-	-	-	3,000
500-4402-4515	Meetings & Travel	-	-	8,100	8,100	8,100	6,000
500-4402-4750	Telecommunications	5,720	5,324	5,000	5,000	5,580	6,550
500-4402-4710	Utilites - Gas & Electric	103,224	131,352	150,000	150,000	150,000	162,000
500-4402-4996	Allocated Liability Insurance	18,723	19,079	23,120	23,120	23,120	24,350
500-4402-4997	Allocated Wrks Comp Insurance	-	-	11,250	11,250	11,250	15,000
500-4402-5100	Capital Outlay	4,441	-	4,500	4,500	4,500	36,200
500-9971-6100	Infrastruture Lease - Principal	42,300	42,300	46,556	46,556	46,556	46,556
500-9971-6200	Infrastruture Lease - Interest	28,500	28,500	24,247	24,247	24,247	24,247
500-9973-6100	CREBS Solar Panel Lease - Principal	31,023	31,023	31,024	31,024	31,024	31,024
500-9974-6100	Vacuum Truck Lease - Principal	6,308	6,296	12,806	12,806	12,806	12,806
500-9974-6200	Vacuum Truck Lease - Interest	609	745	1,277	1,277	1,277	1,277
500-0000-4999	Debt Service - Water Capital	136,206	-	176,068	176,068	176,068	176,068
500-0000-4999	Transfer to CIP	31,023	-	-	-	-	-
Total Operation		993,215	850,693	1,168,748	1,233,748	1,206,278	1,212,128
500-1001-4998	G & A Allocation - City Council	25,771	29,987	25,638	27,438	30,625	26,044
500-1101-4998	G & A Allocation - City Manager	34,450	35,588	39,555	39,555	38,496	43,640
500-1201-4998	G & A Allocation - City Attorney	6,770	6,851	6,903	6,903	6,851	7,168
500-1301-4998	G & A Allocation - City Clerk	19,874	20,586	22,538	22,538	20,724	23,290
500-1401-4998	G & A Allocation - Finance	171,860	218,500	288,131	324,915	222,566	338,363
500-2102-4998	G & A Allocation - Planning	20,703	20,431	24,058	24,058	22,608	25,555
500-2202-4998	G & A Allocation - Building	29,469	31,016	31,285	31,285	31,088	33,943
500-2302-4998	G & A Allocation - Engineering	87,585	89,804	93,891	93,891	90,362	96,815
500-3102-4998	G & A Allocation - Fire	45,619	57,113	69,706	69,706	66,315	61,451
500-4102-4998	G & A Allocation - PW Corp Yard	194,792	170,404	193,766	194,486	186,221	213,528
500-4106-4998	G & A Allocation - PW Govt Bldg	23,508	21,210	23,025	24,025	21,210	24,006
500-0000-4998	G & A Allocation - Non Departmental	23,622	24,837	20,547	21,447	28,661	20,281
Total Department Cost Allocation		684,023	726,327	839,043	880,247	765,727	914,084
TOTAL DEPARTMENT		1,677,238	1,577,020	2,007,791	2,113,995	1,972,005	2,126,212

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

WASTEWATER FUND

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INC/(DEC) FROM ADJUSTED	%
						CHANGE
OPERATING REVENUE						
Charges for Services	\$ 3,252,724	\$ 2,831,000	\$ 2,920,000	\$ 3,050,000	\$ 130,000	4.3%
Other Income	26,176	47,500	25,000	25,000	-	0.0%
Interest Earnings	11,596	5,000	5,000	10,000	5,000	100.0%
TOTAL REVENUE	\$ 3,290,496	\$ 2,883,500	\$ 2,950,000	\$ 3,085,000	\$ 135,000	4.4%
OPERATING EXPENSES						
G & A Allocation - City Council	\$ 31,817	\$ 29,911	\$ 32,011	\$ 30,385	\$ (1,626)	-5.4%
G & A Allocation - City Manager	35,588	39,555	39,555	43,640	4,085	9.4%
G & A Allocation - City Attorney	4,111	4,142	4,142	4,301	159	3.7%
G & A Allocation - City Clerk	18,013	19,721	19,721	20,379	658	3.2%
G & A Allocation - Finance	212,826	280,549	316,365	329,459	13,094	4.0%
G & A Allocation - Planning	12,258	14,435	14,435	15,333	898	5.9%
G & A Allocation - Building	31,016	31,285	31,285	33,943	2,658	7.8%
G & A Allocation - Engineering	73,956	77,322	77,322	79,730	2,408	3.0%
G & A Allocation - PW Corp Yard	124,253	141,288	141,813	155,698	13,885	8.9%
G & A Allocation - PW Govt Bldg	21,210	23,025	24,025	24,006	(19)	-0.1%
Public Works - Wastewater Operations	2,002,269	2,082,450	2,082,450	2,186,565	104,115	4.8%
Debt Service	77,027	91,108	91,108	91,108	-	0.0%
G & A Allocation - Non Departmental	24,837	20,547	21,447	20,281	(1,166)	-5.7%
TOTAL OPERATING EXPENSE	\$ 2,669,181	\$ 2,855,338	\$ 2,895,679	\$ 3,034,828	\$ 139,149	4.6%
NET BUDGETARY RESULT	\$ 621,315	\$ 28,162	\$ 54,321	\$ 50,172	\$ (4,149)	
Addition/(Use) of Reserves	\$ 621,315	\$ 28,162	\$ 54,321	\$ 50,172		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -		



Detail - Wastewater Fund
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2017/18 Proposed Budget
510-4402-4010	Salaries ¹ (2.3 FTE)	155,893	173,901	198,300	198,300	198,300	157,950
510-4402-4012	Overtime	8,417	6,618	9,800	9,800	9,800	7,000
510-4402-4013	Standby	12,496	9,636	12,000	12,000	12,000	10,000
510-4402-4100	Benefits ²	75,897	83,870	86,700	86,700	86,700	72,800
510-4402-4210	Contract Services	45,793	79,185	29,300	29,300	29,300	75,600
510-4502-4210	Subregional - Operation/Maintenance	825,292	1,006,065	1,024,400	1,024,400	1,024,400	1,070,515
510-4502-4210	Subregional - Debt Service	658,730	512,678	570,300	570,300	570,300	603,900
510-4402-4330	Misc. Supplies / Services	58,364	61,674	52,600	52,600	52,600	69,250
510-4402-4360	Conservation Rebate Program	1,415	301	5,000	5,000	2,500	5,000
510-4402-4510	Conference & Training	9,275	7,472	3,000	3,000	3,000	3,000
510-4402-4515	Meetings & Travel	-	-	5,000	5,000	5,000	8,500
510-4402-4710	Utilities - Gas & Electric	39,007	46,911	41,000	41,000	38,000	41,100
510-4402-4750	Telccommunications	2,170	1,932	2,200	2,200	2,200	3,550
510-4402-4996	Allocated Liability Insurance	10,149	12,026	12,155	12,155	12,155	15,900
510-4402-4997	Allocated Wrkrs Comp Insurance		-	8,195	8,195	8,195	9,800
510-4402-5100	Capital Outlay	91,122		22,500	22,500	22,500	32,700
510-9971-6100	Infrastructure Lease - Principal	37,604	37,604	41,386	41,386	41,386	41,386
510-9971-6200	Infrastructure Lease - Interest	25,338	25,338	21,554	21,554	21,554	21,554
510-9974-6100	Vacuum Truck Lease - Principal	12,615	12,593	25,613	25,613	25,613	25,613
510-9974-6200	Vacuum Truck Lease - Interest	1,219	1,492	2,555	2,555	2,555	2,555
510-0000-4999	Transfer to Sewer CIP	-	-	-	-	-	-
Total Operation		<u>2,070,796</u>	<u>2,079,296</u>	<u>2,173,558</u>	<u>2,173,558</u>	<u>2,168,058</u>	<u>2,277,673</u>
510-1001-4998	G & A Allocation - City Council	30,066	31,816	29,911	32,011	32,011	30,385
510-1101-4998	G & A Allocation - City Manager	34,450	35,588	39,555	39,555	39,555	43,640
510-1201-4998	G & A Allocation - City Attorney	4,062	4,111	4,142	4,142	4,142	4,301
510-1301-4998	G & A Allocation - City Clerk	17,390	18,013	19,721	19,721	19,721	20,379
510-1401-4998	G & A Allocation - Finance	167,338	212,826	280,549	316,365	316,365	329,459
510-2102-4998	G & A Allocation - Planning	12,422	12,258	14,435	14,435	14,435	15,333
510-2202-4998	G & A Allocation - Building	29,469	31,016	31,285	31,285	31,285	33,943
510-2302-4998	G & A Allocation - Engineering	72,129	73,956	77,322	77,322	77,322	79,730
510-4102-4998	G & A Allocation - PW Corp Yard	142,036	124,253	141,288	141,813	141,813	155,698
510-4106-4998	G & A Allocation - PW Govt Bldg	23,508	21,210	23,025	24,025	24,025	24,006
510-0000-4998	G & A Allocation - Non Departmental	23,622	24,838	20,547	21,447	21,447	20,281
Total G & A Cost Allocation		<u>556,492</u>	<u>589,885</u>	<u>681,780</u>	<u>722,121</u>	<u>722,121</u>	<u>757,155</u>
TOTAL DEPARTMENT		2,627,288	2,669,181	2,855,338	2,895,679	2,890,179	3,034,828

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

WATER/WASTEWATER ENTERPRISE FUNDS

These funds account for operations that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user fees.

Water Goals:

- Continuously provide an adequate supply of water that is free of health hazards and of acceptable quality to meet demands.
- Protect the health and welfare of the community by ensuring the continuous operation of the City's water pumping and distribution systems.
- Assure maximum fair collection of water revenue by maintaining all City water meters within AWWA tolerances and by providing accurate recordation of all water meters.
- To fund the cost of pumping, transmission and debt service of the water system.

Wastewater Goals:

- Protect the health and welfare of the community by ensuring the continuous uninterrupted operation of the wastewater collection and transmission system.
- Provide appropriate economical maintenance and repair of the wastewater collection and transmission system and appurtenances.

Major Budget Accomplishments for 2017-2018:

- Water reservoirs were inspected and cleaned
- Well 4 and Well 7 filter media were replaced
- Completed tree maintenance/removal at Pleasant Hill water reservoir site
- Completed replacement fencing at Pleasant Hill water reservoir site
- Purchased replacement concrete/asphalt saw
- Purchased replacement sewer camera and locator
- Purchased replacement concrete grinding machine for sidewalk tripping hazards
- Contracted for sewer inline repairs to Zimpher Creek sewer main
- Additional certificate incentives were applied for water and sewer PW staff

Major Budget Changes for 2018/2019 for Water and Wastewater:

- Replacement of one 5-yard dump truck
- Replacement of water leak locator/detection sounder
- Purchase and implementation of SEMS Asset Management and Work Order Software
- Fund OSHA training and compliance updates
- Additional certificate incentives for two water and sewer PW staff

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are required by statute, law provisions or ordinance to finance particular functions or activities of government. The various funds and sources are:

- a) Gas Tax Fund (200) accounts for funds from the State of California under the Street and Highway Code Sections 2103, 2105, 2106, 2107 and 2107.5. The use of funds is restricted to street related projects, which can include related public facilities for non-motorized traffic, e.g. bike and pedestrian paths.
- b) Gas Tax Traffic Congestion Relief SB1 (217) accounts for funds from the State of California under Road Repair and Accountability Act of 2017. The use of funds is similar but, not identical, to Gas Tax use rules and must be used for projects related to road maintenance and rehabilitation, safety projects, traffic control devices.
- c) Measure M Fund (201) receives funding from the County for construction of eligible transportation projects that improve the quality of roads, sidewalks and bike lanes.
- d) Community Development Block Grant (216) funds communities with resources to address a wide range of unique community development needs such as affordable housing, anti-poverty programs and infrastructure development.
- e) Human Services & Community Fund (233) accounts for revenue obtains by the solicitation of voluntary contributions from residents and property owners through water and sewer bills and other mean collection or fundraising activities to fund programs or activities which address the welfare of the City's residents regardless of all age, social status or income.
- f) Art In-Lieu Fund (203) accounts for developer contributions in lieu of installation of public art on project sites and income received from art programs and events to fund public artwork, cultural programs, maintenance/conservation, and administrative costs relating to the Art in Public Places Program.
- g) Housing Linkage Fee Fund (204) is used to mitigate the housing impacts caused by new, changed and expanded nonresidential development in the City and provide a source of revenue for housing affordable to person of very low and low income.
- h) Inclusionary Housing Fund (205) accounts for revenue receives from fee payment to be used for the exclusive purpose of providing housing affordable to low and moderate income households in the City for construction of three or more new dwelling units, or for the division or subdivision of land into three or more lots for residential use.
- i) Building Permit Incremental Fee Fund (206) accounts for revenue receives from construction inspection and plan checks to fund training, certification exams and courses.
- j) Business Improvement District (207) was established via ordinance 666 and shall include all businesses located within the area described in Exhibit A. The revenues derived from taxes imposed upon all the business in the area shall be utilized for acquisition, construction or maintenance of parking facilities, decoration of any public place, promotion of public

events which are take place, furnishing of music in any public place and general promotion of retail trade activities for the benefit of the area.

- k) General Plan Update Fee Fund (208) is assessed on Building Permits, and is designed to help recover the significant long-term costs of periodically updating the General Plan and Zoning Ordinance. The Fund is typically used for consultant and other costs related to updates.
- l) Supplemental Law Enforcement Services Fund (209) receives funds from the State of California to supplement local law enforcement activities.
- m) Asset Forfeiture Fund (210/211) is used for specified police activities (excluding regular salary) from confiscated assets of convicted drug felons.
- n) Park In-Lieu Fee Fund (212) receives revenue from new residential and hotel development, to mitigate the impact of such new development on City park and recreation facilities. The use of revenues from the Fund is restricted to park and recreation capital improvements.
- o) Traffic Impact Fee Fund (213) was established to reduce the traffic impacts caused by new development within the City limits and certain public improvements (transportation system infrastructure) and revenue collected from these fees shall be used solely to pay for the City's future construction of facilities or services or reimburse the City for facilities constructed by the City with funds advanced by the City from other sources.
- p) Underground Utilities Fee Fund (214) is an in-lieu fee paid by development projects, where the City Engineer has determined physical undergrounding of overhead utilities is not practical. The Fund is used for general City utility undergrounding projects.

EXHIBIT A

Beginning at the intersection of the Westerly line of Pitt Avenue extended, and the Northerly line of Healdsburg Avenue; thence from said point of beginning in an Easterly direction along the Northerly line of Healdsburg Avenue a distance of 500 feet, more or less, to the intersection of the Northerly line of Healdsburg Avenue with the Westerly line of North Main Street; thence in a Southerly direction along the Westerly line of Main Street extended and the Westerly line of Main Street a distance of 200 feet, more or less, to the intersection with the Southerly line of Wallace Street extended; thence along the Southerly line of Wallace Street extended and the South line of Wallace Street running in an Easterly direction a distance of 250 feet, more or less; thence leaving said South line of Wallace Street in a Southerly direction and parallel to the Easterly line of Main Street a distance of 500 feet, more or less, to the Southerly line of Petaluma and Santa Rosa Railroad Right of Way; thence in an Easterly direction along the South line of the Petaluma and Santa Rosa Railroad Right of way a distance of 300 feet, more or less to the Easterly line of Petaluma Avenue extended; thence in a Southerly direction along the Easterly line of Petaluma Avenue extended, a distance of 200 feet, more or less to the Northerly line of McKinley Street; thence along said Northerly line of McKinley Street in an Easterly direction 400 feet, more or less to the Easterly line of Johnson Street; thence Southerly along the Easterly line of Johnson Street extended, a distance of 300 feet, more or less, to the Northerly line of Depot Street; thence Easterly along the Northerly line of Depot Street, a distance of 150 feet, more or less, thence leaving said Northerly line of Depot Street and in a Southerly direction 160 feet, more or less to the Northerly line of Sebastopol Avenue; thence Easterly along the Northerly line of Sebastopol Avenue, a distance of 450 feet; thence leaving the Northerly line of Sebastopol Avenue Southerly a distance of 550 feet to the Petaluma and Santa Rosa Railroad Right of Way; thence Westerly in an arc along the Northerly line of the Petaluma and Santa Rosa Railroad Right of Way a distance of 1000 feet more or less, to the Easterly line of Petaluma Avenue; thence along the Easterly line of Petaluma Avenue in a Southerly direction 200 feet, more or less to the South line of Willow Street extended; thence in a Westerly direction along the South line of Willow Street extended and the South line of Willow street, a distance of 750 feet, more or less, to the West line of High Street: thence in a Northerly direction along the Westerly line of High Street and North High Street, a distance of 1250 feet, more or less to the North line of Wilton Avenue extended; thence and in an Easterly direction along the North line of Wilton Avenue extended and Wilton Avenue, a distance of 150 feet, more or less; thence leaving the North line of Wilton Avenue in a Northerly direction and parallel to Main Street, a distance of 250 feet, more or less, to the South line of Keating Avenue; thence along the South line of Keating Avenue in a Westerly direction a distance of 250 feet, more or less, to the Westerly line of Pitt Avenue; thence in a Northerly direction along the Westerly line of Pitt Avenue and the Westerly line of Pitt Avenue extended, a distance of 650 feet, more or less, to the Northerly line of Healdsburg Avenue, the point of beginning of the area herein described.

SUMMARY - SPECIAL REVENUE FUNDS
2018-19 PROPOSED BUDGET

	Gas Tax Fund	Gas Tax - Traffic Congestion Fund (SBI)	Measure M Transportation Tax	Community Block Grant (CDBG)	Human Services & Community Fund	Art In-Lieu	Housing Linkage Fee	Inclusionary Housing Fund	Building Permit Incremental Fee	Business Improvement District	General Plan Update Fee	Special Enforcement Supplemental Fund	Asset Forfeiture Fund	Park In Lieu Fee	Traffic Impact Fee	Utility Underground Fee	Total
REVENUES																	
Taxes/Assessments		\$ 55,000								\$ 7,500							\$ 62,500
Intergovernmental	198,800	100,000	1,500	37,000				1,500			200	100,000	-	121,500			557,300
Interest and rentals														1,500	3,700	1,000	9,400
Licenses, permits and fees						5,000	8,000		6,000		5,000			33,000	24,000		81,000
Donations					800												800
Total revenues	198,800	100,000	56,500	37,000	800	5,000	8,000	1,500	6,000	7,500	5,200	100,000	-	156,000	27,700	1,000	711,000
EXPENDITURES																	
Departments:																	
General government				11,130					7,000								18,130
Police Services												130,550					130,550
Fire Services																	
Public Works	147,950	100,000												174,900	511,171		247,950
Capital Projects			45,541														731,612
Community Development								138,000		12,000							150,000
Debt Service														31,470			31,470
Total Expenditures	147,950	100,000	45,541	11,130				138,000	7,000	12,000		130,550		206,370	511,171		1,309,712
EXCESS OF REVENUES OVER EXPENDITURES	50,850	-	10,959	25,870	800	5,000	8,000	(136,500)	(1,000)	(4,500)	5,200	(30,550)		(50,370)	(483,471)	1,000	(598,712)
OTHER FINANCING SOURCES (USES)																	
Transfers in	4,400			135,600				135,600				10,000					285,600
Transfers out				(135,600)													(135,600)
Total other financing sources (uses)	4,400							135,600				10,000					150,000
NET CHANGE IN FUND BALANCES	55,250	-	10,959	25,870	800	5,000	8,000	(900)	(1,000)	(4,500)	5,200	(20,550)		(50,370)	(483,471)	1,000	(448,712)
FUND BALANCE ESTIMATED BEGINNING OF THE YEAR	(55,196)	65,000	15,513	(65,636)	5,762	139,051	86,743	103,683	23,996	5,094	70,287	25,190		171,751	533,015	231,818	1,357,456
FUND BALANCE ESTIMATED END OF YEAR	\$ 54	\$ 65,000	\$ 26,472	\$ (39,766)	\$ 6,562	\$ 144,051	\$ 94,743	\$ 102,783	\$ 22,996	\$ 594	\$ 75,487	\$ 4,640	\$ 1,385	\$ 121,381	\$ 49,544	\$ 232,818	\$ 908,744

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GAS TAX - ROAD MAINTENANCE & REHABILITATION (SB1)

Estimated Beginning Fund Balance 7/1/18							
	\$ -			\$ -	\$ 65,000		
	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED ACTUAL	2018-19 PROPOSED BUDGET	\$ INCR/(DEC)	% CHANGE
OPERATING REVENUE							
Intergovernmental	\$ -	\$ 44,300	\$ 44,300	\$ 40,000	\$ 100,000	\$ 55,700	125.7%
Other Income	-	-	-	25,000	-	-	100.0%
Interest Earnings	-	-	-	-	-	-	
Transfer In	-	-	-	-	-	-	0.0%
TOTAL REVENUE	\$ -	\$ 44,300	\$ 44,300	\$ 65,000	\$ 100,000	\$ 55,700	125.7%
OPERATING EXPENSES							
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
Community Development	-	-	-	-	-	-	0.0%
Public Works	-	-	-	-	-	-	0.0%
Capital Projects	-	-	-	-	100,000	100,000	100.0%
Debt Service	-	-	-	-	-	-	0.0%
Transfer out	-	-	-	-	-	-	0.0%
TOTAL OPERATING EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	0.0%
NET BUDGETARY RESULT	\$ -	\$ 44,300	\$ 44,300	\$ 65,000	\$ -	\$ (44,300)	
Addition/(Use) of Reserves	\$ -	\$ 44,300	\$ 44,300	\$ 65,000	\$ -		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		\$ -		
Ending Fund Balance (Estimated)	\$ -			\$ 65,000	\$ 65,000		

MEASURE M TRANSPORTATION TAX FUND

Estimated Beginning Fund Balance 7/1/18

\$ 226,988 \$ 15,513

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ 57,935	\$ 50,000	\$ 50,000	\$ 50,000	\$ 55,000	\$ 5,000	10.0%
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	2,127	1,500	1,500	1,500	1,500	-	0.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 60,062</u>	<u>\$ 51,500</u>	<u>\$ 51,500</u>	<u>\$ 51,500</u>	<u>\$ 56,500</u>	<u>\$ 5,000</u>	<u>9.7%</u>
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Capital Projects	127,011	43,536	43,536	262,975	45,541	2,005	4.6%
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 127,011</u>	<u>\$ 43,536</u>	<u>\$ 43,536</u>	<u>\$ 262,975</u>	<u>\$ 45,541</u>	<u>\$ 2,005</u>	<u>4.6%</u>
NET BUDGETARY RESULT	<u>\$ (66,949)</u>	<u>\$ 7,964</u>	<u>\$ 7,964</u>	<u>\$ (211,475)</u>	<u>\$ 10,959</u>	<u>\$ 2,995</u>	<u>37.6%</u>
Addition/(Use) of Reserves	\$ (66,949)	\$ 7,964	\$ 7,964	\$ (211,475)	\$ 10,959		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 226,988			\$ 15,513	\$ 26,472		

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Estimated Beginning Fund Balance 7/1/18

\$ 225,278 \$ (65,636)

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes						\$ -	
Intergovernmental	72,240	37,000	37,000	37,000	37,000	-	0.0%
Charges for services	-	-	-	-	-	-	
Interest Earnings	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	224,000	-	-	-	135,600	135,600	
TOTAL REVENUE	\$ 296,240	\$ 37,000	\$ 37,000	\$ 37,000	\$ 172,600	\$ 135,600	366.5%
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Capital Projects	72,746	306,641	306,641	327,914	11,130	(295,511)	-96.4%
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	135,600	135,600	
TOTAL OPERATING EXPENSE	\$ 72,746	\$ 306,641	\$ 306,641	\$ 327,914	\$ 146,730	\$ (159,911)	-52.1%
NET BUDGETARY RESULT	\$ 223,494	\$ (269,641)	\$ (269,641)	\$ (290,914)	\$ 25,870	\$ 295,511	-109.6%
Addition/(Use) of Reserves	\$ 223,494	\$ (269,641)	\$ (269,641)	\$ (290,914)	\$ 25,870		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 225,278			\$ (65,636)	\$ (39,766)		

HUMAN SERVICES & COMMUNITY FUND

Estimated Beginning Fund Balance 7/1/18

\$ 4,962 \$ 5,762

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	32	-	-	-	-	-	
Miscellaneous	840	800	800	800	800	-	0.0%
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	\$ 872	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	0.0%
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
NET BUDGETARY RESULT	\$ 872	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	0.0%
Addition/(Use) of Reserves	\$ 872	\$ 800	\$ 800	\$ 800	\$ 800		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 4,962			\$ 5,762	\$ 6,562		

ART IN LIEU FUND

Estimated Beginning Fund Balance 7/1/18

\$ 121,051 \$ 139,051

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -		\$ -	\$ -	
Intergovernmental	-	-	-		-	-	
Charges for services	18,539	18,000	18,000	18,000	5,000	(13,000)	-72.2%
Interest Earnings	808	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 19,347</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 5,000</u>	<u>\$ (13,000)</u>	<u>-72.2%</u>
<u>OPERATING EXPENSES</u>							
General Government	221	-	-		-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 221</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
NET BUDGETARY RESULT	<u>\$ 19,126</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 5,000</u>	<u>\$ (13,000)</u>	<u>-72.2%</u>
Addition/(Use) of Reserves	<u>\$ 19,126</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 18,000</u>	<u>\$ 5,000</u>		
TOTAL BUDGETARY BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Ending Fund Balance (Estimated)	\$ 121,051			\$ 139,051	\$ 144,051		

HOUSING LINKAGE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 93,443 \$ 86,743

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -		\$ -	\$ -	
Intergovernmental	-	-	-		-	-	
Charges for services	15,755	13,000	13,000	13,000	8,000	(5,000)	-38.5%
Interest Earnings	600	300	300	300	-	(300)	-100.0%
Miscellaneous	-	-	-		-	-	
Transfer in	-	-	-		-	-	
TOTAL REVENUE	<u>\$ 16,355</u>	<u>\$ 13,300</u>	<u>\$ 13,300</u>	<u>\$ 13,300</u>	<u>\$ 8,000</u>	<u>\$ (5,300)</u>	<u>-39.8%</u>
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	86,768	86,768	20,000	-	(86,768)	-100.0%
TOTAL OPERATING EXPENSE	<u>\$ -</u>	<u>\$ 86,768</u>	<u>\$ 86,768</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ (86,768)</u>	<u>-100.0%</u>
NET BUDGETARY RESULT	<u>\$ 16,355</u>	<u>\$ (73,468)</u>	<u>\$ (73,468)</u>	<u>\$ (6,700)</u>	<u>\$ 8,000</u>	<u>\$ 81,468</u>	<u>-110.9%</u>
Addition/(Use) of Reserves	\$ 16,355	\$ (73,468)	\$ (73,468)	\$ (6,700)	\$ 8,000		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		\$ -		
Ending Fund Balance (Estimated)	\$ 93,443			\$ 86,743	\$ 94,743		

INCLUSIONARY HOUSING FUND

Estimated Beginning Fund Balance 7/1/18

\$ 262,183 \$ 103,683

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	2,130	1,500	1,500	1,500	1,500	-	0.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	135,600	135,600	
TOTAL REVENUE	<u>\$ 2,130</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 137,100</u>	<u>\$ 135,600</u>	<u>9040.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	154,751	154,751	160,000	138,000	(16,751)	-10.8%
Public Works	-	-	-	-	-	-	
Non Departmental	26,141	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 26,141</u>	<u>\$ 154,751</u>	<u>\$ 154,751</u>	<u>\$ 160,000</u>	<u>\$ 138,000</u>	<u>\$ (16,751)</u>	<u>-10.8%</u>
NET BUDGETARY RESULT	<u>\$ (24,011)</u>	<u>\$ (153,251)</u>	<u>\$ (153,251)</u>	<u>\$ (158,500)</u>	<u>\$ (900)</u>	<u>\$ 152,351</u>	<u>-99.4%</u>
Addition/(Use) of Reserves	<u>\$ (24,011)</u>	<u>\$ (153,251)</u>	<u>\$ (153,251)</u>	<u>\$ (158,500)</u>	<u>\$ (900)</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 262,183			\$ 103,683	\$ 102,783		

BUILDING PERMIT INCREMENTAL FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 22,996 \$ 23,996

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	4,743	6,000	6,000	8,000	6,000	-	0.0%
Interest Earnings	158	-	-		-	-	
Miscellaneous	-	-	-		-	-	
Transfer in	-	-	-		-	-	
TOTAL REVENUE	<u>\$ 4,901</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 8,000</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>0.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	5,367	7,000	7,000	7,000	7,000	-	0.0%
Community Development	-	-	-		-	-	
Public Works	-	-	-		-	-	
Non Departmental	-	-	-		-	-	
Debt Service	-	-	-		-	-	
Transfer out	-	-	-		-	-	
TOTAL OPERATING EXPENSE	<u>\$ 5,367</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>0.0%</u>
NET BUDGETARY RESULT	<u>\$ (466)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>0.0%</u>
Addition/(Use) of Reserves	<u>\$ (466)</u>	<u>\$ (1,000)</u>	<u>\$ (1,000)</u>	<u>\$ 1,000</u>	<u>\$ (1,000)</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 22,996			\$ 23,996	\$ 22,996		

BUSINESS IMPROVEMENT DISTRICT

Estimated Beginning Fund Balance 7/1/18

\$ 7,094 \$ 5,094

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes/Assessment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	6,069	7,500	7,500	8,000	7,500	-	0.0%
Interest Earnings	59	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	\$ 6,128	\$ 7,500	\$ 7,500	\$ 8,000	\$ 7,500	\$ -	0.0%
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	9,600	10,000	10,000	10,000	12,000	2,000	20.0%
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	\$ 9,600	\$ 10,000	\$ 10,000	\$ 10,000	\$ 12,000	\$ 2,000	20.0%
NET BUDGETARY RESULT	\$ (3,472)	\$ (2,500)	\$ (2,500)	\$ (2,000)	\$ (4,500)	\$ (2,000)	80.0%
Addition/(Use) of Reserves	\$ (3,472)	\$ (2,500)	\$ (2,500)	\$ (2,000)	\$ (4,500)		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 7,094			\$ 5,094	\$ 594		

GENERAL PLAN UPDATE FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 60,087 \$ 70,287

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -		\$ -	\$ -	\$ -	
Intergovernmental	-	-		-	-	-	
Charges for services	18,609	10,000	10,000	10,000	5,000	(5,000)	-50.0%
Interest Earnings	302	200	200	200	200	-	0.0%
Miscellaneous	-	-		-	-	-	
Transfer in	-	-		-	-	-	
TOTAL REVENUE	<u>\$ 18,911</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 5,200</u>	<u>\$ (5,000)</u>	<u>-49.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	-				-	-	
Community Development	-	-			-	-	
Public Works	-	-			-	-	
Non Departmental	-	-			-	-	
Debt Service	-	-			-	-	
Transfer out	-	-			-	-	
TOTAL OPERATING EXPENSE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
NET BUDGETARY RESULT	<u>\$ 18,911</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 5,200</u>	<u>\$ (5,000)</u>	<u>-49.0%</u>
Addition/(Use) of Reserves	<u>\$ 18,911</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 10,200</u>	<u>\$ 5,200</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 60,087			\$ 70,287	\$ 75,487		

SPECIAL LAW ENFORCEMENT SUPPLEMETNAL FUND

Estimated Beginning Fund Balance 7/1/18

\$ 23,440 \$ 25,190

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	114,380	100,000	100,000	100,000	100,000	-	0.0%
Charges for services	-	-	-	-	-	-	
Interest Earnings	4	100	100	-	-	(100)	-100.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	17,048	6,860	6,860	30,400	10,000	3,140	45.8%
TOTAL REVENUE	<u>\$ 131,432</u>	<u>\$ 106,960</u>	<u>\$ 106,960</u>	<u>\$ 130,400</u>	<u>\$ 110,000</u>	<u>\$ 3,040</u>	<u>2.8%</u>
<u>OPERATING EXPENSES</u>							
General Government						-	
Community Development	-	-	-	-	-	-	
Police Service	131,429	134,550	134,550	128,650	130,550	(4,000)	-3.0%
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 131,429</u>	<u>\$ 134,550</u>	<u>\$ 134,550</u>	<u>\$ 128,650</u>	<u>\$ 130,550</u>	<u>\$ (4,000)</u>	<u>-3.0%</u>
NET BUDGETARY RESULT	<u>\$ 3</u>	<u>\$ (27,590)</u>	<u>\$ (27,590)</u>	<u>\$ 1,750</u>	<u>\$ (20,550)</u>	<u>\$ 7,040</u>	<u>-25.5%</u>
Addition/(Use) of Reserves	\$ 3	\$ (27,590)	\$ (27,590)	\$ 1,750	\$ (20,550)		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 23,440			\$ 25,190	\$ 4,640		

Detail - Supplemental Law Enforcement Service Fund (SLESF)
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
209-3202-4010	Salaries	75,131	75,614	76,100	76,100	76,100	82,900
209-3202-4102	Uniform Allowances	950	950	950	950	950	950
209-3202-4103	Holiday Pay	5,150	5,240	6,600	6,600	6,600	7,200
209-3202-4100	Benefits	9,042	49,625	50,900	50,900	45,000	39,500
TOTAL DEPARTMENT		90,273	131,429	134,550	134,550	128,650	130,550

ASSET FORFEITURE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 1,385 \$ 1,385

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	713	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	\$ 713	\$ -	\$ -	\$ -	\$ -	\$ -	
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Police Services	129	501	501	-	-	(501)	-100.0%
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	\$ 129	\$ 501	\$ 501	\$ -	\$ -	\$ (501)	-100.0%
NET BUDGETARY RESULT	\$ 584	\$ (501)	\$ (501)	\$ -	\$ -	\$ 501	-100.0%
Addition/(Use) of Reserves	\$ 584	\$ (501)	\$ (501)	\$ -	\$ -		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 1,385			\$ 1,385	\$ 1,385		

PARK IN LIEU FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 264,501 \$ 171,751

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Charges for services	\$ 41,710	\$ 35,000	\$ 35,000	\$ 41,000	\$ 33,000	\$ (2,000)	-5.7%
Intergovernmental	-	-	-	-	121,500	121,500	
Interest Earnings	2,448	2,800	2,800	1,500	1,500	(1,300)	-46.4%
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 44,158</u>	<u>\$ 37,800</u>	<u>\$ 37,800</u>	<u>\$ 42,500</u>	<u>\$ 156,000</u>	<u>\$ 118,200</u>	<u>312.7%</u>
<u>OPERATING EXPENSES</u>							
Public Works	-	-	-	-	-	-	
Capital Projects	-	234,900	257,900	103,780	174,900	(83,000)	-35.3%
Debt Service	31,472	31,470	31,470	31,470	31,470	-	0.0%
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 31,472</u>	<u>\$ 266,370</u>	<u>\$ 289,370</u>	<u>\$ 135,250</u>	<u>\$ 206,370</u>	<u>\$ (83,000)</u>	<u>-31.2%</u>
NET BUDGETARY RESULT	<u>\$ 12,686</u>	<u>\$ (228,570)</u>	<u>\$ (251,570)</u>	<u>\$ (92,750)</u>	<u>\$ (50,370)</u>	<u>\$ 201,200</u>	<u>-88.0%</u>
Addition/(Use) of Reserves	<u>\$ 12,686</u>	<u>\$ (228,570)</u>	<u>\$ (251,570)</u>	<u>\$ (92,750)</u>	<u>\$ (50,370)</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 264,501			\$ 171,751	\$ 121,381		

TRAFFIC IMPACT FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 902,135 \$ 533,015

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED YEAR END</u>	<u>2018-19 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR / (DECR)</u>
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	53,156	40,000	40,000	32,000	24,000	(16,000)	-40.0%
Interest Earnings	7,954	3,700	3,700	3,700	3,700	-	0.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	58,842	58,842	-	-	(58,842)	-100.0%
TOTAL REVENUE	<u>\$ 61,110</u>	<u>\$ 102,542</u>	<u>\$ 102,542</u>	<u>\$ 35,700</u>	<u>\$ 27,700</u>	<u>\$ (74,842)</u>	<u>-73.0%</u>
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	27,475	-	-	-	-	-	
Capital Projects	184,285	904,075	904,075	404,820	511,171	(392,904)	-43.5%
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	<u>\$ 211,760</u>	<u>\$ 904,075</u>	<u>\$ 904,075</u>	<u>\$ 404,820</u>	<u>\$ 511,171</u>	<u>\$ (392,904)</u>	<u>-43.5%</u>
NET BUDGETARY RESULT	<u>\$ (150,650)</u>	<u>\$ (801,533)</u>	<u>\$ (801,533)</u>	<u>\$ (369,120)</u>	<u>\$ (483,471)</u>	<u>\$ 318,062</u>	<u>-39.7%</u>
Addition/(Use) of Reserves	\$ (150,650)	\$ (801,533)	\$ (801,533)	\$ (369,120)	\$ (483,471)		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 902,135			\$ 533,015	\$ 49,544		

UTILITY UNDERGROUND FEE FUND

Estimated Beginning Fund Balance 7/1/18

\$ 230,818 \$ 231,818

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED YEAR END	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR / (DECR)
<u>OPERATING REVENUE</u>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Intergovernmental	-	-	-	-	-	-	
Charges for services	-	-	-	-	-	-	
Interest Earnings	1,751	1,000	1,000	1,000	1,000	-	0.0%
Miscellaneous	-	-	-	-	-	-	
Transfer in	-	-	-	-	-	-	
TOTAL REVENUE	\$ 1,751	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
<u>OPERATING EXPENSES</u>							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Public Works	-	-	-	-	-	-	
Non Departmental	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	
Transfer out	-	-	-	-	-	-	
TOTAL OPERATING EXPENSE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
NET BUDGETARY RESULT	\$ 1,751	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
Addition/(Use) of Reserves	\$ 1,751	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Fund Balance (Estimated)	\$ 230,818			\$ 231,818	\$ 232,818		

WOODSTONE ASSESSMENT DISTRICT FUND

Estimated Beginning Fund Balance 7/1/18

\$ 27,538

	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATED ACTUAL	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
<u>OPERATING REVENUE</u>							
Special Assessments	\$ 31,194	\$ 31,000	\$ 31,000	\$ 33,400	\$ 33,400	\$ 2,400	7.7%
Interest Earnings	9	-	-	-	-	-	
Transfer In	-	4,655	4,655	-	-	(4,655)	-100.0%
TOTAL REVENUE	\$ 31,203	\$ 35,655	\$ 35,655	\$ 33,400	\$ 33,400	\$ (2,255)	-6.3%
<u>OPERATING EXPENSES</u>							
Principal	20,000	20,000	20,000	20,000	25,000	5,000	25.0%
Interest	11,455	10,655	10,655	10,005	8,530	(2,125)	-19.9%
Trustee Fees	2,950	5,000	5,000	5,000	5,000	-	0.0%
TOTAL OPERATING EXPENSE	\$ 34,405	\$ 35,655	\$ 35,655	\$ 35,005	\$ 38,530	\$ 2,875	8.1%
NET BUDGETARY RESULT	\$ (3,202)	\$ -	\$ -	\$ (1,605)	\$ (5,130)	\$ (5,130)	
Addition/(Use) of Reserves	\$ (3,202)	\$ -	\$ -	\$ (1,605)	\$ (5,130)		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Estimated Ending Fund Balance	\$ 29,143			\$ 27,538	\$ 22,408		

The Woodstone Center Assessment District was formed on December 3, 1997 pursuant to the Municipal Improvement Act of 1915, Division 12 of the Streets and Highways Code of the State of California. The bonds were issued to finance construction including street improvements, drainage, streets lights and signalization to the Fairfield Inn (formerly Holiday Inn), and acquisition of certain public improvements specically benefitting properties located within the boundaries of City Assesment District 1992-1 (Woodstone Center). Assessments to pay debt service are collected on the property tax rolls of parcels located within that district and may not be used for any purpose not specified in the assessment district documentation. The Limited Obligation Improvement Bonds will be paid in full on September 2, 2022.

STREET LIGHTING ASSESSMENT DISTRICT FUND

Estimated Beginning Fund Balance 7/1/18 \$ (5,896) \$ (14,531)

	<u>2016-17 ACTUAL</u>	<u>2017-18 ADOPTED BUDGET</u>	<u>2017-18 ADJUSTED BUDGET</u>	<u>2017-18 ESTIMATED ACTUAL</u>	<u>2017-18 PROPOSED BUDGET</u>	<u>\$ INCR/ (DECR)</u>	<u>% INCR/ (DECR)</u>
<u>OPERATING REVENUE</u>							
Special Assessments	\$ 79,277	\$ 114,350	\$ 114,350	\$ 114,350	\$ 144,017	\$ 29,667	25.9%
Other Income	-	-	-	-	-	-	
Interest Earnings	325	-	-	-	-	-	
TOTAL REVENUE	<u>\$ 79,602</u>	<u>\$ 114,350</u>	<u>\$ 114,350</u>	<u>\$ 114,350</u>	<u>\$ 144,017</u>	<u>\$ 29,667</u>	<u>25.9%</u>
<u>OPERATING EXPENSES</u>							
Public Works ^a	16,326	12,500	12,500	12,500	15,090	2,590	20.7%
Finance ^b	10,407	10,600	10,600	10,600	11,100	500	4.7%
Utilities	88,537	90,000	90,000	98,635	102,000	12,000	13.3%
Non Departmental	3,040	1,250	1,250	1,250	1,250	-	0.0%
TOTAL OPERATING EXPENSE	<u>\$ 118,310</u>	<u>\$ 114,350</u>	<u>\$ 114,350</u>	<u>\$ 122,985</u>	<u>\$ 129,440</u>	<u>\$ 15,090</u>	<u>13.2%</u>
NET BUDGETARY RESULT	<u>\$ (38,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,635)</u>	<u>\$ 14,577</u>	<u>\$ 14,577</u>	
Addition/(Use) of Reserves	<u>\$ (38,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,635)</u>	<u>\$ 14,577</u>		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -		
Estimated Ending Fund Balance	\$ (5,896)			\$ (14,531)	\$ 46		

^a Allocate .10 FTE

^b Allocate .05 FTE

The Sebastopol Lighting Special Assesment District was formed on May 18, 1981 by the City to cover the costs associated with the operation and maintenance of the citywide streetlight system. This action included adopting Resolution Number 3316 proposing the formation of the Assesment District pursuant to the Landscaping and Lighting Act of 1972.

Assessments were levied for Fiscal Years 1981/82; but the Council elected not to collect annual assessment from 1983-1996. Since 1996/97 assessments have been collected on an annual basis. Funds are received from the County via property tax rolls for the exclusive use of paying the operating costs of street lighting within the City of Sebastopol. The assessment is the subject of an annual hearing to review projected costs and setting of the tax levy.

CITY COUNCIL

The City Council is the five-member policy and legislative authority body of the City. The City of Sebastopol City Council operates under the Council-Manager form of government, with five Council members elected at-large for staggered four year terms. The City Council, through the administrative authority of the City Manager, is responsible for the operation of the City, by setting policies and adopting City-wide goals and priorities. The City Council formulates policies in the form of motions, resolutions, and ordinances which reflect the best interests, needs and priorities for the citizens and businesses of Sebastopol as well as the visitors to the City of Sebastopol. The City Council budget reflects the costs associated with supporting the Council's activities and providing for the operations of the City. The City Council appoints the City Manager, the City Attorney, and the City Clerk, who report directly to the City Council. The City Council also appoints the members of the City's advisory commissions and committees. The City Council meets twice a month in regular session, conducts special meetings and study sessions as needed, and attends regional coordination meetings with other local government agencies. The City Council also conducts Town Hall Meetings on matters of interest to the citizens of Sebastopol.



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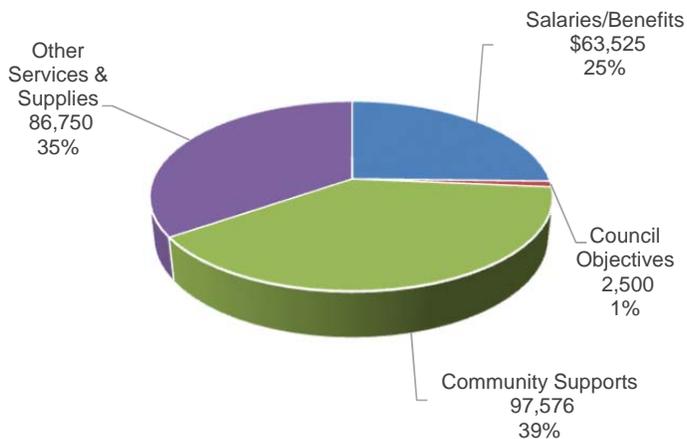
SUMMARY - CITY COUNCIL

FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Water Fund	\$ 27,438	\$ 26,044
Sewer Fund	32,011	30,385
General Fund	196,559	193,922
TOTAL REVENUE	256,008	250,351

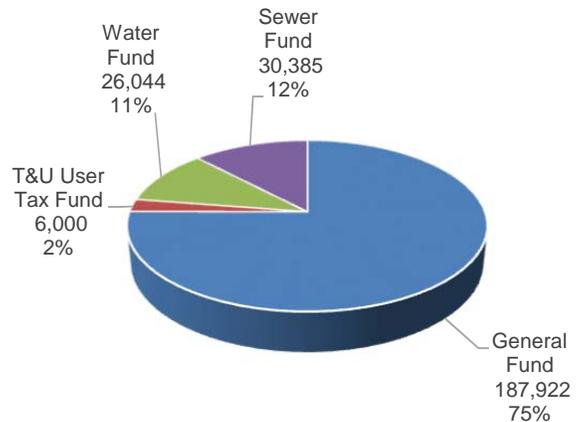
EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a	65,965	62,100	62,100	63,525	1,425	2.3%
Contracted Services	2,432	6,500	6,500	2,500	(4,000)	100.0%
Advertising/Legal Publications	9,065	8,000	8,000	10,000	2,000	25.0%
Services & Supplies	7,195	8,000	8,000	8,000	-	0.0%
Equipment Rental	5,682	5,400	5,400	6,000	600	11.1%
Telecommunications	3,363	5,000	5,000	4,700	(300)	-6.0%
Training / Meetings / Travels	14,000	13,500	13,500	22,000	8,500	63.0%
Dues & Subscriptions	14,880	22,750	22,750	22,750	-	0.0%
Allocated Insurance	4,839	8,400	8,400	10,800	2,400	28.6%
Council Objectives	1,500	2,500	2,500	2,500	-	0.0%
Community Supports	64,475	76,900	76,900	70,260	(6,640)	-8.6%
Other Community Supports	24,703	36,958	36,958	27,316	(9,642)	-26.1%
TOTAL EXPENSE	\$ 218,099	\$ 256,008	\$ 256,008	\$ 250,351	\$ (5,657)	-2.2%

^a Salaries: Includes stipend pay, Benefits: Includes health, dental, vision, medicare, life insurance

City Council Expenditures



Cost Allocation



**Detail - City Council
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1001-4010	Salaries - Full Time ¹	19,200	18,000	19,400	19,400	18,000	18,600
100-1001-4011	Salaries - Part Time ¹	-	3,088	1,700	1,700	1,742	2,600
100-1001-4100	Benefits ²	45,572	44,877	41,000	41,000	41,000	42,325
100-1001-4210	Contract Services	-	-	4,000	4,000	-	-
100-1001-4212	Technology Maintenance	2,157	2,432	2,500	2,500	2,500	2,500
100-1001-4250	Advertising/Legal Publications	8,761	9,065	8,000	8,000	8,000	10,000
100-1001-4310	Office Supplies	4,867	4,170	5,000	5,000	5,000	5,000
100-1001-4330	Misc. Supplies & Services	2,543	3,025	3,000	3,000	3,000	3,000
100-1001-4345	Dues / Subscriptions	13,074	14,880	22,750	22,750	22,750	22,750
100-1001-4510	Conference & Training	5,369	9,311	8,500	8,500	8,500	10,500
100-1001-4515	Meetings & Travel	2,760	4,689	5,000	5,000	5,000	11,500
100-1001-4750	Telecommunications	2,417	3,363	5,000	5,000	5,000	4,700
100-1001-4800	Council Approved Initiatives	-	1,500	2,500	2,500	2,500	2,500
100-1001-4820	Community Grants Support (see detail)	81,145	64,475	76,900	76,900	76,900	70,260
100-1001-4890	Other Community Support	-	50,000	-	15,000	15,000	-
100-1001-4996	Allocated Liability Insurance	5,341	4,839	7,500	7,500	7,500	9,500
100-1001-4997	Allocated Workers' Comp Insurance	-	-	900	900	900	1,300
Total Operation		193,206	237,714	213,650	228,650	223,292	217,035
100-1001-4210	Community Outreach ³	-	2,510	5,000	5,000	5,000	5,000
100-1001-4210	Library/City Hall Landscaping	21,551	4,428	5,000	5,000	5,000	5,000
100-1001-4840	Cittaslow Community Support	-	17,765	26,958	26,958	24,500	17,316
Total Council Objectives		21,551	24,703	36,958	36,958	34,500	27,316
124-1001-4375	Equipment Rental (Photocopier Lease)	5,712	5,682	5,400	5,400	5,400	6,000
TOTAL DEPARTMENT		220,469	268,099	256,008	271,008	263,192	250,351
100-1001-3998	G&A - Water Fund Allocation - 12%	(25,771)	(29,989)	(25,638)	(27,438)	(26,795)	(26,044)
100-1001-3998	G&A - Sewer Fund Allocation - 14%	(30,066)	(31,817)	(29,911)	(32,011)	(31,261)	(30,385)
General Fund Cost Allocation - 74%		158,920	200,611	195,059	206,159	199,736	187,922

¹ Salaries: Includes stipend pay

² Benefits: Includes health, dental, vision, medicare, life insurance

³ Cost for this item is to fund the monthly newsletter

General Fund FTE	6.00	6.00	6.00	6.00	6.00	6.00
Total FTE	6.00	6.00	6.00	6.00	6.00	6.00

Detail - Cittaslow
Budget Expenditures

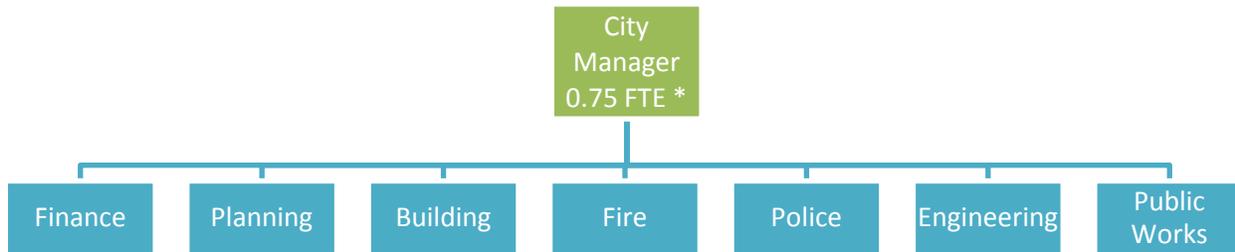
Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1001-4840	Other Community Support - Cittaslow ¹	12,543	17,765	26,958	26,958	24,500	17,316

¹ Funds supporting Cittaslow will be spent on as follows:

Economic Initiatives	6,103
Traffic Calming	2,300
Community Resilience	5,285
Administrative Expenses	1,167
FY16/17 Carry-over (Ped Line Project Design)	2,461
Total	17,316

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CITY MANAGER



*Designated City Manager holding two positions as City Attorney.

The City Manager is the chief administrator of the City. The City Manager and his immediate staff are responsible for the general management of all City operations, personnel and develops the City's annual budget and oversees preparation of the City's capital improvement programs, plans and financing strategy. The City Manager develops and manages programs to assure economic development and financial vitality of the City and is responsible for implementing Council policies, ordinances, budgetary decisions and directives of the City Council. The City Manager's Office will continue to support the City Council's setting of priorities among ordinances and other initiatives, as well as monitor and report progress on the development and implementation of these priorities. The City Manager will continue to provide strategic leadership that supports the Mayor and City Council and challenges the organization to deliver high quality, cost-effective services that meet the needs of the community.

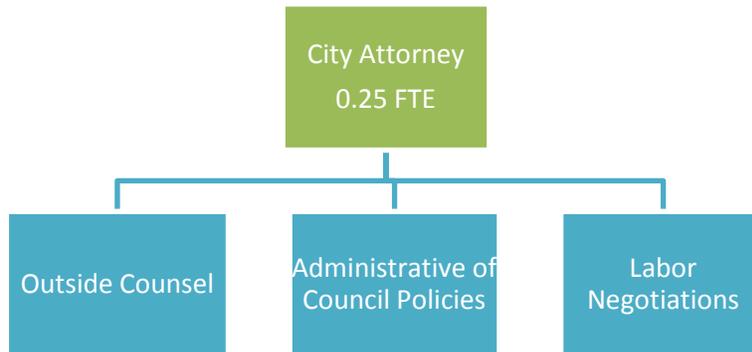
This responsibility includes the enforcement of City Ordinances; the administration of City contracts and agreements for goods and services, including franchise agreements, and ensures that all franchises, contracts, permits and privileges granted by the City Council are observed. The City Manager also advises the City Council of legislative and administrative concerns; responsibility for intergovernmental relations; and providing overall fiscal management.

The City Manager is also responsible for administration of personnel rules, policies and employee Memorandums of Understanding serving as the Chief Negotiator with the City's two formally recognized bargaining units and the unrepresented employees of the city. The City Manager appoints and oversees all executive management positions.

The City Manager also represents the City on regional boards and committees as appropriate and liaisons with other governmental entities on priority issues identified by the City Council. Significant collaboration occurs with nonprofit agencies when services and events are provided to benefit the City

With the City acting as the Successor Agency to the former Redevelopment Agency, the City Manager's Office with the Finance Department will continue to manage the transition and the winding down of the Successor Agency activities ensuring compliance with the applicable laws and timelines set forth by the legislation.

CITY ATTORNEY



The City Attorney is responsible for legal advice and representation of the City Council and all city departments. The City Attorney coordinates all legal representation of the City, including outside counsel, if needed. At the direction of the City Council, the City Attorney prepares all ordinances and other legal documents for Council consideration.

Duties include:

- Attending all City Council meetings and Planning Commission meetings as needed.
- Advice and support to all City departments.
- Response to public inquiries.
- Continuing education on public law, land use law, conflict of interest laws, etc.
- Review development plans.
- Review insurance requirements of city contractors.
- Review matters of interest to the Sebastopol Successor Agency.

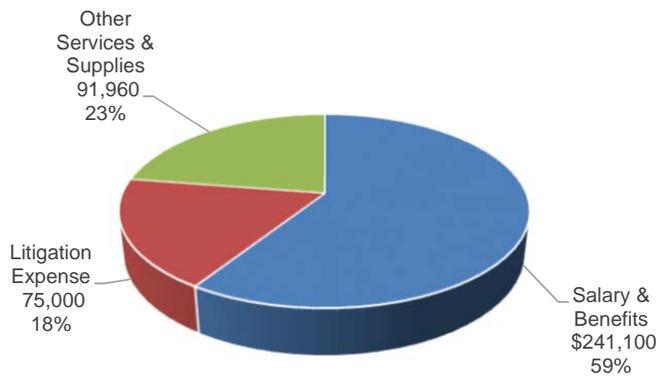
SUMMARY - CITY MANAGER / ATTORNEY

FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Water Fund	\$ 46,458	\$ 50,808
Sewer Fund	43,697	47,941
General Fund	341,671	309,311
TOTAL REVENUE	431,825	408,060

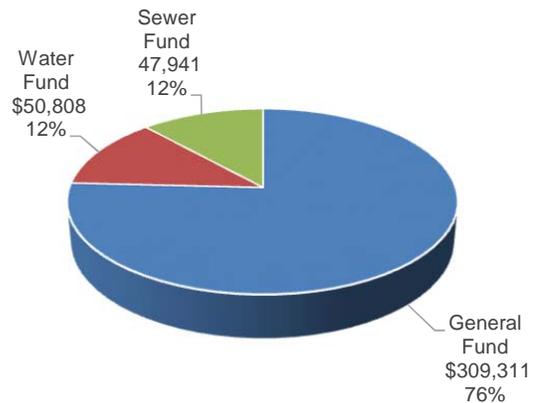
EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a	220,516	226,900	226,900	241,100	14,200	6.3%
Contracted Services	120,971	96,750	96,750	51,000	(45,750)	-47.3%
Litigation Expense	80,308	75,000	75,000	75,000	-	0.0%
Services & Supplies	3,347	4,950	4,950	3,300	(1,650)	-33.3%
Equipment Rental	5,533	5,000	5,000	6,000	1,000	20.0%
Telecommunications	1,843	1,500	1,500	2,850	1,350	90.0%
Training / Meetings / Travels	1,550	2,850	2,850	2,000	(850)	-29.8%
Dues & Subscriptions	-	300	300	300	-	0.0%
Allocated Insurance	9,103	18,575	18,575	26,510	7,935	42.7%
TOTAL EXPENSE	\$ 443,171	\$ 431,825	\$ 431,825	\$ 408,060	\$ (23,765)	-5.5%

^a Salaries: Includes base pay, longevity pay, education incentive pay
 Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

City Manager/Attorney Expenditures



Cost Allocation



**Detail - City Manager
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1101-4010	Salaries ¹	116,821	119,858	123,450	123,450	123,450	128,500
100-1101-4100	Benefits ²	39,496	43,135	43,800	43,800	43,800	49,500
100-1101-4140	Retiree Health Insurance (OPEB)	858	3,188	3,800	3,800	3,800	3,800
100-1101-4210	Contract Services	5,758	1,687	6,000	6,000	6,000	11,000
100-1101-4212	Technology Maintenance	118	-	750	750	200	-
100-1101-4310	Office Supplies	1,483	2,319	1,700	1,700	1,700	1,700
100-1101-4330	Misc. Supplies & Services	-	462	1,750	1,750	500	500
100-1101-4345	Dues / Subscriptions	-	-	300	300	300	300
100-1101-4510	Conference & Training	76	251	1,000	1,000	500	500
100-1101-4515	Meetings & Travel	409	531	1,100	1,100	750	750
100-1101-4750	Telecommunications	1,296	1,843	1,500	1,500	2,000	2,850
100-1101-4996	Allocated Liability Insurance	4,950	4,665	7,100	7,100	7,100	10,800
100-1101-4997	Allocated Workers' Comp Insurance	-	-	5,525	5,525	5,525	8,000
Total Operation		171,265	177,939	197,775	197,775	195,625	218,200
124-1101-4210	Contract Services - Pine Grove	7,087	80,256	50,000	50,000	50,000	-
124-1101-4210	Contract Services - Community Outreach ³	37,338	39,028	40,000	40,000	40,000	40,000
124-1101-4351	Computer Equipment Expenses	-	-	1,000	1,000	1,000	500
124-1101-4375	Equipment Rental (Photocopier Lease)	4,354	5,533	5,000	5,000	5,000	6,000
Total Capital Outlay & Other		48,779	124,817	96,000	96,000	96,000	46,500
TOTAL DEPARTMENT		220,044	302,756	293,775	293,775	291,625	264,700
100-1101-3998	G&A - Water Fund Allocation - 20%	(34,450)	(35,588)	(39,555)	(39,555)	(39,125)	(43,640)
100-1101-3998	G&A - Sewer Fund Allocation - 20%	(34,450)	(35,588)	(39,555)	(39,555)	(39,125)	(43,640)
General Fund Cost Allocation - 60%		102,365	106,763	118,665	118,665	117,375	130,920

¹ Salaries: Includes base pay (a portion is allocated to City Attorney budget), and longevity pay

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

³ Community Outreach Coordinator Contract

General Fund FTE	0.75	0.75	0.75	0.75	0.75	0.75
Total FTE	0.75	0.75	0.75	0.75	0.75	0.75

Detail - City Attorney
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1201-4010	Salaries ¹	46,280	39,953	41,150	41,150	41,150	42,800
100-1201-4100	Benefits ²	13,126	14,382	14,700	14,700	14,700	16,500
100-1201-4214	Litigation Expense	64,622	80,308	75,000	75,000	75,000	75,000
100-1201-4330	Misc. Supplies & Services	-	566	500	500	500	600
100-1201-4515	Meetings & Travel	577	768	750	750	750	750
100-1201-4996	Allocation Liability Insurance	10,801	4,438	4,100	4,100	4,100	5,010
100-1201-4997	Allocated Workers' Comp Insurance	-	-	1,850	1,850	1,850	2,700
TOTAL DEPARTMENT		135,406	140,415	138,050	138,050	138,050	143,360

100-1201-3998	G&A - Water Fund Allocation - 5%	(6,770)	(6,851)	(6,903)	(6,903)	(6,903)	(7,168)
100-1201-3998	G&A - Sewer Fund Allocation - 3%	(4,062)	(4,111)	(4,142)	(4,142)	(4,142)	(4,301)
General Fund Cost Allocation - 92%		124,574	129,453	127,006	127,006	127,006	131,891

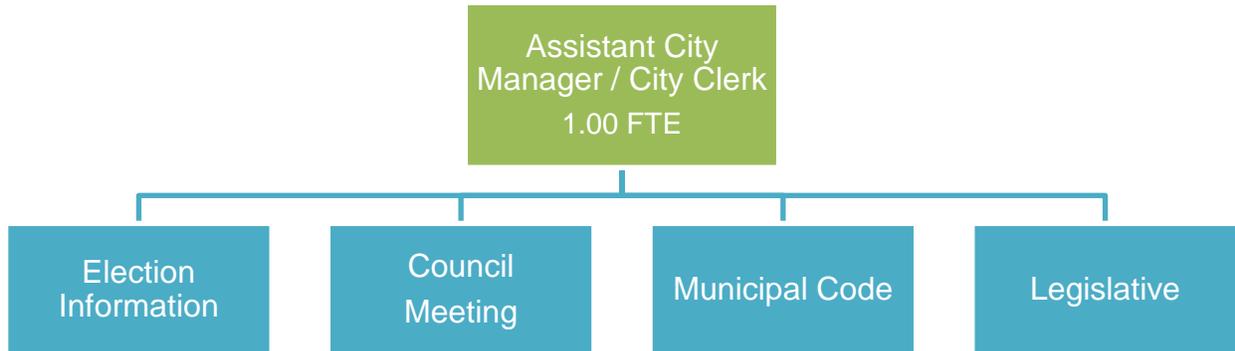
¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

General Fund FTE	0.25	0.25	0.25	0.25	0.25	0.25
Total FTE	0.25	0.25	0.25	0.25	0.25	0.25

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ASSISTANT CITY MANAGER / CITY CLERK



The Assistant City Manager/City Clerk Department consists of the one employee, the Assistant City Manager/City Clerk. The Assistant City Manager/City Clerk serves as Clerk of the City Council and as Secretary to the Successor Agency as well as the Oversight Board and provides confidential staff support to the Mayor, City Council, City Manager and City Departments. The Assistant City Manager/City Clerk is responsible for coordination of local ballot measures and City Council elections with the County Registrar of Voters; compliance with state campaign reporting and conflict of interest laws in compliance with the Fair Political Practices Commission (FPPC); and maintenance of overall record-keeping of the City, with each department being responsible for their individual departmental records. The mission of the City Clerk is to be a steward and protector of democratic processes and supports the City Council's goal of transparency and fairness, while advocating for community participation and involvement and maximizes public access to the City's legislative processes.

This office provides for the efficient and effective administration of the affairs and delivery of services for the City of Sebastopol; maintains all official City records; administers Fair Political Practice Commission and Conflict of Interest legislation in accordance with State laws; maintains official City seal; administers municipal elections; and provides the City Manager and City Council with accurate and timely information to support decision-making and policy direction; and assists in the overall daily administration, decision-making and policy direction guidance with the City Manager and Council.

The principal function of this position is to oversee, guide and assist the activities of various Departments and special projects to ensure they are in concert with the policies and goals of the City Manager and City Council; provide administrative guidance and make recommendations to departments to ensure the City's goals and objectives are achieved in a timely and professional manner.

The City Clerk provides coordination for the Goals and Priority Setting sessions for the City Council; accepts and processes subpoenas, summons and Public Record Act requests, appeals and claims; monitors and processes all appointments, resignations and terminations for Boards and Commissions and City Committees; administers oaths of office; ensures the City of Sebastopol complies with Redwood Empire Municipal Insurance Fund (REMIF) requirements; responsible for compliance with ethics training; coordinates and sets up City meetings and events; reserves

meeting rooms and issues special event permits; reports Diversified Risk Assessments; prepares City Council agendas and agenda packets; prepares legal notices for publication; maintains Municipal Code and Official Seal; notarizes city documents; and provides prompt and courteous service to citizens' requests for assistance.

This position provides effective, professional leadership, positioning the City to meet the community's current and future needs through appropriate technologies and services.

The Assistant City Manager/City Clerk's Office represents the "front door" of City Hall and is here to help demystify the government process. The City Clerk's office encourages community members to have a voice in local government.

Statute	Why?	
<p>The Brown Act Government Code (Access to information law regarding open meetings & open deliberations)</p> <p><u>Government Code §§ 54950 et seq.</u></p>	<p>The people, in delegating authority, do not give their public servants the right to decide <u>what is</u> good for the people <u>to know</u> and <u>what is not</u> good for them <u>to know</u>. The people insist on remaining informed so they may retain control over the instruments they have created.</p>	
<p>The California Public Records Act Government Code (Access to information law regarding government business records)</p> <p><u>Government Code §§ 6250 et seq.</u></p>	<p>The public must have access to information that enables them to monitor the functioning of their government.</p>	
<p>Political Reform Act Government Code (Access to information law regarding financial interests of officials)</p> <p><u>Government Code § 81000 et seq.</u> <u>CCR § 18109 et seq.</u></p>	<p>Government should serve citizens equally without regard to wealth; contributors shall not gain disproportionate influence over others. The theory is that an informed electorate will vote against a candidate having financial alliances adverse to the public interest.</p>	
<p>Fair Political Practices Commission An agency established under the Political Reform Act (Access to information law regarding financial interests of officials)</p> <p><u>Government Code § 81000 et seq.</u> <u>CCR § 18109 et seq.</u></p>	<p>The FPPC is an agency established under the Political Reform Act (Government Code) The FPPC has responsibility for the impartial, effective administration and implementation of the Political Reform Act. The FPPC creates regulations, manuals, and forms to implement the Act.</p>	
<p>Conflicts of Interest Government Code (Safeguard law - protects against personal financial gain for officials)</p> <p><u>Government Code § 1090</u> <u>Government Code §§ 87100 – 87505</u></p>	<p>Public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests.</p> <p>No public official shall participate in or attempt to use his official position to influence a governmental decision for which the official has a personal financial interest.</p>	
<p>The Maddy Act – Local Appointments List Government Code (Access to information law regarding board and commission vacancies)</p> <p><u>Government Code § 54972</u></p>	<p>A vast and largely untapped reservoir of talent exists among the citizenry, and rich and varied segments of this great human resource are, all too frequently, not aware of the many opportunities which exist to participate in and serve on local regulatory and advisory boards, commissions, and committees</p>	

Statute	Why?	How?
<p>Election Law Elections Code (Safeguard law – protects individual rights to a participatory government)</p> <p>Government Code §§ 34050 & 36503 Elections Code §§ 1301, 9200 et seq. and 10100 et. seq.</p>	<p>US Constitution: The right of citizens of the United States to vote shall not be denied or abridged.</p>	
<p>Ethics Law (AB 1234) Government Code (Safeguard law – protects against inappropriate use of tax dollars)</p> <p>Government Code § 53234</p>	<p>Response to reports of inappropriate use of local tax dollars, increased misuse of public resources, and failure to follow conflict of interest laws.</p>	
<p>Tort Claims Act (Claims Against Public Entities) Government Code (Safeguard law- protects against significant attorneys fees and narrows a plaintiff's lawsuit)</p> <p>Government Code §§ 900 et seq.</p>	<p>Allows governments to investigate and negotiate on meritorious claims.</p>	
<p>California Voter Participation Rights Act Election Code (Safeguard law - protects against low voter turnout due to the timing of elections)</p> <p>Elections Code § 14050</p>	<p>One of the greatest barometers for waning civic engagement in American politics is declining voter turnout. Synchronizing with statewide elections can boost turnout 21-36 percent.</p>	
<p>California Voting Rights Act Election Code (Safeguard law - protects against voter dilution and discrimination)</p> <p>Elections Code § 14025</p>	<p>At-large election systems are suspect because they invariably dilute the vote of a minority.</p>	

SUMMARY - ASSISTANT CITY MANAGER / CITY CLERK

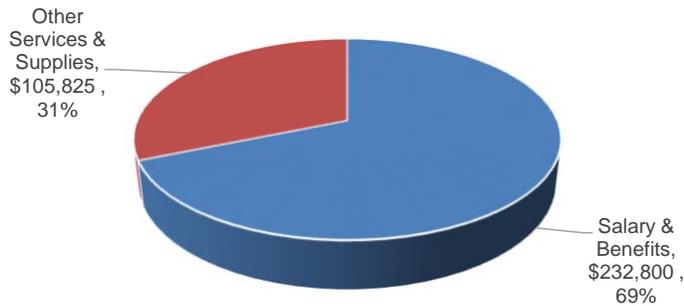
FUNDING SOURCES	FUNDING SOURCES	FUNDING SOURCES
	2017-18	2018-19
Notary Fees	\$ 20	\$ -
Plaza Rental Fees	4,500	4,500
Water Fund	22,538	23,290
Sewer Fund	19,721	20,379
General Fund	241,546	290,457
TOTAL REVENUE	288,325	338,625

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits ^a	225,174	227,500	227,500	232,800	5,300	2.3%
Contracted Services	10,836	20,500	18,500	20,500	2,000	10.8%
Services & Supplies	6,600	7,700	7,700	7,000	(700)	-9.1%
Equipment Rental	6,495	5,600	5,600	6,500	900	16.1%
Election Expense	12,753	-	2,000	40,000	38,000	1900.0%
Telecommunications	2,273	3,000	3,000	2,850	(150)	-5.0%
Training/Meetings	6,117	7,500	7,500	7,500	-	0.0%
Dues & Subscriptions	1,142	1,250	1,250	1,475	225	18.0%
Allocated Insurance	6,178	15,275	15,275	20,000	4,725	30.9%
TOTAL EXPENSE	\$ 277,568	\$ 288,325	\$ 288,325	\$ 338,625	\$ 50,300	17.4%

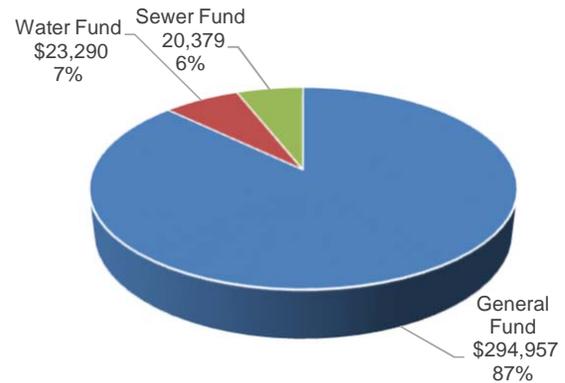
a Salaries: Includes Base pay, longevity pay, education incentive pay

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

City Clerk Expenditures



Cost Allocation



Detail - Assistant City Manager / City Clerk
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1301-4010	Salaries ¹	157,438	157,932	158,300	158,300	158,300	164,600
100-1301-4100	Benefits ²	54,025	54,868	57,000	57,000	57,000	56,000
100-1301-4104	Accrual In-Lieu	-	8,863	8,500	8,500	8,500	8,500
100-1301-4140	Retiree Health Insurance (OPEB)	3,672	3,511	3,700	3,700	3,700	3,700
100-1301-4210	Contract Services ³	12,856	7,606	17,000	17,000	17,000	17,000
100-1301-4212	Technology Maintenance	518	1,500	1,500	1,500	1,500	1,500
100-1301-4270	Election Costs	2,856	1,730	2,000	2,000	2,000	2,000
100-1301-4310	Office Supplies	1,578	4,053	5,000	5,000	5,000	5,000
100-1301-4330	Misc. Supplies & Services	733	1,552	1,700	1,700	1,700	1,000
100-1301-4345	Dues / Subscriptions	290	1,142	1,250	1,250	1,250	1,475
100-1301-4510	Conference & Training	5,068	5,059	6,000	6,000	6,000	6,000
100-1301-4515	Meetings & Travel	1,480	1,058	1,500	1,500	1,500	1,500
100-1301-4750	Telecommunications	1,656	2,273	3,000	3,000	3,000	2,850
100-1301-4996	Allocated Liability Insurance	6,259	6,178	8,175	8,175	8,175	9,700
100-1301-4997	Allocated Workers' Comp Insurance	-	-	7,100	7,100	7,100	10,300
Total Operation		248,429	257,325	281,725	281,725	281,725	291,125
124-1301-4270	Election Expense - Ballot Measurers	-	12,753	-	-	-	40,000
124-1301-4351	Computer Equipment Expenses	-	995	1,000	1,000	1,000	1,000
124-1301-4375	Equipment Rental (Photocopier Lease)	4,972	6,495	5,600	5,600	5,600	6,500
Total Capital Outlay		4,972	20,243	6,600	6,600	6,600	47,500
TOTAL DEPARTMENT		253,401	277,568	288,325	288,325	288,325	338,625
100-1301-3998	G&A - Water Fund Allocation - 8%	(19,874)	(20,586)	(22,538)	(22,538)	(22,538)	(23,290)
100-1301-3998	G&A - Sewer Fund Allocation - 7%	(17,390)	(18,013)	(19,721)	(19,721)	(19,721)	(20,379)
General Fund Cost Allocation - 85%		211,165	218,726	239,466	239,466	239,466	247,457

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

³ Includes municode update annual contract maintainance

General Fund FTE	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE	1.00	1.00	1.00	1.00	1.00	1.00

City of Sebastopol COUNCIL POLICY



SUBJECT FUNDING OF COMMUNITY BENEFIT GRANTS	POLICY NO 88	EFFECTIVE DATE October 18, 2016	PAGE 1 of 4
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BACKGROUND

The Community Benefit Grant Program provides an excellent opportunity for the City of Sebastopol to support critical neighborhood projects and helps fulfill the community's vision. It has been the practice of the City Council to consider the contribution funding of community-based programs conducted by non-profit 501 (3) (c) organizations that actively enhance the quality of life for Sebastopol residents.

The Community Grants program is developed with a philosophy of partnership whereby Council recognizes the vital role that individuals, community groups and organizations play in contributing to the creation of a vibrant and sustainable City. In return, Council provides a range of grants to encourage and support individuals and groups in the community to engage in activities that advance the quality of life in the City of Sebastopol.

PURPOSE

The purpose of this policy is to provide a basis for Council to allocate funds in an equitable and effective manner. Council acknowledges that the provision of grants is an important role for local government, and is an essential way in which Council can directly support the local community.

Council will apply appropriate management practices to ensure that there is a balance between responsibility for administering public funds, and supporting the community in a practical and effective manner.

The Community Benefit Grant Fund is intended to provide funding to local non-profit organizations for specified community benefits programs and/or projects that will:

1. Address an unmet/under-met and ongoing community need;
2. Demonstrate long-term impact and quality outcome;
3. Benefit a large cross section of community residents and/or businesses;
4. Leverage additional funding to support the program;

The Community Grants policy is strongly related to Council's Goals and Objectives as well as its vision and mission statements. The goal is to operate the Community Benefit Grant Program following related Council policies, plans and activities such as:

1. Social Plans including Youth Plan, Cultural Arts, and Positive Aging/Elders;
2. Community Participation;
3. Festivals and Public Events;
4. Economic Development; and
5. Marketing Strategy, Tourism, Community Outreach

City of Sebastopol

COUNCIL POLICY



SUBJECT FUNDING OF COMMUNITY BENEFIT GRANTS	POLICY NO 88	EFFECTIVE DATE October 18, 2016	PAGE 2 of 4
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POLICY

1. Non-profit organizations must file an application for the Community Benefit Grants Program. Applications must be submitted by March 31 of each year for funding the following fiscal year. Applications must be submitted to the Finance Department prior to each deadline. Application forms may be obtained from the Finance Department, 7:00 A.M to 5:30 P.M., Monday through Thursday, or off the City website page (www.cityofsebastopol.org).
2. Public funds shall be made available only when the funds are to be expended for a community program that will contribute to the quality of life for Sebastopol residents.
3. The City Council shall strive to appropriate one percent of General Fund revenues.
4. No organization may apply for funding if it failed to meet any of the post application requirements from the prior year (see paragraph 11, 12 & 13).
5. Funds will not be allocated to:
 - a. Political action committees, political candidates, or political campaigns;
 - b. Any organization conducting a religious activity;
 - c. Organizations conducting a fund-raising event or activity;
 - d. For the rental of the City owned facilities.
6. Funding requested from membership based adult organizations will not be considered if the funds requested are to be used to directly benefit its members and not the community at large.
7. Funding requested from youth sports group will be considered only if the request is to support the youth sports group in a regional, state or national competition, but not for travel out of the country, and provided that the requesting group is predominately composed of Sebastopol residents and greater Sebastopol community.
8. Requests for funding will be considered by the City Council only during the periods determined in this Council Policy and submitted on the appropriate application form.
9. Funding of a program will not constitute a precedent for contributions in subsequent years.
10. All applications will be submitted to the Finance Department for analysis and recommendation to the Budget Subcommittee and ultimately to the City Council. In its evaluation, the Budget Subcommittee shall consider and evaluate the following criteria:
 - a. The non-profit status of the organization.
 - b. The number of citizens within the community that will benefit directly by the expenditure as well as the ratio of Sebastopol residents served to the total number of individuals served.
 - c. Adherence to the stated policies of the City of Sebastopol.
 - d. Whether or not a public need will go unmet without the contribution
 - e. The degree to which the goodwill of the City of Sebastopol will be promoted.
 - f. The degree to which the cause has been recognized as a contribution to the community

City of Sebastopol COUNCIL POLICY



SUBJECT FUNDING OF COMMUNITY BENEFIT GRANTS	POLICY NO 88	EFFECTIVE DATE October 18, 2016	PAGE 3 of 4
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- g. Whether or not the contribution could expose the City to civil liability
 - h. The amount of the request.
 - i. Whether the ratio of administrative costs to program costs exceeds 25% of the program budget.
 - j. The degree to which the members of the organization have engaged in fund-raising activities.
 - k. Whether or not the organization has applied for funding from other Sonoma County cities.
 - l. Whether or not the organization has received CDBG (Community Development Block Grant Funding).
11. After review, the Budget Subcommittee shall make a recommendation to approve, deny, or modify the funding request and approve as modified.
12. Post Application Requirements:
- a. Not discriminate in employment or in clients served because of race, religion, national origin, or sex or sexual orientation.
 - b. Be accountable for revenue and expenditures through standard bookkeeping procedures. An annual audit or review at the applicant's expense may be required, with the results available to the City of Sebastopol upon request.
 - c. Provide access to periodic reviews by City staff and City Council for purposes of monitoring the program.
 - d. Provide the City with an interim end of the year full financial accounting and narrative report by the close of May 31.
 - e. The year-end report shall be submitted in writing, and may be brief but should include a financial summary indicating how funds have been expended during the period and a narrative commenting on development of the program. The end of the year shall be within 30 days after May 31. This report must include a complete financial statement detailing all expenditures of the City monies for the program(s) covered under the grant and a narrative report on the project and its significance. The financial and narrative report should compare actual expenditures and accomplishments with the budget and objectives cited in the original proposal.
13. Funded applicants must return to the City any unexpended funds at the end of the one-year funding period, or whenever, the City determines that the applicant has not performed in accordance with the approved program proposal.
14. Any funds returned in accordance with the policy shall be returned to the City General Fund, to be allocated in accordance with the policy.
15. City moneys shall be used only for the purpose and program(s) duly authorized and in accordance with the approved budget. Any deviation from the approved program proposal may be made only with the City's prior written approval. If not, funds must be returned immediately to the City.

City of Sebastopol

COUNCIL POLICY



SUBJECT	POLICY NO	EFFECTIVE DATE	PAGE
FUNDING OF COMMUNITY BENEFIT GRANTS	88	October 18, 2016	4 of 4

16. The organization shall provide a report to the City of its use of the funds provided no later than 30 days after the close of the third quarter (March 31) of the fiscal year.
17. Each year, and in accordance with the established time line, the City Council will develop its funding allocations within the following categories for Community Benefit Grands Funding:
 - a. Parks and Recreation, including but not limited to:
 - i. Outdoor Recreation
 - ii. Youth services and athletics, such as dance classes, life skilled programs
 - iii. Hospitality Program
 - b. Arts and Cultural, including but not limited to:
 - i. Event and Tourism Resources
 - ii. History and Culture Education
 - iii. Music, Theater & Art Events
 - c. Environmental Quality and Sustainability, including but not limited to:
 - i. Clean air quality / pollution control
 - ii. Climate action initiative
 - iii. Sustainability education
 - d. Health & Community/Human Services, including but not limited to:
 - i. Health and Safety, Food / Nutrition, Youth and mental health services
 - ii. Crisis Intervention Facilities
 - iii. Senior & Low Income Resources
 - e. Economic Vitality, including but not limited to:
 - i. Workforce training such as internship
 - ii. Business development, incubation or acceleration
 - iii. Business attraction, retention / expansion program

**Detail - Community Support
Budget Expenditures**

Account Number	Name of Organization	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-1001-4820	Library Assoc New Techno-Current Regional Entity (LANTERN)	5,000	-	10,000	10,000	10,000	9,860
100-1001-4820	Main Stage West	-	2,500	-	-	-	4,000
100-1001-4820	Rebuilding Together Sebastopol	2,500	3,500	3,500	3,500	3,500	3,500
100-1001-4820	Mr. Music Foundation	5,000	5,000	8,000	8,000	8,000	10,000
100-1001-4820	Chamber of Commerce	5,000	5,000	10,000	10,000	10,000	10,000
100-1001-4820	Sebastopol World Friends - Sister City Exchanges	3,245	3,700	4,200	4,200	4,200	5,000
100-1001-4820	Western SoCo Historical Society	3,000	3,000	5,000	5,000	5,000	7,500
100-1001-4820	SCCC TeensWork Program	2,400	2,400	2,400	2,400	2,400	2,400
100-1001-4820	Slow Food Russian River	4,500	4,500	4,500	4,500	4,500	4,500
100-1001-4820	Sebastopol Downtown Association	-	-	-	-	-	5,000
100-1001-4820	Friends of North Bay Regional Center	-	-	-	-	-	-
100-1001-4820	SUSD Rainbow House	4,000	4,000	4,000	4,000	4,000	4,000
100-1001-4820	Sebastopol Farmers Market	2,000	2,000	2,000	2,000	2,000	2,000
100-1001-4820	Sebastopol Area (Burbank) Senior Center	5,000	5,000	-	-	-	-
100-1001-4820	Community and Family Service Agency	5,000	5,000	-	-	-	-
100-1001-4820	Law Chaplaincy of Sonoma County	-	375	500	500	-	-
100-1001-4820	Redwood Rainbows Square Dance Club, Inc	-	5,000	7,800	7,800	7,800	-
100-1001-4820	Sebastopol Center for the Arts	32,500	10,000	15,000	15,000	15,000	-
100-1001-4820	Sebastopol Entrepreneurs Project	2,000	2,000	-	-	-	2,500
100-1001-4820	UC Master Gardener Program of Sonoma County	-	1,500	-	-	-	-
Total		\$ 81,145	\$ 64,475	\$ 76,900	\$ 76,900	\$ 76,400	\$ 70,260

	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
TOTAL CBG Actual Funding	\$ 81,145	\$ 64,475	\$ 76,900	\$ 76,900	\$ 76,400	\$ 70,260
% Contribution in relation to annual revenues (per policy)	0.94%	0.71%	0.93%	0.89%	0.88%	0.80%
General Fund Revenues	8,595,053	9,083,644	8,272,220	8,677,541	8,670,185	8,734,595

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FINANCE DEPARTMENT



The Finance Department provides support in three distinct areas: Finance & Accounting, Payroll/Human Resources, and Risk Management. This department is responsible for the control of the City's financial records; City payroll functions; Employee Benefit and Personnel administration; and Risk Management Insurance administration.

MANDATED

Finance

- Prepare Annual City Budget
- Prepare Audited Financial Reports
- Respond to Public Records Requests
- Prepare Federal, State & County Reports
- Prepare semi-monthly Payroll
- Administer Bond Requirements
- Administer Business Licensing

Human Resources/Risk Management

- Ensure compliance with federal and state-mandated requirements
- Administer City's labor and employee relations program
- Administer employee medical leaves
- Administer compensation and benefits
- Administer hiring processes
- Serves as one of two City-assigned REMIF Board Members

CORE

Finance

- Administer Utility Billing Operation
- Process Accounts Payable/Receivable
- Process Cash Receipts
- Perform Treasury Management
- Perform Financial Analysis

- Administer and Maintenance ongoing of the City's User Fee Schedule
- Administers the Street Lighting Assessment District, and the Woodstone Assessment District
- Maintains the Fixed Asset inventory

Human Resources/Risk Management

- Provide notice to employees of medical leave and benefits rights under law
- Resolve return to work, risk management, and safety issues with supervisors and managers
- Coordinate with oversight and benefit administration organizations
- Design and maintain classification and compensation structures
- Provide direction to payroll staff for legal compliance for 100 employees
- Compile and maintain official personnel records for all employees
- Maintains and manages the City's Payroll, Personnel, Medical, and Worker's Compensation records
- Creates and implements various employee benefit / insurance programs and policies as needed
- Updates job descriptions for all departments
- Administration of required AB1825 Anti-Harassment training for City staff
- Serves as the insurance and benefit administrator for City staff
- Manages Public Employee Retirement System program
- Administration of the Health, Life, Short Term and Long Term Disability insurance programs
- Administration of the City's self-funded Dental and Vision insurance programs
- Administers the City's Child Care benefit program
- Administers City's 457 Deferred Compensation programs
- Administers FMLA Family Medical Leave Act leave of absences for employees
- Administers the City's Medical After Retirement programs
- Administers the COBRA program for former employees and their dependents
- Administration of HIPAA privacy act
- Assists employees with all of the City's benefit programs
- Responsible for managing REMIF's Risk Management programs including City insurances for Property Insurance, Liability Insurance, Vehicle Insurance, Earthquake & Flood Insurance, and Boiler Insurance
- Responsible for managing REMIF's Employee Insurance programs including Health Insurance, Life Insurance, Short Term and Long Term Disability Insurance, and Voluntary Life Insurances
- Responsible for management of REMIF's Workers Compensation Insurance coverage
- Responsible for maintaining REMIF's list of all property insured for the City including City buildings, City property and the City's vehicle and equipment fleet

Major Accomplishments in 2017/2018:

- ✓ Received the Distinguished Budget Presentation Award (2nd time recipient)
- ✓ Responded to and provided information for numerous Public Records Requests.

- ✓ Implemented Finance Suite Module for Go-Live on July 10, 2017
- ✓ Implemented payroll module upgrade for Go-Live on January 1, 2018
- ✓ Continue to improve the City's annual budget
- ✓ Submitted the Certificate of Achievement for Excellence in Financial Reporting
- ✓ Continue to streamline for efficiency with year-end close processes and the department overall

Goals and Objectives for 2018/2019:

- Partnership with Muni-Services to provide Business License web-portal
- Preparation Fixed Asset Module, Purchasing Order
- Implement Employee Self Service
- Manage & facilitate water rate study
- Facilitate development impact fee study
- Manage & facilitate citywide salary compensation study
- Continue to improve the City's annual budget
- Continue to be the recipient of the Distinguished Budget Presentation Award
- Continue to be recipient of Certificate of Achievement for Excellence in Financial Reporting
- Continue to streamline for efficiency with year-end close processes and the department overall

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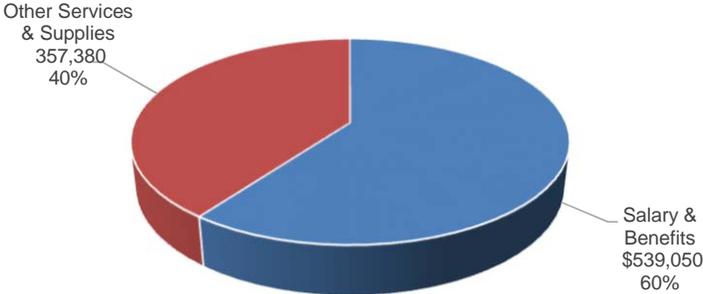
SUMMARY - FINANCE

FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Business Licenses	\$ 127,400	\$ 110,000
Staff Time Reimbursement	6,000	6,000
Water Fund	324,915	338,363
Sewer Fund	316,365	329,459
General Fund	86,360	112,608
TOTAL REVENUE	\$ 861,040	\$ 896,430

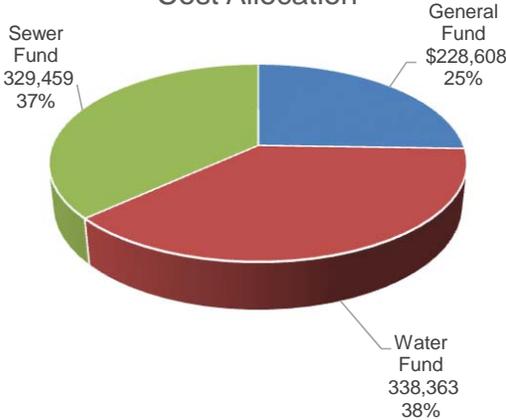
EXPENSE	2016-17 ACTUAL	2017/18 ADOPTED BUDGET	2017/18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a	399,556	469,300	503,800	539,050	35,250	7.0%
Contract Services	161,934	228,650	288,650	281,000	(7,650)	-2.7%
Services & Supplies	12,460	8,400	10,700	5,500	(5,200)	-48.6%
Equipment Rental	11,953	12,600	12,600	12,500	(100)	-0.8%
Telecommunications	1,971	3,740	3,740	2,850	(890)	-23.8%
Training/Meetings	3,720	9,200	9,200	8,000	(1,200)	-13.0%
Dues & Subscriptions	2,502	2,500	2,500	2,500	-	0.0%
Allocated Insurance	11,965	29,850	29,850	45,030	15,180	50.9%
TOTAL EXPENSE	\$ 606,061	\$ 764,240	\$ 861,040	\$ 896,430	\$ 35,390	4.1%

^a Salaries: base pay, and education incentive pay
 Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Finance Expenditures



Cost Allocation



Detail - Finance
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Year-End	2018/19 Proposed Budget
100-1401-4010	Salaries ¹	218,538	256,020	325,000	347,500	347,500	367,600
100-1401-4012	Overtime	312	1,949	-	-	-	-
100-1401-4100	Benefits ²	91,600	134,524	136,700	148,700	148,700	163,850
100-1401-4140	Retiree Health Insurance OPEB	9,106	7,063	7,600	7,600	7,600	7,600
100-1401-4210	Contract Services	63,074	90,686	72,900	107,900	107,900	90,000
100-1401-4211	Banking Fees	15,262	16,191	21,600	21,600	21,600	24,000
100-1401-4212	Technology Maintenance	1,563	1,229	3,400	3,400	3,400	8,900
100-1401-4220	Contract Services - Accounting Services	24,150	32,131	36,550	36,550	36,550	31,500
100-1401-4222	Contract Services - Sales Tax Audit	6,132	8,572	6,200	6,200	6,200	8,600
100-1401-4223	Contract Services - UUT Audit	13,135	13,125	15,000	15,000	15,000	15,000
100-1410-4210	Contract Services - Information Tech	63,775	-	53,000	53,000	53,000	53,000
100-1411-4210	Contract Services - Human Resources	-	-	20,000	45,000	45,000	50,000
100-1401-4310	Office Supplies	6,236	12,384	8,400	10,700	10,700	5,500
100-1401-4330	Misc. Supplies & Services	1,541	76	-	-	-	-
100-1401-4345	Dues / Subscriptions	431	2,502	2,500	2,500	2,500	2,500
100-1401-4375	Equipment Rental	7,087	5,410	6,600	6,600	6,600	6,500
100-1401-4510	Conference & Training	1,981	3,399	8,700	8,700	8,700	7,500
100-1401-4515	Meetings & Travel	168	321	500	500	500	500
100-1401-4750	Telecommunication	2,188	1,971	3,740	3,740	3,740	2,850
100-1401-4996	Allocated Liability Insurance	10,860	11,965	15,250	15,250	15,250	22,030
100-1401-4997	Allocated Workers' Comp Insurance	-	-	14,600	14,600	14,600	23,000
Total Operation		537,139	599,518	758,240	855,040	855,040	890,430
124-1401-4375	Equipment Rental (Photocopier Lease)	60,396	6,543	6,000	6,000	6,000	6,000
Total Capital Outlay		60,396	6,543	6,000	6,000	6,000	6,000

TOTAL DEPARTMENT	597,535	606,061	764,240	861,040	861,040	896,430
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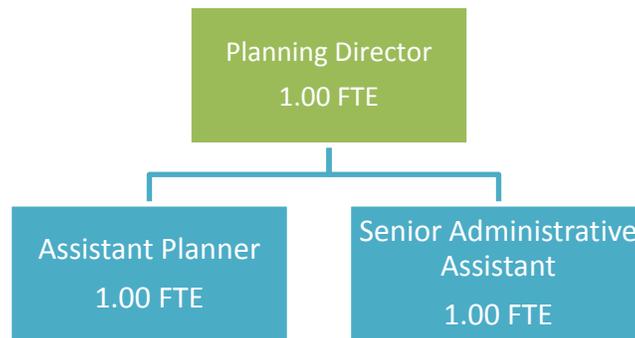
100-1401-3998	G&A - Water Fund Allocation - 38%	(171,860)	(218,500)	(288,131)	(324,915)	(324,915)	(338,363)
100-1401-3998	G&A - Sewer Fund Allocation - 37%	(167,338)	(212,826)	(280,549)	(316,365)	(316,365)	(329,459)
General Fund Cost Allocation - 25%		197,941	168,192	189,560	213,760	213,760	222,608

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

General Fund FTE	3.90	3.90	3.90	3.90	3.90	3.90
Total FTE	3.90	3.90	3.90	3.90	3.90	3.90

PLANNING DEPARTMENT



The Planning Department provides planning and environmental review assistance to the City Council, and has responsibility for staffing the Planning Commission, Design Review Board, Tree Board, and Public Arts Committee, as well as ad-hoc committees, and providing service to residents and the real estate, development and construction industries.

The Planning Department's activities are divided into two primary functions, current and advance planning. With a small staff (a Director, an Assistant Planner, and a Senior Administrative Assistant), the Department has a challenging workload.

Current planning includes staffing a public counter, responding to questions from potential applicants and members of the public, assisting the Building Official in enforcement efforts, receiving and processing applications for land use permits, subdivision and other development permits, preparing staff reports for the Council and City boards and commissions, preparing agenda packets and minutes for assigned committees, and performing inspections to assure compliance with zoning, environmental, and other planning regulations.

Advance planning includes preparation of long-range planning documents, including the General Plan, Specific Plans, grant preparation, park and community facility planning, special studies, and new policy documents and ordinances.

In addition to traditional planning and land use related functions, the Department also takes a lead role in formulation of park policy, applies for and administers park-related grants, and has managed park development projects. The Planning Commission serves as the City's 'parks' board.

The Department has also prepared the City newsletter sent to water/wastewater customers.

Major Accomplishments during 2017/2018

- ✓ Assisted in responding to various litigation and Public Records Act requests.
- ✓ Completed annexation of Tomodachi Park/Village Park.
- ✓ Managed the Facade Grant Program.
- ✓ Coordinated implementation of Occupy Bench project.

- ✓ Coordinated continued review, including Caltrans approvals, of first public art project funded by art in-lieu fee fund.
- ✓ Initiated process for second public art project.
- ✓ Continued implementation for Phase 1 of the Wayfinding Sign Project.
- ✓ Completed update of Accessory Dwelling Unit regulations pursuant to changes in State law.
- ✓ Coordinated with Regional Parks on Petaluma-Sebastopol Trail Feasibility Study.
- ✓ Completed design of AmeriCorps Trail improvement project.
- ✓ Prepared temporary cannabis urgency ordinance.
- ✓ Completed adoption of permanent cannabis ordinance.
- ✓ Initiated annexation of portion of Railroad Forest property.
- ✓ Initiated update of the telecommunications ordinance.
- ✓ Managed major Zoning Ordinance and Zoning Map update.

Objectives for 2018/2019

The budget includes continuation of the current and advance planning functions detailed above as well as the following special projects listed below.

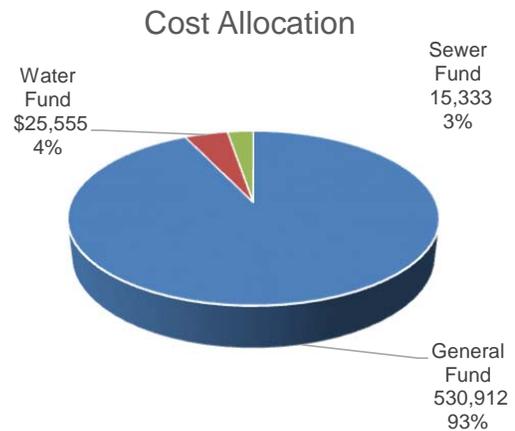
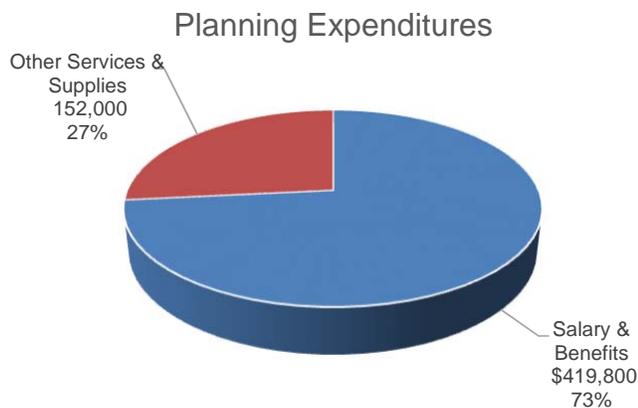
- If not completed in FY 2017/18, manage final review and adoption of comprehensive Zoning Ordinance and Zoning Map updates pursuant to adopted General Plan.
- Continue implementation of Laguna Preserve Management Plan.
- Coordinate implementation of Phase 1 Wayfinding Sign Program.
- Review funding options for additional phases of Wayfinding Sign Program.
- Coordinate implementation of AmeriCorps Trail improvements project.
- Implement the two ongoing public art projects.
- Complete update of telecommunications ordinance.
- Complete annexation process for portion of Railroad Forest property.
- Participate in implementation of permit tracking system.
- Monitor funding opportunities for Ives Park Renovation Master Plan.
- If funded by the Council coordinate impact fee update with other City departments.
- If funded by the Council, coordinate community planning process for investigation of downtown one-way streets circulation changes, and consideration of bypass concepts identified in the General Plan.

SUMMARY - PLANNING

FUNDING SOURCES	FUNDING SOURCES	FUNDING SOURCES
	2017-18	2018-19
Planning Fees	\$ 40,000	\$ 40,000
Planning Publications	200	300
Intergovernmental Grant	2,600	-
Water Fund	24,058	25,555
Sewer Fund	14,435	15,333
General Fund	465,558	490,612
TOTAL REVENUE	546,850	571,800

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INC/ (DEC)	% INC/ (DEC)
Salaries & Benefits^a	362,753	394,500	394,500	419,800	25,300	6.4%
Contract Services	98,715	105,350	105,350	95,500	(9,850)	-9.3%
Services & Supplies	5,447	7,000	7,000	7,000	-	0.0%
Equipment Rental	5,932	6,200	6,200	6,200	-	0.0%
Telcommunications	1,878	2,000	2,000	2,000	-	0.0%
Training/Meetings	2,308	4,600	4,600	4,600	-	0.0%
Dues & Subscriptions	84	650	650	650	-	0.0%
Allocated Insurance	9,915	26,550	26,550	36,050	9,500	35.8%
TOTAL EXPENSE	\$ 487,032	\$ 546,850	\$ 546,850	\$ 571,800	\$ 24,950	4.6%

^a Salaries: Includes base pay, longevity pay, education incentive pay
 Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability



Detail - Planning
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-2102-4010	Salaries ¹	241,569	263,890	282,700	282,700	282,700	290,200
100-2102-4012	Overtime	-	-	2,300	2,300	2,300	-
100-2102-4100	Benefits ²	83,025	84,133	93,700	93,700	93,700	129,600
100-2102-4121	Health In-Lieu - Deferred Comp.	3,654	5,530	5,800	5,800	5,800	-
100-2102-4122	Retirement Health Savings Plan	-	9,200	10,000	10,000	10,000	-
100-2102-4210	Contract Services	45,502	25,425	19,600	19,600	19,600	15,500
100-2102-4212	Technology Maintenance	-	257	750	750	750	-
100-2102-4226	Façade Improvement Program	19,213	-	25,000	25,000	25,000	25,000
100-2102-4250	Advertising/Legal Publications	633	911	1,500	1,500	1,500	1,500
100-2102-4310	Office Supplies	5,994	4,536	5,500	5,500	5,500	5,500
100-2102-4345	Dues / Subscriptions	646	84	650	650	650	650
100-2102-4378	Equipment Maintenance	493	541	500	500	500	500
100-2102-4510	Conference & Training	751	1,145	1,300	1,300	1,300	1,300
100-2102-4515	Meetings & Travel	1,250	1,163	3,300	3,300	3,300	3,300
100-2102-4750	Telecommunications	1,332	1,878	2,000	2,000	2,000	2,000
100-2102-4996	Allocated Liability Insurance	10,007	9,915	13,900	13,900	13,900	17,950
100-2102-4997	Allocated Workers' Comp Insurance	-	-	12,650	12,650	12,650	18,100
Total Operation		414,069	408,608	481,150	481,150	481,150	511,100
124-2102-4210	Contract Services	152,307	73,033	60,000	60,000	90,000	55,000
124-2102-4375	Equipment Rental (Photocopier Lease)	5,536	5,391	5,700	5,700	5,700	5,700
TOTAL DEPARTMENT		571,912	487,032	546,850	546,850	576,850	571,800

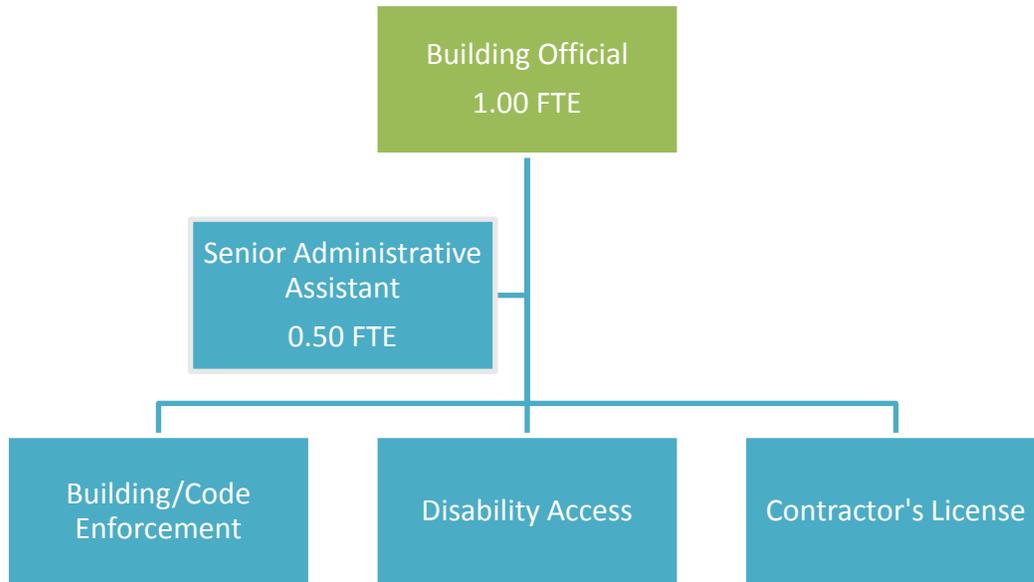
100-2102-3998	G&A - Water Fund Allocation - 5%	(20,703)	(20,431)	(24,058)	(24,058)	(24,058)	(25,555)
100-2102-3998	G&A - Sewer Fund Allocation - 3%	(12,422)	(12,258)	(14,435)	(14,435)	(14,435)	(15,333)
General Fund Cost Allocation - 92%		380,944	375,919	442,658	442,658	442,658	470,212

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

General Fund FTE	2.75	3.00	2.75	3.00	3.00	3.00
Total FTE	2.75	3.00	2.75	3.00	3.00	3.00

BUILDING INSPECTION



The Building and Safety Department is responsible for the administration and enforcement of the City of Sebastopol construction codes relative to new and existing development and alteration or repair to residential, commercial, and industrial buildings and properties. The department plans, coordinates and manages all city activities related to building and construction inspections, including review of construction plans, drawings, and specifications for compliance with state and local regulations.

The department is responsible for the administrative Flood Plain Management Program. In conjunction with FEMA and the State Water Resource Board regulations, the department maintains records, reviews projects, and provides inspections and enforcement of the regulations.

The Building and Safety Department also investigates complaints regarding possible Housing Code and Municipal Code violations, gathers evidence with regard to said violations, and issues correction notices. The department also investigates complaints regarding ADA handicap access violations.

The Department is responsible for consultation with architects, engineers, contractors, and property owners concerning building construction and land development.

Major Budget Changes for 2018/19

Permit and Plan Review activity is expected to be similar to previous years and is anticipated to remain steady during fiscal year 2017/2018. The permit activity is steady, however the projects are smaller. We anticipate income to the Department to be similar to the prior year end totals. Permit monthly totals are tracking similar to previous years.

The City of Sebastopol Building and Safety Department budget for 2018/2019 reflects some changes in staffing needs. This is reflected in new codes being adopted, increased training needs,

and some additional duties. The Building and Safety Department will augment staff with contract help on an as needed basis for both plan review and inspection services. The City of Sebastopol will continue operations with a full-time Building Official and Administrative Assistant (shared with Fire Department).

The State of California adopted amendments to the State Codes based on the State Agency proposed changes in January of this year, mandatory adoption by the City will occur on July 1, 2018. The adoption of the new codes requires additional expenses for staff to attend additional training on the new codes on a more frequent basis.

Major Accomplishments in 2017/2018

- ✓ Adoption of 2016 California Building Codes
- ✓ Enhance expedited permitting process for Electrical Vehicle Charging Systems Permit
- ✓ Update all the forms available on Department Website

Goals and Objectives for 2018/2019

- Augment coordination with other Departments in project permitting process
- Implement on-line permitting system that allows on line permit submittals, issuance, payments, schedule inspections and citizen access to track projects.

Incremental Fee

- Is used to provide funding for training for certified staff to maintain current certifications status.

Permit Electronic Systems Fee

- Implement Permitting system by January 2019. Make available to public an on-line permitting system for “over the counter permits”. Land use type permits including use permits, special events, grading, building and fire permits will be available to staff and public to track process and issuance. Fee will be used to maintain the permitting system, property information and homeowner data website and other associated costs.

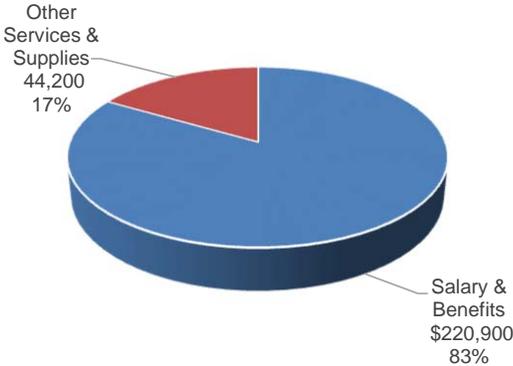
SUMMARY - BUILDING

FUNDING SOURCES	FUNDING SOURCES	FUNDING SOURCES
	2016-17	2018-19
Building Permits	\$ 175,000	\$ 150,000
Water Fund	31,285	33,943
Sewer Fund	31,285	33,943
General Fund	29,264	47,214
TOTAL REVENUE	266,833	265,100

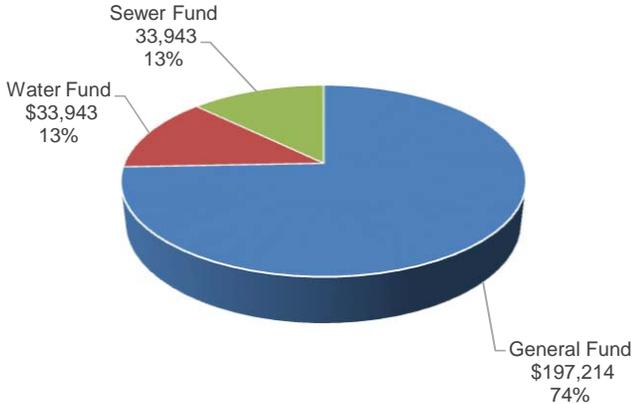
EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits ^a	206,999	206,950	206,950	220,900	13,950	6.7%
Contract Services	10,090	8,000	8,000	10,000	2,000	25.0%
Services & Supplies	9,156	4,000	4,000	4,000	-	0.0%
Equipment Rental	3,113	3,500	3,500	4,000	500	14.3%
Vehicle Maintenance	1,193	2,000	2,000	2,000	-	0.0%
Telcommunications	2,599	3,000	3,000	3,000	-	0.0%
Dues & Subscriptions	2,085	2,000	2,000	2,000	-	0.0%
Allocated Insurance	6,466	14,700	14,700	19,200	4,500	30.6%
TOTAL EXPENSE	\$ 241,701	\$ 244,150	\$ 244,150	\$ 265,100	\$ 20,950	8.6%

^a Salaries: Includes base pay, longevity pay, education incentive pay
 Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Building Expenditures



Cost Allocation



Detail - Building
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-2202-4010	Salaries ¹	152,488	158,963	159,000	159,000	159,000	165,200
100-2202-4100	Benefits ²	42,550	43,692	43,600	43,600	43,600	51,100
100-2202-4101	Health In-Lieu - Salary/Deferred Comp.	4,140	4,344	4,350	4,350	4,350	4,600
100-2202-4210	Contract Services	11,815	10,090	8,000	8,000	8,000	10,000
100-2202-4310	Office Supplies	3,532	1,579	2,000	2,000	2,000	2,000
100-2202-4330	Misc Supplies & Services	1,139	7,577	2,000	2,000	2,000	2,000
100-2202-4345	Dues / Subscriptions	1,702	2,085	2,000	2,000	2,000	2,000
100-2202-4380	Vehicle Maintenance	77	-	2,000	2,000	2,000	2,000
100-2202-4515	Meetings & Travel	-	1,193	-	-	-	-
100-2202-4750	Telecommunications	2,766	2,599	3,000	3,000	3,000	3,000
100-2202-4996	Allocated Liability Insurance	6,478	6,466	7,600	7,600	7,600	8,900
100-2202-4997	Allocated Wrkrs Comp Insurance	-	-	7,100	7,100	7,100	10,300
Total Operation		226,687	238,588	240,650	240,650	240,650	261,100
124-2202-4375	Equipment Rental (Photocopier)	3,016	3,113	3,500	3,500	3,500	4,000
TOTAL DEPARTMENT		229,703	241,701	244,150	244,150	244,150	265,100

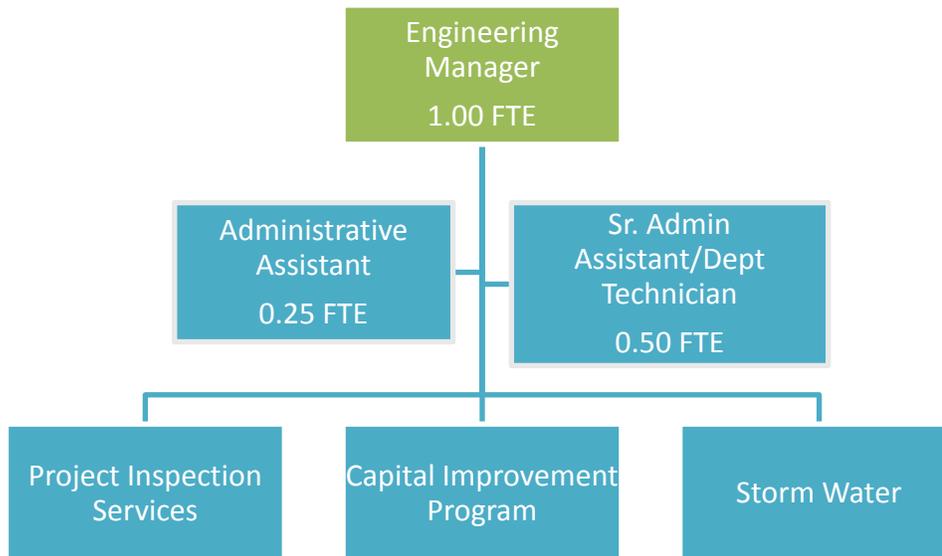
100-2202-3998	G&A - Water Fund Allocation - 13%	(29,469)	(31,016)	(31,285)	(31,285)	(31,285)	(33,943)
100-2202-3998	G&A - Sewer Fund Allocation - 13%	(29,469)	(31,016)	(31,285)	(31,285)	(31,285)	(33,943)
General Fund Cost Allocation - 74%		167,749	176,556	178,081	178,081	178,081	193,214

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

General Fund FTE	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Total FTE	1.50	1.50	1.50	1.50	1.50	1.50	1.50

ENGINEERING DEPARTMENT



The Engineering Department is responsible for maintenance and improvements to the City's infrastructure mainly via administration of the City Capital Improvement Plan (CIP), providing project management and contract management for City construction projects, assists the Public Works Department with technical assistance on City infrastructure such as water and sewer, pavements and streets, bicycles and pedestrians access, ADA, and City buildings, and provides a City presence with private and commercial development projects via plan reviews and site inspections. Engineering Department staff also play a large role acting as the City liaison to many external agencies and activities, serving on several Boards, Technical Advisory Committees, and Working Groups. Several regulatory compliance efforts, chiefly the NPDES Storm-water discharge Permit with its several annual submittals, are handled by the Engineering Department.

Major Accomplishments in FY 2017-2018

- ✓ Local-owned streets bicycle lanes: this work is complete for all locally owned streets other than Bodega Ave. (which is planned to be done after Bodega is repaved). Included was work along the western two blocks of Covert Lane to remove median strips so space was available for bike lanes while still preserving parking. Of note is that now there are marked bicycle lanes to provide safe connection between the Joe Rodota and West County trails via Morris St.!
- ✓ SR 116 bicycle lanes: this is a cooperative program with Caltrans and includes their repaving the entirety of SR 116 through Sebastopol. The City portion is constructing ADA curb ramps. Our ramps design was done and submitted to CalTrans for approval and encroachment permit in early 2017. Comments were received back from Caltrans late 2017; the comments were addressed and the design was resubmitted to Caltrans January 2018. Construction will be bid and scheduled once the Caltrans requirements are satisfied.
- ✓ Willow Street paving: Work was complete in July 2017.
- ✓ Bodega/High intersection crosswalk and pavement repairs: This project was completed late summer 2017.
- ✓ Work has progressed via the "Co-Permittees Group" on addressing new regulatory requirements via the new (October 2015) state and federal NPDES storm water discharge

permit. After initial monitoring, trash assessment, and annual report submittals were completed, follow up requirements have been received from the Water Board. The added expenses for compliance are addressed in the FY 18-19 budget requests.

- ✓ Started first three ADA improvements at the Ives Pool facility: path of travel; doors; and gates & rails. The doors and gates contracts are nearly complete pending some clean-up and warranty work. Path of travel is done. The poll house renovation and expansion bid process was conducted, and the contractor is to start work in early March 2018 and be complete by June 30, 2018.
- ✓ The Bodega-Nelson intersection pedestrian crosswalk warning system, a HAWK type, is under construction and due to be complete by June 30, 2018.
- ✓ The Bodega-Ragle intersection pedestrian crosswalk warning system, a “Round”RFB type, is being bid (bids due March 1, 2018) and due to be complete by June 30, 2018.
- ✓ The crosswalk improvements to three additional Bodega corridor intersections are nearly complete with design and should be put out for bid March or April 2018 for construction FY 2018-2019. These would be the Bodega intersections at Robinson, Florence, and Washington.
- ✓ The City applied for a regional grant through SCTA/MCT/CTC for an ambitious project: upgrade the Bodega corridor with some new crosswalks, repaving, several sidewalk “gap” closures, and some shoulder enhancement work. The total project estimate was \$2.5 M while the grant award was \$1.2 M. Most of the outstanding balance can be made up over time using future revenues but because this is a grant used to reimburse expenses, cash flow is also quite a challenge.
- ✓ Park Village has been an ongoing-year long project aimed to create more affordable housing and housing for the homeless. Thus far, the property fence has been upgraded, the manager’s building had been renovated, and the old community building removed. Next up is installation of a new slab for a new community office trailer followed by planned renovations to the four apartments.
- ✓ The Sewer and Water Pipelines replacement project is just beginning. Three water lines, and three sewer lines, are slated for replacement. Water pipelines: Edmon Way, Lillian Court, Hayden Way. Sewer pipelines: Johnson St., under the Skategarden Park, and under the Police Station property.
- ✓ The City operates a sewer trunk line that follows the path of Zimpher Creek. A study was completed to identify the best possible route and methods for replacing an historically problematic pipeline segment. With the study complete together with a cost estimate the City is poised to schedule the project.

Goals and Objectives for 2018-2019:

- ✓ Bodega Avenue corridor:
 - Apply for additional grants
 - Begin design work for Bodega Avenue paving, sidewalk gap fill-ins, and roadway improvements (such as the shoulder along cemetery frontage)
 - Bid and install the remaining three Bodega crosswalk pedestrian signals at Washington, Robinson, and Florence.
- ✓ Construct ADA curb ramps along SR 116 upon Caltrans approval
- ✓ Assist in implementing several Parks related improvement projects including equipment replacement, a new Laguna Preserve trail, and replacement of distressed trees.
- ✓ Complete ADA renovation at the Ives Pool facility
- ✓ Bid, contract for, and construct the six sewer and water pipeline replacements.
- ✓ Conduct analysis of the sewer line closed circuit TV inspection results in order to develop a list with priorities and costs for sewer pipeline replacements.
- ✓ Continue support of the Santa Rosa Plain Groundwater Sustainability Agency (GSA) via

participating in the GSA TAC while working to ensure Sebastopol is not obligated to be a full member (with the expenses that entails).

Future Issues to Consider:

- ✓ Revisit Traffic Engineer (a consultant) selection.
- ✓ Identify ways to streamline the process for taking projects from CIP approval through completion.
- ✓ Refine the sequence and financial management factors for the Bodega Avenue corridor work plan upon approval of any additional grants.
- ✓ Begin planning for the MS4 regional storm water NPDES permit requirement regarding handling storm water discharges from paving projects larger than 10,000 square feet. Requirement is effective in 2018.
- ✓ Explore funding options to deal with storm water infrastructure needs. These expenses and necessary projects will only increase over time, and are driven by mandatory regulatory changes. There maybe help via legislative action, specifically SB 231 which was passed, signed, and chaptered late 2017. In simplified terms that bill redoes the definitions for “utilities” to include storm water infrastructure so that user fees can be assessed to provide a revenue source.

Factors Affecting this Year’s Budget Requests:

- ✓ Engineering manages two separate cost centers, storm water and engineering. Both have had their budget requests increase.
- ✓ The biggest cost factor has been the evolving storm water permit requirements. New annual tasks that have been added are a more robust water monitoring program (\$25,000); a required bioassessment (\$10,000), and a required trash capture implementation plan (\$29,000). Despite the amounts listed, they have in fact been demonstrated to be lowered via the permit Co-Permittees doing numerous tasks together with applicable savings.
- ✓ Sebastopol supports several regional cooperative efforts that have associated fees. Review of cost history and current billed amounts disclosed these budgets were inadequate; the requested budget has changes reflective of the cost history. The fees are listed for SCTA, RCPA, RRWA, and the Water Board.
- ✓ Another lesson of the past two years is that every year unexpected projects or situations occur which require technical support. Examples from the past year have been assists in grant preparation, the Ragle intersection issues, Park Village designs, and the work required to support taking on Caltrans and their projects inside City limits. Contingency amounts for both engineering and Storm Water are reflective of this experience.
- ✓ City Engineer expense was requested as the same under engineering, and reduced under Storm Water. These numbers were based on analysis of the City Engineer’s time charges over the past year.
- ✓ A line item for a City Traffic Engineer has been added.

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SUMMARY - ENGINEERING / STORM WATER

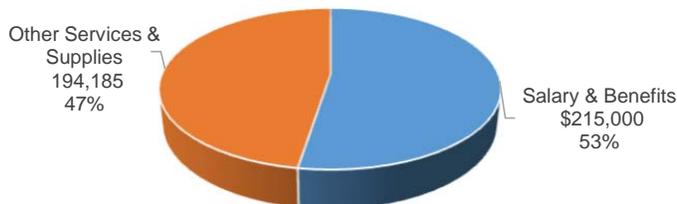
FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Encroachment Permits	20,000	20,000
Grading Permits	1,200	1,200
Engineering Staff Time	25,000	25,000
Sale of Plans & Specifications	1,000	1,000
Water Fund	93,082	96,815
Sewer Fund	76,656	79,730
General Fund	144,433	185,440
TOTAL REVENUE	361,370	409,185

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a (1.65 FTE)	184,201	201,200	199,400	215,000	15,600	7.8%
Contract Services	83,243	80,400	98,800	120,900	22,100	22.4%
Services & Supplies	1,952	4,000	4,000	4,000	-	0.0%
Telecommunications	3,973	4,500	4,500	4,500	-	0.0%
Training/Meetings	1,026	2,750	4,750	4,750	-	0.0%
Dues & Subscriptions	26,946	30,000	30,000	35,335	5,335	17.8%
Allocated Insurance	7,959	16,300	15,720	20,500	4,780	30.4%
Capital Outlay	4,378	4,200	4,200	4,200	-	0.0%
TOTAL EXPENSE	\$ 313,678	\$ 343,350	\$ 361,370	\$ 409,185	\$ 47,815	13.2%

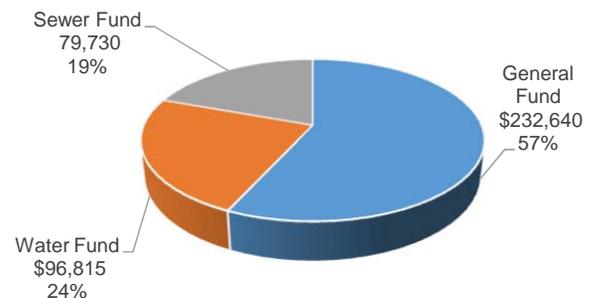
^a Salaries: Includes base pay, longevity pay, education incentive pay

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Engineering / Storm Water
Expenditures



Cost Allocation



Detail - Engineering
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-2302-4010	Salaries ¹ (1.65 FTE)	120,420	127,225	143,900	138,200	138,200	150,400
100-2302-4100	Benefits ²	89,509	53,243	53,500	57,400	57,400	60,800
100-2302-4140	Retiree Health Insurance (OPEB)	131	3,733	3,800	3,800	3,800	3,800
100-2302-4210	Contract Services	31,838	63,751	46,400	46,400	36,650	35,000
100-2302-4212	Technology Maintenance	-	1,290	2,000	2,000	4,000	4,000
100-2302-4330	Misc Supplies & Services	994	1,930	3,000	3,000	2,500	3,000
100-2302-4750	Telecommunications	4,003	3,973	4,500	4,500	4,500	4,500
100-2302-4515	Meetings & Travel	1,233	1,026	2,750	2,750	2,700	2,750
100-2302-4996	Allocated Liability Insurance	9,474	7,959	9,850	9,270	9,270	11,100
100-2302-4997	Allocated Workers' Comp Insurance	-	-	6,450	6,450	6,450	9,400
Total Operation		257,602	264,130	276,150	273,770	265,470	284,750
124-2302-4375	Equipment Rental (Photocopier Lease)	3,894	4,378	4,200	4,200	4,200	4,200
TOTAL DEPARTMENT		261,496	268,508	280,350	277,970	269,670	288,950

100-2302-3998	G&A - Water Fund Allocation - 34%	(87,585)	(89,804)	(93,891)	(93,082)	(90,260)	(96,815)
100-2302-3998	G&A - Sewer Fund Allocation - 28%	(72,129)	(73,956)	(77,322)	(76,656)	(74,332)	(79,730)
General Fund Cost Allocation - 38%		97,888	100,370	104,937	104,033	100,879	108,205

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

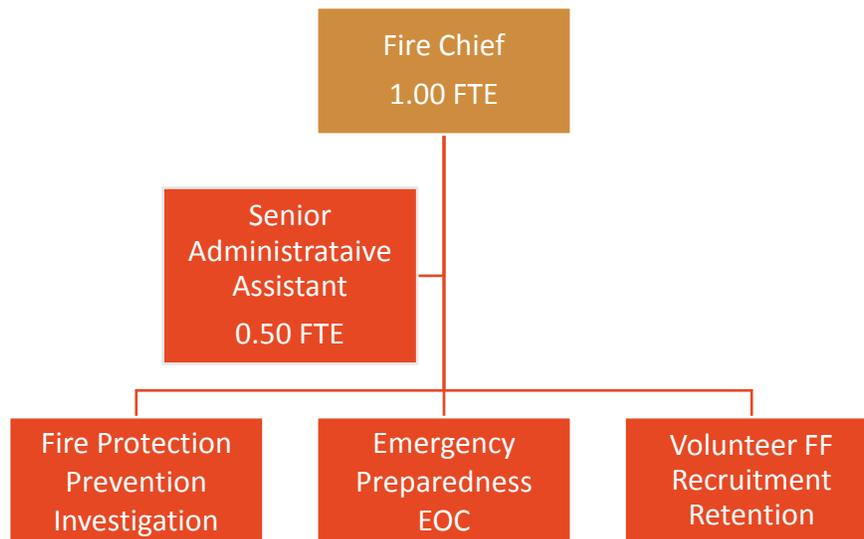
General Fund FTE	1.50	1.75	1.75	1.75	1.75	1.75
Total FTE	1.50	1.75	1.75	1.75	1.75	1.75

Detail - Storm Water Management
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
124-2307-4210	Contract Services	14,561	18,202	32,000	50,400	31,600	81,900
124-2307-4330	Misc Supplies & Services	419	22	1,000	1,000	750	1,000
124-2307-4345	Dues / Subscriptions	20,622	26,946	30,000	30,000	36,000	35,335
124-2307-4515	Meetings & Travel	-	-	2,000	2,000	1,700	2,000
TOTAL DEPARTMENT		35,602	45,170	65,000	83,400	70,050	120,235

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FIRE DEPARTMENT



The Fire Department is responsible for traditional fire safety programs and emergency response. The Fire Department is operated by one full-time Fire Chief, one full-time Senior Administrative Assistant shared with the Building and Safety Department, and 30 dedicated Volunteer Firefighters.

The Fire Department provides emergency response to fires, vehicle accidents, medical emergencies, and hazardous conditions. It provides non-emergency response to public assists, invalid assists, water cleanup, smoke removal, and trapped animals. One of its major services is its public education and fire inspection programs, designed to reduce the likelihood and severity of fires.

Major Accomplishments During 2017/2018:

- Responded to 1150 Emergency Calls for Service
- Active Dept in the October 2017 Firestorm
- 12 Days, 3 Fire Engines, 22 Sebastopol Firefighters, 1700 Hours!
- Daily EOC Teleconference Meetings with County EOC
- Conducted 52 Training Drills, including Swiftwater Training & Rope Rescue
- Chamber of Commerce Annual Community Awards & Presentation
- Veterans of Foreign Wars Annual Awards Dinner & Presentation
- Takeo, Japan World Friends Visit & Firehouse Tour
- Apple Blossom Parade Firefighter of the Year Entry & Standby
- Holy Ghost Society Parade & Festival
- Kiwanis Fireworks Standby
- National Night Out with the Police Dept
- Fire Service Advisory Council Meetings
- Provided Disaster Preparedness & Emergency Planning for Local Businesses

- FEMA Certified Public Information Officer (PIO)
- Managed City's US Flags at Half-Staff per Presidential Orders
- Recruited 3 New Volunteer Firefighters
- New Metal Roof and Solar Panels for the Firehouse
- Conducted SFM Business License Fire Inspections
- Received Cal Fire VFA Grant & misc Local Grants
- Conducted SFM Fire & Life Safety Building Inspections
- Held Monthly Dinners for the Volunteers
- Annual Appreciation Dinner for Community Members & Businesses
- Participated in SRJC, Brookhaven School, & High School Career Days
- Purchased new SCBA Tanks that were outdated
- Utilized "I Am Responding" Response Program
- Provided Public Education to our Local Schools
- Utilized Active 911 Software Response Program
- Continued on our Water Hydrant Testing Program
- Worked on our Recruitment & Retention Program
- Attended Leadership Workshops and Specialized Trainings
- Attended bi-monthly City Council Meetings and Special Meetings
- Participated in the 2017 City Council Goals & Priorities
- Member of the Local Hazard Mitigation Plan 2016 Taskforce
- Attended Annual Russian River Flood Planning Meeting
- Successful Weed Abatement Program
- Successful Safe & Sane Fireworks Program
- REDCOM (911 Dispatch Center) Board President
- Sonoma County Fire Chief's Association Past Board President
- Managed Fire Dept Vehicle Replacement List
- Held 6 Blood Drives for Blood Centers of the Pacific

Objectives for 2018/2019:

- On schedule for 1100 Emergency Calls for Service!!
- Conduct 52 Required Training Drills, including Swiftwater Training
- Conduct EOC Training Exercises with City Staff
- Apply for Cal Fire VFA Grant and other Local Grants
- Apply for additional funding/misc grants
- Attend bi-monthly City Council Meetings and Special Meetings
- Recruit new Volunteer Firefighters (3)
- Use the "I Am Responding" Response Program
- Use the "Active 911" Response Program
- Hold Monthly Dinners for the Volunteers
- Participate in SRJC Career Day and visit local high schools for recruitment
- Purchase/replace new SCBA Tanks that have or will expire (15-year lifespan)
- Continue to work on Recruitment and Retention Programs
- Maintain and Service FD Hydrants

- Replace old Chief's Emergency Vehicle utilizing County Contract Pricing
- Continue with Public Education at Schools and Local Businesses
- Continue with SFM Required Fire & Life Safety Inspections
- Hold 6 Blood Drives for Blood Centers of the Pacific
- Attend Annual Russian River Flood Planning Meeting
- Manage Weed Abatement Program
- Manage Safe & Sane Fireworks Program
- Manage Fire Dept Vehicle Replacement List
- Serve on Sonoma County Fire Chief's Board of Directors as Ex-Officio
- Attend Chamber of Commerce Annual Community Awards & Presentations
- Attend Veterans of Foreign Wars Annual Awards Dinner & Presentations
- Attend Apple Blossom Parade with Firefighter of the Year Entry & Standby
- Attend Holy Ghost Society Annual Parade & Festival
- Provide Annual Kiwanis Fireworks Standby
- Attend Annual National Night Out with the Police Dept
- Attend Fire Service Advisory Council Meetings with County BOS
- Provide Disaster Preparedness & Emergency Planning for Local Businesses
- Attend Leadership Workshops & Specialized Trainings

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SUMMARY - FIRE

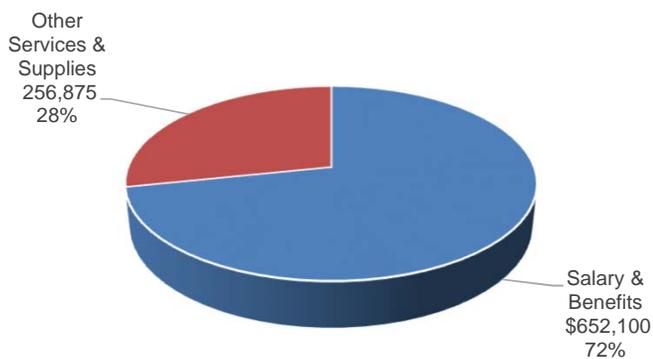
FUNDING SOURCES	FUNDING SOURCES	FUNDING SOURCES
	2017-18	2018-19
Fire Department Fees	\$ 32,000	\$ 30,000
Water Fund	69,706	61,451
General Fund	1,010,015	817,524
TOTAL REVENUE	\$ 1,111,721	908,975

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a	650,106	766,450	841,771	652,100	(189,671)	-22.5%
Contract Services	36,672	39,000	39,000	42,000	3,000	7.7%
Services & Supplies	32,656	37,800	58,800	37,000	(21,800)	-37.1%
Equipment Rental / Maintenance	40,252	74,500	74,500	55,000	(19,500)	-26.2%
Telcommunications	8,254	7,900	7,900	7,900	-	0.0%
Training/Meetings	6,235	7,500	7,500	7,500	-	0.0%
Dues & Subscriptions	9,853	11,000	11,000	11,000	-	0.0%
Utilities	17,613	11,500	11,500	8,525	(2,975)	-25.9%
Allocated Insurance	21,036	49,750	49,750	66,950	17,200	34.6%
Capital Outlay	7,073	10,000	10,000	21,000	11,000	110.0%
TOTAL EXPENSE	\$ 829,750	\$ 1,015,400	\$ 1,111,721	\$ 908,975	\$ (202,746)	-18.2%

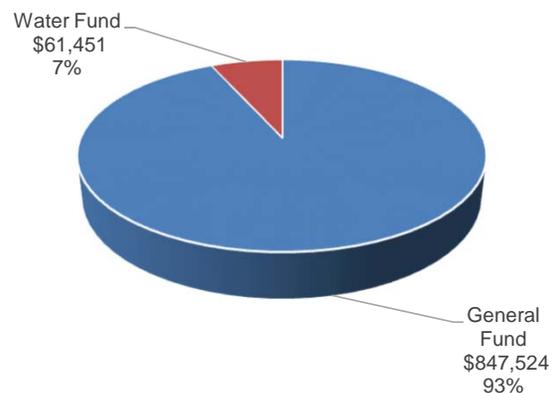
^a Salaries: Includes base pay, longevity pay, education incentive pay (when applicable)

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Fire Expenditures



Cost Allocation



Detail - Fire
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-3102-4010	Salaries ¹	165,175	177,376	175,300	250,621	250,621	182,300
100-3102-4011	Salaries - Part Time	265,042	305,962	419,400	419,400	319,400	319,400
100-3102-4012	Overtime	509	-	-	-	-	-
100-3102-4100	Benefits ²	113,479	132,288	126,300	126,300	126,300	110,100
100-3102-4121	Health In-Lieu - Salary/Deferred Comp.	2,196	2,304	2,300	2,300	2,300	2,300
100-3102-4122	RHS - Deferred Compensation	-	-	6,000	6,000	-	-
100-3102-4123	Social Security Tax	8,289	17,485	26,000	26,000	26,000	26,000
100-3102-4140	Retiree Health Insurance (OPEB)	4,617	3,127	4,000	4,000	4,000	4,000
100-3102-4170	Fire Service CSFA Award	4,550	8,750	4,200	4,200	4,550	4,900
100-3102-4180	Fire Disability Insurance	2,788	2,814	2,950	2,950	2,950	3,100
100-3102-4210	Contract Services	34,505	36,672	39,000	39,000	39,000	42,000
100-3102-4310	Office Supplies	1,521	1,478	1,600	1,600	1,600	1,800
100-3102-4330	Misc Supplies & Services	24,875	28,565	31,500	52,500	52,500	30,500
100-3102-4345	Dues / Subscriptions	10,589	9,853	11,000	11,000	10,000	11,000
100-3102-4378	Equipment Maintenance	9,365	9,684	40,000	40,000	40,000	20,000
100-3102-4380	Vehicle Maintenance	26,293	27,738	31,000	31,000	31,000	31,000
100-3102-4515	Meetings & Travel	4,617	6,235	7,500	7,500	6,500	7,500
100-3102-4710	Utilities - Gas & Electric	6,046	17,613	9,500	9,500	5,200	5,725
100-3102-4711	Utilities - City Use	-	-	2,000	2,000	2,800	2,800
100-3102-4750	Telecommunications	7,108	6,915	6,500	6,500	6,500	6,500
100-3102-4996	Allocated Liability Insurance	17,646	21,036	23,100	23,100	23,100	29,450
100-3102-4997	Allocated Workers' Comp Insurance	-	-	26,650	26,650	26,650	37,500
100-3102-5100	Capital Outlay	-	-	-	-	-	-
Total Operation		709,210	815,895	995,800	1,092,121	980,971	877,875
124-3102-4330	Misc Supplies & Services	-	113	1,000	1,000	1,000	1,000
124-3102-4375	Equipment Rental (Photocopier Lease)	3,016	2,830	3,500	3,500	3,500	4,000
124-3102-4890	Other Community Support	-	-	-	-	-	6,000
124-3102-5100	Capital Outlay	3,253	7,073	10,000	10,000	10,000	10,000
Total Capital Outlay		6,269	10,016	14,500	14,500	14,500	21,000
TOTAL DEPARTMENT		715,479	825,911	1,010,300	1,106,621	995,471	898,875

100-3102-3998	G&A - Water Fund Allocation - 7%	(45,619)	(57,113)	(69,706)	(69,706)	(68,668)	(61,451)
General Fund Cost Allocation		663,591	758,782	926,094	1,022,415	912,303	816,424

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable)

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

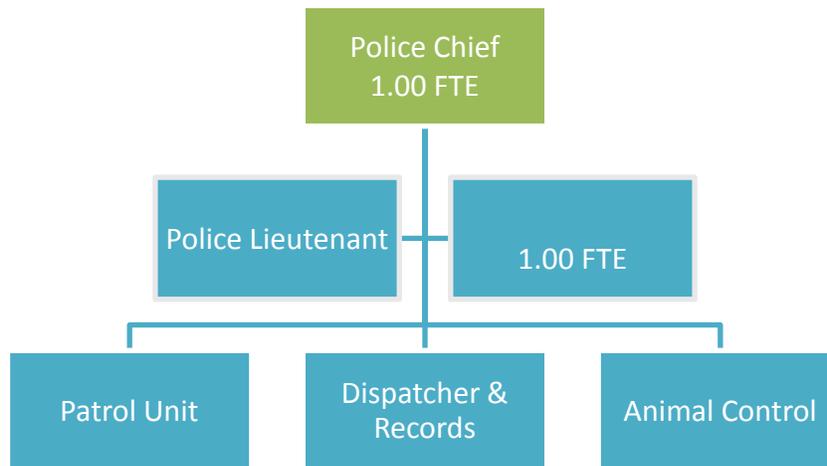
General Fund FTE	1.50	1.50	1.50	1.50	1.50	1.50
General Fund FTE - Volunteers	32.00	32.00	32.00	32.00	32.00	31.00
Total FTE	33.50	33.50	33.50	33.50	33.50	32.50

Detail - Fire Emergency Preparedness
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-3114-4310	Office Supplies	-	-	200	200	200	200
100-3114-4330	Misc. Supplies & Services	2,500	2,500	3,500	3,500	3,500	3,500
100-3114-4750	Telecommunications	1,328	1,339	1,400	1,400	1,400	1,400
TOTAL DEPARTMENT		3,828	3,839	5,100	5,100	5,100	5,100

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POLICE DEPARTMENT



The Police Department has an important role in helping to improve the quality of life in Sebastopol through the prevention and detection of crime, the investigation of criminal acts, and the delivery of a variety of public services. Our primary goal is to provide a safe and secure environment for all city residents and anyone who works in or visits Sebastopol.

We are committed to providing our community with a high level of service, delivered in a fair and impartial manner. Our motto is, “Exemplary Service, Vigilant Protection.”

The Sebastopol Police Department is a full-service law enforcement agency composed of 14 sworn peace officers and 7 non-sworn support staff. The department is managed by the Chief of Police, assisted by the Police Lieutenant. Daily field supervision is provided by 4 Police Sergeants. The Sebastopol Police Department’s volunteer bureau augments the paid staff and is composed of 10 Reserve Police Officers, 10 Community Service Volunteers, and 8 Police Explorers.

The department is organized into three divisions; Administration, Operations, and Technical and Support Services.

Administration:

The Administration component is comprised of Department management, who ensure that operations are efficient, professional, and directed toward organizational goals and objectives. Administration is also responsible for ensuring that fiscal and personnel matters are handled properly and that the agency continues to maintain its exemplary standards of performance and community service.

Operations:

The Operations Division consists of 12 uniformed peace officers who respond to calls for service and crisis intervention twenty-four hours a day, seven days a week. Also included in this division are the members of the Volunteer Bureau. Operations Division personnel are responsible for the field training of newly-hired officers and volunteers, on-going training of existing officers and volunteers, investigation of all criminal activity in Sebastopol, traffic enforcement, providing general patrol and service delivery around the clock, and booking and processing of arrestees.

Technical and Support Service:

The maintenance, processing, and distribution of records are combined with dispatching services, both of which constitute Technical and Support Services. The dispatch center is responsible for accepting all emergency and non-emergency telephone calls for public safety services, both from the public and other agencies. The dispatchers are responsible for directing available resources to address identified community needs. The Lead Dispatcher and 5 full-time Communications Dispatchers are also responsible for staffing the reception counter, providing a variety of requested services and information. The division is responsible for the handling and storage of property and evidence, and assists with the maintenance of the Police Services building. Our Parking Enforcement and Animal Control services are provided by the Police Aide, as part of the division.

Major Accomplishments during 2017/2018

- ✓ Recruited and re-hired a previous member who joined us in the permanent position of Police Sergeant. The member had previously served as the temporary Acting Sergeant for nearly a year and a half.
- ✓ Presented the fourth session of the Sebastopol Citizen's Police Academy.
- ✓ SPD handled 15,067 incidents in 2017, of which 890 were categorized as Priority 1 (emergencies) – an average of 2.43 per day. The average response for all Priority 1 calls in 2017 was 2:44 minutes, from Time of Dispatch to the Time of Arrival of officers at the scene of emergency. The average time for the Communications Dispatcher to answer an emergency call for service, gather required information from the caller, and dispatch necessary resources to the scene was 0:58 seconds.
- ✓ During 2017, SPD officers documented 1273 cases that required either a Crime Report, Arrest Report, or Information Report (an average of 3.5 investigative reports each day of the year.) In addition to those reports, Officers issued 925 Traffic Citations, 243 Criminal Citations (for non-bookable misdemeanors or Municipal Code violations), and 1002 Parking Citations.
- ✓ On average, we resolved 39 total incidents per day – ranging from law enforcement activity like criminal investigations, arrests, parking and traffic enforcement, to quality of life issues like neighborhood complaints and interacting with middle school students during “Lunch with the Law.”

Objectives for 2018/2019

- Contribute to a superior quality of life for Sebastopol residents and visitors, by delivering effective and practical response to current or anticipated events, while seeking opportunities to address issues proactively.
- Maintain our enhanced traffic enforcement efforts through best-practice enforcement strategies, education, and collaborating in the City's Traffic Calming Program to address concerns.
- Provide safe, effective and efficient parking control and management, and animal control services.

SUMMARY - POLICE

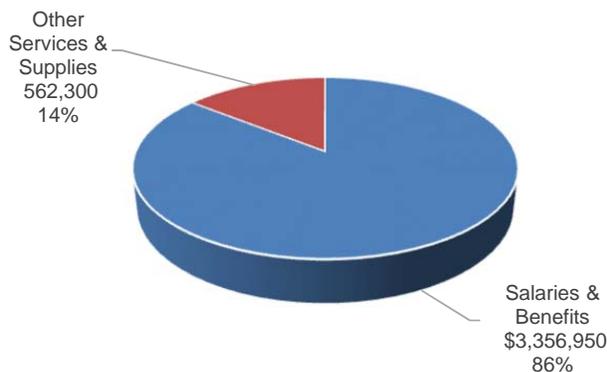
FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Public Safety Augmentation Fund	\$ 82,300	\$ 85,800
Fines & Forfeitures	75,000	75,000
P.O.S.T Reimbursement	3,500	2,500
Other Public Safety Services	56,000	59,500
Casino Mitigation Program	14,500	14,500
Transfer In	10,000	16,350
General Fund	<u>3,618,600</u>	<u>3,665,600</u>
TOTAL REVENUE	<u>\$ 3,859,900</u>	<u>3,919,250</u>

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits^a	3,080,728	3,193,000	3,223,000	3,356,950	133,950	4.2%
Services & Supplies	25,132	26,100	26,100	26,100	-	0.0%
Contract Services	118,778	107,500	129,600	116,500	(13,100)	-10.1%
Equipment Rental / Maintenance	81,158	80,500	80,500	70,000	(10,500)	-13.0%
Telcommunications	13,607	15,750	15,750	15,750	-	0.0%
Training/Meetings	34,003	32,500	32,500	32,500	-	0.0%
Dues & Subscriptions	2,417	2,450	2,450	2,450	-	0.0%
Utilities	10,007	16,700	16,700	28,500	11,800	70.7%
Allocated Insurance	94,231	199,500	199,500	246,500	47,000	23.6%
Transfer Out - SLESF	17,048	34,550	34,550	10,000	(24,550)	-71.1%
Capital Outlay	81,181	99,250	99,250	14,000	(85,250)	-85.9%
TOTAL EXPENSE	<u>\$ 3,558,290</u>	<u>\$ 3,807,800</u>	<u>\$ 3,859,900</u>	<u>\$ 3,919,250</u>	<u>\$ 59,350</u>	<u>1.5%</u>

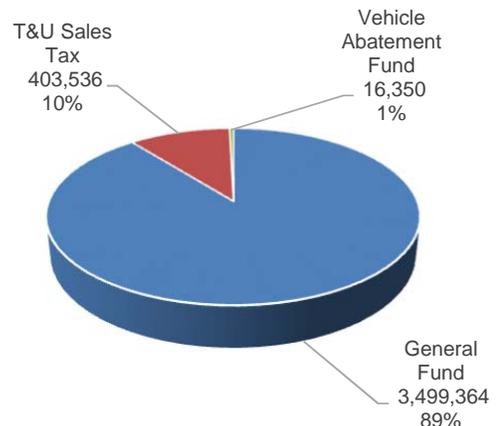
^a Salaries: Includes base pay, longevity pay, education incentive pay (when applicable)

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long term disability

Police Expenditures



Cost Allocation



Detail - Police
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-3202-4010	Salaries ¹	1,623,265	1,706,943	1,757,000	1,757,000	1,737,000	1,788,100
100-3202-4012	Overtime	122,616	151,150	110,000	140,000	140,000	127,000
100-3202-4100	Benefits ²	955,478	997,853	1,014,100	1,014,100	1,014,100	1,123,800
100-3202-4101	Health In-Lieu	3,575	8,738	7,300	7,300	10,950	10,950
100-3202-4102	Uniform Allowance	23,800	25,000	25,600	25,600	25,300	25,600
100-3202-4103	Holiday Pay	73,378	102,683	122,500	122,500	115,900	126,300
100-3202-4104	Accrual Time In-Lieu	64,400	38,724	67,500	67,500	67,500	67,500
100-3202-4121	RHS - Deferred Compensation	12,963	-	23,600	23,600	23,600	23,600
100-3202-4140	Retiree Medical Insurance	38,158	38,443	50,000	50,000	50,000	50,000
100-3202-4145	Safety Disability Insurance	5,160	3,410	5,400	5,400	5,400	6,600
100-3202-4210	Contract Services	84,343	93,832	85,000	97,600	97,500	90,000
100-3202-4212	Internet Network Technology Maintenance	-	16,161	14,500	14,500	14,500	9,000
100-3202-4310	Office Supplies	12,856	8,000	11,000	11,000	11,000	11,000
100-3202-4330	Other Supplies & Materials	13,866	17,023	15,000	15,000	15,000	15,000
100-3202-4345	Dues / Subscriptions	2,379	2,417	2,450	2,450	2,450	2,450
100-3202-4375	Equipment Expense	11,928	19,438	20,500	20,500	20,500	10,000
100-3202-4380	Vehicle Maintenance	56,321	61,393	60,000	60,000	60,000	60,000
100-3202-4510	Conference & Training	36,370	34,003	32,500	32,500	32,500	32,500
100-3202-4710	Utilities - Gas & Electric	10,635	10,007	8,500	8,500	8,300	20,000
100-3202-4711	Utilities - City Use	2,500	-	8,200	8,200	8,500	8,500
100-3202-4750	Telecommunications	18,221	13,607	15,750	15,750	15,750	15,750
100-3202-4996	Allocated Liability Insurance	90,148	94,231	117,700	117,700	117,700	135,000
100-3202-4997	Allocated Workers' Comp Insurance	-	-	81,800	81,800	84,900	111,500
100-3202-4999	Transfer Out - SLESF	-	17,048	34,550	34,550	30,400	10,000
Total Operation		3,262,360	3,460,104	3,690,450	3,733,050	3,708,750	3,880,150
124-3202-4820	Other Community Support	9,639	7,784	10,000	10,000	7,500	7,500
124-3202-4375	Equipment Expense	39,956	327	-	-	-	-
124-3202-5100	Capital Outlay	60,929	81,181	99,250	99,250	99,250	14,000
Total Capital Outlay & Other		110,524	89,292	109,250	109,250	106,750	21,500
TOTAL DEPARTMENT		3,372,884	3,549,396	3,799,700	3,842,300	3,815,500	3,901,650
100-3202-3998	G & A Cost Allocation - 10.4%	(303,611)	(359,887)	(383,807)	(388,237)	(385,710)	(403,536)
General Fund Cost Allocation		2,958,749	3,100,217	3,306,643	3,344,813	3,323,040	3,476,614
General Fund FTE		22.00	22.00	22.00	22.00	22.00	22.00
Total FTE		22.00	22.00	22.00	22.00	22.00	22.00

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable)

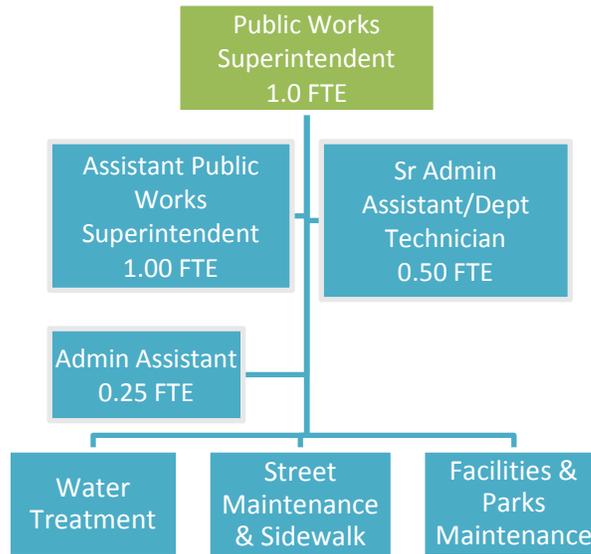
² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Detail - Animal Control
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-3213-4210	Contract Services	8,380	8,785	8,000	17,500	17,500	17,500
100-3213-4330	Other Supplies & Materials	297	109	100	100	100	100
TOTAL DEPARTMENT		8,677	8,894	8,100	17,600	17,600	17,600

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DEPARTMENT OF PUBLIC WORKS



The Public Works Department is responsible for the operation and maintenance of the City infrastructure, including government buildings, parks and pool, streets and sidewalks, and water and sewer. In addition, the Public Works Department provides inspection support and services for private and public construction in the public right-of-way and works closely with the City's Engineering Department and contract engineers on projects. In addition to operations and maintenance, the Public Works Department is involved in other projects such as the City Well projects involving water treatment.

Water, sewer, storm water, air quality, and ADA standards have become more stringent in regards to regulatory compliance. They require diligence to stay abreast of changing regulations, and the Public Works Department works with State agencies in all these fields, as well as the Engineering Division, to remain in compliance.

Public Works maintains all City parks and landscape areas. The City has four major parks with play structures including the skate garden park, three of which include restrooms. The Plaza is at the center of the city and includes a pavilion and landscaping. The Laguna Preserve is a natural habitat area at the edge of the city that contains plantings and trails, and also includes an outdoor classroom. Becoming Independent performs litter abatement in the downtown areas and Ives Park.

Public Works maintains and monitors the municipal pool's filters, heater, chemical system, bathhouse, landscaping and apparatus around the deck of the pool. The West Sonoma County Swimmers (WSCS) operate the pool functions, such as public swim, lap swimming, and swim meets.

Department staff includes fifteen full-time employees. Eleven who work primarily in the field, a full time Senior Administrative Assistant, and a part-time Administrative Assistant who are shared with the Engineering Division.

The Public Works Department is the controlling department for activities occurring in the following divisions:

- Corporation Yard
- Government Buildings (City Hall, Police and Fire Stations, Public Works facilities)
- Park Village Mobile Home Community
- Streets
- Parking Lots
- Parks
- Ives Pool
- Recreation
- Community Support
- Sewer Operations
- Water Operations

Major Accomplishments in 2017/2018

- Purchased one Plug-In Hybrid electric vehicle and two utility trucks
- Contracted for preventative maintenance of the City's solar arrays
- Repaired two flat roof sections at Sebastopol Police Department
- Purchased a replacement Kubota riding lawnmower for parks and streetscape maintenance
- Replaced a play structure at Ives Park and added two pieces of equipment at Libby Park
- Added playground fiber to the playground equipment at City parks
- Contracted for tree trimming and tree removal at City parks
- Contracted Plaza brick repairs to address tripping hazards
- Purchased five replacement barbeques for parks
- Purchased a replacement concrete grinding machine for sidewalk tripping hazards
- Purchased a replacement concrete/asphalt cutting saw
- Installed several native trees at Ives Park and Pleasant Hill Reservoir
- Began the first phase of Main Street Tree Replacement

Objectives for 2018/2019

- Maintain regulatory compliance with water, sewer, storm water, air quality, and ADA standards Maintain City facilities per long term maintenance plan.
- Maintain CalOSHA regulatory compliance safety and training policies program

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SUMMARY - PUBLIC WORKS

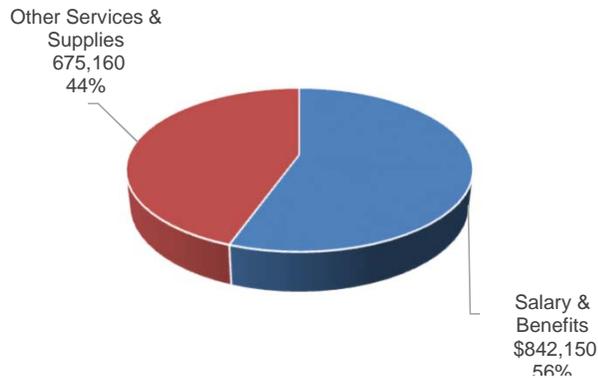
FUNDING SOURCES	FUNDING SOURCES 2017-18	FUNDING SOURCES 2018-19
Little League Park Use Reimb	\$ 750	\$ 1,500
Public Works Services	10,000	5,000
Water Fund	218,586	237,534
Sewer Fund	165,913	179,704
General Fund	989,086	1,093,572
TOTAL REVENUE	1,384,335	1,517,310

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits ^a (7.75 FTE)	641,207	697,830	697,830	842,150	144,320	20.7%
Contract Services	62,929	37,000	110,000	108,800	(1,200)	-1.1%
Services & Supplies	185,348	178,255	197,255	255,350	58,095	29.5%
Equipment Rental	4,378	4,200	4,200	4,300	100	2.4%
Facility Maintenance	46,289	66,000	75,000	58,700	(16,300)	-21.7%
Telecommunications	9,355	10,000	10,500	10,800	300	2.9%
Utilities	92,454	102,900	102,900	114,075	11,175	10.9%
Allocated Insurance	21,303	56,150	56,150	73,435	17,285	30.8%
Capital Outlay	203,849	130,500	130,500	49,700	(80,800)	-61.9%
TOTAL EXPENSE	\$ 1,267,112	\$ 1,282,835	\$ 1,384,335	\$ 1,517,310	\$ 132,975	9.6%

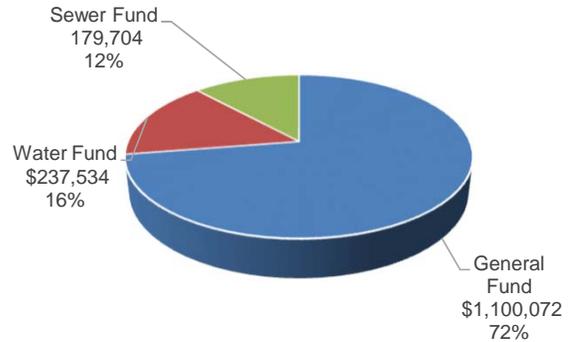
^a Salaries: Includes base pay, longevity pay, education incentive pay

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Public Works Expenditures



Cost Allocation



**Detail Public Works - Corporate Yard
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4102-4010	Salaries ¹ (1.82 FTE)	231,553	156,661	193,600	193,600	190,450	210,700
100-4102-4100	Benefits ²	65,294	75,036	70,200	70,200	70,200	82,150
100-4102-4102	Uniform Allowance	5,013	5,300	5,830	5,830	5,830	2,400
100-4102-4104	Accrual In-Lieu	-	19,596	10,000	10,000	10,000	10,000
100-4102-4122	Retirement Health Savings Plan	6,355	-	10,000	10,000	10,000	10,000
100-4102-4040	Retiree Medical Insurance	14,375	10,623	15,000	15,000	15,000	15,000
100-4102-4210	Contracted Services	-	6,420	-	-	3,150	5,800
100-4102-4212	Technology Maintenance	223	1,300	1,000	1,500	1,500	1,500
100-4102-4310	Office Supplies	2,254	1,891	2,000	2,000	2,000	2,000
100-4102-4330	Misc Supplies & Services	7,576	7,987	9,000	9,000	8,300	9,000
100-4102-4380	Vehicle Operating Expense	48,373	46,289	46,000	47,000	47,000	48,700
100-4102-4710	Utilities - Gas & Electric	1,437	5,935	3,500	3,500	3,750	4,050
100-4102-4711	Utilities - City Use	3,209	-	4,000	4,000	3,800	3,800
100-4102-4750	Telecommunications	9,009	8,055	9,000	9,000	9,000	9,300
100-4102-4996	Allocated Liability Insurance	11,144	9,915	14,000	14,000	14,000	17,300
100-4102-4997	Allocated Workers' Comp Insurance	-	-	10,550	10,550	10,550	13,150
Total Operation		405,815	355,008	403,680	405,180	404,530	444,850
124-4102-5100	Capital Outlay	13,000	-	28,500	28,500	28,925	
124-4102-4375	Photocopier	4,533	4,378	4,200	4,200	4,000	4,300
Total Capital Outlay		17,533	4,378	32,700	32,700	32,925	4,300
TOTAL DEPARMENT		423,348	359,386	436,380	437,880	437,455	449,150
124-4102-3998	G&A Allocation - 17%	(86,520)	(64,730)	(101,326)	(101,581)	(101,695)	(79,925)
100-4102-3998	G&A - Water Fund Allocation - 48%	(194,792)	(170,403)	(193,766)	(194,486)	(194,174)	(213,528)
100-4102-3998	G&A - Sewer Fund Allocation - 35%	(142,036)	(124,253)	(141,288)	(141,813)	(141,586)	(155,698)
General Fund Cost Allocation - 0%		-	-	-	-	-	-

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

**Detail Public Works - General Fund Streets
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
124-4103-4010	Salaries ¹ (0.85 FTE)	56,790	78,484	71,500	71,500	71,500	114,600
124-4103-4012	Overtime	10,738	8,443	10,700	10,700	10,700	15,000
124-4103-4100	Benefits ²	30,489	33,506	34,200	34,200	34,200	54,000
124-4103-4210	Contracted Services	32,800	6,038	-	73,000	73,000	28,500
124-4103-4330	Misc Supplies & Services	124,511	134,667	151,755	151,755	145,000	180,850
124-4103-4710	Utilities - Gas & Electric	11,725	14,313	6,500	6,500	7,355	7,900
124-4103-4711	Utilities - City Use	4,080	-	4,800	4,800	7,000	7,000
124-4103-4996	Allocated Liability Insurance	3,174	2,811	9,000	9,000	9,000	10,200
124-4103-4997	Allocated Workers' Comp Insurance	-	-	3,200	3,200	3,200	7,125
124-4103-5100	Capital Outlay	-	-	47,000	47,000	47,000	49,700
Total Operation		274,307	278,262	338,655	411,655	407,955	474,875
TOTAL DEPARTMENT		274,307	278,262	338,655	411,655	407,955	474,875

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Detail Public Works - Parks & Landscapes
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4104-4010	Salaries ¹ (2.6 FTE)	74,423	110,935	122,800	122,800	100,800	152,300
100-4104-4013	Standby	5,821	4,966	6,000	6,000	6,000	6,000
100-4104-4100	Benefits ²	57,380	77,087	82,000	82,000	82,000	76,600
100-4104-4210	Contracted Services	12,411	5,163	2,000	2,000	22,000	21,500
100-4104-4330	Misc Supplies & Services	35,764	25,876	-	15,000	15,000	40,500
100-4104-4710	Utilities - Gas & Electric	11,514	55,036	29,000	29,000	8,700	9,400
100-4104-4711	Utilities - City Use	29,009	-	30,000	30,000	58,000	58,000
100-4104-4996	Allocated Liability Insurance	10,220	7,084	9,600	9,600	9,600	10,960
100-4104-4996	Allocated Workers' Comp Insurance	-	-	5,500	5,500	5,500	9,500
Total Operation		236,542	286,147	286,900	301,900	307,600	384,760
124-4104-5100	Capital Outlay	16,329	11,387	55,000	55,000	55,000	-
Total Capital Outlay		16,329	11,387	55,000	55,000	55,000	-
TOTAL DEPARTMENT		252,871	297,534	341,900	356,900	362,600	384,760

124-4104-3998	G & A Allocation - 41.5%	(114,431)	(130,138)	(174,064)	(180,289)	(182,654)	(159,675)
General Fund Cost Allocation - 58.5%		138,440	167,396	167,837	176,612	179,946	225,085

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Detail Public Works - Parking Lots
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4105-4010	Salaries ¹ (.50 FTE)	15,008	21,476	24,100	24,100	24,100	40,200
100-4105-4100	Benefits ²	10,031	14,260	15,000	15,000	15,000	19,700
100-4105-4210	Contracted Services	-	861	-	-	-	3,000
100-4105-4330	Misc Supplies & Services	-	-	-	-	-	18,500
100-4105-4710	Utilities - Gas & Electric	7,585		8,500	8,500	8,500	6,300
100-4105-4711	Utilities - City Use	-	-	-	-	8,900	8,900
100-4105-4712	Utilities - Electric Vehicle Charging Station	5,229		5,900	5,900	5,900	5,900
Total Operation		37,853	36,597	53,500	53,500	62,400	102,500
TOTAL DEPARTMENT		37,853	36,597	53,500	53,500	62,400	102,500

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Detail Public Works - Government Building *
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4106-4010	Salaries ¹ (.30 FTE)	14,886	16,207	17,600	17,600	17,600	22,800
100-4106-4100	Benefits ²	8,221	8,627	9,300	9,300	9,300	10,700
100-4106-4210	Contracted Services	45,220	44,447	35,000	35,000	25,000	50,000
100-4106-4330	Misc Supplies & Services	14,854	14,927	15,500	19,500	30,000	4,500
100-4106-4710	Utilities - Gas & Electric	5,807	17,170	7,200	7,200	300	325
100-4106-4711	Utilities - City Use	3,441	-	3,500	3,500	2,500	2,500
100-4106-4996	Allocated Liability Insurance	1,681	1,493	3,500	3,500	3,500	3,800
100-4106-4997	Allocated Workers' Comp Insurance	-	-	800	800	800	1,400
Total Operation		94,110	102,871	92,400	96,400	89,000	96,025
124-4106-4213	Facilities/Grounds Maintenance	10,868	-	20,000	28,000	10,000	10,000
124-4106-5100	Capital Outlay	-	192,462	-	-	-	-
Total Capital Outlay		10,868	192,462	20,000	28,000	10,000	10,000
TOTAL DEPARTMENT		104,978	295,333	112,400	124,400	99,000	106,025

100-4106-3900	Water Fund Allocation - 25%	(23,508)	(21,210)	(23,100)	(24,100)	(22,250)	(24,006)
100-4106-3900	Sewer Fund Allocation - 25%	(23,508)	(21,210)	(23,100)	(24,100)	(22,250)	(24,006)
General Fund Cost Allocation- 50%		47,094	60,451	46,200	48,200	44,500	48,013

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

* Includes City Hall, Police Department, Fire Department, Library, Museum, Burbank Farm

SUMMARY - RECREATION & COMMUNITY SERVICES

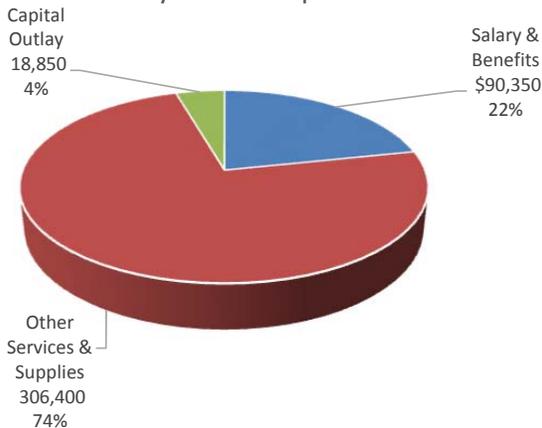
FUNDING SOURCES	FUNDING SOURCES	FUNDING SOURCES
	2017-18	2018-19
Ives Pool Reimbursement	\$ 40,000	\$ 64,000
General Fund	308,990	351,600
TOTAL REVENUE	\$ 348,990	415,600

EXPENSE	2016-17 ACTUAL	2017-18 ADOPTED BUDGET	2017-18 ADJUSTED BUDGET	2018-19 PROPOSED BUDGET	\$ INCR/ (DECR)	% INCR/ (DECR)
Salaries & Benefits ^a (.75 FTE)	61,443	66,500	66,500	90,350	23,850	35.9%
Contract Services	22,656	20,000	20,000	29,600	9,600	48.0%
Services & Supplies	12,964	12,000	12,000	20,800	8,800	73.3%
Utilities	61,023	53,000	53,000	85,500	32,500	61.3%
Allocated Insurance	2,440	4,950	4,950	5,400	450	0.0%
Community Support	147,000	152,100	152,100	165,100	13,000	0.0%
Capital Outlay	8,519	41,000	41,000	18,850	(22,150)	-54.0%
TOTAL EXPENSE	\$ 316,045	\$ 349,550	\$ 349,550	\$ 415,600	\$ 66,050	18.9%

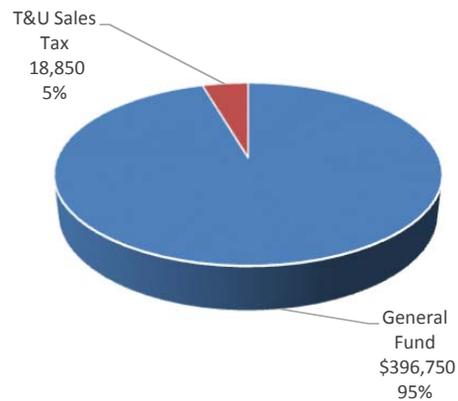
^a Salaries: Includes base pay, longevity pay, education incentive pay

Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Community Center Expenditures



Cost Allocation



Detail - Senior Center
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4002-4010	Salaries ¹ (.10 FTE)	-	-	-	-	-	5,950
100-4002-4100	Benefits ²	-	-	-	-	-	2,650
100-4002-4210	Contracted Services	-	-	-	-	-	4,100
100-4002-4330	Misc. Supplies & Services	-	-	-	-	-	3,000
100-4002-4710	Utilities - Gas & Electric	-	-	-	-	-	4,500
100-4002-4711	Utilities - City Use	-	-	-	-	-	-
100-4002-4880	Contribution to Operations	-	-	-	-	-	30,000
100-4002-4997	Allocated Workers' Comp Insurance	-	-	-	-	-	400
Total Operation		-	-	-	-	-	50,600
124-4002-5100	Capital Outlay	-	-	-	-	-	14,600
Total Capital Outlay		-	-	-	-	-	14,600
TOTAL DEPARTMENT		-	-	-	-	-	65,200

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

Detail - Community Center *
Budget Expenditures

Account Number	Description	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4202-4010	Salaries ¹ (.45 FTE)	11,851	10,967	17,036	20,000	20,000	20,000	32,700
100-4202-4100	Benefits ²	7,319	7,820	11,589	12,350	12,350	12,350	14,050
100-4202-4210	Contracted Services	-	3,685	-	-	-	-	3,900
100-4202-4330	Misc. Supplies & Services	11,184	9,202	6,472	7,200	7,200	8,200	7,500
100-4202-4710	Utilities - Gas & Electric	6,133	5,662	14,247	6,500	6,500	10,500	10,800
100-4202-4711	Utilities - City Use	11,001	7,351	-	8,500	8,500	8,000	8,000
100-4202-4880	Contribution to General Operations	11,300	11,300	11,300	11,300	11,300	11,300	11,300
100-4202-4880	Contribution to Living Wages	-	-	115,700	120,800	120,800	120,800	103,800
100-4202-4885	Concert Series	20,000	20,000	20,000	20,000	20,000	20,000	20,000
100-4202-4890	SCCC Time Bank	-	-	-	-	-	-	1,700
100-4202-4997	Allocated Workers' Comp Insurance	-	-	-	900	900	9,000	2,050
Total Operation		78,787	75,987	196,344	207,550	207,550	220,150	215,800
124-4202-5100	Capital Outlay	5,197	138,200	8,519	-	-	-	4,250
Total Capital Outlay		5,197	138,200	8,519	-	-	-	4,250
TOTAL DEPARTMENT		83,984	214,187	204,863	207,550	207,550	220,150	220,050

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

* Includes Community Center, Youth Annex, Garzot Building

**Detail - Ives Pool
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
100-4302-4010	Salaries ¹ (.30 FTE)	10,846	22,521	23,400	23,400	23,400	21,700
100-4302-4100	Benefits ²	10,781	10,297	10,750	10,750	10,750	13,300
100-4302-4210	Contract Services	11,963	8,581	20,000	20,000	16,000	7,000
100-4302-4330	Misc Supplies & Services	5,358	5,590	4,800	4,800	4,800	4,800
100-4302-4331	Chlorine & Chemicals Reimb	-	902	-	-	-	5,500
100-4302-4378	Equipment Maintenance	-	14,075	-	-	-	14,600
100-4302-4710	Utilities - Gas & Electric	31,387	43,076	33,000	33,000	54,000	58,500
100-4302-4711	Utilities - City Use	3,629	3,700	5,000	5,000	3,700	3,700
100-4302-4996	Allocated Liability Insurance	2,321	2,440	3,000	3,000	3,000	1,600
100-4302-4997	Allocated Workers' Comp Insurance	-	-	1,050	1,050	1,050	1,350
Total Operation		76,285	111,182	101,000	101,000	116,700	132,050
124-4302-5100	Capital Outlay	11,989	-	41,000	41,000	25,300	-
Total Capital Outlay		11,989	-	41,000	41,000	25,300	-
TOTAL DEPARTMENT		88,274	111,182	142,000	142,000	142,000	132,050

¹ Salaries: Includes base pay, longevity pay, education incentive pay (when applicable).

² Benefits: Includes PERS retirement, health, dental, vision, medicare, short-term, long-term disability

**Detail - Non Departmental
Budget Expenditures**

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Year-End	2018/19 Proposed Budget
100-0000-4104	Accrual In Lieu	61,532	69,643	70,000	70,000	70,000	94,000
100-0000-4170	Service Awards	3,161	2,256	2,500	2,500	2,500	2,500
100-0000-4210	Contract Services	150,920	188,267	133,300	143,300	143,300	106,340
100-0000-4221	Property Tax Services	15,082	15,798	17,500	17,500	17,500	17,500
100-0000-4805	Beverage Container Program	5,000	-	5,000	5,000	5,000	5,000
TOTAL		235,695	275,964	228,300	238,300	238,300	225,340
100-0000-3998	G&A - Water Fund Cost Allocation - 9%	(23,622)	(27,352)	(20,547)	(21,447)	(21,447)	(20,281)
100-0000-3998	G&A - Sewer Fund Cost Allocation - 9%	(23,622)	(27,352)	(20,547)	(21,447)	(21,447)	(20,281)
General Fund Cost Allocation - 82%		188,451	221,260	187,206	195,406	195,406	184,779

NON DEPARTMENTAL GUIDELINE

The purpose of the Non-Departmental account/program is to record expenditures for those items that are not directly associated with any one department or operating budget, but to the City as a whole. Non-Departmental operating expenses include, website maintenance, VMHP (Park Village) contract, employee service award, personnel cost (MOUs provisions)

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DEBT SERVICE

The City record and disbursement of monies used to repay of annual principal and interest, fees, anticipated new debt, and administrative fees on city issued debt. Transaction Sales Tax Fund accounts for the payment of debt service on the City's General Obligation. The Utility Fund accounts for all debt associated with the Water utilities activity. These debts account for the accumulation of resources and payment of general long-term debt principal.

Infrastructure Lease

On May 16, 2006 the City adopted a resolution authorizing the lease financing in the amount of \$2,880,000 for various public improvements. The lease cost of issuance was \$20,000, with an interest rate of 4.85% for 20 years. The semi-annual payments are \$113,284 and the lease will be paid in full on June 8, 2026. The projects included replacing the sewer force main; construction of the Skate Park; installation of a Water Booster Pump which will interconnect the low and high water zones; drilling a new Well No. 2 on the existing site of the old well; Street improvements; and install solar ponds on the roof of the Sewer pump station, City Hall and Library, and the Police Station.

Clean Renewable Energy Bond (CREBS of 2006)

The City entered into a capital lease arrangement with Municipal Finance Corporation pursuant to approval from the Internal Revenue Service for the issuance of Clean Renewable Energy Bonds in the amount of \$2,074,000 and the annual debt service payment is \$122,000 with no interest accruing on the principal. In 2011 the City refinanced the debt, and reduced the remaining payment for the life of the lease to \$97,590 annually. The lease will be paid in full on April 1, 2024. The projects include solar panels to generate electricity at the City Hall/Library complex, the Police station and at the sewer lift station, and funds to implement projects for pedestrian safety contained in the Street Smart Study. Funding for the repayment of this debt is charged proportionately to each fund based upon funds allocated to each project.

Village Mobile Home Park

On September 18, 2007 the City entered into a purchase agreement in the amount of \$1,611,594 for the Village Mobile Home Park purchase. The lease financing was in the amount of \$817,500 with an interest rate of 4.90% per annum for 20 years, and a \$17,500 cost of issuance. The semi-annual payments are \$64,585 and the debt will be paid in full on July 1, 2027.

Vacuum Truck Lease

With the lease payment ending paid in full on June 30, 2016 for the 2013 Vactor truck purchased through a lease option in 2008, and to ensure efficiency, greater flexibility for staff and reduce the wear and tear of utilizing one vehicle; the City purchased a second Vactor truck in as the Public Works Department has determined that it's necessary to serve as a backup and rotating usage between the two vehicles. The City's adopted budget assumes the purchase of the second Vactor vehicle in the form of a lease payment. The lease term is 60 months with the annual payment of \$56,300. The lease will be paid in full in approximately June 30, 2021.

Well 6 Arsenic Treatment Planning Loan

The City of Sebastopol needs to lower the arsenic level in Well 6. The City applied for a 5 year loan from the California Department of Public Health to conduct a pilot study test to determine the

method in which to treat the arsenic, engineering to design plans and specifications for the treatment system once the method of treatment is determined, and a work plan for operating the treatment system. An application is pending for the \$411,000 loan at 2.085% from the California Safe Drinking Water State Revolving Fund, to implement this first phase of planning.

Well 7 Well 7 Arsenic Treatment System Construction Loan

The City of Sebastopol needs to lower the arsenic level in Well 7, and construction plans and specifications for the Well 7 Water Treatment System has been completed by the consultant, and approved by the City Engineer. The City applied for a 20 year loan from Muni Financing for the arsenic treatment system construction. The \$1,235,000 loan at 4.10% is for 20 years.

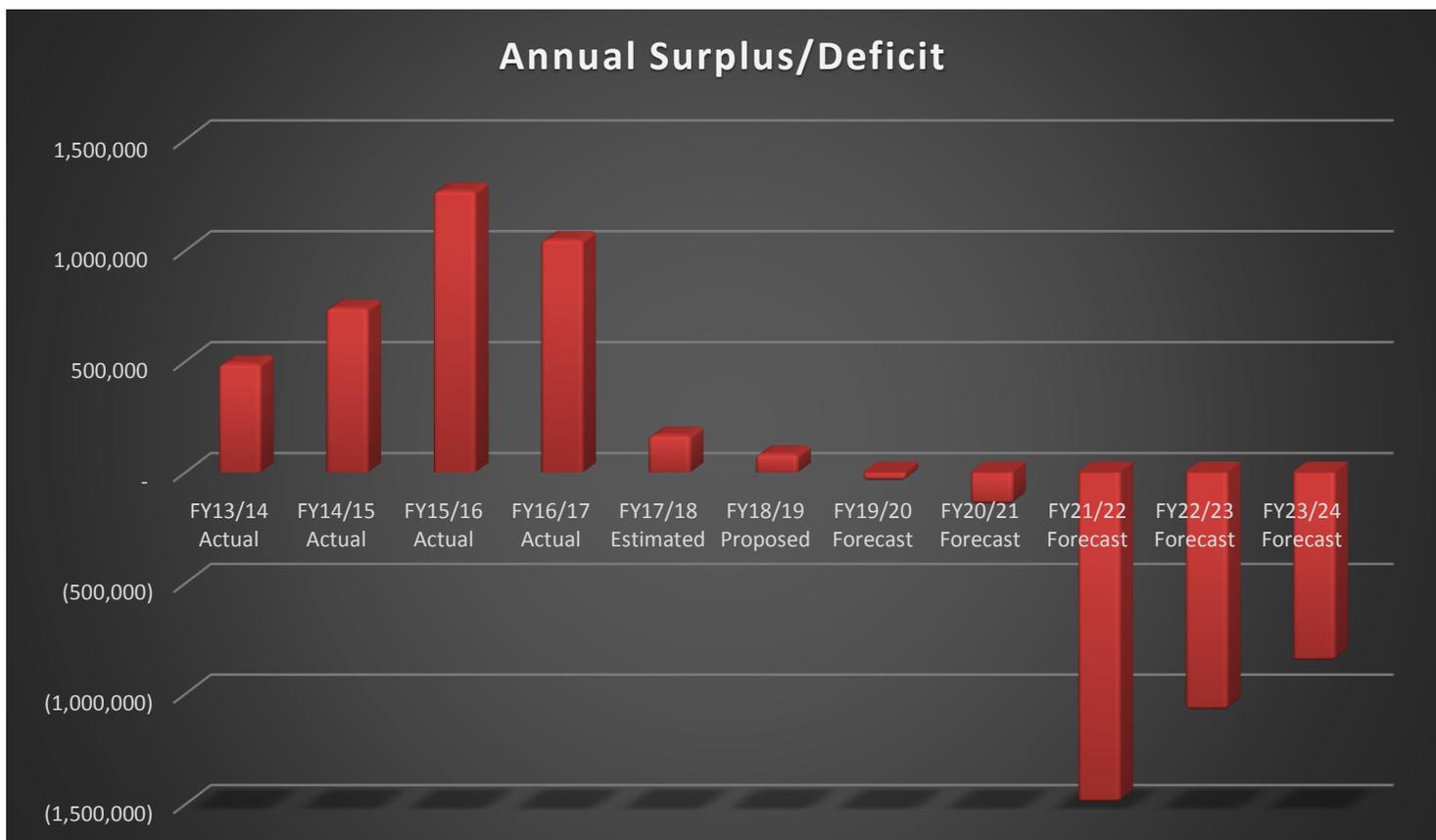
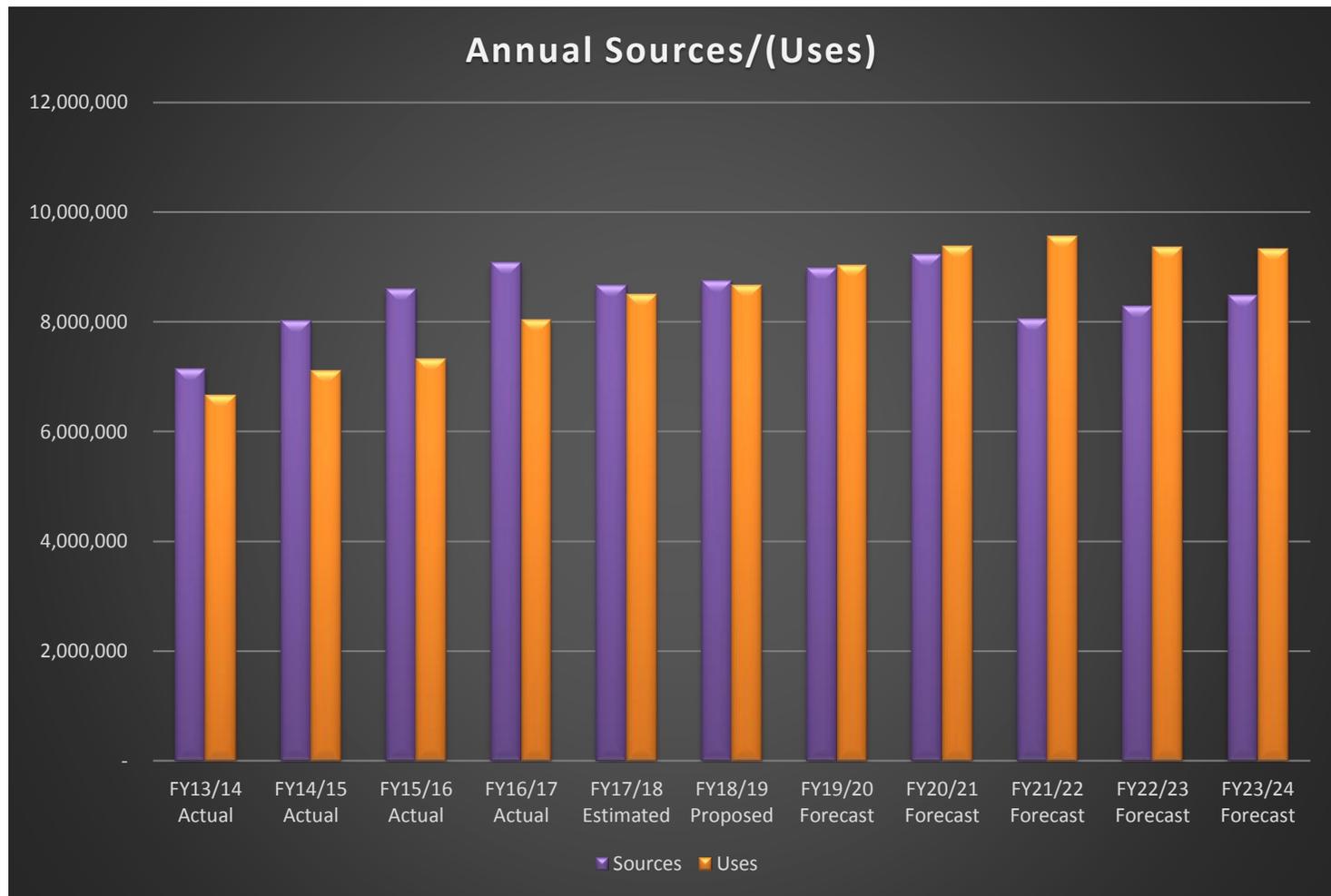
Debt Service Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
<i>Infrastructure Lease Financing of 2006 (PIF 6/8/2026) Due June & December</i>							
124-9971-6100	Streets Prin 27.08%	36,656	36,656	38,456	38,456	38,456	47,874
124-9971-6200	Streets Int 27.08%	24,698	24,698	30,677	30,677	30,677	21,554
510-9971-6100	Sewer Principal 27.78%	37,604	37,604	39,450	39,450	39,450	43,418
510-9971-6200	Sewer Interest 27.78%	25,338	25,338	23,491	23,491	23,491	21,554
500-9971-6100	Water Principal 31.25%	42,300	42,300	44,378	44,378	44,378	47,874
510-9971-6200	Water Interest 31.25%	28,500	28,500	35,401	35,401	35,401	21,554
212-9971-6100	Park in Lieu Prin 13.89%	18,802	18,802	19,725	19,725	19,725	47,874
212-9971-6100	Park in Lieu Int 13.89%	12,670	12,670	15,735	15,735	15,735	21,554
Total Infrastructure Lease		226,568	226,568	247,313	247,313	247,313	273,256
<i>Village Mobile Home Park (PIF 7/1/2027) Due January and July</i>							
124-9972-6100	Lease Principal	36,128	36,128	37,467	37,467	37,467	39,325
124-9972-6200	Lease Interest	28,456	28,457	27,118	27,118	27,118	25,260
Total Village MHP Lease Purchase		64,584	64,585	64,585	64,585	64,585	64,585
<i>CREBS Solar Panel Lease (PIF 12/16/2023) Due December</i>							
124-9973-6100	Lease Principal 47.41%	46,267	46,267	46,267	46,267	46,267	46,267
402-9973-6100	Lease Principal 20.80%	20,299	24,241	20,299	20,299	20,299	20,299
500-9973-6100	Lease Principal 31.79%	31,023	24,241	31,024	31,023	31,023	31,024
Total CREBS Lease		97,589	94,749	97,590	97,589	97,589	97,589
<i>Vacuum Truck Lease (PIF 10/12/2021) Due October & June</i>							
124-9974-6100	Sales Tax Principal 25%	6,308	6,296	8,588	8,588	6,297	13,096
124-9974-6200	Sales Tax Interest 25%	609	745	1,588	1,588	745	988
510-9974-6100	Sewer Principal 50%	12,615	12,593	17,175	17,176	12,593	26,193
510-9974-6200	Sewer Interest 50%	1,219	1,492	3,177	3,177	1,491	1,976
500-9974-6100	Water Principal 25%	6,308	6,296	8,588	8,588	6,297	13,096
500-9974-6200	Water Interest 25%	609	745	1,588	1,588	745	988
Total Vacuum Truck Lease		27,668	28,167	40,704	40,704	28,167	56,336
<i>Well 6 Arsenic Treatment State Revolving Loan (5 Year Loan beginning Sept. 2014)</i>							
500-9975-6100	Water CIP Principal	-	-	80,478	80,478	80,478	82,164
500-9975-6200	Water CIP Interest	3,454	-	6,509	6,509	6,509	4,822
Total Water System Loan		3,454	-	86,987	86,987	86,987	86,986

Debt Service
Budget Expenditures

Account Number	Description	2015/16 Actual	2016/17 Actual	2017/18 Adopted Budget	2017/18 Adjusted Budget	2017/18 Estimated Actual	2018/19 Proposed Budget
<i>Well 7 Arsenic Treatment Muni Services Loan (20 Year Loan beginning Sept. 2014)</i>							
500-9976-6100	Water CIP Principal	41,517	-	41,517	41,517	41,517	44,991
500-9976-6200	Water CIP Interest	49,200	-	47,565	47,565	47,565	44,091
Total Water System Loan		90,717	-	89,082	89,082	89,082	89,082
TOTAL DEBT SERVICE		510,580	414,069	626,261	626,260	613,723	667,835
Total General Fund		179,122	179,247	190,161	190,161	187,027	194,364

FINANCIAL FORECAST GRAPH



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City of Sebastopol, CA
General Fund/Transaction & Use Tax Fund History and Forecast
FY 2011/12 Through 2023/24

	Actual FY 09/10	Actual FY 10/11	Actual FY 11/12	Actual FY 12/13	Actual FY 13/14	Actual FY 14/15	Actual FY 15/16	Actual FY 16/17	Estimated FY 17/18	Budget FY 18/19	Forecast FY 19/20	Forecast FY 20/21	Forecast FY 21/22	Forecast FY 22/23	Forecast FY 23/24
Revenues:															
Property Taxes	\$ 1,697,796	\$ 1,666,583	\$ 2,166,875	\$ 2,201,954	\$ 2,024,751	\$ 2,043,313	\$ 2,325,784	\$ 2,368,507	\$ 2,321,200	\$ 2,316,375	\$ 2,362,703	\$ 2,409,957	\$ 2,458,156	\$ 2,507,319	\$ 2,532,392
Sales & Use Tax	1,329,309	1,326,892	1,330,282	1,606,184	1,642,919	1,668,410	1,553,434	1,918,112	1,862,000	1,947,000	2,020,986	2,093,741	2,167,022	2,240,701	2,314,644
Measure T - 1/4 cent	445,384	466,684	520,394	610,069	556,276	608,379	607,886	625,623	635,000	664,000	688,568	713,356	738,323	763,426	787,856
Measure Y - 1/2 cent	-	-	-	536,987	884,869	1,233,105	1,199,872	1,280,240	1,282,000	1,341,000	1,369,161	1,396,544	-	-	-
Utility User Tax	362,021	359,510	304,796	334,739	354,011	459,202	616,276	695,633	591,600	588,500	603,213	618,293	633,750	649,594	665,834
Transient Occupancy Tax	238,657	269,985	300,937	329,577	359,892	482,164	483,738	514,225	510,000	500,000	525,000	551,250	578,813	607,764	638,142
Franchise Fees	140,695	146,564	139,318	146,119	141,507	155,165	371,567	359,466	350,200	350,200	357,204	364,348	371,635	379,068	386,649
Licenses & Permits	223,677	370,071	321,279	364,654	290,027	314,693	488,949	406,529	282,900	273,000	279,825	288,220	296,867	305,773	314,946
Fines & Forfeitures	88,111	94,596	174,613	124,942	117,357	158,380	122,234	88,747	75,000	75,000	75,750	76,508	77,273	78,046	78,826
Interest & Rents	47,573	49,029	49,179	89,775	44,675	62,104	69,259	84,984	72,000	78,200	78,982	79,772	80,570	81,376	82,190
Intergovernmental	123,915	121,250	109,357	102,018	96,444	153,018	112,854	109,799	203,821	109,800	110,898	112,007	113,127	114,258	115,401
Charges for Current Services	339,119	376,330	298,932	311,111	339,120	365,302	262,337	337,566	222,220	230,020	236,921	244,029	251,350	258,891	266,658
Community Center Fees	49,292	46,398	34,080	37,466	54,572	39,837	37,479	51,053	54,200	64,000	65,280	66,586	67,918	69,276	70,662
Miscellaneous/Other Income	(37,639)	(40,331)	236,215	482,823	215,693	265,617	343,384	243,160	207,300	197,500	201,450	205,479	209,589	213,781	218,057
Total Revenues	\$ 5,047,910	\$ 5,253,561	\$ 5,986,257	\$ 7,278,418	\$ 7,122,113	\$ 8,008,689	\$ 8,595,053	\$ 9,083,644	\$ 8,669,441	\$ 8,734,595	\$ 8,975,941	\$ 9,220,090	\$ 8,044,393	\$ 8,269,263	\$ 8,472,257
Transfers In:															
Transfers In:	99,805	244,658	30,158	32,591	26,186	16,127	8,695	670	10,000	16,350	16,350	16,350	16,350	16,350	16,350
Total Transfers In	\$ 99,805	\$ 244,658	\$ 30,158	\$ 32,591	\$ 26,186	\$ 16,127	\$ 8,695	\$ 670	\$ 10,000	\$ 16,350	\$ 16,350	\$ 16,350	\$ 16,350	\$ 16,350	\$ 16,350
Total Resources Available:															
(Revenues & Transfers In)	\$ 5,147,715	\$ 5,498,219	\$ 6,016,415	\$ 7,311,009	\$ 7,148,299	\$ 8,024,816	\$ 8,603,748	\$ 9,084,314	\$ 8,679,441	\$ 8,750,945	\$ 8,992,291	\$ 9,236,440	\$ 8,060,743	\$ 8,285,613	\$ 8,488,607
Growth %		6.81%	9.42%	21.52%	-2.23%	12.26%	7.21%	5.59%	-4.46%	0.82%	2.76%	2.72%	-12.73%	2.79%	2.45%

Continued on next Page

**City of Sebastopol, CA
General Fund/Transaction & Use Tax Fund History and Forecast
FY 2011/12 Through 2023/24**

	Actual FY 09/10	Actual FY 10/11	Actual FY 11/12	Actual FY 12/13	Actual FY 13/14	Actual FY 14/15	Actual FY 15/16	Actual FY 16/17	Estimated FY 17/18	Budget FY 18/19	Forecast FY 19/20	Forecast FY 20/21	Forecast FY 21/22	Forecast FY 22/23	Forecast FY 23/24
Department Expenditures:															
City Council	60,966	89,060	107,319	107,319	224,582	183,488	177,174	206,294	205,136	193,922	203,921	213,565	222,569	213,224	218,411
City Manager	184,750	127,269	69,748	69,748	117,405	101,568	151,145	231,646	213,375	177,420	165,917	170,713	171,932	168,112	169,052
City Attorney	158,862	143,309	229,079	229,079	370,426	142,329	124,574	129,453	127,006	131,891	133,437	135,757	137,530	94,590	95,030
City Clerk	-	109,355	146,499	146,499	163,131	188,523	216,138	238,969	246,066	294,957	263,072	272,461	269,632	263,740	266,193
Finance	65,883	65,633	120,675	120,675	125,182	107,830	116,057	174,737	219,760	228,608	232,987	242,232	245,049	252,834	256,343
Planning	116,996	186,605	269,322	269,322	274,104	535,423	538,787	454,344	538,358	530,912	543,259	557,343	569,591	561,563	565,603
Building	157,479	155,308	154,581	154,581	158,756	169,503	170,766	187,906	181,581	197,214	203,009	209,386	207,374	200,907	201,857
Police	2,981,474	2,896,453	2,947,930	2,947,930	3,025,970	3,222,751	3,380,118	3,541,243	3,833,100	3,919,250	4,080,434	4,259,251	4,400,241	4,317,078	4,361,576
Fire	581,350	592,213	574,657	574,657	545,700	690,609	673,687	765,564	926,803	842,524	896,278	922,450	891,517	906,169	915,788
Public Works	562,007	530,081	432,326	432,326	993,406	890,204	745,669	1,061,889	989,150	1,100,073	1,060,747	1,108,461	1,139,200	1,136,941	1,003,758
Engineering / Storm Water	-	110,871	108,734	108,734	130,438	265,747	302,461	307,526	175,129	232,640	246,902	257,652	264,958	262,450	265,982
Community Center	184,553	110,907	55,843	55,843	32,199	116,726	215,225	221,260	195,406	184,690	193,925	203,621	207,693	211,847	216,084
Other General Gov't (Non-Dpt)	110,907	121,038	298,544	298,544	288,544	285,247	267,047	197,626	186,290	212,744	212,744	212,744	197,626	186,290	212,744
Debt Service	165,413	298,535													
Total Department Expenditures	5,330,640	5,425,730	5,515,257	5,515,257	6,459,843	6,899,948	7,180,631	7,868,374	8,387,310	8,664,145	8,874,264	9,224,768	9,396,101	9,202,681	9,183,475
Other Expenditures:															
City Vehicles/Facilities															
Total Other Expenditures															
Transfers Out:															
Others - Overage of AD & GT	185,352	85,139	51,531	51,531	49,215	67,394	4,205	-	-	-	-	-	-	-	-
Others - Streets Pavement Reserve	100,000	-	150,000	150,000	150,000	150,000	150,000	150,000	125,000	-	150,000	150,000	150,000	150,000	150,000
Others - SLESF	-	-	-	-	-	-	-	17,048	-	-	10,000	10,000	10,000	10,000	10,000
Others - Gas Tax	-	-	-	-	-	-	-	-	-	4,400	-	-	-	-	-
Total Transfers Out	285,352	85,139	201,531	201,531	199,215	217,394	154,205	167,048	125,000	4,400	160,000	160,000	160,000	160,000	160,000
Total Resources Used: (Departmental, Other Expenditures & Transfers Out)	\$ 5,615,992	\$ 5,510,869	\$ 5,716,788	\$ 5,716,788	\$ 6,659,058	\$ 7,117,342	\$ 7,334,836	\$ 8,035,422	\$ 8,512,310	\$ 8,668,545	\$ 9,034,264	\$ 9,384,768	\$ 9,556,101	\$ 9,362,681	\$ 9,343,475
Net Results of Operations: (Total Resources Available less Total Resources Used)	\$ (117,773)	\$ 505,546	\$ 1,594,221	\$ 1,594,221	\$ 489,241	\$ 907,474	\$ 1,266,912	\$ 1,048,892	\$ 167,131	\$ 82,400	\$ (41,973)	\$ (148,328)	\$ (1,495,358)	\$ (1,077,068)	\$ (854,868)
Contribution(Uses) of Reserves:		\$ 505,546	\$ 1,594,221	\$ 1,594,221	\$ 489,241	\$ 907,474	\$ 1,266,912	\$ 1,048,892	\$ 167,131	\$ 82,400	\$ (41,973)	\$ (148,328)	\$ (1,495,358)	\$ (1,077,068)	\$ (854,868)
Total Annual Surplus/(Deficit): (Net Results of Operations & Contribution to Reserves)	\$ (117,773)	\$ 505,546	\$ 1,594,221	\$ 1,594,221	\$ 489,241	\$ 907,474	\$ 1,266,912	\$ 1,048,892	\$ 167,131	\$ 82,400	\$ (41,973)	\$ (148,328)	\$ (1,495,358)	\$ (1,077,068)	\$ (854,868)
Policy Reserve Level (15% to 20%)	\$ 817,587	\$ 781,850	\$ 812,737	\$ 812,737	\$ 954,077	\$ 1,423,468	\$ 1,466,967	\$ 1,607,084	\$ 1,702,462	\$ 1,733,709	\$ 1,806,853	\$ 1,876,954	\$ 1,911,220	\$ 1,872,536	\$ 1,868,695
Unassigned Reserves Balance	\$ 288,426	\$ 712,454	\$ 1,517,762	\$ 1,517,762	\$ 2,133,031	\$ 2,907,524	\$ 4,095,624	\$ 2,412,516	\$ 2,029,747	\$ 2,112,147	\$ 2,070,174	\$ 1,921,846	\$ 426,488	\$ (650,580)	\$ (1,505,448)
Actual Reserve Level	5.1%	12.9%	26.5%	26.5%	32.0%	40.9%	55.8%	30.0%	23.8%	24.4%	22.9%	20.5%	4.5%	-6.9%	-16.1%

**CITY OF SEBASTOPOL
VEHICLE/EQUIPMENT REPLACEMENT SCHEDULE**

VEH NO	VEHICLE DESCRIPTION	YEAR OF VEHICLE	DEPT	YRS. EXPT LIFE	YR PURCHASE PRICE	FV REPL COST	PER YEAR RPL COST	REPLACE FY	2019 YEARS TO REPL.	2020 YEARS TO REPL.	2021 YEARS TO REPL.	2022 YEARS TO REPL.	2023 YEARS TO REPL.	2024 YEARS TO REPL.
10	Ford C-Max Hybrid	2017	PW	15	35,000	63,033	4,202	2032	13	12	11	10	9	8
12	Ford 350 4x4 Pickup	2016	PW	20	36,203	79,325	3,966	2036	17	16	15	14	13	12
13	Ford 350 Flat Bed Dump Truck	2002	PW	20	34,328	75,217	3,761	2022	3	2	1	0	0	0
14	Ford F-350 w/ lift	2014	PW	20	74,114	162,393	8,120	2034	15	14	13	12	11	10
15	Ford 250 w/Scelzi Utility Body	2014	PW	20	32,700	71,650	3,582	2034	15	14	13	12	11	10
16	Ford Ranger Pickup	2002	PW	20	13,046	28,585	1,429	2022	3	2	1	0	0	0
17	Ford 250 w/Scelzi Utility Body	2014	PW	20	32,692	71,632	3,582	2034	15	14	13	12	11	10
18	Ford F250 w/Scelzi Utility Body	2017	PW	20	34,000	74,498	3,725	2037	18	17	16	15	14	13
19	Ford F350 w/Dump Body	2014	PW	20	37,499	82,165	4,108	2034	15	14	13	12	11	10
21	Chevrolet Pickup	2006	PW	20	14,000	30,676	1,534	2026	7	6	5	4	3	2
22	Ford F650 5 Yard Dump	2010	PW	20	74,184	162,546	8,127	2030	11	10	9	8	7	6
23	International 5 Yard Dump	1994	PW	30	32,445	105,232	3,508	2024	5	4	3	2	1	0
24	Ford Ranger Pickup	2006	PW	20	12,000	26,293	1,315	2026	7	6	5	4	3	2
25	Ford F250 w/Scelzi Utility Body	2017	PW	20	34,000	74,498	3,725	2037	18	17	16	15	14	13
26	Ford Ranger Pickup	2002	PW	20	13,046	28,585	1,429	2022	3	2	1	0	0	0
29	Chevrolet Pickup	2006	PW	20	14,000	30,676	1,534	2026	7	6	5	4	3	2
86	Featherlite Trailer	2001	PW	20	2,500	5,478	274	2021	2	1	0	0	0	0
87	John Deere 310E Backhoe	2002	PW	15	39,900	71,858	4,791	2017	0	0	0	0	0	0
88	Case 570 XLT Loader/Grader	2002	PW	20	36,980	81,028	4,051	2022	3	2	1	0	0	0
89	John Deere 310L Backhoe	2015	PW	15	93,477	168,347	11,223	2030	11	10	9	8	7	6
95	Vactor 2103 Truck	2009	PW	20	167,761	367,585	18,379	2029	10	9	8	7	6	5
96	Featherlite Mower Trailer	2009	PW	20	3,343	7,325	366	2029	10	9	8	7	6	5
97	Internation Vactor 2013	2017	PW	20	287,000	628,852	31,443	2037	18	17	16	15	14	13

TOTAL ANNUAL REPLACEMENT COST

71,858 71,858 77,335 186,949 262,165 367,397

**CITY OF SEBASTOPOL
VEHICLE/EQUIPMENT REPLACEMENT SCHEDULE**

VEH NO	VEHICLE DESCRIPTION	YEAR OF VEHICLE	DEPT	YRS. EXPT LIFE	PRICE	FV REPL COST	PER YEAR RPL COST	REPLACE FY	2019 YEARS TO REPL.	2020 YEARS TO REPL.	2021 YEARS TO REPL.	2022 YEARS TO REPL.	2023 YEARS TO REPL.	2024 YEARS TO REPL.
31	Ford Crown Victoria	2008	PD	10	24,500	36,266	3,627	2018	0	0	0	0	0	0
33	Harley Davidson Motorcycle	2005	PD	20	20,000	43,822	2,191	2025	6	5	4	3	2	1
34	Harley Davidson Motorcycle	2005	PD	20	20,000	43,822	2,191	2025	6	5	4	3	2	1
36	Toyota Prius	2005	PD	15	23,500	42,322	2,821	2020	1	0	0	0	0	0
37	Ford Fusion	2017	PD	10	40,000	59,210	5,921	2027	8	7	6	5	4	3
38	Ford Fusion	2018	PD	10	40,000	59,210	5,921	2028	9	8	7	6	5	4
41	Ford Explorer	2017	PD	10	47,000	69,571	6,957	2027	8	7	6	5	4	3
42	Ford Explorer Interceptor	2015	PD	10	46,750	69,201	6,920	2025	6	5	4	3	2	1
43	Ford Explorer	2017	PD	10	47,000	69,571	6,957	2027	8	7	6	5	4	3
44	Ford Explorer	2016	PD	10	46,750	69,201	6,920	2026	7	6	5	4	3	2
45	Ford Crown Victoria	2008	PD	8	24,500	33,530	4,191	2016	0	0	0	0	0	0
48	Mighty Mover DUI Trailer	1998	PD	40	15,000	72,015	1,800	2038	19	18	17	16	15	14
49	Ford Interceptor	2014	PD	10	28,100	41,595	4,159	2024	5	4	3	2	1	0
50	Ford Explorer	2014	PD	10	28,100	41,595	4,159	2024	5	4	3	2	1	0
52	Ford Escape/Hybrid	2005	PD	14	27,100	46,928	3,352	2019	0	0	0	0	0	0
TOTAL ANNUAL REPLACEMENT COST									116,724	159,047	159,047	159,047	159,047	242,236

**CITY OF SEBASTOPOL
VEHICLE/EQUIPMENT REPLACEMENT SCHEDULE**

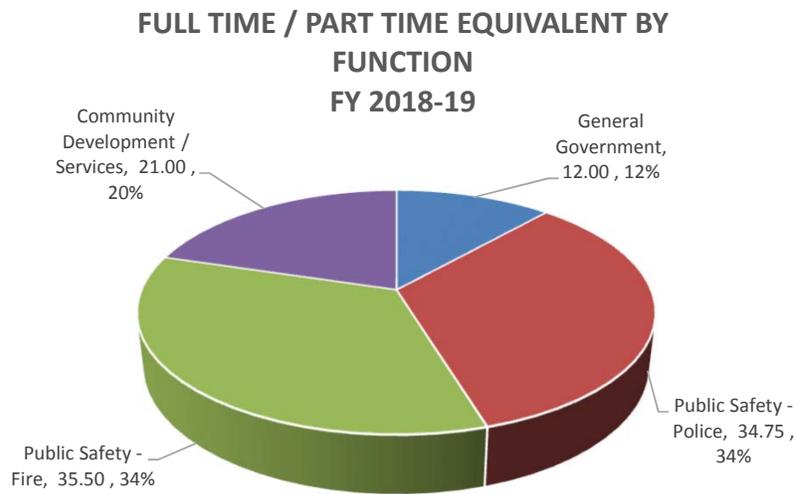
VEH NO	VEHICLE DESCRIPTION	YEAR OF VEHICLE	DEPT	YRS. EXPT LIFE	YRS. PURCHASE PRICE	FV REPL COST	PER YEAR RPL COST	REPLACE FY	2019 YEARS TO REPL.	2020 YEARS TO REPL.	2021 YEARS TO REPL.	2022 YEARS TO REPL.	2023 YEARS TO REPL.	2024 YEARS TO REPL.
8330	International Emergency Response	1994	FD	23	100,000	246,472	10,716	2017	0	0	0	0	0	0
8300	Ford Escape	2008	FD	10	28,000	41,447	4,145	2018	0	0	0	0	0	0
8361	International Fire Engine Type 3	1996	FD	25	12,000	31,990	1,280	2021	2	1	0	0	0	0
8350	Pierce Dash Fire Ladder Truck	2003	FD	20	596,000	1,305,909	65,295	2023	4	3	2	1	0	0
8343	Klamath 13' Rescue Boat	2014	FD	10	3,800	5,625	562	2024	5	4	3	2	1	0
8340	Dodge Ram 2500 Pickup	2008	FD	20	33,500	73,403	3,670	2028	9	8	7	6	5	4
8380	Pierce Velocity Fire Engine	2011	FD	20	695,500	1,523,926	76,196	2031	12	11	10	9	8	7
8381	Pierce Lance Fire Engine	1990	FD	30	200,000	648,680	21,623	2020	1	0	0	0	0	0
B83	Chevrolet Tahoe	2015	FD	10	40,000	59,210	5,921	2025	6	5	4	3	2	1
BLDG	Ford Escape	2008	BLDG	10	27,000	39,967	3,997	2018	0	0	0	0	0	0
TOTAL ANNUAL REPLACEMENT COST									327,885	976,564	1,008,555	1,008,555	2,314,464	2,320,089
GRAND TOTAL ANNUAL REPLACEMENT COST									516,467	1,207,469	1,244,937	1,354,550	2,735,676	2,929,723

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**CITY OF SEBASTOPOL
 FULL-TIME / PART-TIME EQUIVALENT BY FUNCTION
 LAST FIVE FISCAL YEAR**

Function	2015	2016	As of June 30, 2017	2018	2019
General Government					
City Council	6.00	6.00	6.00	6.00	6.00
Administrative ¹	2.00	2.00	1.75	2.00	2.00
Finance & Accounting	3.00	4.00	4.00	4.00	4.00
Public Safety					
Police Protection	20.50	22.00	23.75	23.75	23.75
Police Protection - Reserves	11.00	11.00	11.00	11.00	11.00
Fire Protection	1.40	1.50	1.50	1.50	1.50
Fire Protection - Volunteers	30.00	32.00	32.00	32.00	34.00
Community Development / Services					
Planning	2.60	2.76	3.00	3.00	3.00
Building Inspection	1.50	1.50	1.50	1.50	1.50
Engineering	2.50	1.50	1.75	1.75	1.75
Public Works	12.50	12.50	12.00	13.75	14.75
Total	93.00	96.76	98.25	100.25	103.25

¹ Designate one employee holding two positions



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ADOPTED FTE STAFFING SUMMARY

Budgeted Staffing	FY 2017/18 Amended	Add	Delete	FY 2018/19 Adopted
<u>City Council</u>				
Council Members	5			5
Video Recorder	1			1
Total	6			6
<u>City Manager/Assistant City Manager/City Clerk</u>				
City Manager ¹	0.75			0.75
Assistant City Manager/City Clerk	1			1
Total	1.75			1.75
<u>City Attorney</u>				
City Attorney ¹	0.25			0.25
<u>Finance</u>				
Finance Director	1			1
Accounting Supervisor	0	1		1
Account Clerk 1	0	1		1
Office Assistant	1			1
Junior Accountant	2		2	0
Total	4	2	2	4
<u>Building Inspection</u>				
Building Official	1			1
Senior Administrative Assistant ²	0.5			0.5
Total	1.5			1.5
<u>Planning</u>				
Planning Director	1			1
Assistant Planner	1			1
Senior Administrative Assistant	1			1
Total	3			3
<u>Fire Services</u>				
Fire Chief	1			1
Senior Administrative Assistant ²	0.5			0.5
Volunteers	32	2		34
Total	33.5	2		35.5

ADOPTED FTE STAFFING SUMMARY

Budgeted Staffing	FY 2017/18 Amended	Add	Delete	FY 2018/19 Adopted
<u>Police Services</u>				
Police Chief	1			1
Captain	1		1	0
Lieutenant	0	1		1
Sergeants	4			4
Officers	10			10
Lead Communication Dispatcher	1			1
Dispatchers	5			5
Technician	0.75			0.75
Aide	1			1
Reseves	11			11
Total	34.75	1	1	34.75
<u>Public Works</u>				
Superintendent	1			1
Assistant Superintendent	1			1
Senior Administrative Assistant / Department Technician	0.5			0.5
Administrative Assistant	0.25			0.25
Water Treatment Operator	1			1
Senior Maintenance Worker	1			1
Maintenance Worker III	1			1
Maintenance Worker II	1			1
Maintenance Worker II	1			1
Maintenance Worker I	1			1
Maintenance Worker I	1			1
Laborer	4	1		5
Total	13.75	1		14.75
<u>Engineering</u>				
Engineering Manager	1			1
Senior Administrative Assistant / Department Technician	0.5			0.5
Administrative Assistant	0.25			0.25
Total	1.75	0		1.75
Grand Total	100.25	6	3	103.25

¹ Designate one employee holding two positions

² Designate employee sharing between departments

ADOPTED OVERHEAD ALLOCATION

Department	***** Percentage of Overhead Allocated by Fund *****				
	General Fund	T&U Fund	Water Fund	Sewer Fund	Total
City Council	74.0%		12.0%	14.0%	100.0%
City Manager	60.0%		20.0%	20.0%	100.0%
City Attorney	92.0%		5.0%	3.0%	100.0%
Assistant City Manager/City Clerk	85.0%		8.0%	7.0%	100.0%
Finance	25.0%		38.0%	37.0%	100.0%
Building	74.0%		13.0%	13.0%	100.0%
Planning	92.0%		5.0%	3.0%	100.0%
Engineering	38.0%		34.0%	28.0%	100.0%
Fire Services	93.0%		7.0%		100.0%
Police Services	89.6%	10.4%			100.0%
Public Works					
Corporation Yard		17.0%	48.0%	35.0%	100.0%
Government Building	50.0%		25.0%	25.0%	100.0%
Streets		100.0%			100.0%
Parking Lots	100.0%				100.0%
Parks & Landscaping	58.5%	41.5%			100.0%
Storm Water		100.0%			100.0%
Non Departmental	82.0%		9.0%	9.0%	100.0%

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Appropriations Limit Worksheet For the Year Ending June 30, 2019

Appropriations limit for fiscal year ending
June 30, 2018 \$ 14,695,875

Adjustment factors for the fiscal year ending
June 30, 2018

Inflation Factor 1.0367

Population Factor 1.0212

Adjustment Factor 1.05867804

Appropriations limit for fiscal year ending
June 30, 2019 \$ 15,558,200

Appropriations Limit:

State Law requires the annual calculation of the City's Appropriations (Gann) Limit, and the City's practice is to include the annual calculation and adoption at the same time as it reviews and approves the Budget. Staff has calculated the Fiscal Year 2018-2019 Limit at \$15,558,200

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CITY OF SEBASTOPOL
Financial Policy #69



OVERVIEW

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of Sebastopol. Included herein are statements and principles designed to guide the City in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist elected officials and city staff in the development of fiscal management practices, save time and provide structure for financial decisions, promote public confidence, enhance transparency and provide continuity over time. These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. A fiscal policy supports long-term planning and enhances the City's effectiveness in implementing long-term strategies to deliver efficient services to the public.

This document provides a structured, central repository for a variety of fiscal policies which are organized into the following categories

- General Financial Principles
- Annual Operating Budget Policy
- Capital Improvement Program
- Revenues
- Expenditures
- Cash Management
- Debt Management
- Fund Balances
- Financial Reporting
- Review and Update

GENERAL FINANCIAL PRINCIPAL

It is the overall policy of the City of Sebastopol to build upon a sound conceptual framework to:

- Manage its financial resources in a responsible and prudent manner.
- Provide financial information in a relevant, thorough and timely manner, and in a format that effectively communicates financial status to the Council, citizens and City employees.
- Establish and maintain prudent fund balance levels.
- Maintain financial reporting in compliance with current governmental accounting standards.
- Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
- Promote constructive and proactive financial decision making that includes, and is responsive to, citizens input and guidance.
- Integrate long-term operating and capital resources planning into the annual budget process.
- Allow for uncertainties and maintain a posture of financial flexibility.
- Develop programs in a manner that supports the City's long-term ability to cover costs and provide the level and quality of service required by its citizens.
- Manage debt responsibly.
- Establish and implement investment policies in accordance with the City code and State law.

ANNUAL OPERATING BUDGET POLICY

- An annual operating budget will be adopted by the City Council no later than June 30th of each fiscal year. The budget will include appropriations that provide expenditure authority to public officials responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the City Council.
- Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by the City Council.
- The City Council appointed Budget Subcommittee will develop and present a draft operating budget for consideration by the full City Council and Public. The operating budget will be presented to the City Council for review and adoption.
- Total projected expenditures shall not exceed total estimated revenues. Should this occur, City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.
- The City should maintain a multi-year financial forecast that is updated as part of the annual budget development process.
- One-time revenue sources are not to be relied upon to fund on-going operations.

Controlling and Adjusting the Annual Budget:

- The City structures and controls its budget by use of the following funds:
 - The general fund is the primary operating fund of the City. It accounts for the receipt of property tax, general sales tax, and other general revenues available to finance city operations. The general fund accounts for revenues and expenditures that do not fit the criteria to be accounted for in other funds with external restrictions imposed by their respective financing sources.
 - Special funds account for resources externally restricted for use by their respective funding sources, such as grant programs financed by the State and Federal governments.
 - Enterprise funds account for water and wastewater systems, may be used for fee-based programs if the intention is to recoup almost all City costs through fees or other user charges.
 - Internal Service funds account for centralized service costs (such as technology and vehicle services made available to all operating departments). Charges from the internal service funds appear as an expenditures in the user department, and as revenue in the central service department.
- The City's budget is controlled at the fund level by the City Council.
 - The City Council, as representatives of the public, is the sole authority for creating or increasing expenditure appropriations within a fund. The City Council is also the exclusive authority for approving changes in revenue estimates with funds.
- Department Heads will be held directly responsible and accountable for their budgets as originally adopted by the City Council or as thereafter revised in accordance with this policy. The level of expenditure control for departments is the department level.
- Departments that operate programs among different funds are limited to the appropriation levels within any one fund. This policy also describes the level of authority needed to amend the adopted budget.

Transfers and revisions to the adopted budget:

The City Council approves:

1. All increases in appropriations within a department or fund.
2. All transfers of appropriations between funds.
3. All decreases in appropriations, with the exception that the City Manager may direct Department Heads to suspend expenditures pending Council consideration of decreases

in appropriations needed to respond to fiscal emergency.

The City Manager approves:

1. Transfers of appropriations between expenditure line items within departments, projects and program budgets, up to \$100,000.
2. Transfers between operating divisions and program budgets within departments.
3. The City Manager may make budget transfers between departments or programs as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in fund appropriations, and overall increases in project budgets can only be made through City Council action. Transfers between departments should be reported to the City Council as part of the budget amendment process, either at mid-year or at the proposal of a new budget term.

Finance Department:

1. The Finance Department is responsible for providing forms and instructions for requesting appropriation adjustments, and for analyzing and recommending adjustments to the City Manager. The Finance Department will record approved budgets and adjustments into the City's budget system.
 2. The Finance Department will ensure that the City's Comprehensive Annual Financial Report (CAFR) includes a comparison of actual expenditures against the final budget, as amended and adjusted under the authorities of this policy.
- Operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:
 - Encumbrances or commitments, as in the form of finalized purchase orders made during the fiscal year that have not been completed at year-end.
 - Appropriations for capital improvement projects and ongoing grants with a life-cycle beyond one year.
 - Governmental funds use the modified accrual basis of accounting while proprietary and fiduciary fund types are budgeted on a full accrual basis of accounting. The Comprehensive Annual Financial Report (CAFR) presents City's finances on a Generally Accepted Accounting Principles (GAAP) basis and the City's budget is prepared in conformance with these standards.
 - City budget must comply with the annual determination of the City's appropriations limit calculated in accordance with Article XIIB of the Constitution of the State of California and adopt an annual resolution to this effect.

CAPITAL IMPROVEMENT PROGRAM

- The City will develop and maintain a five-year capital improvement program (CIP) to be updated annually in conjunction with the operating budget. The CIP should reflect the current and changing needs of the community as well as enhance of the community's quality of life.
- All projects within the CIP are to be tracked systematically and reported on a quarterly basis. CIP tracking reports should clearly display budget-to-actual performance by project, fund category and project status.
- Capital improvements that specifically benefit a select group of users and/or are fee-for-service based are to be financed through user fees, service charges, special assessments and taxes, or development impact fees.
- Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water/Sewer) are to be financed through the service fees generated within that operation and fund. Such fees should be supported by periodic updates to the related utility master plan.
- Transfers of resources into the CIP fund will be evaluated on an annual basis dependent upon the existence of available surplus dollars.
- The City should strive to maximize the use of capital grants and State assistance in funding capital improvements before tapping general revenue sources.

REVENUES

- The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.
- The City will seek out, apply for, and effectively administer Federal, State, and other grants that address the City's current operating and capital priorities.
- The City will pursue revenue collection and auditing to assure that funds due to the City are accurately received in a timely manner.
- The City will seek reimbursements for State mandated costs whenever possible.
- The City will adopt user fees with appropriate levels of cost recovery.
- User fee studies should be performed and updated annually to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.
- Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council as fees are annually updated to ensure they reflect all direct and reasonable indirect costs of providing such services.
- Enterprise operations will be self-supporting and shall reimburse the General Fund for any and all materials and services provided on their behalf.

EXPENDITURES

- Expenditures are to be budgeted and controlled so as to not exceed estimated revenues plus the approved and planned use of fund balances accumulated in prior years.
- The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected at year-end, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.
- The City implements a formal purchasing system, principles, and guidelines to ensure that expenditure levels are kept in check in the course of any fiscal year.

CASH MANAGEMENT

- The Budget Subcommittee will review the City's investment policy periodically and make recommendations to the City Council when appropriate.
- The responsibility of investing City funds rests with the Finance Director who is to exercise due diligence to adhere to the investment policy. The Finance Director will present to the City Council quarterly investment reports presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy.

DEBT MANAGEMENT

- The City should plan the use of debt in a manner that sustains financing payments at manageable levels.
- The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.

- The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.
- The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council. The City will diligently monitor its compliance with bond covenants.
- The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.
- The City will use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return.
- The City will not incur general obligation indebtedness for public improvements which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

FUND BALANCES

Governmental Fund Type Definitions

Governmental fund types include the general fund, special revenue funds, capital projects funds, debt service funds and permanent funds. GASB has clarified the definitions of these funds as follows:

General Fund

The General Fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

Debt Service Funds

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

Permanent Funds

Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Fund Balance Classifications

Fund balance is defined as the difference between assets and liabilities. Governmental Accounting Standards Board Statement (GASB) No. 54 classified fund balances into the following categories:

Non-spendable: This is a portion of fund balance not available for appropriations by its nature or external restriction. Examples are inventories and donations that require intact principal values.

Spendable: Restricted: The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.

Committed: The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.

Assigned: The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use. GAAP required reserves, such as the Other Post-Employment Benefits (OPEB) reserve, belong to this category. The Fiscal Policy and State Revenue Stabilization policy balances belong to this category.

Unassigned: The Unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

The City of Sebastopol will use GASB's definitions of fund balance for the annual financial reports (audits) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance not available for appropriation will be identified as follows.

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

- a. Non-spendable (if funds become spendable)
- b. Restricted
- c. Committed
- d. Assigned
- e. Unassigned

Fund Balance Policy Levels

Purpose

The City of Sebastopol (City) has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings which are dependent, in part, on the City's maintenance of a healthy fund balance.

General Fund

The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The Council's directed target is to maintain an unassigned fund balance within the range of not less than 15% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unassigned fund balance level for the reasons noted below. This level of coverage includes General Fund balance amounts specifically assigned for a specific purpose as discussed and defined further below:

- To provide funding to cover approximately two (2) months of operating expenses with the goal of achieving three months coverage in the long term.
- To provide the liquidity to respond to contingent liabilities.
- To adhere to Government Finance Officers Association (GFOA) recommendation that a minimum General Fund unassigned fund balance to be maintained of no less than either two (2) months of regular operating revenues or expenditures.

Buildings, Facilities & Infrastructure Reserve

Building, facilities and infrastructure replacement reserve should be established and maintained to provide for the timely replacement of City's owned fixed assets. The balance is hereby defined as assigned by the City Council to allow the City to maintain an infrastructure reserve with a target balance equivalent to the projected annual cost of the first year Capital Improvement Plan funding expenditures.

Equipment, Technology and Vehicle Replacement Reserve

The balance is hereby defined as assigned by the City Council to allow the City to set aside an appropriate amount of money to properly fund equipment, technology and vehicle replacement. The City shall set aside funding annually in this reserve based on the vehicle and equipment replacement schedule.

CalPERS Retirement & Other Post-Employment Benefits Reserve

The City conducted an actuarial study to comply with GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits and to determine the City's obligation for the other post-employment benefits (OPEB). The study concluded that the City should set aside annual funding for this obligation and the City should maintain internal funding of OPEB obligations for this purpose. Additionally, the City will conduct an actuarial update every two to three years to maintain the current status of this valuation.

Unassigned Operating Reserve

These balances are hereby defined as unassigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 10% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, pension and health rates) that cause a material change in expenditures of 10% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

Water and Sewer Fund Balances

The City should maintain the balances in the Water Sewer Fund at a level sufficient to accommodate operating and capital needs. This reserve is recommended at 25% of annual expenditures, including estimated capital improvements. Multi-year fee studies for this fund should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required services levels. As a result of the periodic fee or master plan studies, adjustments to user charges may be necessary to maintain recommended fund balance levels.

Workers' Compensation and Liability Insurance Funding

Periodic actuarial studies of self-insured workers' compensation and general liabilities will be conducted to ensure that proper levels of liabilities are accrued for claims and that rates charged to operating departments are appropriate.

FINANCIAL REPORTING

- The City's accounting and financial reports are to be maintained in conformance with GAAP.
- An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Comprehensive Annual Financial Report (CAFR). Additionally, the auditor will present the CAFR and discuss audit findings to the City Council. The City encourages the rotation of audit service providers every 5 years cycle.
- The City is encouraged to submit the Annual CAFR to State and/or National Government Finance Professional organizations (Government Finance Officers' Association's Certification of Achievement for Excellence in Financial Reporting - California Society of Municipal Finance Officers CAFR Award) for independent review and evaluation.
- Internal financial status reports are to be issued on a periodic and timely basis – no less than quarterly and be made readily available on the City website.

REVIEW AND UPDATE

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.



**CITY OF SEBASTOPOL
Purchasing Policy
Council Policy #89**

OVERVIEW

This policy is written to document the policies and procedures that shall be followed when purchasing goods or services. All purchases of materials, supplies, equipment, vehicle and services required by the City shall be made in accordance with the following, and pursuant to applicable provisions of the Government Code. This policy will be reviewed with new members of the City Council and new Department Heads/Managers as soon as possible after they assume office/responsibility. This policy shall also be reviewed as part of the annual budgeting process.

ETHICS AND RESPONSIBILITY

The City Manager (or designee) serves as the Purchasing Agent, and is charged with the responsibility and authority for coordinating and controlling the City's purchasing function in accordance with Purchasing Policies.

The Purchasing Agent and all departments shall adhere to the Purchasing Policy when procuring materials, supplies, equipment, vehicles and services. All purchases shall be limited to the approved budget or as otherwise authorized by the City Manager. Purchasing dollar limits specified in the Purchasing Policy is "per order" unless otherwise indicated.

Applicable competitive bidding categories, authorization limits or contract award procedures will be based on unit cost, total purchase cost for consolidated bid items, or fiscal year aggregates in the case of standing purchase orders or similar ongoing purchasing arrangements. Staging of purchases to avoid competitive bidding procedures or authorization limits is prohibited.

All personnel engaged in the purchasing function shall exercise good judgment in the use and stewardship of City resources, and all purchasing functions shall be conducted with absolute integrity and objectivity. Purchases are subject to public scrutiny; employees shall follow a strict rule of personal conduct that will not compromise the City in the conduct of its business. Any employee intentionally and/or repeatedly making purchases in a manner that circumvents, ignores or fails to comply with Purchasing Policies will be subject to disciplinary action, in accordance with City Personnel procedures.

PURCHASING AGENT RESPONSIBILITIES

The City Manager or his/her designee shall act as the City's Purchasing Agent. The Purchasing Agent is responsible for procurement of materials, supplies, equipment, vehicles and services; administration of purchasing policies and procedures; and management of surplus City property. To perform these functions efficiently and assist departments, the Purchasing Agent shall:

- a. Coordinate and manage procurement of the City's materials, supplies, equipment, vehicles and services from the lowest responsive and responsible bidder when required by the Purchasing Policies.

- b. Ensure full and open competition on all purchases as required by the Purchasing Policies, and make purchase award recommendations to the appropriate authority.
- c. Identify, evaluate and utilize purchasing methods that best meet the needs of the City (cooperative purchases, standing purchase orders, contractual agreements, etc.)
- d. Recommend revisions to purchasing policies and procedures when necessary, and keep informed of current developments in the field of Public Purchasing.
- e. Act as the City's agent in the transfer and disposal of surplus equipment, vehicle and materials.

DEPARTMENT RESPONSIBILITIES

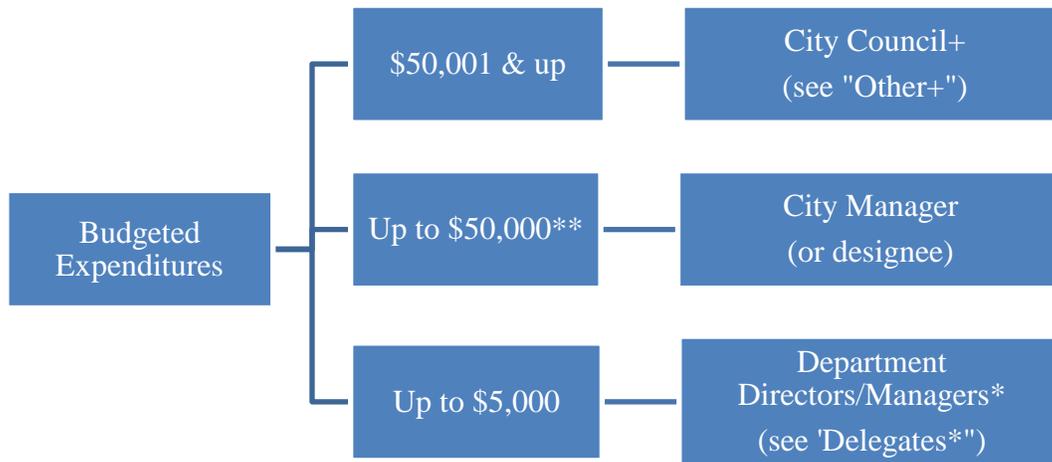
Each Department is responsible for facilitating prudent, efficient and cost-effective purchases. To meet these responsibilities, Departments shall:

- a. Ensure staff is trained on the terminology and requirements set forth in the Purchasing Policies.
- b. Minimize urgent and sole source purchases, and provide written findings and documentation when such purchases may be necessary.
- c. Refrain from "splitting" orders or projects for the purpose of avoiding procurement requirements or authorization limits.
- d. Anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with best purchasing practices.
- e. Maximize coordination of purchases into a lesser number of large transactions to take advantage of cost savings for bulk purchases of commonly used goods and services.

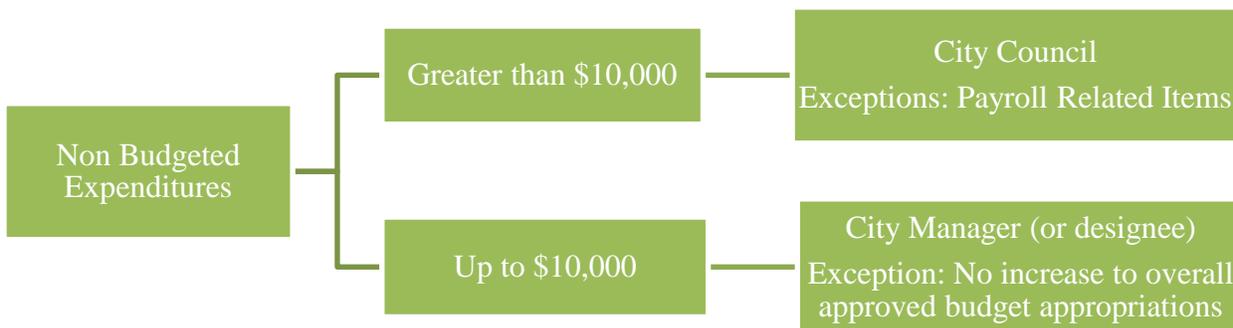
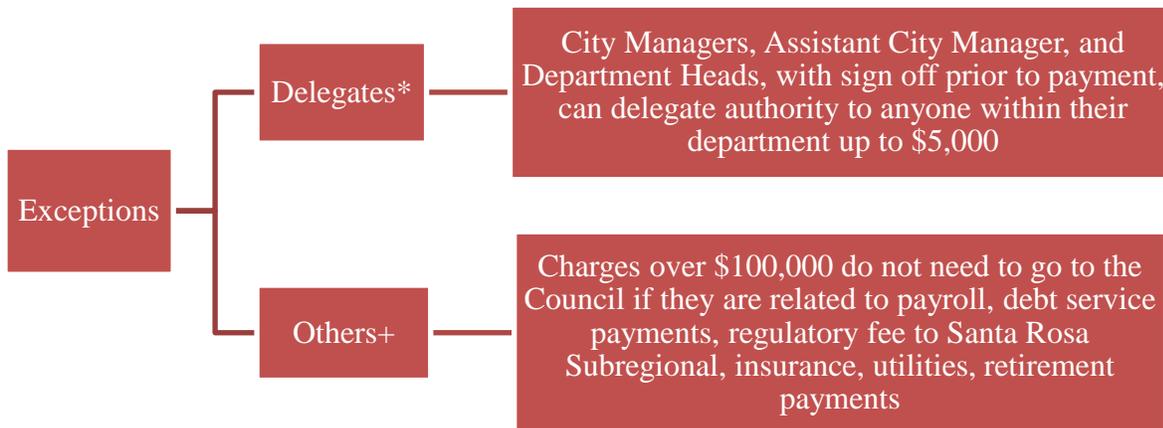
PURCHASING AUTHORITY

The City Council adopts an annual budget, which includes detail of all capital items, professional fees for services and all other expenditures. Items referred to hereafter as "budgeted" refer to expenditures that have been appropriated in the adopted budget or approved for expenditure by the Council after the budget is adopted for the current fiscal year.

Authority to approve expenditures shall be determined as shown in the diagrams below. Expenditures shall not be broken down or divided into sub-groups for purposes of avoiding the guidelines.

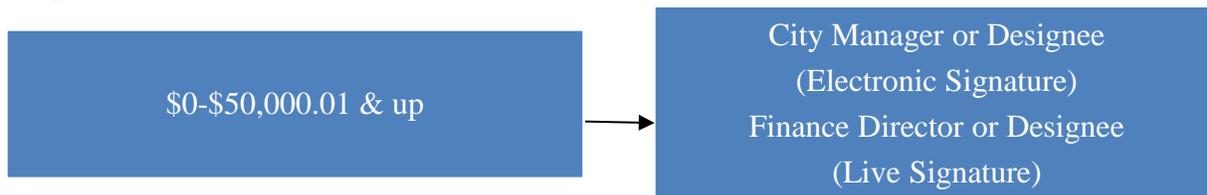


** Subject to competitive bidding if requirement herein



CHECK SIGNING AUTHORITY

The City Manager and Finance Director may designate their signature authority in their absence.



CONTRACTS FOR GOODS, SERVICES AND EQUIPMENT; PROFESSIONAL SERVICES; SOLE SOURCE, LOCAL BUSINESSES, PUBLIC PROJECTS

The City shall invite bid proposals or quotations for goods, services and equipment as required by applicable provisions of California Law. Invitations to bid shall include all information required by law and grant requirements. City personnel shall always use their best judgment in receiving either oral or written quotations. For expenditures over \$30,000, the City shall solicit, if available, three (3) written quotations or bids. Generally, the purchase will be made from the lowest responsible bidder. The City in its sole discretion reserves the right to reject all bids or quotations. In the event bids or quotations are not received or, in the City's sole discretion are unacceptable, the City reserves the right to have the work done by its own forces. City Manager may require a contract in lieu of a purchase order.

PROFESSIONAL SERVICES

The City may in its discretion, but is not required to, utilize a request for proposal process or other formal process for the selection of consultants to provide professional services. Selection of professional services consultants shall be made in the City's sole discretion based on demonstrated competence, professional qualifications and other criteria which the City deems relevant. Professional services include engineers, architects, scientific researchers, surveyors, financial experts, auditors and legal services. This category is to include consultants of a technical nature where the City is hiring them based upon their technical expertise. The method for obtaining professional services is as follows:

- a.** The Request for Qualifications (RFQ) - A RFQ is a solicitation to a wide variety of consultants requesting their qualifications to perform the project. A RFQ does not require the consultants to prepare a proposal for the service. The RFQ is used to determine consultants who will be issued a RFP for the project. The RFQ is used when there are a wide variety of consultants that are qualified to perform the work.
- b.** Requests for Proposals (RFP) –A RFP is sent to a smaller group of consultants than a RFQ. A RFP requests their qualifications, a proposal to perform the work and schedule of their rates. An RFP can be the second stage of an RFQ/RFP process or a single step when only a small number of consultants are qualified to perform the project.
- c.** The City Manager or his/her designee will determine which process for procurement of services is selected.
- d.** Once the most qualified consultant is identified, staff negotiates an agreement that includes cost considerations. If an agreement cannot be reached with the most qualified consultant, the second most qualified consultant is negotiated with and the process continues. If none of the qualified consultants can come to an agreement with the City, sole source procurement is authorized.

Material Supplies and Equipment are items that are not construction or professional/non-professional service related. Non-Professional Services includes service contracts that are not professional services. Examples of these are material suppliers, janitorial services, landscapers

and painters. For non-professional service contracts more than \$30,000 the City Council must approve all contracts.

Sole source procurement is authorized if one of the following conditions are met:

- a. The work is specialized, or requires specific knowledge that only one consultant has that leads to project efficiencies.
- b. Is a continuing project that the consultant has worked on before that leads to efficiencies.
- c. An emergency
- d. Less than \$30,000

LOCAL VENDOR PREFERENCE:

Whenever possible, the City wishes to support, promote the use of local businesses, suppliers and services providers to help create a sustainable economy, preserve local businesses, and make a commitment to circulate tax dollars within city limits.

Environmentally Preferable Purchasing (EPP) Policy.

Purpose:

- Conserve natural resources, such as water, fuels, fiber, and minerals.
- Encourage waste stream diversions and reduced land filling of waste.
- Minimize environmental impacts, such as pollution and habitat destruction.
- Eliminate or reduce toxics that create hazards to workers, our community, and the environment.
- Support strong recycling markets, reduce City operating costs where possible, and reduce materials that are landfilled.
- Identify and increase the use of environmentally preferable products.
- Consider life cycle cost analysis when making purchasing decisions

Policy:

- Select environmentally preferable products and services that include recycled content, are durable and long-lasting, conserve energy and water, use agricultural fibers and residues, use unbleached or chlorine-free manufacturing processes, are lead-free and mercury-free, and reduce greenhouse gas emissions, when feasible.
- Promote product efficiency and effectiveness.
- Purchase products and services that minimize environmental impacts, toxics, pollution, waste, and hazards to worker and community safety to the greatest extent practicable.
- Encourage and support standardization and consider life cycle costs when making purchases for the City, such as vehicles, computers, etc.
- Encourages diversion to the waste stream through beneficial reuse.

Procedure:

- The health and safety of workers and citizens is of utmost importance and takes precedence over all other policies.
- Nothing contained in this policy shall be construed as requiring a department, purchaser, or contractor to procure products that do not perform adequately for their intended use, exclude adequate competition, or are not available at a reasonable price in a reasonable period of time.
- Nothing contained in this policy shall be construed as requiring the City, department, purchaser, or contractor to take any action that conflicts with local, state or federal requirements.

Specifications:

I. Source Reduction

- a. The City shall purchase remanufactured and recycled products.
- b. The City shall require equipment purchased to be compatible with City source reduction targets, when practicable.
- c. The City shall consider short-term and long-term costs in comparing product alternatives, when feasible. This includes evaluation of total costs expected during the time a product is owned, including but not limited to, acquisition, extended warranties, operation, supplies, maintenance, disposal costs, and expected lifetime compared to other alternatives.
- d. Products that are durable, long lasting, reusable, or refillable are preferred whenever feasible.
- e. Suppliers of electronic equipment, including but not limited to, cell phones, computers, monitors, printers, and copiers shall be encouraged to take back equipment for reuse or environmentally safe recycling when the City has completed its use of that equipment or discards or replaces it, whenever possible. The City shall encourage the purchase of rechargeable batteries whenever possible.

II. Recycled Content Products

- a. All products for which the United States Environmental Protection Agency (U.S. EPA) has established minimum recycled content standard guidelines, such as those for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products, shall contain the highest post-consumer content practicable, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines, whenever practical. The EPA has developed the Comprehensive Procurement Guidelines (CPG) for the designation of products.
- b. Copiers and printers bought or leased shall be designed for use with recycled content products.
- c. The City shall purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment.
- d. When specifying asphalt, concrete, aggregate base, or Portland cement concrete for road and other construction projects, the City shall use recycled, reusable, or reground materials, when practicable.
- e. The City shall encourage the use of fly ash and other recyclable material content in any concrete foundation projects.

- f. The City shall specify and purchase recycled content transportation products, including signs, cones, parking stops, delineators, and barricades, whenever practical.
- g. All pre-printed recycled content papers intended for distribution that are purchased or produced shall contain a statement that the paper is comprised of recycled content.
- h. Allow, as a general rule, the procurement of a product with a recycled or recyclable content over a virgin product if the price is within 2.5% of the virgin product, when products are equivalent (See 2.1 EPA Guidelines).
- i. The City shall make previously used and/or left over office supplies available for office reuse, located in each City office building. Examples of these supplies are binders, folders, organizers, etc.

III. Energy Savings:

- a. Where applicable, energy-efficient equipment shall be purchased with the most up-to-date, economically feasible, and proven energy efficiency functions. This includes but is not limited to, high efficiency space heating systems and cooling systems.
- b. When practicable, the City shall replace inefficient lighting with energy-efficient equipment.
- c. All products purchased by the City and for which the U.S. EPA Energy Star certification is available shall meet the Energy Star certification and possess the Energy Star label, when practicable. When products with Energy Star labels are not available, choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.

IV. Green Building – Construction and Renovations:

- a. The City will comply with the adopted Green Building Code guidelines and green points system for the construction of all permanent municipal building and renovation projects which exceed 2,000 sq. ft. in area.

V. Water Savings:

- a. The City shall purchase water-saving products, whenever practicable.

VI. Landscaping:

- a. All landscape renovations, construction, and maintenance by the City, including workers and contractors providing landscaping services for the City, shall employ sustainable landscape management techniques for design, construction, and maintenance whenever possible, including but not limited to, integrated pest management, grass cycling, drip irrigation, composting, and procurement and use of mulch and compost that give preference to those produced from regionally generated plant debris and/or food waste programs.
- b. Plants should be selected to minimize water waste and increase survivability by choosing species that are appropriate to the microclimate, species that can grow to their natural size in the space allotted them, and perennials rather than annuals for color. Native and drought-tolerant plants that require no or minimal watering once established are preferred. Invasive species shall be avoided.
- c. Hardscapes and landscape structures constructed of recycled content materials are

encouraged. The City shall limit the amount of impervious surfaces in the landscape, where practicable and where life cycle costs are considered. Permeable substitutes such as permeable asphalt or pavers are encouraged for walkways, patios, and driveways, when practical and considering the Americans with Disabilities Act (ADA), and other code or compliant issues.

VII. Toxics and Pollution:

- a. To the extent practicable, no cleaning or disinfecting products (i.e. for janitorial or automotive use) shall contain ingredients that are carcinogens, mutagens, or teratogens. These include chemicals listed by the U.S. EPA or the National Institute for Occupational Safety and Health on the Toxics Release Inventory and those listed under Proposition 65 by the California Office of Environmental Health Hazard Assessment.
- b. The use of chlorofluorocarbon (CFC) containing refrigerants, solvents, and other products shall be phased out, and new purchases shall not contain them.
- c. All surfactants and detergents shall be biodegradable, where practicable, and shall not contain phosphates.
- d. When maintaining buildings and landscapes, the City shall manage pest problems through prevention and physical, mechanical, and biological controls. The City has adopted Resolution No. 5108 and practices using the least toxic methods practicable.
- e. When maintaining buildings, the City shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or formaldehyde free when purchasing materials such as paint, carpeting, adhesives, furniture, and casework where practicable.
- f. The City shall reduce or eliminate its use of products that contribute to the formation of dioxins and furans. This includes but is not limited to purchasing paper, paper products, and janitorial paper products that are unbleached or that are processed without chlorine or chlorine derivatives, whenever practicable, and prohibiting purchase of products that use polyvinyl chloride (PVC) such as but not limited to, office binders furniture, flooring, and medical supplies, whenever practicable.
- g. The City shall purchase products and equipment with no lead or mercury, whenever possible.
- h. When purchasing or replacing vehicles, the City shall consider fuel efficient and decreased emission alternatives, such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells, as available, and as they meet the City's work needs.
- i. Vehicle fuels made from renewable energy sources, such as non-wood, plant-based contents (e.g. vegetable oils), are encouraged whenever practicable and
- j. where approved by State air pollution control bodies and the Original Equipment Manufacturer (OEM)

VIII. Forest Conservation:

- a. To the greatest extent practicable, the City shall not procure wood products such as lumber that originates from forests harvested in an environmentally unsustainable manner. When possible, the City shall give preference to wood products that are certified to be sustainably harvested by a comprehensive,

performance-based certification system. The certification system shall include independent third-party audits, with standards equivalent to those of the Forest Stewardship Council (FSC) certification.

IX. Agricultural Bio – Based Product

- a. Paper, paper products, and construction products made from non-wood, plant-based contents such as agricultural crops and residues are encouraged, whenever practicable.

Implementation:

- The City Manager or their designee shall implement this policy in coordination with other appropriate City personnel.
- Successful bidders shall certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and post-consumer material in their products, even when such percentages are zero.
- Upon request, City employees making the selection from competitive bids shall be able to provide justification for product choices that do not meet the Environmentally Preferable Purchasing criteria in this policy.
- Purchasers are encouraged to include businesses certified by the Bay Area Green Business Program in requests for products and services.
- Vendors, contractors, and grantees shall be encouraged to comply with applicable sections of this policy for products and services provided to the City, where practicable.

PUBLIC PROJECTS

The City reserves the right in its discretion to determine whether it will seek competitive bids for public works projects. Public Projects are subject to definitions, terms and conditions specified in the California Public Contract Code and/or the Uniform Construction Cost Accounting Procedures (“UCCAP”) set forth in the Uniform Public Construction Cost Account Act (“The Act”), as they may be amended from time to time. When Public Contract Code (PCC) requirements contradict City requirements, the PCC will apply. PCC §22002(c), as may be amended, defines a Public Project for formal bidding purposes as:

(c) "Public project" means any of the following:

- 1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
- 2) Painting or repainting of any publicly owned, leased, or operated facility.
- 3) In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, power-plants, and electrical transmission lines of 230,000 volts and higher.

(d) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:

- 1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
- 2) Minor repainting.
- 3) Resurfacing of streets and highways at less than one inch.
- 4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
- 5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power-plants, and electrical transmission lines of 230,000 volts and higher.

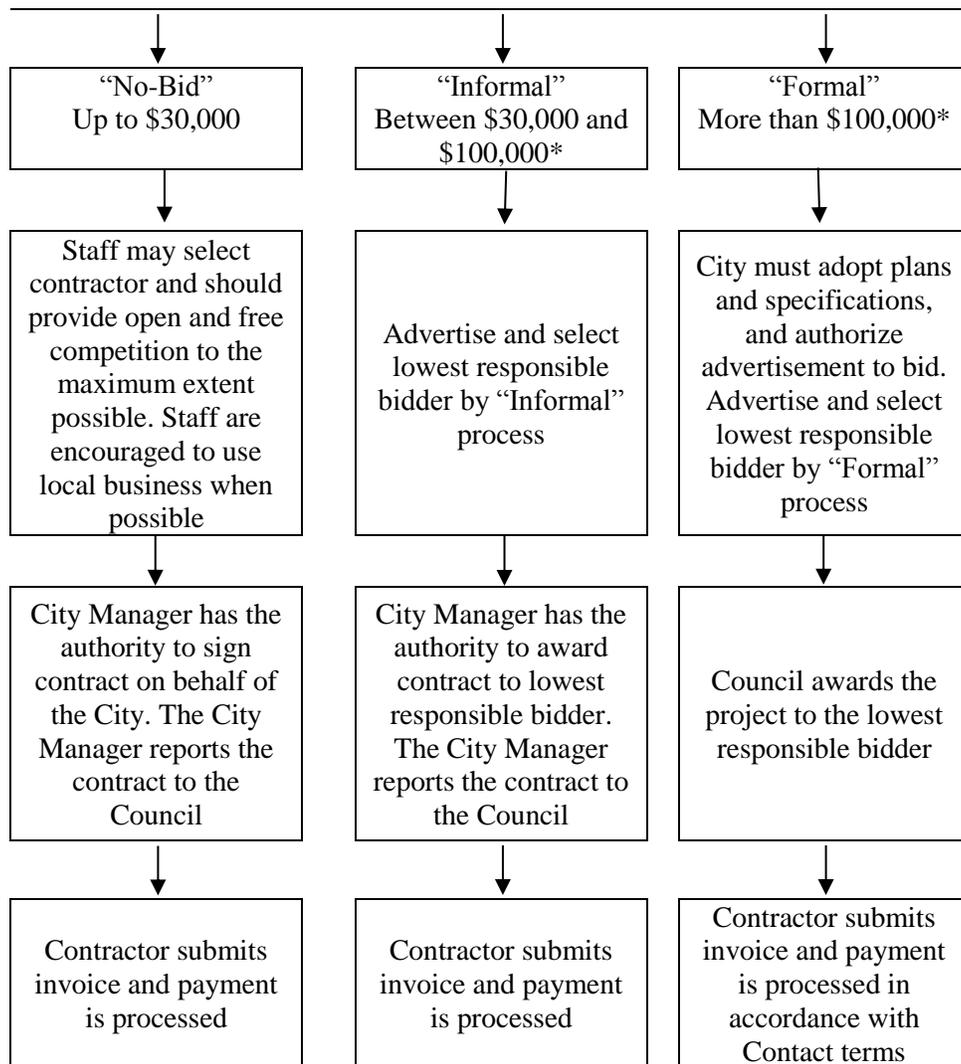
(e) For purposes of this chapter, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.

(f) Every November of each year, Department of Public Works send out a written notice to all constructions trade journals designated for the City under PCC §22036(c), inviting all licensed contractors to register on the City's Bidders List for Notification of Informal Bids for the following calendar year. A qualified bidders' list can be obtained at the Public Works Department.

(g) Projects valued at less than \$100,000 may be let to informal bidding, in accordance with the informal bidding procedures of the Uniform Public Construction Cost Accounting Act. When a project is to be awarded via informal bidding, contractors that have been registered on the informal bidders list will be notified with a general project description, location of where to obtain more detailed information, and the time and place of bid submission at least 10 days in advance of the submission deadline and bid opening.

The following diagram illustrates the steps to follow for construction contracts:

Construction Contracts for Public Projects



EXCEPTIONS TO COMPETITIVE BIDDING

Competitive bidding may be waived in the case of an emergency as defined above or when:

- ▶ The items or services to be furnished are in such short supply that there is no competition.
- ▶ Where the specifications or other restrictions limit the number of prospective suppliers.
- ▶ Where the skill or knowledge of a particular individual is sought.
- ▶ “Piggy-backing” or consolidating its procurement with that of another agency or entity constituted for governmental purposes; provided that the commodities or contractual

services to be procured have been subjected to competitive bidding by said other agency or entity and documentation of such competitive bidding exists.

CHANGE ORDERS, TASK ORDERS, AND CONTRACT AMENDMENTS

A substantial change to a Purchase Order or Contract (i.e., pricing, terms and conditions, specifications and/or scope of work) shall be documented as a Change Order, Task Order, or Contract Amendment.

- a. Department Heads or their designees may sign Change Orders, Task Orders, and Contract Amendments for purchases and contracts up to \$5,000.
- b. When the initial purchase or contract exceeds \$5,000, the signature authority for that purchase shall be the City Manager or his/her designee.
- c. Change Orders, Task Orders, and Contract Amendments generally should not exceed 10% of the original contract amount, unless authorized by the City Manager or his/her designee. A new scope of work and/or a new contract may be required when the change exceeds 10% of the original amount. The signature authority for this purchase shall be the City Manager or his/her designee
- d. A Change Order, Task Order or Contract Amendment is not required when taxes, shipping and/or handling cause a purchase to exceed the authorized (Purchase Order) amount; the signatory limit may also be exceeded in that circumstance.

This section replaces and rescinds Council Policy #27 (Change Orders), Administrative Policy # 2 (Work Order Procedures), #3 (Small Purchase Order Procedures) and #17 (Processing Invoices)

URGENT AND EMERGENCY PURCHASES

Sound judgment shall be used in keeping urgent and emergency purchases to an absolute minimum. Specific procedures for managing these purchases shall apply, as determined by the Purchasing Agent.

- a. **Urgent Purchases** – Immediate purchases of material, supplies, equipment, vehicle and services may be made when an urgent circumstance (as defined in the Purchasing Policies) exists, and procurement should not be delayed by use of normal competitive and financial procedures. Urgent purchases of up to \$5,000 shall be authorized by the Department Head or designee; the City Manager may authorize urgent purchases up to \$50,000. Urgent purchases shall be followed, as soon as practical, with submission of a written justification for the purchase having been made outside normal procedures.
- b. **Emergency Purchases** – In an emergency (as defined in the Purchasing Policy), the City Manager or designee may authorize the immediate purchase of material, supplies, equipment, and services, including those in excess of his/her City Council-approved signature threshold. Such purchases shall be followed, as soon as practical, with submission of a written justification for the purchase having been made outside normal

procedures. City Council shall be notified, at its next regular meeting, of any emergency purchases in excess of \$50,000.

- a. Poor and/or lack of planning does not constitute justification for an urgent and emergency condition. An urgent and/or emergency condition is defined as “a situation that creates a threat to public health, welfare, safety, or public property such as floods, epidemics, riots, fire, unexpected equipment failures, or such other reasons as may be determined by the City Manager or his/her designee.” An urgent and emergency purchase may be made when the existence of an urgent and/or emergency condition creates an immediate and serious need for goods or services that cannot be met through normal procurement methods.
- c. In the case of a disaster or for civil defense, nothing contained in this document shall limit the authority of the City Manager to make purchases and take such other emergency steps as are, or may be, authorized by the City Council, including opening a line or lines of credit to accommodate necessary purchases.
- d. Emergency purchases related to Public Projects are authorized under jurisdiction of the Public Contract Code/UCCAP, and are subject to definitions, regulations and processes that vary from City policy. Emergency purchases to repair or replace public facilities may proceed prior to adoption of the working details, drawing, plans and specifications, only when in accordance with the UCAAP definition and requirements. Staff responsible for Public Projects shall be held accountable for compliance with these requirements.
- e. Should any urgent or emergency purchase cause any budget line item to exceed the approved budget, the Department shall request City Manager approval to exceed and amend the budget, subject to subsequent City Council approval of an additional budget appropriation or budget amendment to cover the purchase. This section runs concurrent with the Amended City Council Policy #69 (Financial Policies).

DISPOSAL OF SURPLUS PROPERTY

The City Manager or designee is authorized to exchange, trade-in, sell and dispose of surplus property having salvage value in the open market, by public auction, by competitive sealed bids or by exchange or trade in for new goods. The sale or lease of surplus property to a governmental, public or quasi-public agency may be without advertisement for or receipt of bids. Employees are not eligible to receive or purchase surplus property, however, employees may receive personalized items, and receive or purchase at market value items considered to be memorial or commemorative in nature, subject to City Manager approval. This section replaces and rescinds Council Policy #3 (Disposal of Surplus City Property to Qualified Charitable Organizations)

PROPERTY WITH NO SALVAGE VALUE

Surplus property with no salvage value, as determined by the Department and recommended by the Finance Director to the City Manager or designee, shall be disposed of in a manner that salvages recyclable components, if practical.

UNCLAIMED, SEIZED OR ABANDONED PROPERTY

The Department is hereby authorized to make recommendation to the City Manager to sell or dispose of all goods in the possession or custody of the Police Department which are unclaimed, seized and/or abandoned and may be legally disposed of by the City.

DONATIONS OF SURPLUS PROPERTY

Upon approval in advance in writing by the Finance Director with the City Manager approval, surplus property may be donated to governmental, public or quasi-public agencies, charitable or non-profit organizations on a first-come first-served basis to be utilized for non-profit purposes.

REPORTING

The Department shall provide regular reports to the City Manager indicating surplus property disposed of, the method of disposal, and the amounts received from disposal, and shall maintain records for public inspection relative to the disposal of surplus property for a period of time in compliance with State law and the City's records retention schedule. Annual reports shall be provided to City Council accordingly.

CAPITAL EQUIPMENT

Purchase of equipment or furniture at a unit cost of \$10,000 or greater with a useful life greater than 3 years shall be capitalized. At the time of receipt, an asset number shall be issued and affixed to the asset.

INFORMATION TECHNOLOGY-RELATED PURCHASES

To keep costs under control and assure implemented technologies work together harmoniously and meet staff needs, the City shall work with our I.T consultant to standardize and control all purchases of equipment, including but not limited to desktops, laptops, and other electronic devices.

- a. With limited exceptions, the department shall include in its annual budget funding to support technology purchases. While the Information Technology consultant may provide support for specific departmental technology needs, those needs shall be funded through department budgets.
- b. The list of those authorized by the City Manager to request technology purchases shall be maintained by the Finance Department.

CREDIT CARDS

The City Manager or designee may acquire credit cards in the name of the City for use by designated City Department Heads. The City shall maintain a written log of credit cards. Department Heads assigned credit cards will sign an acknowledgement form (Exhibit A) agreeing to the limitations of the card use as described below.

- ▶ May be used to charge necessary supplies and equipment, authorized travel, food and lodging for the person in possession of the credit card and any other City employee.

- ▶ May be used for the purchase of gas, oil, supplies, and repairs for City vehicles.
- ▶ May be used to purchase conference/seminar registration, airline, hotel, meals, car rental costs for the City Council, City Manager, or other City employee.
- ▶ May be acquired for vendors (i.e. Office Depot, Sebastopol Hardware, etc.)
- ▶ May not be used for personal benefit or personal use.
- ▶ May not be issued to members of the City Council. They will be reimbursed according to the City's established Reimbursement Policy.
- ▶ Must be returned to the City upon termination or resignation prior to receiving their last paycheck.

Misuse of the credit card privilege can result in disciplinary action, including termination.

Receipts for all credit card expenditures must be promptly turned into the Finance Department along with appropriate documentation stating the purpose of the expenditure.

Credit card limits are as follows:

City Manager	\$10,000
Assistant City Manager/City Clerk	\$10,000
Finance Director	\$10,000
Planning Director	\$5,000
Building Official	\$5,000
Engineering Manager	\$5,000
Police Chief	\$5,000
Police Lieutenant	\$5,000
Fire Chief	\$5,000
Public Works Superintendent	\$5,000
Assistant Public Works Superintendent	\$5,000

This section replaces and rescinds Council Policy #71 (Credit Card Use Policy)

PURCHASE ORDERS

A signed purchase order will be made for all expenditures in excess of \$5,000 and a copy will be given to the Finance Department. Purchase orders should be approved (signed by the City Manager or his/her designee) prior to making the actual purchase or commitment of funds. It is the responsibility of each department directors/managers to verify that the funding amount of the requested purchase is available before authorizing the purchase order.

PETTY CASH FUND

A Petty Cash fund of \$200 will be established for each City department. Expenditures up to \$20 may be made for postage, freight, permit fees, licenses and similar charges, and employee

expenses. In each instance a written receipt for payment is required. The Finance Director or designee will be responsible for the Petty Cash Fund.

PREVAILING WAGES

State Law requires that contractors pay their workers "prevailing wages" when a project is a "public work". The meaning of "public works" is defined in the California Labor Code Section 1720-1743. Therefore, the City will affirmatively state in all "public works" contracts over \$1,000 that contractors are required to pay their workers "prevailing wages".

GRANT COMPLIANCE

Grant-required language will be incorporated in bid documents, professional services agreements, equipment supply contracts and construction contracts as needed. City contracts will provide language required to be in all subcontracts and disclosure of an audit requirement.

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CITY OF SEBASTOPOL

Investment Policy



I. Policy

It is the policy of the City of Sebastopol to invest public funds in accordance with the relevant governing statutes and in such a manner as to obtain the highest investment return possible consistent with the safety and liquidity objective outlined in this policy.

II. Scope

This investment policy applies to all financial assets of the City of Sebastopol. These funds are accounted for in City of Sebastopol's Comprehensive Annual Financial Report and include:

- General Fund.
- Special Revenue Funds.
- Capital Project Funds.
- Enterprise Funds.
- Trust and Agency Funds.
- Any new fund created by the legislative body, unless specifically exempted.

III. Prudence

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing an overall portfolio under prevailing economic conditions at the moment of investment commitments. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

In determining whether an Investment official has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the official had responsibility rather than a consideration as to the prudence of a single investment, and, whether the investment decision was consistent with the written investment policy of the entity.

IV. Objectives

The City's investments will be in accordance with all state statutes governing the investment of public funds. The City shall invest its cash with three objectives, listed in order of priority:

1. Safety. Safety of the principal invested is the primary objective to insure against loss. In order to obtain this objective, the portfolio will be diversified to guard against losses in any one security

class.

2. *Liquidity.* The City's portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. Investment maturities shall be matched to anticipated cash flow requirements whenever possible. At a minimum, the City will "ladder" investment maturities to coincide with cash outflow needs and to ensure a consistent minimum balance in the liquid portion of the portfolio.
3. *Return on Investment.* The City's investment portfolio shall attain a market-average rate of return throughout budgetary and economic cycles, taking into account the cash flow characteristics of the City and shall be in keeping with accepted financial management practices and procedures.

V. Investment Authority and Delegation

Authority to manage the investment program is granted to the Finance Director hereinafter referred to as Investment Officer.

Responsibility for the operation of the investment program is hereby delegated to the Investment Officer who shall act in accordance with this Investment Policy. Officers will prepare quarterly investment reports and other special reports as may be deemed necessary.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

VI. Ethics and Conflicts of Interest

Employees involved in the investment process shall refrain from any personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The Investment Officer shall disclose any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

VII. Authorized Investments

The City's authorized investments shall be consistent with the relevant California Government Codes and include:

- Certificates, notes, bonds, or other obligations of the United States or its agencies, instrumentalities, or of any corporation wholly owned by the government of the United States, or of any other government-sponsored corporation such as:
 - Treasury bills, Treasury bonds, Government National Mortgage Association bonds
 - Federal Home Loan Bank notes and bonds, Federal National Mortgage Association, Federal Farm Credit Banks consolidated system-wide bonds and discount notes, Federal Home Loan Mortgage Corporation bonds and discount notes.
- Negotiable Certificates of Deposit (maximum 30% of the portfolio).
- Non-negotiable Certificates of Deposit
- Local Agency Investment Fund (LAIF)
- Sonoma County Investment Pool

VIII. Safekeeping and Custody

Securities shall be held in a Safekeeping/Investment account at a major national bank (e.g. Bank of New York Mellon).

IX. Maximum Maturities

The City's objective is to hold investments to maturity. The securities in the portfolio will be "laddered" and will attempt to match investments with anticipated cash flow requirements.

No single security will be purchased with a maturity date more than five years from the date of purchase.

Internal Controls

The City shall have internal controls established with policies, procedures, and prudent investment practices as outlined above.

The City Council will meet on a quarterly basis for review of the investment portfolio and performance. The Finance Director will provide a report summarizing investment activity and current portfolio status.

X. Performance Standards

The investment portfolio will be designed to obtain an average rate of return during budgetary and economic cycles consistent with the investment objectives and cash flow needs.

The investment strategy is passive (the City will be a buy and hold investor, not actively buying/selling securities). Given this strategy, the benchmark used by the Treasurer to determine performance levels will be the average return on the LAIF (Local Agency Investment Fund). Yield considerations are secondary, however, to legality, safety, and liquidity.

XI. Reporting

The Investment Officer shall provide the City Council with a quarterly report for review. This report will summarize the current performance of the portfolio for City as measured against the benchmark, including the following:

- A listing of individual securities held at the end of the reporting period.
- Final maturity of all investments listed and weighted average maturity of the portfolio.
- Earnings rates for each security and weighted average yield on the portfolio.

XII. Investment Policy Adoption

The City of Sebastopol Investment Policy shall be adopted by the City Council and reviewed on an annual basis. Any significant revisions thereto shall be approved by the Council.

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CITY OF SEBASTOPOL Capitalization and Depreciation Policy

The City of Sebastopol has a Capital (Fixed) Asset Accounting System to safeguard a sizeable investment, fix responsibility for the custody of equipment, assist in the formulation of acquisition and retirement policies through accumulation of data regarding prices, sources of supply and useful life, to provide data for financial reporting, to provide record support and to account for reimbursement of depreciation under grants and proprietary service programs, and to provide information for insurance purposes.

Fixed assets are capitalized because they are used in the production of the goods or services provided and sold. Depreciation must be recorded to determine total expenses, user charges, net income, and changes in fund equity. Capital assets also may serve as a basis for debt issued to establish, acquire, or improve a public enterprise.

Capital assets are reported in the applicable proprietary funds or in the general fixed assets account group.

Definitions:

Capital assets are assets of a relatively permanent nature and of significant value, and are broadly classified as property, plant, equipment, and infrastructure (e.g. roads, bridges, sidewalks, and similar items) assets.

Land includes the investment in real estate other than:

- a. Structures, pipeline, pump stations, reservoirs and other improvements, and
- b. Land acquired for pipeline and road purposes.

All land, as above defined, shall be capitalized without regard for significance of cost.

Buildings and improvements are physical property of a permanent nature, examples of which are buildings, structural attachments, storage tanks, reservoirs, pump stations, wells, and parking areas. Sidewalks, trees and drives in connection with other structures should also be capitalized. Fixtures are permanent attachments to structures which are not intended to be removed and which function as part of the structure, such as boilers, pumps, lighting fixtures or plumbing.

Pipelines include mains, services, valves, hydrants, manholes, and other appurtenances. Paving of ditch lines is also included in plant values.

Equipment includes moveable personal property of a relatively permanent nature and of significant value, such as machines, tools, and vehicles, computer equipment and software.

Relatively permanent is defined as a useful life in excess of one year.

Significant value is defined as a minimum initial cost of more than \$10,000 (\$25,000 for infrastructure type assets).

Treatment of Costs Subsequent to Acquisition

Expenditures on fixed assets which are incurred after their original acquisition are defined and recorded as follows:

Maintenance is defined as expenditures, which neither materially add to the value of property nor appreciably prolong its life, but merely keep it in an ordinary efficient operating condition. Maintenance costs shall not be capitalized.

Capitalized Expenditures are defined as expenditures, which materially add to the value of property or appreciably extend its life. The cost of capitalized expenditures should be added to the book value of the asset where the original cost of a component being improved can be specifically identified. This amount should be written off and the new cost capitalized. Capitalized expenditures are on occasion referred to as betterments. The decision as to whether an expenditure should be capitalized shall be made by an evaluation of engineering, physical, or other relevant factors apart from cost.

Additions are new and separate units, or extensions of existing units, and are considered to be fixed assets. As with betterments the test of significance should be applied.

Alterations are changes in the physical structure or arrangement of fixed assets, the cost of which does not qualify as an increase in fixed assets under the foregoing definitions of betterments and additions. Alterations shall not be capitalized.

Valuation

Reasons for Assigning Value

A dollar-value should be assigned to each fixed asset item for the following reasons:

- a. Dollar amounts serve as a control device; they are an important aspect of identification of a particular item or group of items.
- b. Dollar amounts make it possible to present to the public the City's investment in fixed assets.
- c. Dollar amounts provide a check on the adequacy of the City's insurance coverage.
- d. Dollar amounts on individual items provide information for cost accounting.

Valuation Basis

Fixed assets should be accounted for at historical cost, or estimated historical cost if purchased or constructed. Donated fixed assets should be recorded at their estimated fair market value at the date of donation. Surplus property purchases at nominal prices far below actual value are in part donations and should be so valued.

Land Cost

The cost of land includes all expenditures in connection with its acquisition, such as: purchase price; appraisal and negotiation fees; title search fees; surveying fees; cost of consents; relocation costs; condemnation costs; clearing land for use; demolishing or removing structures; and filing costs. Receipts from the sales of salvage should be credited against the land cost.

Buildings and Improvements Cost

The cost of structures and improvements includes all expenditures in connection with their acquisitions, such as: purchase price or construction cost; fixtures attached to the structure; architects' fees; accident or injury costs; payment of damages; insurance during construction; cost of permits and licenses; and net interest cost during construction.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The cost should be reduced for: sale of salvage from materials charged against the construction; discounts, allowance and rebates secured; and amounts recovered through surrender of liability and casualty insurance. Rentals of property during the construction period should be credited to revenue unless otherwise restricted.

Equipment Cost

The cost of equipment includes: purchase price or construction cost less discounts; freight or other carriage charges; sale, use, or transportation taxes; and installation costs.

Construction by Force Account

Fixed assets constructed by the City are recorded in the same manner as those acquired by purchase or construction contract. Costs are initially charged to the accounts of the cost center performing the construction and are then transferred to the project. These costs include direct labor, materials, equipment usage and overhead. Overhead is limited to those items, such as worker's compensation and employee group insurance premiums, retirement, sick leave and vacation allowances, which can be distributed on the basis of direct labor. Administrative overhead outside the cost center may be capitalized when clearly related to the construction.

Assets Acquired Under Lease Purchase Agreements

Lease contracts convey property to another for a specific period of time for a specified rent. Lease contracts are accounted for either by the operating method under which periodic payments are charged as expenditures, or by the financing method under which the payments are treated as debt service.

Sources of Information

Information regarding fixed asset additions is best taken from purchase invoices and contracts, even though there is sometimes an undue lag between physical possession of the property and the receipt of these documents. The individual department head controls the purchase, movement, and disposition of assets.

Disposition of Fixed Assets

With City Manager approval, capital assets may be sold, abandoned or traded in on new assets. Regardless of the manner of disposition or the amount of the proceeds, the asset must be removed from the fixed asset account at its recorded value along with the asset's accumulated depreciation. The resulting gain or loss is recorded in the revenue and expense accounts.

Recordkeeping

Individual Records

An individual record of each unit of accountability should be maintained. Information recorded should include:

- a. Date acquired.
- b. Classification, such as: Buildings, Vehicles, Machinery & Equipment, etc.
- c. The vehicle unit number assigned.
- d. An abbreviated word description.
- e. Cost or other basis.
- f. Method by which acquired, such as: lease, grant, donation, purchase.
- g. Grant from which purchased, if applicable.
- h. Vendors name, if purchased.
- i. Date and method of retirement.
- j. Posting reference.

Optional data might include value for insurance purposes, estimated life, and equipment class code.

Subsidiary Records

For control purposes it is convenient to group detailed records by classification, department, or by location. Such records constitute a subsidiary ledger to the fixed asset control accounts.

Depreciation

Depreciation, depletion, or amortization of capital assets must be recorded to determine the total expenses, net income, and changes in fund equity. In addition, as an option, depreciation on fixed assets acquired by contributed capital can be closed to the contributed capital account. This method should be considered when there is no obligation and the policy is not to replace the fixed assets with future contributed capital. In such circumstances, the contributed capital rather than the retained earnings account is decreased by the related depreciation expense.

Depreciation is computed using the straight-line method over the estimated years of useful life at the time the asset is placed in service. Useful life shall be determined by the Public Works Superintendent, Finance Director or City Manager or his/her designee, as appropriate, using the following guidelines:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building improvements	15-20
Public Domain Infrastructure	50
System Infrastructure	50-100
Vehicles	7
Office Equipment	3-7
Computer Equipment	3-5

Once established, the useful life may be modified as necessary to account for betterments or impairments of an asset.

DESCRIPTION OF FUNDS

General Fund: Accounts for all financial resources traditionally associated with governments, which are not required to be accounted for in another fund. The General Fund has no legal restrictions. Revenues generated are used to support city services such as police, fire, streets, parks and recreation.

Enterprise Funds: Consist of Water, and Sewer Funds:

- The Water Fund accounts for water production to City residents, including, but not limited to operations, maintenance, financing and related debt service, billing and collections.
- The Wastewater Fund accounts for sewage disposal to City residents, including, but not limited to, operations, maintenance, financing and related debt service, and billing and collections.

Capital Projects Funds: Accounts for resources used for the acquisition or construction of capital facilities and infrastructure.

Special Revenue Funds: Accounts for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government.

Debt Service Funds: Accumulates monies for payment of Tax Allocation Bonds, Certificates of Participation and other indebtedness. Financing is provided by a specific annual property tax increment, as well as lease revenues received from the City.

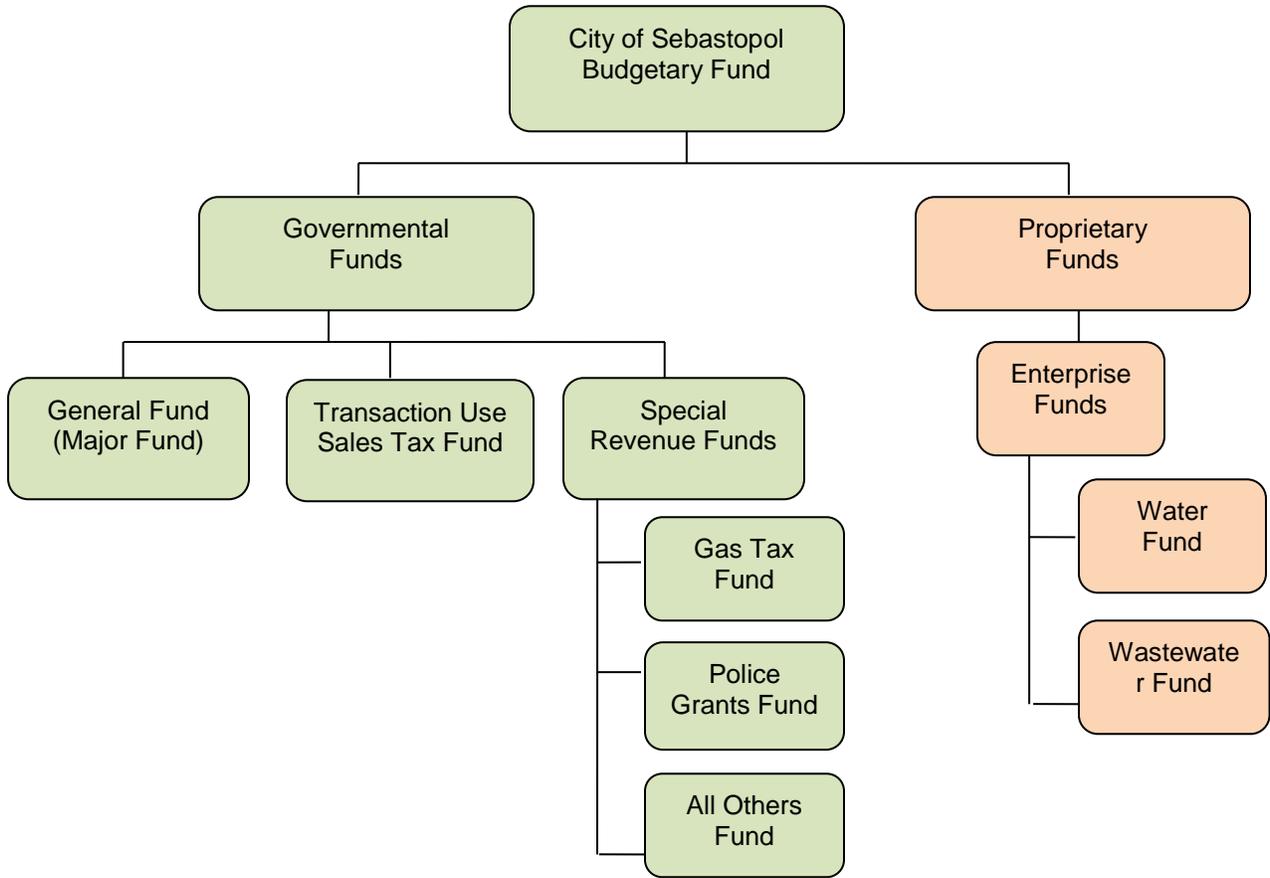
FUND STRUCTURE AND BASIS OF BUDGETING

In accordance with generally accepted principles, the City's financial reporting system is organized on a fund basis consisting of two major types – governmental and proprietary. The City's various funds are structured to segregate and identify those financial transactions and resources associated with providing specific activities or programs in conformance with special regulations, restrictions, or limitations.

The basis of accounting used for purposes of financial reporting is in accordance with generally accepted accounting principles (GAAP). The bases for each of the funds are not necessarily the same as the basis used in preparing the budget document. The City of Sebastopol used the modified accrual basis for budgeting. This basis is the method under which revenues and other financial resources are recognized when they become both "measurable" and available to finance expenditures of the current period. However, reconciling items are presented to convert the respective funds to the accounting basis used for financial reporting.

Budgets are prepared for each fund except the capital projects fund which adopt project-length projects and is effectively controlled at the project level.

Following is a discussion and a graphic presentation of the City's fund structure for budgeting:



FINANCIAL AND BUDGET TERMS

Adopted Budget - appropriations adopted by the City Council.

Adoption - formal action by the City Council, which sets the spending path for the fiscal year.

Appropriation - legal authorization given by the City Council to make expenditures and incur obligations using City funds.

Assessed Value - the valuation of real property established by the Property Appraiser as a basis for levying taxes.

Bond - a special type of “loan” that provides funding for capital projects. Local governments are prohibited from borrowing funds to cover standard operating expenses.

Debt Service Budget - the debt service budget is money used to repay bond issues.

Enterprise Fund – the funding source for city agencies that are self-supporting, such as resource recovery facilities and water and wastewater facilities.

Fiscal Year - the 12-month financial period in which funds are appropriated and accounted for by the City, which begins July 1 and ends June 30 of the following year. A fiscal year is identified by the year in which it ends.

Fund - monies set aside and accounted for separately in order to ensure that the monies are spent for a specific purpose.

Fund Balance - the balance remaining after accounting for all liabilities and revenue incurred during that year, plus the previous year’s fund balance. It is calculated at the end of each fiscal year.

Mandated Service - required by State, Federal, County law, health and safety code of California, contractual obligations, legal and tort liabilities.

MOU - Memorandum of Understanding. A labor contract pursuant to state, law, the Meyers, Millias and Brown Act, between the City and a labor union or organized group of employees under which all conditions of employment are negotiated.

Operating Budget - a plan of financial operations that provides a basis for the planning, controlling, and evaluating the operational portion of governmental activities. The operating budget supports ongoing services and programs.

Property Tax base – total value of land and property upon which a taxing authority can levy taxes. The tax base is often different from the total property value in any area because some types of property, like schools and government facilities, are exempted from property taxes.