



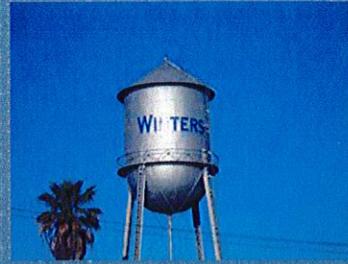
2007-2008
Adopted
Operating Budget

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John W. Donlevy, Jr.

**Director of
Financial Management**
Shelly Gunby

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2007-2008 Adopted Operating Budget

CITY COUNCIL

Woody Fridae, Mayor
Mike Martin, Mayor Pro Tem
Cecilia Curry, Council-member
Tom Stone, Council-member
Harold Anderson, Council-member

CITY STAFF

John W. Donlevy, Jr., City Manager
Bruce Muramoto, Police Chief
Nanci Mills, Director of Administrative Services
Shelly Gunby, Director of Financial Management
Dan Sokolow, Community Development Director
Dan Maguire, Housing Manager

BUDGET TEAM

John W. Donlevy, Jr., City Manager
Shelly Gunby, Director of Financial Management
Linda Sullivan, Accounting Technician
Jen Michaelis, Administrative Assistant
Linn Myer, Redevelopment Intern

CITY WEBSITE ADDRESS

www.cityofwinters.org

California Society of Municipal Finance Officers

Certificate of Award

Excellence in Operating Budgeting 2006-07

Presented to

City of Winters

This certificate recognizes Excellent Achievement in Operational Budgeting and reflects an outstanding budget document and the underlying budgeting process through which the budget is implemented.

March 6, 2007




Mark Alvarado
CSMFO President


Agnes Walker, Chair
Budgeting & Financial Management

Dedicated to Excellence in Municipal Financial Management

The California Society of Municipal Finance Officers (CSMFO) presented an award for Excellence in Operational Budgeting to the City of Winters for its annual budget for the fiscal year 2006-2007.

This award is presented to governmental units that prepare a highly professional budget document with professional underlying budgeting processes through which the budget is implemented.

The City Manager and Director of Financial Management would like to thank all members of the City of Winters staff for their individual assistance in preparing the budget document.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Winters

California

For the Fiscal Year Beginning

July 1, 2006

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Winters, California for its annual budget for the fiscal year beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Guide to the Document

A Budget serves many purposes. It is the City's annual financing and spending plan, providing a means for allocating resources to meet the needs and desires for the residents of the City. The budget balances City revenues with community priorities and requirements. The annual budget serves as a communications device, a policy document resource allocation tool, an accountability tool and a management tool. The budget document grants spending authority to City staff, as well as providing the spending plan for the City of Winters.

Document Organization

Budget Overview

The City Manager's Budget Overview summarizes the budget by outlining major programs in progress, critical issues and challenges for the fiscal year and accomplishments of the prior year. The budget overview also summarizes the financial components of the City, including revenue trends and significant new expenditures.

Strategic Plan

The City Council and Senior Staff held a Strategic Planning Session in March 2007. This section presents the plan and reviews the accomplishments of the prior year, and projects to be undertaken in the current and subsequent years.

Summary Information

This section of the budget contains summary information about the structure of the City Government. It includes a citywide organization chart, summary financial tables and staffing levels for the budget year.

Guide to the Document

General Fund

The accounts of the City are organized on the basis of funds and account groups. These funds and account groups are organized to segregate and account for restricted resources. Each fund and account group is a separate accounting entity. The General Fund is the primary revenue source for most services cities typically offer; these include public safety (police and fire), street maintenance, parks and recreation and neighborhood and community services.

Other Funds

The other funds section contains non-general fund sources of revenues. These funds are grouped into Special Revenue Funds, Capital Fund, and Enterprise Funds. Each fund type is described in this section and a financial summary is provided each.

Departmental Detail

Each Department is presented providing the following information:

- Description of Department and Responsibilities and Services
- Budget Year projects
- Source of Revenue
- Expenditure Summary
- Major Budget changes
- Staffing

Staffing

This section contains a list of all authorized positions for the City by department and provides historical staffing information.

Policies

This section contains budget policies and procedures adopted by the City Council.

Capital Improvement Plan

The capital improvement projects scheduled for funding in the budget year are summarized in this section. The

Guide to the Document

capital improvements budgets for the budget year are included in the Department and Capital Fund sections to present a comprehensive view of all funds of the City.

Long Term Financial Forecasting

Long term forecasting is an important tool for a City to use in developing programs and project schedules. This section will include the status of the City's five-year forecast.

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Budget Overview

Honorable Mayor and Council members:

The City of Winters is a community of long time traditions and values. It is a great place for people to live, raise children and enjoy a quality of life second to none in California. For the past 15 years, Winters has become a City in great demand from development interests and people wishing to locate here. This has spurred a significant need for land use planning and a lot of energy from the City to react to the many development proposals for expansion. The citizens and elected officials have struggled to define the future.

The Fiscal Year 2007-08 will be an important year for the City of Winters. In many ways, it will represent a transition for many needed services and facilities, capital infrastructure and the implementation of policies and plans which will begin the establishment of a path for the City to follow for years to come. The focus will be on implementing numerous capital projects, planning others, the start of residential and commercial expansion, and a push for industrial and business development. It will be a defining year in determining the economic, fiscal and development future for the City.

The past four (4) years have included a significant discussion on the issues of "growth" with quite different outcomes. While the City has approved the development of over 700 residential units, the four year period represents practically no discernable growth within the City. In 2006-07, the State Department of Finance actually reduced the size of Winters population and only 45 units have been completed within the period, a .5% growth rate!

Economically, the City's lack of growth and economic development represents a significant issue for the community. While demands grow for public safety, recreational and senior services, the lack of fiscal growth and resources significantly limits the City's ability to be responsive to our residents needs. A significant downturn in the housing market has slowed the demand and has reduced the expectation that the expected housing production may be delayed for a number of years.

Over the past three fiscal years, Winters has worked to position our organization in a manner that enhances our ability to operate and provide a higher level and quality of services. From Public Works to Police and Fire, the City of Winters is performing better and more efficient in serving our residents. Our infrastructure has a solid strategy for repair and replacement with many capital projects having been implemented to fix deteriorating streets and our parks and landscaped areas have never looked better. Our City staff is better trained and performing at levels never

Budget Overview

experienced before. As an organization, our goal is always to improve the services we provide to our residents. We take pride in what we do and always work to keep things running smoothly and on budget!

Over the past four (4) years, the City has diligently built up our reserves to maintain a conservative fiscal protection for the community. The need to use some of those reserves during the next year has become a reality, until revenues from anticipated development come to fruition. The need for economic development to add revenue is seen as the most important priority for the City.

Our Approach to Budgeting:

The City staff has prepared a budget that has taken the following approach:

- Cautious and Conservative.
- Contingencies are budgeted to prevent potential shortfalls or raids from the state.
- Adherence to adopted Fiscal Policies.
- Working toward meeting established reserve goals for general, capital and enterprise funds.
- Projected revenue growth is based on actual funding streams, not projections based on anticipated growth.
- Actual costs and expenditures are budgeted for all cost centers. The City avoids relying on surpluses, carry-overs, or in the case of retirement funding, super-funded status.

Key Goals of the City:

- Jobs/Housing Balance.
- Phasing for single-family residential development.
- Continuity of growth with services and facilities.
- Support of Schools
- Support environmental programs
- Maintain a positive fiscal outlook
- Keep a high quality of life for our residents.

Key Issues Facing the Fiscal 2007-2008 Budget:

This year's budget includes the need to address some serious fiscal issues in a couple of key areas. These will include:

- The City's **General Fund** revenues are 13.78% higher than in previous years, this is due to the end of ERAF III and the anticipation of 47 residential building permits and 1 commercial building permit for new construction being issued this fiscal year. Expenditures, however, are \$431,754 (or 14%) higher than budgeted revenues, this is due to negotiated salary increases for the public safety personnel as part of the personnel retention goal set by the City Council. The delay in development originally scheduled for 2006/2007 has

Budget Overview

caused a delay in revenues for certain building related activities to be delayed, these revenues are currently expected to materialize in 2008/2009.

- The **Water System** has a positive cash flow projected for the 2007/20078 year. This is due to the implementation of the seven year financing plan with rate increases scheduled for July 1, 2007, and the issuance of revenue bonds to provide funding for the various infrastructure and capital projects that are scheduled to take place over the next few years.
- **Impact Fee** revenues are projected to have increased revenues of \$15,217,456 or 27 times that received in 2006/2007. While the funding is good for the City of Winters, the Sewer Impact Fee Fund still does not have enough funding to complete the expansion of the treatment facility, funding for the expansion will come from the 2007 Tax Allocation Bonds received in June of 2007, as well from developers as a condition in the applicable development agreements.
- **Capital** revenues are projected to have an increase of revenues of \$1,176,752 or 2.29 times the amount received in 2006/2007. The Raja Storm Drain fund is a concern in that there is not enough funding available to complete the project, prior to project implementation a funding source will need to be identified.
- **Retirement and Workers Compensation** costs continue to increase and will likely represent a burden for years to come. The City is positioned to absorb the retirement costs for a period of years, due to the fact that when we had a "surplus" with Cal Pers, we banked the amount that we would normally have paid to CalPers in an investment fund to smooth the transition to the higher rates.
- **Assessment District** costs have begun to exceed available revenues. While this has been anticipated, previous growth has allowed the district to remain in a positive cash flow position. Beginning in 2005/2006 the General Fund began subsidizing the City Wide Assessment District, and this subsidy will continue into the future.
- **Gas Tax** revenues are stagnant, due to the lack of change in the population of the City. Staff has budgeted to not exceed revenues in the current year, resulting in decreased street maintenance throughout the City. Because the revenues are distributed on a per capita basis resulting in stagnant revenues to Winters and the cost of maintenance is increasing significantly, we do not anticipate the ability to increase street maintenance throughout the City in the near term.

Approach to Management

The City of Winters Management Team realizes that we are very fortunate to serve the citizens of Winters. We take pride in what we do and strive to make sure our residents receive outstanding service. Our approach to management is pretty simple:

Budget Overview

- Operations will operate based on strong basic fundamental foundations and adopted/proven municipal management practices.
- Step by Step-New initiatives are undertaken only after success on preceding levels. Staff will strive to do the basics well before moving on to advanced levels.
- We set expectations and goals for our staff and hold them to these expectations. Clear directives and measurable results.
- Our staff will be well trained and equipped with the proper resources to do their jobs.
- We will always strive to do our best.

Since 2002, the City staff has undertaken an aggressive program to improve how we run the business of the City of Winters. From a fiscal approach, the City has completely revised our Chart of Accounts, the City Budget Format, annually produced a Comprehensive Annual Financial Report and implemented well defined financial management polices. Since 2003, the City has received awards from both the California Society of Municipal Finance Officers and the Government Finance Officers Association for Excellence in Budgeting and Financial Reporting.

The City has initiated an aggressive training program for its staff. Much of the training centers on core competencies for the employee's jobs, including professional development, fiscal procedures, emergency response, risk management and job related duties. Our goal is for the staff to work better and smarter in their jobs.

Major City Initiatives

The 2007-2008 Budget includes funding and policy for the major initiatives proposed by the City Staff. These range from a variety of personnel and capital improvements issues to significant work programs for each of the City's Departments.

Personnel: As proposed the City will look to fill the following positions:

- Public Works Director or an additional administrative position in this department.
- Redevelopment Project Manager for implementation of key redevelopment and capital development projects.

The City is currently entering the final year of a multi-year contract with the Winters Police Officers Association (WPOA). The Winters Employee Association and Management Staff will receive a 3.1% cost of living adjustment and nominal adjustments to the cafeteria benefits program. The WPOA will receive a 7.5% salary increase and an increase in the health benefits contributions in January, 2008.

Budget Overview

Capital Purchases:

In the 2007-2008 budget, the City will fund multiple capital purchases throughout the organization, including:

- New Computer and Projector System for the City Council Chambers
- New Computers for the Police Department including a New Server
- Tasers for the Police Department
- Computerized Building permit software for the Community Development Department
- Backhoe for the Public Works Department

Major Capital Projects and Expenditures Proposed:

Staff is recommending that the City and the Community Development Agency pursue a number of capital projects within the community, including:

- Public Safety Building design and construction. This will include the development of a joint use facility for the police and fire departments.
- Downtown street and alley improvements along Main Street and Railroad Avenue.
- Water and Sewer improvements to include major upgrades to mains, pumping stations and telemetry.
- City Wide traffic circulation and safety improvements, including traffic lights and calming features.
- Park development projects that will include the completion of the designs for both the Community Sports Park to be located at the former landfill site and the Winters Highlands Linear Neighborhood Park. This will include the possible bid and start of construction for the Community Sports Park.
- Multiple Downtown improvement projects in conjunction with the overall Downtown Master Plan.
- Development of a downtown design and zoning code
- The construction of a new Joint Use Library to be co-located and operated at Winters High School.
- Downtown signage program.
- Putah Creek Vehicle Bridge Replacement.
- Update of the Impact Fee Nexus Study.
- Completion of the Putah Creek Park Master Plan and the initiation of ecological and geomorphic restoration projects, including the removal of the collapsed percolation dam.
- Update of the Wastewater Treatment Facility Master Plan.
- Completion of the update to the Storm Drain Master Plan.

Budget Overview

- Rancho Arroyo Detention Ponds upgrade.
- Construction of a Water Well #7 at the corner of West Main St. and Grant Ave.
- West Main Street Sewer Pump Station Design and Construction

Work Programs and Key Initiatives

The key departmental functions for the City will take a very aggressive approach to management of our City services and positioning our organization for the many challenges we face in the coming year. Each area has developed progressive work programs that include the following:

Balanced Development: The City has completed the processing of development proposals that will add over 700 additional residential units to the City during a seven-year period. Under the direction of the Community Development Department, the City will place a high priority on ensuring impacts for projects are positive and that mitigation of negative aspects for potential development occurs as per conditions for approval and mitigation measures.

Staff is recommending a multi-level strategy for growth/development management that will include the following:

- Residential Permit Phasing Program.
- Design review in construction and energy.
- Pursuit of "Smart Growth" policies and standards.
- Downtown Revitalization.
- Industrial Development along the 505 and Grant Ave Corridors.
- Service/Facility Master Plans
- Low/Moderate Income Housing Programs.
- Use of the Community Development Agency to spur economic growth.
- Address the Flood Overlay Area.

Pursuit of programs in these and other areas will help in bringing a balanced approach to growth and development that will create benefits to the community.

Economic Development Strategy: The City will be pursuing the development and implementation of a comprehensive economic development strategy for Winters. The key aspects of this will include:

- Promotion of balanced development, including a prioritization of City goals and desires.
- A plan for communicating the wants and needs of the City to prospective developers and landowners.

Budget Overview

- A strategy for capital improvements and marketing that will make Winters an attractive community for businesses to locate and desirable development to occur.

The key objective strategy will be to seek a balance of housing and jobs to help preserve the character and lifestyle of Winters and avoid becoming a bedroom or commuter community.

Community Development Agency: In 1992, the Winters Community Development Agency (CDA) was formed as a vehicle for helping address failing infrastructure and to assist in economic development of the City. The Community Development Project Area includes almost 650 acres and generates approximately \$1,750,000 in annual tax increment. In March 2004, the CDA issued 7.8 million in Tax Allocation Bonds to begin financing the development and housing programs in the project area.

In its overall fiscal strategy, the CDA has previously determined that the use of tax allocation bonds to fund major improvements should occur to spur both economic development and produce needed public improvements. In June, 2007, the CDA issued an additional \$11 million which will go toward the construction of the Public Safety Facility, Sewer Expansion and other capital and housing projects. The majority of these bond proceeds will be expended or encumbered in the coming year.

Key initiatives for the CDA will include:

1. Downtown Master Plan Implementation: In 2006, the CDA approved a sweeping economic revitalization plan for the downtown commercial area. During the coming fiscal year, the first phases of implementation will occur, with future phases to be scheduled.
2. Economic Development: The CDA will prepare a marketing program to make it easy for prospective developers to consider projects within the City
3. First-Time Homebuyer Program: The CDA will establish a first-time homebuyers program and market this program to the City's residents. Community Development Block Grant Program Income funds will also be used to fund this program.
4. Central Business District Enhancement Project: The CDA will implement a capital-oriented downtown revitalization project at Main St. and Railroad Ave. to enhance the appearance and economic viability of the Central Business District.
5. Façade Improvement Program: The CDA will continue its program to provide businesses with grants in order to improve the appearance of their building facades.

Budget Overview

6. Capital Improvement Program: Included in the 2007-08 Capital Improvement Program are key projects, including the development of a new Public Safety Facility, a new Joint Use/Co-located Winters Library on the Winters High School Campus. The CDA will also pay a portion of the costs for the expansion of the wastewater treatment facility to accommodate anticipated increases in demand from the project area.

The overall objective of the CDA will be to serve as a catalyst for economic development and capital improvements within the project area in order to improve the overall community development of Winters.

Downtown Revitalization: The proposed budget includes funding toward a revitalization project for the downtown area. This will include extensive improvements to Main Street and Railroad Avenue, alleyway improvements, and development of the agency owned parcel that currently serves as a parking lot.

The City Staff will be working with the downtown merchants, the Winters Chamber of Commerce and others to begin a prioritized strategy for overall downtown improvement.

Fiscal Sustainability: In the October 2002 Goal Setting Workshop, the City Council placed its highest priority on fiscal stability for the City. Key objectives included ensuring that we stayed on budget, managing our tax dollars conservatively and avoiding overextending our resources to the detriment of future fiscal years.

The City of Winters has seen some very lean times since the development of its General Plan that was completed in 1992. Finding itself over \$1 million in debt, the City has embarked on a course of fiscal conservancy. The budget for the City is balanced using available fund balance and could best be described as lean. In order to keep the fiscal stability of the City, staff will be pursuing a number of critical initiatives to prudently financially manage the organization. These initiatives will include:

- Updating the fiscal forecasting model to project revenues and expenditures over a continuous 10-year period.
- Implementation of the City Council adopted financial management policies.
- Place a strong emphasis on achieving reserve goals and policies.
- Ensuring the debt repayment for the 1992 General Plan.

Staff has increasing concerns over the course and lack of development activity.

Budget Overview

Community Development and Building: The Community Development Department (CDD) is a hub of much of the anticipated development activity that will occur in Winters. They serve as the initial contact point for all developers and the processors for all maps and permits once approved. In order to accomplish this, the department will implement the following initiatives:

- Put into operation the automated Permitting Process. This was funded through development impact fees and will help streamline and update the recordkeeping, accounting and permitting of all projects.
- Ensure that CDD staff is properly trained and provides courteous and efficient customer service.
- Continuation of a college level internship program
- Ensure that the numerous development proposals that are submitted to the city for processing are managed in a manner that adheres to the General Plan Policy Document, state law, and local ordinances.
- Ensure that the physical construction of the city occurs in a manner that enhances the aesthetic nature of the City of Winters.
- Make recommendations to policy-making bodies and ensure proper implementation of newly formulated policy as directed by the City Council.

In 2004, the City hosted its first "Building Permit Workshop" which provided residents with a "how to" on working with the City when making improvements to their homes. The session was a huge success, and Staff will conduct the same in 2008.

Enhances Recreation: One of the highest priorities of the City Council goals was to see the enhancement of recreational opportunities for residents of all ages. Staff has included a variety of programs in the budget which range from free to pay classes. These include expanded programs for all ages:

- After school programs for grades K-5 in cooperation with the WJUSD.
- Youth programs include:
 - **Summer Day Camp**, a pay class for school age children to spend half a day with care, participating in a wide range of activities for 10 weeks during the summer.
 - **Fun in the Park**, a drop in program where recreation leaders help kids do crafts, participate in a variety of sports and fun activities at no cost.
 - **Youth Drama**
 - **Christmas Kids and Circle of Singers**
- Adult and contract classes have been expanded to include guitar, dog obedience, martial arts, dance and others.

Budget Overview

- Adult recreation programs such as co-ed softball and the exploration of other programs.

Additionally, our recreation programs actively work with the community on a variety of events, including 4th of July Fireworks, Earthquake Festival, Concert in the Park, and management of the Community Center.

Employee Development: The Administrative Services Department is taking the lead in helping the City "work better and smarter". In FY 2007-08, the City will focus on a number of key issues to enhance the working environment and the skills of our employees. The City has a Training Committee which is comprised of representatives of each Department. In 2007-08, the City will again focus its efforts on training in key "core" areas to ensure that staff are performing well in their current duties and are developing to do other requirements in the future.

In 2004, the City implemented an Employee Handbook and a comprehensive review of employment policies and how these are administered. Administrative Services will also be working with employees to maximize the use of our benefits programs and other services available to them. The City Staff will form a Personnel Policy Review Committee to review all our policies for revision and updating.

In 2007-08, the budget includes continued funding for an Employee Assistance Program. This is a resource which employees and their family members who find themselves in need of mental, substance abuse, financial or other problems can contact the EAP confidentially to gain assistance.

Police: The Police Department for the City of Winters is a real pride unit. They represent a small group of dedicated individuals who provide critical public safety services to the City.

In 2005-06, the Department saw the addition of one new officer and a community services position. The focus of the Department has included evidence organization and the recruitment of new staff. These personnel moves have created a very dynamic structure within the department that will allow for the advancement of service and training levels.

Some of the key initiatives for the coming fiscal year include:

- Completed design and the start of construction of a new Public Safety Facility to house both the Police and Fire operations of the City.
- Recruitment and retention programs for police personnel.
- Continuation of officer development and training programs, with an overall increase in budgeted amounts for this area.

Budget Overview

- Full implementation of the Yolo County RMS/Mobile Data Systems and software for all patrol officers in the vehicles.

City and District Fire Operations: The City currently contracts with the Winters Fire Protections District for all emergency fire and medical response services. The City and District have a cooperative agreement and work closely together on numerous operational issues. A key program being implemented is a capital equipment replacement program that will coincide with the City's development impact fee program. In essence, the City and District are planning together.

In 2007-08, the City and Fire District will complete the development of a consolidation plan, whereby the Fire Department will be run by the City and the District will contract for services.

Water System Improvements: Over the past year, the Public Works Department has undertaken a very aggressive review of systems and procedures. The result is a well-run system that is performing at high levels of efficiency.

In December 2005, the City Council approved a comprehensive rate and infrastructure improvement plan that will fund extensive renovation to the existing water system.

In 2007-08 the key initiatives funded by these rate increases for the Water System will include:

- Safety and Reliability improvements including electrical transfer switches and surge suppression systems.
- Pump Replacement and Facility Renovations including replacements at all wells, impeller/bowl replacements and installation of well level sensors.
- Completion of the Water System Master Plan Update which will include:
 - Flow Analysis.
 - Computer generated flow models to gauge the impact of future developments.
 - Mapping of the system, including integration with GIS systems.
 - A maintenance and operations system.
- Implementation of the SCADA system.
- Leak detection and the development of a line replacement program.
- Cross connection control program for commercial and industrial businesses.
- Water Quality Monitoring.
- System maintenance and testing programs including:
 - Hydrant testing and replacement
 - Valve locating and testing programs.

Budget Overview

Sewer System and Expansion: With proposed developments on the horizon, the subject of sewer and capacity will be an important issue addressed in the coming fiscal year. At the present capacity, the existing system will need expansion to accommodate future residential and industrial growth. In December 2005, the City Council approved a comprehensive rate and capital replacement program that will be initiated in the coming year. In total, almost \$7 million in replacement will occur in a seven-year period.

The City's Wastewater Plant/Ponds and the collection system are maintained under contract with ECO Resources.

In the coming fiscal year, key initiatives will include:

- Pursuing the Phase II expansion for the Wastewater Treatment Plant that would add capacity enough to add residential, commercial and industrial development.
- Safety and Reliability improvements including the installation of auto dialers and enhanced operational equipment in all pump stations.
- Pump and Control Panel Replacements at each of the City's lift stations
- The implementation of a City-wide SCADA System
- Main replacement and rehabilitation.
- Revisions of the City's Sewer Maintenance Programs including:
 - Flow assessment and modeling
 - Infrastructure inventory/evaluation
 - Computer mapping and modeling
 - Computer maintenance and operation system (CMOM) as mandated by the State.

Emergency Response and Preparedness: In 2007-08, the key initiatives in our emergency planning and preparedness will include:

- Continued Staff development in the areas of multi-hazard response.
- Emergency training exercises with internal staff and outside agencies.
- Development of a Standard Operating Procedures for the City's Emergency Operations Center.

Solid Waste and Recycling: In 2006, the City again successfully met the State mandated 50% diversion requirement for all solid waste with an established diversion rate of 58%. While met, the City was still struggling to keep this diversion rate due to low participation in the bin system of our previous recycling program. In January, 2007, the City implemented an enhanced refuse/recycling services, which includes a single-stream recycling program for all residential customers. Participation in this program has been extremely positive and an increased diversion rate is anticipated.

Budget Overview

Long Range Capital Project Planning: In 2007-08, Staff will work on the development of a revised Five Year Capital Improvement Program. This program will be implemented in the current fiscal year and will include a prioritization and funding of key infrastructure projects within the City. Additionally, the program will be coordinated with the City's Community Development Agency Implementation Plan and include an update of the AB1600 Major Project Financing Plan.

Hispanic Outreach: In 2006-07, the City established the Hispanic Advisory Committee which has served as an advisory board to the City Council. Some of the recommendations from this Committee which have been implemented include:

- After school programming for youth.
- Enhanced bi-lingual communication and outreach within the community.
- Youth and Adult recreation programs.
- Outreach for County social services programs.
- Transportation programs and connectivity improvements.

The continuance of this committee and the overall outreach will continue into the coming fiscal year.

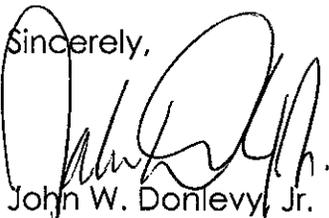
Summation:

The City of Winters is currently in a very delicate situation in planning its future. This fiscal year will determine a course which will follow the City for years to come. Most of it surrounds how the City will develop. It will take a combined effort on the part of Staff, the City Council and the Citizens of Winters to help chart the course for the future.

Fiscal 2007-08 represents an important time for our City, where we have an opportunity to preserve the past qualities for Winters, and more importantly, to preserve our future.

We take pride in what and how we do things at the City of Winters and appreciate the opportunity to serve this community.

Sincerely,



John W. Donlevy, Jr.
City Manager

Budget Overview

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Strategic Planning

In March 2007, the City Council and Staff held a two day Strategic Planning Workshop to set goals and communicate priorities on key projects and initiatives. The workshop developed a list of issues and topic prioritized as below.

Economic Development

- Need for increased revenues to support City services
- Focus on Grant Avenue Corridor for business development.
- Provide infrastructure from current terminus to the allow for freeway serving business
- Build a tax base
- Encourage Highway Commercial development
- Establish Design Guidelines
- Job Creation with sustainable wages.

Public Facilities

- Extend Utilities along Grant Avenue
- Grant Avenue access and circulation plans need to be in place.
- Develop the Sports Park
- Renovate the existing Community Center
- Provide for the Community Theatre.

Public Safety

Fire

- Increase Service Levels
- Retention of Staff
- 4/10 Shift Schedule

Police

- Staffing to 2 Officers per shift
- Recruitment/Retention of Staff

General Plan and Land Use

- General Plan Update
 - Extend Horizon to 2020 with an action plan for General Plan implementation
 - Maintain the 12,500 population cap by analysis from the perspective of supporting a vibrant business district with locally owned businesses.
- Flood Overlay

Strategic Planning

- Focus on industrial development areas
 - Multi-use flood solution for flood and open space
- Explore Expansion of Sphere of influence in all directions
- Annex across I-505 for Commercial/Industrial development

Staff is submitting a work plan for implementing the goals and priorities above to the City Council in the summer of 2007. Implementation of these activities may require some budgeting adjustments throughout the 2007-2008 fiscal year, and will guide the budgeting process in future years.

Budget Practices and Policies

Reporting Entity

The City of Winters was incorporated February 9, 1898 and is a general law city. The City of Winters maintains a Council-Manager form of government and provides the following services: public safety (police and fire), streets, water service, wastewater services, public improvements, recreational services, planning and zoning and general services.

In addition, the financial responsibilities of the City of Winters include the Winters Community Development Agency.

Fund Accounting

A fund is a separate fiscal and accounting entity with a separate set of accounting records. For example, a separate fund is used to account for the funds received by the City for the Gas Tax Program

The use of Fund Accounting is one of the basic requirements of generally accepted accounting principles (GAAP) for government and is a major difference between government and commercial accounting. It requires separate record keeping for each individual fund that a government uses.

Accounting Practices

The accounting and reporting policies of the City conform to generally accepted accounting principles (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments included those principles prescribed by the Governmental Accounting Standards Board (GASB), which includes all statements and interpretations of the National Council on Governmental Accounting unless modified by the GASB, and those principles prescribed by the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units.

Budget Practices and Policies

The section entitled "Fiscal Policies" summarizes the policies and practices used by the City of Winters.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types and agency funds use the modified accrual basis of accounting. Under this method, revenues are recognized when they become available and measurable. "Measurable" means the amount can be determined, and "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred.

All enterprise fund types use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Budgetary Basis of Accounting

The budgetary basis of accounting determines when a government charges expenditures to a budget appropriation, or when it credits revenues to its funds for budgeting purposes. Although the City presents financial statements in its Comprehensive Annual Financial Report (CAFR) in accordance with GAAP, the budget is adopted on a modified cash basis. The major difference between the two basis of accounting is as follows:

- For budgetary purposes, revenues are recorded when received. Under GAAP, revenues are recorded when susceptible to accrual.
- For budgetary purposes, interfund loans and repayments are recorded as revenues and expenditures. Under GAAP, these transactions are reclassified as increases or reductions in the "Due to/Due from" accounts.

Budget Practices and Policies

Capital expenditures are budgeted as an expense in the enterprise funds. Under GAAP, these expenditures are reclassified as fixed assets.

Basis of Budgeting

The City of Winters uses a base budget budgeting method. Each department requests an annual appropriation sufficient to fund current service levels and other costs the department is responsible for managing. The budget base year is the prior years' adopted budget, reducing it for any one-time expenditures, increasing it for known impacts (such as increased utility costs, and salary and benefit negotiated increases) and adding new proposed programs or activities.

Reserves

The City Council adopted the City of Winters reserves policy on August 7, 2001. Three types of reserves were established, contingencies, capital reserves and cash and emergency reserves. These reserve policy requirements can be found in the "Fiscal Policies" section of this document.

Appropriation Authority

The City Council adopts the budget by June 30th of each year through passage of an adopting resolution. This resolution sets expenditure limits at the fund level for the City's General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds and all Enterprise Funds. A separate resolution adopts the Community Development Agency budget.

Supplemental appropriations may be adopted by the City Council during the year. The City Manager is authorized to transfer budgeted amounts between departments for programs within any fund.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures of money are recorded in order to reserve that portion of the

Budget Practices and Policies

appropriation, is employed as an extension of formal budgetary integration in all fund types.

Encumbrances outstanding at year-end are "rolled over" into the next fiscal year, but the related budget authority is subject to re-appropriation.

The Budget as a Living Document

The budget is intended to be a flexible document representing the appropriate revenue and expenditure data available. For the current document, certain assumptions have been made based on the passage of Proposition 1A and the current State of California proposed budget. These assumptions are as follows:

- The "Triple Flip" of sales tax remains in force, and the Property Tax in Lieu of Sales Tax is implemented.
- The permanent reduction in the Motor Vehicle in Lieu Fee (VLF) was implemented in 2004-2005, and the Property Tax in Lieu of VLF is now in place and becomes an ongoing revenue source for the City of Winters.
- ERAF III is complete with the end of the 2005-2006 fiscal year.
- Proposition 42 Transportation Funds have been included in the 2007-2008 budget based on the Governor's proposed budget.

Budget Process and Calendar

The budget process enables the City Council to make choices about staffing, equipment and priorities to be addressed in the upcoming year. The City Council reviews the budget for the first time in May; however, the budget process is begun in the fall of each year with goal setting workshops to lay the groundwork for the expenditure requests from each department based on the priorities set by the City Council

Budget Roles and Responsibilities

All employees within the City of Winters are involved in the budgeting process. This process includes formulation, preparation, implementation, administration and evaluation. All Department Directors are responsible to the City Manager, and the City Manager is responsible to the City Council for meeting the stated objectives and goals in the budget within the amounts appropriated in the budget.

Individuals with specific responsibility for the budget process are as follows:

- The *City Council* sets the goals, objectives, and priorities that they want to staff to concentrate on for the budget year. They are also responsible for reviewing the preliminary budget and approving the final budget for the fiscal year.
- The *City Manager* is responsible for implementing the goals, objectives and priorities of the City Council and recommending funding to carry out those goals, objectives and priorities.
- The *Director of Financial Management* and the staff in the Finance Department are responsible for preparing estimates of remaining costs for the current fiscal year, preparing short and long range revenue and expenditure forecasts, calculating departmental budget targets, and assisting departments during the budget process. This staff is also responsible for reviewing the departmental operating and capital improvement requests as well as reviewing the department budget requests with the Director of each department and the City Manager. The Director of Financial Management prepares the budget material for review by the budget committee.

Budget Roles and Responsibilities

- The *Capital Improvement Team* consists of the City Engineer, the Public Works Director, the City Manager, and any other appointed member. This team is responsible for the review of existing capital projects and the addition of new capital projects based on citizen input and City Council direction. The review of existing projects includes examining the status and cost projections of capital projects to be undertaken as well as those in progress. A preliminary capital improvement plan is submitted for review to the Budget Committee.
- The *Departmental Directors* are responsible for reviewing historical data, collecting data on future activities and opportunities that affect the department and using this information to prepare a budget that implements the City Councils goals, objectives and priorities while at the same time carrying out the mission of the department. Each Department Director is responsible for maintaining departmental control of the approved budget for their department throughout the fiscal year.

Budget Process and Calendar

Budget Process

The budget is adopted by the City Council before July 1 of each year. Input is received from City Council and staff throughout the organization in preparing the budget.

Budget Phases

Policy/Goal Setting Phase-The City Council sets goals and projects that it feels would meet the needs of the citizens of the City. These goals and projects are reviewed and updated each year during a City Council/Senior Staff retreat. This retreat is used to set priorities for projects to be undertaken in the next budget .

Budget Development Phase-Based upon the goals, projects and priorities developed at the Council/Staff goal setting workshop, the departments develop budget requests that address new programs, evaluates existing

Budget Process and Calendar

programs, and reviews staffing levels. Each department begins with a base budget from the prior fiscal years adopted budget, adjusting for inflation and employee compensation agreements, reducing for any one-time expenditures, increasing for known impacts, and adding new programs or activities. Financial trend analysis is performed on all funds, reviewing the city's financial condition with existing programs as well as its capacity to implement new programs. The analysis includes evaluating long term and short term operating needs; capital improvement projects and how the long range plans of the city are being implemented. City financial policies are reviewed and updated as needed. The Budget review committee consisting of Senior Staff and two City Council members review the preliminary budget for its ability to carry out the goals, projects and priorities of the City Council.

Budget Review/Modification Phase-The preliminary budget is reviewed by the City Manager, Director of Financial Management and each Department Director to refine the budget into a balanced financial plan. A preliminary balanced budget is prepared and presented to the City Council at a workshop for review and additional modification.

Adoption Phase-The final budget as modified after the City Council workshop is presented to the City Council for adoption. A public hearing is held and the City Council adopts the budget.

Implementation Phase-Department Directors are provided with budget status reports monthly. They are responsible for reviewing the reports and maintaining budgetary control throughout the fiscal year. The City Council receives financial reports monthly, which compares actual results with budgeted amounts.

**Budget
Process and
Calendar**

**Policy/Strategy
Development
Phase**
October-
November

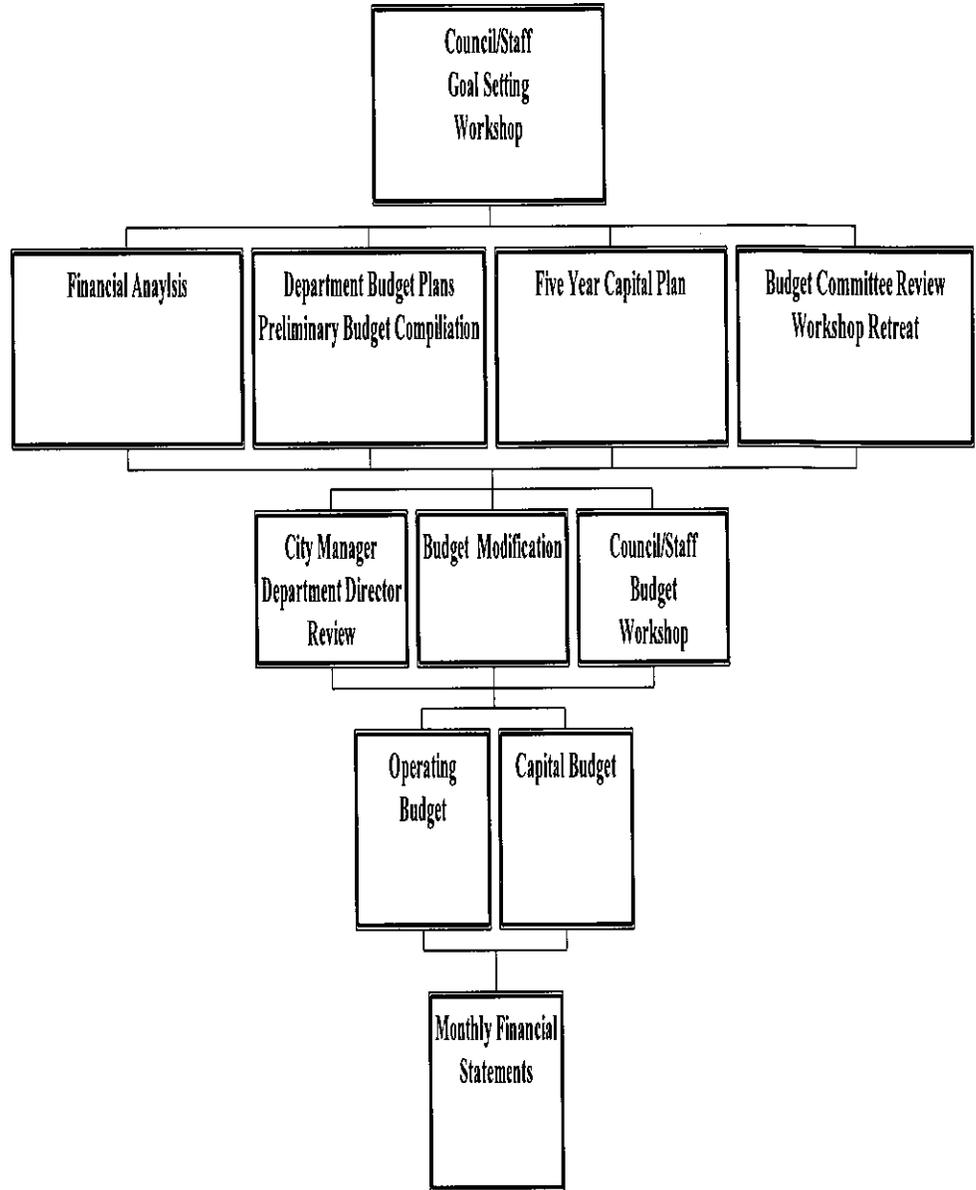
**Budget
Development
Phase**
March-April

**Review
Modification
Phase**
May

Adoption Phase
June

**Implementation
Phase**
July-June

Budget Calendar



Review and Approval of Budget

The City Council reviews the budget during a workshop held in May of each year. This workshop is open to the public and all city staff and provides a forum for the City Council to receive information and recommendations regarding the budget.

The budget is required by law to be adopted prior to July 1st of each year. The budget must be balanced, that is operating expenditures must be equal to or less than Operating revenues. Any change in appropriated levels or expenditures of contingency line item amounts requires City Council approval.

Upon adoption of the budget, the Finance Department prepares the final budget document.

Amendment to the Budget

The budget is adopted at the fund and departmental level. The City Manager is authorized to make transfers between account codes and departments within each fund, except for contingencies. City Council approval is required for transfers between funds, except for those inter-fund transfers approved in the budget

Use of Contingency Operating and

Contingency amounts are defined in the City's reserves policy. City Council approval is required for transfers from contingencies.

Capital Budget Relationship and Organization

The City of Winters Budget includes a summary of the Capital Improvement Plan and also includes the portion of the Capital Improvement Plan costs to be paid from the governmental funds and enterprise funds in the budget year.

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City of Winters Organizational Chart Fiscal Year 2007-2008

Citizens of Winters

Treasurer
Mike Sebastian

City Council

City Clerk
Nanci Mills

City Manger
John W. Donlevy Jr.

Executive Secretary
Cheryl Rhuely

Grant Administrator
Dawn VanDyke

Administrative Services
Nanci Mills

Finance
Shelly Gunby

Community Development
Dan Sokolow

Police
Bruce Muramoto

Public Works
Vacant

Fire (By Contract)
Scott Dozier

Redevelopment
Vacant

Records Clerk
Tracy Jensen

Account Technician
Linda Sullivan

Administrative Assistant
Jen Michaelis

Sergeant
Sergio Gutierrez

Sergeant
Terry Van Houtnen

Records Supervisor
Karla Ferguson

Maintenance Worker
Tony Luna

Management Analyst
Carik Scianna

Housing Manager
Dan Maguire

Recreation Supervisor
Traci Nakamura

Records Clerk
Mary Lou Mendoza

Chief Building Inspector
Gene Ashdown

Community Services Officer
Gail Jimenez

Police Officer
Todd Barnett

Police Officer
Jose Ramirez

Intern
Vancat

Property Clerk
Deanna Isenhower

Maintenance Worker
Terry Vender

Intern
Elliott Landes

Contract Manager
Kate Kelly

Recreation Staff
Vacant

Police Officer
David Reeves

Police Officer
Jeremy Watten

Maintenance Worker
Efrén Del Toro

Maintenance Worker
Solomon Del Doro

Intern
Linn Myer

Police Officer
Craig Uegshart

Police Officer
Vacant

Maintenance Worker
Kirk Sanders

Maintenance Worker
Charlie Bush

Police Officer
Vacant

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City Profile

History

The City of Winters has a strong historical heritage. The settlement of this area began in 1842 with the granting of 17,750 acres of land along Putah Creek by Governor Juan Batista de Alvarado to William Wolfskill, a southern California resident and naturalized Mexican citizen. It was not William, but his brother John, who came north to settle on this land. He established residence on the south side of Putah Creek and began his ranching career, planting vegetable crops and the area's first apricots in 1851 and later peaches and grapes. The land was originally called Rancho Rio de Los Putos, a name derived from the Patwin Indian village name of "Putato".

As the northern terminus of the Vaca-Valley Railroad, this new settlement grew rather quickly and by 1876 the assessed valuation of the town has risen from \$1,000 to \$160,000. Winters became a busy agricultural and commercial center, with three trains daily, several new businesses, new hotels and saloons, a Wells Fargo office and a number of new residences. Produce of the area included apricots, peaches, almonds, plums, pears, cherries, figs, oranges, olives, barley and wheat. In late 1896, a meeting was held in the Opera House to seek incorporation of the town of Winters. It was not until February 9, 1898, however, that the City of Winters was incorporated.

Quality of Life

The City of Winters is located in the southwestern corner of Yolo County, immediately north of the Solano County line and just east of the Vaca Mountain range. Interstate 505 borders the City of Winters on the east. Interstate 80, which lies just 11 miles south, provides easy access to the major metropolitan areas of Sacramento and the Bay area. State Highway 128 passes directly through Winters and is a major access route to the Napa Valley and recreational opportunities at Lake Berryessa. Sacramento International Airport is 37 miles away and public transportation is provided by the Yolo County Transportation District.

City Profile

The City of Winters is an established and changing community. The easygoing nature of the community gives one a sense of long time tradition. Winters is on the cusp of an economic takeoff. New residential developments have been approved, and will be built, and new businesses are starting up. Winters is a community that thrives on citizen involvement, volunteer projects, and "civic mindedness".

The City of Winters is home to the Annual Youth Day celebration. During this celebration, young people throughout the community commit themselves to learning the role of government by holding elections to be the "shadow" of City Staff and Council members. A special "Youth Day City Council" meeting is held at which the young people bring their issues forward for a public hearing. This celebration of youth in the community is organized completely by volunteers, who commit many hours of time to the project each year.

The City of Winters has enthusiastic Little League, Swim Team and Soccer programs that serve the youth of the community.

The City also has a very professional volunteer Theatre group that performs numerous productions throughout each year.

Government

Incorporated February 9, 1898

The City of Winters is a general law city and employs the Council/Manager form of government. The Winters City Council consist of five members elected at-large for four year terms (two members at one election, three members the following election). After each Council election, the Council members appoint a Mayor for a two-year term and a Mayor Pro Tem for a two-year term.

City Profile

Full time Employees Fiscal Year 2007-2008¹

Community Development Department	3.33
Community Development Agency	3.11
Finance	2.44
General Government	4.88
Police Department	13.21
Public Works	8.44
Recreation	12.09
<hr/>	
Total	46.50

Demographics

Land Area 2.516 square miles

Population

1970	2,419
1975	2,510
1980	2,652
1990	4,450
2000	6,125 ²
2003	6,606 ³
2004	6,868 ⁴
2005	6,973 ⁵
2006	6,867 ⁶
2007	6,885 ⁷

¹ 2006-2007 Adopted Budget

² U.S. Census Bureau, Census 2000

³ California Department of Finance

⁴ California Department of Finance

⁵ California Department of Finance

⁶ California Department of Finance

⁷ California Department of Finance

City Profile

Households⁸	1,907	
Family Households	1,547	81.1%
Married Couples	1,222	
Female Householder	244	
Male Householder	81	
Non-family Householder	360	18.9%

Age⁹

Under 5 Years	479	7.8%
5-9 years	575	9.4%
10-14 years	630	10.3%
15-19 years	552	9.0%
20-24 years	349	5.7%
25-34 years	820	13.4%
35-44 years	1,074	17.5%
45-54 years	762	12.4%
55-59 years	225	3.7%
60-64 years	182	3.0%
65-74 years	256	4.2%
75-84 years	166	2.7%
85 years and older	55	0.9%
Median Age (years)	31.1	

Sex¹⁰

Male	3,109	50.8%
Female	3,016	49.2%

⁸ U.S. Census Bureau, Census 2000

⁹ U.S. Census Bureau, Census 2000

¹⁰ U.S. Census Bureau, Census 2000

City Profile

Housing Units¹¹	2,230	
Single Family	1,903	85.3%
Multi Family	249	11.2%
Mobile Homes	78	3.5%
Vacancy Rates		2.4%

Housing Value¹²

Less than \$50,000	0	0.0%
\$50,000-\$99,999	39	3.3%
\$100,000-\$149,999	578	48.6%
\$150,000-\$199,999	334	28.1%
\$200,000-\$299,999	190	16.0%
\$300,000-\$499,999	38	3.2%
\$500,000-\$999,999	11	0.9%
\$1,000,000 or more	0	0.0%
Median Home Value	\$148,600	

Age of Housing

1939 or earlier	196	10.0%
1940-1959	337	17.1%
1960-1969	187	9.5%
1970-1979	290	14.7%
1980-1989	545	27.7%
1990-1994	260	13.2%
1995-1998	105	5.3%
1999- March 2000	47	2.4%

¹¹ California Department of Finance 1/1/06

¹² U.S. Census Bureau, Census 2000

City Profile

Household Income

Less than \$10,000	141	7.4%
\$10,000-\$14,999	67	3.5%
\$15,000-\$24,999	197	10.4%
\$25,000-\$34,999	192	10.1%
\$35,000-\$49,999	378	19.9%
\$50,000-\$74,999	435	23.0%
\$75,000-\$99,999	281	14.8%
\$100,000-\$149,999	148	7.8%
\$150,000-\$199,999	35	1.8%
\$200,000 or more	21	1.1%

Median Household Income \$ 46,678

Level of Educational Attainment

Population 25 years and over

College Degree	907	25.5%
Some College No Degree	839	23.6%
High School Graduate	819	23.1%
9th-12th Grade, No Diploma	388	10.9%
Less than 9th Grade	600	16.9%

Racial Composition

American Indian	0.90%
African American	0.70%
Asian	1.00%
Hispanic	44.40%
Native Hawaiian/Pacific Islander	0.30%
White	25.30%
Other	22.60%
Two or More ethnicities	4.80%

City Profile

Major Employers

Mariani Nut Company
Winters Joint Unified School District
Buckhorn Restaurant
City of Winters
Double M Trucking

Distribution of Jobs by Industry¹³

Employed persons Aged 16 and Over	2,728	
Agriculture	208	7.6%
Construction	209	7.7%
Manufacturing	173	6.3%
Wholesale Trade	265	9.7%
Retail Trade	260	9.5%
Transportation/Warehousing	138	5.1%
Finance	170	6.2%
Professional/Scientific	172	6.3%
Educational	500	18.3%
Arts/Food Service/Accommodations	204	7.5%
Other Services	177	6.5%
Public Administration	224	8.2%
Information	28	1.0%

Services by Other Governmental Agencies

Education: Winters Joint Unified School District
University of California, Davis
Solano Community College

Community Services

Parks : 6 (approx 7.2 acres)
Community Center: 1
Police Station: 1
Water Wells: 5
Sewer Plant: 1

¹³ U.S. Census Bureau, Census 2000

City Profile

Public Transportation

Yolo County Transportation District

Fire Protection

Winters Fire Protection District

Gas and Electricity

Pacific Gas and Electric

Education

The Winters Joint Unified School District operates the following:

- John Clayton Kinder School
- Waggoner Elementary School (grades 1-3)
- Rominger Intermediate School (grades 4-5)
- Winters Middle School (grades 6-8)
- Winters High School (grades 9-12)
- Wolfskill Continuation High School

Where is Winters??



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Budget Summary

Fund Structure, Purpose and Accounting Basis

The accounts of the City of Winters are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Certain funds have varying levels of restriction, imposed either by legal requirements or policy choices, and as such, it can be helpful to present a broad overview of the City's finances by showing summaries of different funds.

The City's funds are grouped into six basic types:

- General
- Special Revenue
- Capital
- Debt Service
- Enterprise
- Fiduciary

The first three fund types listed above comprise the majority of the day-to-day operating activities of the City. The remaining fund types are more specialized funds, and typically account for one-time and/or specific activities rather than ongoing and recurring services. Brief descriptions of each fund type follow.

General Fund

The General fund is the primary revenue source and operating fund for most services cities typically offer. These include public safety (police and fire), street maintenance, parks and recreation, and neighborhood and community services, etc. In addition, the City Council, Administrative Services and City Attorney budgets are predominately funded by the General Fund. These activities are financed through general tax dollars from sales and property taxes, property tax in lieu of VLF, the municipal services tax, and by revenues generated from permits, fees and investment earnings.

Budget Summary

Special Revenue Funds

Special Revenue Funds account for activities funded by special purpose revenue, that is, revenues that are legally restricted to expenditures for a specific purpose. Many of these funds have grant-based revenues, which may only be spent under specific guidelines. Most of the federal, state and county grants the City administers are included in this category. The City maintains 38 special revenue funds.

Capital Project Funds

These are the Capital Improvement Project (CIP) funds. They are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds such as the Water and Sewer Funds), i.e., the development of a new neighborhood park or a public safety facility to house the Police and Fire Departments. The City has 18 Capital Project Funds, which includes eight (8) funds for the collection and spending of Development Impact Fees.

Enterprise Funds

These funds account for City activities that operate as public enterprises. Revenues come from fees charged to programs, customers or other department users. Enterprise funds that provide for water and sewer services are proprietary funds. So are Internal Service Funds. The City currently has three (3) enterprise funds (water, sewer and Central Service Overhead) that represent separate business activities for the City.

- Water-the City provides water service to its residents and commercial entities.
- Sewer-The City's sewers protect public health and preserve water quality through the collection, treatment and disposal of the community's wastewater and wastewater solids.
 - Central Service Overhead-This fund is used for expenditures that cannot be specifically charged to a particular fund or department. Expenditures are made from this fund, and the cost of those expenditures are allocated to the various funds and departments based on a cost allocation plan the

Budget Summary

City of Winters implemented in fiscal year 2002-2003 and updated in 2004-2005.

Debt Service Funds

Funds for debt service track revenues and expenditures related to repayment of principal and interest costs associated with borrowing money for long-term obligations. A separate debt service schedule is included in this budget that provides detail on all outstanding debt owed by the City.

Fiduciary Fund Types

Trust and Agency Funds are used to account for assets held by the City as an agent or trustee for individuals, private organizations other governments and/or funds. These include Agency and Expendable Trust Funds. Agency Funds are custodial in nature (assets and liabilities) and do not involve measurement of results of operations.

Summary Financial Section

The Summary Financial Section consists of the following information:

- 2005-2008 Summary of Estimated Financial Sources and Uses and Changes in Fund Balance for Governmental Funds. This includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Funds
- 2005-2008 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings for Enterprise Funds. This includes the Water, Sewer and Central Service Overhead Funds.
- Total Revenue Summary
- Total Expenditure Summary

Decreases in Fund Balance/Retained Earnings.

It is the policy of the City of Winters that on-going current General Fund expenditures are funded by current year General Fund Revenues. Expenditure of carry forward savings is to be for one-time expenditures only, based upon City Council approval. This General Fund balance anticipates expenditure of carry forward savings of

Budget Summary

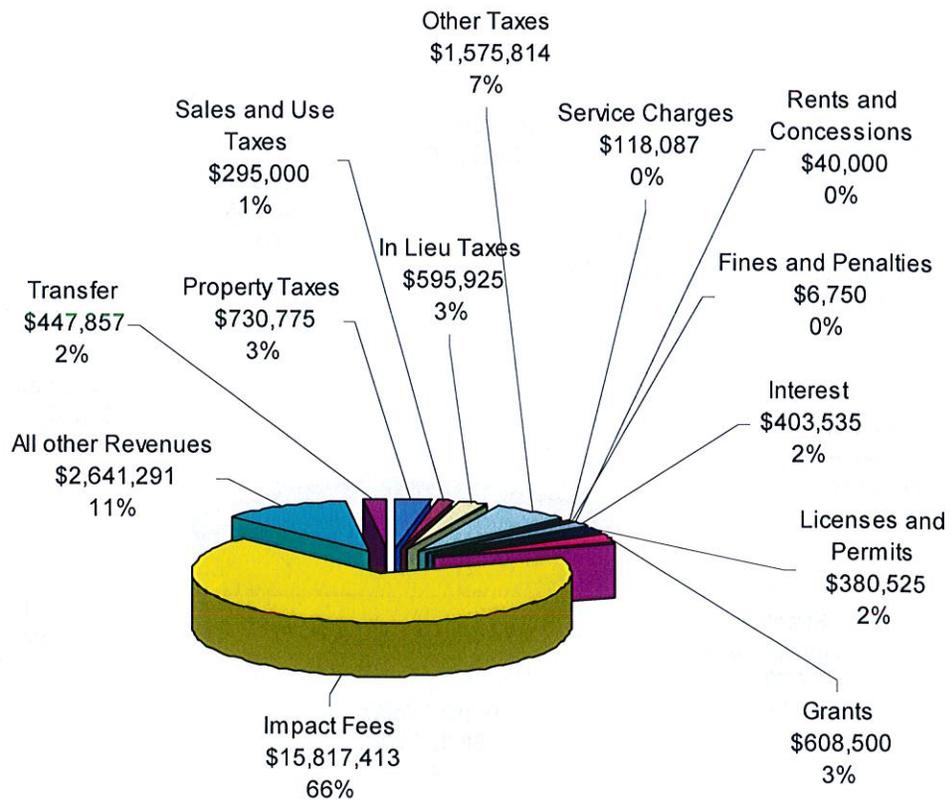
approximately \$107,000. This use of carry forward savings is a part of a larger, 10-year fiscal sustainability program that stresses retention of current public safety personnel as well as positioning the City of Winters on a course of addressing all levels of service throughout the community.

The Special Revenue Funds group anticipates a reduction in fund balance for certain individual funds, and a decrease in the fund group as a whole. Special Revenue funds typically must accumulate cash over a period of years before a substantial amount of funds are available to undertake projects to be funded from these funds. This will be addressed in more detail in the "Other Funds"

The Capital Funds group anticipates an increase in fund balance in most individual funds and the group as a whole. Many projects are scheduled for the 2008-2009 fiscal year. The City of Winters has been accumulating funds in the various capital fund accounts in anticipation of these projects, and the completion of these projects in 2008-2009 will cause the reduction in fund balance to occur in 2008-2009 for those funds affected. This will be addressed in more detail in the "Other Funds" section of this budget.

Budget Summary

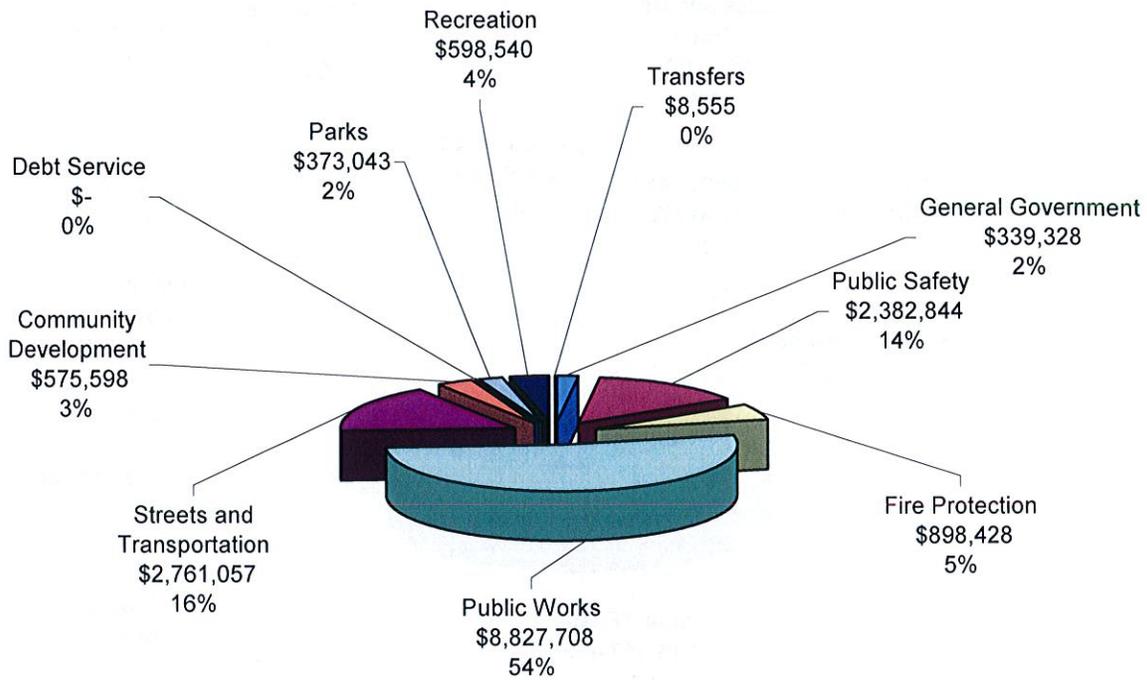
**2007/2008 Estimated Sources of Revenues
Governmental Funds
(Total Sources \$23,661,472)**



Budget Summary

Governmental Funds Summary of Estimated Sources and Expenditures

2007-2008 Estimated Expenditures Governmental Funds (Total Expenditures \$16,765,102)



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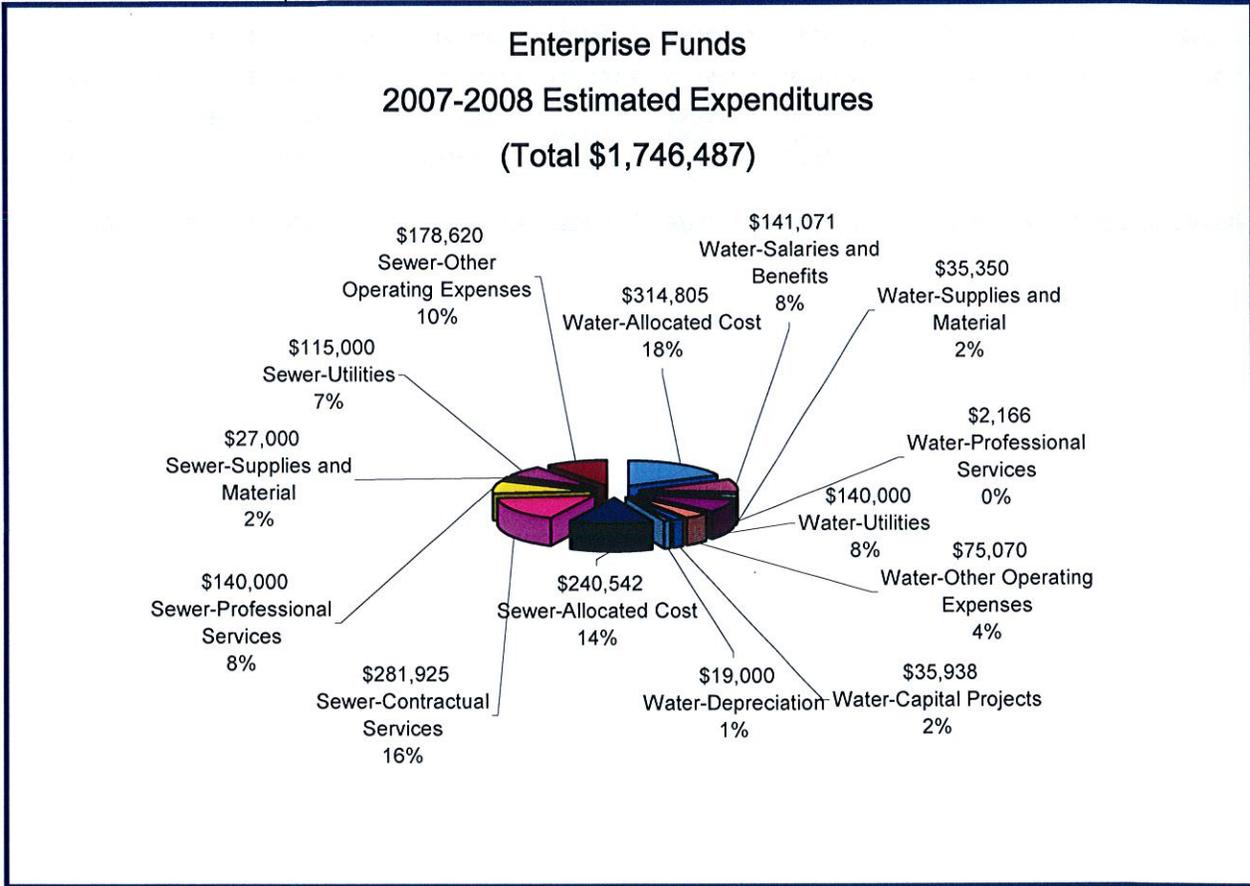
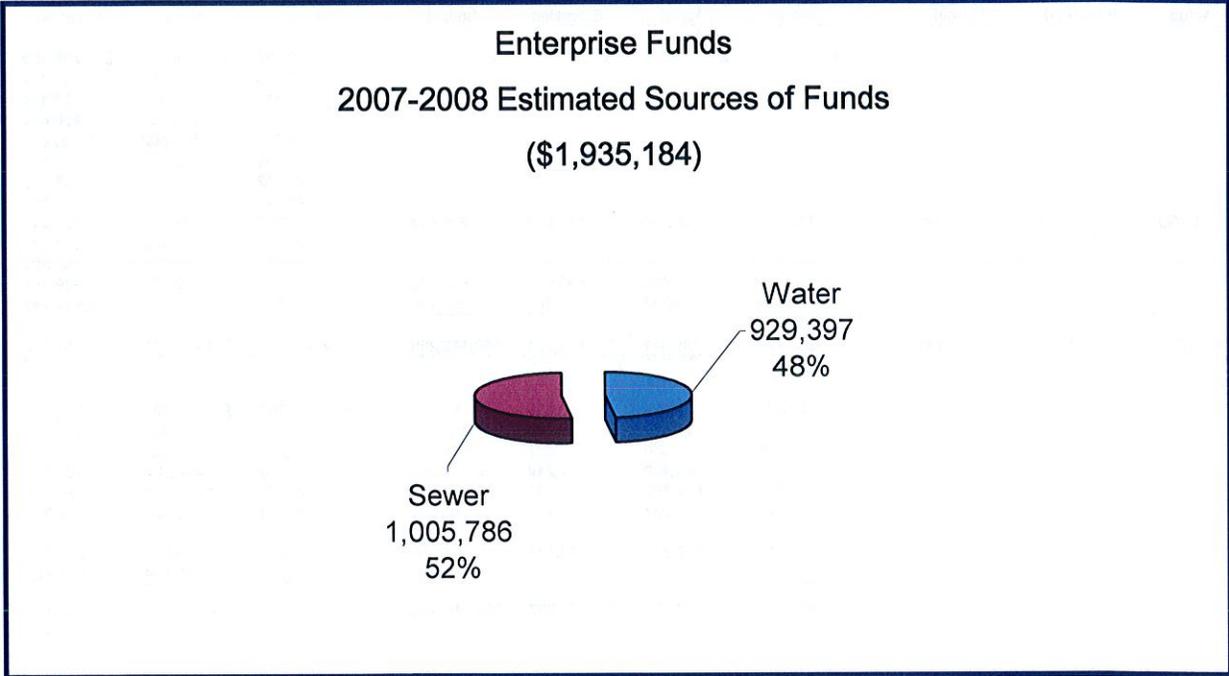
Governmental Funds
2005-2008 Summary of Estimated Financial Sources and Uses
(For Budgetary Purposes Only)

	General Fund				Special Revenue Funds			
	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget
Financial Sources:								
Property Taxes	\$ 530,507	\$ 576,772	\$ 709,490	\$ 730,775	\$ -	\$ -	\$ -	\$ -
Property Tax in Lieu of VLF	365,446	455,402	491,189	505,925				
Property Taxes in Lieu of Sales Tax	70,342	91,415	93,199	90,000				
Sales and Use Taxes	295,197	298,904	300,014	295,000				
Other Taxes	1,075,348	908,877	964,476	973,160	540,671	625,485	671,586	602,654
Service Charges	100,064	108,394	91,719	118,087				
Fines and Penalties	-	800	1,200	750	22,642	6,000	16,000	6,000
Rents and Concessions	22,247	26,000	37,713	40,000				
Interest	34,432	78,000	87,666	96,000	46,229	68,636	113,679	74,345
Licenses and Permits	132,437	73,950	147,183	380,525				
Grants	3,289	3,600	3,000	3,500	128,884	913,820	250,594	605,000
Impact Fees								
All other Revenues	89,326	84,728	75,792	38,100	247,829	103,482	517,747	508,791
Total Estimated Financial Sources	\$2,718,615	\$2,706,843	\$3,002,640	\$3,271,822	\$ 986,256	\$1,717,423	\$1,569,606	\$ 1,796,790
Expenditures								
General Government	\$ 236,235	\$ 197,711	\$ 234,775	\$ 258,162	-	1,997	-	-
Public Safety	1,256,325	1,391,671	1,574,023	1,717,182	107,012	157,498	78,268	221,455
Fire Protection	225,000	270,000	376,300	433,872	12,600	-	-	-
Public Works	86,459	368,642	295,064	333,323	3,973	4,730	4,417	6,000
Streets and Transportation	-	-	-	-	415,588	451,016	376,300	1,614,999
Community Development	396,785	427,577	455,833	535,587	625,919	70,146	397,141	-
Debt Service	-	-	-	-	-	-	-	-
Parks	-	-	-	-	257,963	569,092	270,391	296,783
Recreation	185,807	177,116	197,578	287,130	23,227	53,688	57,362	311,397
Total Budget	\$2,386,610	\$2,832,716	\$3,133,572	\$3,565,255	\$ 1,446,281	\$1,308,167	\$1,183,879	\$ 2,450,634
General Contingencies and Reserves		-	-	-				
Total Use of Resources	\$2,386,610	\$2,832,716	\$3,133,572	\$3,565,255	\$ 1,446,281	\$1,308,167	\$1,183,879	\$ 2,450,634
Net Increase (Decrease)In Fund Balance	\$ 332,005	\$ (125,874)	\$ (130,932)	\$ (293,433)	\$ (460,025)	\$ 409,256	\$ 385,727	\$ (653,845)
Fund Balance July 1	\$3,094,740	\$3,426,746	\$3,300,872	\$3,300,872	\$ 1,637,019	\$1,160,298	\$1,676,620	\$ 2,160,701
Adjustments								
Transfers In		-	130,932	186,814	492,395	198,454	118,521	127,259
Transfers Out	\$ -	\$ -		\$ -	(509,091)	(91,388)	(20,167)	-
Fund Balance June 30	\$3,426,746	\$3,300,872	\$3,300,872	\$3,194,252	\$ 1,160,298	\$1,676,620	\$2,160,701	\$ 1,634,115

Debt Service Funds				Capital Funds				Total Governmental Funds			
2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget
				\$ -	\$ -	\$ -	\$ -	\$ 530,507	\$ 576,772	\$ 709,490	\$ 730,775
								365,446	455,402	491,189	505,925
								70,342	91,415	93,199	90,000
								295,197	298,904	300,014	295,000
								1,616,020	1,534,362	1,636,062	1,575,814
								100,064	108,394	91,719	118,087
								22,642	6,800	17,200	6,750
								22,247	28,000	37,713	40,000
2,110	1,730	3,570	2,745	133,231	206,208	298,096	230,445	218,003	354,674	503,011	403,535
								132,437	73,950	147,183	380,525
								132,153	917,420	253,594	608,500
				486,385	69,958	599,957	9,817,413	486,385	69,958	599,957	9,817,413
				40,160	23,711	917,648	8,094,400	377,314	211,921	1,511,187	8,641,291
<u>\$ 2,110</u>	<u>\$ 1,730</u>	<u>\$ 3,570</u>	<u>\$ 2,745</u>	<u>\$ 659,776</u>	<u>\$ 299,877</u>	<u>\$ 1,815,701</u>	<u>\$ 18,142,258</u>	<u>\$ 4,366,758</u>	<u>\$ 4,725,873</u>	<u>\$ 6,391,517</u>	<u>\$ 23,213,615</u>
				40,474	2,226	77,568	81,160	\$ 276,708	\$ 201,934	\$ 312,341	\$ 339,323
				-	27,477	5,177	444,156	1,363,337	1,576,646	1,657,467	2,382,793
				22,736	556	887	464,556	260,336	270,556	377,187	898,428
0				52,573	31,430	2,249	8,488,380	143,006	404,801	301,730	8,827,703
				180,932	625,585	41	1,146,056	596,520	1,076,601	376,341	2,761,055
		0		25	2,334	-	40,000	1,022,729	500,056	852,974	575,587
				-	-	-	-	-	-	-	-
				7,773	137,827	962,777	76,256	265,736	706,919	1,233,168	373,039
				-	-	-	-	209,033	230,804	254,940	598,527
\$ -	\$ -	\$ -	\$ -	\$ 304,513	\$ 827,434	\$ 1,048,697	\$ 10,740,564	\$ 4,137,404	\$ 4,968,317	5,366,147	16,756,454
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,513</u>	<u>\$ 827,434</u>	<u>\$ 1,048,697</u>	<u>\$ 10,740,564</u>	<u>\$ 4,137,404</u>	<u>\$ 4,968,317</u>	<u>5,366,147</u>	<u>16,756,454</u>
\$ 2,110	\$ 1,730	\$ 3,570	\$ 2,745	\$ 355,263	\$ (527,557)	\$ 767,004	\$ 7,401,694	\$ 229,353	\$ (242,444)	1,025,370	6,457,161
\$88,709	\$90,819	\$ 92,549	\$ 96,119	\$3,470,231	\$ 3,950,320	\$ 4,004,778	\$ 4,821,911	8,290,700	\$ 8,628,183	9,074,820	10,379,603
				124,815	583,067	-	-	124,815	583,067	-	-
				28,323	1,322	86,117	133,784	520,718	199,776	335,570	447,857
				(28,312)	(2,374)	(35,989)	(8,555)	\$ (537,403)	\$ (93,762)	(56,156)	(8,555)
<u>\$90,819</u>	<u>\$92,549</u>	<u>\$ 96,119</u>	<u>\$ 98,865</u>	<u>\$3,950,320</u>	<u>\$ 4,004,778</u>	<u>\$ 4,821,911</u>	<u>\$ 12,348,833</u>	<u>\$ 8,628,183</u>	<u>\$ 9,074,820</u>	<u>10,379,603</u>	<u>17,276,065</u>

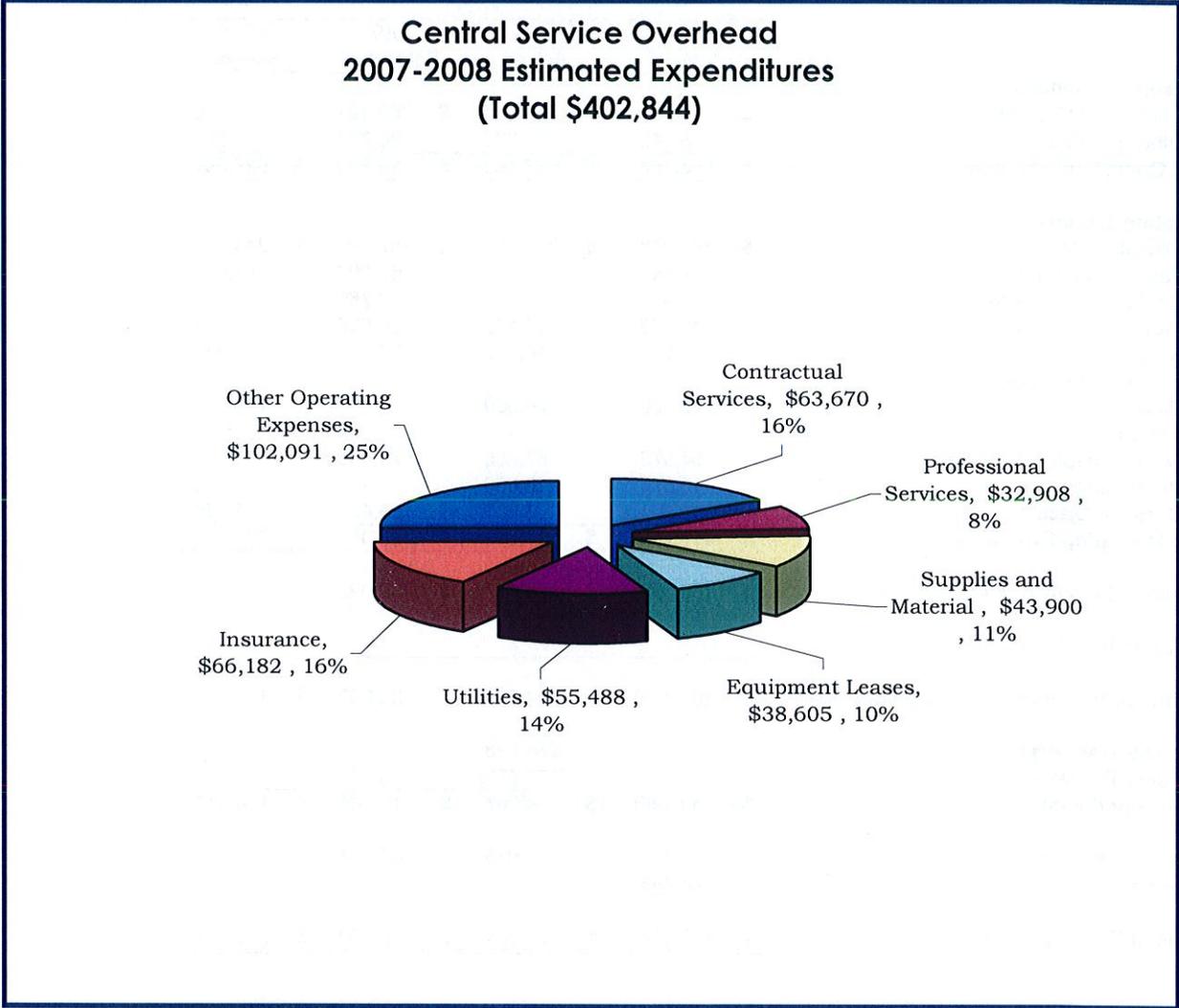
Budget Summary

Enterprise Funds Summary of Revenues and Expenditures



**Budget
Summary**

**Central Service Overhead
Estimated Expenditures**



**Enterprise Funds
2005-2008 Summary of Estimated Revenues, Expenses
and Changes in Retained Earnings**

(For Budgetary Purposes Only)

	Water			
	2005 Actual	2006 Actual	2007 Estimated	2008 Budget
Operating Revenues				
Charges for Services	\$ 516,637	\$ 599,111	\$ 689,121	\$ 916,810
Other Revenues	36,515	23,070	26,775	12,587
Total Operating Revenues	\$ 553,152	\$ 622,182	\$ 715,896	\$ 929,397
Operating Expenses				
Allocated Cost	\$ 363,078	\$ 274,685	\$ 267,267	\$ 314,797
Salaries and Benefits	17,143	52,251	63,697	141,071
Contractual Services	-	-	20,786	-
Professional Services	13,856	12,125	29,666	2,161
Supplies and Material	587	14,013	27,551	35,350
Equipment Leases	-	-	-	-
Utilities	123,329	124,860	136,000	140,000
Insurance	-	-	-	-
Other Operating Expenses	64,576	67,285	74,408	75,070
Depreciation	15,877	18,606	-	19,000
Capital Projects	15,104	3,989	64,429	35,938
Total Operating Expenses	\$ 613,551	\$ 567,815	\$ 683,804	\$ 763,386
Operating Income (Loss)	\$ (60,399)	\$ 54,367	\$ 32,092	\$ 166,011
Non-Operating Revenues(Expenses)				
Income(Loss) before Operating Transfers	\$ (60,399)	\$ 54,367	\$ 32,092	\$ 166,011
Operating Transfers In		230,628	-	-
Operating Transfers Out		(230,628)	(18,606)	-
Net Income(Loss)	\$ (60,399)	\$ 54,367	\$ 13,486	\$ 166,011
Retained Earnings July 1	345,421	411,918	466,284	479,770
Adjustments	126,896			
Retained Earnings June 30	\$ 411,918	\$ 466,284	\$ 479,770	\$ 645,781

Sewer				Total Enterprise Funds			
2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Estimated	2007 Estimated	2008 Budget
\$ 702,484	\$ 762,814	\$ 815,200	\$ 993,247	\$ 1,219,121	\$ 1,361,926	\$ 1,504,321	\$ 1,910,057
46,569	41,694	51,773	12,539	83,083	64,764	78,548	25,126
<u>\$ 749,053</u>	<u>\$ 804,508</u>	<u>\$ 866,973</u>	<u>\$ 1,005,786</u>	<u>\$ 1,302,205</u>	<u>\$ 1,426,690</u>	<u>\$ 1,582,869</u>	<u>\$ 1,935,184</u>
\$ 185,863	\$ 208,660	\$ 206,475	\$ 240,536	\$ 548,941	\$ 483,345	\$ 473,742	\$ 555,333
-	-	-	-	17,143	52,251	63,697	141,071
279,549	330,314	320,124	281,925	279,549	330,314	340,910	281,925
42,732	63,287	167,739	140,000	56,588	75,412	197,405	142,161
619	8,768	21,000	27,000	1,206	22,781	48,551	62,350
-	-	-	-	-	-	-	-
94,070	98,852	90,000	115,000	217,399	223,712	226,000	255,000
-	-	-	-	-	-	-	-
23,028	93,048	142,448	178,620	87,604	160,333	216,856	253,690
-	31,522	-	-	15,877	50,128	-	19,000
134,688	12,459	219,589	-	149,792	16,448	284,018	35,938
<u>\$ 760,548</u>	<u>\$ 846,909</u>	<u>\$ 1,167,375</u>	<u>\$ 983,081</u>	<u>\$ 1,374,099</u>	<u>\$ 1,414,724</u>	<u>\$ 1,851,179</u>	<u>\$ 1,746,467</u>
\$ (11,495)	\$ (42,401)	\$ (300,402)	\$ 22,705	\$ (71,895)	\$ 11,966	\$ (268,310)	\$ 188,716
-	-	-	-	-	-	-	-
\$ (11,495)	\$ (42,401)	\$ (300,402)	\$ 22,705	\$ (71,895)	\$ 11,966	\$ (268,310)	\$ 188,716
173,872	-	-	-	173,872	230,628	-	-
-	0	(31,522)	-	-	(230,628)	(50,128)	-
<u>\$ 162,377</u>	<u>\$ (42,401)</u>	<u>\$ (331,924)</u>	<u>\$ 22,705</u>	<u>\$ 101,977</u>	<u>\$ 11,966</u>	<u>\$ (318,438)</u>	<u>\$ 188,716</u>
2,727,477	2,934,925	2,892,524	2,560,600	3,072,898	3,174,875	3,186,841	\$ 3,040,370
45,072	-	-	-	-	-	-	-
<u>\$ 2,934,925</u>	<u>\$ 2,892,524</u>	<u>\$ 2,560,600</u>	<u>\$ 2,583,305</u>	<u>\$ 3,174,875</u>	<u>\$ 3,186,841</u>	<u>\$ 2,868,403</u>	<u>\$ 3,229,087</u>

Budget Summary

City Wide Position Changes

Mid Year Adjustments 2006-2007

Grant Funded Positions

Afterschool Program Director .44
 Various Afterschool program instructional aides

Budgeted General Fund Positions Added 2007-2008

Recreation-Variou Pool Program employees 1.79

City Debt

Cities have three (3) choices in financing operations and funding public facilities:

1. Pay as you go
2. Debt Financing
3. Public/Private ventures

The City of Winters has adopted Capital Financing and Debt Management policies that establish guidelines for issuing and managing debt capacity for the City. The City will consider issuing long-term obligations only under the conditions outlined in this policy. The Capital Financing and Debt Management policy is located in the Policy section of this document.

The charts that follow summarize the City's long-term debt position.

Debt Outstanding Year End 2004-2007

	2004	2005	2006	2007
City of Winters General Obligation Bonds	\$ 130,000	\$ 125,000	\$ 120,000	\$ -
2004 Winters Community Development Tax Allocation Bonds	7,820,000	7,410,000	7,145,000	6,870,000
2007 Winters Community Development Tax Allocation Bonds				11,470,000
	<u>\$ 7,952,004</u>	<u>\$ 7,537,005</u>	<u>\$ 7,267,006</u>	<u>\$ 18,342,007</u>

City Debt

Annual Debt Service Requirement			
	General Obligation Bonds	2004 Tax Allocation Bonds	2007 Tax Allocation Bonds
2007/2008	-	546,877	367,499
2008/2009	-	541,277	529,523
2009/2010		476,002	749,460
2010/2011		480,767	739,860
2011/2012		479,893	740,060
2012/2013		478,179	739,860
2013/2014		475,720	739,260
2014/2015		379,265	581,460
thereafter	-	7,585,316	17,971,853
Total Principal and Interest	-	11,443,294	23,158,834
Less Interest	-	(4,573,294)	(11,688,834)
Total Principal	\$ -	\$ 6,870,000	\$ 11,470,000

The General Obligation Bonds were issued in 1979 for the expansion and upgrade of the Wastewater Treatment Facility. The bonds were redeemed in full in June 2007.

The 2004 Tax Allocation Bonds were issued February 2004. The bonds provided funds to aid in the financing of redevelopment in the Winters Community Development Agency Project Area. The bonds are special obligations of the Community Development Agency and are payable as to principal and interest exclusively from the pledged tax revenues of the agency. The interest rate is variable from 2% to 4.63% and is payable semi-annually on March 1 and September 1.

The 2007 Tax Allocation Bonds were issued in June 2007. The bonds are providing funds to aid in the financing of redevelopment in the Winters Community Development Agency project area. The bonds are special obligations of the Community Development Agency and are payable as to principal and interest exclusively from the pledged tax revenues of the agency. The interest rate is variable

Budget Summary

City Debt

from 3.55% to 4.71% and is payable semi-annually on March 1 and September 1.

Compliance with Capital Financing and Debt Management Policy

The City of Winters Fiscal policies, adopted on June 30, 2003 and updated on April 18, 2006 requires that General Fund Debt service payments will not exceed 10% of General Fund revenues. The General Fund Debt service is zero, and therefore the City has not exceeded its policy on debt capacity. The 1979 General Obligation Bonds are paid by the Sewer Enterprise Fund. The 2004 Tax Allocation Bonds are paid the Redevelopment Tax Increment.

Computation of Compliance with Debt Capacity Policy

Total General Fund Budgeted Revenues	<u>\$3,271,822</u>
Debt Capacity Policy Limit	
10% of Budgeted Revenues	\$327,182
Less General Fund Supported Debt Service	<u>-</u>
Policy Debt Capacity	<u>\$327,182</u>

Legal Debt Limit Margin

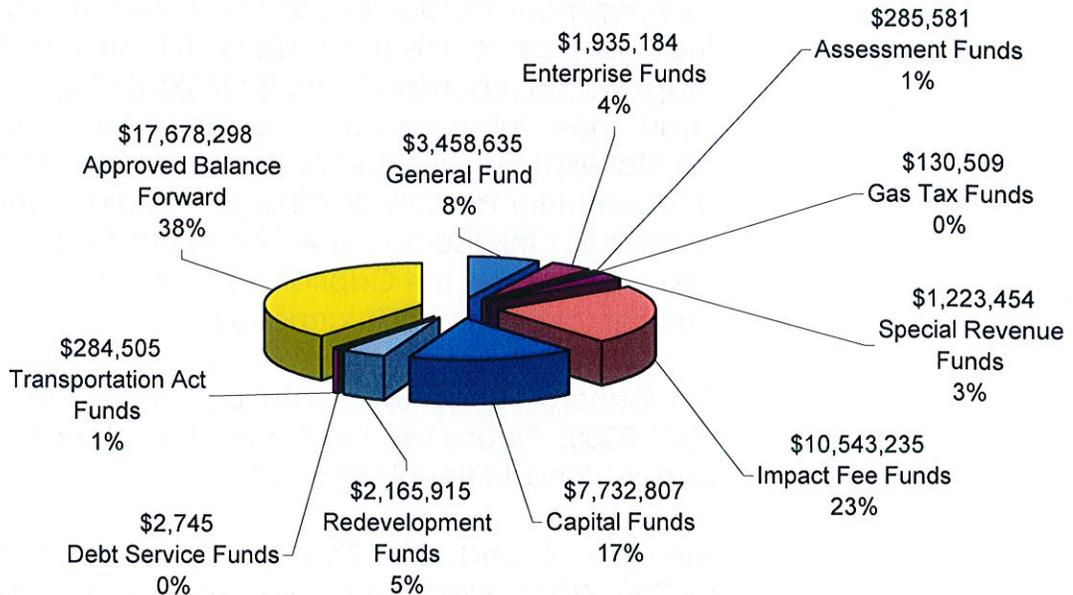
Under California State Law, the City of Winters has a legal debt limitation not to exceed 15% of the total assessed value of the taxable property within the City limits. In accordance with California Government Code Section 4305, only the City's general obligation bonds are subject to the legal debt limit. With the payment in full of the 1979 General Obligation bonds in June 2007 the City is not at risk of exceeding it legal debt limit;

Computation of Legal Debt Margin as of June 30, 2007

Assessed Valuation (Net)	<u>\$ 464,617,473</u>
Debt Limit of 15% of Assessed Value	69,692,621
Less Outstanding Debt Subject to Debt Limit	<u>-</u>
Debt Margin Available	<u>\$ 69,692,621</u>

Total Annual Budget By Revenue Source for Fiscal Year 2007-2008

\$45,440,868



Summary of Total Revenue Source

Summary of Total Revenue Sources for Fiscal 2007-2008

The revenue sources reflect all expected revenues to be received as well as required existing resources need to fund anticipated expenditures for the Fiscal year 2007-2008.

The net Approved balance forward is 38% of the total budget, and represents prior year fund balances being designated for expenditure in 2007-2008 in the General Fund, Special Revenue Funds, Capital Funds and the Redevelopment Agency funds. Information on the expenditure of fund balances will be included in the

Budget Summary

Revenue Summary

department and funds that utilize the fund balance as part of the spending plan for that fund and department.

The Impact Fee Funds, which are collected from developers, are 23% of budgeted revenues. 4 major subdivisions have been approved for development in the upcoming 5-7 year time period. Many of the Development Impact fees are due upon the recording of the Final map for the subdivisions. It is anticipated that the maps will be recorded in the 2007-2008- fiscal year. These funds may only be expended for those capital expenditures and projects identified in the AB1600 document for the City of Winters. Not all revenues received in this fiscal year will be expended in this fiscal year. Please see the Capital Improvement Section of this budget for additional information.

The General Fund is 8% of total budgeted revenues for 2007-2008. Please see the General Fund section of this budget for additional information.

The Capital Funds are 17% of the total budgeted revenues for 2007-2008. Please see the Other Funds section of this budget for additional information.

The Redevelopment Agency is 5% of total budgeted revenues and includes the tax increment received by the City of Winters.

Please see the Other Funds section of this budget for additional information.

Additional information for the Special Revenue Funds, the Enterprise Funds, Assessment Funds, Gas Tax Funds and Transportation Development Act Funds can be found in the Other Funds section of this budget.

Budget Summary

Revenue Summary

Budget Year Resource Comparison

Fund	Budget 2006-2007	Budget 2007-2008	% Change
General Fund	\$ 3,046,975	\$ 3,458,635	14%
Enterprise Funds	1,555,837	\$ 1,935,184	24%
Assessment Funds	319,112	\$ 285,581	-11%
Gas Tax Funds	130,507	\$ 130,509	0%
Special Revenue Funds	1,566,110	\$ 1,223,454	-22%
Impact Fee Funds	13,443,999	\$ 10,543,235	-22%
Capital Funds	1,986,749	\$ 7,732,807	289%
Redevelopment Funds	2,126,870	\$ 2,165,915	2%
Debt Service Funds	1,684	\$ 2,745	63%
Transportation Act Funds	356,907	\$ 284,505	-20%
Total Revenues	24,534,751	\$ 27,762,570	13%
Approved Balance Forward	7,238,988	\$ 17,678,298	144%
Total Sources	<u>\$ 31,773,739</u>	<u>\$ 45,440,868</u>	43%

Budget Year Resource Comparison

The Fiscal Year 2007/2008 Revenue Budget is 43% higher than the 2006/2007 budget. This is primarily due to expected revenues from the developers of the Ogando-Hudson, Creekside, Winters Highlands and Callahan subdivisions that were approved during the 2005/2006 fiscal year. Many of the Impact Fees are due upon recording of the final maps for these subdivisions, and it is anticipated that all four maps will be recorded during 2007-2008. In addition to the impact fees, certain fees have been negotiated through development agreements that require additional funding to be received in the Capital Funds for projects throughout the City of Winters. Much of the revenue received in the Impact Fee Funds and the Capital Funds will be expended over a period of years, not in a single year. More information on these projects can be found in the Capital Improvement section of this budget.

Budget Summary

Revenue Summary Detail by Revenue Source 2004/2005 through 2007/2008

Sources of Funds	Actual	Actual	Estimated	Budget	Change From Prior Year		% of All	Cum %
	2004-2005	2005-2006	2006-2007	2007-2008	in \$	In%	Revenue	of Total
							2007-2008	2007-2008
<i>General, Special Revenue,</i>								
<i>Debt Service, Capital and Community Development Agency</i>								
Impact Fees	\$ 486,385	\$ -	\$ 599,957	\$ 9,726,707	\$ 9,126,750	1521.23%	42.34%	42.34%
Property Tax Increment	1,469,478	1,650,488	1,959,453	2,008,441	48,988	2.50%	7.19%	49.53%
Property Tax	530,507	576,772	709,490	730,775	21,285	3.00%	3.00%	52.53%
Property Tax In Lieu of VLF	365,446	455,402	491,189	505,925	14,736	3.00%	1.82%	54.35%
Property Tax in Lieu of Sales Ta	70,342	91,415	93,199	90,000	(3,199)	-3.43%	0.37%	54.73%
Federal & State Grants	-	-	879,124	1,033,500	354,376	52.18%	0.00%	54.73%
Devel & Bldg Permit Fees	132,437	73,950	184,183	443,912	259,729	141.02%	0.74%	55.47%
Motor Vehicle in Lieu	156,491	26,000	46,405	51,000	4,595	9.90%	0.24%	55.71%
Utility Tax	350,033	371,781	377,822	378,000	178	0.05%	1.55%	57.26%
Muni. Ser. Tax	275,095	277,166	278,150	278,520	370	0.13%	1.14%	58.40%
Sales & Use Tax	295,197	298,904	300,014	295,000	(5,014)	-1.67%	1.21%	59.61%
Transportation Tax	219,204	307,019	353,176	284,244	(68,932)	-19.52%	1.45%	61.05%
City Wide Assmt	185,318	187,958	187,901	187,901	-	0.00%	0.77%	61.82%
Interest Revenue	34,432	78,000	800,327	564,110	(236,217)	-29.52%	0.40%	62.22%
Franchise Tax	165,242	166,800	200,039	205,040	5,001	2.50%	0.68%	62.91%
Gas Tax	136,150	130,508	130,509	130,509	-	0.00%	0.53%	63.44%
Service Charges	63,851	80,305	6,920	6,150	(770)	-11.13%	0.21%	63.66%
Project Monitoring Fees	21,025	1,322	-	-	-	0.00%	0.49%	64.15%
Other Sources	-	-	12,307,195	2,751,702	(9,555,493)	-77.64%	0.00%	64.15%
Recreation & Cultural Events	102,895	91,827	47,799	48,550	751	1.57%	0.37%	64.51%
Tot Tax	4,051	2,600	3,205	3,200	(5)	-0.16%	0.02%	64.53%
Bus. Lic. Tax	18,241	20,000	28,000	26,200	(1,800)	-6.43%	0.08%	64.61%
Property Transfer Tax	68,708	25,900	15,924	16,000	76	0.48%	0.06%	64.67%
in Lieu Fees	-	900	-	-	-	0.00%	6.56%	71.23%
Approved Balance Forward	-	-	-	17,878,298	17,878,298	0.00%	28.77%	100.00%
Total	5,150,528	4,915,016	19,799,980	37,443,684	(30,725)	396.36%	100.00%	
<i>Enterprise Funds</i>								
Water Fund	680,048	853,386	715,896	3,929,397	3,213,501	448.88%	39.19%	39.19%
Sewer Fund	922,925	804,508	866,973	4,005,786	3,138,813	362.04%	48.45%	87.63%
Approved Balance Forward	-	1	-	-	-	0.00%	12.37%	100.00%
Total	1,602,973	1,657,896	1,582,869	7,935,184	394,078	7.09%	100.00%	
Grand Total All Funds	\$ 6,753,501	\$ 6,572,912	\$ 21,382,849	\$ 45,378,868	\$ 363,353	298.17%		

Budget Summary

Revenue Summary

The Revenue Detail Summary above shows 2004/2005 and 2005/2006 actual revenues, 2006/2007 estimated revenues and 2007/2008 budgeted revenues and compares the budgeted amount for 2006/2007 to the estimated amount for 2006/2007 both by actual dollar difference and a percentage difference. It also shows the percentage each non-enterprise fund revenue is of the total non-enterprise revenues.

Revenue by Fund

Below is a Revenue Summary by Fund for the Fiscal Years 2003/2004 through 2007/2008. The chart shows actual revenues for 2003/2004, 2004/2005 and 2005/2006. It also shows estimated revenues for 2006/2007 and budgeted revenues for 2007/2008 and compares the budgeted amount for 2007-2008 to the estimated amount for 2006/2007 both by actual dollar amount and a percentage difference.

Fund Title	Actual	Actual	Actual	Estimated	Budget	Change From Prior Year	
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	In \$	In %
General Fund	\$ 2,807,521	\$ 2,718,615	\$ 2,706,843	\$ 3,133,572	\$ 3,458,635	\$ 325,063	10.37%
First Time Homebuyer In Lieu	-	70,885	2,675	3,933	3,023	(910)	-23.14%
City Wide Assessment	185,239	185,799	187,958	270,391	285,581	15,190	5.62%
Flood Assessment District	33	75	110	178	137	(41)	-23.01%
Gas Tax Fund	131,409	256,402	188,009	143,383	130,509	(12,874)	-8.98%
AB1396 Local Government Relief	184	195	-	-	-	-	-
PERS Reserve	84,830	7,958	13,000	19,003	14,605	(4,398)	-23.14%
State Cops 1913	101,695	104,825	107,461	107,340	107,384	44	0.04%
Cops More	70	68	70	78	61	(17)	-21.79%
AB3229 Supp Law Enforcement Grant	1	-	-	-	-	-	-
High Tech Grant	12	-	-	-	-	-	-
Traffic Safety	26,537	25,800	12,000	23,500	11,678	(11,822)	-50.30%
Asset Forfeiture	1,036	1,222	3,759	1,232	561	(671)	-54.47%
Traffic Safety Grant	88	184	300	-	-	-	-
Homeland Security Grant	21,780	3,705	-	-	-	-	-
Vehicle Theft Deterrent	6,190	6,503	7,000	1,422	1,093	(329)	-23.12%
Traffic Congestion Relief	-	-	29,600	61,490	3,317	(58,173)	-94.61%
Street Grants	161,521	1,404	325,516	-	485,000	485,000	-
Trestle Bridge Grant	30,000	536	248	-	-	-	-
MTC Grant	-	-	180,000	-	-	-	-
Prop 40	-	-	176,000	44,000	-	(44,000)	-100.00%
2000 Park Bond Grant	-	-	12,674	32,582	-	(32,582)	-100.00%
Putah Creek Grant	(2)	-	-	-	-	-	-
USDA WHIP Putah Creek Grant	13,012	-	-	-	-	-	-
Recycling Grant	5,054	8,038	5,562	5,602	5,502	(100)	-1.79%
Sacog Grant	5,493	-	-	-	-	-	-
Electric Vehicle Grant	888	-	-	-	-	-	-
Transportation/Bus Service	210,515	219,204	309,394	359,578	284,505	(75,073)	-20.88%
Work Force Housing Grant	-	-	79,380	10,332	15,000	4,668	45.18%
After School Grant	-	-	-	425,000	425,000	-	0.00%
STBG 700 Grant	9,109	16,194	7,101	12,075	5,766	(6,309)	-52.25%
STBG 96-1043 Grant	-	32,522	7,645	7,382	7,645	263	3.56%
HOME 98-0347 Grant	211,473	72,656	-	-	-	-	-
EDBG 99-688 Grant	13,053	20,663	16,168	19,281	16,168	(3,113)	-16.15%
EDBG 99-405 Grant	8,724	4,362	1,274	-	-	-	-
EDBG 392 Grant	166,622	-	-	-	-	-	-
Job Housing Grant	-	12,600	-	-	-	-	-
Housing Rehab RLF	16,651	18,322	4,126	6,565	6,394	(171)	-2.61%
First Time Homebuyer RFL	6,838	231,743	19,106	7,500	8,980	1,480	19.73%
HOME RLF	162,720	74,936	-	-	-	-	-
Small Business RLF	198,043	24,127	28,125	36,941	22,546	(14,395)	-38.97%
Winters Library and Arts	4,382	10,002	16,345	23,882	18,355	(5,527)	-23.14%
Winters Swim Team	57,151	67,678	66,488	65,457	65,238	(219)	-0.33%
Emergency Plan Update	14,321	-	16	-	-	-	-
Community Development LIH-Tax Increment	255,777	342,275	342,045	406,776	423,887	17,111	4.21%
Community Development LIH-Project Area	3,071,937	65,015	108,629	1,546,816	-	(1,546,816)	-100.00%
Street Impact Fee	324,863	181,989	65,647	240,617	1,444,533	1,203,916	500.35%
Storm Impact Fee	6,703	7,558	7,313	11,268	9,900	(1,368)	-12.14%
Park Impact Fee	167,399	86,034	34,235	755,658	4,543,552	3,787,894	501.27%
Police Impact Fee	47,008	34,130	10,008	98,297	1,030,201	931,904	948.05%
Fire Impact Fee	69,798	33,889	7,804	44,094	1,069,501	1,025,407	2325.50%
General Facility Impact Fee	96,724	53,991	12,165	63,106	1,579,318	1,516,212	2402.64%
Water Impact Fee	156,566	72,613	21,181	90,500	358,039	267,539	295.62%
Sewer Impact Fee	251,320	109,019	30,145	152,104	487,558	335,454	220.54%
General Fund Capital	4,926	11,243	18,395	26,846	20,633	(6,213)	-23.14%
Landfill Capital	3,683	8,225	13,063	18,642	14,155	(4,487)	-24.07%
Park Capital	53,851	17,916	9,315	160,064	1,445,885	1,285,821	803.32%
Capital Equipment Replacement	7,200	12,855	11,572	140,127	67,984	(72,143)	-51.48%
Service Reserve Fund	-	-	-	20,000	26,814	6,814	34.07%
General Plan 1992	83,392	28,313	1,322	35,989	83,656	47,667	132.45%
Storm Drain Capital	-	1	5	10	8	(2)	-20.00%
Flood Control	11	26	40	60	46	(14)	-23.33%
RAJA Storm Drain Capital	10,643	953	1,256	1,808	1,374	(434)	-24.00%
Capital Asset Recovery Fund	13,425	7,573	6,143	6,640	9,229	2,589	38.99%
Monitoring Fee	44,023	21,771	1,322	35,989	83,656	47,667	132.45%
General Debt Service	925	2,110	1,730	3,570	2,745	(825)	-23.10%
Community Development Tax Increment	1,015,410	1,212,122	1,416,610	2,161,894	1,666,316	(495,578)	-22.92%
Community Development Project Fund	-	79,760	119,539	8,926,050	75,432	(8,850,618)	-99.15%
Communtiy Development Long Term Debt	7,421,935	44,888	14,992	31,357	280	(31,077)	-99.11%
Water Enterprise Fund	510,507	680,048	853,386	715,896	3,929,397	3,213,501	448.88%
Sewer Enterprise Fund	698,388	922,925	804,508	866,973	4,005,786	3,138,813	362.04%
Total Revenues	\$ 18,978,607	\$ 8,234,464	\$ 8,426,324	\$ 21,382,849	\$ 27,762,570	\$ 16,108,427	191.17%

Budget Summary

Expenditure Summary

Expenditure Summary by Fund 2004/2005 through 2007/2008

Uses of Funds	Actual	Actual	Estimated	Budgeted	Changes from prior Year		% of Total	Cumulative
	2004-2005	2005-2006	2006-2007	2007-2008	Estimated	Estimated	Expenditures	% of Total
					In \$	In %	2006-2007	2006-2007
<i>General Fund, Special Revenue Funds, Debt Service Capital and Community Development Agency Fund</i>								
General Fund	\$ 2,386,610	\$ 2,832,716	\$ 3,133,572	\$ 3,565,255	\$ 431,683	14%	21%	21%
Impact Funds	243,510	710,705	845,826	8,897,845	\$ 8,052,019	952%	33%	53%
Streets & Transportation	415,588	508,589	376,300	1,614,999	\$ 1,238,699	329%	2%	55%
City Wide Assmt/Parks	307,682	683,172	473,255	437,088	\$ (36,166)	-8%	1%	57%
Swim Team	23,227	53,688	51,802	66,871	\$ 15,069	29%	0%	57%
Recreation Grants			5,560	244,526				
Police Grant Activities	107,012	157,498	78,268	221,455	\$ 143,187	183%	0%	57%
Fire Dept Grant Activities	12,600	-	-	-	\$ -		0%	57%
Storm Drain	21,771	315	7	-	\$ (7)	-100%	7%	
Community Development Activities	1,196,352	172,968	457,714	54,555	\$ (403,159)	-88%	1%	58%
Community Development Agency	2,301,558	2,485,062	4,292,776	12,555,420	\$ 8,262,644	192%	35%	93%
Total	7,015,910	7,604,714	9,715,080	27,658,015	\$ 17,942,936	185%	100%	
<i>Enterprise Funds</i>								
Water Fund	613,551	798,443	702,410	2,158,986	\$ 1,456,577	207%	44%	44%
Sewer Fund	760,548	846,909	1,198,897	1,420,723	\$ 221,825	19%	56%	100%
Total	1,374,099	1,645,352	1,901,307	3,579,709	\$ 1,678,402	88%	100%	
Grand Total All Funds	\$ 8,390,009	\$ 9,250,066	\$ 11,616,387	\$ 31,237,724	\$ 19,621,338	169%		

The above expenditure summary by fund shows a comparative schedule of expenditures by major fund type. The Central Service Overhead fund is not included as a separate line item, as all charges to that fund are allocated out to the appropriate funds based on an allocation plan, and therefore the costs are included in the individual fund expenditures above.

Budget Summary

Expenditure Summary

Expenditure Summary by Department for Fiscal Year 2007-2008

Department	General Fund	City Wide Assmt	Community Development Agency	Water Enterprise	Sewer Enterprise	Police Grants	Community Development Grants	Capital Funds	Impact Fees	Streets & Trans	Swim Team	Park Grants	Total
City Council	\$ 3,467	\$ 1,734	\$ -	\$ 4,334	\$ 9,969					\$ 5,634			\$ 25,138
City Clerk	6,900												6,900
City Treasurer	334												334
City Attorney	41,300												41,300
City Manager	30,048		126,960	87,863	48,366								293,035
Administrative Services	173,814		2,502	17,517	17,517								211,351
Finance	2,299	13,796	43,687	50,585	66,681					25,293			202,341
Police	1,717,182					221,455			444,156				2,382,793
Fire	433,872								464,556				898,428
Community Development	409,785		27,522	3,440	3,440		40,000						484,188
Building Inspection	125,801												125,801
Public Works	333,323	121,709		95,250	52,917		6,000			88,242			697,441
General Recreation	142,776			5,405	5,405								153,586
Afterschool Program							244,526						244,526
Swimming	51,553										66,871		118,424
Community Center	92,801												92,801
Community Development Agency			12,354,749										12,354,749
Capital Projects								140,305	1,163,167				1,303,472
City Wide Assmt/Parks		148,344							8,556			11,200	168,100
Yolo Bus										225,750			225,750
Street Maintenance										1,270,080			1,270,080
RLF Funds													-
Transfers to other funds								8,555					8,555
Water Fund				499,191				1,395,600	2,102,855				3,997,646
Sewer Fund					949,615			266,814	4,714,555				5,930,984
Total Expenditures	\$ 3,565,255	\$ 285,583	\$ 12,555,420	\$ 763,386	\$ 1,153,909	\$ 221,455	\$ 250,526	\$ 1,851,274	\$ 8,897,845	\$ 1,614,999	\$ 66,871	\$ 11,200	\$ 31,237,724

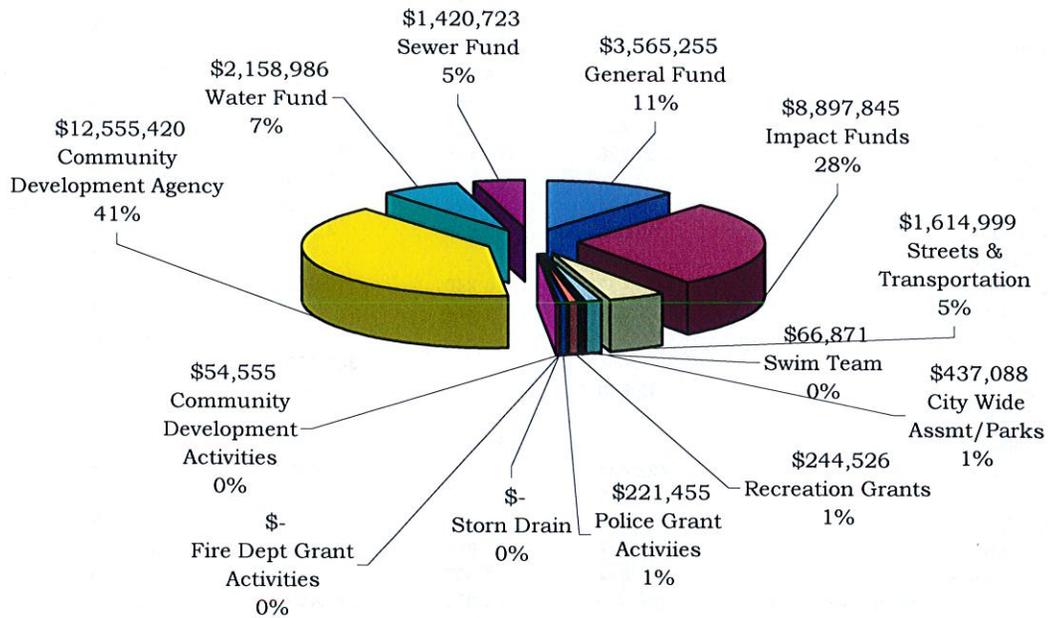
The expenditure summary shows funding per department. This includes all expenditures for that department. Please note that the Police Department and the Community Center have costs allocated from other General Fund Departments and therefore, the total cost for these departments on this table will not match the total expenditures for the department on the Department Schedules.

Budget Summary

Expenditure Summary

Total Annual Expenditures by Fund for Fiscal Year 2007-2008

Total \$31,237,724



Below is a summary of expenditures by fund for the Fiscal Years 2003/2004 through 2007/2008. The chart shows actual expenditures for 2003/2004, 2004/2005, and 2005/2006. It shows estimated expenditures for 2006/2007 and budgeted expenditures for 2007/2008 and compares the budgeted amount for 2007/2008 to the estimated expenditures for 2006/2007 both by actual dollar difference and a percentage difference.

Fund Title	Actual	Actual	Estimated	Proposed	Change From Prior Year	
	2004-2005	2005-2006	2006-2007	2007-2008	In \$	In %
General Fund	\$ 2,386,610	\$ 2,832,716	\$ 3,133,572	\$ 3,565,255	\$ 431,683	13.78%
City Wide Assessment	193,392	260,986	270,391	285,583	\$ 15,192	5.62%
Gas Tax Fund	207,630	110,517	104,447	119,169	\$ 14,722	14.10%
State Cops 1913	101,041	136,774	59,767	216,955	\$ 157,188	263.00%
YONET	-	-	-	-	\$ -	-
Cops More	1,209	600	-	-	\$ -	-
LLEBG Grant	-	-	-	-	\$ -	-
AB3229 Supp Law Enforcement Grant	1	-	-	-	\$ -	-
High Tech Grant	-	-	-	-	\$ -	-
Traffic Safety	240	11,978	18,501	4,500	\$ (14,001)	-75.68%
Traffic Grant	-	8,146	-	-	\$ -	-
Homeland Security Grant	2,264	-	-	-	\$ -	-
Vehicle Theft Deterrent	2,257	-	-	-	\$ -	-
Traffic Congestion Relief	-	-	-	103,780	\$ 103,780	-
Street Grants	75,900	216,055	-	458,300	\$ 458,300	-
Safe Routes to School	-	-	2,031	-	\$ (2,031)	-100.00%
Trestle Bridge Grant	-	30,784	-	-	\$ -	-
Prop 40	56,379	119,621	-	-	\$ -	-
Park Grant	8,191	8,485	-	11,200	\$ 11,200	-
Solano MTC Grant	-	180,000	-	-	\$ -	-
Putah Creek Grant	-	-	-	-	\$ -	-
US Fish and Game	-	-	-	-	\$ -	-
Recycling Grant	3,552	4,730	4,417	6,000	\$ 1,583	35.83%
Sacog Grant	-	-	-	-	\$ -	-
Electric Vehicle Grant	421	-	-	-	\$ -	-
Transportation/Bus Service	234,226	208,733	269,821	933,750	\$ 663,929	246.06%
Afterschool Grant	-	-	5,560	244,526	\$ 238,966	4297.89%
STBG 700 Grant	16,194	8,924	4,379	-	\$ (4,379)	-100.00%
STBG 96-1043 Grant	32,522	7,450	4,289	-	\$ (4,289)	-100.00%
HOME 98-0347 Grant	72,656	-	-	-	\$ -	-
EDBG 99-688 Grant	22,433	16,240	10,049	-	\$ (10,049)	-100.00%
EDBG 99-405 Grant	1,827	1,274	-	-	\$ -	-
EDBG 392 Grant	-	-	-	-	\$ -	-
Home Grant	-	-	386,159	-	\$ (386,159)	-100.00%
Job Housing Grant	12,600	-	-	-	\$ -	-
Housing Rehab RLF	-	-	-	-	\$ -	-
Workforce Housing Grant	-	70,146	10,982	-	\$ (10,982)	-100.00%
First Time Homebuyer RFL	422,454	-	1,450	-	\$ (1,450)	-100.00%
HOME RLF	277,429	-	-	-	\$ -	-
Small Business RLF	225,259	-	-	-	\$ -	-
Winters Swim Team	23,227	53,688	51,802	66,871	\$ 15,069	29.09%
Emergency Plan Update	1,614	1,997	-	-	\$ -	-
Community Development LIH-Tax Increment	484,460	304,621	279,451	526,984	\$ 247,533	88.58%
Community Development LIH-Project Area	505,094	159,541	1,391,409	1,687,684	\$ 296,275	21.29%
Street Impact Fee	409	9,359	41	1,146,056	\$ 1,146,015	2810927.72%
Storm Impact Fee	180,932	625,585	560	8,556	\$ 7,996	1427.64%
Park Impact Fee	-	25,886	837,461	8,556	\$ (828,905)	-98.98%
Police Impact Fee	-	27,477	5,177	444,156	\$ 438,979	8480.15%
Fire Impact Fee	22,736	556	887	464,556	\$ 463,669	52300.43%
General Facility Impact Fee	2,500	87	19	8,555	\$ 8,536	44808.14%
Water Impact Fee	32,374	5,687	112	2,102,855	\$ 2,102,743	1883503.55%
Sewer Impact Fee	4,558	16,069	1,570	4,714,555	\$ 4,712,985	300136.58%
General Fund Capital	-	-	-	-	\$ -	-
Landfill Capital	7,773	11,941	317	67,700	\$ 67,384	21290.21%
Park Capital	-	100,000	125,000	-	\$ (125,000)	-100.00%
Street Capital	-	-	-	-	\$ -	-
Capital Equipment Replacement	37,974	2,139	77,547	72,605	\$ (4,942)	-6.37%
RAJA Storm Drain Capital	21,772	315	7	-	\$ (7)	-100.00%
Capital Asset Recovery Fund	25	2,334	-	40,000	\$ 40,000	-
Monitoring Fee	21,771	2,374	35,989	8,555	\$ (27,434)	-76.23%
Community Development Tax Increment	1,016,690	1,054,217	1,908,605	1,673,170	\$ (235,435)	-12.34%
Community Development Project Fund	295,315	966,683	713,311	8,667,582	\$ 7,954,271	1115.12%
Water Enterprise Fund	613,551	798,443	702,410	763,386	\$ 60,977	8.68%
Water Bond Fund	-	-	-	1,395,600	\$ 1,395,600	-
Sewer Enterprise Fund	760,548	846,909	1,198,897	1,153,909	\$ (44,989)	-3.75%
Sewer Bond Fund	-	-	-	266,814	\$ 266,814	-
Total Expenditures	\$ 8,390,010	\$ 9,250,066	\$ 11,616,387	\$ 31,237,724	\$ 19,621,338	168.91%

General Fund

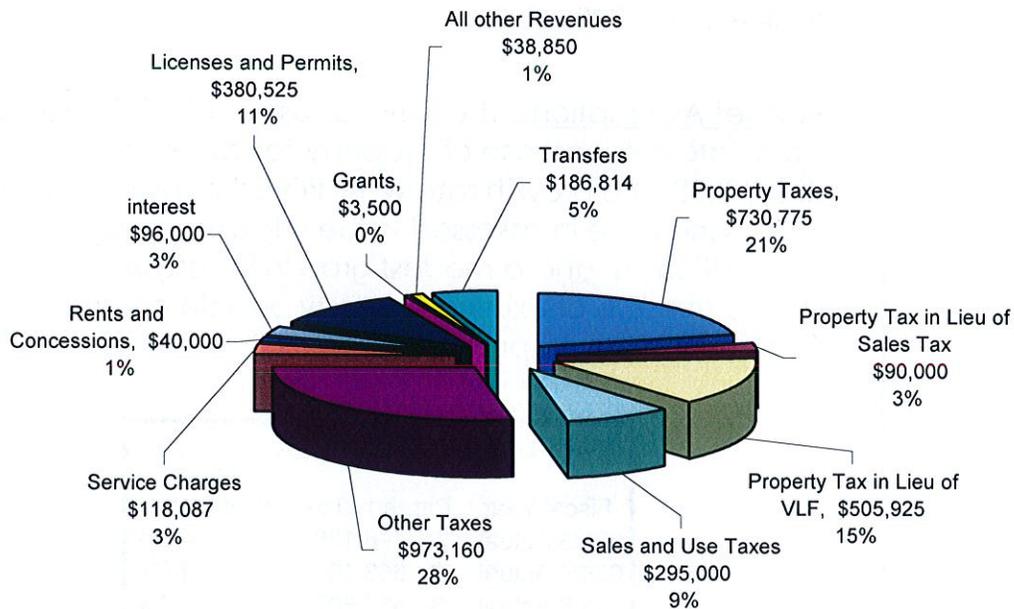
The General Fund is primary source for discretionary spending, that is, spending not restricted by the source of the funds received.

Analysis of General Fund Revenues

There are five major revenue sources that comprise 80% of the City's discretionary General Fund revenues, Property Taxes, Utility User Tax, Property Tax in Lieu of VLF, Municipal Services Tax and Sales Taxes.

2007/2008 Budgeted General Fund Revenues

2007/2008 Budgeted General Fund Revenues



General Fund

Property Taxes

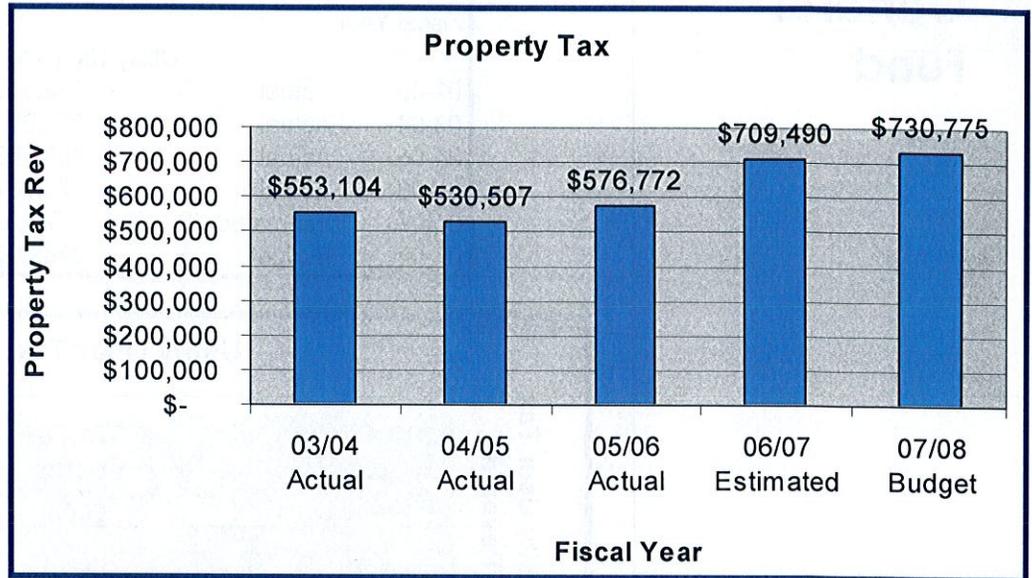
Property taxes are estimated to be 22% of the City's total General Fund Revenue. The property tax revenue is derived from a one-percent levy on the assessed valuation of real property within the City of Winters. The assessed valuation is equal to the market price when real estate is sold, but limited by the California State Constitution (Proposition 13) to a 2% annual increase thereafter. This has the effect of limiting growth in this revenue source to less than the average inflation rate unless, (1) property is resold in an appreciating real estate market, or (2) significant new development activity bolsters the remaining stagnating tax base.

No significant development activities have been projected for completion in Fiscal 2007/2008, some projects should begin construction during this fiscal year, however, the assessed valuation increase will not be realized until 2008/2009.

Budget Assumptions: The City has used a 3.0% factor to calculate the increase of property tax revenue in 2007/2008, The growth rate was arrived at by anticipating the 2% increase in assessed value allowed under proposition 13, and a modest growth in assessed value due to the sale of existing property outside of the Community Development Agency's Project Area.

Property Tax		
Fiscal Year	Property Tax	increase (Decrease)
02/03 Actual	\$ 498,128	-0.2%
03/04 Actual	\$ 553,104	11.0%
04/05 Actual	\$ 530,507	-4.1%
05/06 Actual	\$ 576,772	33.7%
06/07 Estimate	\$ 709,490	23.0%
07/08 Budget	\$ 730,775	3.0%

General Fund



Utility User Tax

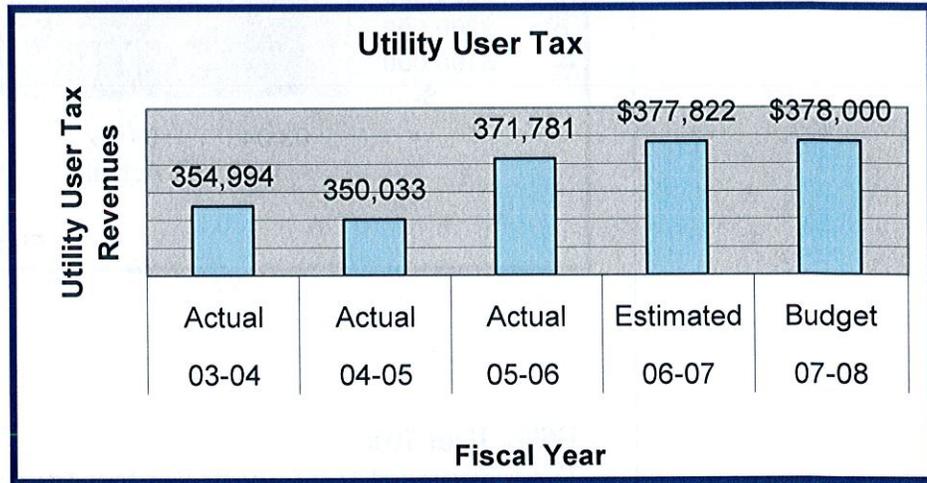
The citizens of the City of Winters have approved a 5% Utility User Tax. This tax is applied to all electricity, natural gas and telephone services. This source of revenue provides approximately 11% of the General Fund Revenues of the City of Winters. As development occurs, the City will receive increased revenues from the addition of both residential and commercial development.

Budget Assumptions:

The Utility User Tax is based on the cost of the electricity, natural gas and telephone service cost and can fluctuate based on prices of those services. The City is anticipating a less than .01% increase for 2007/2008. There is no substantial development planned for completion in the 2007/2008 year, and therefore, the increases would be based on the increase cost to consumers for products subject to the tax.

General Fund

Fiscal Year		Utility User Tax	Increase from Prior Year
02-03	Actual	\$ 332,540	15%
03-04	Actual	354,994	7%
04-05	Actual	350,033	-1%
05-06	Actual	371,781	6%
06-07	Estimated	\$ 377,822	2%
07-08	Budget	\$ 378,000	0%



Property Tax In Lieu of Motor Vehicle License Fee

Fiscal Year 2007/2008 is the fourth year that the City of Winters will receive funding from this new revenue source. It represents 15% of budgeted general fund revenues. This revenue source is a result of the passage of Proposition 1A by the people of the State of California.

Proposition 1A permanently reduced the Motor Vehicle License Fee from 2% to .65% of the value of an automobile. These fees are from the registration of vehicles throughout the state and are distributed to the cities and counties base largely on population. To replace these constitutionally guaranteed Motor Vehicle License Fees, the implementation of a "Property Tax In Lieu of Motor Vehicle Fees in Lieu Fees" was enacted. The budgeted amount increased by the percentage in assessed value of the property within the City of Winters from January 1, 2006 to January 1, 2007.

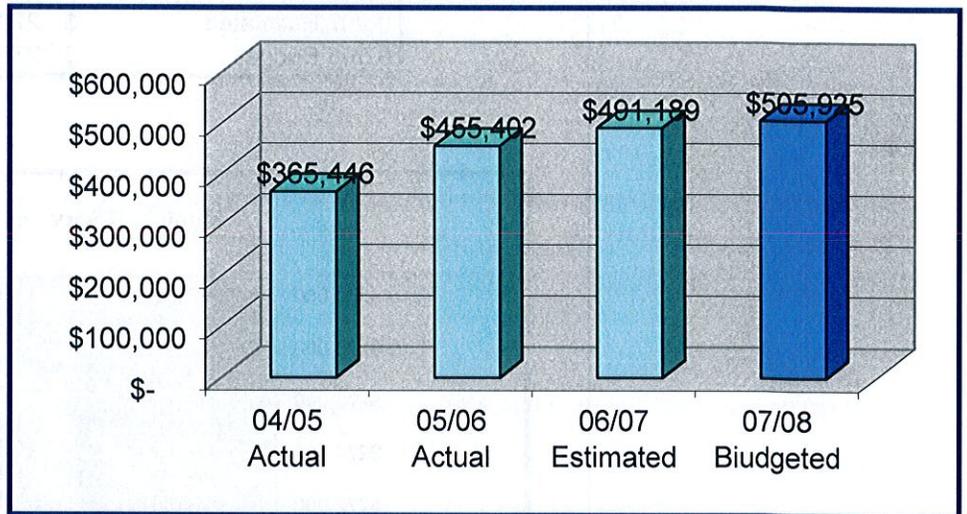
General Fund

Property Tax In Lieu of Motor Vehicle License Fee

This increase is for all property located within the city, including that property that is located inside the Community Development Project Area.

Budget Assumptions: A budgeted increase of 3% is based on the assumptions of the increase in assessed value used to calculate the property tax discussed earlier in this section.

Fiscal Year	Property Tax in Lieu of VLF	increase (Decrease)
		0.0%
04/05 Actual	\$ 365,446	24.6%
05/06 Actual	\$ 455,402	7.9%
06/07 Estimated	\$ 491,189	3.0%
07/08 Biudgeted	\$ 505,925	3.0%



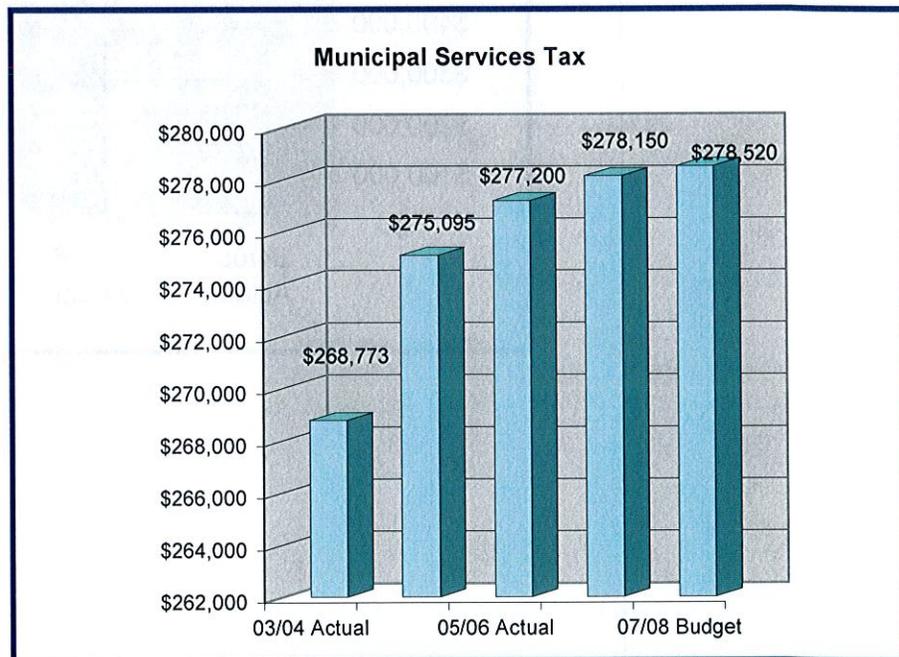
General Fund

Municipal Services Tax

The Municipal Services Tax is a voter approved per unit tax for Public Safety. The tax applies to each unit (residential, commercial and industrial) receiving water and sewer service from the City of Winters. The tax rate is \$10 per unit per month and is included on the monthly utility bill for each property. The Municipal Services Tax is approximately 8% of the General Fund revenue for the City of Winters.

Budget Assumptions: This budget assumes no significant increase in the Municipal Services tax for 2007/2008 because no units are expected to be completed before the end of the fiscal year. Units that are scheduled to be built during 2007/2008 are not expected to be complete until the 2008/2009 for Municipal Services Tax purposes.

Fiscal Year	Municipal Services Tax	Increase
03/04 Actual	\$ 268,773	4.2%
04/05 Actual	\$ 275,095	2.4%
05/06 Actual	\$ 277,200	0.8%
06/07 Estimated	\$ 278,150	0.3%
07/08 Budget	\$ 278,520	0.1%



General Fund

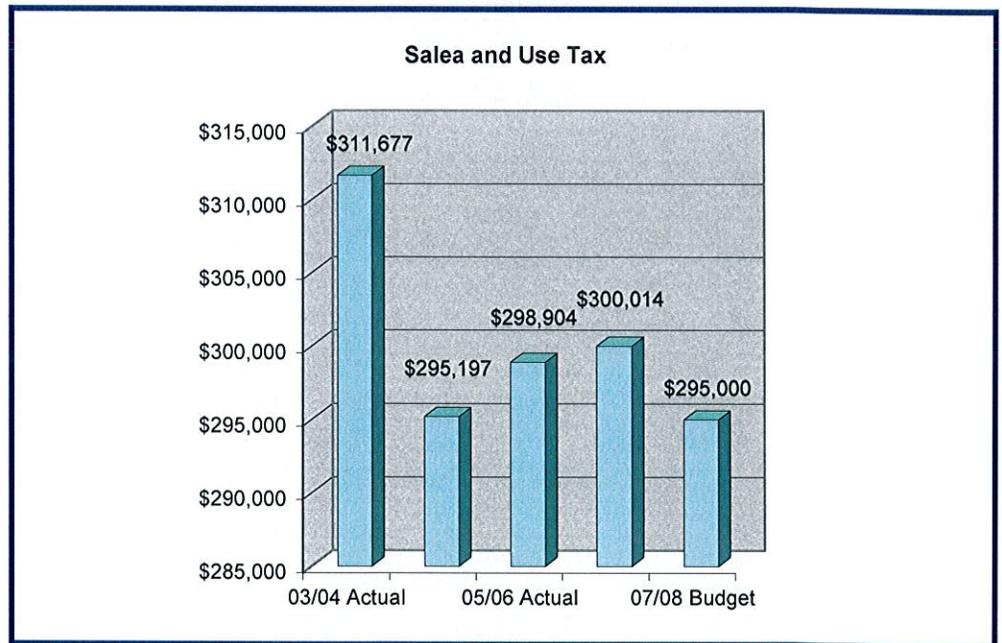
Sales Tax

Sales tax revenue is derived from one percent of the sales price on taxable products sold within the City of Winters and is approximately 9% of the general fund revenues for the City.

The City is implementing some Economic Development programs that should increase sales tax revenues in future years, however a review of the current sales tax situation indicates that the sales tax revenues are somewhat stagnate.

Budget Assumptions: Budgeted revenues are actually predicted to have a small decrease for 2007/2008. Many businesses had late filings that increased the 2006/2007 revenues somewhat artificially. A review with our sales tax consultant Hinderliter, De Llamas and Associates (HdL) provided the estimate for the 2007/2008 year.

Fiscal Year	Sales & Use Tax	increase (Decrease)
03/04 Actual	\$ 311,677	1%
04-05 Actual	\$ 295,197	-5%
05/06 Actual	\$ 298,904	1%
06/07 Estimated	\$ 300,014	0%
07/08 Budget	\$ 295,000	-2%



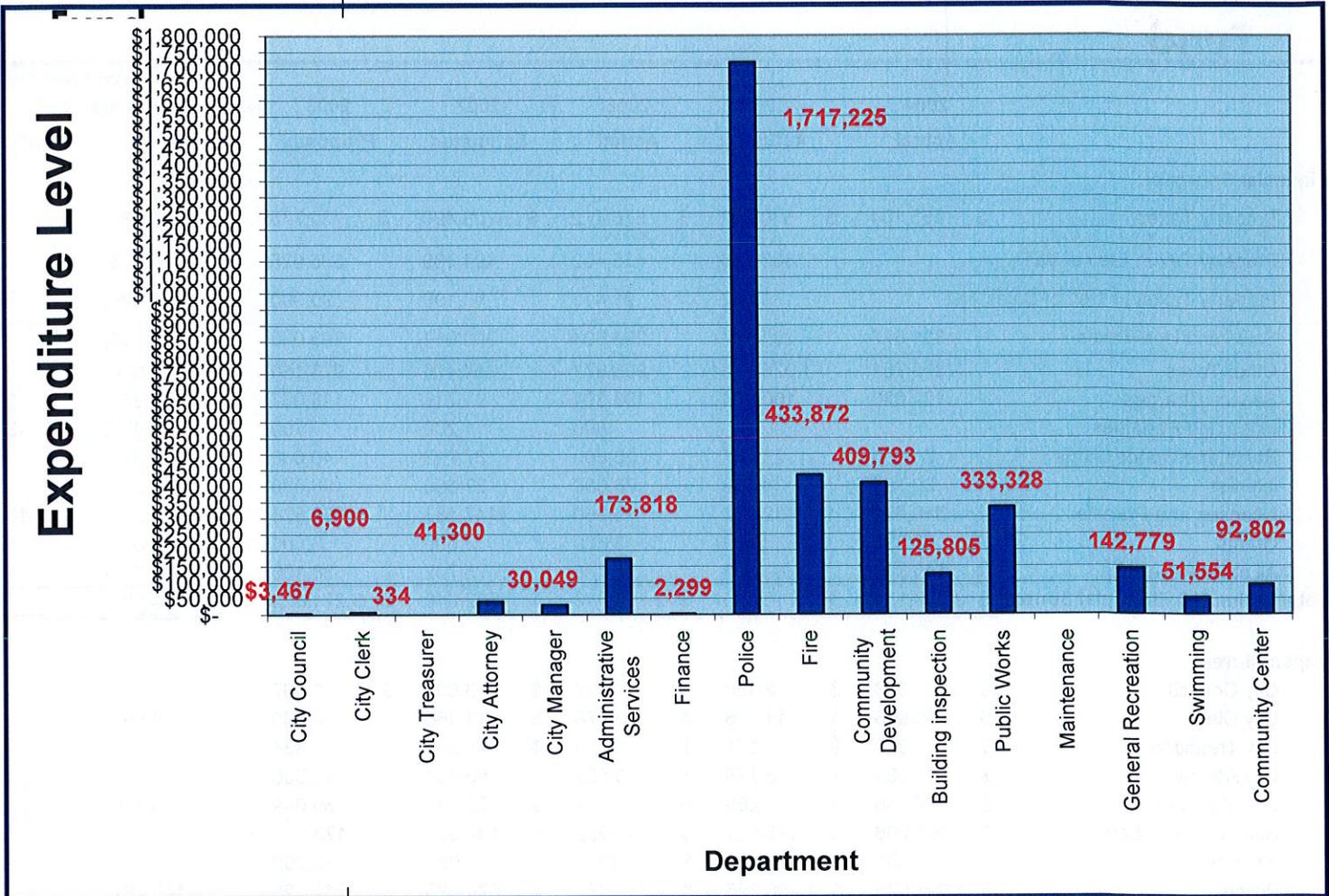
General Fund

In 2002/2003 the City contracted with Hinderliter, DeLlamas and Associates (HdL) to do a sales tax audit, the result of which was the significant increase in sales tax collections in 02/03. Currently 25% of the local sales tax has been pledged as a repayment source for the State of California Deficit Reduction Bonds approved in March 2004, we now receive the 25% as "Property Tax in Lieu of Sales Tax". This is known as part of the "triple-flip" in California.

General Fund

	2004	2005	2006	2007	2008	Change from prior Year Estimated	
	Actual	Actual	Actual	Estimated	Proposed	In \$	In%
Financial Sources:							
Property Taxes	\$ 553,104	\$ 530,507	\$ 576,772	\$ 709,490	\$ 730,775	\$ 21,285	3%
Property Tax in Lieu of VLF		365,446	455,402	491,189	505,925	14,736	3%
Property Taxes in Lieu of Sales Tax		70,342	91,415	93,199	90,000	(3,199)	-3%
Sales and Use Taxes	311,677	295,197	298,904	300,014	295,000	(5,014)	-2%
Other Taxes	1,315,751	1,075,348	908,877	964,476	973,160	8,684	1%
Service Charges	121,020	100,064	108,394	91,719	118,087	26,368	29%
Fines and Penalties			800	1,200	750	(450)	-38%
Rents and Concessions	21,190	22,247	26,000	37,713	40,000	2,287	6%
interest	20,304	34,432	78,000	87,666	96,000	8,334	10%
Licenses and Permits	310,536	132,437	73,950	147,183	380,525	233,342	159%
Grants	8,298	3,269	3,600	3,000	3,500	500	17%
All other Revenues	145,640	89,326	84,728	75,792	38,100	(37,692)	-50%
Total Estimated Financial Source:	\$ 2,807,521	\$ 2,718,615	\$ 2,706,843	\$ 3,002,640	\$ 3,271,822	\$ 269,181	9%
Expenditures:							
City Council	\$ 1,028	\$ 2,126	\$ 437	\$ 3,603	\$ 3,467	(136)	-4%
City Clerk	\$ 20,953	\$ 11,376	\$ 6,876	\$ 11,466	6,900	(4,566)	-40%
City Treasurer	\$ 323	\$ 351	\$ 216	\$ 333	334	1	0%
City Attorney	\$ 18,099	\$ 18,778	\$ 30,553	\$ 56,484	41,300	(15,184)	-27%
City Manager	\$ 9,166	\$ 11,269	\$ 21,052	\$ 23,733	30,049	6,315	27%
Administrative Services	\$ 156,096	\$ 175,581	\$ 138,932	\$ 137,071	173,818	36,747	27%
Finance	\$ 14,591	\$ 16,753	\$ (354)	\$ 2,083	2,299	216	10%
Police	\$ 1,091,525	\$ 1,256,325	\$ 1,391,671	\$ 1,574,023	1,717,225	143,202	9%
Fire	\$ 219,999	\$ 225,000	\$ 270,000	\$ 376,300	433,872	57,572	15%
Community Development	\$ 211,345	\$ 316,402	\$ 319,822	\$ 335,871	409,793	73,922	22%
Building inspection	\$ 45,901	\$ 80,383	\$ 107,755	\$ 119,962	125,805	5,843	5%
Public Works	\$ 61,374	\$ 82,008	\$ 368,642	\$ 295,064	333,328	38,264	13%
Maintenance	\$ 5,337	\$ 4,451	\$ -	\$ -	-	-	0%
General Recreation	\$ 97,206	\$ 108,037	\$ 85,224	\$ 87,133	142,779	55,645	64%
Swimming	\$ 26,109	\$ 40,739	\$ 17,818	\$ 14,584	51,554	36,970	0%
Community Center	\$ 36,852	\$ -	\$ 74,074	\$ 95,860	92,802	(3,058)	-3%
Total Budgeted Expenditures	\$ 2,015,904	\$ 2,349,579	\$ 2,832,716	\$ 3,133,572	\$ 3,565,326	\$ 431,754	14%
Net kncrease(Decrease) in Fund Ba	\$ 791,616	\$ 369,036	\$ (125,874)	\$ (130,932)	\$ (293,504)		
Fund Balance July 1	\$ 2,342,908	\$ 3,134,524	\$ 3,503,560	\$ 3,377,687	\$ 3,377,687		
Transfers				\$ 130,932	\$ 186,814		
Adjustments	-	-	-	-	-		
Fund Balance June 30	\$ 3,134,524	\$ 3,503,560	\$ 3,377,687	\$ 3,377,687	\$ 3,084,183		

General



The General Fund expenditures include the following:

- The addition of a Grant Administrator in the City Manager Department. This position is anticipated to be a self-funding position in future years by the grants that are received as a result of the position.
- Additional funding to the Winters Fire Protection District of \$57,572. The City contracts and works closely with the Winters Fire Protection District on fire prevention and protection issues. The City and District are currently exploring a consolidation process. This increase in funding is a step towards facilitating the consolidation process.

General Fund

- Addition of an Contract Management position in the Community Development Department to oversee the implementation of the 4 Development Agreements approved during the 2005/2006 fiscal year.
- Increased funding for the Swimming Program. A new Community Pool has been built and is open beginning June 1, 2007. Additional programs are planned for 2007-2008 now that the pool is operational.
- Repairs to the Community Center.

General Fund Reserves

The Fiscal Policies of the City of Winters include cash and emergency reserves for specific funds. For the General Fund, the policy is a reserved fund balance of 50% of annual expenditures and 25% of the fund balance is to be un-appropriated at year-end.

The fund balance reserve for 2007/2008 is as follows:

Estimated fund Balance 6/30/07	\$	3,300,872
Emergency Reserve \$3,565,326 X 50%		1,782,663
Un-appropriated, unreserved Fund Balance	\$	<u>1,518,209</u>

The required Un-appropriated Fund Balance per Reserve Policy is:

$$\$3,300,872 \times 25\% = \$ 825,218$$

The current un-appropriated unreserved fund balance is \$1,518,209 or \$692,991 higher than required based on the estimated fund balance as of June 30, 2007

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Other Funds

Other Funds included in the City of Winters budget are:

- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds (also known as Proprietary Funds)
- Internal Service Funds
- Debt Service Funds

Each fund group will be presented separately in this section.

Special Revenue Funds

Special revenue funds account for activities funded by special purpose revenue that is legally restricted to expenditure for specific use. The City currently has 30 active special revenue funds. 6 of these funds are on-going special revenue funds, that is, they are each active on a year-to-year basis. The balance of the special revenue funds reflect one-time or limited duration funding from grants or from the State of California and may take several years to properly expend the funds.

The on-going special revenue funds are:

- City Wide Assessment District
- Gas Tax
- Transportation Development Act Funds
- Winters Swim Team
- Community Development Agency Low Income Housing Tax Increment
- Community Development Agency Low Income Housing Project Area

These funds will be discussed in more detail in this section.

Additional special revenue funds can be categorized as follows:

- Police Grant Funds
- Park Grant Funds
- CDBG Grant Funds
- EDBG Grant Funds
- Revolving Loan Funds
- Miscellaneous Grant Funds

Other Funds

Special Revenue Funds

These categories of special revenue funds are single purpose funds receiving revenue from specific grants and will be included on the schedule with beginning fund balance, expected revenues and expenditures and projected ending fund balance, but additional detail information will not be included,

City Wide Assessment District

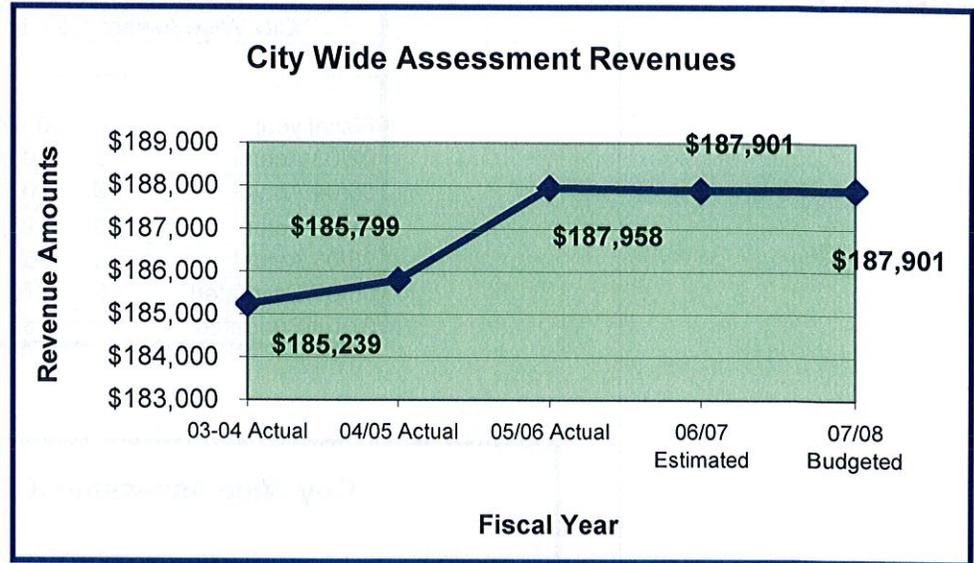
The City Wide Assessment District is the most active Special Revenue Fund. This fund is supported by a special assessment on all property within the City of Winters. This is a voter-approved assessment. The revenues are based on an assessment of \$82.50 per residential unit and \$41.25 per business unit per year. As the number of units in the City increase, the revenue base increases, however, the revenues are not keeping pace with the cost of providing the service of maintaining the parks and paying the cost of street lighting.

Budget Assumptions: The revenue estimates are based on the engineer report prepared by our consultant. Muni-Financial. Each year an Engineer's Annual Levy Report is prepared to initiate proceedings for the annual levy and collection of assessment according to the Landscaping and Lighting Act of 1972. Muni-Financial receives a list of all parcels located within the city limits of the City of Winters and prepares a levy report. The following chart shows the level of assessments for 2002/2003 through 2007/2008.

Fiscal Year	Amount	Increase/ (Decrease)
02-03 Actual	\$ 177,604	11%
03-04 Actual	\$ 185,239	4%
04/05 Actual	\$ 185,799	0%
05/06 Actual	\$ 187,958	1%
06/07 Estima	\$ 187,901	0%
07/08 Budget	\$ 187,901	0%

Other Funds

Special Revenue Funds



In addition to the assessment indicated above, the city general fund began subsidizing the City Wide Assessment District in 2005/2006. The subsidy is estimated to be as follows:

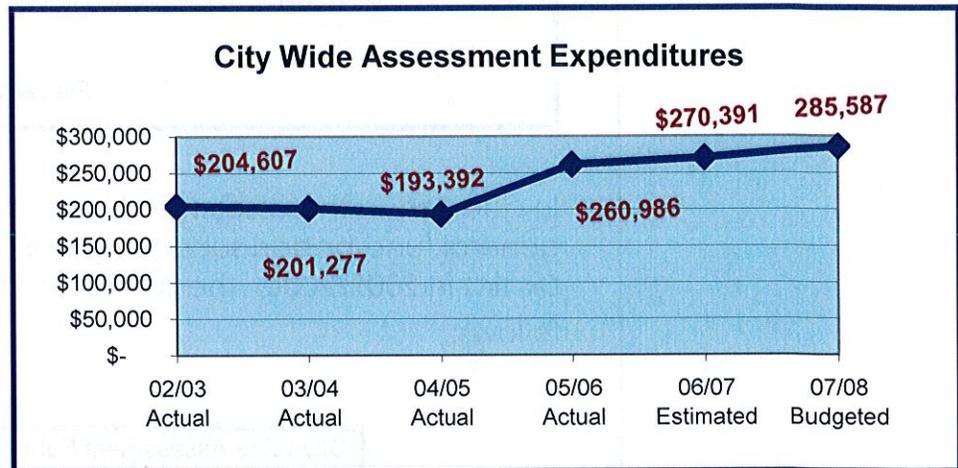
Fiscal Year	Amount	Increase/ (Decrease)
02-03 Actual	\$ -	
03-04 Actual	\$ -	
04/05 Actual	\$ -	
05/06 Actual	\$ 108,782	
06/07 Estimated	\$ 82,490	-24%
07/08 Budgeted	\$ 97,680	18%

The cost of maintaining all City Parks and the cost of streetlights, stoplights, and park lights are paid from the City Wide Assessment Fund. The following table shows the expenditures for 2002/2003 through 2007/2008.

Other Funds

Special Revenue Funds

City Wide Assessment Expenditures		
Fiscal year	Amount	Increase/ (Decrease)
02/03 Actual	\$ 204,607	-6%
03/04 Actual	\$ 201,277	-2%
04/05 Actual	\$ 193,392	-4%
05/06 Actual	\$ 260,986	35%
06/07 Estimated	\$ 270,391	4%
07/08 Budgeted	285,587	6%



Increased costs for 2007/2008 include the additional cost for operating a new traffic signal at the corner of Grant and Railroad, as well as the update of the cost allocation plan that provided evidence that more time was spent maintaining parks in current years than in prior years. This time includes the park area that was added outside the Community Center where the newly installed amphitheatre is located.

The City Wide Assessment District is the only Special Revenue Fund that has a reserve policy. The policy is to have an un-appropriated unreserved fund balance of 75% of estimated expenditures. The fund balance is as follows:

Other Funds

Special Revenue Funds

Estimated Fund Balance as of 6/30/07		\$ 70,253
Reserves:		
	Dry Creek Stabilization	61,081
	Rancho Arroyo Bank Stabilization	9,172
Unappropriated/Unreserved Fund Balance		\$ 0

The City Wide Assessment District is not self-supporting as of 2005/2006. The assessment amount is a flat amount, not subject to increases; therefore, only additional units will increase the assessment revenue, all additional funding requirements will require a subsidy from the General Fund. The reserve policy for this fund will need to be reviewed and revised in 2007/2008 due to the limitation on assessment revenue growth

Gas Tax Fund

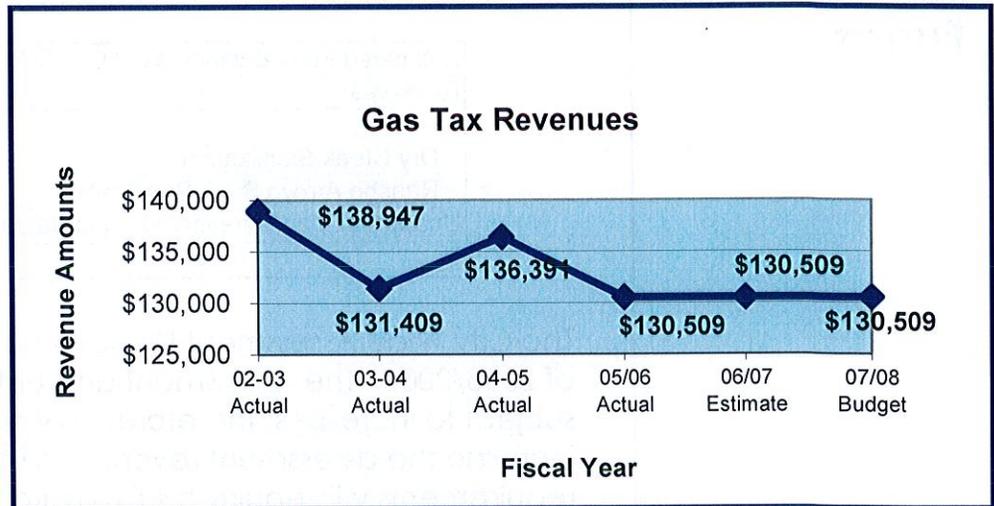
The Gas Tax fund supports staffing for road repairs and capital projects for rehabilitation of City streets and roads. These funds are legally restricted for use in maintaining streets and roads.

Budget Assumptions: The revenue projections are generally provided by the California State Controllers Shared Revenue Estimates report for 2007/2008; however, the report was not available at the time this budget was prepared. Since the gas tax is apportioned on Vehicle Registration Assessed Valuation and on population, the assumption is that the City of Winters will see no increase in the gas tax revenues due to the fact that population within the city limits increased by only 18 residents from January 1, 2006 to January 1, 2007.

Gas Tax Revenues		
Fiscal Year	Amount	Increase/ (Decrease)
02-03 Actual	\$ 138,947	27%
03-04 Actual	\$ 131,409	-5%
04-05 Actual	\$ 136,391	4%
05/06 Actual	\$ 130,509	-4%
06/07 Estima	\$ 130,509	0%
07/08 Budge	\$ 130,509	0%

Other Funds

Special Revenue Funds



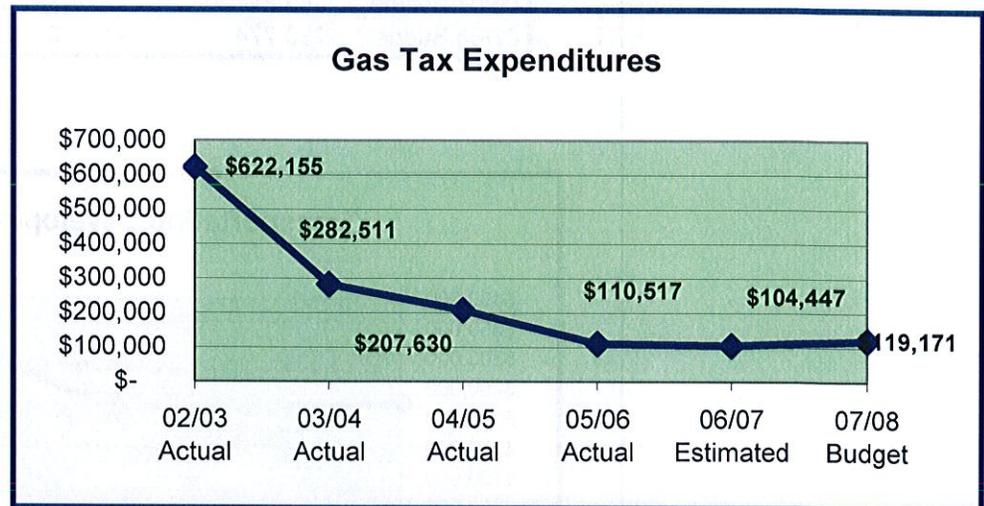
The Gas tax fund has received transfers from the Transportation Development Act fund for the amount of expenditures above the available funds for the street project completed in 2003/2004. This amounted to \$177,556 over the time period 2004/2005 and 2005/2006.

The Gas Tax funds are expended for staffing for street repairs and maintenance, road signs and the appropriate materials and supplies for the repair of the streets throughout the city. The gas tax fund expenditures vary from year to year depending on the level of street projects undertaken, or for budget purposes, the projects expected to be implemented during the budget year. Most major street projects require funding from other sources in addition to the gas tax funds in order to have enough resources for the project. Therefore, major projects occur sporadically as additional funding is obtained. Currently most of the gas tax funds are used for patching and filling potholes throughout the city, painting of cross walks and stop lines, and right of way maintenance, as well as maintaining proper street and stop signs throughout the city. The spending chart and graph below show the one-year that all available funds were expended for a major street project, and then expenditures for normal maintenance in the following years.

Other Funds

Special Revenue Funds

Gas Tax Expenditures		
Fiscal year	Amount	Increase/ (Decrease)
02/03 Actual	\$ 622,155	382%
03/04 Actual	\$ 282,511	-55%
04/05 Actual	\$ 207,630	-27%
05/06 Actual	\$ 110,517	-47%
06/07 Estimated	\$ 104,447	-5%
07/08 Budget	\$ 119,171	14%



Transportation Development Act Funds

This fund is used to account for revenue from the Transportation Development Act. The source of funds is the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA). The LTF are derived from ¼ cent of the retail 7.25% sales tax collected statewide and are generally apportioned by population. The STA are from statewide sales tax on gasoline and diesel fuel and are apportioned 50% by population and 50% according to operator revenues on public transportation from the preceding fiscal year.

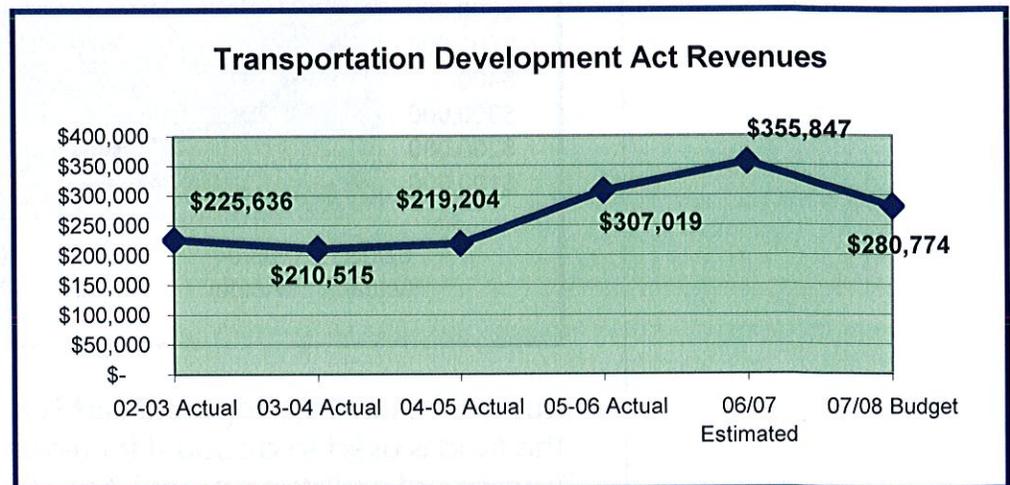
Budget Assumptions: The City of Winters received its allocation for LTF and STA from the Sacramento Area

Other Funds

Special Revenue Funds

Council of Governments (SACOG). Each year a Finding of Apportionment is adopted by SACOG and the City is responsible for filing a claim for the amount apportioned to it. We have received the Finding of Apportionment for 2007/2008 and the budgeted revenues are based on that finding.

Fiscal Year	LTF	STA	Total	Increase/ (Decrease)
02-03 Actual	221,228	4,408	\$ 225,636	-41%
03-04 Actual	210,515	-	\$ 210,515	-7%
04-05 Actual	219,204	-	\$ 219,204	4%
05-06 Actual	268,019	39,000	\$ 307,019	40%
06/07 Estimated	355,847	-	\$ 355,847	16%
07/08 Budget	280,774	-	\$ 280,774	-21%



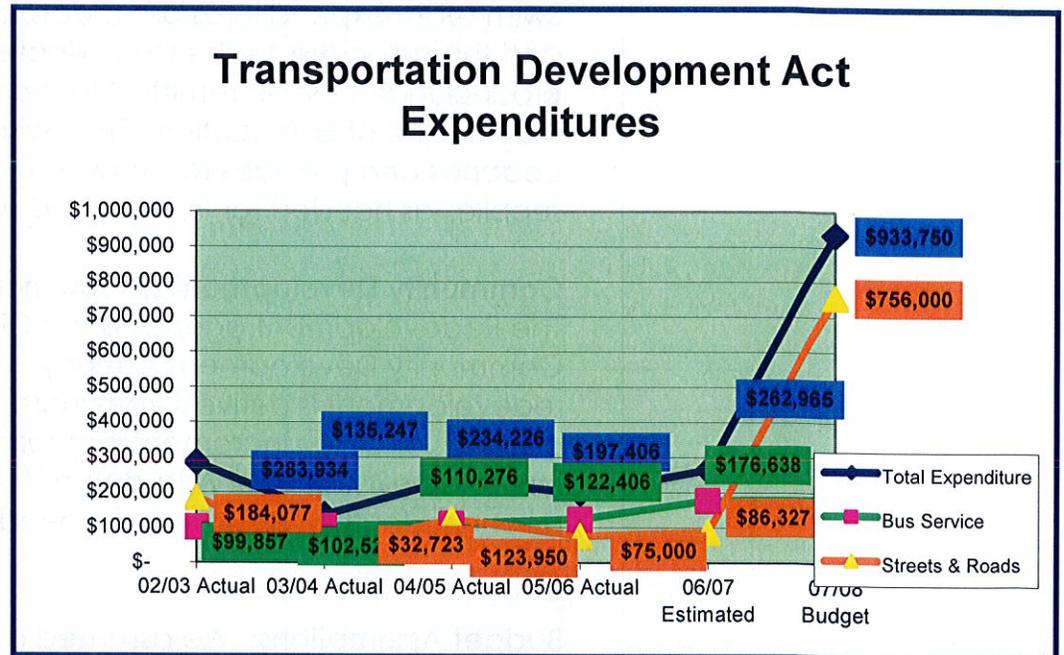
The primary purpose of the Transportation Development Act Funds is to provide public transportation to the residents of our community. The primary expenditure is for the bus service provided by the Yolo County Transportation District. Any funds available after the bus service is funded may be used for street engineering cost, and the cost of construction and maintenance of local streets and roads. Funds available after paying for the bus service have typically been saved up for a number of

Other Funds

Special Revenue Funds

years and then combined with other funding sources to implement a street project within the City of Winters.

Transportation Development Act Expenditures			
Fiscal year	Bus Service	Streets & Roads	Total
02/03 Actual	\$ 99,857	\$ 184,077	\$ 283,934
03/04 Actual	\$ 102,524	\$ 32,723	\$ 135,247
04/05 Actual	\$ 110,276	\$ 123,950	\$ 234,226
05/06 Actual	\$ 122,406	\$ 75,000	\$ 197,406
06/07 Estimated	\$ 176,638	\$ 86,327	\$ 262,965
07/08 Budget	\$ 177,750	\$ 756,000	\$ 933,750



Winters Swim Team Fund

In 2004-2005 the City of Winters took over the Winters Swim Team program as a city activity. Previously, the Winters Swim Team was run as a private organization.

Budget Assumptions: The City has just 3 years of history for the Swim Team from 2004/2005, 2005/2006 and 2006/2007

Other Funds

Special Revenue Funds

Revenues are from registration fees and sales of fireworks. The Swim Team runs a fireworks booth from June 28 to July 4 of each year. The fireworks booth is the single largest source of revenue to support the swim team. No City funds are used to provide for the swim team program, it is entirely self-supporting.

Swim Team Revenues		
Fiscal Year	Amount	Increase (Decrease)
04/05 Actual	67,678	
05/06 Actual	66,488	-2%
06/07 Estimate	65,457	-2%
07/08 Budget	65,238	0%

Swim team expenditures are made for the cost of fireworks and the associated sales tax collected during the sales process that must be remitted to the State of California State Board of Equalization. The Swim Team employs coaches and provides team swimsuits and various other supplies as needed for training and swim meets.

Community Development LIH Tax Increment Fund

The Redevelopment agency is the City of Winters Community Development Agency. Funding for redevelopment is derived from incremental property tax and 20% of all tax increment is required by redevelopment law to be set-aside for Affordable Housing (LIH). This fund accounts for the receipt and expenditure of the 20% set-aside.

Budget Assumptions: We assumed a 3% growth rate based on the lack of development in the project area during the 2006/2007 fiscal year.

The tax increment received for 2003/2004 and 2004/2005 was a substantial increase over 2002/2003. This is due to the building of a subdivision consisting of approximately 142 market rate-single family homes inside the Community Development Project Area.

Other Funds

Special Revenue Funds

Fiscal Year	20% Set Aside	Increase over prior year
02/03 Actual	\$ 144,256	31%
03/04 Actual	\$ 250,788	74%
04/05 Actual	\$ 293,896	17%
05/06 Actual	\$ 330,098	12%
06/07 Estimated	\$ 391,890	19%
07/08 Budget	\$ 401,688	3%

Expenditures from the Community Development LIH increment may be used to support the development of Affordable Housing within the project area, Expenditures have increased as the Community Development Agency has accumulated enough funds to develop projects. The largest project to date is the 2002/2003 loan/grant of funds to the Community Housing Opportunity Corporation (CHOC) to help with gap financing to prevent an apartment complex that was an affordable housing complex from being sold and rented as a market rate complex. It was a top priority for the city that the complex remain affordable for our residents.

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed 2007-2008
Allocated Cost	47,044	46,211	44,828	62,829	78,812
Personnel Cost					166,293
Other Costs	2,400	132,495	60,450	13,629	29,897
Debt Service		305,754	199,343	202,993	251,990
Capital Projects					
Total Expenditures	\$ 49,444	\$ 484,460	\$ 304,621	\$ 279,451	\$ 526,992

Other Funds

Special Revenue Funds

The expenditures budgeted for 2007/2008 are for the payment of debt service on the 2004 and 2007 tax allocation bonds issued for the community development agency . Staff time is included as an allocation for the time spent in actively pursuing projects to provide affordable housing within the City of Winters. As affordable housing opportunities are presented to staff, projects may be prepared for submission to the Board of Directors of the Winters Community Development Agency along with the appropriate budget adjustment that may be required in order to fund the project. All approvals and budget adjustments will be submitted to the Board of Directors on a project-by-project basis.

Community Development LIH Project Area Fund

The funding source for this fund is the 2004 and 2007 Tax Allocation Bonds, housing portion. The bond issue provided \$3,062,878 in 2004 and \$1,466,595 for the development of affordable housing within the project area.

Budget Assumptions: No additional bonds are anticipated for the current year. The only income is the interest on the amount of the bond proceeds that remain invested in the Local Agency Investment Fund (LAIF).

Community Development Low Income Housing Project Fund					
	Actual	Actual	Actual	Estimated	Proposed
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Professional Services	-	40,100	950	-	-
Housing Grants	-	-	-	150,000	200,000
Housing Programs	-	464,994	158,591	1,241,409	1,487,684
Total Expenditures	\$ -	\$ 505,094	\$ 159,541	\$ 1,391,409	\$ 1,687,684

Other Funds

Special Revenue Funds

Community Development Agency-Special Revenue Funds 2005-2008 Summary of Estimated Revenues, Expenditures and Changes in Fund Balance

(For Budgetary Purposes Only)

	Low Income Housing Set Aside				Low Income Housing Project Area				Total Community Development Agency Special Project Funds			
	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget
Financial Sources:												
Property Taxes	\$ 293,896	\$ 330,098	\$ 391,890	\$ 401,688	\$ -	\$ -	\$ -	\$ -	\$ 293,896	\$ 330,098	\$ 391,890	\$ 401,688
Interest	8,656	11,947	14,244	22,199	63,908	108,629	80,221	-	72,564	120,576	94,465	22,199
Bond Proceeds	-	-	-	-	-	-	1,466,595	-	-	-	1,466,595	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	1,107	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Total Estimated Financial Sources	\$ 302,551	\$ 342,045	\$ 406,134	\$ 423,887	65,015	\$ 108,629	\$ 1,546,816	\$ -	\$ 366,459	\$ 450,674	\$ 486,355	\$ 423,887
Expenditures:												
Personnel Cost	\$ -	\$ -	\$ -	\$ 166,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,293
Allocated Cost	46,211	44,828	62,829	78,812	-	-	-	-	46,211	44,828	62,829	78,812
Supplies and Material	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expense	132,495	10,450	13,629	29,897	40,100	950	-	-	172,595	11,400	13,629	29,897
Pass through	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Housing Grants	-	-	-	-	-	-	150,000	200,000	-	-	150,000	200,000
Housing Programs	-	50,000	-	-	464,994	158,591	1,241,409	87,684	464,994	208,591	1,241,409	87,684
Debt Service	305,754	199,343	202,993	251,990	-	-	-	-	305,754	199,343	202,993	251,990
Capital Projects	-	-	-	-	-	-	-	1,400,000	-	-	-	1,400,000
Total Budget	\$ 484,460	\$ 304,621	\$ 279,451	\$ 526,992	\$ 505,094	\$ 159,541	\$ 1,391,409	\$ 1,687,684	\$ 989,554	\$ 464,162	\$ 1,670,860	\$ 2,214,676
Net Increase(decrease)												
In Fund Balance	\$ (181,908)	\$ 37,424	\$ 126,683	\$ (103,106)	\$ (440,079)	\$ (50,912)	\$ 155,407	\$ (1,687,684)	(621,987)	(13,488)	282,089	\$ (1,790,790)
Transfer In	-	-	-	-	-	-	-	-	-	-	-	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance July 1	701,951	520,043	557,467	684,150	3,071,937	2,631,858	2,580,946	2,736,353	3,773,888	3,151,901	\$ 3,138,413	\$ 3,420,503
Fund Balance June 30	\$ 520,043	\$ 557,467	\$ 684,150	\$ 581,044	\$ 2,631,858	\$ 2,580,946	\$ 2,736,353	\$ 1,048,669	\$ 3,151,901	\$ 3,138,413	\$ 3,420,503	\$ 1,629,713

Other Funds

Special Revenue Funds

City of Winters

Estimated Fund Balances for Special Revenues Funds

Fund	Estimated Fund Balance 7/1/2007	Budgeted Revenues 2007-2008	Budgeted Expenditures 2007-2008	Budgeted Transfers 2007-2008	Estimated Fund Balance 6/30/2008
City Wide Assessment	70,253	187,901	285,587	97,680	70,248
First Time Homebuyer in Lieu	77,543	3,023			80,566
Flood Assessment District	3,515	137			3,652
Gas Tax Fund	(21,228)	130,509	119,171		(9,890)
PERS Trust Fund	374,631	14,605			389,236
State COPS 1913	221,648	107,384	216,963		112,069
COPS More Grant	1,568	61	-		1,629
Traffic Safety Fund	159,423	11,678	4,500		166,602
Asset Forfeiture	14,373	561			14,934
Vehicle Theft Deterrent	28,042	1,093	-		29,135
Traffic Congestion Relief	84,323	3,317	103,780		(16,140)
Street Grants	-	485,000	458,300		26,700
safe Route to School	(2,031)		-		(2,031)
2000 Bond Park Grant	28,579	-	11,200		17,379
Recycling Grant	13,575	5,502	6,000		13,077
Transportation/Bus Service	246,073	284,505	933,750		(403,172)
STBG 700 Grant	7,696	5,766	-	-	13,461
STBG 96-1043 Grant	(24,703)	7,645		-	(17,058)
HOME 98-0347 Grant	-	-		-	-
EDBG 99-688 Grant	9,232	16,168		-	25,400
EDBG 99-405 Grant	(1,274)	-		-	(1,274)
Workforce Housing Grant	13,252	15,000	-		28,252
CHOC HOME GRANT	(386,159)	1,029	-		(385,130)
After School Program	42,156	425,000		5,364	472,521
Housing Rehab RLF	419,440	933	244,534		175,839
First Time Homebuyer RLF	45,053	6,378		8,047	59,478
Small Business RLF	177,932	-		16,168	194,100
Home Fund RLF	-				-
Winters Library	470,813	18,355			489,168
Winters Swim Team	86,975	65,238	66,871		85,342
Totals	2,160,701	1,796,790	2,450,656	127,259	1,634,093

Other Funds

Capital Project Funds

The Capital Project Funds are used to account for financial resources used to acquire or construct major capital facilities for the City of Winters. The City of Winters has three (3) types of capital project funds, Impact Fee Funds, Winters Community Development Agency Funds and Other Sources.

Impact Fee Funds

Impact fees are collected at the issuance of building permits based on the "City of Winters Public Facilities Development Impact Fee Nexus Study", also called our AB1600 document. AB1600 legislation, as codified by California Government Code Section 66000 etc. seq. sets forth the procedural requirements for establishing and collecting development impact fees. This study provided the nexus for collecting the fee, and was last updated in March 2003. These fees must be accounted for separately. The funds used to account for these funds are as follows:

- Street Impact Fee Fund
- Storm Drain Impact Fee Fund
- Parks Impact Fee Fund
- Police Impact Fee Fund
- Fire Impact Fee Fund
- General Facilities Impact Fee Fund
- Water Impact Fee Fund
- Sewer Impact Fee Fund
- Monitoring Fee

Budget Assumptions: Revenues for the above funds were calculated as follows:

- Street, Storm, Parks, Water, Sewer and Monitoring Fee impact were calculated based on the estimated building permits to be issued for new construction for the 2007/2008 budget year.
- Police, Fire and General Facilities Impact Fees are calculated based on the number of estimated building permits to be issued for new construction for the 2007/2008 budget year, plus, an amount equal to the amounts agreed to be pre-funded by Ogando/Hudson, Winters Highlands, Creekside and Callahan Developments that were approved during the 2005/2006 fiscal year. The development

Other Funds

Capital Project Funds

agreements provide for pre-funding of these fees upon recording of the final map for the project. It is anticipated that all projects will record final maps during the 2007/2008 budget year and the agreed upon amounts will be paid.

Below is a schedule of the fees anticipated to be collected based on the issuance of 47 residential building permits, 1 commercial building permit and the advance funding for the 4 subdivisions per the development agreements.

	A	B	C	D	G
25					
26				Estimated	
27		Fund	Impact Fee	Units	
28	417-47117	Water Impact	\$ 5,766.00	47	337,332.00
29	418-47111	Sewer Impact	7,186.00	47	456,542.00
30	412-47113	General Storm Drain	76.00	47	4,562.00
31	411-47112	Street Impact	8,072.00	47	740,239.00
32	414-47115	Police Impact	1,094.00	47	1,018,738.00
33	415-47116	Fire Impact	1,662.00	47	1,061,011.00
34	413-47114	Park Impact	4,114.00	47	4,540,464.25
35	495-47100	Monitoring Impact	1,148.00	47	83,656.00
36	416-47118	General Impact	2,445.00	47	1,567,819.00
37					<u>9,810,363.25</u>
38					

Projects are proposed for the various impact fee funds totaling \$8,897,845 and are detailed below:

- Putah Creek Car Bridge
- I-505 Traffic Signal
- Water Infrastructure
- Sewer Infrastructure

Specific project information for these projects can be found in the Capital Improvement Section of this budget. The budgeted amounts are estimates, budget adjustments will be requested as each project is approved by the City Council and bids are received and accepted.

Other Funds

Capital Project Funds

Winters Community Development Agency Funds

The City of Winters redevelopment agency is known as the "City of Winters Community Development Agency".

Funding for redevelopment is derived from tax increment and is used to develop and revitalize a designated area within the City of Winters known as the "Project Area"

The City Council sits as the Board of Directors of the City of Winters Community Development Agency, the City Manager is the Executive Director, the City Clerk is the Secretary, and the City Director of Financial Management is the Finance Officer for the agency.

The City of Winters Community Development Agency receives tax increment, 20% of which goes to the Community Development Agency LIH Tax Increment Fund discussed in the Special Revenues section of this budget, and the balance goes to the Community Development Agency Tax Increment Fund.

Budget Assumptions: A 3% growth rate is assumed. There has been some sales activity in the redevelopment project area, and a some renovations have occurred in the project area in the commercial section that have increased the assessed value of the property within the project area.

The tax increment received by the Community Development Tax Increment fund for 2002/2003 through 2006/2007 is shown in the table below.

Community Development Tax Increment		
Fiscal Year	Tax Increment	Increase over prior year
02/03 Actual	578,311	32%
03/04 Actual	1,003,150	73%
04/05 Actual	1,175,583	17%
05/06 Actual	1,320,390	12%
06/07 Estimated	1,567,563	19%
07/08 Budget	1,606,753	3%

Other Funds

Capital Project Funds

Expenditures from the Community Development Tax Increment Fund may be for projects and activities that develop and revitalize, or eliminate blight in the project area. Expenditures can also be for the payment of Debt Service on Tax Increment bond issued by the Community Development Agency.

The increases in expenditures from 2003/2004 to 2004/2005 are partially due to the payment of principal and interest known as Debt Service on the 2004 Tax Allocation Bonds.

The Community Development Agency employs one Full Time Housing Director, One Part-Time Redevelopment Director, and a part-time intern. All other staff is provided by the City of Winters and therefore costs are allocated to the Community Development Agency from the City of Winters Cost Allocation Plan.

The Community Development Agency staff is currently developing projects with estimated funding included in the budget. As projects are presented to the Board of Directors for approval, budget adjustments will be submitted for approval on a project-by-project basis.

Community Development Agency Fund					
	Actual	Actual	Actual	Estimated	Proposed
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Personnel Cost	\$110,316	\$ 121,289	\$ 38,971	\$ 83,736	\$ 317,688
Allocated Cost	84,314	86,579	113,862	127,353	152,667
Supplies and Material	686	459	268	114	-
Other Operating Expe	73,035	148,728	216,839	845,943	275,084
Pass Through	232,095	277,227	335,728	493,275	582,448
Debt Service	-	382,408	343,483	344,434	345,284
Capital Projects	37,500	-	5,066	13,750	-
Total Expenditures	\$537,947	\$ 1,016,690	\$ 1,054,217	\$ 1,908,605	\$ 1,673,170

Community Development Project Area Fund

This fund is used to account for non-housing proceeds of the 2004 and 2007 Tax Allocation bonds.

Budget Assumptions:

Other Funds

Capital Project Funds

No additional bonds are anticipated in the 2007-2008 budget year; therefore, the only revenues are the interest on the bond proceeds that are invested in the Local Agency Investment Fund (LAIF).

Projects are proposed for the Community Development Project Area in the amount of \$8,667,482 and are detailed below:

- Rotary Park Improvements
- Building a New Public Safety Facility
- Façade Improvement Grants
- Railroad Avenue Streetscape Improvements
- Sewer Treatment Plant Expansion
- Main & Railroad Intersection Improvements
- Main Street Streetscape Improvements
- Library

Specific project information for these items can be found in the Capital Improvement Plan Section of this budget.

The budgeted amounts are estimates, and budget adjustments will be requested at the time the projects are approved by the Board of Directors and contracts are issued to carry out the projects.

Community Development Agency-Capital Project Funds 2005-2008 Summary of Estimated Revenues, Expenditures and Changes in Fund Balance

(For Budgetary Purposes Only)

	Community Development Agency				CDA Project Area				Total Community Development Capital Project Funds			
	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	2005 Actual	2006 Actual	2007 Estimate	2008 Budget
Financial Sources:												
Property Taxes	\$ 1,175,583	\$ 1,320,390	\$ 1,567,563	\$ 1,606,753	\$ -	\$ -	\$ -	\$ -	\$ 1,175,583	\$ 1,320,390	\$ 1,567,563	\$ 1,606,753
Interest	26,226	63,347	93,482	59,563	-	-	75,432	75,432	26,226	63,347	168,914	134,995
Bond Proceeds	-	-	-	-	0	0	8,850,618	0	-	-	8,850,618	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	-	3,000	-	-	-	-	-	-	-	-	-
Contributions	3,725	5,000	475,000	-	1,170	-	-	-	4,895	5,000	475,000	-
Total Estimated Financial Sources	\$ 1,205,533	\$ 1,388,737	\$ 2,139,045	\$ 1,666,316	\$ 1,170	\$ -	\$ 8,926,050	\$ 75,432	\$ 1,201,808	\$ 1,383,737	\$ 1,736,477	\$ 1,741,748
Expenditures:												
Personnel Cost	\$ 121,289	\$ 38,971	\$ 83,736	\$ 317,688	\$ -	\$ -	\$ -	\$ -	\$ 121,289	\$ 38,971	\$ 83,736	\$ 317,688
Allocated Cost	86,579	113,862	127,353	152,667	-	-	-	-	86,579	113,862	127,353	152,667
Supplies and Material	459	268	114	-	1,859	-	-	-	2,318	268	114	-
Other Operating Expenses	148,728	216,839	845,943	275,084	221,491	237,514	73,800	57,250	370,219	454,353	919,743	332,334
Pass through	277,227	335,728	493,275	582,448	-	-	-	-	277,227	335,728	493,275	582,448
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	382,408	343,483	344,434	345,284	-	-	-	-	382,408	343,483	344,434	345,284
Capital Projects	-	5,066	13,750	-	71,965	729,170	639,511	8,610,332	71,965	734,236	653,261	8,610,332
Total Budget	\$ 1,016,690	\$ 1,054,217	\$ 1,908,605	\$ 1,673,170	\$ 295,315	\$ 966,683	\$ 713,311	\$ 8,667,582	\$ 1,312,004	\$ 2,020,900	\$ 2,621,915	\$ 10,340,752
Net Increase(decrease)												
In Fund Balance	\$ 188,844	\$ 334,520	\$ 230,440	\$ (6,853)	\$ (294,145)	\$ (966,683)	\$ 8,212,739	\$ (8,592,150)	(105,301)	(632,163)	8,443,180	(8,599,003)
Transfer In	-	-	22,849	-	-	-	-	-	-	-	22,849	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	88,837	-	-	-	88,837	-	-	-
Fund Balance July 1	1,690,535	1,879,379	2,213,899	2,467,188	3,662,632	3,457,324	2,490,641	10,703,380	5,353,167	5,336,703	4,704,540	13,147,720
Fund Balance June 30	\$ 1,879,379	\$ 2,213,899	\$ 2,467,188	\$ 2,460,335	\$ 3,457,324	\$ 2,490,641	\$ 10,703,380	\$ 2,111,230	\$ 5,336,703	\$ 4,704,540	\$ 13,147,720	\$ 4,548,716

Other Funds

Capital Project Funds

Other Sources of Capital

Other sources of capital are:

- from a transfer of accumulated fund balance to a capital fund to be used to replace capital assets
- from the sale of property or equipment that policy dictates the proceeds should be placed in a capital fund to provide for the replacement or maintenance of capital assets
- from donation or payment received from other sources, such as capital received as part of a development agreement.

The following capital funds receive revenue from these other sources and are included on the Estimated Fund Balance Schedule that follows:

- General Fund Capital
- Landfill Capital
- Park Capital
- Equipment Replacement Fund
- 1992 General Plan Update
- Flood Control Capital
- Rancho Arroyo Storm Drain Capital
- Capital Asset Replacement Fund
- Street Capital
- Water Capital
- Sewer Capital

Budget Assumptions: The Park Capital Fund, Street Capital Fund and General Capital Fund are budgeted to receive revenues based on the development agreements entered into in the 2005/2006 year. The amounts are due upon recording of the final map for the subdivisions, and all four approved subdivisions are expected record final maps during 2007-2008 and to make the required payments. Transfers are expected for the Equipment Replacement Fund and the 1992 General plan update based on the financial policies of the City of Winters. The rest of the funds budgeted revenues are for interest received as a result of the funds invested in LAIF.

Other Funds

Capital Project Funds

Expenditures are budgeted for the Landfill Capital Fund for the cost of monitoring the test wells installed at the closed landfill. Once all reports are obtained indicating that the site is usable, the remaining funds will be used to convert the site to a Community Park containing soccer and little league facilities.

There are expenditures budgeted in the Equipment Replacement Fund to purchase

- Computers for Council Chambers and Police Department.
- Tasers for the Police Department
- Building Permit Software

Expenditures in the Capital Asset Recovery Fund are budgeted for building permit software. Specific information about these projects can be found in the Capital Improvement Plan section of this budget.

The Water and Sewer Capital funds are new funds for 2007/2008. The City anticipates issuing approximately \$3,000,000 for each fund for the replacement and repair of infrastructure for each of the funds. Staff is currently working on the issuing of bonds and developing projects for spending the bond proceeds. As the bond issue is complete, projects will be presented to the City Council for approval on a project by project basis.

**Other
Funds**

Capital Project Funds

City of Winters
Estimated Fund Balances for Capital Funds

Fund	Estimated Fund Balance 7/1/2007	Budgeted Revenues 2007-2008	Budgeted Expenditures 2007-2008	Budgeted Transfers 2007-2008	Estimated Fund Balance 6/30/2008
411 Street Impact Fee	\$ 1,490,503	\$ 1,444,533	\$ 1,146,056		\$ 1,788,980
412 Storm Impact Fee	170,685	9,900	8,556		172,029
413 Parks Impact Fee	737,764	4,543,552	8,556		5,272,760
414 Police Impact Fee	334,488	1,030,201	444,156		920,533
415 Fire Impact Fee	217,848	1,069,501	464,556		822,793
416 General Facility Impact Fee	294,300	1,579,318	8,555		1,865,063
417 Water Impact Fee	533,281	358,039	2,102,855		(1,211,535)
418 Sewer Impact Fee	(219,400)	487,558	4,714,555		(4,446,397)
421 General Fund Capital	529,254	20,633	-		549,887
422 Landfill Capital	367,467	14,155	67,700		313,922
424 Park Capital	164,364	1,445,885	-		1,610,249
427 Capital Equipment Replacement	297,270	17,856	72,605	50,128	292,649
429 Service Reserve Fund	525,142	26,814			551,956
437 Water Capital		3,000,000	1,395,600		1,604,400
438 Sewer Capital		3,000,000	266,814		2,733,186
481 General Plan Capital	(580,198)			83,656	(496,542)
482 Flood Control Capital	(123,810)	46			(123,764)
492 RAJA Storm Drain	26,269	1,374	-		27,643
494 Capital Asset Recovery Fund	56,468	9,229	40,000		25,697
495 Monitoring Fee	-	83,656	-	(8,555)	75,101
496 Non Flood Storm Drain Capital	214	8			222
Totals	\$ 4,821,910	\$ 18,142,258	\$ 10,740,564	\$ 125,229	\$ 12,348,833

Other Funds

Enterprise Funds

The City operates two Enterprise type funds, the Water Fund and the Sewer Fund.

- The Water Fund is used to account for revenues and expenditures related to providing water service to the residents and businesses of the City.
- The Sewer Fund is used to account for revenues and expenditures related to provided sewer service to the residents and businesses of the City

Water Enterprise Fund

The Water Enterprise Fund is on the path to being financially sound for the first time in years. New rates were approved effective January 1, 2006 that will help the water fund collect enough revenues to provide the services of a water distribution system. The rate increase was the result of an analysis and resulted in a 7 year financing plan. This rate increase and the transfer of funds from the capital fund to the operating fund has allowed the water fund to have a positive cash position for the first time in several years. The fund is also able to meet the reserve policies of the fund for the first time since the reserve policies have been adopted. Additional rate increases have been approved, subject to review by the City Council on July 1, 2007 and July 1, 2008.

Increased costs to the Water fund are as follows:

- Salaries and Benefits increased to reflect two full time employees dedicated to the operation of the water system.
- Increased utility costs
- Increased cost allocation per the cost allocation plan.

Capital Projects being funded by the Water Enterprise fund includes:

- Well #2 Safety and Reliability Renovations
- Well #3 Safety and Reliability Renovations
- Well #4 Safety and Reliability Renovations
- Well #5 Safety and Reliability Renovations
- Well #6 Safety and Reliability Renovations

Other Funds

Enterprise Funds

The City of Winters fiscal policies require 50% of fund balance is to be un-appropriated and unreserved at year-end. The fund balance reserve for 2006/2007 is as follows:

Estimated Fund Balance 6/30/07	\$	479,770
Required Un-appropriated Unreserved Fund Balance \$763,400 x 50%		381,700
Fund balance above reserve Requirement	<u>\$</u>	<u>98,071</u>

The following chart shows the 2004/2005 and 2005/2006 actual income and expenses, the 2006/2007 estimated income and expenses and the 2007/2008 budgeted income and expenditures.

City of Winters Water Enterprise Fund						
	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	Change from Prior Year In \$	In %
Operating Revenues						
Charges for Services	\$ 516,637	\$ 599,111	\$ 689,121	\$ 916,810	\$ 227,689	33%
Other Revenues	36,515	23,070	26,775	12,587	(14,188)	-53%
Total Operating Revenues	<u>\$ 553,152</u>	<u>\$ 622,182</u>	<u>\$ 715,896</u>	<u>\$ 929,397</u>	<u>\$ 93,714</u>	<u>30%</u>
Operating Expenses						
Allocated Cost	\$ 363,078	\$ 274,685	\$ 267,267	\$ 314,805	\$ 47,538	18%
Salaries and Benefits	17,143	52,251	63,697	141,071	77,374	121%
Contractual Services	-	-	20,786	-	(20,786)	-100%
Professional Services	13,856	12,125	29,666	2,166	(27,500)	-93%
Supplies and Material	587	14,013	27,551	35,350	7,799	28%
Utilities	123,329	124,860	136,000	140,000	4,000	3%
Other Operating Expenses	64,576	67,285	74,408	75,070	662	1%
Depreciation	15,877	18,606	-	19,000	19,000	
Capital Projects	15,104	3,989	64,429	35,938	(28,491)	-44%
Total Operating Expenses	<u>\$ 613,551</u>	<u>\$ 567,815</u>	<u>\$ 683,804</u>	<u>\$ 763,400</u>	<u>\$ 79,596</u>	<u>12%</u>
Operating Income (Loss)	\$ (60,399)	\$ 54,367	\$ 32,092	\$ 165,998	\$ 133,905	417%
Non Operating Revenues(Expenses)						
Income(Loss) before Operating T	(60,399)	54,367	32,092	165,998	133,905	417%
Operating Transfers In		230,628				
Operating Transfers Out		(230,628)	(18,606)	-		-100%
Net Income(Loss)	<u>\$ (60,399)</u>	<u>\$ 54,367</u>	<u>\$ 13,486</u>	<u>\$ 165,998</u>	<u>\$ 152,511</u>	<u>1131%</u>
Retained Earnings July 1	345,421	411,918	466,284	479,770	13,486	3%
Adjustments	126,896				-	
Retained Earnings June 30	<u>\$ 411,918</u>	<u>\$ 466,284</u>	<u>\$ 479,770</u>	<u>\$ 645,768</u>	<u>\$ 165,998</u>	<u>35%</u>

Other Funds

Enterprise Funds

Sewer Enterprise Fund

The Sewer Enterprise fund has the following capital projects planned for 2007/2008:

- Transient Voltage Surge Suppression
- Hazardous Seal-Off Installation
- Auto Dialers
- ATS Receptacle Installation
- Reconfigure Chemical Fee
- Reconfigure Irrigation Pump Switch
- Repair Grinder
- Pump Replacement with Control Panel
- Control Panel Replacement
- Water Level Sensors
- SCADA Implementation

The Sewer Enterprise Fund reserve policy requires an un-appropriated, unreserved fund balance of 50% of annual expenditures. The fund balance reserve for 2007/2008 is as follows:

Estimated Fund Balance 6/30/07	\$	2,560,600
Required Un-appropriated Unreserved Fund Balance \$983,086 x 50%		491,543
Fund balance above reserve Requirement	\$	<u>2,069,056</u>

The following chart shows the actual revenues and expenses for 2004/2005 and 2005/2006, estimated revenues and expenses for 2006/2007 and budgeted revenues and expenses for 2007/2008.

**Other
Funds**

Enterprise Funds

City of Winters Sewer Enterprise Fund

	2005 Actual	2006 Actual	2007 Estimated	2008 Budget	Change from Prior Year In \$	In %
Operating Revenues						
Charges for Services	\$ 702,484	\$ 762,814	\$ 815,200	\$ 993,247	\$ 178,047	22%
Other Revenues	46,569	41,694	51,773	12,539	(39,234)	-76%
Total Operating Revenues	\$ 749,053	\$ 804,508	\$ 866,973	\$1,005,786	\$ 138,813	16%
Operating Expenses						
Allocated Cost	\$ 185,863	\$ 208,660	\$ 206,475	\$ 240,542	\$ 34,067	16%
Contractual Services	279,549	330,314	320,124	281,925	(38,199)	-12%
Professional Services	42,732	63,287	167,739	140,000	(27,739)	-17%
Supplies and Material	619	8,768	21,000	27,000	6,000	29%
Utilities	94,070	98,852	90,000	115,000	25,000	28%
Other Operating Expenses	23,028	93,048	142,448	178,620	36,172	25%
Depreciation	-	31,522	-	-	-	
Capital Projects	134,688	12,459	219,589	-	(219,589)	-100%
Total Operating Expenses	\$ 760,548	\$ 846,909	\$ 1,167,375	\$ 983,087	\$ (184,289)	-16%
Operating Income (Loss)	\$ (11,495)	\$ (42,401)	\$ (300,402)	\$ 22,699	\$ 323,102	-108%
Non Operating Revenues(Expenses)					-	
Income(Loss) before Operating Transfers	\$ (11,495)	\$ (42,401)	\$ (300,402)	\$ 22,699	\$ 323,102	-108%
Operating Transfers In	173,872	-	-	-	-	
Operating Transfers Out	-	-	(31,522)	-	31,522	-100%
Net Income(Loss)	\$ 162,377	\$ (42,401)	\$ (331,924)	\$ 22,699	\$ 354,624	-107%
Retained Earnings July 1	2,727,477	2,934,926	2,892,525	2,560,600	(331,924)	-11%
Adjustments	45,072	-	-	-	-	
Retained Earnings June 30	\$ 2,934,926	\$ 2,892,525	\$ 2,560,600	\$2,583,300	\$ 22,699	1%

Other Funds

Internal Service Fund

The City of Winters has one internal service fund, the Central Service Overhead fund.

Central Service Overhead

The Central Service Overhead fund is used for expenditures that cannot be specifically charged to a particular fund or department, and therefore, are allocated to departments based on the City of Winters allocation plan. The following table has 2004/2005 and 2005/2006 actual expenditures and allocations, 2006/2007 estimated expenditures and allocations, and 2007/2008 budgeted expenditures and allocations.

Central Service Overhead	Actual 2003-2004	Actual 2004- 2005	Actual 2005-2006	Estimate 2006-2007	Proposed 2007-2008	Change from Prior Year Estimated	
						In \$	In %
Beginning Fund Balance	\$ (383)	\$ 836	\$ 1,747	\$ (1,405)	\$ 0	\$ 1,406	-100%
Food & Water	3,139	3,685	4,952	6,500	5,000	(1,500)	-23%
Computer(IT) Services	28,851	42,702	50,744	43,702	63,670	19,968	46%
Computer Software			18,488	11,580	6,880	(4,700)	-41%
Printing	3,361	4,856	5,128	5,700	6,000	300	5%
Equipment Repairs	493	758	4,826	4,000	4,500	500	13%
Repairs	1,320	24	6,437	10,645	5,500	(5,145)	-48%
Supplies	12,180	4,809	2,702	2,327	3,000	673	29%
Professional Services	4,984	33,870	45,401	25,758	18,408	(7,350)	-29%
Natural Gas	2,036	4,081	5,265	5,100	5,100	-	0%
Maintenance Supplies	5,099	3,167	2,577	2,600	2,900	300	12%
Postage & Mail	10,806	14,366	21,588	22,500	29,900	7,400	33%
Auditing	11,960	18,832	11,960	14,950	14,500	(450)	-3%
Fuel	19,994	25,324	34,679	35,000	38,395	3,395	10%
Telephone	25,269	29,519	24,545	25,000	27,588	2,588	10%
Office Supply	27,712	35,290	32,302	33,900	38,000	4,100	12%
Electricity	21,902	21,392	16,684	19,000	22,800	3,800	20%
Equipment Rental	37,102	34,830	32,785	34,000	38,605	4,605	14%
Insurance and Bonding	74,459	103,690	100,926	70,236	66,182	(4,054)	-6%
Subscriptions	10	182	-	-	-	-	
City Memberships		160	111	116	116	0	0%
Permits				351	-	(351)	-100%
Miscellaneous Fees				55	-	(55)	-100%
Staff Development	15	5,007	3,577	5,685	5,800	115	2%
Travel	83	-	-	-	-	-	
City PR	368	-	-	-	-	-	
Total Expenditures	\$ 291,144	\$ 386,547	\$ 425,677	\$ 378,703	\$ 402,844	\$ 24,141	6%
Costs Allocated Out	(290,308)	(384,800)	(427,082)	(378,703)	(402,844)	(24,141)	6%
Ending Fund Balance	\$ 836	\$ 1,747	\$ (1,405)	\$ 0	\$ -	\$ (0)	-100%

**Other
Funds**

Internal Service Fund

Internal Service Fund					
2004-2008 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings					
(For Budgetary Purposes Only)					
	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Actual</u>	<u>2007 Estimate</u>	<u>2007 Budget</u>
Operating Revenues					
Charges for Services		\$ -	\$ -	\$ -	\$ -
Other Revenues					
Total Operating Revenues		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operating Expenses					
Allocated Cost	-	-	-	-	-
Salaries and Benefits	-	-	-	-	-
Contractual Services	28,851	42,702	50,744	43,702	63,670
Professional Services	16,944	52,702	57,361	40,708	32,908
Supplies and Material	36,262	42,617	35,840	37,800	43,900
Equipment Leases	17,933	34,830	32,785	34,000	38,605
Utilities	49,207	54,993	46,494	49,100	55,488
Insurance	74,459	103,690	100,926	70,236	66,182
Other Operating Expenses	67,488	55,011	101,528	103,158	102,091
Depreciation	-	-	-	-	-
Capital Projects	-	-	-	-	-
Total Operating Expenses	<u>291,144</u>	<u>386,546</u>	<u>425,677</u>	<u>378,703</u>	<u>402,844</u>
Operating Income (Loss)	(291,144)	(386,546)	(425,677)	(378,703)	(402,844)
Non-Operating Revenues(Expenses)					
Income(Loss) before Operating Transfers	(291,144)	(386,546)	(425,677)	(378,703)	(402,844)
Operating Transfers In	290,308	384,800	427,082	378,703	402,844
Operating Transfers Out					
Net Income(Loss)	<u>(836)</u>	<u>(1,746)</u>	<u>1,405</u>	<u>(0)</u>	<u>-</u>
Retained Earnings July 1	(383)	(1,219)	(2,965)	(1,560)	(1,560)
Adjustments					
Retained Earnings June 30	<u>(1,219)</u>	<u>(2,965)</u>	<u>(1,560)</u>	<u>(1,560)</u>	<u>(1,560)</u>

Other Funds

Internal Service Fund

The following areas have increases for 2006/2007:

- Professional Services
- Supplies
- Equipment Leases
- Utilities

Debt Service Fund Group

The Debt Service Fund Group consists of General Debt Service and the City of Winters Community Development Agency Debt Service Fund.

The General Debt Service Fund currently is accumulated cash for estimated cash out of leave balances in the event of the retirement of a long-standing employee. The amount of the estimated leave balance is calculated at each year-end, and cash is deposited in this fund as a reserve. The fund receives only interest revenue throughout the year, and there is no other activity in this fund. Information on this fund is included in the Summary Financial Section of this budget.

The City of Winters Community Development Agency Debt Service fund was established in 2004/2005. This fund was established as a result of issuing the 2004 Tax Allocation Bonds. The only activity in this fund is for interest received on the amount of the bond reserve fund. This information is included in the Summary Financial Section of this budget.

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City Council

The City Council is comprised of five (5) elected individuals that are elected for a four (4) year term. The City Council is the policy making legislative body of the City of Winters. The City Council acts upon all legislative matters concerning the City, approving and adopting ordinances, resolutions and other matters requiring overall policy decisions and leadership. The City Council appoints the City Manager and the City Attorney as well as various commissions, boards and citizen advisory committees to ensure broad based citizen input into the City's affairs. In reaching policy decisions, the City Council reviews proposals designed to meet community needs and sustain demanded service levels; directs staff to initiate new programs to update existing services; determines the ability of the City to provide financing for the proposed budget; and oversees the financial condition of the city. The City Council also serves as the Board of Directors for the City of Winters Community Development Agency.

City Council Mission

To provide policy direction and oversight for the City of Winters; to serve as the elected representatives for the citizens of the City of Winters in guiding municipal operations and services.

Long Term Objectives

- Provide policy guidance in the development of resolutions, ordinances and fiscal initiatives.
- Allow for an inclusive municipal government, allowing for a diversity of issues and opinions when considering key policy decisions.

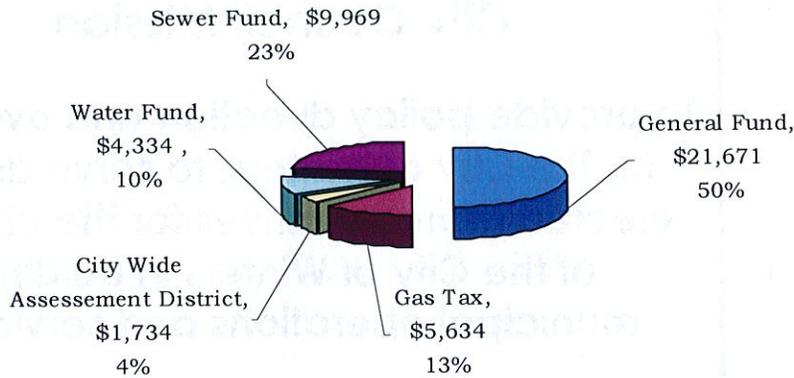
City Council

The City Council budget is a "status quo" basis.

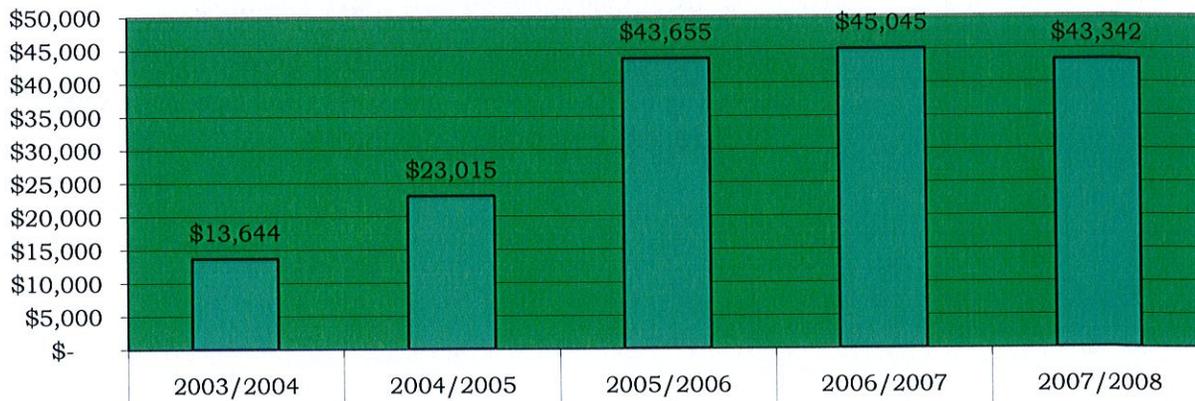
City of Winters City Council Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Stipends	\$ 6,915	\$ 7,027	\$ 6,967	\$ 12,148	\$ 12,148
Operating Expenditures	6,729	15,988	36,688	32,897	31,194
Contingencies	-	-	-	-	-
Total Expenditures	\$ 13,644	\$ 23,015	\$ 43,655	\$ 45,045	\$ 43,342

City Council Sources of Funding



City Council Expenditure History



City Treasurer

The City Treasurer is an elected position for a four (4) year term. The Treasurer is responsible for all financial accounts of the City and these responsibilities are typically delegated to the Director of Financial Management. The Treasurer pays warrants signed by any two of the following:

- Treasurer
- City Manager
- City Clerk
- Council-member

City Treasurer Mission

The mission of the City Treasurer is to effectively serve as the elected fiduciary for fiscal matters within the City of Winters.

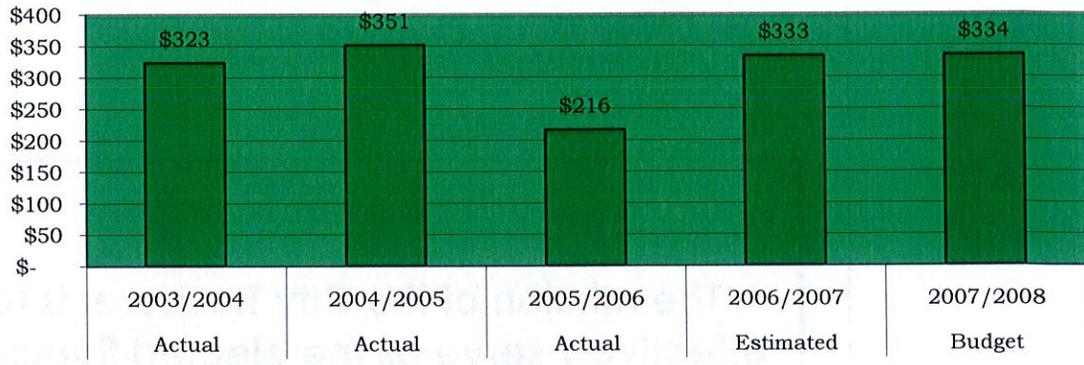
Long Term Objectives

- Annual review of City Budgets and fiscal policies.
- Consideration of spending for conformance with adopted financial policies and procedures.

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Stipends	\$ 323	\$ 351	\$ 216	\$ 333	\$ 334
Operating Expenditures					
Contingencies					
Total Expenditures	\$ 323	\$ 351	\$ 216	\$ 333	\$ 334

City Treasurer

City Treasurer Expenditure History



City Clerk

The City Clerk is an elected position with a four (4) year term. The principal responsibility of the City Clerk is to attend all City Council meetings and record the minutes and actions of the City Council. The City Clerk is responsible for filing and safeguarding all City Ordinances, Resolutions, Minutes, Contracts and Agreements. The city Clerk is also responsible for assuring compliance with the Brown Act (Open Meeting Law). The City Clerk has no staff allocated to its budget; the City's Administrative Services Department fulfills all but the official acts of the City Clerk, such as signing all adopted Ordinances and Resolutions.

City Clerk Mission

To ensure efficient, high quality customer service is provided to the community and ensure timely, accurate and responsive communications.

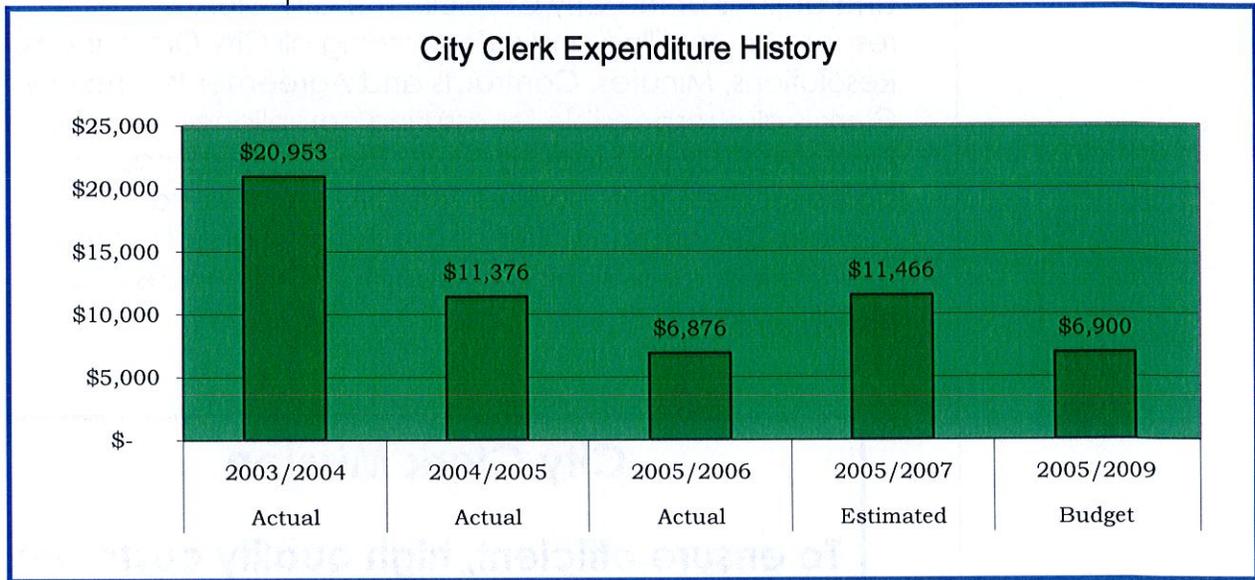
Long Term Objectives

- Continued enhancement of Records Management

City of Winters City Clerk Expenditures

	Actual 2003-2004	Actia; 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Stipends	\$ 1,053	\$ 1,073	\$ 1,109	\$ 1,077	\$ 1,078
Operating Expenditures	14,094	2,607	232	5,466	602
Allocated Costs	5,806	7,696	5,534	4,923	5,220
Total Expenditures	\$ 20,953	\$ 11,376	\$ 6,876	\$ 11,466	\$ 6,900

City Clerk



The City Clerk has no staff assigned to it, and therefore, with the exception of fluctuations due to the cost of elections, its costs are fairly constant. The City Clerk stipend is set by the City Council and can only be increased or decreased by their actions. The City Clerk department is funded solely by the General Fund.

City Manager

The City Manager is appointed by the City Council and is the Chief Administrative Officer of the City. The City Manager is responsible for providing support and advise to the City Council; offering leadership and policy support for departments; fostering community partnerships and interagency collaboration; connecting citizens with their community; providing legislative policy support; and guiding the City's continuing transformation to a highly customer focused team. The City Manager advises the City Council on the financial conditions of the City. The City Manager makes recommendations to the City Council on the affairs of the City, and advises the City Council on all legislative policy matters. The City Manager supervises all of the appointed department managers, except the City Attorney, who is appointed by the City Council. The City Manager is responsible for the efficient and effective operation of all City department programs and services.

City Manager Mission

The City Manager will provide effective policy recommendations to the City Council and leadership and guidance to the City of Winters organization in providing services to the Citizens of Winters.

2007/2008 Objectives

- Oversight of the process for the development of Master Plans for the areas of Services, Facilities, Park and Open Space and Capital Equipment.

City Manager

-

Coordination of the City Staff to increase the overall efficiency and implementation of City Council priorities and projects.

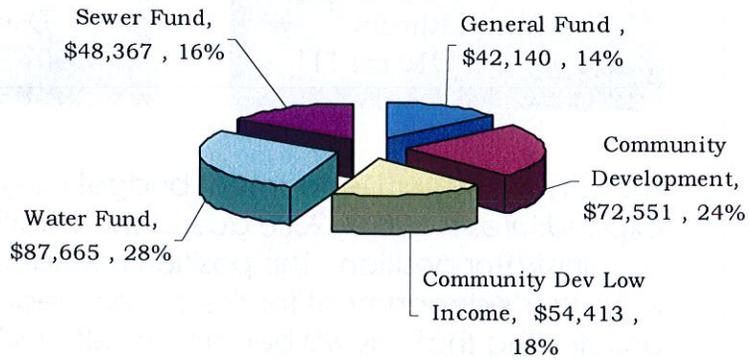
- Coordination of park designs for the City of Winters
- Implementation of "smart growth" principles and leading edge development standards City-Wide
- Advancement of projects that improve overall quality of life for Winters residents.
- Continuation of the Fiscal Sustainability process and the maintenance of the Long Range Financial Plan, which details a 10-year projections of revenues and expenditures for the city.
- The Grant Administrator will
 - act as a consultant to all departments; researching fund request and grant opportunities.
 - actively seek funding through grants and other sources to enable the City of Winters to meet its goals as set forth the in the Strategic Action Plan.
 - Administrate grants once secured, provide Director of Financial Management with all required documentation.
 - Track other funding sources that are available to the city through allocation and legislation
 - Act as support staff and liaison to the City Manager and City Council

City of Winters City Management Expenditures

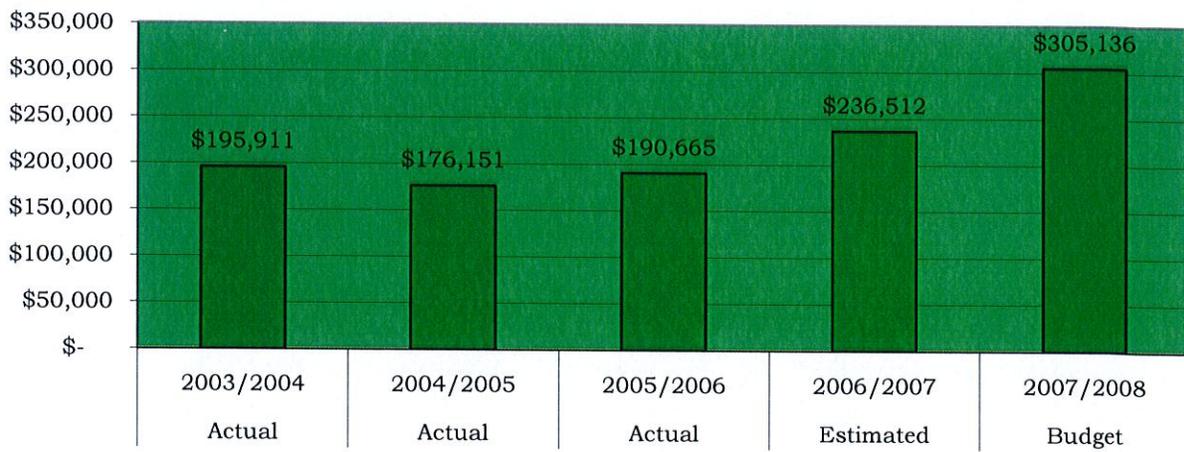
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Salaries and Benefits	\$ 161,434	\$ 171,585	\$ 181,830	\$ 221,225	\$ 289,745
Operating Expenditures	\$ 8,006	\$ 4,567	\$ 5,822	\$ 12,598	\$ 12,549
Capital	27,786	-	-	-	-
Allocated Costs	(1,315)	-	3,013	2,689	2,842
Total Expenditures	\$ 195,911	\$ 176,151	\$ 190,665	\$ 236,512	\$ 305,136

City Manager

City Manager Sources of Funding

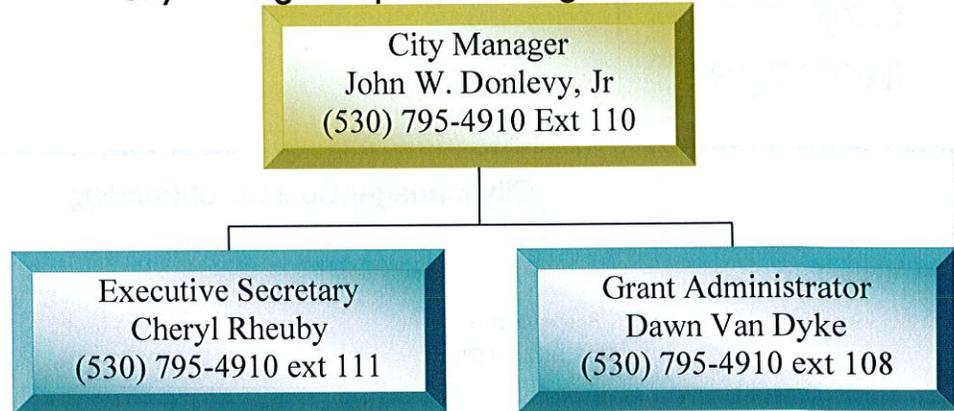


City Manager Expenditure History



City Manager

City Manager Department Organizational Chart



The City Manager Department budget has increased expenditures for 2007/2008 due to the addition of a Grant Administrator position. This position is funded by the City Manager's department for the current year. It is anticipated that this will become a self funding position as grants are obtained that will provide for the cost of the grant administrator in future years.

City Attorney

The City Attorney is appointed by and serves at the pleasure of the City Council. The City Attorney advises all officers and employees of the City regarding all legal matters pertaining to the business of the City. The City Attorney acts as primary provider of legal services and counsel to the City Council and City Staff. The City Attorney represents the City in all litigation to which it may be party, drafts legal and official documents for presentation to the City Council and coordinates legal services of special counsel.

City Attorney Mission
The mission of the City Attorney is to provide effective legal guidance and representation for the City Council and appointed City Staff

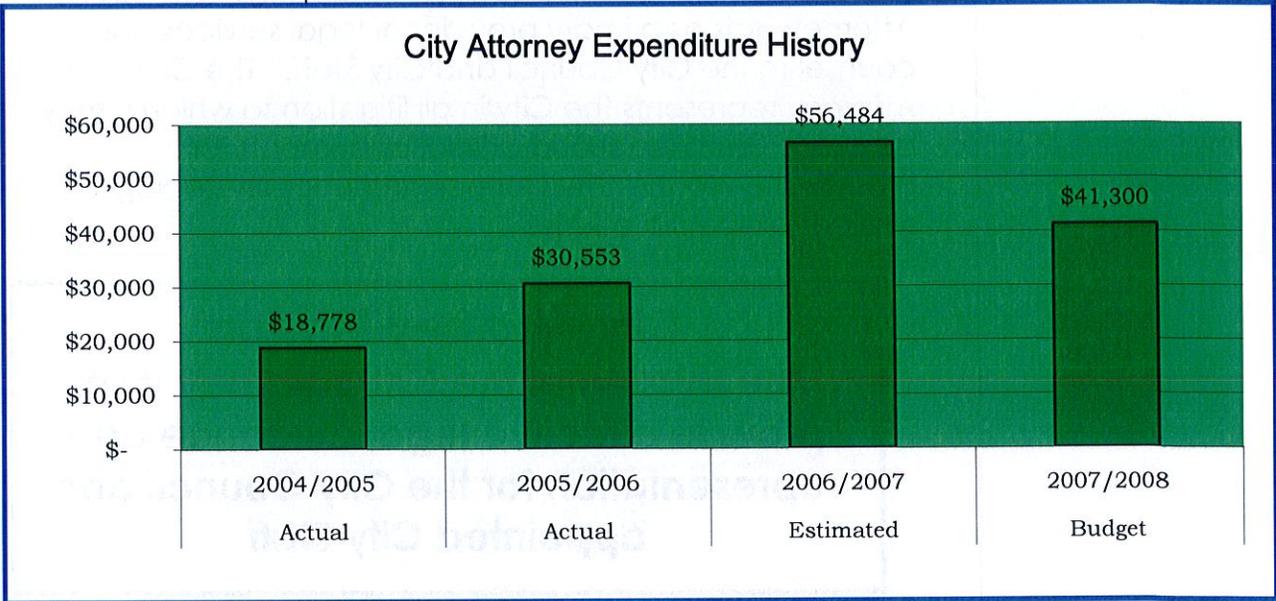
Long Term Objectives

- Comprehensive review and support for resolutions, ordinances, and contracts for conformity with California laws and in support of City policy and interests.

City of Winters City Attorney Expenditures

	Actual 2003-2004	Actia; 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Attorney Services	\$ 16,830	\$ 18,778	\$ 29,401	\$ 49,319	\$ 30,000
Operating Expenditures	1,269	-	1,152	7,165	11,300
Total Expenditures	\$ 18,099	\$ 18,778	\$ 30,553	\$ 56,484	\$ 41,300

City Attorney



The City Attorney is funded solely by the General Fund. Expenditures are expected to decrease in 2007/2008 due to the completion of several large projects in 2006/2007.

Administrative Services

The Administrative Services Department has two main functions:

1. Administrative Services
2. Recreation (See separate department for recreation detail).

The principal purpose of the Administrative Services Department is to provide administrative support to all departments as needed, including:

- General management of Citywide records
- Human Resources
- Risk Management
- Central Purchasing
- Support for City Clerk

Administrative Services Mission
The Administrative Services Team is dedicated to providing the highest quality of customer service delivered with a sense of warmth, friendliness, timeliness and pride to both the community and employees.

2007/2008 Objectives

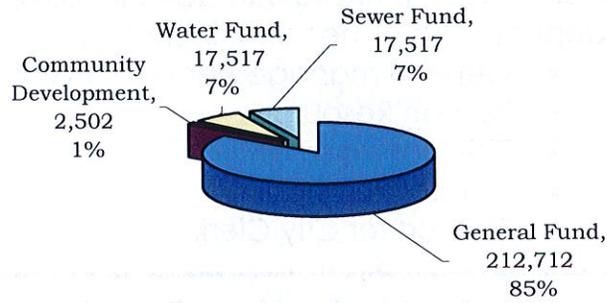
- Enhance support to employees for use of benefits, retirement and deferred compensation
- Support of City Employee Training program
- Enhancement of Employee handbook
- Risk Management
- Manage City Contracts

City of Winters Administrative Services Department Expenditures

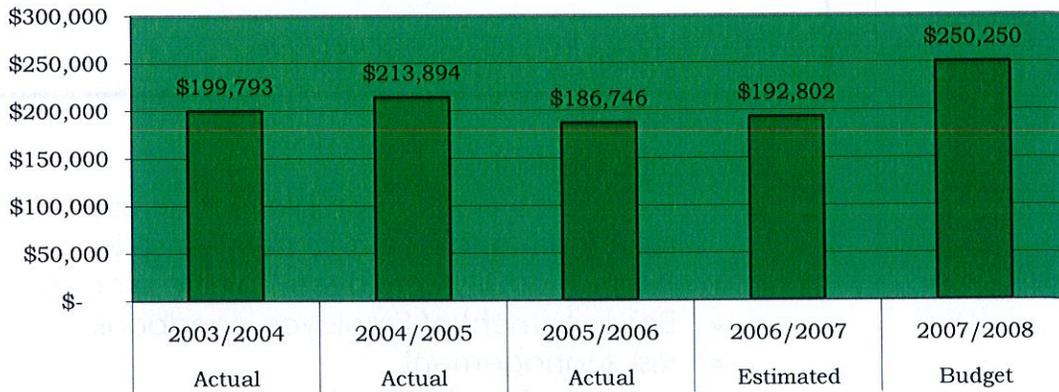
	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries and Benefits	\$ 160,508	\$ 161,607	\$ 175,645	\$ 183,455	\$ 211,172
Operating Expenditures	39,285	52,288	11,102	9,347	39,078
Capital	-	-	-	-	-
Allocated Costs	43,696	38,313	47,814	55,731	76,431
Total Expenditures	\$ 199,793	\$ 213,894	\$ 186,746	\$ 192,802	\$ 250,250

Administrative Services

Administrative Services Sources of Funding

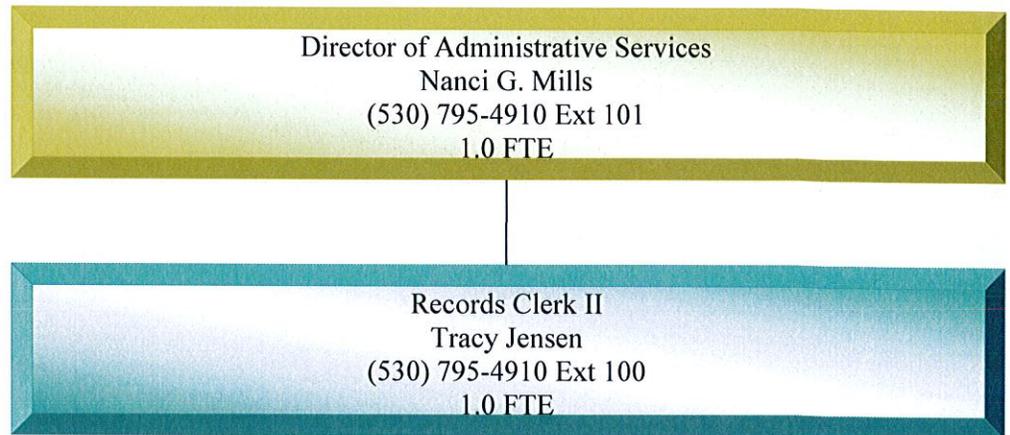


Administrative Services Expenditure History



Administrative Services

Administrative Services Department Organizational Chart



The Administrative Services Department has increases budgeted for wage and benefit increases, that are a result of scheduled increases according to the Memorandum of Understanding (MOU) in place for both management and non-public safety employees. Non-salary related costs have increased due to recruiting efforts to fill vacant positions and for the new positions approved as part of this budget.

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Finance

The Finance Department plans, directs and coordinates the fiscal affairs of the city in accordance with specific objectives established by legal and professional standards. It provides for the maintenance of the City's financial records, develops related systems, and provided management with information necessary for sound fiscal decisions. This includes appropriation control, cost and revenue accounting, accounts receivable, utility billing, payroll, accounts payable and business licensing. The Finance Department is also responsible for investing and safeguarding the city's cash in accordance with City Council adopted investment policies.

Finance Mission

To assist the City Council, City Management and operating departments in prudently managing financial resources through accurate information and high quality business planning and financial services, including budgeting, debt management, accounting, revenue management and accounts payable.

2006/2007 Accomplishments

- Issued \$11,470,000 in Tax Allocation Bonds
- Participated in the Strategic Planning Process
- Implemented the Water and Sewer Fund 7 Year Financing Plan
- Maintained the Fiscal Forecasting Model

Finance

2007/2008 Objectives

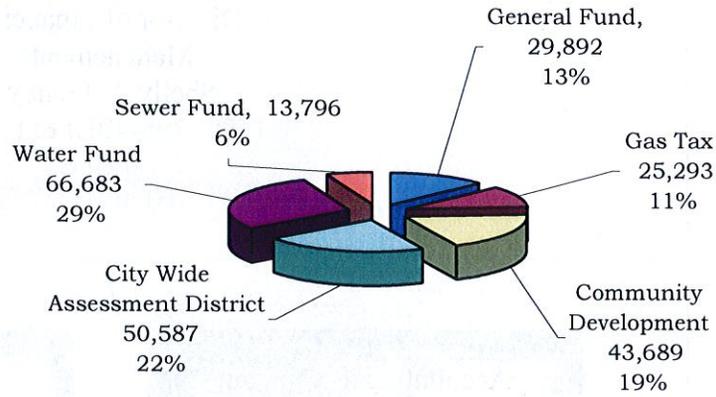
- Continue to provide financial management support to the Winters Community Development Agency
- Continue to provide financial management support to the Winters Fire Protection District.
- Prepare a Finance Department Procedures manual
Manage the financing of the projects resulting from the approval of the 4 subdivisions in 2005/2006.
- Issue Water and Sewer revenue bonds per the financing plan adopted effective January 2006
- Maintain the fiscal forecasting model.
- Implement meter reading program interface with accounting software
- Assist in the Fire District/City of Winters Consolidation project
- Prepare a 5-year capital improvement plan for adoption by the City Council
- Prepare an update of the Major Project Financing Plan (MPFP) and resultant update in the AB1600 document for assessing development impact fees.

City of Winters Finance Department Expenditures

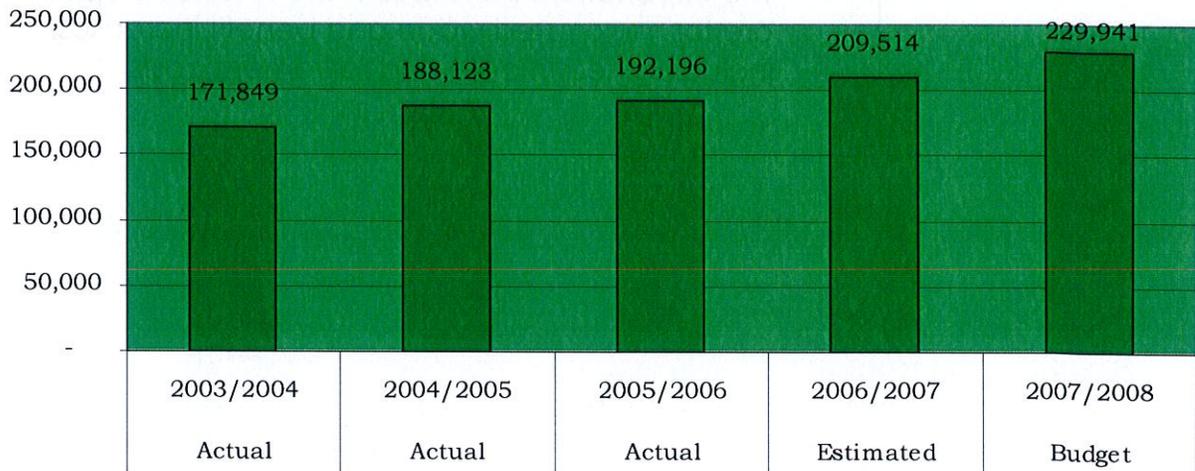
	Actual	Actual	Actual	Estimated	Proposed Budget
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Salaries and Benefits	\$ 155,442	\$ 173,230	\$ 182,529	\$ 200,954	222,051
Operating Expenditures	16,407	14,892	9,667	8,560	7,890
Total Expenditures	171,849	188,123	192,196	209,514	229,941

Finance

Finance Sources of Funding

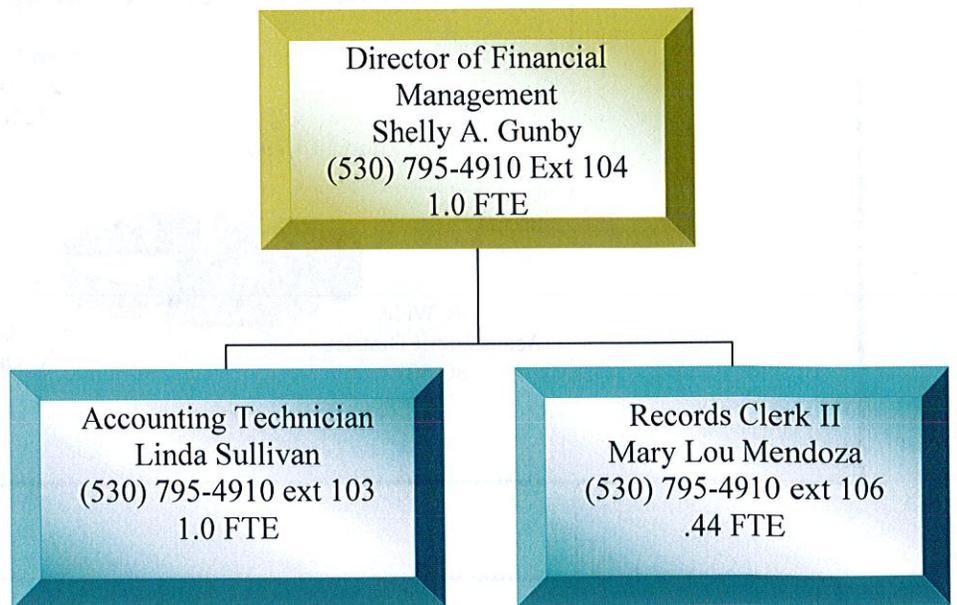


Finance Department Expenditure History



Finance

Finance Department Organization Chart



The expenditure increases in the Finance Department are for negotiated wage and benefit increases, including health care and retirement costs.

Police

The Police Department's primary responsibilities are to respond to crime related issues, both reactively and proactively. Reactively, the police department responds to crime scenes, investigate and record facts, gather evidence, identify and apprehend criminal suspects, and prepare cases for prosecution in court. The general types of crimes responded to are:

- Burglaries, both residential and business related
- Reports of child abuse
- Domestic violence
- Sexual assaults
- Narcotics enforcement
- Traffic collisions and violations
- Abandoned vehicles

The police department also responds to citizens' requests for a variety of services related to keeping the peace and preserving life and property, as well as assisting persons in distress.

Proactively, the police department works with diverse neighborhoods educating people in crime prevention, crime reporting, school programs and neighborhood meetings. The goal of the police department is to work with the community in order to impact and reduce the number of incidents of crime, thereby maintaining safe neighborhoods.

Police Department Slogan "Dedicated to Going Beyond Traditional Policing, with a Continued Commitment to Improve Protection and Service to Our Community"

Police

POLICE DEPARTMENT MISSION STATEMENT

THE WINTERS POLICE DEPARTMENT IS DEDICATED TO PROTECTING THE LIVES AND PROPERTY OF OUR CITIZENS.

OUR GOAL IS TO ENSURE THE SAFETY OF EVERY PERSON AND TO SERVE THE PUBLIC WITH PROFESSIONALISM AND COURTESY.

TO ACCOMPLISH THIS, WE ARE COMMITTED TO EXCELLENCE AND WILL NOT ACCEPT ANYTHING LESS.

WE SHALL DILIGENTLY PURSUE EVERY INVESTIGATION UNTIL EVERY POSSIBLE LEAD HAS BEEN EXHAUSTED.

WE TAKE PRIDE IN SERVING OUR COMMUNITY AND PRESERVING THE COMMUNITY'S SOCIAL MORALS AND VALUES.

**“PROTECTION OUR DUTY
SERVICE OUR GOAL”**

2006-2007 Accomplishments

- Developed Request for Qualifications for Design Services for the Public Safety Facility
- Issued Request for Proposal for Public Safety Facility
- Hired Community Services Officer
- The Police Department participated in several successful Hispanic Community outreach events
- New Property/Evidence bar coding system purchased and online.
- Record purging is underway.

2007-2008 Objectives

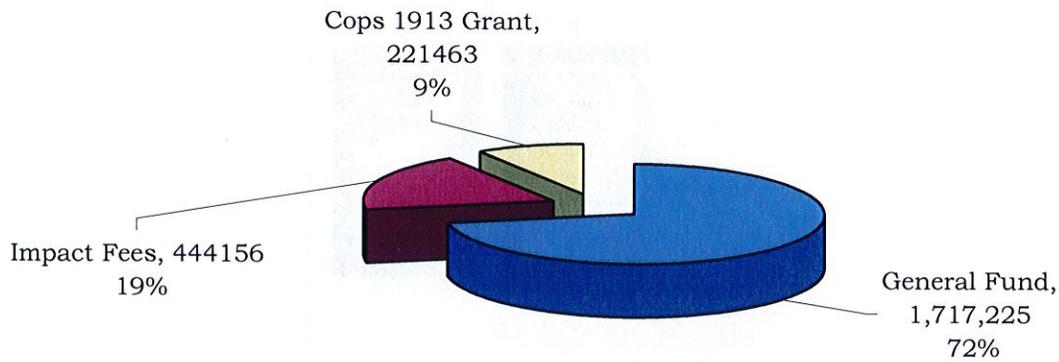
- Planning and construction of the new Public Safety Facility
- Recruitment and Retention
- Increased Traffic Enforcement
- Purging records and obsolete/damaged equipment in department
- Further develop department website

Police

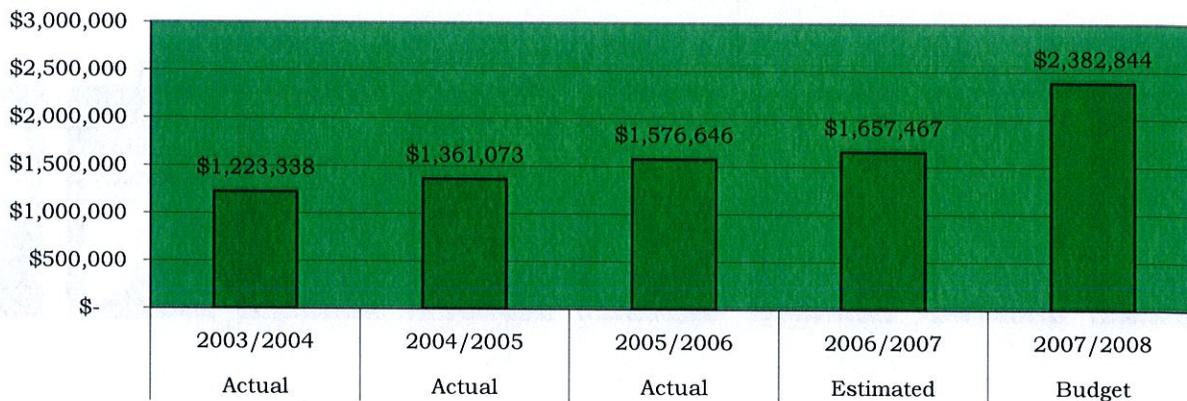
City of Winters Police Department Expenditures

	Actual 2003-2004	Actia; 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries and Benefits	\$ 873,587	\$ 1,013,954	\$ 1,146,030	\$ 1,172,214	\$ 1,416,346
Operating Expenditures	236,260	247,121	272,555	347,212	379,442
Allocated Cost	74,625	94,621	118,973	123,142	142,899
Capital	38,865	5,377	39,087	14,899	444,156
Total Expenditures	\$ 1,223,338	\$ 1,361,073	\$ 1,576,646	\$ 1,657,467	\$ 2,382,844

Police Department Sources of Funding

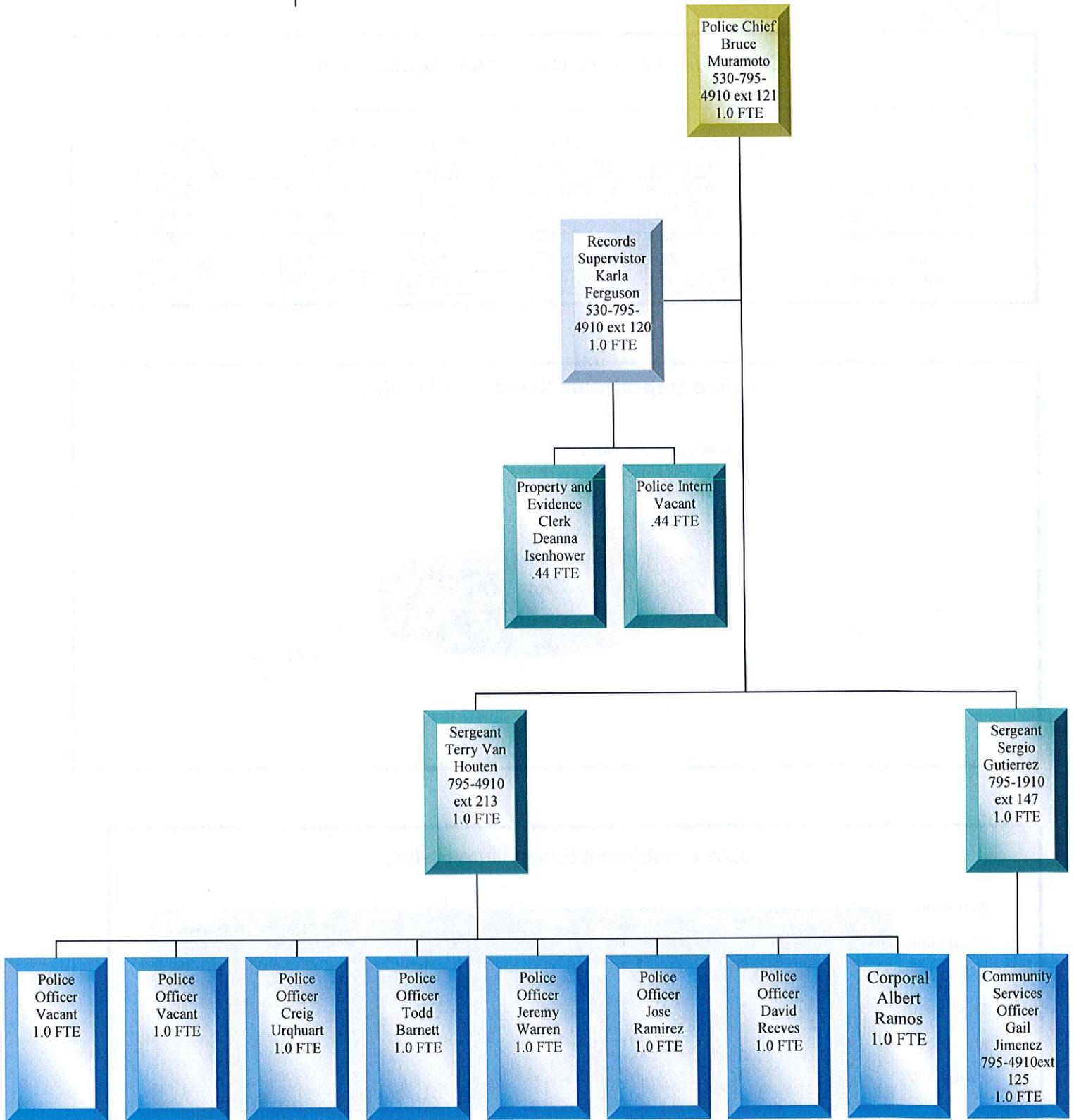


Police Department Expenditure History



Police

Police Department Organizational Chart



Fire

The City contracts with the Winters Fire Protection District for all fire prevention, suppression and inspection functions required by the City. The Fire District contract also provides emergency medical response and weed abatement activities for the City. The Fire District also includes a volunteer and cadet program.

Fire Department Mission

To provide the highest standard of services through public education, emergency medical services, fire prevention, and suppression, to the citizens and visitors of Winters.

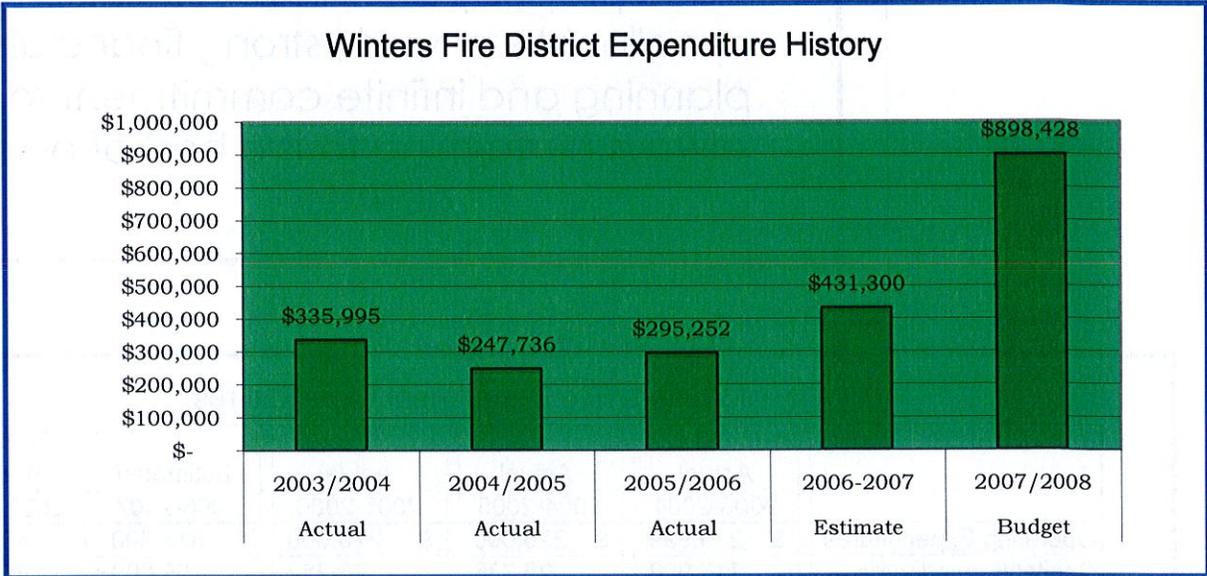
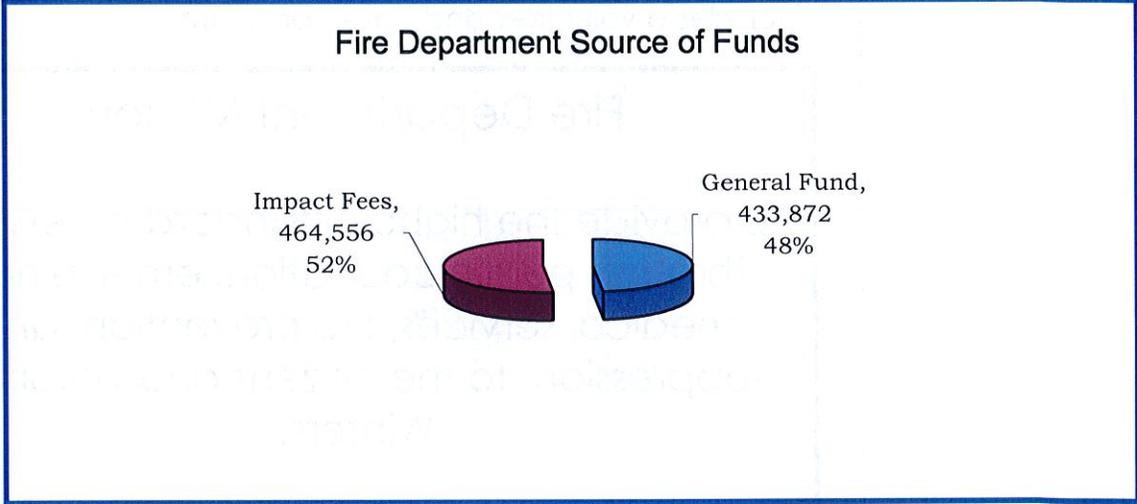
“Our Duty” to protect life, environment and property is endless. We value excellent teamwork, strong financial planning and infinite commitment to always performing to the best of our abilities

City of Winters Fire Department Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Operating Expenditures	\$ 219,999	\$ 225,000	\$ 270,000	\$ 376,300	433,872
Capital Expenditures	115,996	22,736	25,252	55,000	464,556
Total Expenditures	\$ 335,995	\$ 247,736	\$ 295,252	\$ 431,300	\$ 898,428

Fire

Increased expenditures for the Fire District are due to increased funding for the Fire District for an employee retention program. Additional increases are for the design of the new public safety facility.



Community Development Department

The Winters Community Development Department is comprised of the Planning Division and the Building Inspection Division. These two divisions provide comprehensive development services to the public.

The Planning Division is responsible for the implementation of the City of Winters General Plan Policy Document and the administration and enforcement of current and long-range land use development programs for the City.

The Building Inspection Division is responsible for the proper implementation of the various building codes, health and safety codes, and other codes related to proper construction practices.

Both the Planning Division and the Building Inspection Division provided direct assistant to the public and ensure that the proper development review process is fulfilled.

The Community Development Department review proposals for permit decisions by staff or the Planning Commission based on policies in the General Plan, State Law and local ordinances. The Department ensures compliance with a number of constantly changing land use and environmental laws pertinent to development proposals. The department also provides staff support to the City of Winters Planning Commission.

Community Development Department Mission

To ensure the General Plan Policy Document and any applicable regulations regarding development are properly administered.

**Community
Development
Department**

2006/2007 Accomplishments

- Created on-line job application feature for City website
- Processed and issued more than 225 building permits
- GIS implementation
- Processed Winters II 34 unit affordable housing project
- Submitted State of California Workforce Housing Grant Application and Fire Prevention Grant Application
- Processed Anderson Place and Mary Rose Gardens tentative map projects through the Planning Commission.

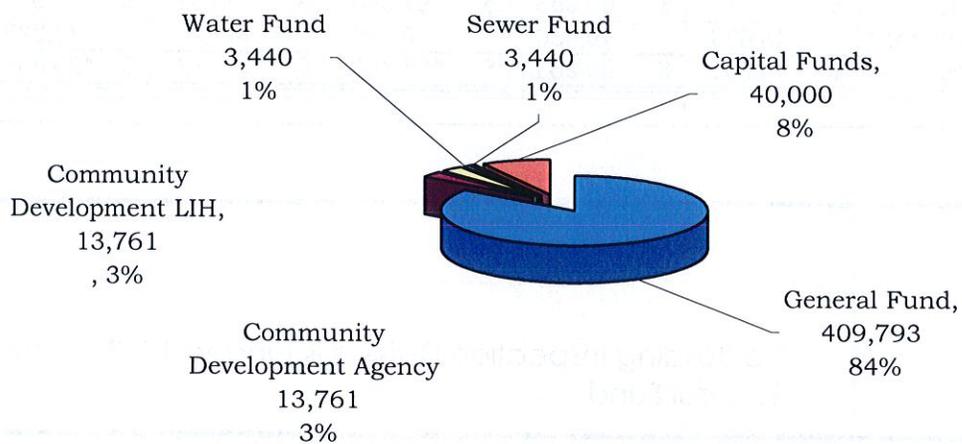
Goals for 2007/2008

- Extend Horizon Year for General Plan
- Process Site Plans for Winters Commercial and Public Safety Facility
- Implement conditions of approval and development agreements for Callahan Estates, Hudson-Ogando and Winters Highlands subdivision projects.
- Adopt new building permit fees.
- Implement building permit software program
- Update Housing Element

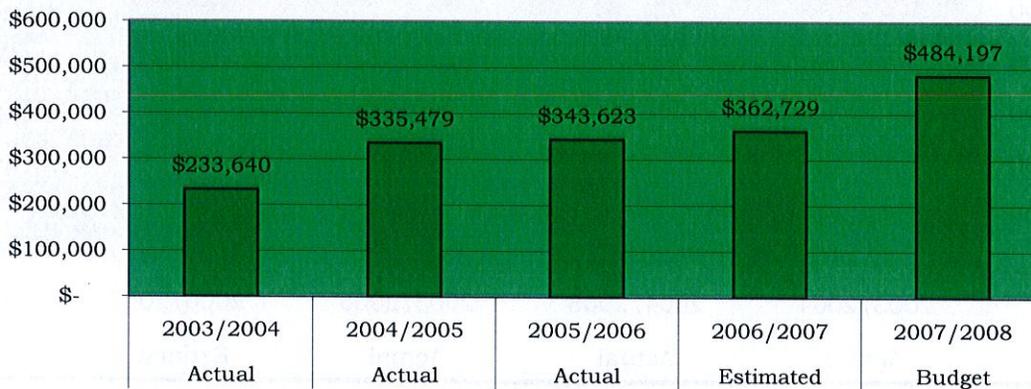
	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries & Benefits	\$ 89,339	\$ 185,403	\$ 179,790	\$ 200,940	\$ 265,498
Operating Expenditures	86,920	76,965	57,643	67,644	78,537
Capital Expenditures					40,000
Allocated Costs	57,382	73,112	106,190	94,146	100,162
Total Expenditures	\$ 233,640	\$ 335,479	\$ 343,623	\$ 362,729	\$ 484,197

Community Development Department

Community Development Department Planning Division Sources of Funding



Community Development Planning Division Expenditure History



Increased expenditures in the Planning Division are for the addition of staff and consultants for mitigation monitoring for new residential projects and the purchase of a computerized Building Permit Program.

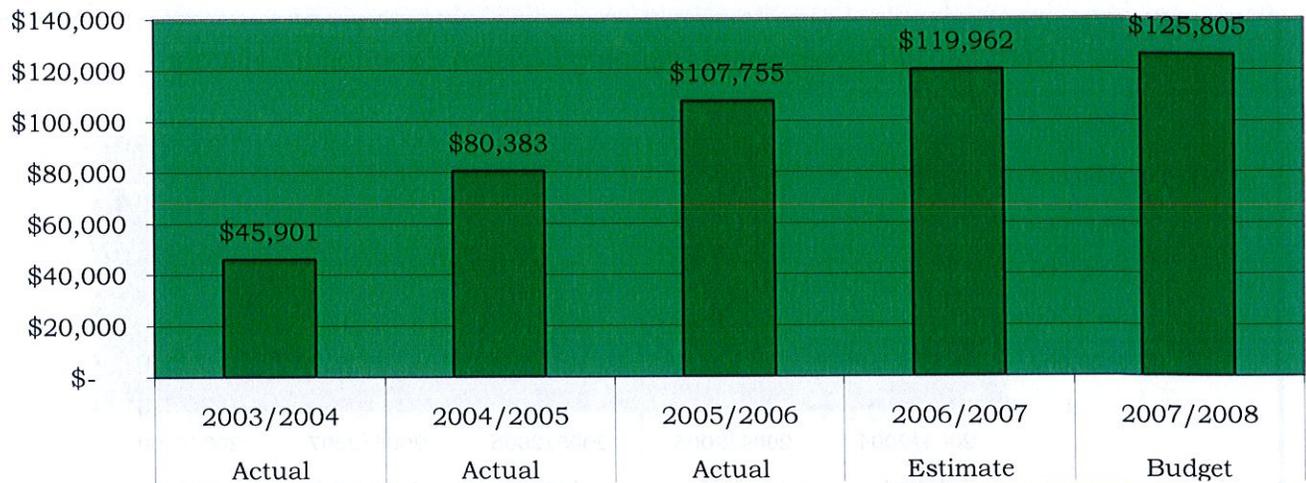
**Community
Development
Department**

City of Winters Community Development Building Inspection Division Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries & Benefits	\$ 74	\$ 60,953	\$ 97,044	\$ 105,739	\$ 108,583
Operating Expenditures	45,826	19,430	10,711	14,223	17,222
Total Expenditures	\$ 45,901	\$ 80,383	\$ 107,755	\$ 119,962	\$ 125,805

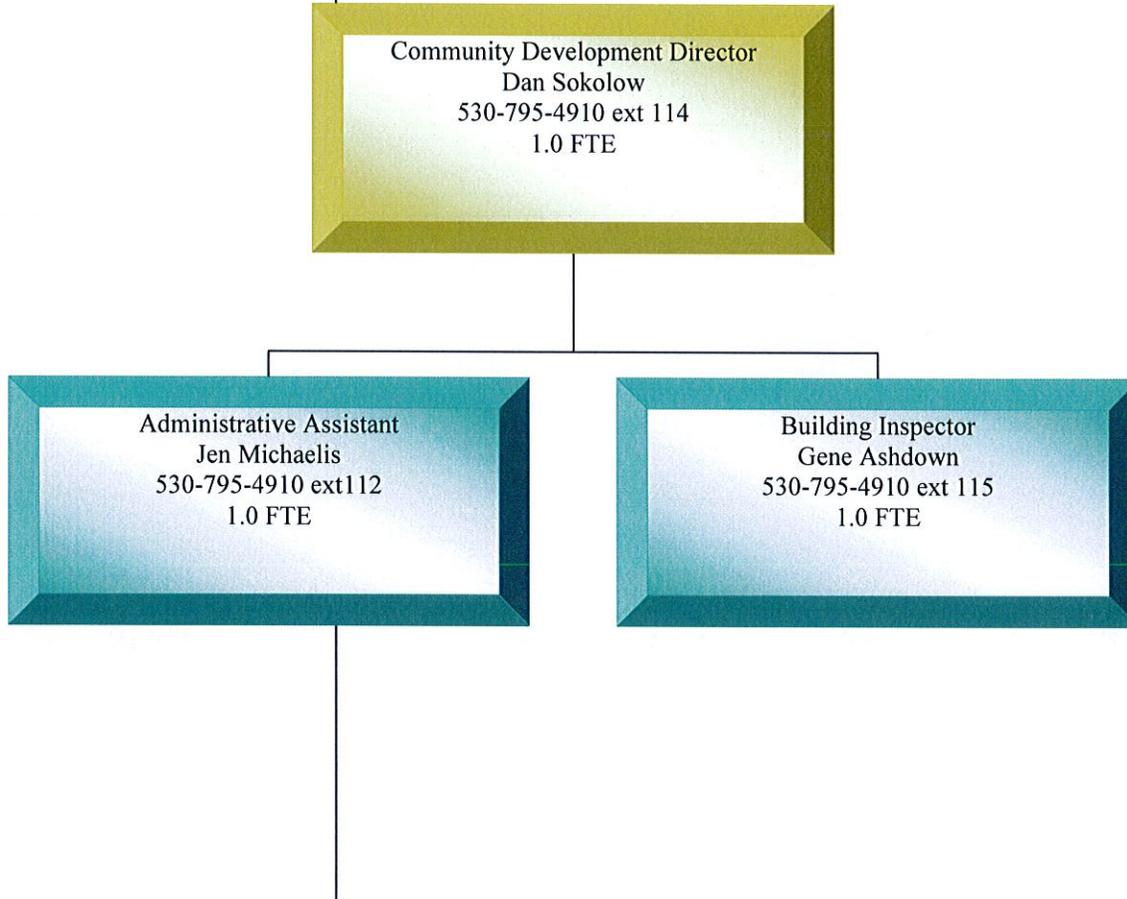
The Building Inspection Division is funded 100% by the General Fund.

Building Inspection Division Expenditure History



**Community
Development
Department**

**Community Development Department Organizational
Chart**



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Public Works

are approximately 22 lane miles of streets within the City of Winters

- **Water System**
The water system responsibilities include the operation and maintenance of the water system, including water wells, water production, water service installations, water distribution system maintenance, and water quality testing and reporting. There are approximately 20 miles of water distribution lines, 5 wells and 2 non-operational water storage tanks.
- **Wastewater System**
The operation and maintenance responsibilities for the wastewater system include sewage collection system maintenance, and wastewater treatment facility operation and maintenance. The City of Winters currently contracts with ECO Systems to provide the wastewater treatment facility operation and maintenance functions.
- **Lighting and Landscaping**
The responsibilities for the maintenance functions associated with the City Wide Assessment District includes the maintenance of sound walls, median islands, parks, street lighting, curbside landscaping, riparian area maintenance and bank stabilization.
- **Building and Property Maintenance**
Responsibilities include the maintenance function associated with buildings (and properties not covered by other public works units) including City Hall, Public Works Corporation Yard, Community Center, Police Station and the Landfill.
- **Storm Drains**
Responsibilities cover the operation and maintenance of the storm drainage system including collection lines, catch basin, curb inlets, ditches and detention ponds.

Public Works

The Public Works Department consists of the following Divisions:

- Administration and Engineering
- Maintenance.

The divisions are responsible for planning, maintaining, operating and inspecting infrastructure systems and managing the capital improvements to these systems.

Public Works functions include:

- Streets
- Water System
- Wastewater System
- Lighting and Landscaping
- Storm Drains
- Landfill
- Maintenance of all City properties.

Divisional responsibilities are described below.

Administration and Engineering

Administration is responsible for the management, supervision and coordination of the Public Works Department, including the preparation and monitoring of operating and capital improvement budgets. This division is responsible for planning, organizing, implementing and evaluating the various public works functions and activities to include administrative and clerical activities. Administration is also responsible for managing the development of capital Master Plans and the solid waste reduction program.

Engineering is responsible for the operation of engineering functions including:

- Development services
- Capital project design
- Construction inspection
- Traffic Engineering

Maintenance Division

Maintenance is responsible for the operation and maintenance of the following:

- Streets

The street system includes signs and markings, city trees, traffic signals, and parking lots. There

Public Works

Public Works Department Mission

To provide quality public works services with pride and dedication to ensure a higher quality of life for the residents of the City of Winters.

2006/2007 Accomplishments

- Purchase of Vehicles
 - Backhoe
 - Dump Truck
 - Gem Electric Vehicle with truck bed
 - Toyota Prius Pool Car
 - Heavy Duty Truck with Mounted Crane
- Inspection and Evaluation of all Sewer Lift Stations and Waste Water Treatment Facility
- TV and cleaned 50% of sewer collection lines and manholes
- Inspection and Evaluation of all Water Wells
- Correct ADA compliance issues at City Hall and Community Center
- New doors at Community Center
- New doors at City Hall

2007/2008 Goals

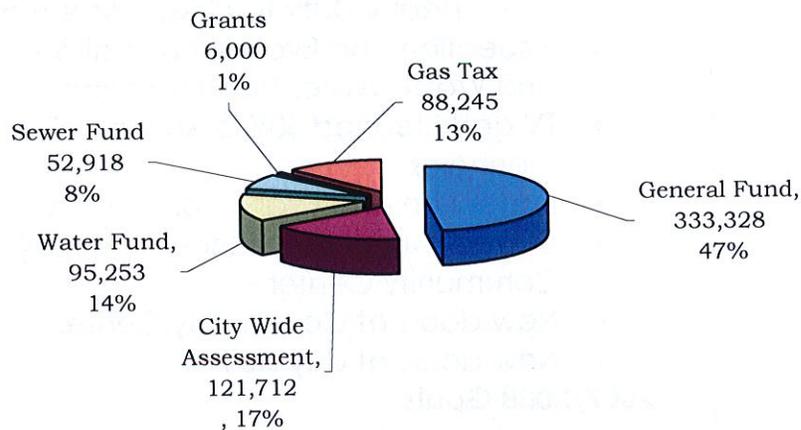
- Implement Valve exercising program
- Implement fire hydrant inspection and replacement program
- Implement schedule for flushing mainline water distribution system
- Implementation of recommendations from Water Well evaluations
- Implementation of recommendations from Sewer Lift station evaluation
- Clean and TV remaining 50% of sewer collection lines
- Remodel City Hall Restrooms.

Public Works

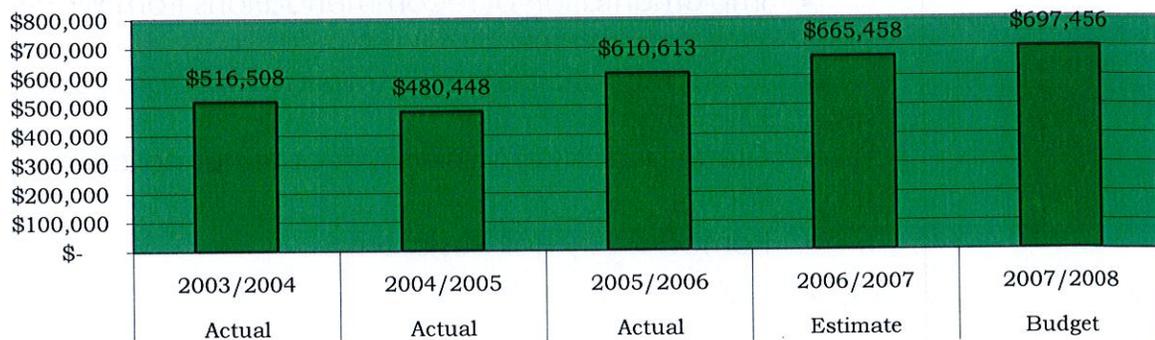
City of Winters Public Works Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries & Benefits	\$ 431,554	\$ 417,734	\$ 494,366	\$ 412,362	\$ 473,432
Operating Expenditures	57,291	39,627	68,389	60,198	81,202
Allocated Costs	17,418	23,088	47,859	42,453	45,142
Capital	10,245	-	-	67,955	-
Transfers			123,586	82,490	97,680
Total Expenditures	\$ 516,508	\$ 480,448	\$ 610,613	\$ 665,458	\$ 697,456

Public Works Department Source of Funding

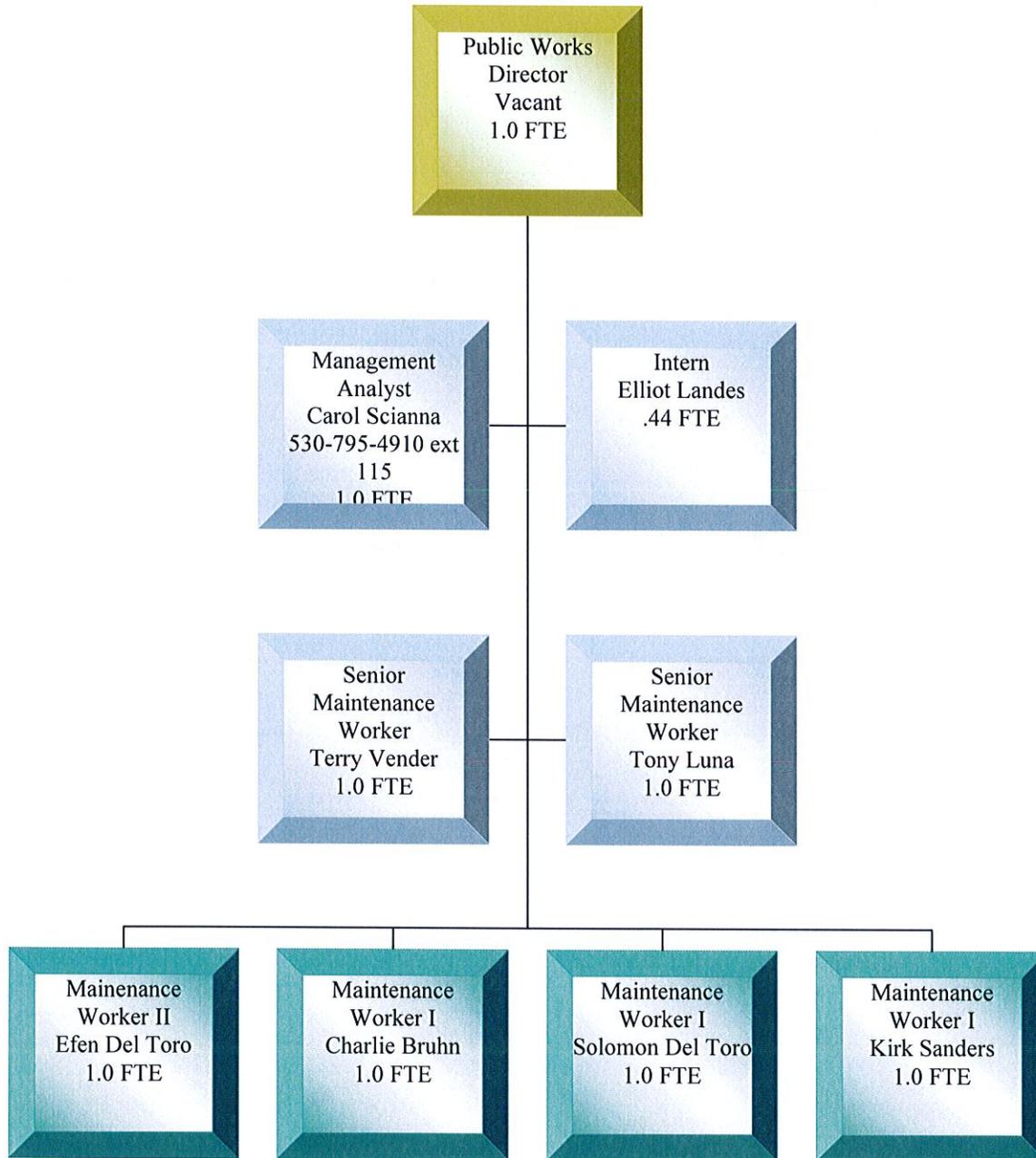


Public Works Department Expenditure History



Public Works

Public Works Department Organizational Chart



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Recreation

The principal purpose of the Recreation Department is to plan, conduct, supervise and evaluate various recreation programs including:

- Swimming
- Dance
- Drama
- Martial Arts
- Men's Basketball
- Youth Basketball
- Co-Ed Volleyball
- Outstanding Youth Award
- Special Interest classes
- Community Events
- Adult Co-ed Softball
- After School Program
- Wellness Program
- Aquatics Program

In 2003/2004 the Recreation Department was separated into 3 divisions:

- General Recreation
- Community Center
- Swimming Pool

The General Recreation Division is responsible for overseeing and providing all the recreational opportunities within the City of Winters.

The Community Center Division includes a diverse array of leisure, environmental, social, human services, general services, educational, cultural and recreational activities.

The Swimming program consists of the Recreational Swim Program and the Winters Swim Team Program

Recreation

Recreation Department Mission

The Recreation Department is committed to increasing youth services and recreational programs for fulfilling and productive experiences for all ages of our community

2007-2008 Objectives

- Provide active recreation for youth, teens, and adults.
- Add additional contract classes at the community center.
- Coordinate City events with local groups including
 - Youth Sports
 - Fourth of July

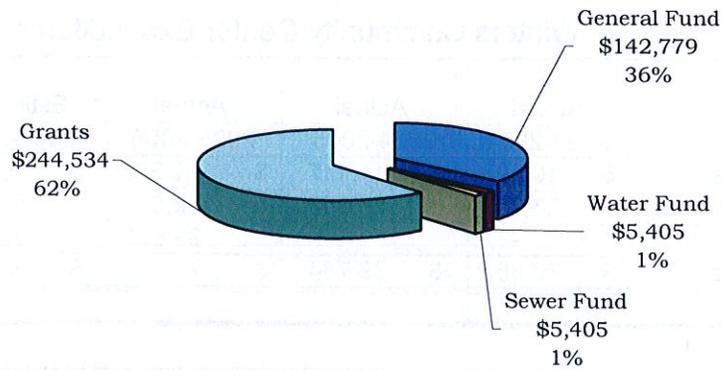
City of Winters General Recreation Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries & Benefits	\$ 55,355	\$ 64,799	\$ 55,082	\$ 54,302	\$ 341,507
Operating Expenditures	17,721	12,553	16,164	27,116	38,163
Allocated Costs	23,225	30,784	19,564	17,345	18,454
Transfers				-	-
Total Expenditures	\$ 96,300	\$ 108,136	\$ 90,809	\$ 98,762	\$ 398,124

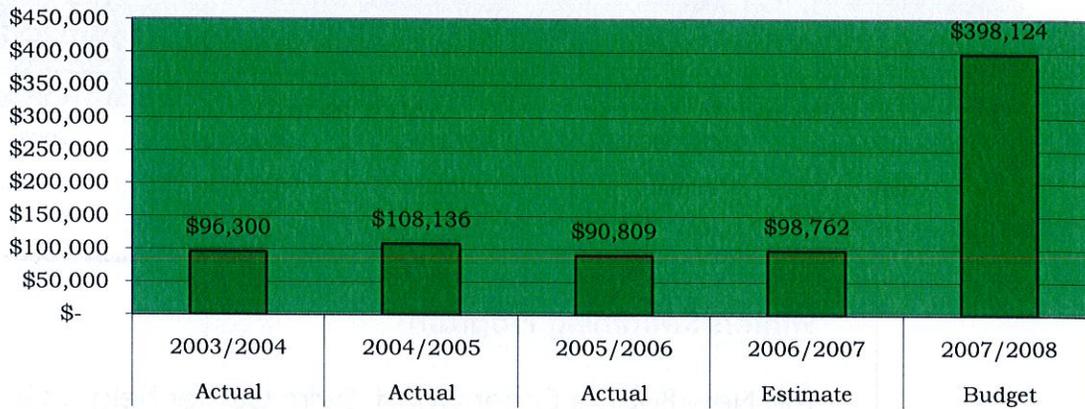
Recreation

General Recreation

General Recreation Sources of Funding



General Recreation Expenditure History



Increased expenditures include additional staffing and supplies for the newly implemented After School program and other new recreation programs such as Adult co-ed softball, and wellness programs.

Recreation

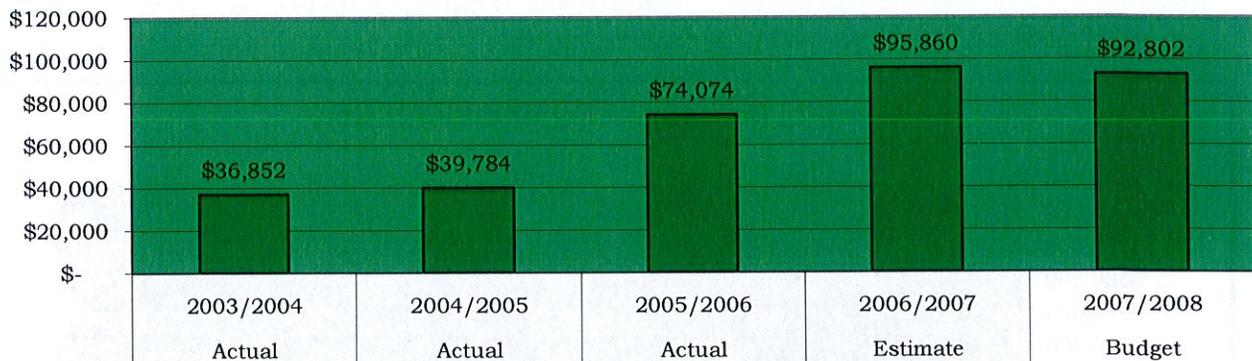
Winters Community Center

The Community Center is funded entirely by the General Fund. The 2007-2008 budget is a status quo budget.

City of Winters Community Center Expenditures

	Actual 2003-2004	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Proposed Budget 2007-2008
Salaries & Benefits	\$ 10,496	\$ 11,127	\$ 11,536	\$ 16,047	\$ 16,194
Operating Expenditures	26,355	28,657	28,859	51,220	45,167
Allocated Costs	-	-	33,678	28,593	31,441
Total Expenditures	\$ 36,852	\$ 39,784	\$ 74,074	\$ 95,860	\$ 92,802

Community Center Expenditure History



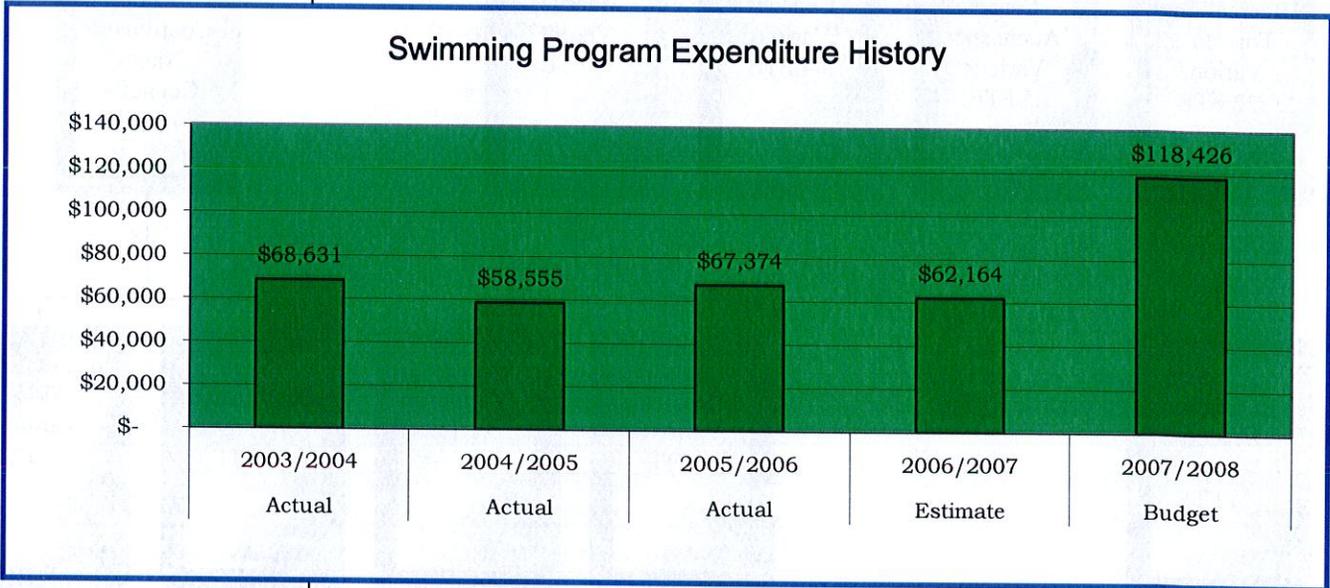
Winters Swimming Program

The New Bobbie Greenwood Swim Center held a Grand Opening Ceremony on June 1st. The Swimming program consists of Swim Team, Swim Lessons, Recreational Swimming, adult lap swim, Winters Aquatic Masters Club, and Water Aerobics.

The Winters Swim Team is funded completely by swim team registration fees and by sales of fireworks by Swim Team parents. No General Fund monies are expended for this program .

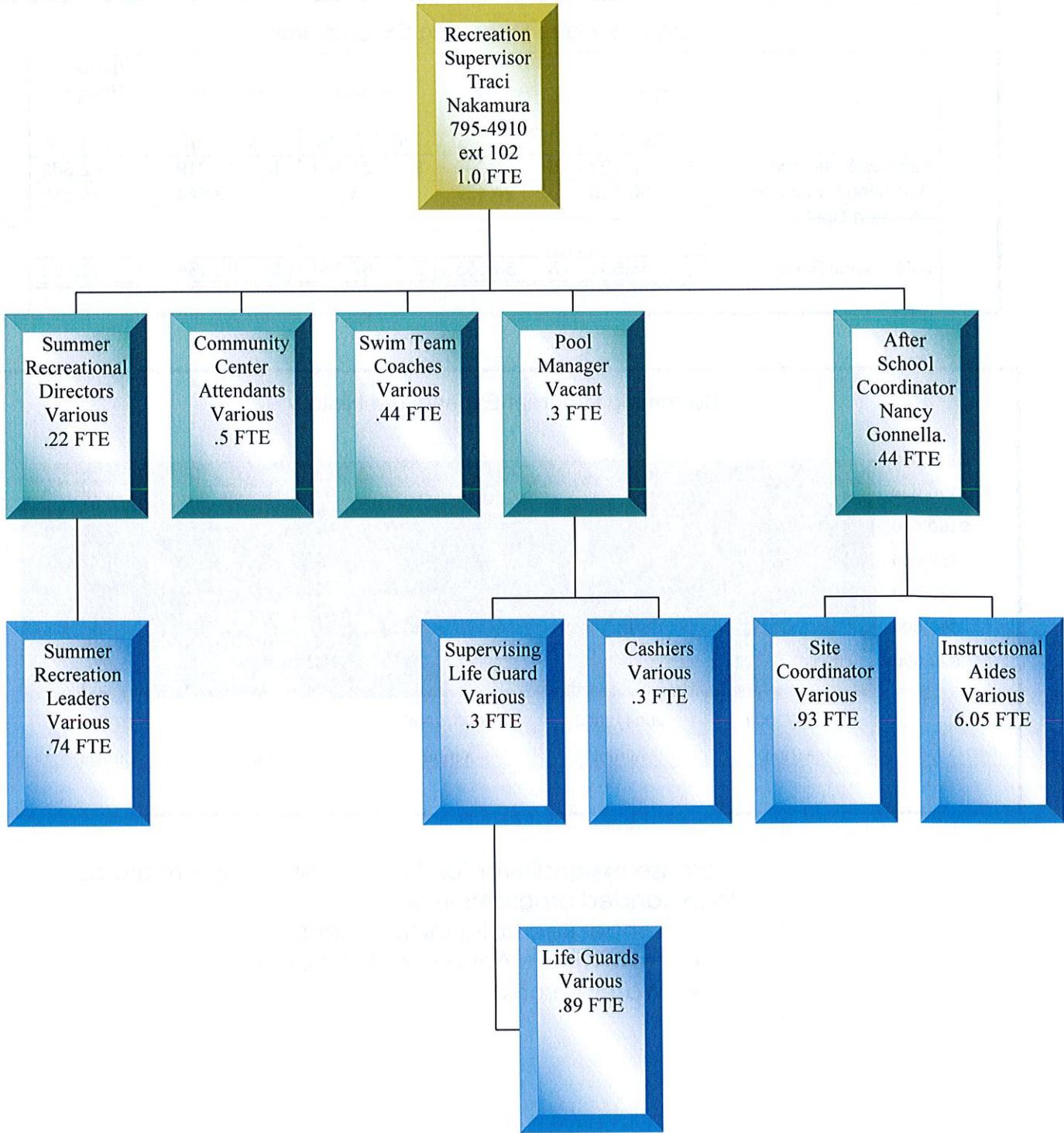
Recreation

	Actual	Actual	Actual	Estimated	Proposed Budget
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Salaries & Benefits	\$ 18,121	\$ 34,098	\$ 24,161	\$ 18,219	42,882
Operating Expenditures	50,510	24,457	43,213	43,944	75,543
Allocated Costs	-	-	-	-	
Total Expenditures	\$ 68,631	\$ 58,555	\$ 67,374	\$ 62,164	\$ 118,426



Increase expenditures for the swimming program are due to expanded programs including

- Longer Recreational Swim season
- New Winters Aquatic Masters Club
- Water Aerobics



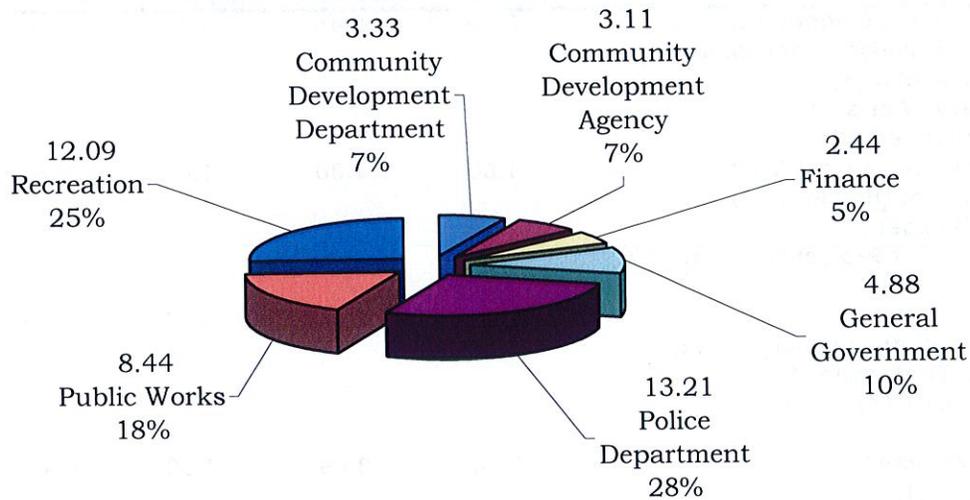
Staffing

Staffin Comparison by Department In Full Time Equivalent

Department	03-04 Adopted	04-05 Adopted	05/06 Adopted	06/07 Adopted	07/08 Approved
Community Development Department	3.19	2.44	3.44	4.00	3.33
Community Development Director (1)					
Building Inspector (1)					
Administrative Assistant (1)					
Assistant Planner(.33)					
Community Development Agency	1.00	1.00	1.44	1.44	3.11
Redevelopment Director (1.0)					
Housing Manager (1.)					
Housing Planner Project Manager (.67)					
Intern (.44)					
Finance	2.00	2.44	244.00	2.60	2.44
Director of Financial Management(1)					
Accounting Technician (1)					
Records Clerk (.44)					
Intern (.44)					
General Government	3.44	3.88	3.88	4.44	4.88
City Manager (1)					
Director of Administrative Services (1)					
Grant Administrator (1)					
Administrative Assistant (1)					
Intern (.44)					
Executive Secretary (.44)					
Police Department	11.44	11.44	12.94	13.88	13.21
Police Chief (1)					
Sergeant (2)					
Records Supervisor (1)					
Corporal (1)					
Police Officers (6.33)					
Community Services Officer (1)					
Property and Records Clerk (.44)					
Intern (.44)					
Public Works	8.69	8.94	8.44	9.32	8.44
Public Works Director (1)					
Administrative Assistant (1)					
Field Supervisor (2)					
Maintenance Worker II (2)					
Maintenance Worker I (2)					
Intern (.44)					
Recreation	2.42	3.03	3.03	3.33	12.09
Recreation Supervisor (1)					
Community Center Attendants (.5)					
Swim Coaches (.44)					
Pool Manager (.30)					
Supervising Lifeguard (.30)					
Lifeguard (.89)					
Cashier (.30)					
Summer Recreation Leader (.74)					
Summer Recreation Directors (.22)					
After School Coordinator (.44)					
Site Coordinator (.93)					
Instructional Aides (6.05)					
Total FTE's	32.18	33.17	277.17	39.01	47.50

Staffing

2007/2008 Staffing by Department



The above charts reflect the following:

- The Community Development Department decreased staffing by .33 FTE by reclassifying the Assistant Planner position for mitigation monitoring for the new residential projects that have been approved to part time position
- The Community Development Agency has increased by .67 FTE, the agency has reorganized with a Full-time Housing Manager, A Part-time Redevelopment Director and a Part-time Housing Planner, along with an intern.
- The Police Department has decreased staffing by .67 FTE; this is due to vacancies not expected to be filled until later in the fiscal year.
- The General Government changed by .44 FTE; this is the addition of a summer intern.
- The Public Works department decreased by .88 FTE for the reduction of two seasonal employees.

Staffing

- The Recreation Department increased by 8.76 FTE, this is due to staffing at the swimming pool of 1.79 FTE and the implementation of the Afterschool program, which increased by 6.98 FTE

Employee Compensation

The City of Winters has three employee associates that represent the interests of the employees of the City of Winters:

- Winters Employee Association (WEA) is comprised of all non-public safety, non-management employees.
- The Winters Police Officer Association (WPOA) is comprised of the sworn police officers of the City.
- The Winters Police Sergeant Association is comprised of the sworn police sergeants of the City.

At the time this budget was prepared the Winters Police Office Association and the Winters Police Sergeant Association have entered into Memorandums of Understandings (MOU) that cover through the 2007/2008 fiscal year. Costs for the operations of the police department include all items agreed upon and effective during the budget year for these two organizations.

The Winters Employee Association is still in negotiations with management for salary and benefit increases. Currently the salary and benefit increases for budgeting purposes are:

- All employees receive a 3% cost of living increase.
- City matching employee contributions to 457K (Deferred Compensation Plans) to a maximum of \$500 per year.

Any changes resulting from completion of negotiations approved by the City Council will be adjusted as necessary.

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FISCAL POLICIES

BUDGET

The City of Winters is adopting the following policies to guide in the preparation of the City of Winters annual budget.

1. The City shall maintain a balanced budget.
 - a. Operating revenues must fully cover operating expenditures, including debt service.
 - b. End of year balance carry forwards shall not be used as a continuing method of balancing the budget
 - c. Ending fund balances must meet minimum policy levels (50% of expenditures for the General Fund and Enterprise Funds
2. One-time revenues will only be used for one-time expenditures.
3. Budgetary procedures that fund current expenditures at the expense of future needs, such as postponing expenditures, accruing future revenues, or rolling over short-term debt, will be avoided.
4. Structural deficits will be avoided by balancing expected annual revenues with expected annual expenditures.
5. Proceeds from long-term debt will not be used for current, ongoing activities.
6. All revenue forecasts shall be conservative. Revenues projections will be evaluated annually to maintain an error rate of less than 5%
7. All non-salary benefits, such as vacation pay, holiday pay, and educational incentives will be costed out, and their impact on future budgets will be assessed. Cost analysis of salary increases will include the effect of such increases on employer share of related fringe benefits.
8. All compensation negotiations will focus on total compensation: direct salary plus employer share of fringe benefits.
9. Future maintenance needs for all new capital facilities will be fully costed out.
10. The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.
11. Utility rate increases shall be smaller and more frequent (e.g. annually) rather than larger and less frequent.

12. The number and classifications of positions shall be approved in the annual budget. Changes to the number or classification of Full Time Equivalents (FTEs) shall require City Council approval.
13. The City Council will approve the annual budget by resolution that appropriates the funds. New revenue sources and their expenditures identified after the annual budget appropriation must be approved and appropriated by the City Council. Revenues for current sources that exceed their budgeted amounts by more than 10% must be appropriated by the City Council prior to expenditure of those revenues. Expenditures for contract services reimbursed by developers do not require City Council appropriations provided the City Council policies on development reimbursements are followed.

Under this policy, it is allowable for total expenditures to exceed revenues in a given year; however, in this situation, beginning fund balance can only be used to fund capital improvement projects or other "one-time", non-recurring expenditures.

FINANCIAL REPORTING AND BUDGET ADMINISTRATION

The City of Winters is adopting the following policies to set procedures for monitoring the financial status of the City's various funds and cash flow.

1. **Annual Reporting.** The City will prepare annual financial statements as follows:
 - a. The City will contract for an annual audit by a qualified independent certified public accountant. The City will strive for an unqualified auditor's opinion.
 - b. The City will use generally accepted accounting principles in preparing its annual financial statements and will strive to meet the requirements of the GFOA's Award for Excellence in Financial Reporting program.
 - c. The City will issue audited financial statements within 180 days after year-end.
2. **Interim Reporting** The City will prepare and issue timely reports on the City's fiscal status to the Council and staff. This includes:
 - a. Monthly budget status reports to all Department Heads
 - b. Monthly Investment report to the City Council.
 - c. Monthly budget status and cash flow reports to the City Council
 - d. Mid Year budget reviews
3. **Budget Administration.** The Council may amend or supplement the budget at any time after its adoption by majority vote of the Council members. The City Manager has authority to make transfers between account codes and departments within a fund, except for contingencies, without City Council approval.

GENERAL REVENUE MANAGEMENT

The City is establishing the following policies to guide the City in managing the revenues available for current and future programs within the City of Winters.

1. **Stable Base.** The City will seek to maintain a diversified and stable revenue base to protect it from short-term fluctuations in any one revenue source.
2. **Long Range Planning.** The City will institute a five-year projection of revenues beginning in the fiscal year 2003-2004, and will update the projections on an annual basis; therefore, the City will maintain a five-year projection of revenues to assist in long-range financial planning.
3. **Current Revenues for Current Uses.** The City will fund current year expenditures from current year revenues and avoid procedures that balance current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt.
4. **Interfund Transfers and Loans.** In order to achieve important public policy goals, the City has established various special revenue, capital project, debt service and enterprise funds to account for revenues whose use should be restricted to certain activities. Accordingly, each fund exists as a separate financing entity from other funds, with its own revenue sources, expenditures and fund equity. Such transfers will be subsequently reported to the City Council in budget reports, mid-year adjustment and other fiscal reports.

Any transfers between funds for operating purposes can only be made during the budget process, as approved by the City Council in the adopted budget, or upon majority vote of the City Council as a budget adjustment. These operating transfers, under which financial resources are transferred from one fund to another, are distinctly different from interfund borrowings, which are usually made for temporary cash flow reasons, and are not intended to result in a transfer of financial resources by the end of the fiscal year.

In summary, interfund transfers result in a change in fund equity; interfund borrowings do not, as the intent is to repay the loan in the near term.

From time to time, interfund borrowings may be appropriate; however, these are subject to the following criteria in ensuring that the fiduciary purpose of the fund is met:

1. The Director of Financial Management is authorized to approve temporary interfund borrowings for cash flow purposes whenever the cash shortfall is expected to be resolved in 60 days. The most common use of interfund borrowing under this circumstance is for grant programs like the Community Development Block Grant, where costs are incurred before drawdowns are initiated and received. However, receipt of funds is typically received shortly after the request for funds have been made.

2. The Director of Financial Management is authorized to approve temporary interfund borrowing for the City Wide Assessment District Special Revenue Fund. This fund receives revenues in January and May of each year, while expenditures occur relatively evenly throughout the fiscal year, causing temporary cash shortfalls for the City Wide Assessment District Fund.
3. Any other interfund borrowings for cash flow or other purposes require a case-by-case approval of the City Council.
4. Any transfers between funds where reimbursement is not expected within one fiscal year shall not be recorded as interfund borrowings; they shall be recorded as interfund operating transfers that affect equity by moving financial resources from one fund to another.

USER FEE COST RECOVERY GOALS

The City is establishing the following to guide the City in setting fees for services provided by the City of Winters.

1. Ongoing Review

Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost of living as well as changes in methods or levels of service delivery

2. User Fee Cost Recovery Levels

In setting user fees and cost recovery levels, the following factors will be considered:

a. Community Wide vs. Special Benefit.

The level of user fee cost recovery should consider the community wide vs. special service nature of the program or activity. The use of general purpose revenue is appropriate for community wide services, while user fees are appropriate for services that are of special benefit to easily identified individuals or group.

b. Service Recipient vs. Service Driver.

After considering community wide vs. special benefit of the service, the concept of service recipient vs. service driver should be considered. For example, it could be argued that the applicant is not the beneficiary of the City's development review efforts, that the community is the primary beneficiary. However, the applicant is the driver of the development review costs, and therefore, cost recovery from the applicant is appropriate.

c. Effect of Pricing on the Demand for Services

The level of cost recovery and related pricing of services can significantly affect the demand and subsequent level of services provided. At full cost recovery, this has the specific advantage of ensuring that the City is providing services for which there is a market that is not overly stimulated by artificially low prices. However, high levels of cost recovery will negatively impact the

delivery of services to lower income groups. This negative feature is especially pronounced, and works against public policy, if the services are specifically targeted to low income groups.

d. Feasibility of Collection and Recovery.

Although it may be determined that a high level of cost recovery is appropriate for specific services, it may be impractical or too costly to establish a system to identify and charge the user. Therefore, the feasibility of assessing and collecting charges should also be considered in developing user fees, especially if significant program costs are intended to be financed from that source.

3. Factors Favoring Low Cost Recovery Levels.

Very low cost recovery levels are appropriate under the following circumstances:

- a. There is no intended relationship between the amount paid and the benefit received. Almost all social service programs fall into this category. It is expected that one group will subsidize another.
- b. Collecting fees is not cost effective, or will significantly impact the efficient delivery of the service.
- c. There is no intent to limit the use of (or entitlement to) the service. Again, most social service programs fit into this category as well as many police and fire emergency response services. Access to neighborhood and community parks fit into this category as well.
- d. The service is non-recurring, generally delivered on a peak demand or emergency basis, cannot be planned for on an individual basis, and is not readily available from a private sector source. Many police and fire services also fall into this category.
- e. Collecting fees would discourage compliance with regulatory requirements and adherence is primarily self-identified, and as such, failure to comply would not be readily detected by the City. Many small scale licenses and permits might fall into this category.

4. Factors Favoring High Cost Recovery Levels

- a. The service is similar to services provided through the private sector.
- b. Other private or public sector alternatives could or do exist for the delivery of the service.
- c. For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received.
- d. The use of the service is specifically discouraged. Police responses to false alarms might fall into this category.
- e. The service is regulatory in nature and voluntary compliance is not expected to be the primary method of detecting and voluntary compliance is not expected to be the primary method of detecting failure to meet regulatory requirements. Building permit, plan checks, and subdivision review fees for large projects would fall into this category.

5. General Concepts Regarding the Use of Service Charges

The following general concepts will be used in the developing and implementing service charges:

- a. Revenues should not exceed the reasonable cost of providing the service.
- b. Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization wide support cost such as accounting, personnel, data processing, vehicle maintenance and insurance.
- c. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.
- d. Rate structures should be sensitive to the "market" for similar services as well as to smaller, infrequent users of the service.
- e. A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

6. Low Cost Recovery Services

Based on the criteria discussed above, the following types of services should have very low cost recovery goals. In selected circumstances, there may be specific activities that should have user fees associated with them. However, the primary source of funding for the operation should be general purpose revenues, not user fees.

- a. Delivering public safety emergency response services such as police patrol services and fire suppression.
- b. Maintaining and developing public facilities that are provided on a uniform, community wide basis such as street, parks and general purpose buildings.
- c. Providing social service programs and economic development activities.

6. Recreation Programs

The following cost recovery policies apply to the City's recreation programs:

- a. Cost recovery for activities directed to adults should be relatively high.
- b. Cost recovery for activities directed to youth and seniors should be relatively low. In those circumstances where services are similar to those provided in the private sector, cost recovery levels should be higher.

Although ability to pay may not be a concern for all youth and senior participants, these are desired program activities and the cost of determining need may be greater than the cost of providing a uniform service fee structure for all participants. Further, there is a community wide benefit in encouraging high levels of participation in youth and senior recreation activities regardless of financial status.

- c. Cost recovery goals for recreation activities are set as follows:

High Cost Recovery Activities (60%-100%)

- 1. Classes
- 2. Adult athletics
- 3. Community Center Rentals

Mid Range Cost Recovery Activities (30%-60%)

1. City Library room rental
2. Youth Sports
3. Outdoor facility and equipment rentals

Low Range Cost Recovery Activities (0%-30%)

1. Public Swim
 2. Swim Lessons
 3. Summer Day Camp
 4. Summer Drop in at the Park
- d. For cost recovery activities of less than 100%, there should be a differential in rates between residents and nonresidents. However, the Recreation Supervisor is authorized to reduce or eliminate nonresident fee differentials when it can be determined that the fee is reducing attendance and that there are no appreciable expenditure savings from the reduced attendance.
- e. Absent formalized agreements with youth groups and sports leagues, charges will be assessed for use of the community center, ball fields, library rooms and recreation facilities not sponsored or co-sponsored by the City. Such charges will generally conform to the fee guidelines described above.

7. Development Review Programs

The following cost recovery policies apply to the development review programs:

- a. Services provided under this category include;
1. Planning (planned development permits, tentative maps, rezonings, general plan amendments, variances, use permits.)
 2. Building and Safety (building permits and inspections).
 3. Engineering (public improvement plan checks, inspections, subdivision requirements, encroachments)
 4. Fire plan check
- b. Cost recovery for these services should generally be very high. In most instances the City's cost recovery goal should be 100%. However, in charging high cost recovery levels, the City needs to clearly establish and articulate standards for its performance in reviewing developer applications to ensure there is "value for cost"

8. Comparability With Other Communities

In setting user fees, the City will consider fees charged by other agencies in accordance with the following criteria:

- a. Surveying the comparability of the City's fees to other communities provides useful background information in setting fees for several reasons:
1. They reflect the market for these fees and can assist in assessing the reasonableness of the City's fees.
 2. They can serve as a benchmark for how cost effective the City provides its services.

- b. Fee surveys should not be the only criteria in setting City fees because many factors affect how communities set their fees, as such, comparing our fees to other communities should only be one factor used to set the City of Winters fees.

ENTERPRISE FUND FEES AND RATES

The City is establishing the following to manage the revenues of the Water and Sewer enterprise funds to provide for current and future operating costs, as well as capital requirements.

1. Water and Sewer

The City will set fees and rates at levels that fully cover the total direct and indirect cost, including operations, capital outlay and debt service of the water and sewer enterprise funds.

2. Ongoing Rate Review

The City will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate and equitable.

REVENUE DISTRIBUTION

The City is establishing the following to provide a manner of distributing revenue sources received by the City of Winters.

The Council recognizes that generally accepted accounting principles for local governments discourage the "earmarking" of General Fund revenues, and therefore, the practice of designating General Fund revenues for specific programs should be minimized in the City's management of its fiscal affairs. The following revenue distribution policies do not prevent the City Council from directing General Fund resources to other functions and programs as necessary.

1. Property Tax Revenues

With the passage of Proposition 13 in 1978, California Cities no longer are allowed to set their own property tax rates. Proposition 13 not only limited the annual increases in market value, it placed a ceiling on voter-approved indebtedness and redefined assessed valuations. Proposition 13 established a maximum countywide levy for general revenue purposes of 1% of market value. Under subsequent state legislation, which adopted formulas for the distribution of this countywide levy, the City now receives a percentage of total property tax revenues collected countywide as determined by the County Auditor-Controller.

The Property Tax revenues received by the City of Winters are General Fund Revenues.

2. **Gas Tax Revenues**

All gas tax revenues (which are restricted by the State for street related purposes) will be used for maintenance and capital projects. The City expends no General Fund revenues for streets and roads and therefore the fund balance of the Gas Tax Fund is allowed to build up for several years before major projects can be funded from these revenues.

3. **Transportation Development Act Revenues (TDA)**

All TDA revenues will be expended first for the Winters Route of the Yolo Transportation District, and the remaining unspent revenues will be used in conjunction with the Gas Tax revenue for street and road purposes.

City of Winters and City of Winters Community Development Agency Investment Policy

Updated 1/6/06

The City is establishing the following policies to provide the means for investing the public funds held by the City of Winters and the City of Winters Community Development Agency.

1. Policy

It is the policy of the City of Winters and the City of Winters Community Development Agency to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all Federal, State and local statutes governing the investment of public Funds

2. Scope

This investment policy applies to all financial assets of the City of Winters and the City of Winters Community Development Agency. These funds are accounted for in the monthly and annual financial reports as well as in the annual audit performed by an independent certified public accountant.

3. Responsibility

The authority for investment for municipal governments is set forth in Article 1, Chapter 4 of the California Government Code (Section 53600 et.seq.). The responsibilities for investing excess cash and transferring funds for immediate use are assigned to the Director of Financial Management, Director of Administrative Services, or the City Manager.

4. Objectives

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the objectives of the City shall be to safeguard the principal of the funds invested, to meet the liquidity needs of the City, and to achieve a reasonable rate of return on the invested funds.

5. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with the proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally, the City Manager, Director of Financial Management, Director of Administrative Services and City Treasurer are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

6. Authorized Investments

Investment of City funds is governed by the California Government Code Sections 53600 et seq. Within the context of the limitations, the following investments are authorized, as further limited herein:

- a. United State Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
- b. Obligations issued by Federal Government Agencies, such as the Government National Mortgage Association (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Association (FHLMC). There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
- c. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale or other agreement of the City of Winters or City of Winters Community Development Agency, or certificates of participation in those bonds, indebtedness, or lease installment sale or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provision, in accordance with the ordinance, resolution, indenture, or agreement of the of the City of Winters, or City of Winters Community Development Agency providing for the issuance.

Investments in items c through j are further restricted to percentage of the cost value of the portfolio in any one issuer name to a maximum of 15%. The total value invested in any one issuer shall not exceed 15% of the issuer's net worth. A five-year maximum maturity limitation is applicable unless further restricted in this policy.

- d. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Bankers acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio, however no more than 30% of the agency's money may be invested in the bankers acceptances of any one commercial bank.
- e. Commercial paper of "prime quality of the highest ranking or of the highest letter and number rating as provided for by an nationally recognized statistical -rating organization (NRSRO). The issuer shall meet all of the following conditions in either paragraph (1) or paragraph (2)
 - a. The issuing entity must meet the following criteria
 - ❖ Is organized and operating in the United States as a general corporation.
 - ❖ Has total assets in excess of five hundred million dollars (\$500,000,000)

- ❖ Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical rating organization (NRSRO)
- b. The issuing entity must meet the following criteria.
 - i. Is organized within the United States as a special purpose corporation, trust or limited liability company.
 - ii. Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit or surety bond.
 - iii. Has commercial paper that is rated "a-1" or higher, or the equivalent, by a nationally recognized statistical rating organization (NRSRO). Purchase of eligible commercial paper may not exceed 270 days to maturity nor represent more than 10% of the outstanding paper of the issuing corporation. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio. Purchases of commercial paper from any one issuer cannot exceed 10%.
- f. Negotiable Certificates of Deposit issued by nationally or state chartered banks or state or federal savings institutions. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of 5 years is applicable.
- g. Repurchase agreements that specify terms and conditions may be transacted with banks and broker dealers. The maturity of the repurchase agreements shall not exceed 90 days. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. A PSA Master Repurchase Agreement is required between the City of Winters and the broker dealer or financial institution for all repurchase agreements transacted.
- h. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the maximum permitted by California State Law.
- i. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 25% of the investment portfolio may be invested in this investment type.
- j. Medium Term Corporate Notes with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated AA or better by Moody's or Standard & Poor's rating services. Purchase of medium term notes may not exceed 30% of the market value of the portfolio and no more than 15% of the market value of the portfolio may be invested in notes issued by one corporation. Commercial paper holdings should also be included when calculating the 15% maximum.
- k. Ineligible investments are those that are not described herein, including, but not limited to, common stocks, reverse repurchase agreements, inverse floaters, range notes, mortgage derived interest only strips, derivatives securities, any security that could result in zero interest accrual, and long term

(over five years in maturity) notes and bonds are prohibited from use in this portfolio. It is noted that special circumstances arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be approved by the City Council prior to purchase.

- I. Various daily cash funds administered for or by trustees, paying agents and custodian banks contracted by the City of Winters may be purchased as allowed under State of California Government Code. Only funds holding US Treasury or Government agency obligations can be utilized.

7. Diversification

Investments will be diversified by security type and institution. With the exception of U.S. Treasury security and authorized pools, no more than 50% of the total investment portfolio will be invested in single security type or with single financial institution.

8. Authorized Financial Dealers and Institutions

The City of Winters shall transact business only with banks, savings and loans, and with broker/dealers. The broker/dealers will be primary dealers regularly reporting to the New York Federal Reserve Bank.

9. Collateral Requirements

Collateral is required for investments in certificates of deposit and repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

In order to conform with the provisions of the Federal Bankruptcy Code which provides for liquidation of securities held as collateral, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible banker's acceptances, medium term notes or securities that are the direct obligation of, or are fully guaranteed as to principal and interest by the United States or any agency of the United States.

10. Safekeeping of Securities

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City of Winters shall be held in safekeeping by a third party bank trust department, acting as agent for the City under the terms of a custody agreement or PSA agreement (repurchase agreement collateral). All trades executed by a dealer will settle delivery vs. payment (DVP) through the City's safekeeping agent. Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

11. Internal Control

Existing separation of functions is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Existing procedures require all wire transfers to be confirmed by the appropriate financial institution. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Director of Financial Management on a monthly basis.

12. Reporting

The Director of Financial Management will prepare monthly financial and investment reports for the City Manager to review and then report to the City Council.

13. Interest Earnings

All investment earnings earned and collected from investments authorized in this policy will be allocated monthly to various fund accounts based on the cash balance in each fund as a percentage of the entire pooled portfolio.

14. Legislative Changes

Any State of California legislative action that further restricts allowable maturities, investment type or percentage allocation, will be incorporated into the City of Winters investment policy and supersede any and all previous applicable language.

15. Policy Review

The City of Winters investment policy has been adopted by Resolution of the City Council, and shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to the City Council for approval.

APPROPRIATION LIMITATION

The following policies are established to provide for compliance with the Appropriation Limitation requirement of the California Constitution.

1. The City Council will annually adopt a resolution establishing the City of Winters appropriation limit calculated in accordance with Article XIII-B of the Constitution of the State of California, section 7900 of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriation limit.
2. The supporting documentation used in calculating the City's appropriation limit will be available for public and Council review at least 7 days before Council consideration of a resolution to adopt an appropriation limit.
3. The City will strive to develop revenue sources, both new and existing, which are considered non-tax proceeds in calculating its appropriations subject to limitation.
4. The City will seek voter approval to amend its appropriation limit at such time that tax proceeds are in excess of allowable limits.

FUND BALANCES RESERVES

The following are established to provide for a prudent reserve policy for the City of Winters.

The City of Winters has established three types of reserves: Contingencies, Capital Reserves, and Cash and Emergency Reserves.

1. The City of Winters has two Contingency Reserves: General Contingency and CalPERs Contingency.
 - a. General contingencies are budgeted in each fiscal year to account for unanticipated expenditures during the year. These are usually smaller amounts and are not for catastrophic emergencies, but rather for unforeseen expenditures at budget time the City Council deems necessary to allocate funding throughout the fiscal year.
 - b. CalPERS contingencies are budgeted in fiscal years that the City is in a surplus or super funded status with CalPERS for contributions for employee retirement plans. These amounts are included as an expenditure in each fund to which they apply, and the amount not remitted to CalPERS is then transferred to a separate fund in anticipation of contract changes resulting in significant increases in CalPERS rates.
2. Capital Reserves have been established for a variety of reserve purposes. Capital Reserves are used to pay for replacement of infrastructure (such as replacing water mains), renovation of existing infrastructure (such as modernizing a City building), and building new City facilities (such as ball fields). The City has three types of Capital Reserve funds:
 - a. Impact Fee Reserve Funds are fees collected from development established in accordance with AB1600. The specific projects to be funded from the Impact Fees are established in accordance with AB1600 procedures. These funds may only be used for those identified projects, and if not used for those projects must be returned to the developer. Impact fees are used to accommodate facilities required to accommodate new development within the City of Winters.
 - b. Capital Reserves are funds set aside from sources other than development fees to build, renovate, or improve capital assets. Capital Reserves are used for existing or new infrastructure that benefit the community in general. In some cases an improvement is partially funded from Capital reserves, and partially funded by Impact fees. The City Council may designate specific fund balance levels for future development of Capital projects that it has determined to be in the best long-term interest of the City.
 - c. An Equipment Replacement fund has been established in the fiscal year 2002-2003 to provide for the timely replacement of vehicles and

capital equipment (General Fund assets) with an individual replacement cost of \$15,000 or more. The City of Winters will use revenues received from the reimbursement of mandated costs, sale of any surplus equipment and any City Council approved transfer of year end revenues in excess of expenditures to provide a funding source for replacement of vehicles and capital equipment. The City has also established Equipment Replacement funds for both the Water and Sewer Enterprise Fund in the fiscal year 2002-2003. These equipment replacement funds will account for all assets of the enterprise fund, and the annual amount of depreciation for each asset will be transferred as a cash transfer from the individual enterprise fund to its corresponding equipment replacement fund. The City will strive to maintain a fund balance of approximately 20% of the original purchase price of the items accounted for in this fund.

3. Cash and Emergency Reserves-Each year when the City Council approves the annual budget, the budgeted amounts will be appropriated to the various revenue and expenditure accounts in the City's financial system. In the operating funds, the fund balances will be made up of; annual appropriations, money reserves, and unappropriated, unreserved fund balances.
 - a. Annual appropriations are the amounts in the annual budget approved by the City Council for expenditure during the budget year.
 - b. Money Reserves are funds that are specifically reserved by the City Council as a baseline amount for cash and extreme emergency purposes. To avoid short term borrowing, adequate cash must be maintained to cover ongoing expenses. For example, property tax revenues are received by the City twice per year, but the expenses paid with these revenues are fairly constant each month, thus, the fund must maintain a cash balance sufficient to pay for expenses until the revenues are received.
 - c. Unappropriated, unreserved fund balances are also a type of reserve and serve as a cash and/or emergency reserve in each fund. The unappropriated, unreserved fund balances are available to handle the effects of such occurrences as a sudden economic downturn that would result in receiving less revenues than budgeted. (this would give the City time to make appropriate adjustments in subsequent budgets).
 - d. Cash and emergency reserves are established for the following operating funds;
 1. General Fund: The money reserve goal is 50% of annual expenditures and the unappropriated, unreserved end of year estimated fund balance goal is 25% of annual expenditures.
 2. City Wide Assessment District: The Unappropriated, unreserved end of year estimated fund balance goal is 75% of annual expenditures.

3. Water Enterprise Fund: The unappropriated, unreserved end of year estimated fund balance goal is 50% of annual expenditures. This goal is in addition to transferring adequate funds to meet any City Council directed Water Capital Reserve requirements
4. Wastewater Enterprise Fund: The unappropriated, unreserved end of year estimated fund balance goal is 50% of annual expenditures. This is in addition to any City Council directed Wastewater Capital Reserve Requirements.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years which are carried forward into the new year, debt service requirements, reserves for encumbrances, and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

CAPITAL IMPROVEMENT MANAGEMENT

The following is established to provide for the management of Capital equipment purchases and Construction projects.

1. Construction projects and equipment purchases which cost \$15,000 or more will be included in the Capital Improvement Plan. (CIP): minor equipment purchases of less than \$15,000 will be included in the operating budget.
2. The Purpose of the CIP is to systematically plan, schedule and finance capital projects to ensure cost effectiveness as well as conformance with established policies. The CIP is a five-year plan organized into the same functional groupings used for the operating budget. The CIP will reflect a balance between capital replacement projects that repair, replace, or enhance existing facilities, equipment or infrastructure that significantly expand or add to the City's existing fixed assets.
3. Each CIP project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, and periodically report project status.
4. The City's annual CIP appropriations for study, design, acquisition and/or construction is adopted through the annual budget process. Having the project appropriations included in the annual budget does not automatically authorize the project for funding. The project is approved for funding when the City Council has reviewed and approved costs for each phase of the project.

CAPITAL FINANCING AND DEBT MANAGEMENT

The following is established to provide for the basis of when debt financing may be appropriate for the City of Winters, management of the debt, and the establishment of a debt capacity for the City.

1. The City will consider the use of debt financing only for one time capital improvement projects and only under the following circumstances;
 - a. When the projects useful life will exceed the term of the financing.
 - b. When the project revenues or specific resources will be sufficient to service the long- term debt.
2. Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures. The issuance of short-term instruments such as tax revenue bonds or bond anticipation notes is excluded from this limitation.
3. Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes or developer agreements when benefits can be specifically attributed to users of the facility. Accordingly, development impact fees have been created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.
4. The City will use the following criteria to evaluate pay as you go vs. long term financing in funding capital projects;
 - A. Factors favoring pay as you go financing:
 1. Current revenues and adequate fund balances are available or project phasing can be accomplished.
 2. Existing debt levels adversely affect the City's credit rating.
 3. Market conditions are unstable or present difficulties in marketing.
 - B. Factors Favoring Long Term Financing
 1. Revenues available for debt service are deemed sufficient and reliable so that long-term financings can be marketed with investment grade credit ratings.
 2. The project securing the financing is of the type, which will support an investment grade credit rating.
 3. Market conditions present favorable interest rates and demand for City financing.
 4. A project is mandated by state or federal requirements, and resources are insufficient or unavailable.
 5. The project is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable.
 6. The life of the project or asset to be financed is 10 years or more.
5. Debt Management:
 - a. The City will not obligate the General Fund to secure long-term financings except when marketability can be significantly enhanced.

- b. An internal feasibility analysis will be prepared for each long term financing which analyzes the impact on current and future budgets for debt service and operations. This analysis will also address the reliability of revenues to support debt service.
 - c. The City will generally conduct financings on a competitive basis. However, negotiated financings may be used due to market volatility or the use of an unusual or complex financing or security structure.
 - d. The City will seek an investment grade rating (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost effectiveness.
 - e. The City will monitor all forms of debt annually coinciding with the preparation of the annual budget.
 - f. The City will diligently monitor its compliance with bond covenants and ensure its adherence to federal arbitrage regulations.
 - g. The City will maintain good, ongoing communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).
6. Debt Capacity:
- a. General Purpose Debt Capacity. The City will carefully monitor its level of general purpose debt. General purpose debt capacity is limited, and should only be used for high priority projects where other financing methods cannot be reasonably used.
 - 1. General purpose funds committed to a project are not available for funding operations
 - 2. In evaluating debt capacity, general purpose debt service payments will not exceed 10% of General Fund Revenues
 - b. Enterprise Fund Debt Capacity. The City will set enterprise fund rates at levels needed to fully cover debt service requirements as well as operations, maintenance, administration and capital improvement costs. The ability to afford new debt for enterprise operations will be evaluated as an integral part of the City's rate review and setting process.
7. The City will retain a Financial Advisor in connection with any debt issuance



Fixed Asset Capitalization and Inventory Control Policy

Purpose:

The purpose of this policy is to ensure adequate control and appropriate use of City Fixed Assets. These procedures are designed to define fixed assets and to establish guidelines for budgeting, purchasing, using, financial reporting, depreciating and disposing of fixed assets. This policy does not apply to infrastructure assets.

Policy:

It is the policy of the City of Winters that fixed assets be used for appropriate City purposes and be properly accounted for and secured. It is the responsibility of the Finance Department to ensure fixed assets will be tagged, inventoried on a regular basis, and accounted for by fund and asset category. It is the responsibility of Department Heads to ensure that proper budgeting and purchasing guidelines are followed, and that fixed assets are adequately controlled and used for appropriate City purposes, and to secure such fixed assets.

Scope

All City Departments are subject to the provisions of this policy.

Objectives

1. **Accounting and Reporting.** To accurately account for and report fixed assets in financial reports issued to the City Council, external-reporting agencies, granting agencies and the public.
2. **Safeguarding.** To protect the City's fixed assets from loss or theft.

To meet the two objectives above, the City has established a Capitalization Policy and an Inventory control policy, providing guidelines to determine which fixed assets are subject to separate accounting and reporting (capitalization) and safeguarding, (inventory control) respectively.

The Finance Department is responsible for, and has established, systems and procedures through which both objectives are met. These systems and procedures are used to identify, process, track, control and report City fixed assets.

Capitalization Policy

Fixed assets will be identified as:

1. Equipment and Machinery
2. Office Equipment
3. Land
4. Buildings
5. Vehicles

In General, items classified as equipment or machinery, office equipment or vehicles with an original cost of \$5,000 or more will be subject to capitalization. All costs associated with the purchase should be considered, including such costs as freight and transportation charges and installation charges attributable to asset acquisition.

Items classified as Land and Buildings with an original cost of \$50,000 or more will be subject to capitalization. All costs associated with the purchase should be considered, including site preparation, professional fees and legal costs directly attributable to asset acquisition.

Specific capitalization requirements are described below:

- The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- The capitalization threshold will generally not be applied to components of fixed assets. For example, a keyboard, monitor, and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.
- Repairs to fixed assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, it represents an improvement and is subject to the capitalization policy and should be evaluated separately.
- Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed asset and, therefore will be subject to capitalization only if the cost of the improvement meets the threshold. In theory, an improvement to a fixed asset that had an original cost of less than the threshold (\$5,000 or \$50,000), but now exceeds the threshold as a result of

the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.

- Capital projects will be capitalized as "construction in progress" until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.

Inventory Control Policy

Department heads are responsible for safeguarding fixed assets under their control from theft or loss. However, the Finance Department is responsible for establishing and maintaining systems and procedures that enable Department Heads to properly safeguard assets.

In general, Inventory control is applied only to movable fixed assets such as machinery and equipment, and Office equipment and not to land, buildings or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization.

Fixed assets will be subject to inventory control if they meet at least one of the following criteria:

1. The original cost of the fixed asset is equal to or greater than \$5,000.
2. All Computers
3. Any asset that cost less than \$5,000 as requested from a Department. This may include certain machinery and equipment that due to portability, value outside the office, or character, are susceptible to theft or loss. It may also include an asset that has been requested by a department to be controlled in order to satisfy an internal or external requirement.
4. An asset required to be controlled and separately reported pursuant to grant conditions or other externally imposed reporting requirements. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant-funded asset.

Tagging

The purpose for tagging assets is to provide an efficient mechanism for inventorying fixed assets. A tag is a bar coded label that is affixed to each asset that is to be inventoried. The tag should be placed in an inconspicuous, but accessible place on the asset, for example, on the back of a computer component or the inside leg of a chair.

Why Tag an Asset

1. To provide accountability for the assets, ensuring the asset assigned to a Department is controlled and accounted for by a specific department/person.
2. To help determine asset replacement cost and life
3. To provide the City's outside auditors with a mechanism to verify that the City is in control of fixed assets and to provide an accurate record of the City's capital expenditures

Should the Asset be tagged?

1. Yes, if the cost of the asset is greater than \$5,000 and the useful life is greater than one year.
2. Yes, if it is physically possible/practical to tag and meets the dollar and life guidelines.
3. Yes, if it is an asset that is handled frequently, has a high cost, and/or is likely to be stolen.
4. Yes, if the asset needs to be controlled due to high incidence of theft/misplacement/borrowing.
5. Yes, if the asset is a computer, or computer component.
6. Generally no, if the asset cost is less than \$5,000. However, the Department Head and/or Finance may choose to tag items that cost less than \$5,000.
7. No, if the asset will be used up within one year.

Who is responsible for tagging the asset?

The Finance Department with assistance from the other Department Heads will be responsible for tagging fixed assets.

Purchasing Fixed Assets

1. Fill out purchase order. Include information in the comments section indicating whether the item is to be tagged or not.
2. The requested asset should have already been included in the current year's budget. Verify this, by reviewing your department's budget.
3. If the asset is not in the budget, you must contact Finance to determine appropriate action.

Disposal of Surplus Property

Department Heads will submit a list of items to the City Manager to be declared as surplus for purposes of sale or disposal for record keeping purposes. Surplus property, with the approval of the City Manager, can be sold to any public or private person or entity, recycled or disposed of as junk to a landfill or other appropriate waste removal facility.

Proceeds from the disposal of surplus property will be allocated to the City's Equipment Replacement Fund.

Depreciable Lives

Category Description	Depreciable Life
Land	n/a
Buildings	50
Improvements other than Buildings	50
Machinery and Equipment	10
Vehicles	5
Furniture and Fixtures	5
Office Equipment	3
Capital Improvement Project (CIP) in progress	n/a

Depreciation Convention

Depreciation is computed using the half-month convention. Depreciation is computed from the beginning of the month it is placed in service if it was acquired by the 15th of the month, if not it is depreciated from the beginning of the next month. Similarly, depreciation for the month of disposition is computed for that month if it is disposed of after the 15th.



Infrastructure Asset Capitalization and Inventory Control Policy

Purpose

The purpose of this policy is to ensure adequate control and appropriate use of City Infrastructure assets and to establish guidelines for budgeting, purchasing, using, financial reporting, logging, inventorying, depreciating, and disposing of infrastructure. This policy does not apply to fixed assets.

Policy

It is the policy of the City of Winters that infrastructure assets be used for appropriate City purposes and be properly accounted for and secured. It is the responsibility of the Public Works Department to ensure infrastructure assets are identified and inventoried on a regular basis. It is the responsibility of the Finance Department to assure that infrastructure assets are accounted for by fund and asset category. It is the responsibility of all Department Heads to ensure that proper budgeting and purchasing guidelines are followed, that infrastructure assets are adequately controlled and used for appropriate City purposes, and to secure such infrastructure assets.

Scope

All City Departments are subject to the provisions of this policy.

Objectives

The City of Winters infrastructure asset policy has 2 objectives:

1. **Accounting and Reporting.** To accurately account for and report infrastructure assets in financial reports to the City Council, external-reporting agencies, granting agencies and the public.
2. **Safeguarding.** To maintain its infrastructure assets for the use and enjoyment of its citizens.

In meeting the two objectives, the City has established a Capitalization Policy and an Inventory Control Policy, providing specific guidance to determine which infrastructure assets are subject to capitalization and safeguarding.

The Finance Department is responsible for, and will establish systems and procedures through which both objectives are met. These systems are used to identify, process, control, track and report City infrastructure.

Capitalization Policy

In general, all infrastructure assets, including streets, roads, sewer lines, water lines, sidewalks, traffic signals, with an original cost of \$200,000 or more will be subject to capitalization. All costs associated with the purchase or construction should be considered, including ancillary costs such as design engineering, construction management, inspection, permits, insurance, freight and transportation charges, site preparation expenditures, installation charges, professional fees, and legal costs directly attributable to asset acquisition. Specific capitalization requirements are described below.

1. The capitalization threshold is applied to major general infrastructure assets.
2. The capitalization threshold will generally not be applied to components of infrastructure assets. For example, a manhole which is a component of a sewer system will not be evaluated individually against the capitalization threshold. The sewer system will be treated as a single infrastructure asset.
3. Repairs to infrastructure assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, it represents an improvement and is subject to the capitalization policy and should be evaluated separately.
4. Capital projects will be capitalized as "construction in process" until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.

Inventory Control

The Public Works Department is responsible for safeguarding infrastructure assets. However, the Finance Department is responsible for establishing and maintaining systems and procedures that enable the Public Works Department to properly safeguard assets.

Purchasing Infrastructure Assets

The construction or acquisition of infrastructure assets are approved by the City Council.

How to Retire/Dispose of and Infrastructure Asset

An infrastructure asset is usually only disposed of in connection with its replacement or reconstruction. The Public Works Department and the Finance Department must coordinate the identification of the new and old assets so the proper financial reporting may be accomplished.

Depreciation

Infrastructure assets will be depreciated using the following guidelines:

Category Description	Depreciable Life
Streets, including grading, base, paving and striping	50
Sidewalks, curb, and gutter	50
Street trees	50
Traffic Signals	30
Landscaped Medians	50
Signs, street name, directional, caution, stop etc	30
Sewer laterals and mains	50
Water lines	50
Storm Drains	50

Depreciation convention.

Depreciation is computed using the half-month convention. Depreciation is computed from the beginning of the month it is placed in service if it was acquired by the 15th of the month, if not it is depreciated from the beginning of the next month. Similarly, depreciation for the month of disposition is computed for that month if it is disposed of after the 15th.

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Capital Improvement Plan

Included in the budget are capital expenditures and capital improvements. The following information is the City of Winters capital improvement plan for 2007/2008.

The City had begun a 5-year capital improvement plan that was placed on hold until policies regarding certain development issues were put in place. Those policies are now in place, and an update of the prior plan is now in process. This plan includes detailed policies and procedures for budgeting and managing the projects included in the plan. The 5-Year Capital Improvement Plan is a separate document that will be available once approved by the City Council.

Included in this document are draft project budget sheets (pbs) for projects included in this year's budget. Some sheets do not contain approving signatures at this point due to the fact that the City Council has not reviewed and approved the entire project, and that the costs are estimates only at this time.

The budgeted amounts for each project are included in the appropriate General Fund, Special Revenue Fund or Capital Fund as indicated on the project budget sheet.

Funds identified with "099" are grants or other sources of funding that have been applied for but not approved at the time of the preparation of this budget. As the funding is approved, budget adjustments will be requested as the project is approved and contracts issued.

**AB1600 Project
Project Budget Sheet**

CIP#: 16-5

MPFP#(s): 0

Last Updated: March 2003

Original Approval:

Project Owner: #N/A

Project Manager: Nick Ponticello

Project Resource: Consultant

Description:

Update Major Projects Finance Plan and AB1600 Fee Nexus Study after adoption of major Infrastructure Master Plans

Authority:

General Plan authority to monitor, plan for and control growth within the city limits. The General Plan and City

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	5%	\$ 3,500	Investigations	0%	\$ -	
Construction Management	5%	\$ -	Land	0%	\$ -	
Consultant Design	90%	\$ 70,000	Construction	70%	\$ -	
RW Consultant	0%	\$ -	Other	5%	\$ 3,500	
CEQA	0%	\$ -	Project Total:	175%	\$ 77,000	

Financing Schedule: Project Start: 0 Project Completion: 0										
Fund Code:	411	412	413	414	415	416	417	\$ 418	419	
Name:	Street Impact Fee	Storm Drain Impact Fee	P & R Impact Fee	Police Impact Fee	Fire Impact Fee	Gen Fac Impact Fee	Water Impact Fees	Sewer Impact Fee	General Impact Fee	FY Totals
Prior FY:							\$ -			\$ -
FY 06/07:										
FY 07/08:	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 77,000
FY 08/09:										
FY 09/10:										
FY 10/11:										
Fund Totals:	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 8,556	\$ 77,000
Ratios:	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	11.1%	900.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

_____	_____
(name/title)	(date)
_____	_____
(name/title)	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

**Jackson Street
Project Budget Sheet**

CIP#: 06-01

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: #N/A

Project Manager: Asa Utterback

Project Resource: Consultant

Description:

Major reconstruction of the existing street, infrastructure has exceeded its useful life. Existing city utilities, including sewer and storm drain will also be rehabilitated in conjunction with this project. The water system will be upsized during this project. The major source of funding will be a CDBG Grant with \$100,000 city match

Authority:

General authority to maintain the existing city street and utility infrastructure.

Budget:							
Item	%	Amount	Item	%	Amount		
Project Management	2%	\$ 11,400	Investigations	0%	\$ -		
Construction Management	4%	\$ 22,800	Land	0%	\$ -		
Consultant Design	13%	\$ 68,400	Construction	81%	\$ 455,700		
RW Consultant	0%	\$ -	Other	0%	\$ -		
CEQA	0%	\$ -	Project Total:	100%	\$ 558,300		

Financing Schedule:		Project Start:	0	Project Completion:	0		
Fund Code:	265	701	437	999	999	999	
Name:	CDBG GRANT	Redevelopment (CDA)	Water Capital	Blank	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:							
FY 07/08:	\$ 458,300	\$ 90,200	\$ 495,600	\$ -	\$ -	\$ -	\$ 1,044,100
FY 08/09:							\$ -
FY 09/10:							\$ -
FY 10/11:							\$ -
Fund Totals:	\$ 458,300	\$ 90,200	\$ 495,600	\$ -	\$ -	\$ -	\$ 1,044,100
Ratios:	43.9%	8.6%	47.5%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

(name/title) (date)

(name/title) (date)

Shelly Gunby, Director of Finance (date)

John Donlevy, City Manager (date)

Putah Creek Vehicle Bridge Upgrade

Project Budget Sheet

CIP#: 01-05

MPFP#(s): ST-11

Last Updated: June 2007

Original Approval: June 2003

Project Owner: Public Works

Project Manager: Nick Ponticello

Project Resource: Solano County

Description:

Replace the existing vehicle bridge since it is structurally deficient and functionally obsolete. Solano County is the lead agency with funding also provided by Winters and Caltrans (Federal). Total project cost is estimated at \$5.18 million of which \$512,800 is city responsibility. Construction is preliminarily planned for FY 08/09-09/10.

Authority:

General authority to maintain the existing city street infrastructure. This project qualifies for state funding to replace this historically significant and vital transportation link. Timing of funding from state or federal sources is not known.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Coordination	2.5%	\$ 300,000		0.0%	\$ -	
Design & Environmental	9.9%	\$ 1,200,000	Land	0.8%	\$ 100,000	
Construction Management	6.6%	\$ 800,000	Construction	78.5%	\$ 9,500,000	
	0.0%	\$ -	Other	1.7%	\$ 200,000	
	0.0%	\$ -	Project Total:		100%	\$12,100,000

Financing Schedule:							
		Project Start: 2000			Project Completion: 2010		
Phases: Project Studies, CEQA, RW Acquisition, Design, Bidding/Award, Construction							
Fund Code:	262	099	411	702	999	999	
Name:	STP & STIP Projects	To Be Determined	Street Impact Fee	Project Fund	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:	\$ -	\$ -	\$ -				\$ -
FY 7/08:	\$ -	\$ -	\$ -	\$ -			\$ -
FY 08/09:	\$ 900,000	\$ 60,000	\$ 60,000				\$ 1,020,000
FY 09/10:	\$ 5,200,000	\$ 340,000	\$ 540,000	\$ 1,600,000			\$ 7,680,000
FY 10/11:	\$ 2,800,000	\$ 200,000	\$ 400,000				\$ 3,400,000
FY 10/11:	\$ 2,800,000	\$ 200,000	\$ 400,000				\$ 3,400,000
Fund Totals:	\$ 8,900,000	\$ 600,000	\$ 1,000,000	\$ 1,600,000	\$ -	\$ -	\$ 12,100,000
Ratios:	73.6%	5.0%	8.3%	13.22%	0.0%	0.0%	100.0%

Recommended for Submittal

(name/title) (date)

Recommended for Approval (Dept. Head)

(name/title) (date)

Finance Department Approval

Shelly Gunby, Director of Finance (date)

City Manager Approval

John Donlevy, City Manager (date)

Landfill Closure, Phase 2

Project Budget Sheet

CIP#: 03-06

MPFP#(s): none

Last Updated: June 2007

Original Approval: June 2003

Project Owner: Public Works

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

Periodic routine monitoring and reporting at the closed city landfill. Work will include investigation, testing, report preparation and regulatory review and approval.

Authority:

General authority to maintain and operate the city infrastructure. Costs are charged to the customers via solid waste collection fees.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	10%	\$ 4,802	Investigations	0%	\$ -	
Staff Design	0%	\$ -	Land	0%	\$ -	
Consultant Design	90%	\$ 43,215	Construction	0%	\$ -	
RW Consultant	0%	\$ -	Other	0%	\$ -	
CEQA	0%	\$ -	Project Total:		100%	\$ 48,017

Financing Schedule:							
		Project Start: 2003			Project Completion: 2008+		
Phases: Site Investigations & Regulatory Reporting							
Fund Code:	422	999	999	999	999	999	
Name:	Landfill Capital	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 06/07:	\$ 317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 317
FY 7/08:	\$ 17,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,700
FY 08/09:	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
FY 09/10:	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
FY 10/11:	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Fund Totals:	\$ 48,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,017
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

(name/title) (date)

(name/title) (date)

Shelly Gunby, Director of Finance (date)

John Donlevy, City Manager (date)

Rotary Park Improvements

Project Budget Sheet

CIP#: 06-10

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: Parks & Recreation

Project Manager: TBD

Project Resource: Consultant

Description:

Construct permanent public restrooms at Rotary Park to replace existing portable toilets. Add Irrigation, Paths with Lighting, sod, trash receptacles and Benches

Authority:

General authority to maintain and improve the existing city infrastructure. This park is a popular gathering place nearer the heart of downtown Winters than any other city park.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	5%	\$ 7,500	Investigations	0%	\$ -	
Construction Management	5%	\$ 7,500	Land	0%	\$ -	
Consultant Design	15%	\$ 22,500	Construction	70%	\$ 105,000	
RW Consultant	0%	\$ -	Other	5%	\$ 7,500	
CEQA	0%	\$ -	Project Total:		100%	\$ 150,000

Financing Schedule:							
		Project Start: 2004			Project Completion: 2005		
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	702	999	999	999	999	999	
Name:	Project Fund	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000
FY 7/08:	\$ 132,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,000
FY 08/09:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

	(date)
(name/title)	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Main Street Streetscape Improvements Project Budget Sheet

CIP#: 06/08

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: Redevelopment Agency

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

Pedestrian and aesthetic improvements along Main street (1st Street to Railroad) to improve the sidewalks, add expanded sidewalks at the east half of the 1st St. intersection and the mid block paseo with aesthetic barriers, add landscape planters and enhanced pedestrian crossings, which also involves reconstructing portions of the pavement, adding to the City Storm drainage facilities and modifying lighting systems.

Authority:

This project will generally enhance the community amenities and funding is being provided from CDA bond proceeds.

Budget:					
Item	%	Amount	Item	%	Amount
Project Management	4%	\$ 9,614	Investigations	0%	\$ -
Construction Management	8%	\$ 19,228	Land	0%	\$ -
Consultant Design	12%	\$ 28,842	Construction	77%	\$ 192,474
RW Consultant	0%	\$ -	Other	0%	\$ -
CEQA	0%	\$ -	Project Total: 100% \$ 250,158		

Financing Schedule:							
Project Start: 2004		Project Completion: 2004					
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	702	999	999	999	999	999	
Name:	Project Fund	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 75,000						\$ 75,000
FY 06/07:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 07/08:	\$ 174,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,966
FY 08/09:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 249,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,966
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

	(date)
	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Main and Railroad Intersection Improvement Project Budget Sheet

CIP#: 06-07

MPFP#(s): unk.

Last Updated: June 2007

Original Approval:

Project Owner: Redevelopment Agency

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

Pedestrian and aesthetic improvements to the intersection of Main and Railroad Streets to improve the existing sidewalks, add expanded sidewalks with aesthetic barriers along edges for roadway, add landscape planters and enhanced pedestrian crossings, which also involves reconstructing portions of the pavement, adding to the City Storm drainage facilities and modifying lighting systems.

Authority:

This project will generally enhance the community amenities and funding is being provided from CDA bond proceeds

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 16,244	Investigations	0%	\$ -	
Construction Management	8%	\$ 32,489	Land	0%	\$ -	
Consultant Design	11%	\$ 48,733	Construction	77%	\$ 324,887	
RW Consultant	0%	\$ -	Other	0%	\$ 1,499	
CEQA	0%	\$ -	Project Total:		100%	\$ 423,853

Financing Schedule:							
Project Start:		0		Project Completion:		0	
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	702	999	999	999	999	999	
Name:	Project Fund	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 60,000						\$ 60,000
FY 06/07:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 07/08:	\$ 363,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 363,853
FY 08/09:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 423,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 423,853
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

(name/title) (date)

Recommended for Approval (Dept. Head)

(name/title) (date)

Finance Department Approval

Shelly Gunby, Director of Finance (date)

City Manager Approval

John Donlevy, City Manager (date)

Alley Improvements between Railroad and First Street

Project Budget Sheet

CIP#: 06-06

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: Redevelopment Agency

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

Improvements to the alley between Main and Abbey Streets from Railroad to First for the central commercial area, such as, undergrounding the overhead utilities, reconstruction of the pavement, upgrading the City utilities, improving pedestrian facilities with paseos and other amenities.

Authority:

This project will generally enhance the community amenities and funding is being provided from CDA bond proceeds

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 16,426	Investigations	0%	\$ -	
Construction Management	8%	\$ 32,852	Land	0%	\$ -	
Consultant Design	11%	\$ 49,278	Construction	76%	\$ 328,519	
RW Consultant	0%	\$ -	Other	1%	\$ 4,791	
CEQA	0%	\$ -	Project Total:		100%	\$ 431,865

Financing Schedule:							
		Project Start: 0		Project Completion: 0			
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	702	999	999	999	999	999	
Name:	Project Fund	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 80,000						\$ 80,000
FY 06/07:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 07/08:	\$ 351,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 351,865
FY 08/09:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 431,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,865
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

	(date)
	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Pubic Safety Headquarters Facility

Project Budget Sheet

CIP#: 0

MPFP#(s): FD-7 & PD-12

Last Updated: June 2007

Original Approval:

Project Owner: Fire District & Police Dept.

Project Manager: Alan Mitchell

Project Resource: Consultant

Description:

The initial phase of this project will search for and select a site for the future Fire and Police Headquarters. It will also determine the feasibility of utilizing a combined facility versus separate facilities for each function. Work will include determining functional requirements, scope development, site selection, CEQA processing/compliance and other preliminary design development.

Authority:

Expanded headquarters buildings are required for both departments to serve the needs of the growing city. Funding will come from a combination of CDA, Impact Fees, Fire District general revenue and unknown sources.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	5%	\$ 418,967	Investigations	0%	\$ -	
Construction Management	5%	\$ 418,967	Land	0%	\$ -	
Preliminary Studies	4%	\$ 335,173	Construction	68%	\$ 5,697,948	
Consultant Design	8%	\$ 670,347	Other	10%	\$ 837,934	
CEQA	0%	\$ -	Project Total:		100%	\$ 8,379,336

Financing Schedule:		Project Start: 2005		Project Completion: 2008			
Phases: Project Studies, CEQA, Land Acquisition, Design, Bidding/Award, Construction							
Fund Code:	416	099	414	415	702	999	
Name:	Gen Fac Impact Fee	To Be Determined	Police Impact Fee	Fire Impact Fee	Project Fund	Blank	FY Totals
Prior FY:			\$ 25,680				\$ 25,680
FY 06/07:	\$ -	\$ -	\$ 7,093	\$ 1,410	\$ -	\$ -	\$ 8,503
FY 07/08:	\$ -	\$ -	\$ 435,600	\$ 456,000	\$ 240,000	\$ -	\$ 1,131,600
FY 08/09:	\$ 200,000	\$ 3,125,650	\$ 454,061	\$ 433,842	\$ 2,000,000	\$ -	\$ 6,213,553
FY 09/10:	\$ -	\$ 425,277	\$ -	\$ -	\$ 574,723	\$ -	\$ 1,000,000
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 200,000	\$ 3,550,927	\$ 922,434	\$ 891,252	\$ 2,814,723	\$ -	\$ 8,379,336
Ratios:	2.4%	42.4%	11.0%	10.6%	33.6%	0.0%	100.0%

Recommended for Submittal

(name/title) (date)

Recommended for Approval (Dept. Head)

(name/title) (date)

Finance Department Approval

Shelly Gunby, Director of Finance (date)

City Manager Approval

John Donlevy, City Manager (date)

Rancho Arroyo Detention Pond Upgrades

Project Budget Sheet

CIP#: 03-04

MPFP#(s): none

Last Updated: June 2007

Original Approval: June 2003

Project Owner: Public Works

Project Manager: Alan Mitchell

Project Resource: Consultant

Description:

Improve the recently constructed pond's outlet pumping facility based on preliminary storm drain master plan analysis. Remove the current outlet standpipe and install a pump station capable of meeting current and future needs. The costs for this project are the responsibility of participating properties in the Rancho Arroyo Drainage District.

Authority:

This improvement need was identified by the city storm drain master plan consultant after analyzing the Rancho Arroyo Drainage District shed areas based on recent improvements and future development.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 48,750	Investigations	0%	\$ -	
Staff Design	9%	\$ 97,501	Land	0%	\$ -	
Consultant Design	9%	\$ 97,501	Construction	78%	\$ 860,572	
RW Consultant	0%	\$ -	Other	0%	\$ -	
CEQA	0%	\$ -	Project Total:		100%	\$ 1,104,324

Financing Schedule:							
Project Start: 2006		Project Completion: 2007					
Phases: Project Studies/Preliminary Design, CEQA, Design, Bidding/Award, Construction							
Fund Code:	492	999	999	999	999	999	
Name:	RAJA Storm Drain	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 5,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,566
FY 06/07:		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 7/08:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 08/09:	\$ 1,098,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098,758
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 1,104,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,104,324
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

(name/title) (date)

Recommended for Approval (Dept. Head)

(name/title) (date)

Finance Department Approval

Shelly Gunby, Director of Finance (date)

City Manager Approval

John Donlevy, City Manager (date)

New Water Well Project Budget Sheet

CIP#: 05-05

MPFP#(s): WA-9

Last Updated: June 2007

Original Approval:

Project Owner: Public Works

Project Manager: Nick Ponticello

Project Resource: Consultant

Description:

Locate and construct one new water well to meet water system demands. Advanced funding will be required of new developments and reimbursement provided from fee payments by subsequent developments.

Authority:

The Water System Master Plan Update (2003/4) identified the need for additional water system supply and/or storage.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 83,750	Investigations	0%	\$ -	
Construction Management	8%	\$ 167,500	Land	0%	\$ -	
Consultant Design	8%	\$ 167,500	Construction	78%	\$ 1,675,000	
RW Consultant	0%	\$ -	Other	3%	\$ 60,550	
CEQA	0%	\$ -	Project Total:	100%	\$ 2,154,300	

Financing Schedule:							
Project Start:		2004		Project Completion:		2005	
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	417	999	999	999	999	999	
Name:	Water Impact Fee	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:	\$ 3,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,251
FY 7/08:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 08/09:	\$ 2,151,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,151,049
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 2,154,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,154,300
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

(name/title) (date)

Recommended for Approval (Dept. Head)

(name/title) (date)

Finance Department Approval

Shelly Gunby, Director of Finance (date)

City Manager Approval

John Donlevy, City Manager (date)

WWTF, Ph 2. Improvements

Project Budget Sheet

CIP#: 02-04

MPFP#(s): WW-58

Last Updated: June 2007

Original Approval: June 2003

Project Owner: Public Works

Project Manager: Alan Mitchell

Project Resource: TBD

Description:

Expand the WasteWater Treatment Facility (WWTF) to handle a future predicted average daily flow of 1.2 million gallons per day. This project includes regulatory review and permitting, preliminary engineering, land acquisition, CEQA processing/compliance, design and construction.

Authority:

The WWTF Master Plan was based on General Plan requirements. Project costs are the responsibility of new development per the MPFP. Advance funding will be provided by Developers and paid back over time from collected impact fees.

<u>Budget:</u>						
Item	%	Amount	Item	%	Amount	
Project Management	1.5%	\$ 100,000	Investigations	0.0%	\$ -	
Consultant Design	6.0%	\$ 400,000	Land	30.0%	\$ 2,000,000	
Construction Management	5.3%	\$ 350,000	Construction	49.0%	\$ 3,260,000	
RW Consultant	0.4%	\$ 25,000	Other/Contingency	7.1%	\$ 471,000	
CEQA	0.8%	\$ 50,000	Project Total:	100%	\$ 6,656,000	

<u>Financing Schedule:</u>							
Project Start:		2001		Project Completion:		2008	
Phases: Design, Bidding/Award, Construction							
Fund Code:	099	418	999	999	999	999	
Name:	To Be Determined	Sewer Impact Fee	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 06/07:							
FY 7/08:	\$ 2,550,000	\$ 328,000	\$ -	\$ -	\$ -	\$ -	\$ 2,878,000
FY 08/09:	\$ 2,000,000	\$ 1,778,000	\$ -	\$ -	\$ -	\$ -	\$ 3,778,000
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 4,550,000	\$ 2,106,000	\$ -	\$ -	\$ -	\$ -	\$ 6,656,000
Ratios:	68.4%	31.6%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

	(date)
	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

W Main Street Sewer Pump Station

Project Budget Sheet

CIP#: 05-06

MPEP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: #N/A

Project Manager: Nick Ponticello

Project Resource: Consultant

Description:

Construct Sewer Pump Station and Force Main Pipe System to serve new development within the northwest quadrant of the City. Advanced funding will be required of new developments and reimbursement provided from fee payments from subsequent developments.

Authority:

The Sewer master plan update (2005/2006) identified the need for the Sewer Pump Station and forcemain pipe system.

<u>Budget:</u>						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 96,296	Investigations	0%	\$ -	
Construction Management	7%	\$ 192,593	Land	0%	\$ -	
Consultant Design	11%	\$ 288,889	Construction	74%	\$ 1,925,926	
RW Consultant	0%	\$ -	Other	4%	\$ 96,296	
CEQA	0%	\$ -	Project Total:		100%	\$ 2,600,000

<u>Financing Schedule:</u>							
Project Start:		0		Project Completion:		0	
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	701	418	999	999	999	999	
Name:	Redevelopment (CDA)	Sewer Impact Fee	Blank	Blank	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:							
FY 07/08:		\$ 100,000	\$ -				\$ 100,000
FY 08/09:		\$ 2,500,000	\$ -				\$ 2,500,000
FY 09/10:							\$ -
FY 10/11:							\$ -
Fund Totals:	\$ -	\$ 2,600,000	\$ -	\$ -	\$ -	\$ -	\$ 2,600,000
Ratios:	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

(name/title) (date)

(name/title) (date)

Shelly Gunby, Director of Finance (date)

John Donlevy, City Manager (date)

Grant Ave to Morgan Project Budget Sheet

CIP#: 05-07/05/08

MPFP#(s): ST15, 16 & SG5

Last Updated: June 2007

Original Approval:

Project Owner: Public Works

Project Manager: Nick Ponticello

Project Resource: Consultant

Description:

Roadway and intersection improvements to the Grant Avenue access corridor between Dutton St. and Morgan St. Project could include intersection improvements with traffic control devices at Walnut Lane, Dutton St, and Morgan Street, and roadway widening and pedestrian and landscape enhancements.

Authority:

The Circulation Master Plan requires improvement as traffic volumes increase. Funding is from a combination of Developer Impact Fees and State Grant Funds (STP,STIP)

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	3%	\$ 40,000	Investigations	3%	\$ 40,000	
Construction Management	6%	\$ 80,000	Land	21%	\$ 300,000	
Consultant Design	6%	\$ 80,000	Construction	57%	\$ 800,000	
RW Consultant	1%	\$ 8,000	Other	3%	\$ 40,000	
CEQA	1%	\$ 16,000	Project Total:		100%	\$ 1,404,000

Financing Schedule:							
Project Start:		0		Project Completion:		0	
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	423	411	999	999	999	999	
Name:	Street Capital	Street Impact Fee	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ -	\$ 40,000					\$ 40,000
FY 06/07:	\$ -						\$ -
FY 07/08:	\$ 60,000						\$ 60,000
FY 08/09:	\$ 650,000						\$ 650,000
FY 09/10:		\$ 654,000					\$ 654,000
FY 10/11:							\$ -
Fund Totals:	\$ 710,000	\$ 694,000	\$ -	\$ -	\$ -	\$ -	\$ 1,404,000
Ratios:	50.6%	49.4%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

_____	(date)
_____	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Grant Avenue /I-505 Northbound Ramp Signal

Project Budget Sheet

CIP#: 05-02

MPFP#(s):

Last Updated: June 2007

Original Approval:

Project Owner: Public Works/Cal Trans

Project Manager: Nick Ponticello

Project Resource: Consultant

Description:

Design and construction of a traffic signal and roadway improvements on the northbound off-ramp of I-505 at State Route 128

Authority:

The General Plan requires project impact mitigation to LOS Thresholds for all new development

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	4%	\$ 17,500	Investigations	0%	\$ -	
Construction Management	8%	\$ 35,000	Land	0%	\$ -	
Consultant Design	8%	\$ 35,000	Construction	80%	\$ 350,000	
RW Consultant	0%	\$ -	Other	0%	\$ -	
CEQA	0%	\$ -	Project Total:		100%	\$ 437,500

Financing Schedule:							
Project Start: #N/A		Project Completion: #N/A					
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	411	999	999	999	999	999	
Name:	Street Impact Fee	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 50,000						\$ 50,000
FY 06/07:							\$ -
FY 07/08:	\$ 387,500						\$ 387,500
FY 08/09:	\$ -						\$ -
FY 09/10:	\$ -						\$ -
FY 10/11:	\$ -						\$ -
Fund Totals:	\$ 437,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437,500
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal
 Recommended for Approval (Dept. Head)
 Finance Department Approval
 City Manager Approval

	(date)
	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Community Park Project Budget Sheet

CIP#: 06-04

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: Public Works

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

This project will design and construct about **22.00** acres of new city park(s) at the Old City Landfill, including a citizen based process to identify desired park features, design and construction. Subject to budget and project scoping, it's anticipated that 4 soccer/football fields and 3 soft/hard ball fields will be constructed on 15-20 acres.

Authority:

The General Plan requires construction of new parks concurrently with the pace of new development. Funding is provided by a combination of impact fees and other sources as available. The project will be constructed in a phased approach.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	1%	\$ 100,000	Investigations	0%	\$ -	
Construction Management	6%	\$ 404,500	Land	0%	\$ -	
Consultant Design	7%	\$ 500,000	Construction	70%	\$ 5,056,000	
RW Consultant	0%	\$ -	Other	16%	\$ 1,138,500	
CEQA	0%	\$ 25,000	Project Total:	100%	\$ 7,224,000	

Financing Schedule:							
Project Start:		2004		Project Completion:		2008+	
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	101	413	422	424	999	999	
Name:	General Fund	P & R Impact Fee	Landfill Capital	P & R Capital	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 07/08:	\$ -	\$ -	\$ 50,000	\$ 100,000	\$ -	\$ -	\$ 150,000
FY 08/09:	\$ -	\$ 7,074,000	\$ -	\$ -	\$ -	\$ -	\$ 7,074,000
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ -	\$ 7,074,000	\$ 50,000	\$ 100,000	\$ -	\$ -	\$ 7,224,000
Ratios:	0.0%	97.9%	0.7%	1.4%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

(name/title) (date)

(name/title) (date)

Shelly Gunby, Director of Finance (date)

John Donlevy, City Manager (date)

Library

Project Budget Sheet

CIP#: 06-17

MPFP#(s): 0

Last Updated: June 2007

Original Approval:

Project Owner: City Manager

Project Manager: John W. Donlevy, Jr.

Project Resource: Consultant

Description:

New Winters Public Library Building to be situated on the Winters High School property. A joint use facility with the Winters Joint Unified School District.

Authority:

The project will enhance to educational resources for the students of the City of Winters. Funding will be from the Redevelopment Agency, the Winters Joint Unified School District, Library Bonds and Yolo County. The budgeted information is the amount from the City of Winters Only.

Budget:						
Item	%	Amount	Item	%	Amount	
Project Management	0%	\$ -	Investigations	0%	\$ -	
Construction Management	0%	\$ -	Land	0%	\$ -	
Consultant Design	0%	\$ -	Construction	100%	\$ 400,000	
RW Consultant	0%	\$ -	Other	0%	\$ -	
CEQA	0%	\$ -	Project Total:	100%	\$ 400,000	

Financing Schedule: Project Start: 0 Project Completion: 0							
Phases: Project Studies, CEQA, Design, Bidding/Award, Construction							
Fund Code:	702	999	999	999	999	999	
Name:	Project Fund	Blank	Blank	Blank	Blank	Blank	FY Totals
Prior FY:							\$ -
FY 06/07:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 07/08:	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
FY 08/09:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 09/10:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 10/11:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Totals:	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Ratios:	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

(name/title)	(date)
(name/title)	(date)
Shelly Gunby, Director of Finance	(date)
John Donlevy, City Manager	(date)

Capital Improvement Plan

Some of the above detailed items will include some on-going maintenance when completed. The following is a summary of how the on-going maintenance is to be addressed within the City of Winters' operating budget.

- AB1600- this project is administrative in nature, monitoring is part of the responsibility of both the finance and the public works department
- Jackson Street Reconstruction-on-going maintenance includes maintenance of the water, sewer and storm drain systems as well as street cleaning. The cost of these maintenance items are included in the water, sewer and public works department.
- Putah Creek Vehicle Bridge Upgrade-the portion budgeted for 2006/2007 is for design only. Construction is scheduled no earlier than 2009/2010.
- Landfill Closure-There are no operating costs related to this project. When the regulatory agencies give approval that the site is clean, the City will build a regional sports park at this site. The costs for the regional sports park have been included in the long-range financial planning that the City has prepared,
- Rotary Park Improvements-The Rotary Park is an existing park, and therefore the cost of maintaining it is already included in the City Wide Assessment District.
- Main St. Streetscape Improvements -When completed, the landscaped planters will require maintenance by the parks crew, this amount is included in the City Wide Assessment District budget.
- Main and Railroad Intersection Improvements-When completed, the landscaped areas will require maintenance by the parks crew. This amount is included in the City Wide Assessment District budget.
- Alley Improvements Between Railroad and First St- This project will require additional street sweeping and some landscape maintenance. The cost of these increased responsibilities are included in the City Wide Assessment District Budget.
- Public Safety Headquarters-Design costs only are budgeted for the current year, so no increased operating costs are budgeted.

Capital Improvement Plan

- Rancho Arroyo Detention Pond Upgrade- Completion of this project is not expected until the very end of the budget year. In 2007/2008, when the pump station is operable, additional costs will be included in the sewer fund for the pump station operations.
- New Water Well-design costs only are budgeted for 2007/2008; no additional operating costs will be incurred during this budget year.
- Waster Water Treatment Facility Phase 2 Improvements-completion of the project, and operational status is not expected until 2008/2009 Additional operating costs will be included in the 2008/2009 Sewer Fund budget.
- West Main Street Sewer Pump Station-design costs only are budgeted for 2007/2008, therefore no additional operating costs are included in the sewer fund for this project.
- Grant Avenue, Dutton to Morgan Street-design costs only are included in this budget.
- Grant Avenue I-505 Northbound Ramp Signal-Upon completion of the project, additional costs for operating the traffic signal will be incurred. These costs are included in the City Wide Assessment District budget.
- Community Park-Design costs only are budgeted for the current fiscal year. There are no increased operating costs at this point.
- Library-The City of Winters is contributing \$400,000 for the construction of a new community library. The library will be operated by Yolo County and the Winters Joint Unified School District.

Future Financial Forecasting

As discussed earlier in this document, the City of Winters has been focusing on the financial well being of the community, and in doing so has completed a ten-year forecast for the City's General Fund and City Wide Assessment District. The City also recently completed a 7-year financing plan for both the Water and Sewer Funds.

The purpose of a long-term forecast is to provide a long-term view of the revenues and expenditures for the funds listed above. The four (4) funds listed provide the services that most impact the citizens of the City of Winters. The information provided in this section of the budget will enable to City Council to evaluate the impact of policy choices on the long-term fiscal health of the City.

The City Council can change the City's long-term financial outlook based upon actions taken or policies enacted. The ten-year forecast will enable the City Council to act more strategically and to understand the impact of its decisions.

The City Council is often faced with making decisions that have long-term fiscal impacts. These decisions include but are not limited to:

- Long-term consequence of employee pay and benefit policies
- Long-term financial responsibilities for increased City maintained park space.
- Financial implications of growth policies adopted by the City Council.
- Long-term consequences of water and sewer rate levels.

Forecasting Assumptions

The overall fiscal strategy will be based on compliance with the City's General Plan and the achievement of a variety of community service and infrastructure goals. While acknowledging a current deficiency in meeting certain objective outlined in the General Plan, the program provides for an incremental achievement over a five-year period. Assumptions include:

Future Financial Forecasting

- The City will not achieve General plan ratios for parks or police, but they will significantly improve and service goals will advance.
- Population will reach 8,488 by 2010
- No assumptions are made for increased tax revenues from industrial or commercial sectors.

Public Safety Services:

The General Plan provides for a police officer staffing ratio of 1.7 officers per 1,000 population. The funded staffing ratio is 1.6 based on 11 funded sworn personnel positions (Sworn personnel include the police Chief). The current ratio due to staffing vacancies (2 vacancies) is 1.31. At 2010 the Department would be as follows:

- 13 Police officers (Including Chief) ratio is 1.53
- 1 Community Services Officer
- 2 Records Personnel

The General Plan currently does not contain a staffing ratio for fire services. Using the industry standard of 1 per 1,000 the current ratio is .58. The City also pays approximately 68% of the current operating budget for the Winters Fire Protection District and a consolidation plan for a City of Winters Fire Department contracting to provide fire protection to the Winters Fire Protection District has begun to be developed. At 2010 the Department would be as follows:

- 7 FTE (ratio .95 with seasonal)
- 2 Seasonal

Additionally, the city anticipates the construction of a new public safety facility and a consolidation of administrative clerical operations for both police and fire by 2008. Staffing at the fire station would increase from five (5) day per week (8am-5pm) to seven (7) day three-shift operation (10 hours per day).

Future Financial Forecasting

Parks

The General plan goal for parks is 7 acres per land per 1,000 population. The City presently operates with 7 total acres of parks, generating a present ratio of 1.01 acre per 1,000. This fiscal assumption includes a projection that by 2010 a sports park will be developed at the former landfill facility and a 10.68-acre neighborhood park will be developed. At 2010 the parks would include the following:

- 32.68 acres of new parks to a new total of 39.68 acres of parks within the city. A ratio of 4.67 acres per 1,000, a 567% increase.
- Maintenance services will increase proportionally to parkland growth.

Infrastructure Improvements

Based on the overall citywide pavement management system (PMS), staff estimates a current overall deficiency of approximately \$4.5 million of maintenance need. This includes a combination of need for reconstruction and overlays of current streets and a preventative maintenance program that should be budgeted at approximately \$100,000 annually. Typically, using a 50/50 ratio of expenditures for infrastructure maintenance, you would spend an equal amount of funding toward preventative maintenance. Staff has been unable to identify a source of funding for infrastructure maintenance, and it is not included in this forecasting model.

Fiscal Assumptions

In the development of the fiscal model for the General Fund, the following revenue and expenditure assumptions are being made:

1. Revenues
 - Property taxes increase by 2% per year as allowed by law
 - Each new market rate home projected assessed value at \$400,000
 - Each new affordable home projected at assessed value \$200,000
 - Each new home increases population by 3.248 persons
 -

Future Financial Forecasting

- UUT (based on regression analysis) increases by \$367.00 per unit added
 - Taxable sales (based on regression analysis) increases by \$9,121.25 per person
 - Includes investment earnings of 4.2% for a Guaranteed Investment Contract investment for Development Agreement General Fund one-time fee.
 - Building Permit Fees increase by 2.33% inflationary factor
 - Property tax in Lieu of VLF increase by increase in Assessed Value for the City, not by population increase.
 - All other revenues increase by 2.33% per year.
2. Expenditures
- Wages increase by 2.5% per year after expiration of current Memorandum of Understanding
 - Cafeteria Plan increases by 5% per year for those employees accessing city health insurance options.
 - PERS contributions based on actual for 06/07 and 07/08 and increase 2% per year thereafter
 - Increased building maintenance for new public safety facility at \$36,000 per year.
 - Parks Cost estimated at \$14,000 per acre for maintenance of new park space.
 - Include \$20,000 annually for Park Equipment Replacement
 - City Wide Assessment deficit fully funded by General Fund.
 - All other expenditures will increase at 2.33% inflationary factor per year.
 - The City will establish a Service Reserve Fund and transfer an amount of General Fund revenues equal to a percentage of Development Fees to an investment fund based on the following schedule:
 1. 06-07 10%
 2. 07-08 20%
 3. 08-09 30%
 4. 09-10 40%
 5. 10-11 and thereafter 50%

Future Financial Forecasting

3. Other Assumptions
 - No increase in Utility User Tax Rate
 - No Increase in Municipal Services Tax Rate
 - No Increase in City Wide Assessment District Assessment amount.
 - Services implemented ahead of or in conjunction with development
 - General Plan Compliance in 08-09 with development
4. Fiscal Policy Assumptions
 - Implementation of General Plan Service/Facility Standards
 - Services in Place in Conjunction with New Development
 - Make Non-recurring revenues become recurring revenues
 - New Parks in 08-09 and 11-12
 - Service Reserve Fund established
 - Fire District Revenues do not increase
 - Property tax calculations based on CDA vs. outside CDA
 - Public Safety Facility opens in 08-09
 - GIC revenue based on interest rates on GIC for CDA bond reserve account.

City Wide Assessment Lighting and Landscaping District

- Assessments are fixed at \$82.50 per residential unit per year and \$42.50 per commercial unit per year with no inflationary escalator included per voter approval.
- Service levels increase as additional parks are completed and on line.
- No increase in staffing for parks.

Water Enterprise Funds

- Next anticipated rate increase is scheduled for 7/1/07
- Capital projects included in rate computation
- City will be fully metered and billed on a metered rate effective January 1, 2010
-
-

Future Financial Forecasting

- The City will issue revenue bonds in 07/08, 09/10, and 10/11 in the amount of \$2,000,000 each issuance for major infrastructure work and to install water meters.
- The monthly water rate consists of the following components:
 - Operations & Maintenance
 - Capital Improvement
 - Capital Replacement
 - Debt Service
 - Operating Reserves

Sewer Enterprise fund

- Next anticipated rate increase is scheduled for 7/1/06
- Capital projects included in the rate computation
- The City will issue revenue bonds in 07/08, 08/09 and 10/11 for a total of \$7,000,000 for major infrastructure work.
- The monthly sewer rate consists of the following components:
 - Operations and Maintenance
 - Capital Repair and Replacement
 - Debt Service
 - Operating Reserves

**City of Winters General Fund Revenue Projections
2007-2008 through 2016-2017**

Account	Description	Budget 2007-2008	projected 2008-2009	projected 2009-2010	projected 2010-2011	projected 2011-2012	projected 2012-2013	projected 2013-2014	projected 2014-2015	projected 2015-2016	projected 2016-2017
Fund 101 General Fund Revenues											
41101	Property Tax	730,775	744,600	873,657	978,657	1,081,951	1,141,645	1,221,560	1,304,596	1,390,815	1,418,631
41102	Property Tax in Lieu of Sales Tax	90,000	102,091	112,906	123,251	127,953	135,006	142,248	149,677	157,107	164,536
41103	Property Tax in Lieu of VLF	505,925	516,044	605,486	678,256	749,844	791,215	846,600	904,148	963,901	983,179
41301	SB813 Suppl.	-	500	500	500	500	500	500	500	500	501
41401	Sales & Use Tax	270,000	306,273	338,718	369,752	383,859	405,019	426,743	449,031	471,320	493,608
41402	Prop 172 Sales Tax	25,000	30,825	38,007	46,863	57,782	71,245	87,845	108,313	133,550	164,667
41403	Franchise Tax	205,040	209,817	214,706	219,709	224,828	230,067	235,427	240,913	246,526	252,270
41404	Prop. Trsf Tax	16,000	26,488	25,542	36,894	24,596	17,265	9,224	5,203	2,365	2,365
41405	Utility Tax	378,000	436,237	489,108	539,680	562,667	597,149	632,549	668,869	705,189	741,509
41406	Muni. Ser. Tax	278,520	291,120	313,308	341,172	381,420	408,252	427,086	437,148	442,824	445,404
41407	Bus. Lic. Tax	26,200	19,000	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,501
41408	Tot Tax	3,000	3,070	3,141	3,215	3,290	3,366	3,445	3,525	3,607	3,691
41507	Motor Veh. in Lieu	51,000	58,060	64,661	70,975	73,845	78,150	82,570	87,105	91,640	96,175
41508	Motor Vehicle License Fee-E	-	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,825	4,826
41509	Homeowner Prop Tax Relief	15,000	15,350	15,707	16,073	16,448	16,831	17,223	17,624	18,035	18,455
41511	Off Highway Motor Vehicle	400	200	200	200	200	200	200	200	200	201
	Total Taxes	2,594,860	2,764,498	3,117,973	3,447,521	3,711,507	3,918,234	4,166,545	4,399,178	4,649,904	4,807,521
42102	Copy Fees	150	200	200	200	200	200	200	200	200	201
42103	Plan Check Fees	61,387	76,867	98,944	146,492	100,103	72,021	39,439	22,804	10,625	10,625
42104	Planning Application Fees	2,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
42105	Sales of Maps/Publications	150	750	750	750	750	750	750	750	750	750
42108	Police Reports	800	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
42109	Fingerprint Fees	2,800	5,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
42111	Towing/DUI Reimbursement	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
42112	Ticket Sign Off Fees	250	-	200	200	200	200	200	200	200	200
42201	Recreation Fees	7,500	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
42203	Youth Drama Revenue	4,000	3,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
42205	Basketball Revenues	4,700	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
42211	Pool Ticket Sales	2,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
42215	Swim Passes	2,000	200	200	200	200	200	200	200	200	200
42216	Swim Lessons	1,800	750	750	750	750	750	750	750	750	750
42217	Water Aerobics Fee	500	550	550	550	550	550	550	550	550	550
42218	Swim Team Reimbursement	-	-	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
	Lifeguard class	900	-	200	200	200	200	200	200	200	200
42301	Park Rental	850	500	500	500	500	500	500	500	500	500
42302	Library Hall Rental	800	1,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
42303	Community Center Rental	21,000	15,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
	Community Center Insurance	2,500									
	Building Permit Fines	750									
	Ambulance Charges	-	-	19,288	19,737	20,197	20,668	21,149	21,642	22,146	22,146
	Total Service Charges	118,837	119,317	157,782	205,779	169,850	132,239	100,138	83,996	72,321	72,322
44101	Rents/Leases	40,000	40,932	41,886	42,862	43,860	44,882	45,928	46,998	48,093	49,214
	Gic Income	-	32,965	67,749	113,941	312,079	361,756	396,837	415,695	425,891	431,071
44102	Interest Revenues	96,000	98,237	100,526	102,868	105,265	107,717	110,227	112,796	115,424	118,113
	Total Rents, Interest, Concession	136,000	172,134	210,160	269,671	461,205	514,365	562,992	575,489	589,408	598,398
46101	Building Permit Surcharge	237,768	197,132	253,750	375,691	256,722	184,704	101,145	58,482	27,247	-
46102	Building Permits	92,853	110,007	141,602	209,650	143,261	103,072	56,443	32,635	15,205	-
46103	Encroachment Permits	1,000	1,023	1,047	1,072	1,097	1,122	1,148	1,175	1,202	1,230
46104	Other License & Permits	48,903	58,854	75,757	112,163	76,645	55,144	30,197	17,460	8,135	-
	Total Licenses and Permits	380,524	367,016	472,157	698,576	477,724	344,042	188,932	109,753	51,790	1,230
48106	P.O.S.T Reimbursement	3,500	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
48107	State Hwy Rte 128	-	-	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
	Total Grants	3,500	3,500	5,500							
49104	Miscellaneous Revenues	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
49106	Cash Over/Short										
49108	Commissions on Coke Machine from Fire district	100	100	100	100	100	100	100	100	100	100
	Fireworks donation	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,001
49109	Developer Planning Reimburs	15,000	84,459	90,060	90,060	93,003	96,048	99,198	102,454	105,181	-
	Total Other Revenues	38,100	107,659	294,822	298,117	304,421	310,895	317,542	324,365	330,730	204,188
49999	Interfund transfer	26814	26814	26814	26814	26814	26814	26814	26814	26814	26814
49901	Pers Transfer	160,000	100,000	100,000	18,896						
	Total Transfer	186,814	100,000	100,000	18,896	26,814	26,814	26,814	26,814	26,814	26,814
	Total General Fund Revenues	3,458,635	3,634,025	4,358,393	4,934,060	5,147,021	5,252,079	5,347,463	5,525,094	5,726,466	5,716,973

Future Financial Forecasting

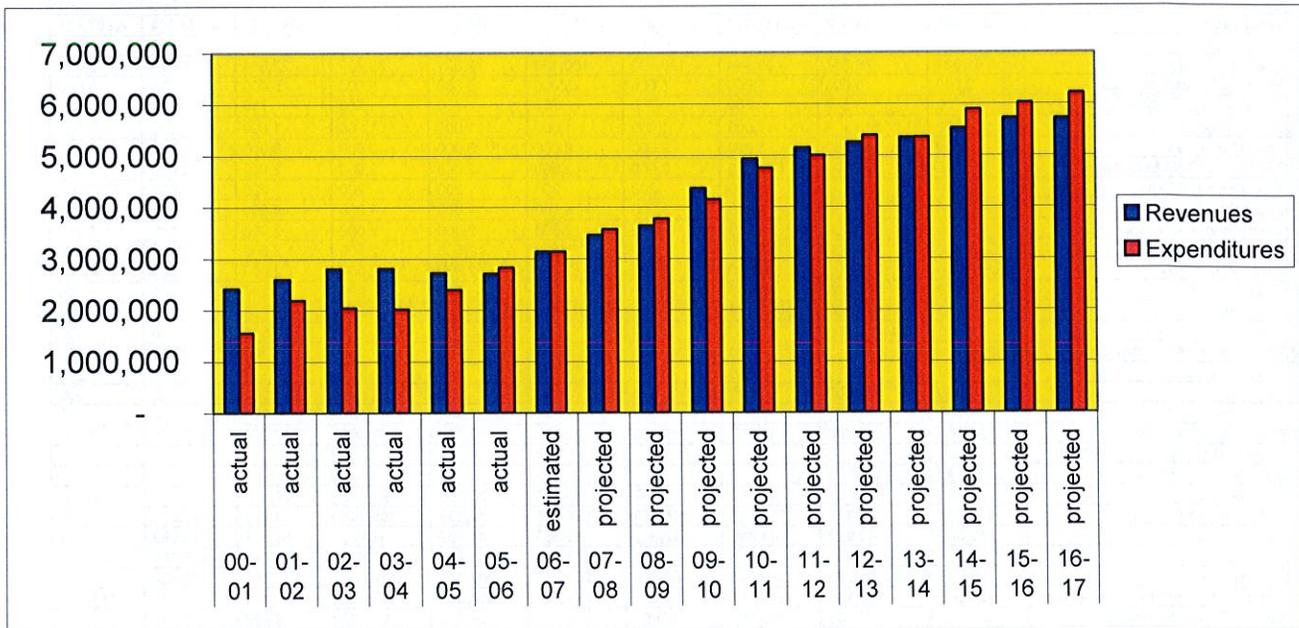
General Fund

The General Fund Projected Revenues in excess/(less than) projected expenditures is shown in the table below:

City of Winters General Fund Revenues in excess/(less than) expenditures

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Projected Revenues	3,458,635	3,634,025	4,358,393	4,934,060	5,147,021	5,252,079	5,347,463	5,525,094	5,726,466	5,715,973
Projected Expenditures	3,565,325	3,773,181	4,141,269	4,754,031	4,998,663	5,389,582	5,351,554	5,888,441	6,023,706	6,211,033
Revenue in Excess/(less than Expenditures)	(106,690)	(139,156)	217,125	180,029	148,358	(137,504)	(4,091)	(363,347)	(297,239)	(495,061)

The Graph below shows the trend of revenues and expenditures for 2000-2001 through 2016-2017 fiscal years.



City of Winters General Fund Revenue and Expenditures

<u>Fiscal Year</u>	<u>Type</u>	<u>Revenues</u>	<u>Expenditures</u>
00-01	actual	2,417,610	1,557,200
01-02	actual	2,592,750	2,189,753
02-03	actual	2,799,279	2,035,205
03-04	actual	2,807,521	2,015,904
04-05	actual	2,718,615	2,389,363
05-06	actual	2,706,843	2,822,716
06-07	estimated	3,133,572	3,133,572
07-08	projected	3,458,435	3,565,325
08-09	projected	3,634,025	3,773,181
09-10	projected	4,358,393	4,141,269
10-11	projected	4,934,060	4,754,031
11-12	projected	5,147,021	4,998,663
12-13	projected	5,252,079	5,389,582
13-14	projected	5,347,463	5,351,554
14-15	projected	5,525,094	5,888,441
15-16	projected	5,726,466	6,023,706
16-17	projected	5,715,973	6,211,033

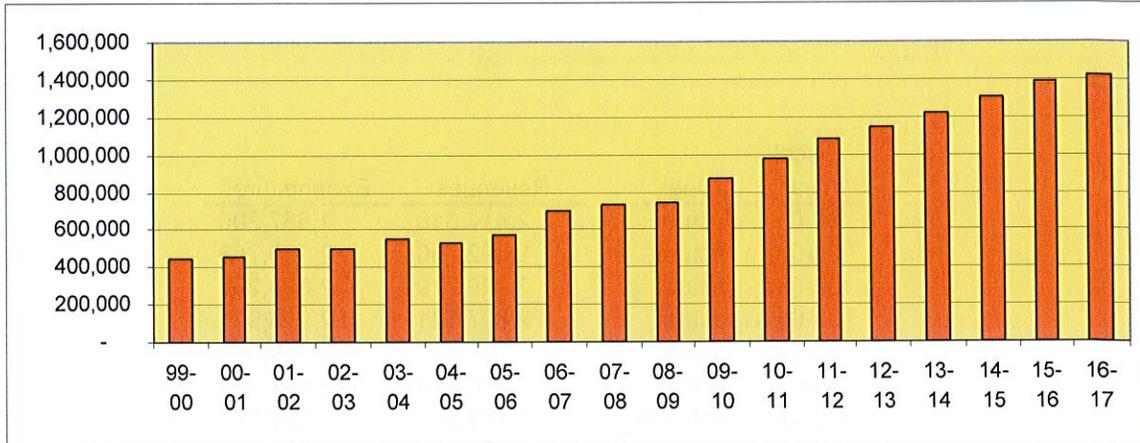
The largest revenues for the City of Winters are Property Tax, Utility User Tax, Property Tax in Lieu of VLF, Municipal Services Tax and Sales Tax.

Property tax remains the single highest revenue source for the City of Winters. Below is a chart that illustrates the growth and projected growth of the property tax.

**Future
Financial
Forecasting**

General Fund

Property Tax



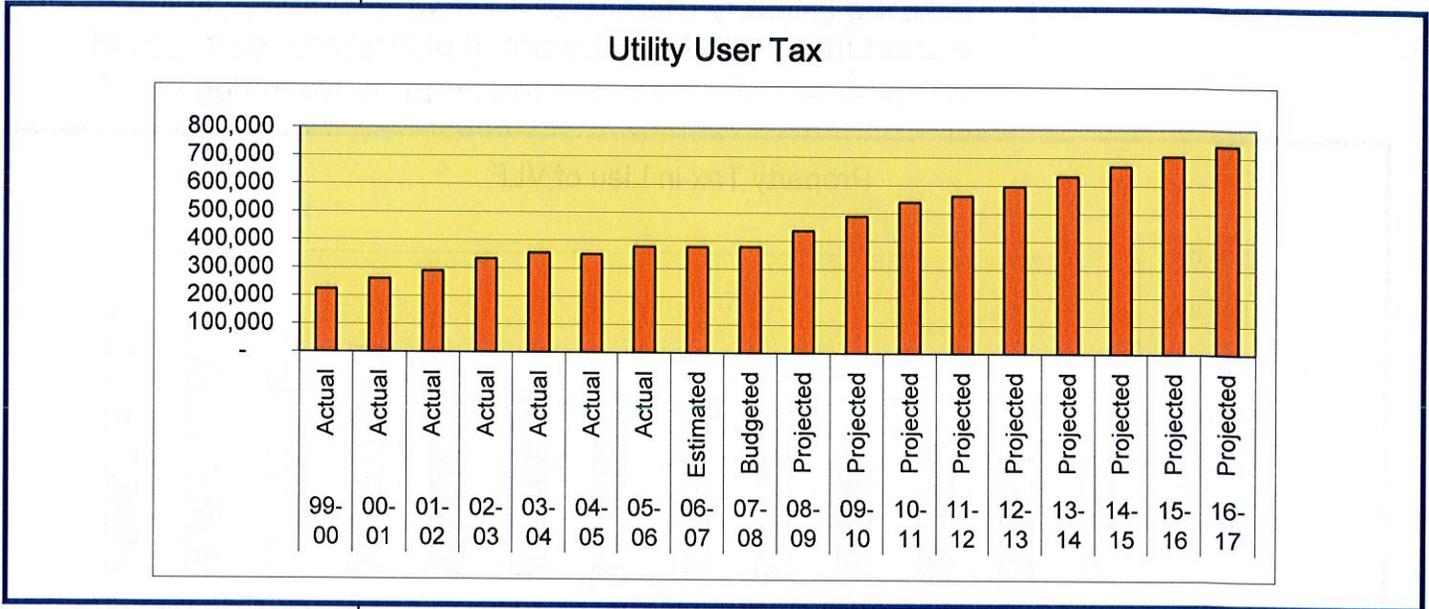
Property Tax

Fiscal Year		Property Tax	Assessed Value	% of Assessed Value received in Taxes
99-00	Actual	449,066	216,791,066	0.207%
00-01	Actual	451,629	235,011,728	0.192%
01-02	Actual	499,038	252,992,011	0.197%
02-03	Actual	498,128	280,287,089	0.178%
03-04	Actual	553,104	311,886,568	0.177%
04-05	Actual	530,507	367,722,629	0.144%
05-06	Actual	576,772	376,975,163	0.153%
06-07	Estimated	704,490	460,450,980	0.153%
07-08	budgeted	730,775	477,630,719	0.153%
08-09	Projected	744,600	486,666,667	0.153%
09-10	Projected	873,657	571,017,647	0.153%
10-11	Projected	978,657	639,645,098	0.153%
11-12	Projected	1,081,951	707,157,516	0.153%
12-13	Projected	1,141,645	746,173,203	0.153%
13-14	Projected	1,221,560	798,405,229	0.153%
14-15	Projected	1,304,596	852,677,124	0.153%
15-16	Projected	1,390,815	909,029,412	0.153%
16-17	Projected	1,418,631	927,209,804	0.153%

Future Financial Forecasting

General Fund

The utility user tax is a 5% tax imposed on the utilities consumed by the residents of the City of Winters. It is charged on gas, electricity and telephone services. As the cost of energy increases, so does the tax collected on the utility. Below is a chart with the actual and projected utility user tax.



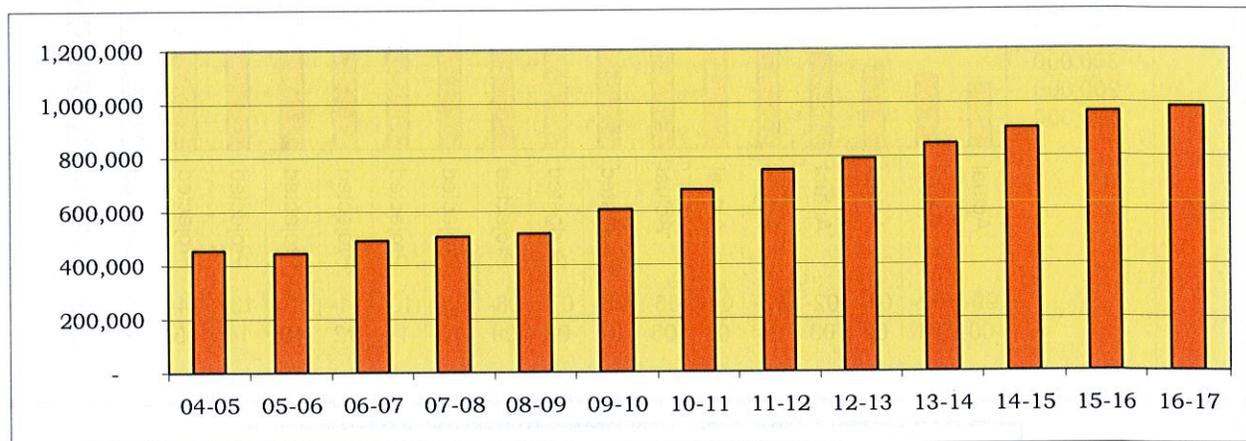
Fiscal Year	Utility User Tax	Units	Utility User Tax per Unit per year
99-00	Actual	1,899	117.95
00-01	Actual	1,904	136.63
01-02	Actual	1,954	147.67
02-03	Actual	2,000	166.27
03-04	Actual	2,045	173.59
04-05	Actual	2,101	166.60
05-06	Actual	2,116	178.55
06-07	Estimated	2,174	173.79
07-08	Budgeted	2,193	172.37
08-09	Projected	2,292	190.33
09-10	Projected	2,416	202.45
10-11	Projected	2,596	207.89
11-12	Projected	2,715	207.24
12-13	Projected	2,799	213.34
13-14	Projected	2,844	222.42
14-15	Projected	2,869	233.14
15-16	Projected	2,881	244.77
16-17	Projected	2,892	256.40

Future Financial Forecasting

General Fund

Property tax in lieu of VLF is a new revenue source as of 2004-2005 as a result of the Passage of Prop 1A by the people of the State of California. Prop 1A permanently reduced the Motor Vehicle License Fee from 2% to .65% of the value of the automobile. These fees are from the registration of vehicles throughout the state and are distributed to the cities and counties based largely on population. To replace these constitutionally guaranteed fees, the Property Tax in Lieu of VLF was enacted. Below is a chart that illustrates the amount of Property Tax in Lieu of VLF received and the projected Property Tax in Lieu of VLF.

Property Tax in Lieu of VLF



Property Tax in lieu of VLF

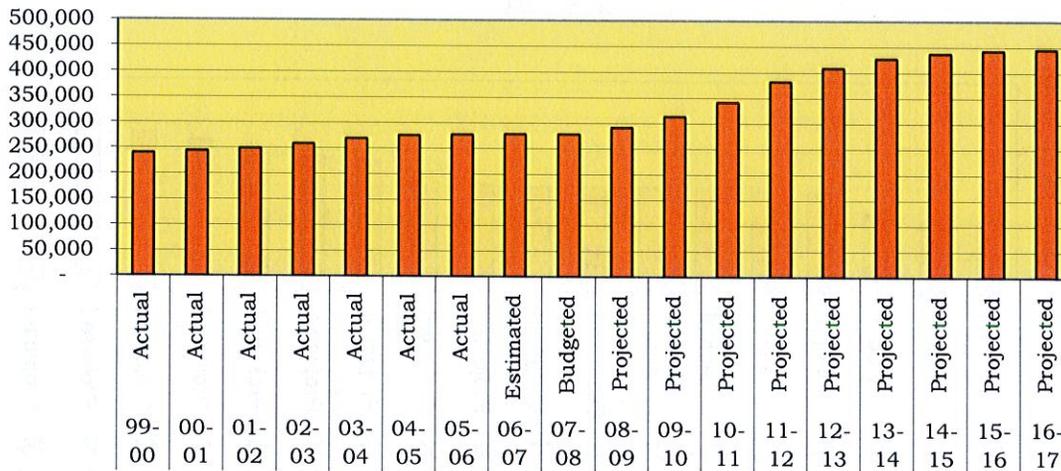
<u>Fiscal Year</u>		<u>Revenues</u>
04-05	Actual	455,002
05-06	Actual	445,055
06-07	Estimated	491,180
07-08	Budgeted	505,928
08-09	Projected	516,044
09-10	Projected	605,486
10-11	Projected	678,256
11-12	Projected	749,844
12-13	Projected	791,215
13-14	Projected	846,600
14-15	Projected	904,148
15-16	Projected	963,901
16-17	Projected	983,179

Future Financial Forecasting

General Fund

The Municipal Services Tax is a \$120 a year tax on every residential and commercial unit within the City of Winters. It is a voter-approved tax, and the tax amount will not increase unless approved by voters. No increase is scheduled to go to the voters at this time. Below is a chart of the actual and projected municipal services tax for the City of Winters.

Municipal Services Tax



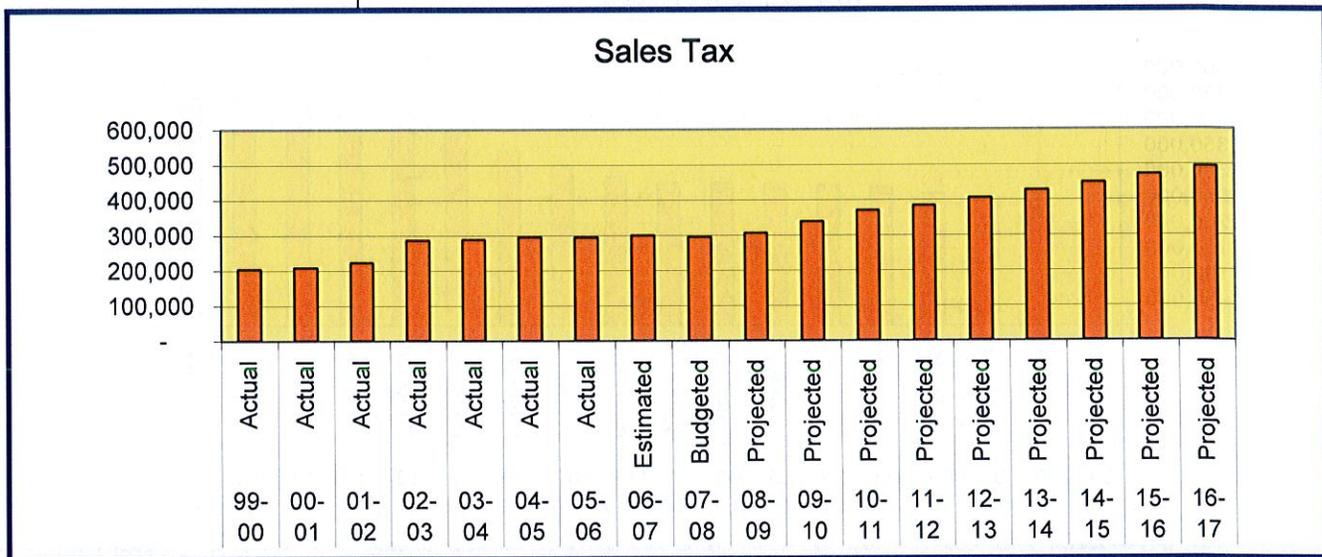
Municipal Services Tax

Fiscal Year		Municipal Services Tax
99-00	Actual	239,857
00-01	Actual	244,080
01-02	Actual	248,945
02-03	Actual	258,161
03-04	Actual	268,773
04-05	Actual	275,095
05-06	Actual	277,200
06-07	Estimated	278,150
07-08	Budgeted	278,520
08-09	Projected	291,120
09-10	Projected	313,308
10-11	Projected	341,172
11-12	Projected	381,420
12-13	Projected	408,242
13-14	Projected	427,086
14-15	Projected	437,148
15-16	Projected	442,824
16-17	Projected	445,404

Future Financial Forecasting

General Fund

Sales tax is another major general fund revenue source for the City of Winters. The City should receive 1% of the sales tax on every sale subject to sales tax, however, with the "Triple Flip" in place, the City receives 75% of the 1% as sales tax, and 25% of the 1% as Property tax in Lieu of Sales tax. The State of California has pledged the 25% as a dedicated revenue source for the deficit bonds authorized in 2004. Below is chart with the history of Sales Tax revenue and the forecasted sales tax revenues.



Sales Tax

Fiscal Year		Sales Tax	Population	Sales Tax per Capita
99-00	Actual	203,336	6,050	33.61
00-01	Actual	207,815	6,139	33.85
01-02	Actual	222,759	6,290	35.41
02-03	Actual	285,619	6,606	43.24
03-04	Actual	287,769	6,868	41.90
04-05	Actual	295,197	6,973	42.33
05-06	Actual	294,000	6,867	42.81
06-07	Estimated	300,000	6,884	43.58
07-08	Budgeted	270,000	7,478	36.11
08-09	Projected	306,273	7,815	39.19
09-10	Projected	338,718	8,238	41.12
10-11	Projected	369,752	8,852	41.77
11-12	Projected	383,859	9,258	41.46
12-13	Projected	405,019	9,544	42.44
13-14	Projected	426,743	9,698	44.00
14-15	Projected	449,031	9,783	45.90
15-16	Projected	471,320	9,824	47.98
16-17	Projected	493,608	9,861	50.06

**Future
Financial
Forecasting**

City Wide Assessment District

The City Wide Assessment District finances the park maintenance function of the City. It is a per developed parcel/per unit tax of \$82.50 per year that was approved by a vote of the citizens of the City of Winters. The dollar amount is fixed, with no inflationary factor included in the voter approved proposition. Due to the fixed amount of income coming into the City Wide Assessment District, the City's general fund began subsidizing the costs of maintaining the city parks in 2005-2006, this will continue on into the future, the revenues received from the addition of developed parcels within the city will not keep pace with the addition of park space, and therefore the amount of park maintenance required as a result of the developments.

City Wide Assessment District Projected Revenues, Expenditures and Required General Fund Subsidy.

	Proposed 2007-2008	Projected 2008-2009	Projected 2009-2010	Projected 2010-2011	Projected 2011-2012	Projected 2012-2013	Projected 2013-2014	Projected 2014-2015	Projected 2015-2016	Projected 2016-2017
Expenditures	285,587	320,421	340,431	350,241	316,400	323,772	331,316	553,929	566,835	580,042
revenues	187,907	189,278	190,899	192,520	194,921	196,295	197,483	198,027	198,027	198,027
Required Subsidy	(97,680)	(131,143)	(149,531)	(157,721)	(121,479)	(127,477)	(133,833)	(355,902)	(368,808)	(382,015)

Future Financial Forecasting

Water Fund

The graph below has information for the remaining 5 years of the 7-year financing plan.

Water Fund 5 year Financing plan

	FY 07/08 (2008)	FY 08/09 (2009)	FY 09/10 (2010)	FY 10/11 (2011)	FY 11/12 (2012)
Maintenance and Operating Expenses					
Labor Costs					
50100 Fulltime Salaries	\$75,869	\$78,524	\$81,273	\$81,273	\$84,117
Additional Staff Salary	\$0	\$52,042	\$107,727	\$111,497	\$115,400
50161 Vacation	\$1,509	\$1,562	\$1,616	\$1,616	\$1,673
50162 Sick Leave	\$2,223	\$2,301	\$2,381	\$2,381	\$2,465
50164 Holiday	\$4,075	\$4,218	\$4,365	\$4,365	\$4,518
50166 Standby	\$4,000	\$4,140	\$4,285	\$4,285	\$4,435
50200 Overtime	\$2,264	\$2,343	\$2,425	\$2,425	\$2,510
50400 Unused Benefits	\$6,961	\$7,796	\$8,732	\$8,732	\$9,780
50500 Medical Benefits	\$15,885	\$16,441	\$17,016	\$17,016	\$17,612
50800 Fica/Medicare	\$9,192	\$9,514	\$9,847	\$9,847	\$10,191
50850 Emp 457 Contribution	\$1,000	\$1,120	\$1,254	\$1,254	\$1,405
51000 PERS - ER Rate	\$12,174	\$13,635	\$15,271	\$15,271	\$17,104
51100 PERS - EE City	\$5,918	\$6,628	\$7,424	\$7,424	\$8,314
54811 Temp Personnel	\$0	\$0	\$0	\$0	\$0
Sub-Total Salaries and Benefits	\$141,070	\$200,264	\$263,617	\$267,387	\$279,523
Operating Expenses					
52213 Computer	\$1,400	\$1,435	\$1,471	\$1,471	\$1,508
52411 Asphalt	\$3,000	\$3,075	\$3,152	\$3,152	\$3,231
52513 Water Meters	\$6,000	\$6,150	\$6,304	\$6,304	\$6,461
52520 Special Department Supplies	\$11,500	\$11,788	\$12,082	\$12,082	\$12,384
52913 Minor Tools	\$2,000	\$2,050	\$2,101	\$2,101	\$2,154
53112 Electricity	\$140,000	\$168,811	\$193,768	\$193,399	\$221,605
53912 Printing	\$750	\$769	\$788	\$788	\$808
54212 Data Procurement Contract	\$166	\$170	\$174	\$174	\$179
54511 Regulatory Inspection	\$0	\$0	\$0	\$0	\$0
54513 Testing	\$12,000	\$13,570	\$14,558	\$14,528	\$15,557
54514 Repair & Maint (611)	\$32,000	\$32,800	\$33,620	\$33,620	\$34,461
54521 Chemical - Chlorine	\$3,500	\$3,588	\$3,677	\$3,677	\$3,769
NEW Conservation Program	\$0	\$6,000	\$6,000	\$6,000	\$6,000
99801 Other expenditures	\$74,738	\$5,000	\$5,000	\$5,000	\$5,000
Sub-Total Other Operating Expenses	\$287,054	\$255,205	\$282,695	\$282,297	\$313,116
Sub-Total Operating Expenses	\$428,124	\$455,469	\$546,312	\$549,684	\$592,639
Debt Service					
Principal	\$0	\$34,258	\$68,583	\$104,452	\$109,152
Interest	\$0	\$88,525	\$176,983	\$263,897	\$259,197
Sub-Total Debt Service	\$0	\$122,783	\$245,566	\$368,349	\$368,349
Other Operating Expenses					
54618 Permits	\$9,900	\$10,148	\$10,401	\$10,661	\$10,928
55212 Registration/Tuition	\$3,820	\$3,916	\$4,013	\$4,114	\$4,217
55312 City Membership	\$6,750	\$6,919	\$7,092	\$7,269	\$7,451
Subtotal	\$20,470	\$20,982	\$21,506	\$22,044	\$22,595
Allocated Costs					
99998 COST ALLOC. City Council	\$4,334	\$4,442	\$4,553	\$4,553	\$4,667
99998 COST ALLOC. City Manager	\$87,665	\$89,857	\$92,103	\$92,103	\$94,406
99998 COST ALLOC. Admin	\$17,517	\$17,955	\$18,404	\$18,404	\$18,864
99998 COST ALLOC. Finance (611)	\$50,587	\$51,852	\$53,148	\$53,148	\$54,477
99998 COST ALLOC. Comm Dev	\$3,440	\$3,526	\$3,614	\$3,614	\$3,705

Future Financial Forecasting

Sewer Fund

The graph below has information for the remaining 5 years of the 7-year financing plan.

Sewer Fund 5-year Financing Plan

	C	D	E	J	K	L	M	N	O
				FY 06/07 (2007)	FY 07/08 (2008)	FY 08/09 (2009)	FY 09/10 (2010)	FY 10/11 (2011)	FY 11/12 (2012)
6									
7	Maintenance and Operating Expenses								
8	Labor Costs								
9			Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	Sub-Total Salaries and Benefits			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11									
12	Operating Expenses								
13	52213		Computer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14	52411		Asphalt	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077	\$ 1,104	\$ 1,131
15	52520		Special Department Supplies	\$ 26,000	\$ 26,650	\$ 27,316	\$ 27,999	\$ 28,699	\$ 29,417
16	53112		Electricity	\$ 115,000	\$ 129,852	\$ 156,290	\$ 179,616	\$ 206,009	\$ 235,846
17	53912		Printing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	54512		Serv. Contract	\$ 281,925	\$ 288,973	\$ 296,197	\$ 303,602	\$ 311,192	\$ 318,972
19	54515		Sewer lateral	\$ 15,000	\$ 15,375	\$ 15,759	\$ 16,153	\$ 16,557	\$ 16,971
20	54618		Permits	\$ 7,750	\$ 7,944	\$ 8,142	\$ 8,346	\$ 8,555	\$ 8,768
21			Capitalprojects	\$ 170,828					
22	54919		Other operating expenses	\$ 3,070	\$ 3,147	\$ 3,225	\$ 3,306	\$ 3,389	\$ 3,473
23	Sub-Total Operating Expenses			\$ 620,573	\$ 472,965	\$ 507,982	\$ 540,100	\$ 575,505	\$ 614,579
24									
25									
26	Debt Service								
27			Principal	\$ 0	\$ 17,129	\$ 50,683	\$ 52,964	\$ 88,130	\$ 92,096
28			Interest	\$ 0	\$ 44,262	\$ 133,492	\$ 131,211	\$ 218,827	\$ 214,862
29	Sub-Total Debt Service			\$ 0	\$ 61,392	\$ 184,175	\$ 184,175	\$ 306,958	\$ 306,958
30									
31	Other Operating Expenses								
32	53511		Taxes & Assessments	\$ 2,800	\$ 2,870	\$ 2,942	\$ 3,015	\$ 3,091	\$ 3,168
33	54419		Misc. Prof. Svc	\$ 290,000	\$ 297,250	\$ 304,681	\$ 312,298	\$ 320,106	\$ 328,108
34				\$ 292,800	\$ 300,120	\$ 307,623	\$ 315,314	\$ 323,196	\$ 331,276
35	Allocated Costs								
36	99998		COST ALLOC. City Council	\$ 9,969	\$ 10,218	\$ 10,474	\$ 10,736	\$ 11,004	\$ 11,279
37	99998		COST ALLOC. City Mgr	\$ 48,367	\$ 49,576	\$ 50,816	\$ 52,086	\$ 53,388	\$ 54,723
38	99998		COST ALLOC. Admin	\$ 17,517	\$ 17,955	\$ 18,404	\$ 18,864	\$ 19,335	\$ 19,819
39	99998		COST ALLOC. Finance	\$ 66,683	\$ 68,350	\$ 70,059	\$ 71,810	\$ 73,606	\$ 75,446
40	99998		COST ALLOC. Comm Dev	\$ 3,440	\$ 3,526	\$ 3,614	\$ 3,705	\$ 3,797	\$ 3,892
41	99998		Cost Allocation Recreation	\$ 5,405	\$ 5,540	\$ 5,679	\$ 5,821	\$ 5,966	\$ 6,115
42	52299		ISF Allocation	\$ 36,242	\$ 37,148	\$ 38,077	\$ 39,029	\$ 40,004	\$ 41,004
43	99998		COST ALLOC.	\$ 52,918	\$ 54,241	\$ 55,597	\$ 56,987	\$ 58,412	\$ 59,872
44	Sub-Total Allocated Costs			\$ 240,541	\$ 246,555	\$ 252,718	\$ 259,036	\$ 265,512	\$ 272,150
45									
46	Transfers								
47			Transfer to/(from) Sewer Capital Fund (Proposed)	\$ -	\$ 150,000	\$ -	\$ 161,000	\$ -	\$ 100,000
48									
49	Net Revenue Requirement			\$ 1,153,914	\$ 1,231,031	\$ 1,252,498	\$ 1,459,625	\$ 1,471,171	\$ 1,624,964
50	Net Projected Revenues			\$ 997,502	\$ 1,000,618	\$ 1,091,569	\$ 1,276,939	\$ 1,380,024	\$ 1,459,249
51	Revenues in Excess (less Than) expenditures			\$ (156,412)	\$ (230,413)	\$ (160,928)	\$ (182,685)	\$ (91,147)	\$ (165,715)

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Cost Allocation

The City of Winters uses a cost allocation plan to allocate costs to the various funds and departments throughout the organization.

All costs are assigned to the department to which the costs are incurred; for example, all finance department staff are charged to the finance department. The costs for the staff is then allocated to the other departments and funds that the finance department supports based upon a plan prepared by an outside consultant that is updated biannually.

Below is the chart that gives the allocation percentages for each department and fund based on the cost allocation plan prepared by our consultant.

City of Winters Cost Allocation Factors

Dept#	Dept Name	Police	Gas Tax Fund (Streets)	Community Ctr	RDA	RDA lih	water	reservoir	sewer	cwa	Total Allocation
110	City Council	41%	13%	1%	0%	0%	10%	0%	23%	4%	92%
120	City Clerk										0%
130	Treasurer										0%
150	City Attorney	4%	0%		24%	18%	29%	0%	16%	0%	91%
160	City Manager	4%	0%		24%	18%	29%	0%	16%	0%	91%
170	Admin Services	23%	0%		1%	0%	7%	0%	7%	0%	38%
180	Finance	12%	11%		19%	0%	22%	0%	29%	6%	99%
210	Police		0%								
310	Fire		0%								
410	Comm Dev	0%	0%		4%	4%	1%	0%	1%	0%	10%
420	Comm Dev-Inspection		0%								
610	public works	1%	8%	4%	0%	0%	18%	0%	10%	23%	64%
710	Recreation	0%	0%		0%	0%	4%	0%	4%	0%	8%

An additional part of the cost allocation process is the charges from the Central Service Overhead Fund (The City's internal service fund) to departments. This is also prepared from the City of Winters cost allocation plan.

Below is a chart that gives all the allocation factors for each department and fund for expenditures made from the central service overhead fund.

Cost Allocation

Internal Service Fund

Dept/Fund	Percentage
Administrative Services	4.63%
City Clerk	1.30%
City Manager	0.71%
Community Development	24.86%
Public Works	11.21%
Recreation	4.58%
Police	5.61%
Streets	4.45%
Community Center	2.44%
Redevelopment Agency	5.01%
Redevelopment Agency LIH	2.64%
Water	12.56%
Sewer	9.00%
City Wide Assessment District	11.01%

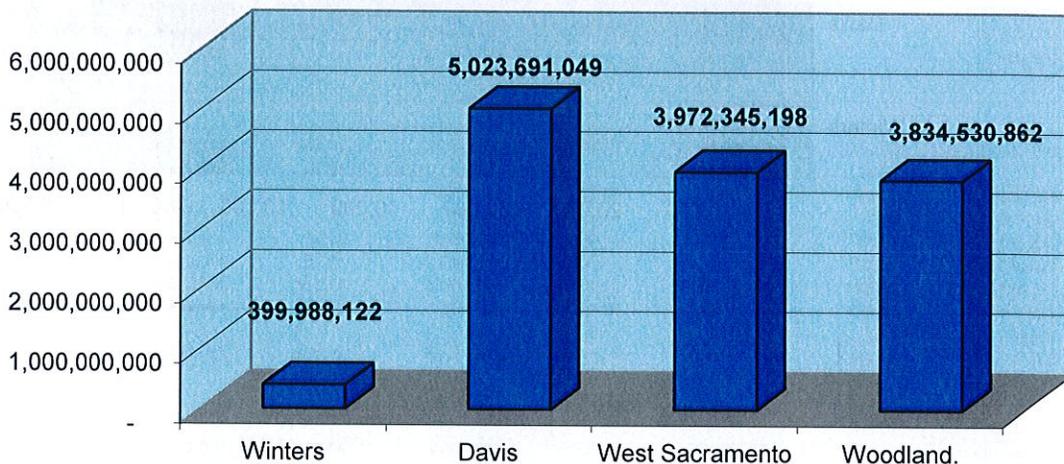
Comparison to Other Yolo County Cities

The City of Winters is the smallest City in Yolo County and is the southern most and western most located city. Below is some information that compares the four (4) Yolo County Cities.

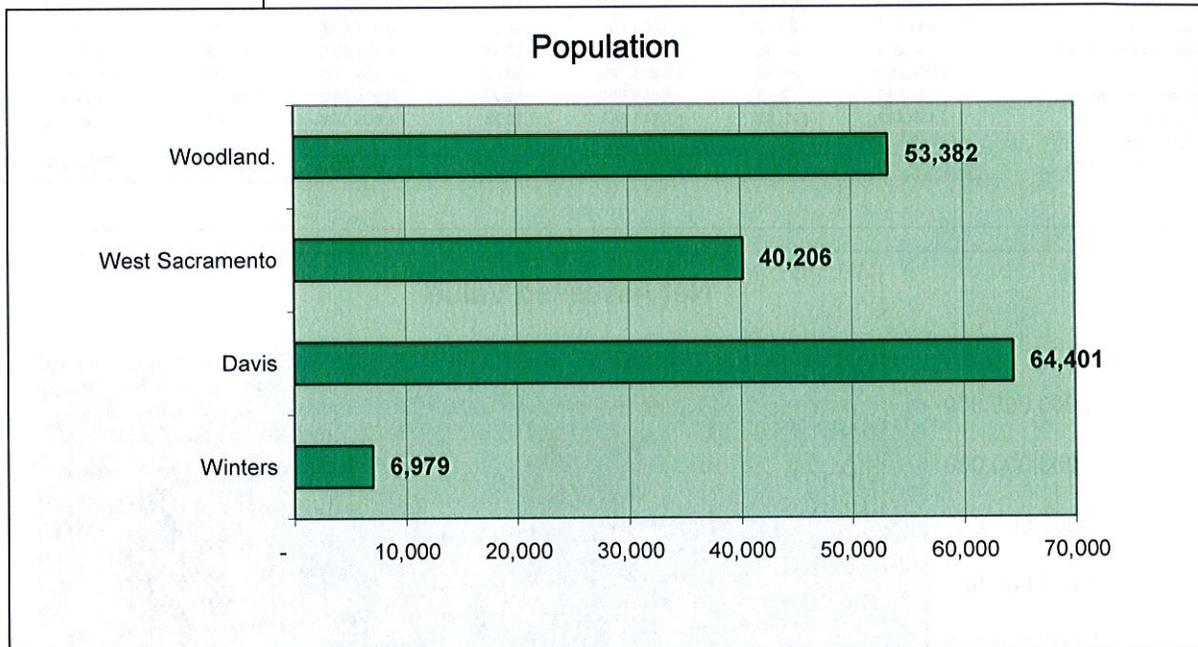
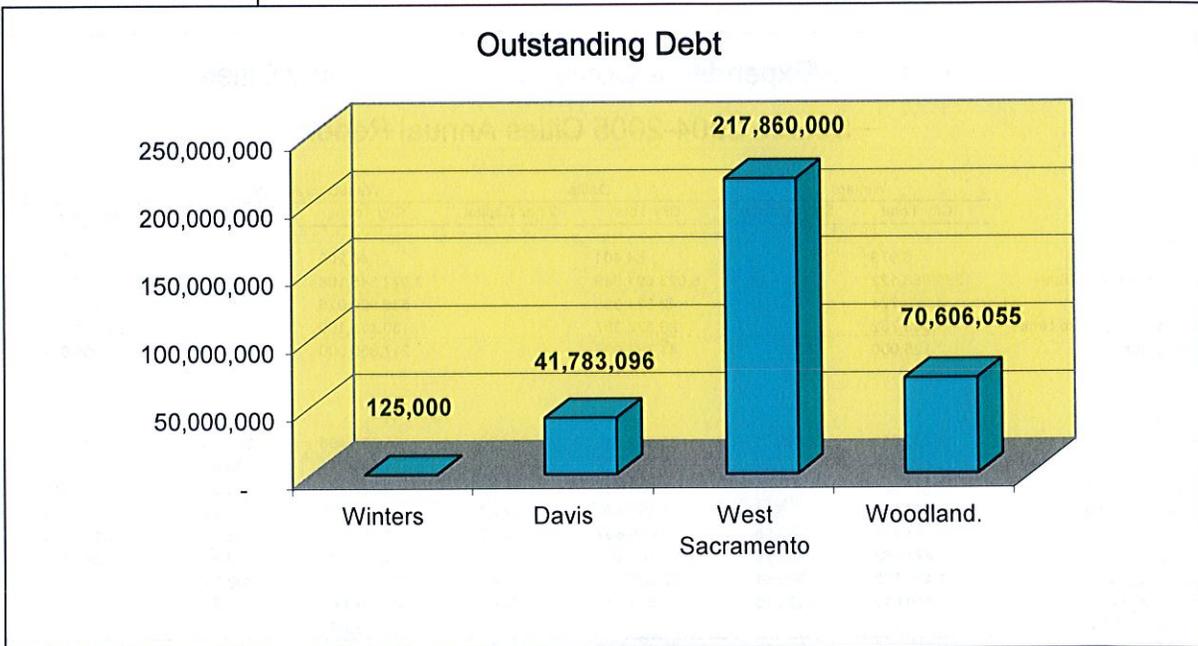
Revenue/Expenditure Comparison-Yolo County Cities Source 2004-2005 Cities Annual Report

	Winters		Davis		West Sacramento		Woodland	
	City Total	\$ per Capital	City Total	\$ per Capital	City Total	\$ per Capital	City Total	\$ per Capital
Population	6,979		64,401		40,206		53,382	
2005-2006 Assessed Value	399,988,122		5,023,691,049		3,972,345,198		3,834,530,862	
Appropriation Limit	4,073,724		42,881,989		536,920,025		38,456,023	
Appropriations Subject to Limit	1,909,762		26,878,357		30,415,100		36,632,568	
Outstanding Debt	125,000		41,783,096		217,860,000		70,606,055	
City Revenues:								
Taxes	3,020,557	432.81	35,050,856	544.26	55,867,496	1,389.53	27,443,846	514.10
Special Benefit Assessment	192,399	27.57	-	-	1,563,279	38.88	-	-
Licenses and Permits	-	-	1,004,427	15.60	2,827,876	70.33	954,115	17.87
Fines and Forfeitures	22,642	3.24	1,131,440	17.57	112,376	2.80	602,630	11.29
Use of Money & Property	363,274	52.05	2,066,692	32.09	2,741,213	68.18	5,111,814	95.76
Intergovernmental	474,188	67.94	14,146,105	219.66	4,982,124	123.91	10,295,474	192.86
Service Charges	1,415,638	202.84	30,887,904	479.62	39,490,588	982.21	16,933,427	317.21
Other Revenues	849,097	121.66	1,584,088	24.60	27,227,508	677.20	1,666,639	31.22
Other Financing Sources	-	-	-	-	9,142,031	0.16	3,700,000	0.13
Total Revenues	6,337,795	908.12	85,871,512	1,333.39	143,954,491	3,580.42	66,707,945	1,249.63
City Expenditures								
General Government	264,662	37.92	2,565,395	39.83	(394,356)	(9.81)	8,549,520	160.16
Public Safety	1,436,763	205.87	13,253,689	205.80	17,700,693	440.25	17,768,986	332.86
Transportation	441,190	63.22	9,034,096	140.28	3,177,827	79.04	43,190,339	809.08
Community Development	635,212	91.02	(1,831,903)	(28.45)	(2,157,201)	(53.65)	(4,006,609)	(75.06)
Health	(204,463)	(29.30)	(3,254,175)	(50.53)	(7,756,722)	(192.92)	(1,881,505)	(35.25)
Culture and Leisure	49,582	7.10	5,553,553	86.23	(6,214,038)	(154.55)	5,206,952	97.54
Public Utilities	(159,487)	(22.85)	(1,271,344)	(19.74)	(4,803,058)	(119.46)	(1,804,758)	(33.81)
Other Expenditures	(48,313)							
Total Expenditures	2,415,146	346.06	24,049,311	373.43	(446,855)	(11.11)	67,022,925	1,255.53

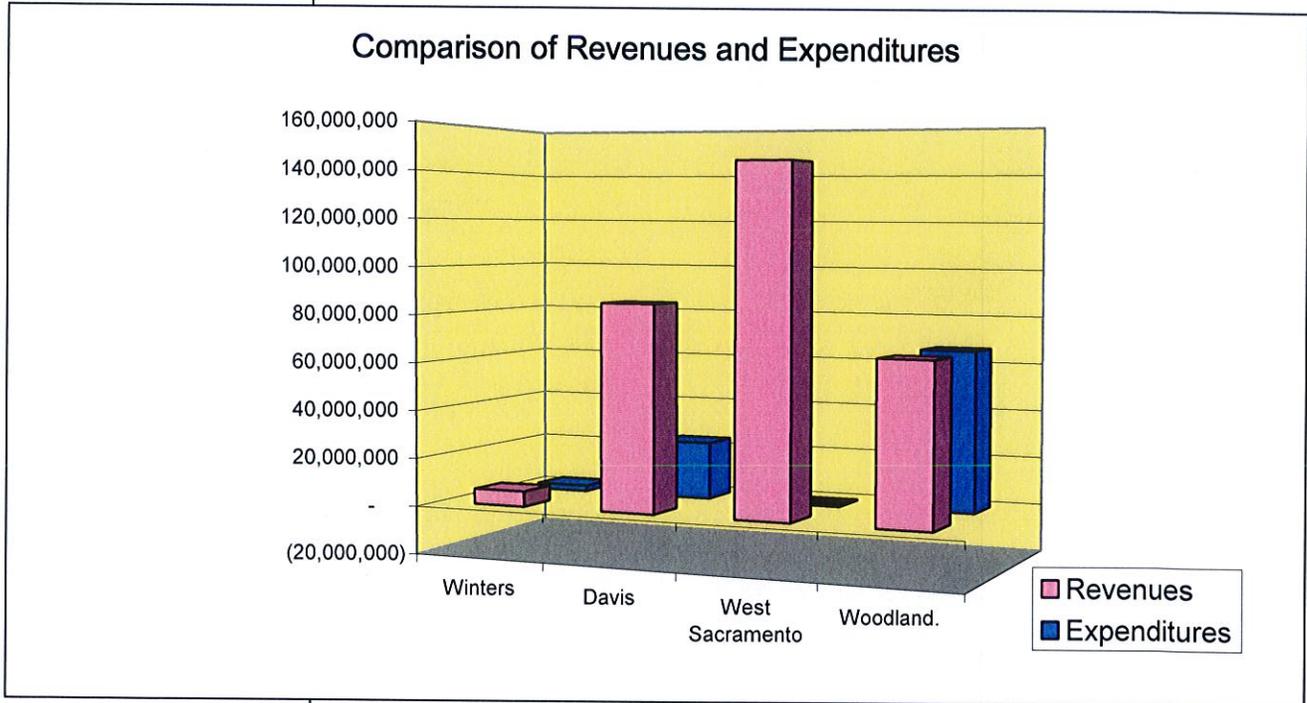
Net Assessed Value



Comparison to Other Yolo County Cities



Comparison to Other Yolo County Cities



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Glossary of Budget Terms

Accounting System

The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity

Accrual Basis of Accounting

The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether or not cash disbursements are made at that time).

Appropriation

An authorization made by the City Council of the City of Winters which permits officials to incur obligations against and make expenditures of governmental resources. Appropriations are usually made for fixed amounts and typically are granted for a one-year period.

Assessment District

A defined area of land that will be benefited by the acquisition, construction, or maintenance of a public improvement.

Assessed Valuation

The appraised valuation less any exemptions on real estate or other property by the County of Yolo as a basis for levying property taxes.

Audit

A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- Ascertain whether financial statements fairly present financial position as a result of operations
- Test whether transactions have been legally performed.
- Identify areas for possible improvements in accounting practices and procedures
- Ascertain whether transactions have been recorded accurately and consistently.

Glossary of Budget Terms

- Ascertain the stewardship of officials responsible for governmental resources

Base Budget

Under traditional budgeting, the base budget is that amount that is required, at a minimum, to provide resources for the operations of the organization. Each year, approved amounts are added to the base budget.

Beginning Balance

Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

Benefits-Insurance

The Cost to the City for insurance for all regular full-time employees. This includes the City's cost for health, dental, disability, life and workers compensation insurance.

Benefits-Leave time

Compensation for all leave time to employees who are appointed to regular full-time positions.

Benefits-Retirement

Cost to the City for Public Employee's Retirement for all regular full-time employees, The City participated in the California Public Employee's Retirement System (CalPERS), as well as Social Security

Bond

Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principal amount, with interest at predetermined intervals.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given time (usually a fiscal year) and the proposed means of financing them (revenue estimates). This term is sometimes used to describe the officially approved expenditure level under which the City of Winters and its departments operate. The budget must

Glossary of Budget Terms

be approved by the City Council prior to the beginning of the fiscal year.

Budget Calendar

The schedule of key dates or milestones that the City of Winters follows in the preparation and adoption of the budget

Budget Document

The official written statement prepared by the Finance Department and supporting departments and staff that presents the proposed budget to the City Council.

Budget Message

A general discussion of the proposed budget presented in writing as part of the budget document. The budget message explains the principal budget issues against the background of financial experience in recent year and presents recommendations by the City Manager.

Budgetary Control

The management of the City of Winters in accordance with the approved budget for the purposes of keeping expenditures within the limitation of the available appropriations and available revenues.

Capital Assets

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget

A plan of proposed capital expenditures and the means of financing them.

Capital Improvement Projects

A plan for capital expenditures to be incurred each year over a fixed period of several years setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended each year and the method of financing those expenditures.

Glossary of Budget Terms

Capital Outlay

Expenditures for the acquisition of capital assets.

Capital Projects

Projects that purchase or construct capital assets. This could include the purchase of land or the construction of a facility.

Cash Basis

The method of accounting under which revenues are recorded when received in cash and expenditures are recorded when paid.

City Wide Assessment District

An assessment district encompassing the entire City of Winters, enacted to provide a funding source for the maintenance of city parks, and to provide a funding source for the payment of electricity costs of all streetlights within the City of Winters.

Contingency

An amount, set aside to be used at the discretion of the City Council to fund emergency or extraordinary items.

Cost

The amount of money or other consideration exchanged for property, services or expenses.

Debt Service

The expense of retiring such debts as loans and bond issues. It includes principal and interest payment and the administrative costs for paying agents registrars, and escrow agents.

Deficit

The excess of expenditures over revenues during an accounting period, or in the case of enterprise funds, the excess of expense over income during an accounting period.

Glossary of Budget Terms

Department

An organizational unit comprised of divisions or functions. It is the basic unit of service responsibility encompassing a broad mandate of related activities.

Depreciation

That portion of the cost of a capital asset that is charged as an expense during a particular period.

Development Impact Fees

Fees place on the development of land or condition required for the approval of a development project. Fees must be expended on those projects for which the fees were collected.

Division

A major section of a department indicating management responsibility for a group of related operations within that department.

Encumbrance

A commitment of funds against an appropriation, it may be in the form of a purchase order or contract; until such time as the goods or services are received, the commitment is referred to as an encumbrance.

Enterprise Fund

A type of fund established for the total cost of those governmental facilities and services that are operated in a manner similar to private enterprise. The programs are entirely or predominately self-supporting. The City has two enterprise funds, the Water Fund and the Sewer Fund. This type of fund is also known as a Proprietary Fund.

Expenditure

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered, whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purchases are made.

Glossary of Budget Terms

Expendable Trust Fund

An expendable trust fund is a fund that is used to hold funds in trust for a particular project; the funds are invested until the project for which it is designated is ready to be implemented. The City of Winters has one expendable trust fund, Winters Library and Arts. This fund was created when one of our citizens passed away and donated funds to the City to build a library and art center. The City is currently seeking additional funding for this project.

Expenses

Decreases in net total assets. Expenses represent the total cost of operations during a period, regardless of the timing of related expenses.

Fees

Charges for services that are based upon the cost of providing the service.

Fiscal Year

A twelve-month period of time to which a budget applies. The City of Winters' fiscal year is July 1-June 30.

Full Faith and Credit

A pledge of the general taxing power of a government to repay debt obligations. (Usually used in reference to bonds.)

Full-Time Equivalent (FTE)

A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. It is calculated by equating 2,080 hours of work per year with the full-time equivalent of one position; thus one position would have an FTE of 1.0

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts, used to record all financial transactions related to the specific purpose for which the fund was created.

Glossary of Budget Terms

Fund Balance

The difference between fund assets and fund liabilities.

Gas Tax

A tax on fuel used to propel a motor vehicle or aircraft. Its use is restricted to planning, construction, improvement, maintenance and operation of public streets and highways or public mass transit guide ways.

General Fund

The governmental accounting fund supported by property taxes, licenses and permits, service charges, and other general revenues to provide for operating services.

General Obligation Bonds

Bonds backed by the full faith and credit of the City that may be used for various purposes and repaid by the regular revenue raising powers (generally taxes and/or other general revenues) of the City.

Goal

A statement that describes the purpose toward which an endeavor is directed, such as a target or target area.

Grant

Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity or facility. An example is the Community Development Block Grant provided by the federal government.

Interfund Transfers

Money transferred from one fund to another such as from a fund receiving revenue to the fund through which the expenditures are to be made.

Internal Service Fund

Funds used to account for the financing of goods or services provided by one department of an agency to other departments of the agency on a cost reimbursement basis.

Glossary of Budget Terms

revenues generated by redevelopment. The increase in revenues (increment) is used to finance development related costs in the project area.

Transfers In and Transfers Out

Movement of revenue out of one fund to another. The recipient fund uses the money to cover the cost of services provided, or to cover the cost of a contract between two funds.

Warrant

An order drawn by a locality's officers directing the treasurer of the locality to pay a specified amount to the bearer, either after the current or some future date.

Gann Limit

Article XIII B of the California Constitution was a ballot initiative adopted in 1980 and modified by Proposition 13 that passed in 1990 to limit the amount of tax proceeds state and local governments can spend each year.

The limit is different for each agency and the limit changes each year. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in fiscal 1978-1979 in each agency modified for changes in inflation and population in each subsequent year.

The formula used in calculating the growth rate is:

% change in population +100/100

times either

% change in per capita income +100/100

or

Change in non-residential assessments +100/100

The calculated rate times the previous appropriation limit equals the new appropriation limit.

The California Department of Finance is mandated to notify each city of the population changes and the per capita personal income factor to be used in calculating the growth rate.

The population of the City of Winters on 1/1/07 was 6,885 compared to 6,874 on 1/1/06, a .16% increase in population.

The change in per capita income for California for 2007/2008 is 4.42%.

Gann Limit

The factor for determining the year-to-year increase is computed as follows:

$$\frac{4.42+100}{100} \times \frac{.16+100}{100} = 1.045871$$

The calculation of the 6/30/08 appropriation limits is as follows:

2006-2007 appropriation limit	4,817,929
Calculated growth factor	<u>X 1.045871</u>
Appropriation Limit 2007-2008	\$5,038,928

Appropriations Subject to Limitation for Fiscal Year Ending June 30, 2008		
Proceeds from Taxes		\$ 3,203,514
Less Exclusions		
Capital Outlay	\$ 274,814	
Debt Service	<u>652,236</u>	
Total Exclusions		<u>927,050</u>
Appropriations subject to Limitation		<u>\$ 2,276,464</u>
Current Year Limit		<u>5,038,928</u>
Over (Under) Limit		<u><u>(2,762,464)</u></u>

As shown in the box below, the city is at 45.18% of its limitation and is not impacted by the appropriation limit at this time.

Section 9710 of the California Government Code, added in 1980 by the State Legislature, requires the City Council to adopt the City's Gann Appropriation limit for the following year by resolution. Resolution 2007-27 was adopted by the City Council on June 5, 2007

Gann Limit

Below is information for seven years on the appropriations limit.

City of Winters Appropriation Limit			
Fiscal Year	Appropriation Limit	Appropriations Subject to Limit	% Of Limit Used
07-08	5,038,928	2,276,464	45.18%
06-07	4,817,926	2,028,365	42.10%
05-06	4,705,456	2,931,416	62.30%
04-05	4,402,142	2,063,815	46.88%
03-04	4,073,724	2,230,769	54.76%
02-03	3,791,417	2,059,787	54.33%
01-02	3,756,420	1,721,561	45.83%

The City of Winters has been cautious about adding costs into the budget over the last five years. This cautious approach has been why we have not approached the appropriation limit for expenditures.

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