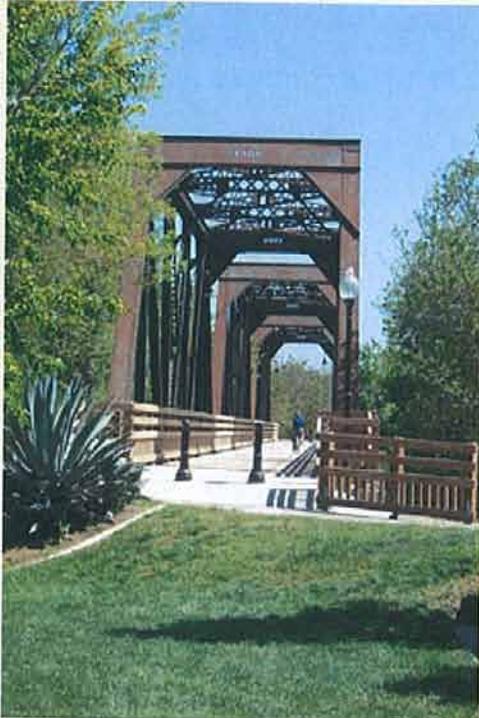




# 2008-2009 Adopted Operating Budget



**City of Winters**  
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## **2008-2009 Adopted Operating Budget**

### **CITY COUNCIL**

Mike Martin, Mayor  
Woody Fridae, 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  
Cas Ellena, Redevelopment and Housing 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  
Dawn Van Dyke, Grant Administrator

### **CITY WEBSITE ADDRESS**

[www.cityofwinters.org](http://www.cityofwinters.org)



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**City of Winters  
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For the Fiscal Year Beginning

**July 1, 2007**

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, 2007**. 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 of 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 Funds, 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 financial forecasting is an important tool for the 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 longtime 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. Over the past 15 years, Winters has become a City in great demand by 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 Staff to react to the many development proposals for expansion. The citizens and elected officials have struggled to define the future.

Fiscal Year 2008-09 will be a year when the City embarks on many key capital projects which have been in planning stages for years. In many ways, it will represent an implementation year for those projects that have been positioned and planned over the past five (5) years. It will be a defining year in the management of the sewer and water enterprises, rehabilitation and enhancement of the downtown and in determining the economic, fiscal and development future for the City.

The City has entered into a two (2) year cycle when balancing the budget with the use of reserves is needed. The need to expand the local economy has hit a critical phase and the City is ready to work with key landowners along I-505 to begin development that will help enhance City revenues.

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 delayed expected housing development for a number of years.

Over the past four 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 efficiently in serving our residents. Our infrastructure has a solid strategy for repair and replacement; many capital projects have been implemented to fix and rehabilitate water and sewer systems and deteriorating streets, and our parks and landscaped areas have never looked better. Our City staff is better trained and performing at levels never 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!

# Budget Overview

Over the past four (4) years, the City has diligently built up its 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:

- Economic Development
- Downtown Capital Projects
- Water and sewer improvements
- Flood Area Planning
- Jobs/Housing Balance.
- 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 5.79% higher than in previous years. This is due to the end of ERAF III and the anticipation of four (4) new commercial building permits for new construction being issued this fiscal year. Expenditures, however, are \$236,010 (or 7.37%) higher than budgeted revenues. This is due to negotiated salary increases for personnel as part of the personnel retention goal set by the City Council. The delay in development originally scheduled for 2006/2007 has caused a delay in revenues from certain building related activities. These revenues are currently expected to materialize in 2009/2010.
- The **Water System** has a positive cash flow projected for the 2008/2009 year. This is due to the implementation of the seven year financing plan with rate

## Budget Overview

increases in 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 \$3,013,370 that received in 2007/2008. This increase is due to the lack of new construction in 2007/2008 and the projected construction of 4 new commercial projects in 2008/2009.
- **Capital** revenues are projected to have decreased revenues of \$6,421,387 due to the issuance of Water and Sewer Revenue bonds in 2007/2008 that will not be repeated in 2008/2009. 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 CalPers, we banked the amount that we would normally have paid to CalPers in an investment fund to smooth the transition to the higher rates. This "bank" will be used completely in 2008/2009.
- **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. The revenues are distributed on a per capita basis, resulting in stagnant revenues to Winters, and the cost of maintenance is increasing significantly. For this reason 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:

- Operations are based on strong basic fundamental foundations and adopted/proven municipal management practices.

# Budget Overview

- 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. We set clear directives with 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. Fiscally, the City has implemented an award winning approach to budgeting, 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 continues to conduct an aggressive training and personal development program for its staff. Much of the training centers on core competencies for the employees' 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 2008-2009 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:** Given current fiscal constraints, the City has not filled a number of positions as cost reduction measures. As proposed, the City will look to fill the Public Works Director or an additional administrative position in this department.

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 2.5% cost of living adjustment and nominal adjustments to the cafeteria benefits program. The WPOA received a 7.5% salary increase and an increase in the health benefits contributions in January, 2008. The

# Budget Overview

City will initiate negotiations with each of its bargaining units during the fiscal year to address future memoranda of understanding.

## **Capital Purchases:**

In the 2008-2009 budget, the City will limit capital purchases throughout the organization, but are proposing purchasing a new hybrid vehicle to replace the aging Chevrolet that is currently utilized by city staff.

## **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.
- Completion of the 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.
- Construction of Water Well #7 at the corner of West Main St. and Grant Ave.

# Budget Overview

## Work Programs and Key Initiatives

The key departmental functions for the City include 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 during a seven-year period. Under the direction of the Community Development Department, the City will place a high priority on ensuring impacts for those projects are positive and that mitigation of negative aspects 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 I-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 for the community.

### **Economic Development and Strategy:**

In 2008-09, the City will place as its highest priority, the development of I-505 and State Highway 128 area for visitor serving amenities. The foundation of this will include working toward the extension of water and sewer utilities to the area and working with developers to pursue development.

The City will also pursue the development and implementation of a comprehensive economic development strategy for Winters. The key aspects of this will include:

- Development and Implementation of a clearly articulated vision and strategic plan

## Budget Overview

- Development and Implementation of a "branding" concept for the City to enable a comprehensive marketing program.
- 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, landowners and business owners resulting in a unified and collaborative approach for business development.
- A strategy for capital improvements and marketing that will make Winters an attractive community for businesses to locate and for 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 to help 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

## Budget Overview

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.
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, which 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 balances and could best be described as lean. In order to maintain 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:

## Budget Overview

- Updating the fiscal forecasting model to project revenues and expenditures over a continuous 10-year period.
- Implementation of the City Council's adopted financial management policies.
- Placing 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.

**Community Development and Building:** The Community Development Department (CDD) is a hub of much of the anticipated development activity that will occur in Winters. The department serves as the initial contact point for all developers and as 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.
- 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 has conducted the same in 2008.

**Enhanced Recreation:** One of the highest priorities amongst 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-8 in cooperation with the WJUSD.

## Budget Overview

- Exploration of teen recreational opportunities.
- Youth programs include:
  - **Adventure Day Camp**, a fee-based 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**, to perform selected plays geared to youth.
  - **Christmas Kids and Circle of Singers**, to sing for the community during the holiday season.
- Adult and contract classes have been expanded to include guitar, dog obedience, martial arts, dance and others.
- 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 4<sup>th</sup> 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 2008-09, 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 2008-09, 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 meet 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 2008-09, the budget includes continued funding for an Employee Assistance Program. This is a resource for employees and their family members who find themselves in need of mental, substance abuse, financial or other problems. They can contact the EAP confidentially to gain assistance.

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## Budget Overview

**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.

The Department has struggled in hiring personnel, mostly due to competition in hiring between law enforcement agencies in the area. The City will provide continuous recruitments for police officers in hopes of filling the budgeted positions.

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.
- 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 Protection 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 2008-09, 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.

# Budget Overview

In 2008-09 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.

**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:

- 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

## Budget Overview

- o Computer maintenance and operation system (CMOM) as mandated by the state.

**Emergency Response and Preparedness:** In 2008-09, 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 Standard Operating Procedures for the City's Emergency Operations Center.

**Solid Waste and Recycling:** In 2007, the City again successfully met the state mandated 50% diversion requirement for all solid waste with an established diversion rate of 58%. While the requirement was 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 service, 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.

### **Long Range Capital Project**

**Planning:** In 2008-2009 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 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.

# Budget Overview

## Summation:

The City of Winters is currently in a very delicate situation in planning its future. This next two fiscal years will be fiscally tight and will determine a course that the City will follow for years to come. Most of it surrounds how the successful the City is in attracting economic development. 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 2008-09 represents an important time for our City, when we have an opportunity to preserve the past

qualities for Winters, and more importantly, to preserve our future.

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

Sincerely,

John W. Donlevy, Jr.  
City Manager

## 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 topics 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 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 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 submitted a work plan to the City Council in the summer of 2007 for implementing the goals and priorities listed above. Implementation of some of these activities have been included in the 2008-2009 budget. As additional projects and funding sources are identified to implement the work plan, some budgeting adjustments will be required throughout the 2008-2009 fiscal year, and the strategic goals will continue to be an important part of the budgeting process in the future.

## **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 governments 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 include 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 30<sup>th</sup> 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 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 2008-2009 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 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 *Department 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 by June 30<sup>th</sup> 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, evaluate existing

## Budget Process and Calendar

programs, and review staffing levels. Each department begins with a base budget from the prior fiscal year 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 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 compare actual results with budgeted amounts.

**Budget  
Process and  
Calendar**

**Policy/Strategy  
Development  
Phase**

October-  
November

**Budget  
Development  
Phase**

March-April

**Review  
Modification  
Phase**

May

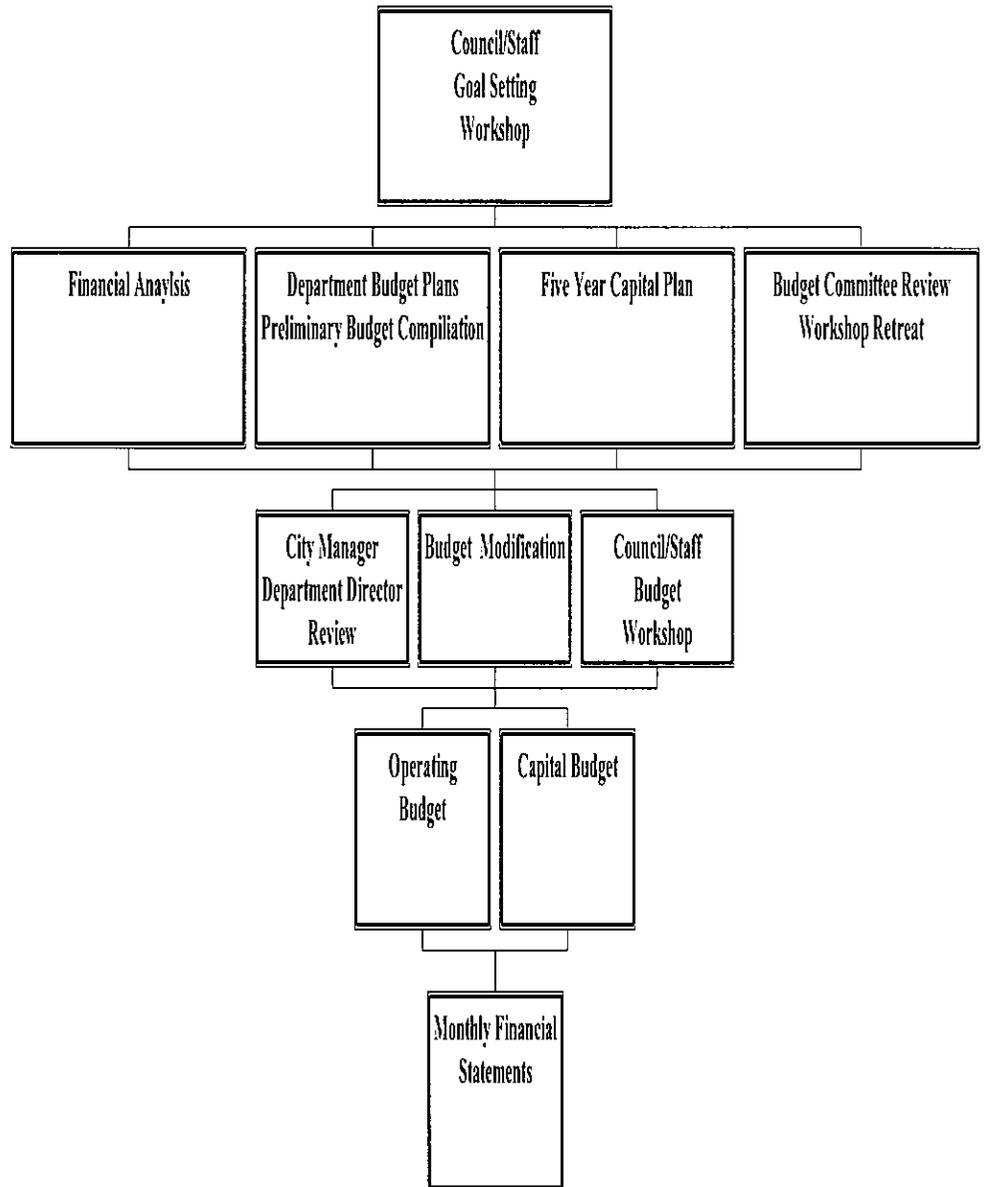
**Adoption Phase**

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 1<sup>st</sup> 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.

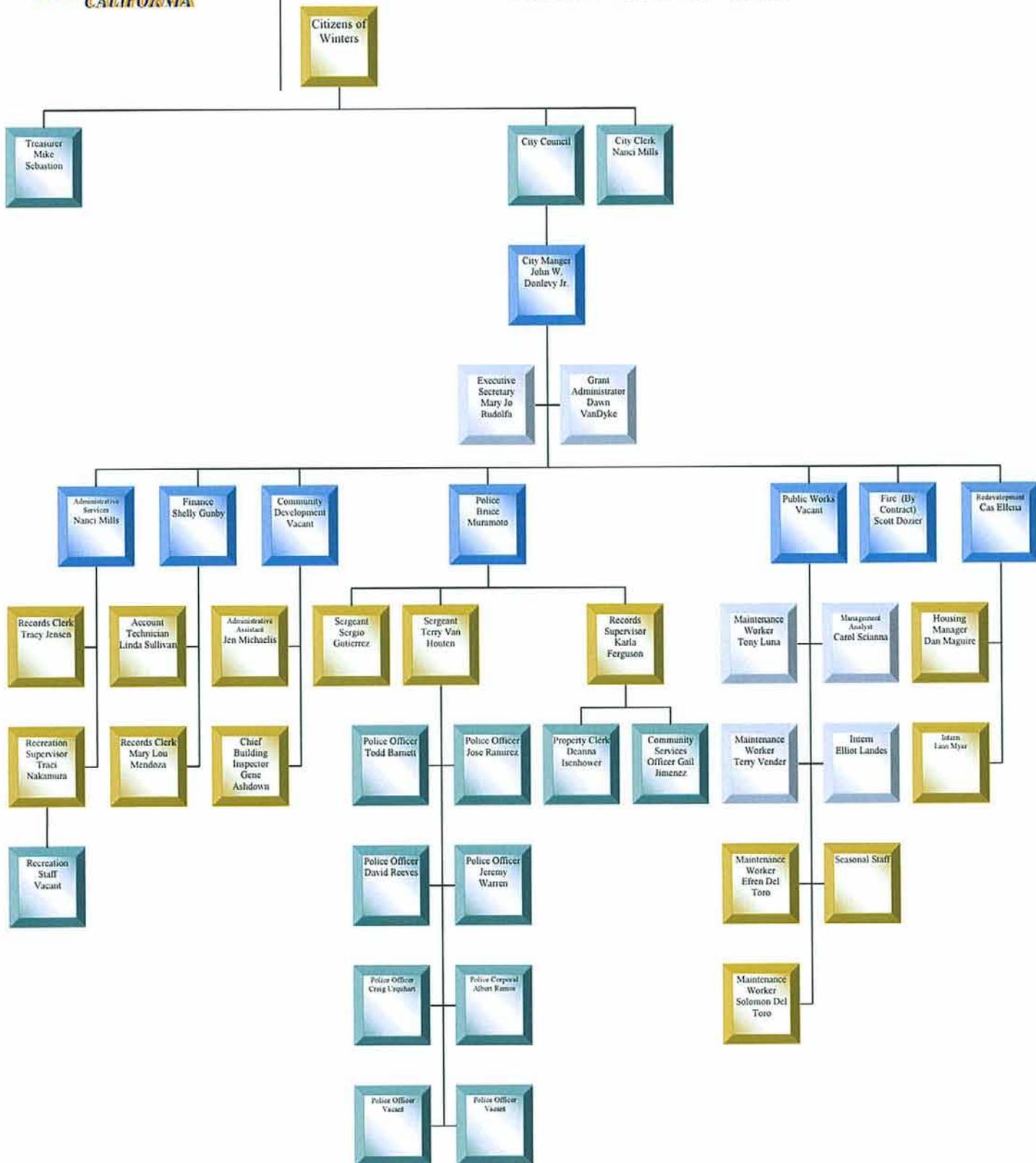
**Capital Budget Relationship and Organization**

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



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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 a 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 had 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. Area produce 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 longtime 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 2008-2009<sup>1</sup>

Community Development Department	3.00
Community Development Agency	2.48
Finance	3.00
General Government	6.00
Police Department	14.00
Public Works	8.00
Recreation	12.09
<hr/>	
Total	48.57

## Demographics

**Land Area** 2.516 square miles

### Population

1970	2,419
1975	2,510
1980	2,652
1990	4,450
2000	6,125 <sup>2</sup>
2003	6,606 <sup>3</sup>
2004	6,868 <sup>4</sup>
2005	6,973 <sup>5</sup>
2006	6,867 <sup>6</sup>
2007	6,885 <sup>7</sup>
2008	7,052 <sup>8</sup>

<sup>1</sup> 2008-2009 Adopted Budget

<sup>2</sup> U.S. Census Bureau, Census 2000

<sup>3</sup> California Department of Finance

<sup>4</sup> California Department of Finance

<sup>5</sup> California Department of Finance

<sup>6</sup> California Department of Finance

<sup>7</sup> California Department of Finance

<sup>8</sup> California Department of Finance

## City Profile

<b>Households<sup>9</sup></b>	1,907	
Family Households	1,547	81.1%
Married Couples	1,222	
Female Householder	244	
Male Householder	81	
Non-family Householder	360	18.9%

### Age<sup>10</sup>

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	

### Sex<sup>11</sup>

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

<sup>9</sup> U.S. Census Bureau, Census 2000

<sup>10</sup> U.S. Census Bureau, Census 2000

<sup>11</sup> U.S. Census Bureau, Census 2000

## City Profile

<b>Housing Units<sup>12</sup></b>	<b>2,230</b>	
Single Family	1,903	85.3%
Multi Family	249	11.2%
Mobile Homes	78	3.5%
Vacancy Rates		2.4%

### Housing Value<sup>13</sup>

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%

<sup>12</sup> California Department of Finance 1/1/06

<sup>13</sup> 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 Industry<sup>14</sup>

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

<sup>14</sup> 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)
- Shirley 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. In addition, the City Council, Administrative Services, and Community Development 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 42 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 24 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

# Budget Summary

expenditures are allocated to the various funds and departments based on a cost allocation plan the 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:

- 2006-2009 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
- 2006-2009 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

## Budget Summary

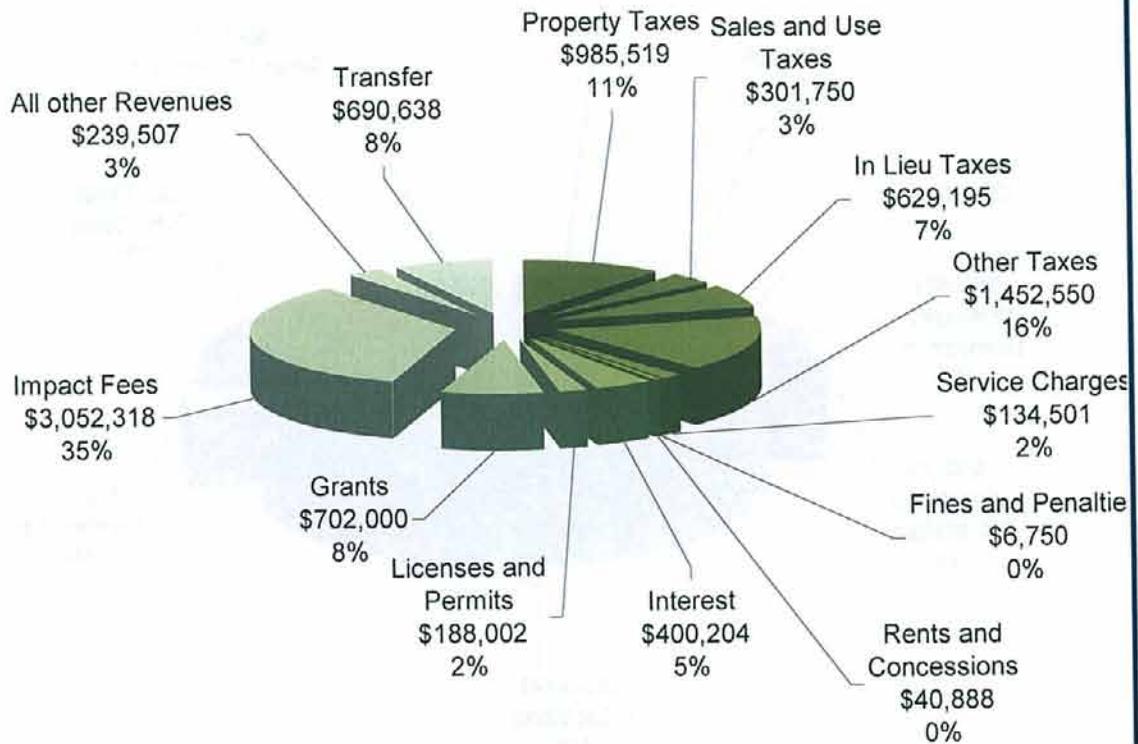
upon City Council approval. This General Fund balance anticipates expenditure of carry forward savings of approximately \$226,000. This use of carry forward savings is a part of a larger, 10-year fiscal sustainability program that stresses retention of current public safety personnel as well as positioning 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 decrease in fund balance in some 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

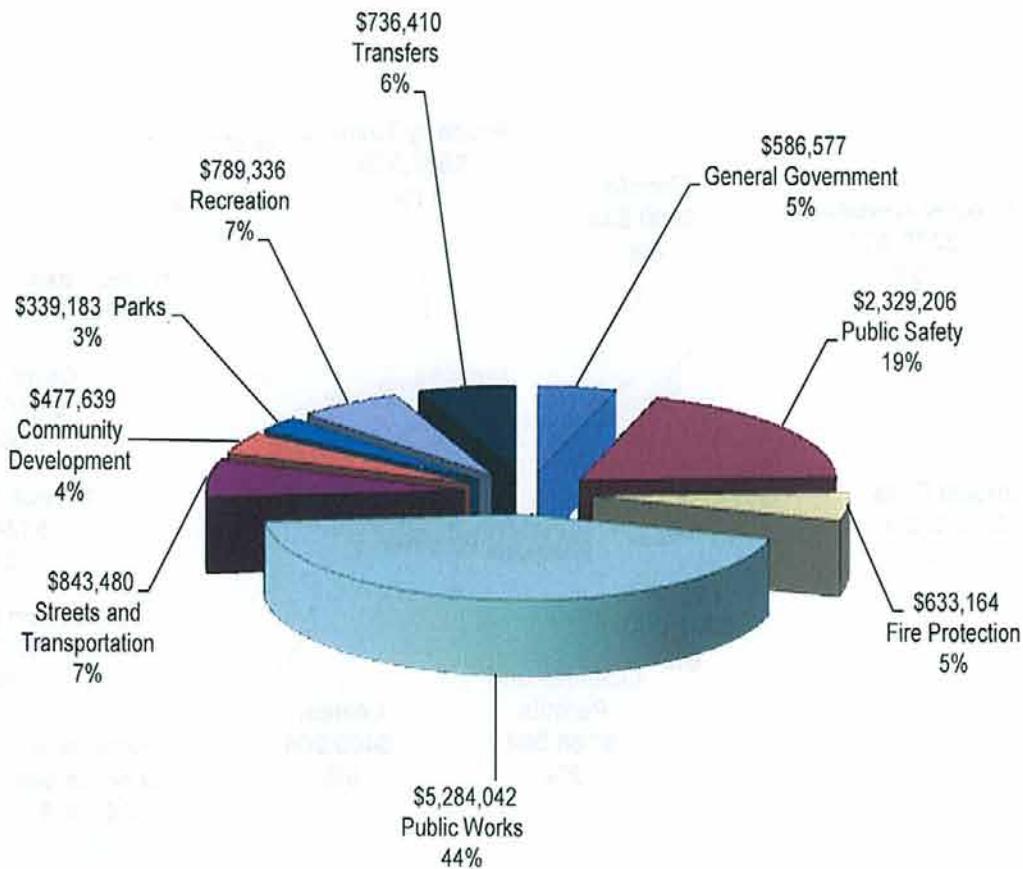
## 2008-2009 Estimated Sources of Revenues Governmental Funds (Total Sources \$8,823,822)



# Budget Summary

## Governmental Funds Summary of Estimated Sources and Expenditures

2008-2009 Estimated Expenditures  
Governmental Funds  
(Total Expenditures \$12,019,037)



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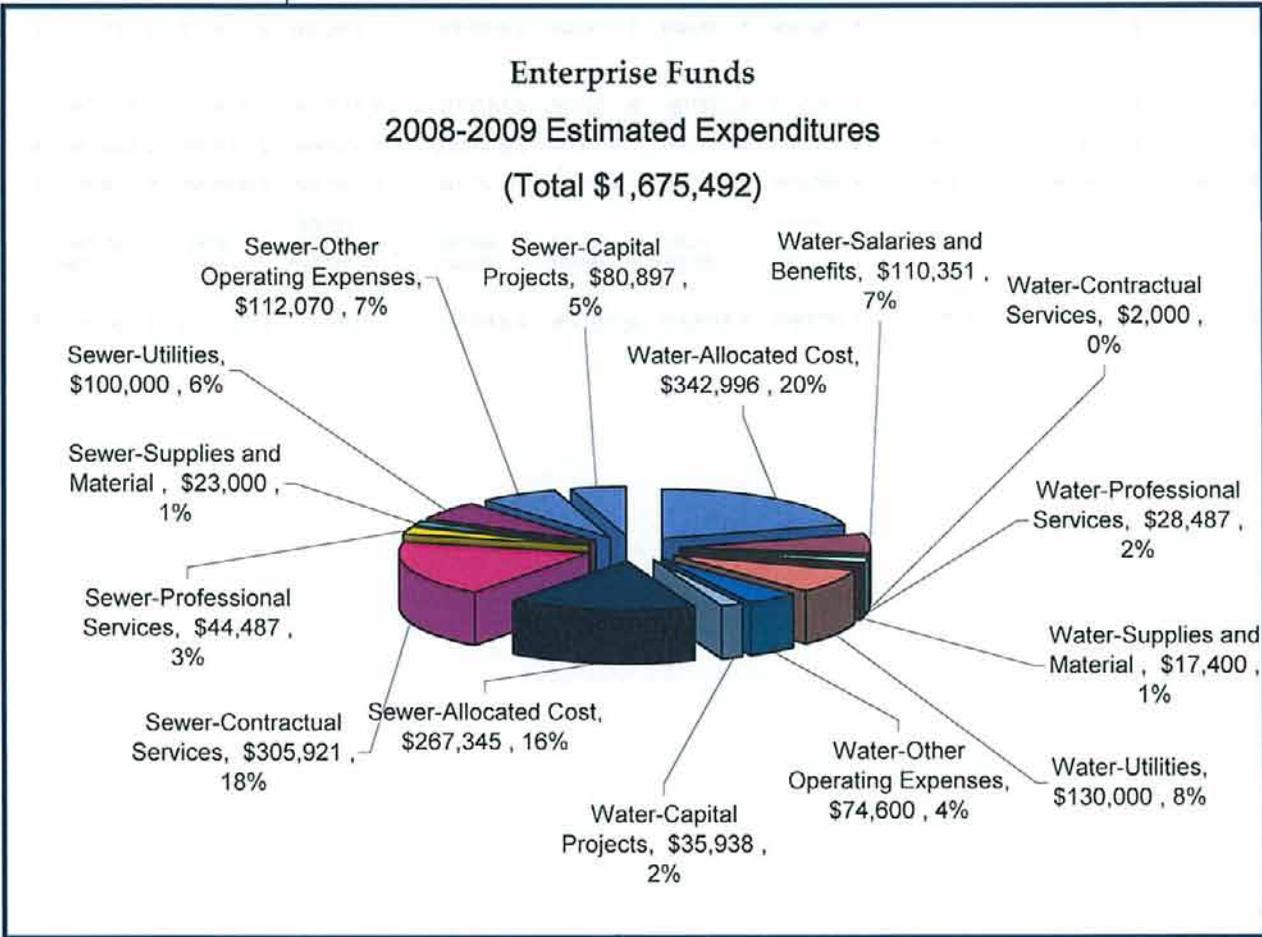
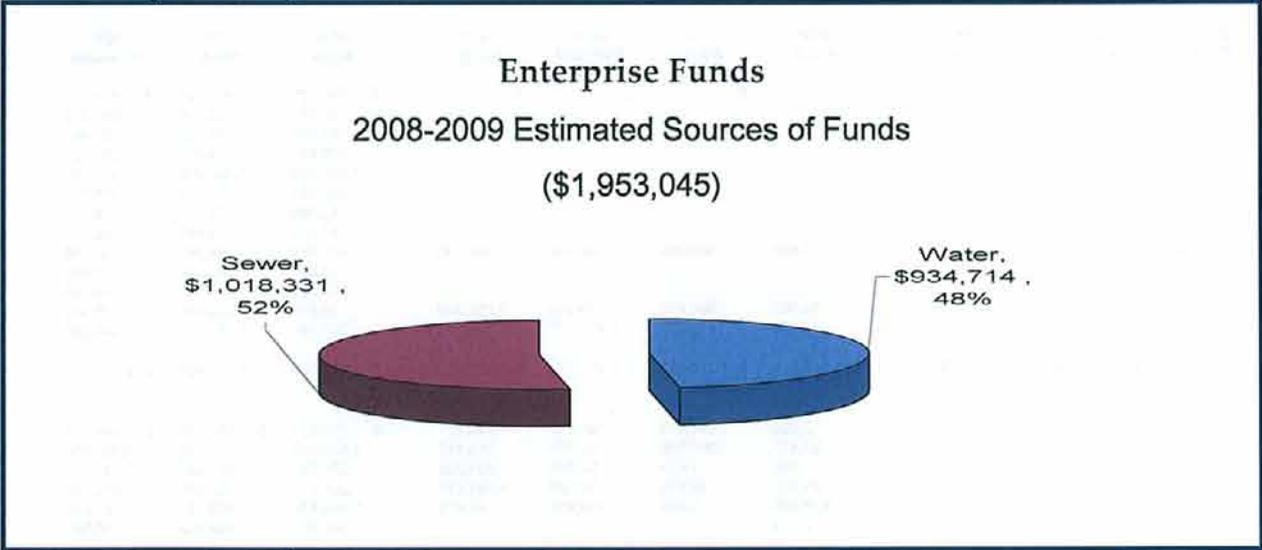
**Governmental Funds**  
**2006-2009 Summary of Estimated Financial Sources and Uses**  
(For Budgetary Purposes Only)

	General Fund				Special Revenue Funds			
	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	2006 Actual	2007 Actual	2008 Estimated	2009 Budget
<b>Financial Sources:</b>								
Property Taxes	\$ 576,772	\$ 731,220	\$ 787,643	\$ 795,519	\$ 187,958	\$ 186,400	\$ 189,030	\$ 190,000
Property Tax in Lieu of VLF	455,402	491,360	520,373	536,945				
Property Taxes in Lieu of Sales Tax	91,415	93,199	83,463	92,250				
Sales and Use Taxes	298,904	276,539	296,724	301,750				
Other Taxes	908,877	937,692	952,771	985,494	437,527	467,026	414,752	467,056
Service Charges	108,394	93,519	118,527	134,501				
Fines and Penalties	800	1,184	45	750	9,364	26,764	18,006	6,000
Rents and Concessions	26,000	38,561	40,000	40,888				
Interest	78,000	92,070	52,725	98,131	68,722	121,089	101,042	64,590
Licenses and Permits	73,950	146,149	77,606	188,002				
Grants	3,600	3,152	7,184	5,500	913,820	511,313	1,581,054	696,500
Impact Fees								
All other Revenues	84,728	76,038	90,461	23,100	100,032	107,563	126,720	81,024
<b>Total Estimated Financial Sources</b>	<b>\$2,706,843</b>	<b>\$2,980,683</b>	<b>\$3,027,521</b>	<b>\$3,202,830</b>	<b>\$1,717,423</b>	<b>\$1,420,155</b>	<b>\$2,430,605</b>	<b>\$1,505,170</b>
<b>Expenditures</b>								
General Government	\$ 197,711	\$ 242,773	\$ 268,899	\$ 232,301	1,997	-	-	0
Public Safety	1,391,671	1,566,397	1,612,642	1,802,898	157,498	180,540	226,893	222,862
Fire Protection	270,000	376,300	409,872	409,872	-	-	-	-
Public Works	245,056	210,264	199,625	224,572	4,730	5,159	1,021	5,000
Streets and Transportation	-	-	-	-	508,589	454,961	819,191	774,805
Community Development	427,577	460,495	467,314	477,639	70,146	2,879,358	143,531	-
Debt Service	-	-	-	-	-	-	-	-
Parks	-	-	-	-	569,092	290,064	278,152	272,883
Recreation	177,018	209,783	283,741	291,558	53,688	180,612	389,605	497,777
<b>Total Budget</b>	<b>\$2,709,032</b>	<b>\$3,066,011</b>	<b>\$3,242,094</b>	<b>\$3,438,840</b>	<b>\$1,365,740</b>	<b>\$3,990,693</b>	<b>\$1,858,392</b>	<b>\$1,773,328</b>
General Contingencies and Reserves	-	-	-	-	-	-	-	-
<b>Total Use of Resources</b>	<b>\$2,709,032</b>	<b>\$3,066,011</b>	<b>\$3,242,094</b>	<b>\$3,438,840</b>	<b>\$1,365,740</b>	<b>\$3,990,693</b>	<b>\$1,858,392</b>	<b>\$1,773,328</b>
<b>Net Increase (Decrease) In Fund Balance</b>	<b>\$ (2,189)</b>	<b>\$ (85,328)</b>	<b>\$ (214,573)</b>	<b>\$ (236,010)</b>	<b>\$ 351,683</b>	<b>\$(2,570,538)</b>	<b>\$ 572,213</b>	<b>\$ (268,158)</b>
<b>Fund Balance July 1</b>	<b>\$2,721,635</b>	<b>\$2,595,860</b>	<b>\$2,601,415</b>	<b>\$2,576,025</b>	<b>\$3,788,925</b>	<b>\$4,247,674</b>	<b>\$1,810,563</b>	<b>2,300,047</b>
<b>Adjustments</b>								
Transfers In	-	171,944	259,687	93,270	198,454	222,582	158,192	112,485
Transfers Out	\$(123,586)	\$(81,061)	\$(70,504)	\$(82,906)	\$(91,388)	\$(89,155)	\$(240,920)	\$(96,035)
<b>Fund Balance June 30</b>	<b>\$2,595,860</b>	<b>\$2,601,415</b>	<b>\$2,576,025</b>	<b>\$2,350,379</b>	<b>\$4,247,674</b>	<b>\$1,810,563</b>	<b>\$2,300,047</b>	<b>\$2,048,340</b>



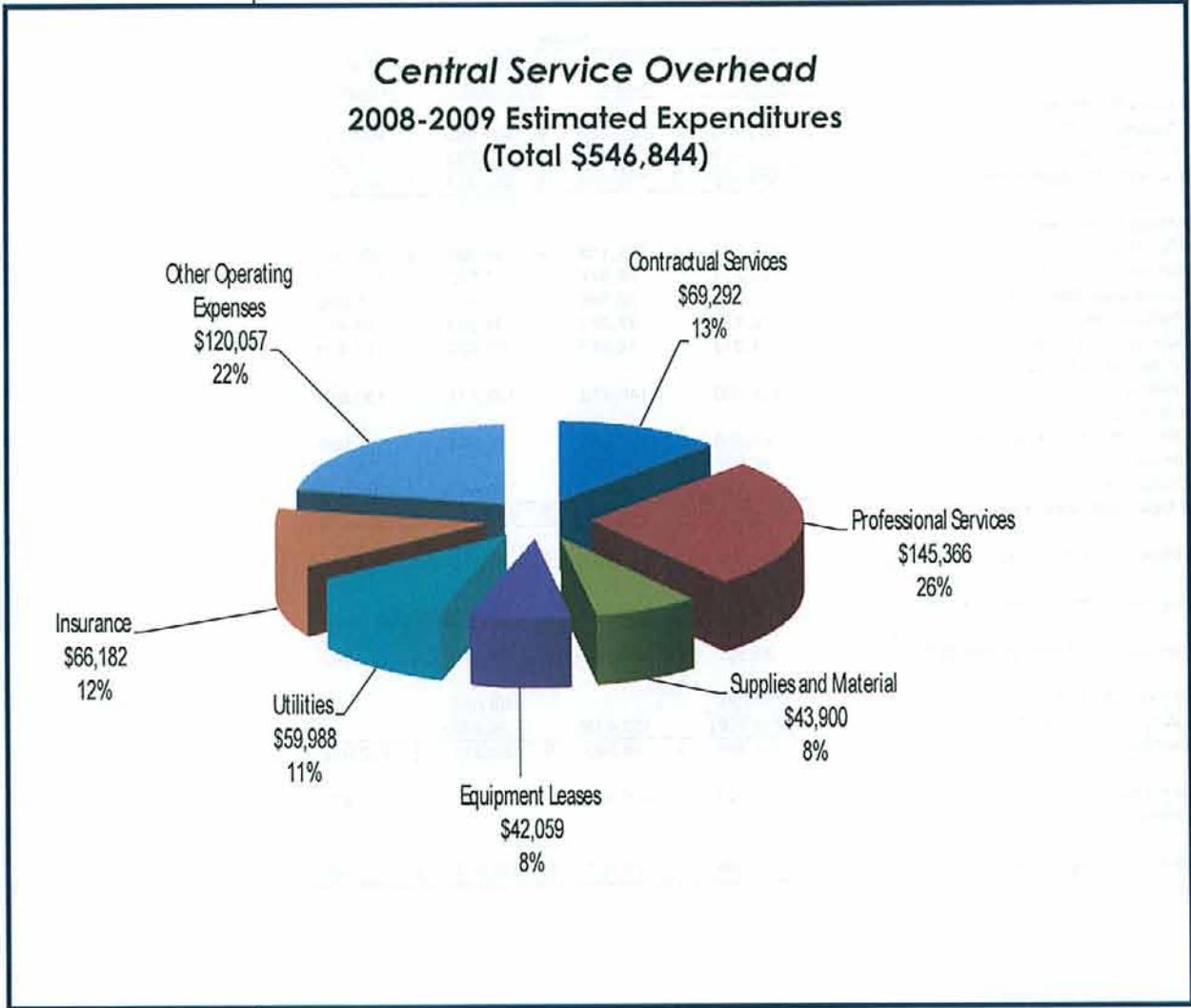
# Budget Summary

## Enterprise Funds Summary of Revenues and Expenditures



# Budget Summary

## Central Service Overhead Estimated Expenditures



**Enterprise Funds**  
**2006-2009 Summary of Estimated Revenues, Expenses**  
**and Changes in Retained Earnings**

(For Budgetary Purposes Only)

	Water			
	2006 Actual	2007 Actual	2008 Estimated	209 Budget
<b>Operating Revenues</b>				
Charges for Services	\$ 599,111	\$ 689,209	\$ 901,690	\$ 928,712
Other Revenues	23,070	38,303	21,237	6,002
<b>Total Operating Revenues</b>	<b>\$ 622,182</b>	<b>\$ 727,513</b>	<b>\$ 922,927</b>	<b>\$ 934,714</b>
<b>Operating Expenses</b>				
Allocated Cost	\$ 274,685	\$ 272,113	\$ 284,920	\$ 342,996
Salaries and Benefits	52,251	60,377	123,502	110,351
Contractual Services	-	20,786	-	2,000
Professional Services	12,125	43,323	31,523	28,487
Supplies and Material	14,013	14,289	12,900	17,400
Equipment Leases	-	-	-	-
Utilities	124,860	140,478	122,111	130,000
Insurance	-	-	-	-
Other Operating Expenses	67,285	65,340	46,544	74,600
Depreciation	18,606	21,374	-	-
Capital Projects	3,989	13,330	276,911	35,938
<b>Total Operating Expenses</b>	<b>\$ 567,815</b>	<b>\$ 651,410</b>	<b>\$ 898,412</b>	<b>\$ 741,772</b>
<b>Operating Income (Loss)</b>	<b>\$ 54,367</b>	<b>\$ 76,102</b>	<b>\$ 24,515</b>	<b>\$ 192,942</b>
Non-Operating Revenues(Expenses)				
<b>Income(Loss) before Operating Transfers</b>	<b>\$ 54,367</b>	<b>\$ 76,102</b>	<b>\$ 24,515</b>	<b>\$ 192,942</b>
Operating Transfers In	230,628	-	268,652	-
Operating Transfers Out	(230,628)	(27,419)	(4,852)	-
<b>Net Income(Loss)</b>	<b>\$ 54,367</b>	<b>\$ 48,683</b>	<b>\$ 288,315</b>	<b>\$ 192,942</b>
<b>Retained Earnings July 1</b>	<b>422,042</b>	<b>476,409</b>	<b>525,091</b>	<b>813,407</b>
Adjustments				
<b>Retained Earnings June 30</b>	<b>\$ 476,409</b>	<b>\$ 525,091</b>	<b>\$ 813,407</b>	<b>\$ 1,006,349</b>

Sewer			
2006 Actual	2007 Actual	2008 Estimated	2009 Budget
\$ 762,814	\$ 814,788	\$ 1,010,453	\$ 1,014,331
41,694	45,612	-	4,000
<u>\$ 804,508</u>	<u>\$ 860,400</u>	<u>\$ 1,010,453</u>	<u>\$ 1,018,331</u>
\$ 208,660	\$ 211,778	\$ 234,084	\$ 267,345
-	-	-	-
330,314	325,273	300,000	305,921
63,287	151,160	49,300	44,487
8,768	32,087	10,000	23,000
-	-	-	-
98,852	63,016	90,000	100,000
-	-	-	-
87,977	164,722	275,083	112,070
31,522	34,615	-	-
12,459	123,064	205,157	80,897
<u>\$ 841,839</u>	<u>\$ 1,105,716</u>	<u>\$ 1,163,624</u>	<u>\$ 933,720</u>
\$ (37,330)	\$ (245,317)	\$ (153,171)	\$ 84,611
\$ (37,330)	\$ (245,317)	\$ (153,171)	\$ 84,611
-	-	58,857	-
0	(31,522)	-	-
<u>\$ (37,330)</u>	<u>\$ (276,839)</u>	<u>\$ (94,313)</u>	<u>\$ 84,611</u>
2,922,019	2,884,689	2,607,850	2,513,537
-	-	-	-
<u>\$ 2,884,689</u>	<u>\$ 2,607,850</u>	<u>\$ 2,513,537</u>	<u>\$ 2,598,147</u>

Total Enterprise Funds			
2006 Estimated	2007 Actual	2008 Estimated	2009 Budget
\$ 1,361,926	\$ 1,503,997	\$ 1,912,142	\$ 1,943,043
64,764	83,915	21,237	10,002
<u>\$ 1,426,690</u>	<u>\$ 1,587,912</u>	<u>\$ 1,933,380</u>	<u>\$ 1,953,045</u>
\$ 483,345	\$ 483,891	\$ 519,004	\$ 610,342
52,251	60,377	123,502	110,351
330,314	346,059	300,000	307,921
75,412	194,483	80,823	72,974
22,781	46,376	22,900	40,400
-	-	-	-
223,712	203,495	212,111	230,000
-	-	-	-
155,262	230,062	321,626	186,670
50,128	55,989	-	-
16,448	136,394	482,069	116,835
<u>\$ 1,409,654</u>	<u>\$ 1,757,127</u>	<u>\$ 2,062,035</u>	<u>\$ 1,675,492</u>
\$ 17,036	\$ (169,214)	\$ (128,655)	\$ 277,553
\$ 17,036	\$ (169,214)	\$ (128,655)	\$ 277,553
230,628	-	327,509	-
(230,628)	(58,941)	(4,852)	-
<u>\$ 17,036</u>	<u>\$ (228,156)</u>	<u>\$ 194,002</u>	<u>\$ 277,553</u>
3,344,061	3,361,097	\$ 3,132,942	\$ 3,326,943
-	-	-	-
<u>\$ 3,361,097</u>	<u>\$ 3,132,942</u>	<u>\$ 3,326,943</u>	<u>\$ 3,604,496</u>

# Budget Summary

## City Wide Position Changes

### Mid Year Adjustments 2007-2008

Finance Record Clerk from Part-time to Full-time .56

### Budgeted General Fund Positions Added 2008-2009

City Manager Executive Secretary .56

### Budgeted General Fund Positions Deleted 2008-2009

Police Officer -.25

Public Works Director -.50

Maintenance Worker I -2.00

## 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 2005-2009

	2005	2006	2007	2008	2009
2004 Community Development Tax Allocation Bonds	\$ 7,410,000	\$ 7,145,000	\$ 6,870,000	\$ 6,590,000	6,310,000
2007 Community Development Tax Allocation Bonds			11,470,000	11,470,000	11,455,000
2007 Water Revenue Bonds				3,810,000	3,810,000
2007 Sewer Revenue Bonds				4,495,000	4,495,000
	<u>\$ 7,410,000</u>	<u>\$ 7,145,000</u>	<u>\$18,340,000</u>	<u>\$ 26,365,000</u>	<u>\$ 26,070,000</u>

# Budget Summary

## City Debt

	2004 Tax Allocation Bonds	2007 Tax Allocation Bonds	2007 Water Revenue Bonds	2007 Sewer Revenue Bonds
2008/2009	541,277	529,523	153,110	181,821
2009/2010	476,002	749,460	164,536	195,390
2010/2011	480,767	739,860	164,536	195,390
2011/2012	479,893	740,060	244,536	290,390
2012/2013	478,179	739,860	246,936	292,303
2013/2014	475,720	739,260	249,131	294,003
2014/2015	379,265	581,460	246,161	290,538
2015/2016	383,782	576,660		
thereafter	7,201,534	17,395,193	5,676,224	6,719,194
Total Principal and Interest	10,896,417	22,791,335	7,145,172	8,459,028
Less Interest	(4,306,417)	(11,321,335)	(3,335,172)	(3,964,028)
Total Principal	<u>\$ 6,590,000</u>	<u>\$ 11,470,000</u>	<u>3,810,000</u>	<u>4,495,000</u>

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

The 2007 Water and Sewer Revenue bonds were issued in September 2007. The bonds are providing funds to aid in the financing of water and sewer infrastructure repair and

# Budget Summary

## City Debt

replacement as well as extension of the infrastructure from its current terminus to I-505. The interest rate is variable.

### 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 require 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 2004 and 2007 Tax Allocation Bonds are paid with the Redevelopment Tax Increment and the 2007 Water and Sewer Revenue Bonds are paid by Water and Sewer Enterprise Revenue.

#### Computation of Compliance with Debt Capacity Policy

Total General Fund Budgeted Revenues	<u>\$3,194,450</u>
10% of Budgeted Revenues	\$319,445
Less General Fund Supported Debt Service	-
Policy Debt Capacity	<u>\$319,445</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 its legal debt limit;

#### Computation of Legal Debt Margin as of June 30, 2008

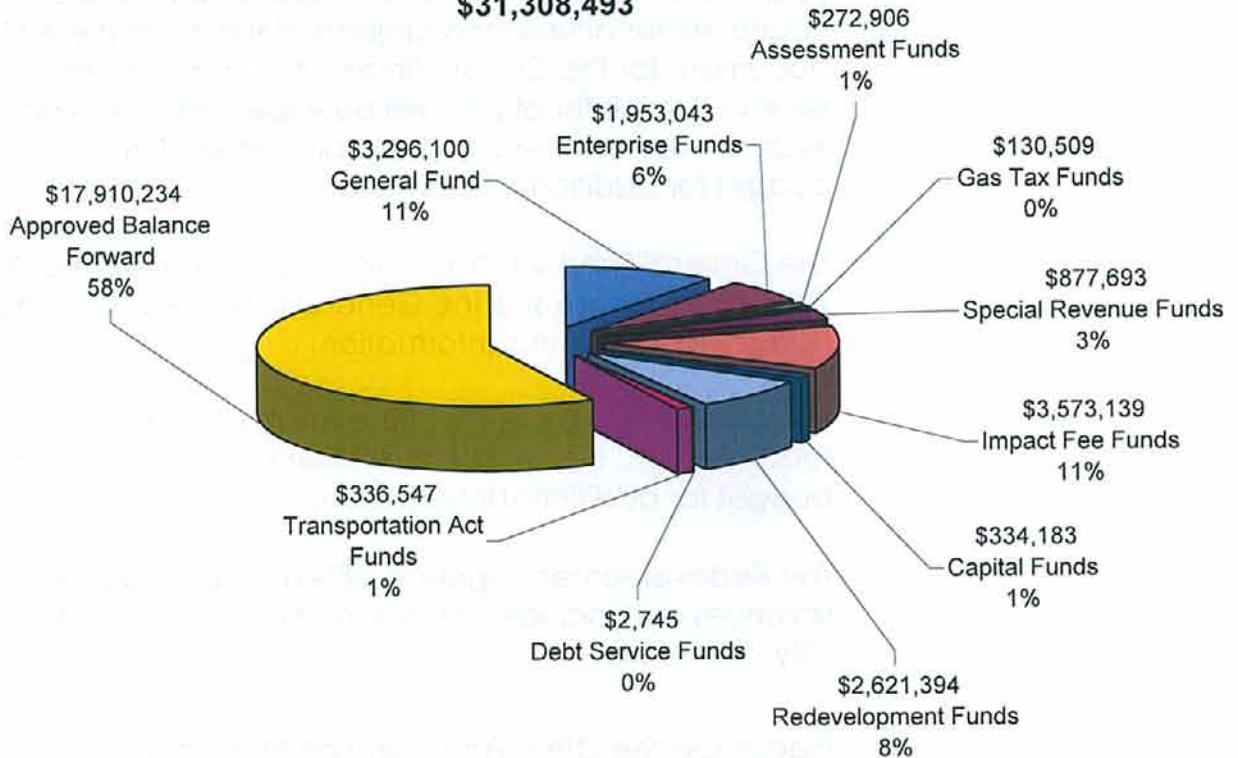
Assessed Valuation (Net)	<u>\$ 492,219,254</u>
Debt Limit of 15% of Assessed Value	73,832,888
Less Outstanding Debt Subject to Debt Limit	-
Debt Margin Available	<u>\$ 73,832,888</u>

# Budget Summary

## Revenue Summary

### Summary of Total Revenue Source

#### Total Annual Budget By Revenue Source for Fiscal Year 2008-2009 \$31,308,493



#### Summary of Total Revenue Sources for Fiscal 2008-2009

The revenue sources reflect all expected revenues to be received as well as required existing resources needed to fund anticipated expenditures for the Fiscal year 2008-2009

The net Approved balance forward is 58% of the total budget, and represents prior year fund balances being designated for expenditure in 2008-2009 for 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 11% of budgeted revenues. Four projects are projected that will be required to pay impact fees this 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 11% of total budgeted revenues for 2008-2009. Please see the General Fund section of this budget for additional information.

The Capital Funds are 1% of the total budgeted revenues for 2008-2009. Please see the Other Funds section of this budget for additional information.

The Redevelopment Agency is 8% 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 2007-2008	Budget 2008-2009	% Change
General Fund	\$ 3,118,978	\$ 3,296,100	6%
Enterprise Funds	7,918,524	\$ 1,953,043	-75%
Assessment Funds	285,581	\$ 272,906	-4%
Gas Tax Funds	130,509	\$ 130,509	0%
Special Revenue Funds	738,926	\$ 877,693	19%
Impact Fee Funds	816,528	\$ 3,573,139	338%
Capital Funds	1,558,445	\$ 334,183	-79%
Redevelopment Funds	2,165,915	\$ 2,621,394	21%
Debt Service Funds	2,745	\$ 2,745	0%
Transportation Act Funds	284,505	\$ 336,547	18%
Total Revenues	17,020,656	\$ 13,398,259	-21%
Approved Balance Forward	7,238,988	\$ 17,910,234	147%
Total Sources	<u>\$ 24,259,644</u>	<u>\$ 31,308,493</u>	29%

### **Budget Year Resource Comparison**

The Fiscal Year 2008/2009 Revenue Budget is 29% higher than the 2007/2008 budget. This is primarily due to the expected use of Approved Balance Forward for the General Fund, most Special and Capital Funds. Much of the revenue received in the Impact Fee 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 2005/2006 through 2008/2009

Sources of Funds	Actual	Actual	Estimated	Budget	Change From Prior Year		% of All	Cum %
	2005-2006	2006-2007	2007-2008	2008-2009	in \$	in%	Revenue	of Total
							2008-2009	2008-2009
<i>General, Special Revenue, Debt Service, Capital and Community Development Agency</i>								
Impact Fees	\$ 28,087	\$ 596,485	\$ 38,948	\$ 3,052,318	\$ 3,013,370	7736.91%	10.40%	10.40%
Property Tax Increment	1,650,488	2,100,792	1,990,295	2,068,694	78,399	3.94%	7.05%	17.44%
Property Tax	576,772	731,220	787,643	795,519	7,876	1.00%	2.71%	20.15%
Property Tax In Lieu of VLF	455,402	491,360	520,373	536,945	16,572	3.18%	1.83%	21.98%
Property Tax in Lieu of Sales Tax	91,415	93,199	83,463	92,250	8,787	10.53%	0.31%	22.30%
Federal & State Grants	913,820	511,313	1,509,054	696,500	(812,554)	-53.85%	2.37%	24.67%
Devel & Bldg Permit Fees	73,950	146,149	77,606	188,002	110,396	142.25%	0.64%	25.31%
Motor Vehicle in Lieu	26,000	46,898	31,250	51,000	19,750	83.20%	0.17%	25.48%
Utility Tax	371,781	359,590	378,080	378,000	(80)	-0.02%	1.29%	26.77%
Muni. Ser. Tax	277,166	278,033	282,070	284,760	2,690	0.95%	0.97%	27.74%
Sales & Use Tax	298,904	276,539	296,724	301,750	5,026	1.69%	1.03%	28.77%
Transportation Tax	307,019	332,230	284,244	336,547	52,303	18.40%	1.15%	29.92%
City Wide Assmt	187,958	186,400	189,030	190,000	970	0.51%	0.65%	30.56%
Interest Revenue	678,164	874,122	1,259,922	952,903	(307,018)	-24.37%	3.25%	33.81%
Franchise Tax	166,800	187,939	205,736	213,738	8,002	3.89%	0.73%	34.54%
Gas Tax	130,508	134,796	118,228	130,509	12,281	10.39%	0.44%	34.98%
Service Charges	93,205	66,071	88,711	89,301	590	0.66%	0.30%	35.29%
Project Monitoring Fees	1,322	36,311	3,190	134,883	131,693	4128.52%	0.46%	35.75%
Other Sources	374,993	26,185,990	7,387,358	865,912	(6,521,447)	-88.28%	2.95%	38.70%
Recreation & Cultural Events	15,275	33,215	27,248	45,200	17,952	65.88%	0.15%	38.85%
Tot Tax	2,600	2,391	3,894	3,200	(694)	-17.82%	0.01%	38.86%
Bus. Lic. Tax	20,000	27,706	22,500	26,285	3,785	16.82%	0.09%	38.95%
Property Transfer Tax	25,900	17,623	12,312	11,000	(1,312)	-10.66%	0.04%	38.99%
in Lieu Fees	900	30,600	-	-	-	-	0.00%	38.99%
Approved Balance Forward	396,859	1,241,500	-	17,910,234	17,910,234	-	61.01%	100.00%
Total	7,165,288	34,988,473	15,597,879	29,355,450	13,757,572	88.20%	100.00%	
<i>Enterprise Funds</i>								
Water Fund	853,386	727,513	1,191,578	934,712	(256,866)	-21.56%	47.86%	47.86%
Sewer Fund	804,508	860,400	1,069,310	1,018,331	(50,979)	-4.77%	52.14%	100.00%
Approved Balance Forward	-	228,155	-	-	-	-	0.00%	100.00%
Total	1,657,895	1,816,067	2,260,888	1,953,043	(307,845)	-13.62%	100.00%	
<b>Grand Total All Funds</b>	<b>\$ 8,823,183</b>	<b>\$ 36,804,540</b>	<b>\$ 17,858,767</b>	<b>\$ 31,308,493</b>	<b>13,449,727</b>	<b>75.31%</b>		

# Budget Summary

## Revenue Summary

The Revenue Detail Summary above shows 2005/2006 and 2006/2007 actual revenues, 2007/2008 estimated revenues and 2008/2009 budgeted revenues and compares the budgeted amount for 2008/2009 to the estimated amount for 2007/2008 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	
	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	In \$	In %
General Fund	\$ 2,718,615	\$ 2,706,843	\$ 3,152,627	\$ 3,287,208	\$ 3,296,100	\$ 8,891	0.27%
First Time Homebuyer In Lieu	70,885	2,675	3,927	-	3,023	3,023	
City Wide Assessment	185,799	187,958	256,653	189,030	272,906	83,876	44.37%
Flood Assessment District	75	110	178	163	137	(25)	-15.67%
Gas Tax Fund	256,402	188,009	158,478	118,228	130,509	12,281	10.39%
PERS Reserve	7,958	13,000	18,971	9,921	1,936	(7,985)	-80.49%
State Cops 1913	104,825	107,461	107,983	106,444	107,384	940	0.88%
Cops More	68	70	79	73	-	(73)	-100.00%
Traffic Safety	25,800	12,000	33,587	24,674	11,678	(12,996)	-52.67%
Asset Forfeiture	1,222	3,759	1,238	1,015	750	(265)	-26.13%
Traffic Safety Grant	184	300	-	-	-	-	
Vehicle Theft Deterrent	6,503	7,000	1,420	936	900	(36)	-3.85%
Traffic Congestion Relief	-	29,600	62,236	3,933	3,317	(616)	-15.66%
Street Grants	1,404	325,516	58,219	-	-	-	
Safe Routes to School	-	-	-	-	166,500	166,500	
STBG 1414 Jackson/McArthur	-	-	-	458,376	-	(458,376)	-100.00%
Prop IB	-	-	-	400,000	-	(400,000)	-100.00%
Trestle Bridge Grant	536	248	-	-	-	-	
MTC Grant	-	180,000	-	-	-	-	
Prop 40	-	176,000	44,000	-	-	-	
2000 Park Bond Grant	-	12,674	32,582	19,148	-	(19,148)	-100.00%
Recycling Grant	8,038	5,562	5,627	5,715	5,502	(213)	-3.73%
Transportation/Bus Service	219,204	309,394	337,659	288,497	336,547	48,050	16.66%
Work Force Housing Grant	-	79,380	10,332	93,530	-	(93,530)	-100.00%
After School Grant	-	-	202,500	455,810	425,000	(30,810)	-6.76%
STBG 700 Grant	16,194	7,101	8,681	60,749	5,766	(54,984)	-90.51%
STBG 96-1043 Grant	32,522	7,645	7,377	8,808	7,645	(1,163)	-13.20%
HOME 98-0347 Grant	72,656	-	49,436	25,000	-	(25,000)	-100.00%
Choc II Grant	-	-	2,850,180	50,000	-	(50,000)	-100.00%
EDBG 99-688 Grant	20,663	16,168	20,205	17,404	16,168	(1,236)	-7.10%
EDBG 99-405 Grant	4,362	1,274	1,274	-	-	-	
EDBG 392 Grant	-	-	-	-	-	-	
Housing Rehab RLF	18,322	4,126	6,218	26,406	6,394	(20,013)	-75.79%
First Time Homebuyer RFL	231,743	19,106	29,702	39,821	8,980	(30,842)	-77.45%
HOME RLF	74,936	-	50,015	2,562	-	(2,562)	-100.00%
Small Business RLF	24,127	28,125	35,444	35,758	22,546	(13,211)	-36.95%
Winters Library and Arts	10,002	16,345	23,841	21,764	18,357	(3,407)	-15.66%
Winters Swim Team	67,678	66,488	71,945	63,728	65,710	1,982	3.11%
Emergency Plan Update	-	16	-	-	-	-	
Community Development LIH-Tax Increment	342,275	342,045	446,081	428,875	435,937	7,062	1.65%
Community Development LIH-Project Area	65,015	108,629	1,588,384	131,883	80,221	(51,662)	-39.17%
Street Impact Fee	181,989	65,647	297,997	60,328	1,160,355	1,100,027	1823.40%
Storm Impact Fee	7,558	7,313	7,784	6,419	9,444	3,025	47.12%
Park Impact Fee	86,034	34,235	747,694	40,442	288,667	248,225	613.78%
Police Impact Fee	34,130	10,008	98,707	15,162	345,991	330,829	2182.02%
Fire Impact Fee	33,889	7,804	44,570	12,784	230,748	217,963	1704.91%
General Facility Impact Fee	53,991	12,165	63,745	17,181	323,426	306,245	1782.46%
Water Impact Fee	72,613	21,181	91,247	30,495	657,622	627,127	2056.52%
Sewer Impact Fee	109,019	30,145	153,205	43,542	536,254	492,712	1131.58%
General Fund Capital	11,243	18,395	28,157	23,438	20,633	(2,805)	-11.97%
Landfill Capital	8,225	13,063	18,422	16,248	14,155	(2,093)	-12.88%
Park Capital	17,916	9,315	158,795	5,512	1,485	(4,026)	-73.05%
Capital Equipment Replacement	12,855	11,572	144,254	121,474	17,856	(103,618)	-85.30%
Service Reserve Fund	-	-	26,947	24,599	26,814	2,215	9.00%
General Plan 1992	28,313	1,322	36,157	3,267	134,883	131,616	4028.85%
Storm Drain Capital	1	5	10	10	8	(2)	-19.52%
Flood Control	26	40	60	55	46	(9)	-16.41%
RAJA Storm Drain Capital	953	1,256	1,796	1,831	1,374	(257)	-15.75%
Capital Asset Recovery Fund	7,573	6,143	6,959	7,209	2,679	(4,530)	-62.84%
Monitoring Fee	21,771	1,322	36,311	3,190	134,883	131,693	4128.52%
General Debt Service	2,110	1,730	3,566	1,700	2,745	1,045	61.44%
Community Development Tax Increment	1,212,122	1,416,610	2,272,745	1,825,948	1,729,956	(95,992)	-5.26%
Community Development Project Fund	79,760	119,539	10,417,701	541,326	375,000	(166,326)	-30.73%
Community Development Long Term Debt	44,888	14,992	9,413,064	-	280	280	
Water Revenue Bonds	-	-	-	2,940,339	-	(2,940,339)	-100.00%
Sewer Revenue Bonds	-	-	-	3,480,121	-	(3,480,121)	-100.00%
Water Enterprise Fund	680,048	853,386	727,513	1,191,578	934,712	(256,866)	-21.56%
Sewer Enterprise Fund	922,925	804,508	860,400	1,069,310	1,018,331	(50,979)	-4.77%
<b>Total Revenues</b>	<b>\$ 8,217,963</b>	<b>\$ 8,426,324</b>	<b>\$ 35,334,885</b>	<b>\$ 17,858,766</b>	<b>\$ 13,398,259</b>	<b>(4,460,507)</b>	<b>-24.98%</b>

# Budget Summary

# Expenditure Summary

## Expenditure Summary by Fund 2005/2006 through 2008/2009

Uses of Funds	Actual	Actual	Estimated	Budgeted	Changes from prior Year		% of Total	Cumulative
	2005-2006	2006-2007	2007-2008	2008/2009	Estimated		Expenditures	% of Total
					In \$	In %	2008-2009	2008-2009
<i>General Fund, Special Revenue Funds, Debt Service</i>								
<i>Capital and Community Development Agency Fund</i>								
General Fund	\$ 2,832,618	\$ 3,147,072	\$ 3,312,598	\$ 3,521,746	\$ 209,148	6%	12%	12%
Impact Funds	710,705	488,341	587,190	1,728,090	\$ 1,140,900	194%	6%	18%
Streets & Transportation	535,306	454,961	819,191	774,805	\$ (44,385)	-5%	3%	20%
City Wide Assmt/Parks	711,817	427,218	307,662	739,183	\$ 431,522	140%	2%	23%
Swim Team	53,688	91,749	51,605	72,777	\$ 21,172	41%	0%	23%
Recreation Grants	-	88,862	337,999	425,000	\$ 87,001	26%	1%	24%
Police Grant Activities	159,495	180,540	226,893	222,862	\$ (4,031)	-2%	1%	25%
Storm Drain	315	530	-	-	\$ -		0%	25%
Infrastructure Bonds			499	4,244,470			14%	39%
Capital Funds	6,847	150,302	333,310	259,677			1%	40%
Community Development Activities	108,763	2,973,672	225,472	34,579	\$ (190,893)	-85%	0%	40%
Community Development Agency	2,722,565	4,156,023	2,294,147	17,686,133	\$ 15,391,986	671%	60%	100%
Total	7,842,119	12,159,270	8,496,566	29,709,323	\$ 21,212,757	250%	100%	
<i>Enterprise Funds</i>								
					\$ -			
					\$ -			
Water Fund	798,454	678,830	903,264	741,772	\$ (161,492)	-18%	44%	44%
Sewer Fund	841,839	1,137,238	1,163,624	933,720	\$ (229,903)	-20%	56%	100%
Total	1,640,293	1,816,068	2,066,887	1,675,492	\$ (391,395)	-19%	100%	
Grand Total All Funds	\$ 9,482,412	\$ 13,975,338	\$ 10,563,453	\$ 31,384,815	\$ 20,821,362	197%		

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 2008-2009

Department	General Fund	City Wide Asmt	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	\$ 3,652	\$ 1,826	\$ -	\$ 48,345	\$ 10,501					\$ 5,935			\$ 70,260
City Clerk	14,867												14,867
City Treasurer	343												343
City Attorney	-		-										-
City Manager	35,441		147,385	19,980	56,147								258,952
Administrative Services	175,168		2,417	1,022	16,917								195,524
Finance	2,829	16,977	53,759	1,022	82,054					31,124			187,765
Police	1,802,898					222,862			303,446				2,329,206
Fire	409,872								223,292				633,164
Community Development	376,991		21,425	2,760	2,678								403,854
Building Inspection	100,647												100,647
Public Works	307,478	104,326		-	45,359		5,000			60,787			522,951
General Recreation	128,407			-	4,494								132,900
After-school Program							425,000						425,000
Swimming	77,533										72,777		150,310
Community Center	85,619												85,619
Community Development Agency			17,461,147										17,461,147
Capital Projects								97,900	441,352	110,015			649,267
City Wide Assmt/Parks		149,754						400,000					549,754
Yolo Bus										150,444			150,444
Street Maintenance										416,500			416,500
RLF Funds							29,579						29,579
Transfers to other funds							66,456	161,621					228,077
Water Fund				668,643				1,716,690	750,000				3,135,333
Sewer Fund					715,572			2,527,780	10,000				3,253,352
<b>Total Expenditures</b>	<b>\$ 3,521,746</b>	<b>\$ 272,883</b>	<b>\$ 17,686,133</b>	<b>\$ 741,772</b>	<b>\$ 933,720</b>	<b>\$ 222,862</b>	<b>\$ 526,035</b>	<b>\$ 4,903,992</b>	<b>\$ 1,728,090</b>	<b>\$ 774,805</b>	<b>\$ 72,777</b>	<b>\$ -</b>	<b>\$ 31,384,815</b>

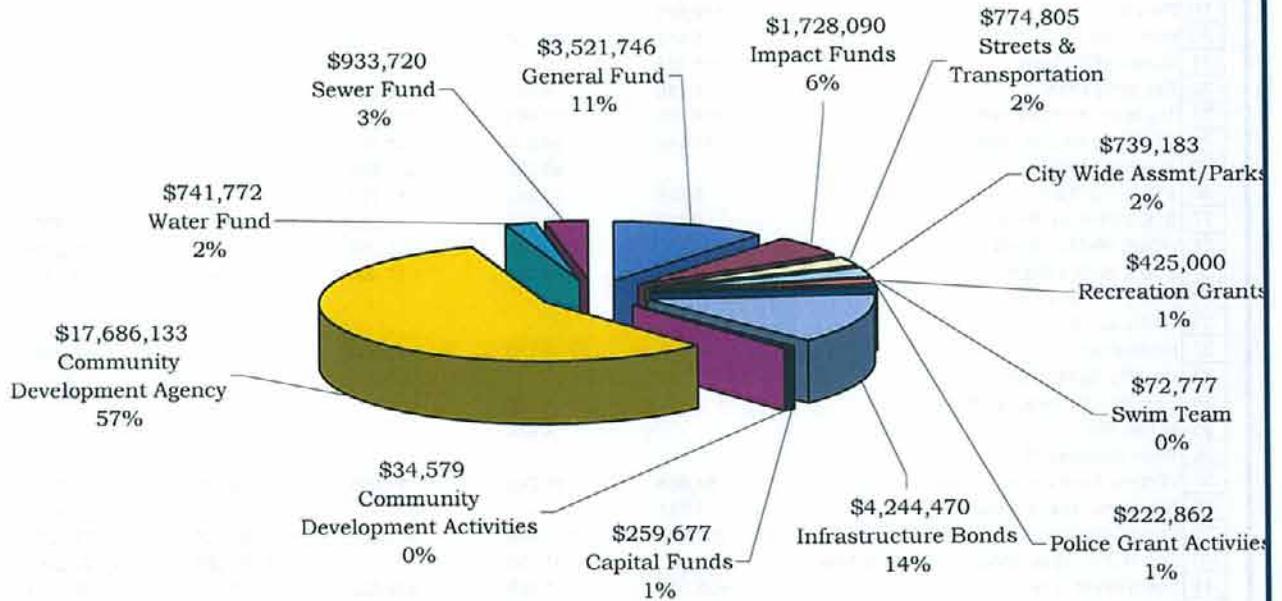
The expenditure summary shows funding per department. This includes all expenditures for that department. Please note that the Police Department and the Community Center have costs allocated from other General Fund Departments and therefore, the total cost for these departments on this table will not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

# Budget Summary

## Expenditure Summary

### Total Annual Expenditures by Fund for Fiscal Year 2008-2009

Total \$31,384,814



Below is a summary of expenditures by fund for the Fiscal Years 2005/2006 through 2008/2009. The chart shows actual expenditures for 2004/2005, 2005/2006, and 2006/2007. It shows estimated expenditures for 2007/2008 and budgeted expenditures for 2008/2009 and compares the budgeted amount for 2008/2009 to the estimated expenditures for 2007/2008 both by actual dollar difference and a percentage difference.

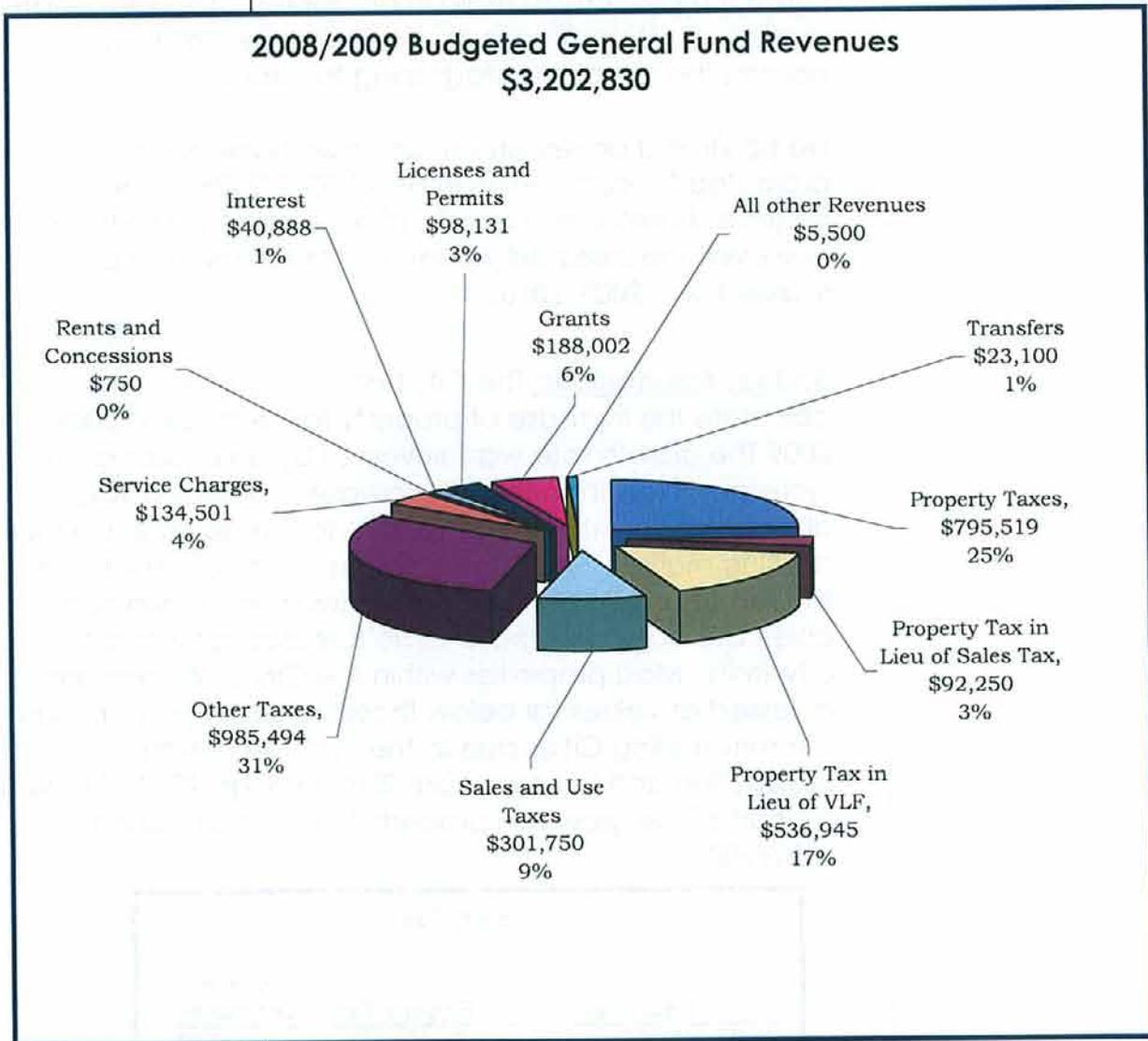
	A	D	H	J	L	N	N	P
1		Actual	Actual	Estimated	Proposed	Change From Prior Year		
2	Fund Title	2005-2006	2006-2007	2007-2008	2008-2009	In \$	In %	
3	General Fund	\$ 2,832,618	\$ 3,147,072	\$ 3,312,598	\$ 3,521,746	\$ 209,148	6.31%	
4	City Wide Assessment	260,986	260,953	259,534	272,883	13,350	5.14%	
5	Gas Tax Fund	110,517	157,758	104,431	97,846	(6,585)	-6.31%	
7	PERS Trust	-	-	160,000	66,456	-	-58.47%	
8	State Cops 1913	136,774	129,626	196,139	222,862	26,723	13.62%	
9	Cops More	600	-	1,641	-	(1,641)	-100.00%	
10	Traffic Safety	11,978	47,996	29,113	-	(29,113)	-100.00%	
11	Asset Forfeiture	-	2,918	-	-	-	-	
12	Traffic Grant	8,146	-	-	-	-	-	
13	Traffic Congestion Relief	-	-	-	18,500	18,500	-	
14	Street Grants	216,055	-	-	-	-	-	
15	Safe Routes to School	-	2,031	25,000	110,015	85,015	340.06%	
16	STBG1414-Jackson/McArthur	-	708	457,668	-	-	-	
17	Prop 1B	-	-	10,000	390,000	-	3800.00%	
18	Trestle Bridge Grant	30,784	-	-	-	-	-	
19	Prop 40	119,621	-	-	-	-	-	
20	Park Grant	8,485	29,110	18,618	-	(18,618)	-100.00%	
21	Solano MTC Grant	180,000	-	-	-	-	-	
22	Recycling Grant	4,730	5,159	1,021	5,000	3,979	389.58%	
23	Transportation/Bus Service	208,733	294,463	222,092	158,444	(63,648)	-28.66%	
24	Workforce Housing Grant	70,146	24,234	93,531	-	-	-100.00%	
25	Afterschool Grant	-	88,862	337,999	425,000	87,001	25.74%	
26	STBG 700 Grant	8,924	10,653	58,778	5,766	(53,012)	-90.19%	
27	STBG 96-1043 Grant	7,450	8,651	(20,262)	7,645	27,907	-137.73%	
28	HOME 98-0347 Grant	-	49,436	25,000	-	(25,000)	-100.00%	
29	EDBG 99-688 Grant	16,240	18,965	17,404	16,168	(1,236)	-7.10%	
30	EDBG 99-405 Grant	1,274	-	-	-	-	-	
31	EDBG 392 Grant	-	-	-	-	-	-	
32	Home Grant	-	2,850,180	50,000	-	(50,000)	-100.00%	
33	Housing Rehab RLF	-	-	-	-	-	-	
34	First Time Homebuyer RFL	-	1,450	-	-	-	-	
35	HOME RLF	-	4,944	-	-	-	-	
36	Small Business RLF	-	-	-	-	-	-	
37	Winters Swim Team	53,688	91,749	51,605	72,777	21,172	41.03%	
38	Emergency Plan Update	1,997	-	-	-	-	-	
39	Community Development LIH-Tax Increment	304,621	273,404	411,582	523,109	111,527	27.10%	
40	Community Development LIH-Project Area	159,541	1,391,409	-	2,787,206	2,787,206	-	
41	Street Impact Fee	625,585	1,466	418,822	68,675	(350,147)	-83.60%	
42	Storm Impact Fee	9,359	560	-	50,000	50,000	0.00%	
43	Park Impact Fee	25,886	70,200	6,446	-	(6,446)	-100.00%	
44	Police Impact Fee	27,477	398,758	34,156	303,446	269,290	788.41%	
45	Fire Impact Fee	556	1,630	34,556	223,292	188,736	546.17%	
46	General Facility Impact Fee	87	19	75,960	322,677	246,717	324.80%	
47	Water Impact Fee	5,687	3,218	8,555	750,000	741,445	8666.80%	
48	Sewer Impact Fee	16,069	12,489	8,695	10,000	1,305	15.01%	
49	General Fund Capital	-	23,582	-	-	-	-	
50	Landfill Capital	11,941	12,154	17,850	66,300	48,450	271.43%	
51	Park Capital	100,000	125,000	11,660	400,000	388,340	3330.53%	
52	Capital Equipment Replacement	2,139	90,408	113,356	31,600	(81,756)	-72.12%	
53	RAJA Storm Drain Capital	315	530	-	-	-	-	
54	Capital Asset Recovery Fund	2,334	-	-	-	-	-	
55	Monitoring Fee	2,374	36,311	3,267	134,807	131,540	4026.53%	
56	Service Reserve Fund	-	-	56,687	26,814	-	-52.70%	
57	Community Development Tax Increment	1,054,217	1,772,901	1,409,578	4,425,863	3,016,285	213.98%	
58	Community Development Project Fund	1,204,187	718,308	472,987	9,949,955	9,476,968	2003.64%	
59	Water Enterprise Fund	798,454	678,830	903,264	741,772	(161,492)	-17.88%	
60	2007 Water Revenue Bonds	-	-	499	1,716,690	1,716,192	344077.89%	
61	Sewer Enterprise Fund	841,839	1,137,238	1,163,624	933,720	(229,903)	-19.76%	
62	2007 Sewer Revenue Bonds	-	-	-	2,527,780	2,527,780	-	
63	Total Expenditures	\$ 9,482,412	\$ 13,975,338	\$ 10,563,453	\$ 31,384,815	\$ 20,821,362	197.11%	
64								

# General Fund

The General Fund is the 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



# General Fund

## Property Taxes

Property taxes are estimated to be 25% 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.

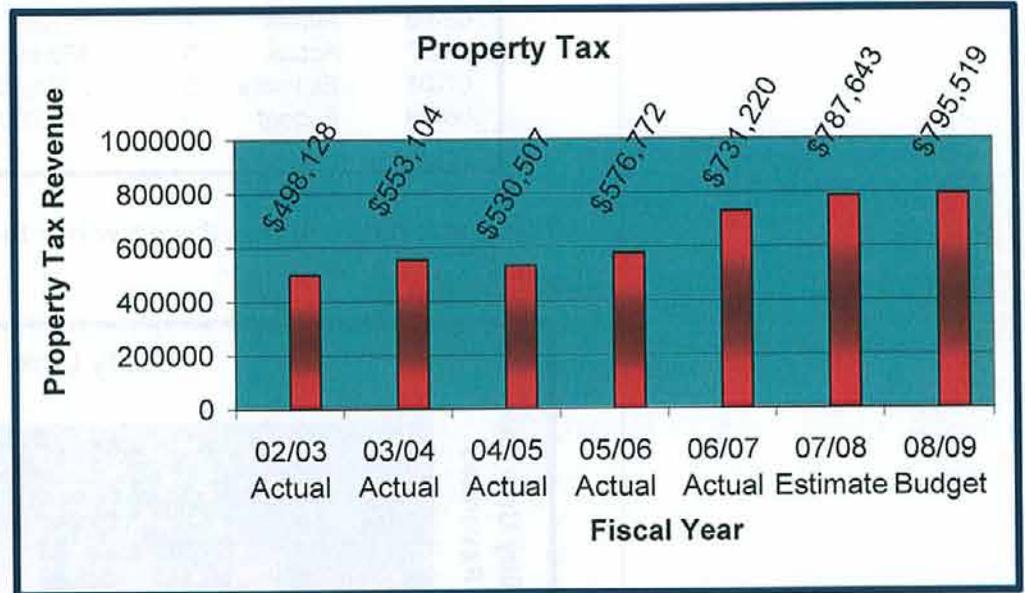
No significant development activities have been projected for completion in Fiscal 2008/2009, some projects should begin construction during this fiscal year, however, the assessed valuation increase will not be realized until 2009/2010.

Budget Assumptions: The City has used a 1.0% factor to calculate the increase of property tax revenue in 2008-2009. The growth rate was arrived at by anticipating an increase of less than the 2% increase in assessed value allowed under Proposition 13, due to the downturn in the housing market. The City of Winters does not anticipate the reassessment of many properties as in surrounding cities, but does anticipate some foreclosures within the city limits. Most properties within the City of Winters are assessed at values far below those values of properties in the surrounding Cities due to the lack of housing production and turnover from 2002 through 2007. Below is a chart of the growth in property tax revenues since 2002/2003.

Property Tax		
Fiscal Year	Property Tax	Increase (Decrease)
02/03 Actual	\$ 498,128	-0.20%
03/04 Actual	\$ 553,104	11.04%
04/05 Actual	\$ 530,507	-4.09%
05/06 Actual	\$ 576,772	8.72%
06/07 Actual	\$ 731,220	26.78%
07/08 Estimate	\$ 787,643	7.72%
08/09 Budget	\$ 795,519	1.00%

## General Fund

Below is a graph showing the increase in property tax revenues for the City of Winters since 2002/2003.



### 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 12% 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.

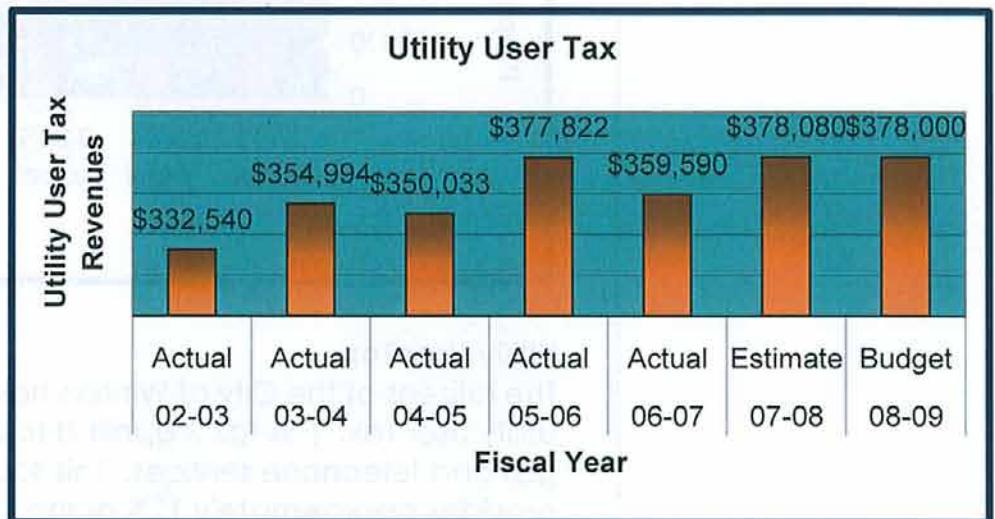
### Budget Assumptions:

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 no increase for 2008/2009. There is no substantial development planned for completion in the 2008/2009 year, and therefore, the increases would be based on the increase cost to consumers for products subject to the tax. Below is a chart that shows the change in Utility User Tax since 2002/2003.

# General Fund

Utility User Tax			Increase (Decrease)
Fiscal Year		Utility User Tax	
02-03	Actual	\$ 332,540	15%
03-04	Actual	\$ 354,994	7%
04-05	Actual	\$ 350,033	-1%
05-06	Actual	\$ 377,822	8%
06-07	Actual	\$ 359,590	-5%
07-08	Estimate	\$ 378,080	5%
08-09	Budget	\$ 378,000	0%

The graph below shows the growth in the Utility User Tax since 2002-2003.



## Property Tax In Lieu of Motor Vehicle License Fee

Fiscal Year 2008/2009 is the fifth (5<sup>th</sup>) year that the City of Winters will receive funding from this new revenue source. It represents 17% 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

# General Fund

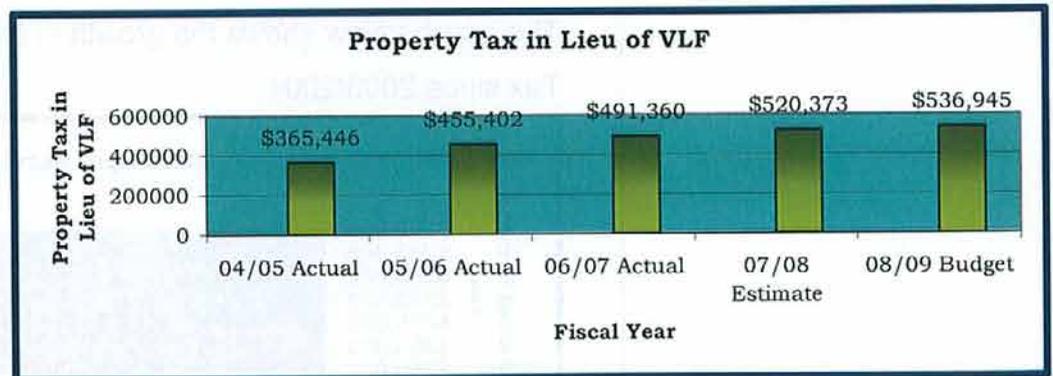
budgeted amount increased by the percentage increase of the assessed value of the property within the City of Winters from January 1, 2007 to January 1, 2008. This increase is for all property located within the City, including that property that is located inside the Community Development Project Area.

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 of 1% plus an adjustment factor as notified by the county assessor.

Below is a chart that shows the growth in Property tax in Lieu of VLF.

Fiscal Year	Property Tax in Lieu of VLF	Increase (Decrease)
04/05 Actual	\$ 365,446	0%
05/06 Actual	\$ 455,402	25%
06/07 Actual	\$ 491,360	8%
07/08 Estimate	\$ 520,373	6%
08/09 Budget	\$ 536,945	3%

Below is a graph that shows the growth in Property tax in Lieu of VLF.



# General Fund

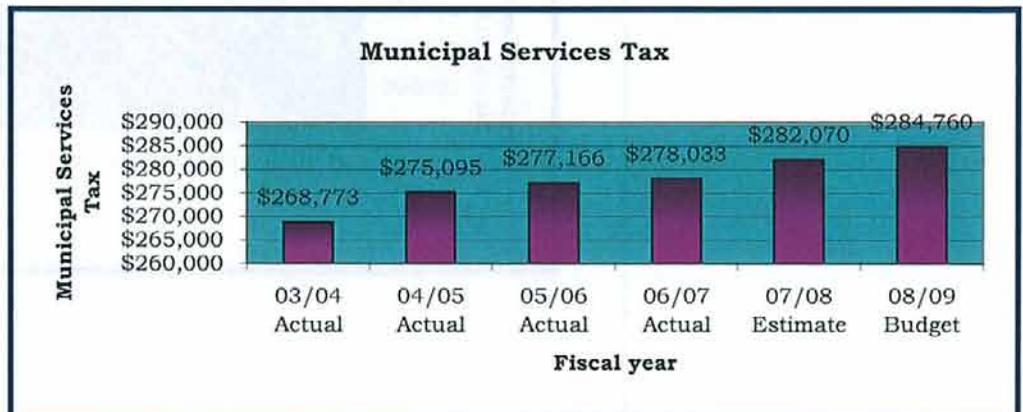
## Municipal Services Tax

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. The chart below shows the growth in the Municipal Services Tax since 2003-2004.

Fiscal Year	Municipal Services Tax	Increase (Decrease)
03/04 Actual	\$ 268,773	4.20%
04/05 Actual	\$ 275,095	2.35%
05/06 Actual	\$ 277,166	0.75%
06/07 Actual	\$ 278,033	0.31%
07/08 Estimate	\$ 282,070	1.45%
08/09 Budget	\$ 284,760	0.95%

The graph below shows the growth in the Municipal Services Tax since 2003/2004.



## 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 stagnant.

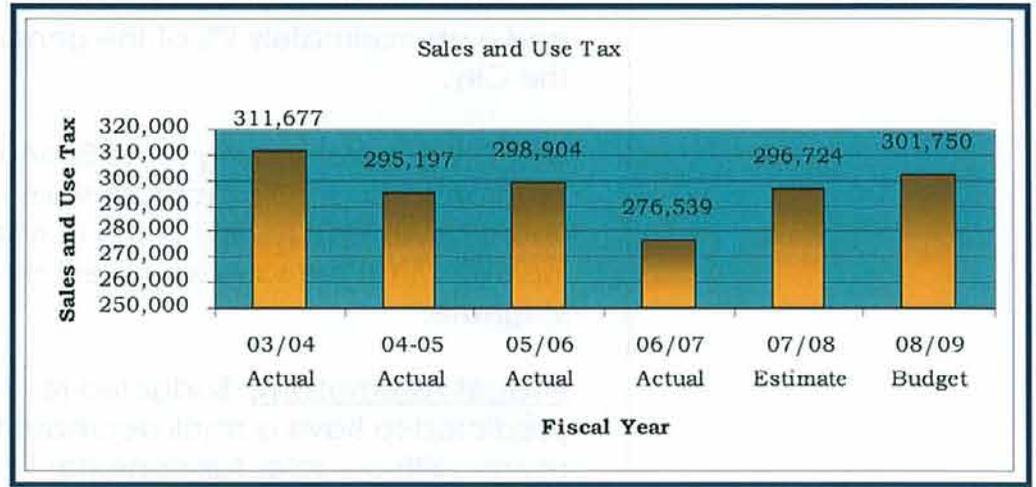
Budget Assumptions: Budgeted revenues are actually predicted to have a small decrease for 2008/2009. A review with our sales tax consultant Hinderliter, De Llamas and Associates (HdL) provided the estimate for the 2008/2009 year. Below is a chart that shows the growth in sales tax since 2003/2004.

Sales And Use Tax		
Fiscal Year	Sales Tax	Increase (Decrease)
03/04 Actual	311,677	1%
04-05 Actual	295,197	-5%
05/06 Actual	298,904	1%
06/07 Actual	276,539	-7%
07/08 Estimate	296,724	7%
08/09 Budget	301,750	2%

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

The graph below shows the growth in sales tax since 2003/2004.



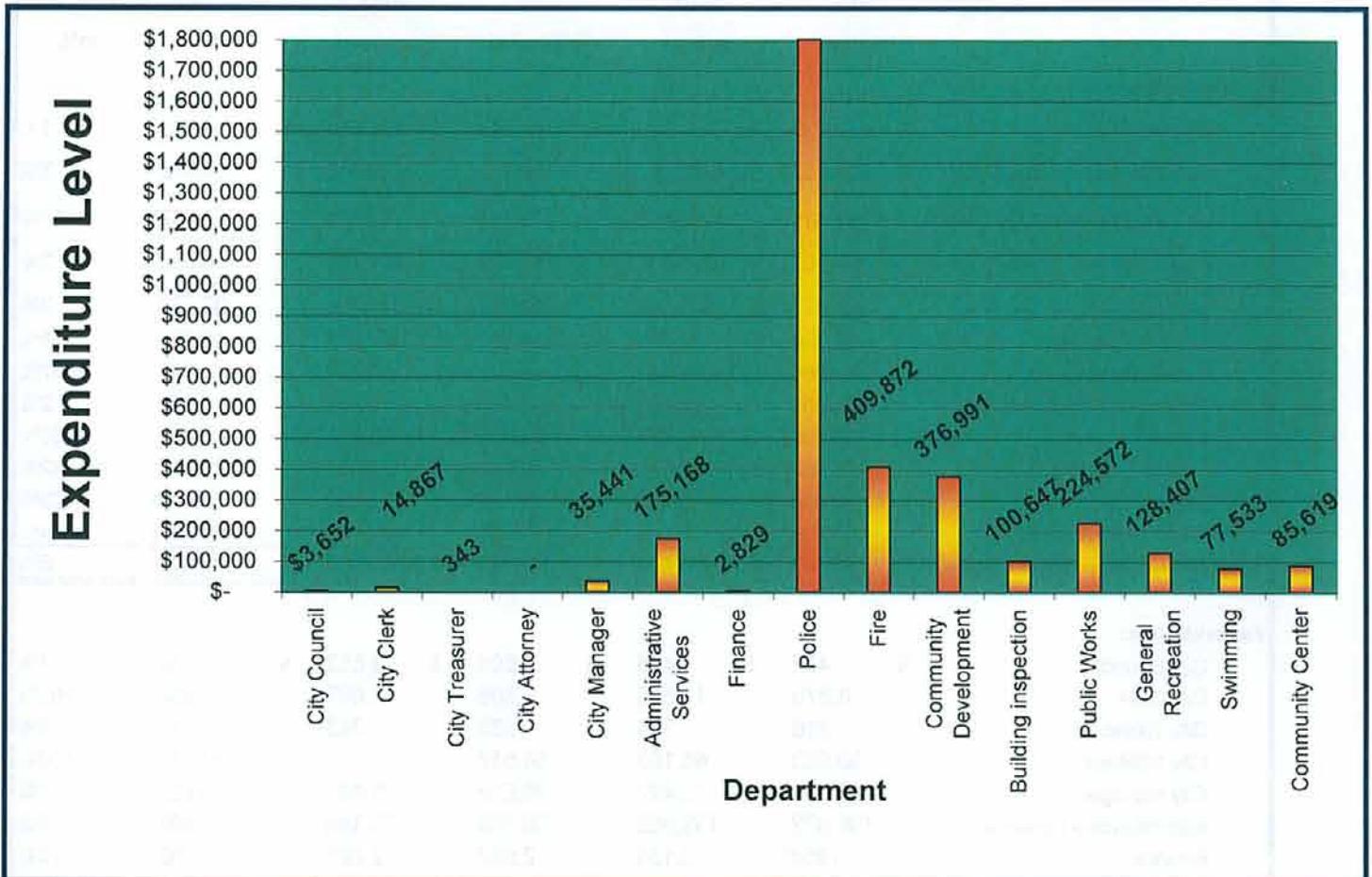
Category	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Actual	311,677	295,197	298,904	276,539	296,724	301,750

# General Fund

	2006	2007	2008	2009	Change from prior Year	
	Actual	Actual	Estimated	Proposed	Estimated In \$	Estimated In%
<b>Financial Sources:</b>						
Property Taxes	\$ 576,772	\$ 731,220	\$ 787,643	\$ 795,519	\$ 7,876	1%
Property Tax in Lieu of VLF	455,402	491,360	520,373	536,945	16,572	3%
Property Taxes in Lieu of Sale	91,415	93,199	83,463	92,250	8,787	11%
Sales and Use Taxes	298,904	276,539	296,724	301,750	5,026	2%
Other Taxes	908,877	937,692	952,771	985,494	32,723	3%
Service Charges	108,394	93,519	118,527	134,501	15,974	13%
Fines and Penalties	800	1,184	45	750	705	1567%
Rents and Concessions	26,000	38,561	40,000	40,888	888	2%
Interest	78,000	92,070	52,725	98,131	45,406	86%
Licenses and Permits	73,950	146,149	77,606	188,002	110,396	142%
Grants	3,600	3,152	7,184	5,500	(1,684)	-23%
All other Revenues	84,728	76,038	90,461	23,100	(67,361)	-74%
<b>Total Estimated Financial Source</b>	<b>\$ 2,706,843</b>	<b>\$ 2,980,683</b>	<b>\$ 3,027,521</b>	<b>\$ 3,202,830</b>	<b>\$ 175,309</b>	<b>6%</b>
<b>Expenditures:</b>						
City Council	\$ 437	\$ 485	\$ 3,604	\$ 3,652	\$ 49	1%
City Clerk	6,876	11,515	5,898	14,867	8,968	152%
City Treasurer	216	324	333	343	10	3%
City Attorney	30,553	65,183	58,517	-	(58,517)	-100%
City Manager	21,052	23,473	29,815	35,441	5,626	19%
Administrative Services	138,932	139,662	168,165	175,168	7,003	4%
Finance	(354)	2,131	2,567	2,829	262	10%
Police	1,391,671	1,566,397	1,612,642	1,802,898	190,256	12%
Fire	270,000	376,300	409,872	409,872	-	0%
Community Development	319,822	343,246	337,284	376,991	39,708	12%
Building Inspection	107,755	117,249	130,031	100,647	(29,383)	-23%
Public Works	245,056	210,264	199,625	224,572	24,947	12%
General Recreation	85,125	96,878	111,259	128,407	17,148	15%
Swimming	17,818	18,510	84,982	77,533	(7,449)	-9%
Community Center	74,074	94,395	87,500	85,619	(1,882)	-2%
<b>Total Budgeted Expenditures</b>	<b>\$ 2,709,032</b>	<b>\$ 3,066,011</b>	<b>\$ 3,242,094</b>	<b>\$ 3,438,840</b>	<b>\$ 196,746</b>	<b>6%</b>
Net Increase(Decrease) in Fund Ba	\$ (2,189)	\$ (85,328)	\$ (214,573)	\$ (236,010)		
Fund Balance July 1	\$ 2,721,635	\$ 2,595,860	\$ 2,601,415	\$ 2,576,025		
Transfers	\$ (123,586)	\$ 171,944	\$ 259,687	\$ 93,270		
Adjustments	-	(81,061)	(70,504)	(82,906.39)		
Fund Balance June 30	<b>\$ 2,595,860</b>	<b>\$ 2,601,415</b>	<b>\$ 2,576,025</b>	<b>\$ 2,350,379</b>		

## General Fund

Below is a chart of the expenditures by department for the City of Winters



The General Fund expenditures include the following:

- Full-Time Secretary for the City Manager
- City Attorney expenditures now included in the Internal Service Fund.
- Public Works Director Position funded for 6 months of the fiscal year.
- One Police Officer position funded for 8 months of the fiscal year.
- No increased funding for the Winters Fire Protection District.
- Two (2) Maintenance Worker positions not funded for current fiscal year.

# General Fund

## 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 2008/2009 is as follows:

Estimated Fund Balance 6/30/08	\$	2,576,025
Emergency Reserve \$3,438,840 X 50%		1,719,420
Fund Balance used to fund 2008-2009		225,646
Un-appropriated, unreserved Fund Balance	\$	630,959

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

$$\$2,576,025 \times 25\% = \$ 644,006$$

The current un-appropriated unreserved fund balance is \$630,959 or \$13,047 less than required, based on the estimated fund balance as of June 30, 2008. The City understands that the undesignated, unreserved fund balance is below the policy amount, however, we are confident that the amount below policy is so small, that it will not affect the fiscal stability of the City of Winters. The City of Winters does have a 5 year plan that anticipated just this issue, and we have planned on how to avoid further reserve policy issues in years after 2009/2010; we do fully expect to be in a similar position for fiscal 2009/2010.

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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 24 active special revenue funds. Six (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 from the State of California or the Federal Government 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.

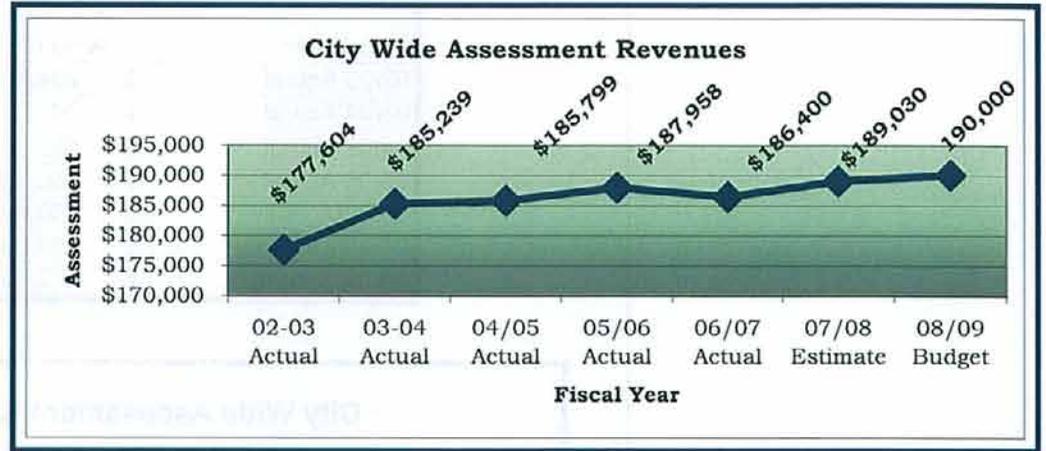
Budget Assumptions: The revenue estimates are based on the engineers report prepared by our consultant, Muni-Financial. Each year an Engineer's Annual Levy Report is prepared to initiate proceedings for the annual levy and collection of assessment according to the Landscaping and Lighting Act of 1972. 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 2008/2009.

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 Actual	\$ 186,400	-1%
07/08 Estimate	\$ 189,030	1%
08/09 Budget	190,000	1%

## Other Funds

### Special Revenue Funds

The following graph shows the City Wide Assessment Revenues for 2002-2003 and 2008-2009.



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:

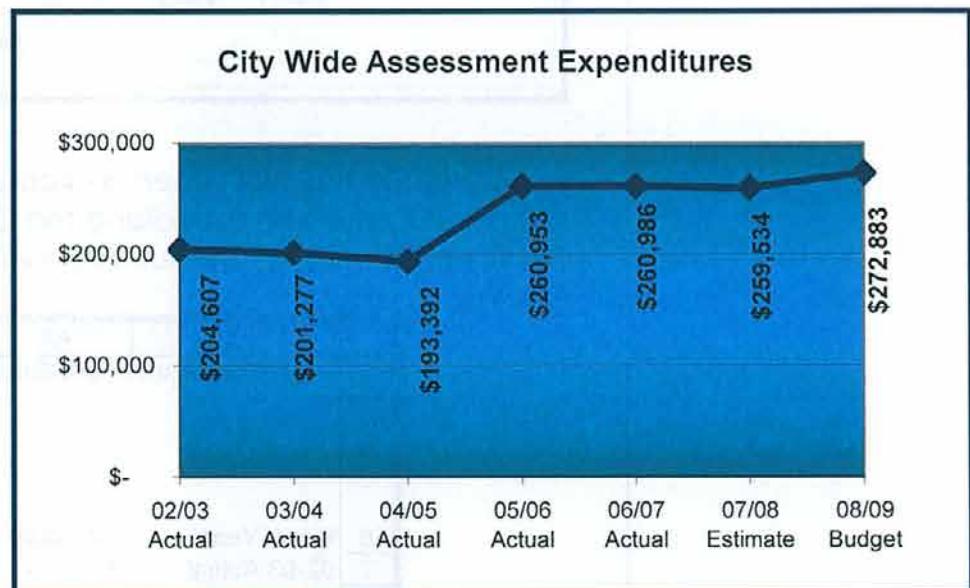
	Z	AA	AB
3	City Wide Assessment Subsidy Received		
4			
5			
			Increase/ (Decrease)
6	Fiscal Year	Amount	
7	02-03 Actual	\$ -	
8	03-04 Actual	\$ -	
9	04-05 Actual	\$ -	
10	05-06 Actual	\$ 108,782	
11	06-07 Actual	\$ 83,991	-23%
12	07-08 Estimate	\$ 70,504	-16%
13	08-09 Budget	82,906	18%

The cost of maintaining all City Parks and the cost of operating streetlights, stoplights, and park lights is paid from the City Wide Assessment Fund. The following table shows the expenditures for 2002/2003 through 2008/2009.

# 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 Actual	\$ 260,953	0%
07/08 Estimate	\$ 259,534	-1%
08/09 Budget	\$ 272,883	5%



Increased costs for 2008/2009 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 6/30/08	\$	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 2008/2009 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.

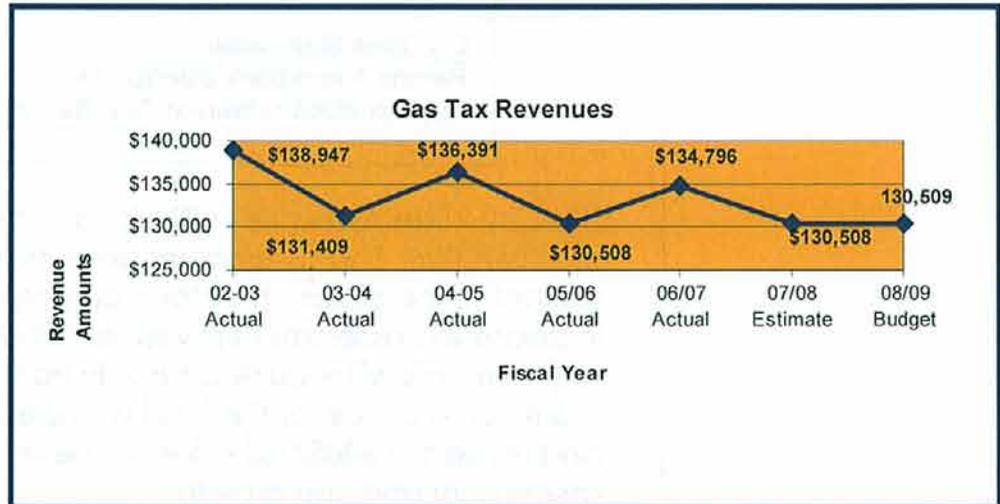
Budget Assumptions: The revenue projections are generally provided by the California State Controllers Shared Revenue Estimates report for 2008/2009; however, the report was not available at the time this budget was prepared. Since the gas tax is apportioned on Vehicle Registration Assessed Valuation 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 116 residents from January 1, 2007 to January 1, 2008. The chart below shows Gas Tax Revenues for 2002-2003 through 2008/2009.

	V	W	X
33	Gas Tax Revenues		
34	Fiscal Year	Amount	Increase/ (Decrease)
35	02-03 Actual	\$ 138,947	27%
36	03-04 Actual	\$ 131,409	-5%
37	04-05 Actual	\$ 136,391	4%
38	05/06 Actual	\$ 130,508	-4%
39	06/07 Actual	\$ 134,796	3%
40	07/08 Estimate	\$ 130,508	-3%
41	08/09 Budget	130,509	0%

# Other Funds

## Special Revenue Funds

The graph below shows the revenues from the Gas Tax Fund for 2002-2003 through 2008-2009.



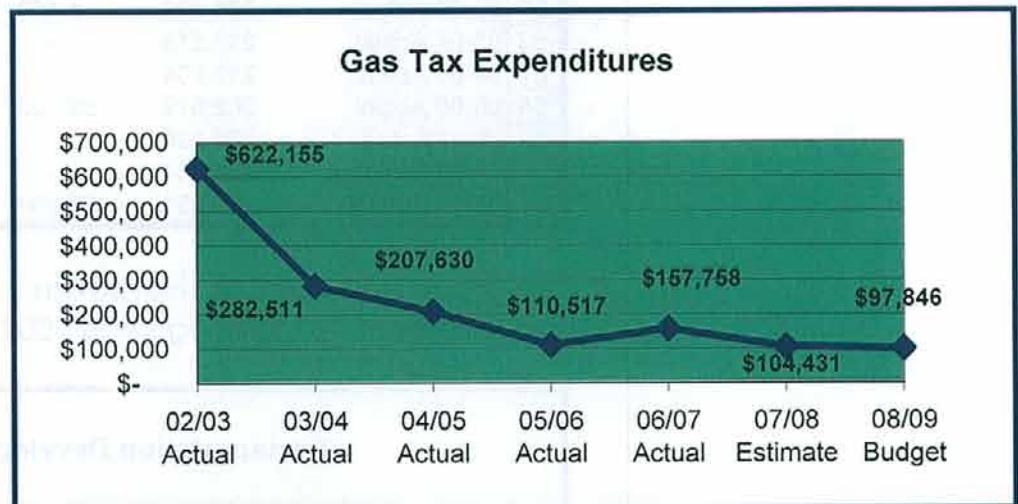
The Gas Tax funds are expended for staffing for street repairs and maintenance, road signs and the appropriate materials and supplies for the repair of the streets throughout the city. The gas tax fund expenditures vary from year to year depending on the level of street projects undertaken, or for budget 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 Actual	\$ 157,758	43%
07/08 Estimate	\$ 104,431	-34%
08/09 Budget	\$ 97,846	-6%



### 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.

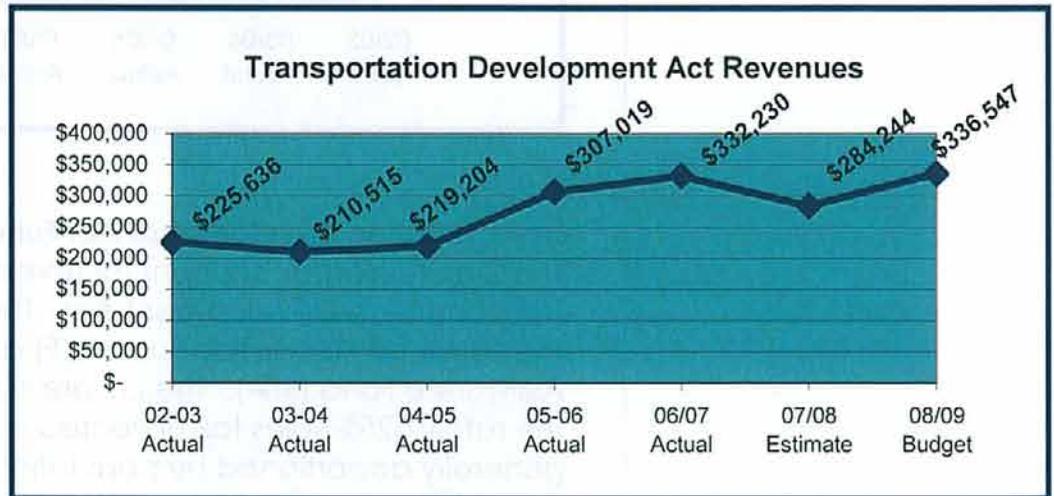
# Other Funds

## Special Revenue Funds

Budget Assumptions: The City of Winters receives its allocation for LTF and STA from the Sacramento Area Council of Governments (SACOG). Each year a Findings 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 2008/2009 and the budgeted revenues are based on that finding. The chart below shows the Revenues since 2002-2003 for the Transportation Development Act Fund.

	V	W	X	Y	Z
63	Transportation Development Act Fund Revenues				
64	Fiscal Year	LTF	STA	Total	Increase/ (Decrease)
65	02-03 Actual	221,228	4,408	\$ 225,636	-41%
66	03-04 Actual	210,515	-	\$ 210,515	-7%
67	04-05 Actual	219,204	-	\$ 219,204	4%
68	05-06 Actual	268,019	39,000	\$ 307,019	40%
69	06/07 Actual	332,230	-	\$ 332,230	8%
70	07/08 Estimate	284,244	-	\$ 284,244	-14%
71	08/09 Budget	268,651	67,896	\$ 336,547	18%

The graph below shows the growth in the Transportation Development Act funding since 2002-2003.



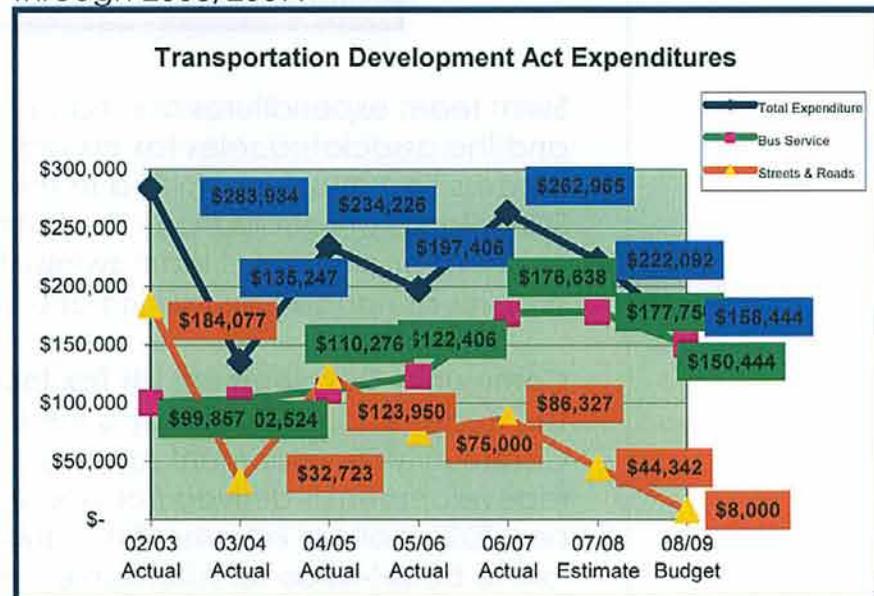
# Other Funds

## Special Revenue Funds

The primary purpose of the Transportation Development Act Fund 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 years and then combined with other funding sources to implement a street project within the City of Winters. The Chart below details the expenditures from the Transportation Development Act Fund since 2002-2003.

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 Actual	\$ 176,638	\$ 86,327	\$ 262,965
07/08 Estimate	\$ 177,750	\$ 44,342	\$ 222,092
08/09 Budget	\$ 150,444	\$ 8,000	\$ 158,444

The graph below shows expenditures for 2002/2003 through 2008/2009.



## Other Funds

### Special Revenue Funds

#### 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 4 years of history for the Swim Team from 2004/2005, 2005/2006, 2006/2007 and 2007/2008

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. The chart below shows the revenue generated by the Swim Team registration and fireworks sales.

	V	W	X
271	Swim Team Revenues		
			Increase
272	Fiscal Year	Amount	(Decrease)
273	04/05 Actual	67,678	
274	05/06 Actual	66,488	-2%
275	06/07 Actual	71,945	8%
276	07/08 Estimate	68,058	-5%
277	08/09 Budget	65,710	-3%

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

## Other Funds

### Special Revenue Funds

accounts for the receipt and expenditure of the 20% set-aside.

Budget Assumptions: We assumed a 4% growth rate because 2006/2007 was artificially high and 2007/2008 was too low due to a remittance error on the part of Yolo County. The county remitted part of another jurisdictions tax increment to the City of Winters in 2006/2007 and then deducted that overpayment in 2007/2008. In order to estimate the proper amount for 2008/2009 these errors had to be accounted for, therefore, if we had received the proper amount in both prior years, the amount of increase would have been 2% for 2008/2009. This would be due to the increased activity within the commercial area of the redevelopment project area.

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. The chart below shows the increase in LIH Increment set aside since 2002/2003.

Community Development LIH Increment			Increase over prior year
Fiscal Year	20% Set Aside		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 Actual	\$ 420,158		27%
07/08 Estimate	\$ 398,059		-5%
08/09 Budget	413,739		4%

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

## Other Funds

### Special Revenue 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. The chart below shows the expenditures for the Community Development Agency Low Income Housing Fund.

	U	X	Z	AB	AD	AF	AH
2	Community Development Low Income Housing Fund						
3		Actual	Actual	Actual	Actual	Estimate	Proposed
4		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008/2009
5							
6	Allocated Cost	47,044	46,211	44,828	63,837	75,074	73,877
7	Personnel Cost					75,701	133,931
8	Other Costs	2,400	132,495	10,450	6,574	8,818	29,775
9	Debt Service		305,754	199,343	202,993	251,990	285,526
10	Capital Projects						
11	Total Expenditures	\$ 49,444	\$ 484,460	\$ 254,621	\$ 273,404	\$ 411,582	\$ 523,109
12							

The expenditures budgeted for 2008/2009 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 in 2007 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

# Other Funds

## Special Revenue Funds

amount of the bond proceeds that remain invested in the Local Agency Investment Fund (LAIF).

The City of Winters participated with CHOC in financing the addition of 34 affordable units and a community room located adjacent to the current CHOC owned property. As additional projects come to staff's attention, the projects will be submitted to the Board of Directors of the Community Development Agency for approval, and project budgets will be submitted for approval on a project by project basis.

Expenditures from the Community Development Low Income Housing Project Fund are included in the chart below.

	U	X	Z	AB	AD	AF	AH
15	Community Development Low Income Housing Project Fund						
16							
17		Actual	Actual	Actual	Actual	Estimate	Proposed
18		2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008/2009
19							
20	Professional Services	-	40,100	950	28,932	-	-
21	Housing Grants	-	-	-	-	-	1,433,536
22	Housing Programs	-	464,994	158,591	1,391,409	-	1,353,670
23	Total Expenditures	\$ -	\$ 505,094	\$ 159,541	\$ 1,420,341	\$ -	\$ 2,787,206
24							

# Other Funds

## Community Development Agency-Special Revenue Funds 2006-2009 Summary of Estimated Revenues, Expenditures and Changes in Fund Balance

(For Budgetary Purposes Only)

	Low Income Housing Set Aside				Low Income Housing Project Funds				Total Community Development Agency Special Project Funds			
	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	2006 Actual	2007 Actual	2008 Estimated	2009 Budget
<b>Financial Sources:</b>												
Property Taxes	\$ 330,098	\$ 420,158	\$ 398,059	\$ 413,739	\$ -	\$ -			\$ 330,098	\$ 420,158	\$ 398,059	\$ 413,739
Interest	11,947	25,281	26,053	22,199	108,629	121,789	131,883	80,221	120,576	147,070	157,937	188,850
Bond Proceeds	-	-	-	-	-	1,466,595	-	-	-	1,466,595	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	-	642	2,000	-	-	-	-	-	-	642	2,000	-
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Estimated Financial Sources</b>	<b>\$ 342,045</b>	<b>\$ 446,081</b>	<b>\$ 426,112</b>	<b>\$ 435,937</b>	<b>\$ 108,629</b>	<b>\$ 1,588,384</b>	<b>\$ 131,883</b>	<b>\$ 80,221</b>	<b>\$ 450,674</b>	<b>\$ 2,034,466</b>	<b>\$ 557,996</b>	<b>\$ 516,158</b>
<b>Expenditures:</b>												
Personnel Cost	\$ -	\$ -	\$ 75,701	\$ 133,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,701	\$ 133,931
Allocated Cost	44,828	63,837	75,074	73,877	-	-	-	-	44,828	63,837	75,074	73,877
Supplies and Material	-	-	-	-	-	-	-	-	-	-	-	-
Other Operating Expens	10,450	6,574	8,818	29,775	950	-	-	-	11,400	6,574	8,818	29,775
Pass through	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Housing Grants	-	-	-	-	-	-	-	-	-	-	-	-
Housing Programs	50,000	-	-	-	158,591	1,391,409	-	2,787,206	208,591	1,391,409	-	2,787,206
Debt Service	199,343	202,993	251,990	285,526	-	-	-	-	199,343	202,993	251,990	285,526
Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Budget</b>	<b>\$ 304,621</b>	<b>\$ 273,404</b>	<b>\$ 411,582</b>	<b>\$ 523,109</b>	<b>\$ 159,541</b>	<b>\$ 1,391,409</b>	<b>\$ -</b>	<b>\$ 2,787,206</b>	<b>\$ 464,162</b>	<b>\$ 1,664,814</b>	<b>\$ 411,582</b>	<b>\$ 3,310,315</b>
<b>Net Increase(decrease)</b>												
<b>In Fund Balance</b>	<b>\$ 37,424</b>	<b>\$ 172,677</b>	<b>\$ 14,530</b>	<b>\$ (87,172)</b>	<b>\$ (50,912)</b>	<b>\$ 196,975</b>	<b>\$ 131,883</b>	<b>\$ (2,706,985)</b>	<b>(13,488)</b>	<b>369,652</b>	<b>\$ 148,414</b>	<b>\$ (2,794,157)</b>
Transfer In	-	-	2,763	-	-	-	-	-	-	-	2,763	-
Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance July 1</b>	<b>549,571</b>	<b>586,995</b>	<b>759,672</b>	<b>776,964</b>	<b>2,630,968</b>	<b>2,580,056</b>	<b>2,777,031</b>	<b>2,908,915</b>	<b>3,180,539</b>	<b>\$ 3,167,051</b>	<b>\$ 3,536,703</b>	<b>\$ 3,685,879</b>
<b>Fund Balance June 30</b>	<b>\$ 586,995</b>	<b>\$ 759,672</b>	<b>\$ 776,964</b>	<b>\$ 689,793</b>	<b>\$ 2,580,056</b>	<b>\$ 2,777,031</b>	<b>\$ 2,908,915</b>	<b>\$ 201,929</b>	<b>\$ 3,167,051</b>	<b>\$ 3,536,703</b>	<b>\$ 3,685,879</b>	<b>\$ 891,722</b>

**Other  
Funds**

**Special Revenue Funds**

**City of Winters**

**Estimated Fund Balances for Special Revenues Funds**

	A	C	E	G	I	K
4		Estimated	Budgeted	Budgeted	Budgeted	Estimated
5	Fund	Fund Balance	Revenues	Expenditures	Transfers	Fund Balance
		7/1/2008	2008-2009	2008-2009	2008-2009	6/30/2009
6	City Wide Assessment	65,954	190,000	272,883	82,906	65,976
7	First Time Homebuyer In Lieu	77,536	3,023			80,559
8	Flood Assessment District	3,678	137			3,815
9	Gas Tax Fund	26,797	130,509	97,846		59,459
10	PERS Trust Fund	64,520	1,936		(66,456)	(0)
11	State COPS 1913	62,737	107,384	222,862		(52,741)
12	Traffic Safety Fund	24,424	11,678	-		36,102
13	Asset Forfeiture	12,477	750	-		13,227
14	Vehicle Theft Deterrent	28,976	900			29,876
15	Traffic Congestion Relief	89,004	3,317	18,500		73,821
16	Safe Route to School	(56,485)	166,500	110,015		0
17	Prop 1B	390,000	-	390,000		-
18	2000 Bond Park Grant	(0)	-	-		(0)
19	Recycling Grant	17,552	5,502	5,000	-	18,054
20	Transportation/Bus Service	276,099	336,547	158,444	-	454,202
21	STBG 700 Grant	(0)	5,766	-	(5,766)	(0)
22	STBG 96-1043 Grant	(0)	7,645	-	(7,645)	(0)
23	HOME 98-0347 Grant	-	-	-	-	-
24	EDBG 99-688 Grant	1,240	16,168	-	(16,168)	1,240
25	After School Program	205,639	425,000	425,000	-	205,639
26	Housing Rehab RLF	68,215	1,029	-	5,364	74,609
27	First Time Homebuyer RLF	107,076	933	-	8,047	116,055
28	Small Business RLF	212,193	6,378	0	16,168	234,740
29	Home Fund RLF	47,633	-	-		47,633
30	Winters Library	492,537	18,357			510,894
31	Winters Swim Team	69,968	65,710	72,777		62,901
32	Totals	<u>2,287,768</u>	<u>1,505,170</u>	<u>1,773,328</u>	<u>16,451</u>	<u>2,036,060</u>
33						

## 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 AB 1600 document. AB 1600 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, Police, Fire, General Facilities and Monitoring Fee impact were calculated based on the estimated building permits to be issued for new construction for the 2008/2009 budget year.

## Other Funds

### Capital Project Funds

Below is a schedule of the fees anticipated to be collected based on the issuance of permits for two (2) new commercial developments, a new church, and one new multi-family development.

	B	C
26	Water Impact Fee	\$ 282,622
27	Sewer Impact Fee	505,237.70
28	General Storm Drain Fee	4,105.96
29	Street Impact Fee	1,106,060.91
30	Police Impact Fee	334,527.76
31	Fire Impact Fee	222,257.51
32	Park Impact Fee	285,579.00
33	Monitoring Impact Fee	134,883.04
34	General Impact Fee	311,927.40
35		<u>\$ 3,187,201</u>
36		

Projects are proposed for the various impact fee funds totaling \$1,408,700 and are detailed below:

- Putah Creek Car Bridge
- Police/Fire Station Design and Construction
- Water Well # 7 Construction
- Storm Drain Master Plan

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 same issues discussed in the Redevelopment LIH revenue projections affect the revenue projections for the Redevelopment Tax Increment.

The tax increment received by the Community Development Tax Increment fund for 2002/2003 through 2008/2009 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 Actual	1,680,633	27%
07/08 Estimate	1,592,236	-5%
08/09 Budget	1,654,956	4%

## 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 bonds 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 Manager, One Full-time Redevelopment and Economic Development 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.

	U	N	X	N	Z	A	AB	A	AD	A	AF	A	AH
26	Community Development Agency Fund												
27			Actual		Actual		Actual		Actual		Estimated		Proposed
28			2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
29													
30	Personnel Cost		\$110,316		\$ 121,289		\$ 38,971		\$ 84,229		\$ 149,897		\$ 199,947
31	Allocated Cost		84,314		86,579		113,862		129,582		153,064		151,108
32	Supplies and Material		686		459		268		179		204		1,675
33	Other Operating Expe		73,035		148,728		216,839		864,256		188,713		787,859
34	Pass Through		232,095		277,227		335,728		311,472		400,000		600,000
35	Debt Service		-		382,408		343,483		344,434		373,699		785,274
36	Capital Projects		37,500		-		5,066		38,750		144,000		1,900,000
37	Total Expenditures		\$537,947		\$ 1,016,690		\$ 1,054,217		\$ 1,772,901		\$ 1,409,578		\$ 4,425,863
38													

### Community Development Project Area Fund

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

# Other Funds

## Capital Project Funds

### Budget Assumptions:

No additional bonds are anticipated in the 2008-2009 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 \$9,949,955 and are detailed below:

- Downtown Streetscape Project
- New Police/Fire Station
- Façade Improvement Grants
- Library
- Various potential property acquisitions.

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												
2006-2009 Summary of Estimated Revenues, Expenditures and Changes in Fund Balance												
(For Budgetary Purposes Only)												
	Community Development Agency				Project Fund				Total Community Development Capital Project Funds			
	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	2006 Actual	2007 Estimated	2008 Estimated	2009 Budget	2006 Actual	2007 Estimate	2008 Estimate	2009 Budget
<b>Financial Sources:</b>												
Property Taxes	\$ 1,320,300	\$ 1,680,633	\$ 1,592,236	1,654,966	\$ -	\$ -	\$ -	-	\$ 1,320,300	\$ 1,680,633	\$ 1,592,236	\$ 1,654,966
Interest	63,347	99,297	96,113	75,000	119,539	100,488	541,326	375,000	182,886	199,785	631,438	450,000
Bond Proceeds	-	-	-	-	0	-	0	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	4,895	6,390	6,000	-	-	-	-	-	4,895	6,390	6,000	-
Contributions	5,000	475,000	-	-	-	-	-	-	5,000	475,000	-	-
<b>Total Estimated Financial</b>												
<b>Sources</b>	<b>\$ 1,393,632</b>	<b>\$ 2,261,320</b>	<b>\$ 1,694,349</b>	<b>\$ 1,729,966</b>	<b>\$ 119,539</b>	<b>\$ 100,488</b>	<b>\$ 541,326</b>	<b>\$ 375,000</b>	<b>\$ 1,513,171</b>	<b>\$ 2,361,808</b>	<b>\$ 2,235,674</b>	<b>\$ 2,104,956</b>
<b>Expenditures:</b>												
Personnel Cost	\$ 38,971	\$ 84,229	\$ 149,897	\$ 199,947	\$ -	\$ -	\$ -	-	\$ 38,971	\$ 84,229	\$ 149,897	\$ 199,947
Allocated Cost	113,862	129,582	153,064	151,108	-	-	-	-	113,862	129,582	153,064	151,108
Supplies and Material	268	179	204	1,675	-	-	-	-	268	179	204	1,675
Other Operating Expenses	216,839	864,296	188,713	787,859	237,514	82,926	375,238	-	454,353	947,182	563,951	787,859
Pass through	335,728	311,472	400,000	600,000	-	-	-	-	335,728	311,472	400,000	600,000
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	343,483	344,434	373,899	785,274	-	-	-	-	343,483	344,434	373,899	785,274
Capital Projects	5,066	38,750	144,000	1,550,000	966,883	635,381	97,750	9,949,955	971,750	674,131	241,750	11,499,955
<b>Total Budget</b>	<b>\$ 1,054,217</b>	<b>\$ 1,772,901</b>	<b>\$ 1,409,578</b>	<b>\$ 4,075,863</b>	<b>\$ 1,204,197</b>	<b>\$ 718,308</b>	<b>\$ 472,987</b>	<b>\$ 9,949,955</b>	<b>\$ 2,258,414</b>	<b>\$ 2,491,209</b>	<b>\$ 1,882,565</b>	<b>\$ 14,025,818</b>
<b>Net Increase/(decrease)</b>												
In Fund Balance	\$ 339,415	\$ 458,419	\$ 284,771	\$ (2,345,907)	\$ (1,084,658)	\$ (617,820)	\$ 68,339	\$ (9,574,955)	(745,242)	(129,401)	353,109	(11,930,862)
Transfer In	22,978	11,425	131,599	-	-	8,850,618	-	-	22,978	8,862,043	131,599	-
Transfer Out	-	-	-	(350,000)	-	-	-	-	-	-	-	(350,000)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
<b>Fund Balance July 1</b>	<b>1,986,054</b>	<b>2,343,447</b>	<b>2,848,291</b>	<b>3,264,660</b>	<b>3,696,217</b>	<b>2,611,559</b>	<b>10,844,358</b>	<b>10,912,696</b>	<b>5,874,660</b>	<b>5,152,365</b>	<b>13,885,027</b>	<b>14,369,735</b>
<b>Fund Balance June 30</b>	<b>\$ 2,343,447</b>	<b>\$ 2,848,291</b>	<b>\$ 3,264,660</b>	<b>\$ 568,753</b>	<b>\$ 2,611,559</b>	<b>\$ 10,844,358</b>	<b>\$ 10,912,696</b>	<b>\$ 1,337,741</b>	<b>\$ 5,152,365</b>	<b>\$ 13,885,027</b>	<b>\$ 14,369,735</b>	<b>\$ 2,089,873</b>

## 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 from which 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 Revenue Bonds
- Sewer Revenue Bonds

Budget Assumptions: 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

- Hybrid City vehicle.

The Water Bond and Sewer Bond funds were established in 2007/2008 with the issuance of Water and Sewer Revenue Bonds. Projects have been identified and are in the design phase for the expenditure of these funds. Projects include:

- Upgrades to Well #2
- Upgrades to Well #3
- Upgrades to Well#5
- Upgrades to Well#6
- Reroute Well Water Discharge from surface to Storm Drain.
- Upgrades to East Street Pump Station
- Upgrades to El Rio Villa Pump Station
- Upgrades to Walnut Lane Pump Station
- Replace Control Panel at Waste Water Treatment Facility
- Install SCADA System
- Replace Water Infrastructure
- Extend Water Infrastructure along Grant Avenue
- Replace Sewer Infrastructure
- Extend Sewer Infrastructure along Grant Avenue

# Other Funds

# Capital Project Funds

City of Winters Estimated Fund Balances for Capital Funds					
Fund	Estimated Fund Balance 7/1/2008	Budgeted Revenues 2008-2009	Budgeted Expenditures 2008-2009	Budgeted Transfers 2008-2009	Estimated Fund Balance 6/30/2009
411 Street Impact Fee	\$ 1,127,803	\$ 1,160,355	\$ 68,675		\$ 2,219,483
412 Storm Impact Fee	173,620	9,444	50,000		133,064
413 Parks Impact Fee	731,038	288,667	-		1,019,705
414 Police Impact Fee	274,622	345,991	303,446		317,166
415 Fire Impact Fee	195,809	230,748	223,292		203,264
416 General Facility Impact Fee	236,161	323,426	322,677		236,910
417 Water Impact Fee	552,861	657,622	750,000		460,483
418 Sewer Impact Fee	(194,371)	536,254	10,000		331,883
421 General Fund Capital	530,421	20,633	-		551,054
422 Landfill Capital	353,808	14,155	66,300		301,663
424 Park Capital	156,947	1,485	400,000		(241,568)
427 Capital Equipment Replacement	467,726	17,856	31,600		453,982
429 Service Reserve Fund	500,000	26,814	-	(26,814)	500,000
481 General Plan Capital	(576,763)	-		134,883	(441,880)
482 Flood Control Capital	(123,755)	46			(123,709)
492 RAJA Storm Drain	27,364	1,374	-		28,738
494 Capital Asset Recovery Fund	63,995	2,679	-		66,674
495 Monitoring Fee	(76)	134,883	-	(134,807)	(0)
496 Non Flood Storm Drain Capital	225	8			233
615 2007 Water Revenue Bonds	2,939,840		1,716,690		1,223,150
626 2007 Sewer Revenue Bonds	3,480,121		2,527,780		952,341
<b>Totals</b>	<b>\$ 10,917,396</b>	<b>\$ 3,772,439</b>	<b>\$ 6,470,460</b>	<b>(26,738)</b>	<b>\$ 8,192,637</b>

## 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 providing 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 seven (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 took effect July 1, 2007.

Increased costs to the Water fund are as follows:

- Increased utility costs
- Increased cost allocation per the cost allocation plan.

Capital Projects being funded by the Water Enterprise fund include:

- Water safety & reliability issues at all wells.
- Grounding reconstruction at all wells.
- ATS Receptacle replacement at all wells

## Other Funds

### Enterprise Funds

The City of Winters fiscal policies require an un-appropriated un-reserved fund balance of 50% annual expenditures. The fund balance reserve for 2008/2009 is as follows:

Estimated Fund Balance 6/30/08	\$	813,407
Required Un-appropriated Unreserved Fund Balance \$741,772 x 50%		370,886
Fund balance above reserve Requirement	\$	<u>442,521</u>

The following chart shows the 2005/2006 and 2006/2007 actual income and expenses, the 2007/2008 estimated income and expenses and the 2008/2009 budgeted income and expenditures.

City of Winters Water Enterprise Fund						
	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	Change from Prior Year	
					In \$	In %
Operating Revenues						
Charges for Services	\$ 599,111	\$ 689,209	\$ 901,690	\$ 928,712	\$ 27,022	3%
Other Revenues	23,070	38,303	21,237	6,002	(15,235)	-72%
Total Operating Revenues	\$ 622,182	\$ 727,513	\$ 922,927	\$ 934,714	\$ 11,787	27%
Operating Expenses						
Allocated Cost	\$ 274,685	\$ 272,113	\$ 284,920	\$ 342,996	\$ 58,076	20%
Salaries and Benefits	52,251	60,377	123,502	110,351	(13,152)	-11%
Contractual Services	-	20,786	-	2,000	2,000	0%
Professional Services	12,125	43,323	31,523	28,487	(3,036)	-10%
Supplies and Material	14,013	14,289	12,900	17,400	4,500	35%
Utilities	124,860	140,478	122,111	130,000	7,889	6%
Other Operating Expenses	67,285	65,340	46,544	74,600	28,056	60%
Depreciation	18,606	21,374	-	-	-	0%
Capital Projects	3,989	13,330	276,911	35,938	(240,974)	-87%
Total Operating Expenses	\$ 567,815	\$ 651,410	\$ 898,412	\$ 741,772	\$ (156,640)	-17%
Operating Income (Loss)	\$ 54,367	\$ 76,102	\$ 24,515	\$ 192,942	\$ 168,427	687%
Non Operating Revenues(Expenses)						
Income(Loss) before Operating Ti	54,367	76,102	24,515	192,942	168,427	687%
Operating Transfers In	230,628		268,652	-	(268,652)	-100%
Operating Transfers Out	(230,628)	(27,419)	(4,852)	-	4,852	-82%
Net Income(Loss)	\$ 54,367	\$ 48,683	\$ 288,315	\$ 192,942	\$ (95,373)	-33%
Retained Earnings July 1	422,042	476,409	525,091	813,407	288,315	55%
Adjustments					-	
Retained Earnings June 30	\$ 476,409	\$ 525,091	\$ 813,407	\$1,006,349	\$ 192,942	24%

## Other Funds

### Enterprise Funds Sewer Enterprise Fund

The Sewer Enterprise fund has the following capital projects planned for 2008/2009:

- Hazardous Seal-Off installation
- ATS Receptacle installation
- Reconfigure chemical feed
- Reconfigure Irrigation pump switch
- SCADA implementation
- Repair grinder

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 6/30/08	\$	2,513,537
Required Un-appropriated Unreserved Fund Balance \$933,720 x 50%		466,860
Fund balance above reserve Requirement	\$	<u>2,046,676</u>

The following chart shows the actual revenues and expenses for 2005/2006 and 2006/2007, estimated revenues and expenses for 2007/2008 and budgeted revenues and expenses for 2008/2009.

# Other Funds

## Enterprise Funds

City of Winters Sewer Enterprise Fund						
	2006 Actual	2007 Actual	2008 Estimated	2009 Budget	Change from Prior Year	
					In \$	In %
Operating Revenues						
Charges for Services	\$ 762,814	\$ 814,788	\$1,010,453	\$1,014,331	\$ 3,878	0%
Other Revenues	41,694	45,612	-	4,000	4,000	0%
Total Operating Revenues	<u>\$ 804,508</u>	<u>\$ 860,400</u>	<u>\$1,010,453</u>	<u>\$1,018,331</u>	<u>\$ 7,878</u>	<u>17%</u>
Operating Expenses						
Allocated Cost	\$ 208,660	\$ 211,778	\$ 234,084	\$ 267,345	\$ 33,262	14%
Contractual Services	330,314	325,273	300,000	305,921	5,921	2%
Professional Services	63,287	151,160	49,300	44,487	(4,813)	-10%
Supplies and Material	8,768	32,087	10,000	23,000	13,000	130%
Utilities	98,852	63,016	90,000	100,000	10,000	11%
Other Operating Expenses	87,977	164,722	275,083	112,070	(163,013)	-59%
Depreciation	31,522	34,615	-	-	-	0%
Capital Projects	12,459	123,064	205,157	80,897	(124,260)	-61%
Total Operating Expenses	<u>\$ 841,839</u>	<u>\$ 1,105,716</u>	<u>\$1,163,624</u>	<u>\$ 933,720</u>	<u>\$ (229,903)</u>	<u>-20%</u>
Operating Income (Loss)	\$ (37,330)	\$ (245,317)	\$ (153,171)	\$ 84,611	\$ 237,782	-155%
Non Operating Revenues(Expenses)					-	0%
Income(Loss) before Operating T	\$ (37,330)	\$ (245,317)	\$ (153,171)	\$ 84,611	\$ 237,782	-155%
Operating Transfers In	-	-	58,857	-	(58,857)	-100%
Operating Transfers Out	-	(31,522)	-	-	-	0%
Net Income(Loss)	<u>\$ (37,330)</u>	<u>\$ (276,839)</u>	<u>\$ (94,313)</u>	<u>\$ 84,611</u>	<u>\$ 178,924</u>	<u>-190%</u>
Retained Earnings July 1	2,922,019	2,884,689	2,607,850	2,513,537	\$ (94,313)	-4%
Adjustments	-	-	-	-	-	
Retained Earnings June 30	<u>\$ 2,884,689</u>	<u>\$ 2,607,850</u>	<u>\$2,513,537</u>	<u>\$2,598,147</u>	<u>\$ 84,611</u>	<u>3%</u>

## 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.

	T	UA	AB	AD	AF	AH	AJ	AI	AL
1									Change from Prior Year
2									Estimated
3	Central Service Overhead		Actual 2005-2006	Actual 2006-2007	Estimated 2007-2008	Proposed 2008-2009	In \$		In %
4	Beginning Fund Balance		\$ (5,998)	\$ (4,592)	\$ (4,372)	\$ (4,373)	\$ (0)		0%
5	Food & Water		4,952	6,485	3,000	5,000	2,000		67%
6	Computer(IT) Services		50,744	46,347	58,000	69,292	11,292		19%
7	Computer Software		18,488	11,580	1,754	6,880	5,126		292%
8	Printing		5,128	6,222	9,000	8,000	(1,000)		-11%
9	Equipment Repairs		4,826	880	1,500	4,500	3,000		200%
10	Repairs		6,437	10,365	1,325	5,500	4,175		315%
11	Supplies		2,702	2,111	2,000	3,000	1,000		50%
12	Professional Services		45,401	24,591	21,144	127,416	106,272		503%
13	Natural Gas		5,265	4,548	4,844	6,000	1,156		24%
14	Maintenance Supplies		2,577	1,930	2,900	2,900	-		0%
15	Postage & Mail		21,588	21,426	20,000	25,000	5,000		25%
16	Auditing		11,960	19,950	14,500	17,950	3,450		24%
17	Fuel		34,679	34,212	33,722	58,730	25,008		74%
18	Telephone		24,545	26,096	29,583	31,188	1,605		5%
19	Office Supply		32,302	34,684	35,000	38,000	3,000		9%
20	Electricity		16,684	19,476	20,000	22,800	2,800		14%
21	Equipment Rental		32,785	36,057	33,000	42,059	9,059		27%
22	Insurance and Bonding		100,926	69,078	66,182	66,182	-		0%
23	City Memberships		111	116	-	116	116		
24	Permits			351	367	400	33		9%
25	Miscellaneous Fees			55	364	-	(364)		-100%
26	Staff Development		3,577	5,729	5,800	5,931	131		2%
27	Total Expenditures		\$ 425,677	\$ 382,289	\$ 363,984	\$ 546,844	\$ 182,860		50%
28									
29	Costs Allocated Out		(427,082)	(382,508)	(363,984)	(546,844)	18,525		50%
30	Ending Fund Balance		\$ (4,592)	\$ (4,372)	\$ (4,373)	\$ (4,373)	\$ (0)		0%
31									

# Other Funds

## Internal Service Fund

### Internal Service Fund 2006-2009 Summary of Estimated Revenues, Expenses and Changes in Retained Earnings

(For Budgetary Purposes Only)

	2004/2005 Actual	2005/2006 Actual	2006/2007 Actual	2007/2008 Estimate	2008/2009 Budget
<b>Operating Revenues</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues					
<b>Total Operating Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Operating Expenses</b>					
Allocated Cost	-	-	-	-	-
Salaries and Benefits	-	-	-	-	-
Contractual Services	42,702	50,744	46,347	58,000	69,292
Professional Services	52,702	57,361	44,322	35,644	145,366
Supplies and Material	42,617	35,840	37,794	39,900	43,900
Equipment Leases	34,830	32,785	36,057	33,000	42,059
Utilities	54,993	46,494	50,120	54,426	59,988
Insurance	103,690	100,926	69,078	66,182	66,182
Other Operating Expenses	55,011	101,527	98,571	76,832	120,057
Depreciation	-	-	-	-	-
Capital Projects	-	-	-	-	-
<b>Total Operating Expenses</b>	<u>386,546</u>	<u>425,676</u>	<u>382,289</u>	<u>363,984</u>	<u>546,844</u>
<b>Operating Income (Loss)</b>	(386,546)	(425,676)	(382,289)	(363,984)	(546,844)
Non-Operating Revenues(Expenses)					
<b>Income(Loss) before Operating Transfers</b>	(386,546)	(425,676)	(382,289)	(363,984)	(546,844)
Operating Transfers In	384,800	427,082	382,508	363,984	546,844
Operating Transfers Out					
<b>Net Income(Loss)</b>	<u>(1,746)</u>	<u>1,406</u>	<u>220</u>	<u>(0)</u>	<u>-</u>
<b>Retained Earnings July 1</b>	(5,998)	(5,998)	(4,592)	(4,373)	(4,373)
Adjustments					
<b>Retained Earnings June 30</b>	<u>(7,744)</u>	<u>(4,592)</u>	<u>(4,373)</u>	<u>(4,373)</u>	<u>(4,373)</u>

## Other Funds

### Internal Service Fund

The following areas have increases for 2008/2009:

- Professional Services-City Attorney now included in the Internal Service Fund
- Supplies and Materials
- 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 accumulating 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.

## 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

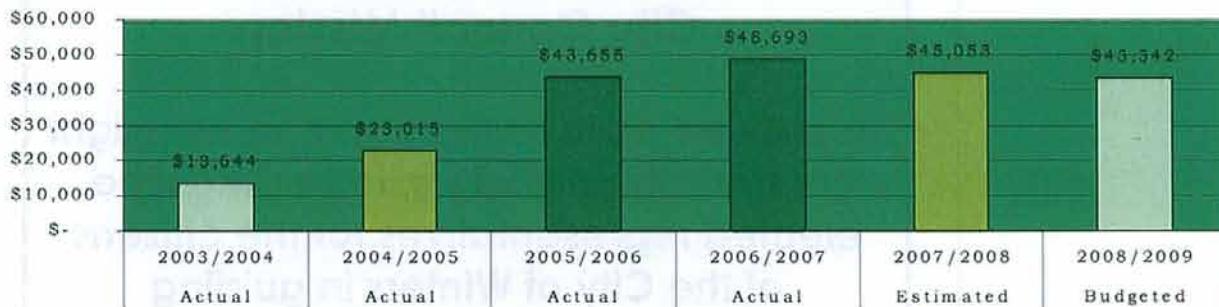
The City Council budget is a "status quo" basis.

The chart below shows the historical expenditures for the City Council as well as budgeted expenditures for 2008/2009, the graph below the chart illustrates expenditures for the same time period.

## City of Winters City Council Expenditures

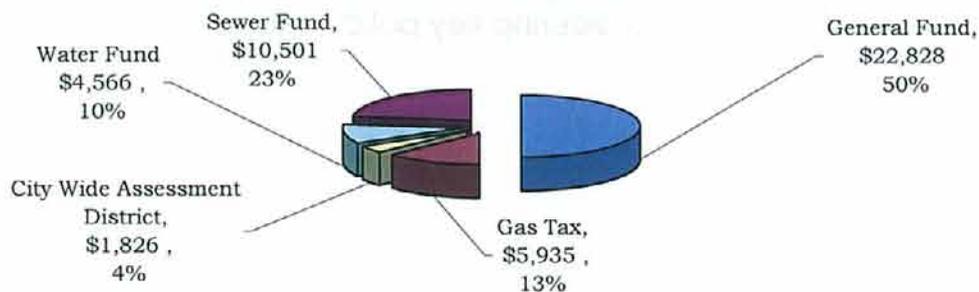
	W	AD	AF	AH	AL	AN
3		Actual	Actual	Actual	Estimated	Proposed Budget
4		2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
5	Stipends	\$ 7,027	\$ 6,967	\$ 12,347	\$ 11,862	\$ 12,148
6	Operating Expenditures	15,988	36,688	36,346	33,191	33,507
7	Contingencies	-	-	-	-	-
8	Total Expenditures	\$ 23,015	\$ 43,655	\$ 48,693	\$ 45,053	\$ 45,655
9						

## City Council Expenditure History



The sources of funding for the City Council are shown in the graph below.

## City Council Sources of Funding



# 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.

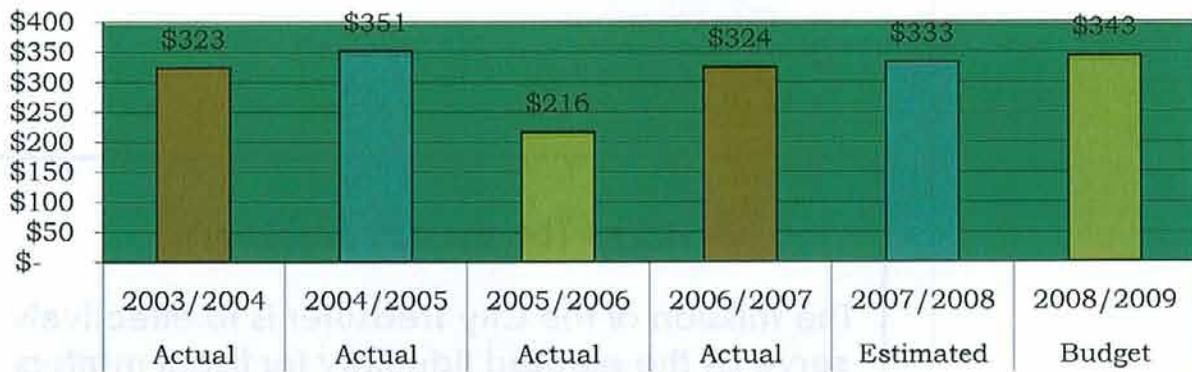
Below is a chart and graph showing historical expenditures of the City Treasurer Department.

### City of Winters City Treasurer Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
67			Actual		Actual		Estimated		Estimated		Proposed Budget
68			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
69	Stipends	\$	351	\$	216	\$	324	\$	333	\$	343
70	Operating Expenditures										
71	Contingencies										
72	Total Expenditures	\$	351	\$	216	\$	324	\$	333	\$	343
73											

# 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.**

#### 2007/2008 Accomplishments

- Continued enhancement of Records Management adding additional years as well as Contracts/Agreements

#### 2008/2009 Goals

- Add Additional years to the Archives

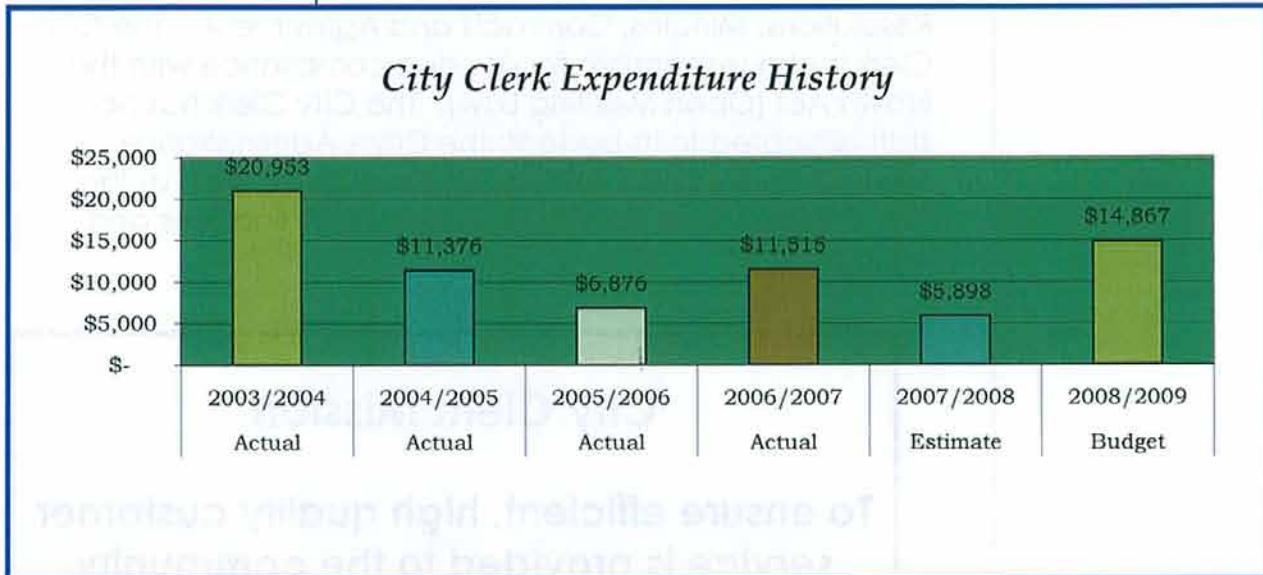
The Chart below shows the historical and projected expenditures for the City Clerk Department.

### City of Winters City Clerk Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
41											
42			Actia;		Actual		Estimated		Estimated		Proposed Budget
43			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
44	Stipends	\$	1,073	\$	1,109	\$	1,077	\$	1,075	\$	1,078
45	Operating Expenditures		2,607		232		5,466		107		6,703
46	Allocated Costs		7,696		5,534		4,972		4,716		7,086
47	Total Expenditures	\$	11,376	\$	6,876	\$	11,515	\$	5,898	\$	14,867

## City Clerk

The graph below shows the level of expenditures for the City Clerk Department over the years. The fluctuation in expenditures is generally due to the cost of elections every other year.



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 advice to the City Council; offering leadership and policy support for departments; fostering community partnerships and inter-agency 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 10-year projections of revenues and expenditures for the city.
- The Grant Administrator will
  - act as a consultant to all departments; researching fund requests 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.
  - Adminstrate grants once obtained and 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

Below is a chart of historical expenditures for the City Manager Department as well as proposed expenditures for 2008/2009.

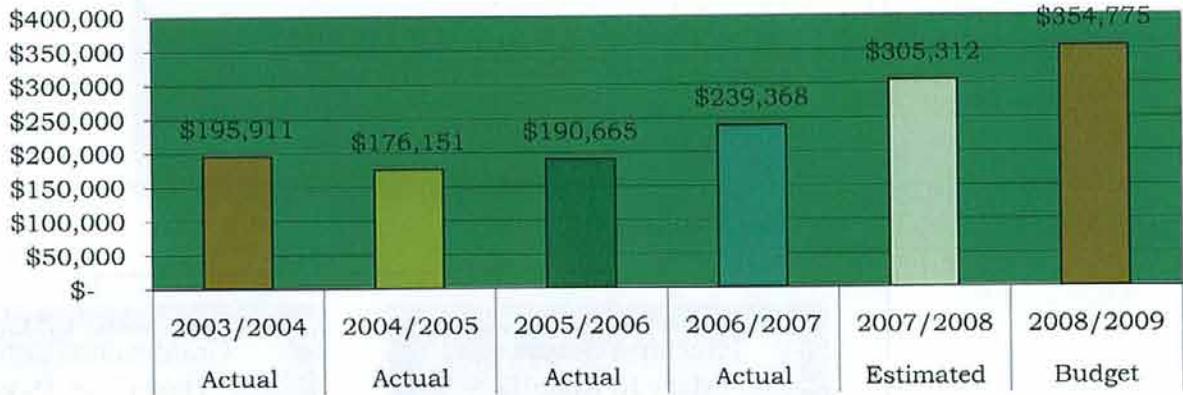
## City of Winters City Management Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
105			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
106	Salaries and Benefits	\$	171,585	\$	181,830	\$	223,343	\$	294,124	\$	339,881
107	Operating Expenditures	\$	4,567	\$	5,822	\$	13,326	\$	8,620	\$	11,036
108	Capital		-		-		-		-		-
109	Allocated Costs		-		3,013		2,699		2,568		3,858
110	Total Expenditures	\$	176,151	\$	190,665	\$	239,368	\$	305,312	\$	354,775
111											
112											

# City Manager

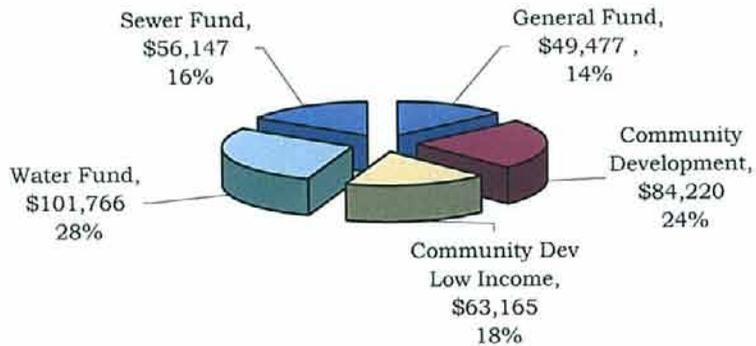
The graph below shows the historical and proposed expenditures of the City Manager Department.

### City Manager Expenditure History



The City Manager Department oversees and contributes to the operation of many funds and departments. The source of funding for the department is shown in the graph below.

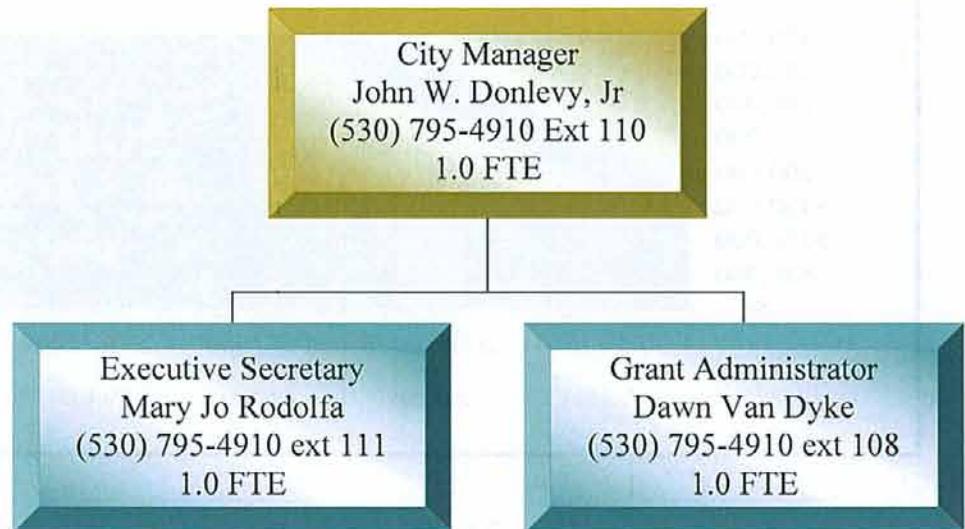
### City Manager Sources of Funding



# City Manager

## City Manager Department Organizational Chart

Staffing for the City Manager Department is shown in the Organizational chart below.



The City Manager Department budget has increased expenditures for 2008/2009 due to the addition of a Full-time Executive Secretary for the City Manager. This position was previously a part-time position with no benefits.

## **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 Accomplishments**

- New Employee Handbooks
- Held Benefit Faire
- Employee Training

#### **2008/2009 Goals**

- Review and Revise Personnel Rules and Policies.
- Enhanced Employee Training
- Retirement Benefit Fair

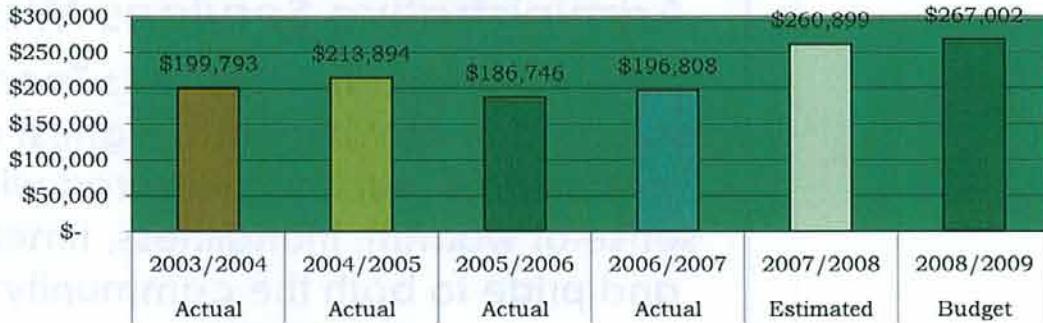
The chart and graph below show the historical expenditures for the Administrative Services Department as well as the proposed expenditures for 2008/2009

**Administrative Services**

**City of Winters Administrative Services Department Expenditures**

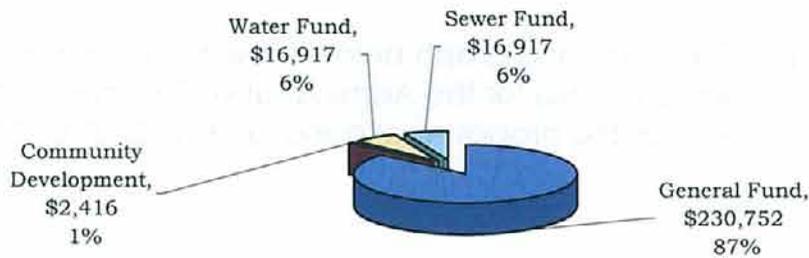
	W	A	AD	A	AF	A	AH	AA	AL	A	AN
221			Actual		Actual		Estimated		Estimated		Proposed Budget
222			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
223	Salaries and Benefits	\$	161,607	\$	175,645	\$	185,380	\$	205,845	\$	217,889
224	Operating Expenditures		52,288		11,102		11,428		38,192		23,778
225	Capital		-		-		-		-		-
226	Allocated Costs		38,313		47,814		57,147		16,863		25,335
227											
228	Total Expenditures	\$	213,894	\$	186,746	\$	196,808	\$	260,899	\$	267,002
229											

**Administrative Services Expenditure History**



The Administrative Services Department contributes to the operations of many departments and funds, the graph below shows the funding sources for the department for 2008/2009.

**Administrative Services Sources of Funding**



## Administrative Services

### Administrative Services Department Organizational Chart

Staffing for the Administrative Services Department is shown in the Organizational chart below.



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. Allocated costs have increased due to the inclusion of City Attorney costs in the Internal Service Fund that is then allocated to the various departments based upon the Cost Allocation plan in place

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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 provides 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.**

#### **2007/2008 Accomplishments**

- Issued \$3,810,000 in Water Revenue Bonds.
- Issued \$4,495,000 in Sewer Revenue Bonds.
- Participated in the Strategic Planning Process
- Implemented Water and Sewer Rate Studies.
- Maintained the Fiscal Forecasting Model.

# Finance

## 2007/2008 Objectives

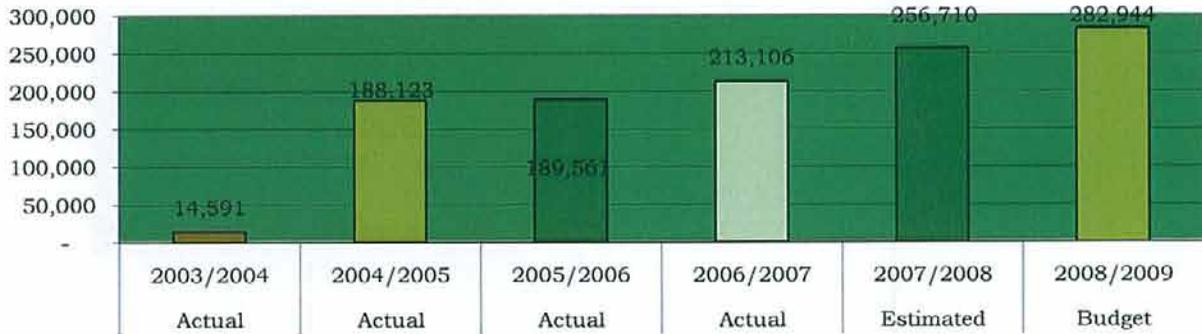
- Continue to provide financial management support to the Winters Community Development Agency
- Continue to provide financial management support to the Winters Fire Protection District.
- Prepare a Finance Department Procedures manual
- Manage the financing of the projects resulting from the approval of the four (4 )subdivisions in 2005/2006.
- 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.

The chart and graph below show the historical as well as the proposed budget for 2008/2009.

City of Winters Finance Department Expenditures											
	W	A	AD	A	AF	A	AH	AA	AL	A	AN
291			Actual		Actual		Estimated		Estimated		Proposed Budget
292			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
293	Salaries and Benefits		\$ 173,230		\$ 182,529		\$ 203,848		\$ 247,869		\$ 272,773
294	Operating Expenditures		14,892		7,032		9,258		8,841		10,171
295	Total Expenditures		\$ 188,123		\$ 189,561		\$ 213,106		\$ 256,710		\$ 282,944
296											

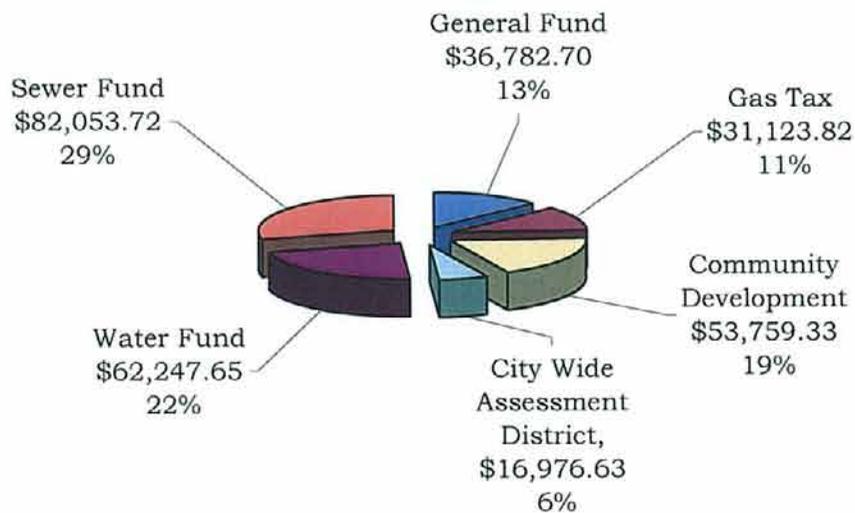
# Finance

## Finance Department Expenditure History



The Finance Department provides support services to many other departments and funds in its day to day activities. The graph below shows the funding sources for the Finance Department.

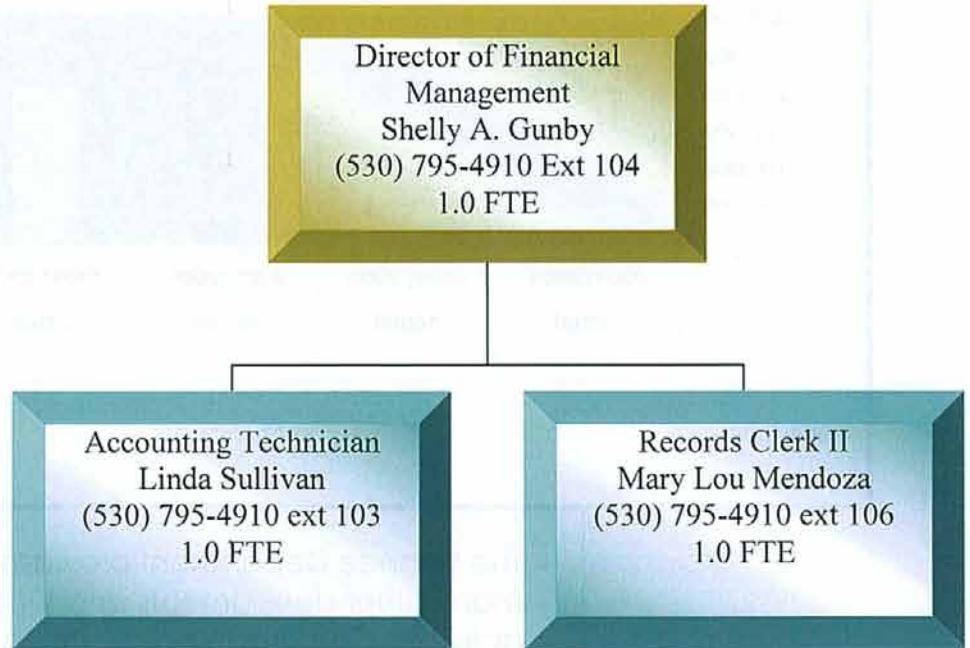
## Finance Sources of Funding



# Finance

## Finance Department Organization Chart

Staffing for the Finance Department is shown in the organizational chart below.



The expenditure increases in the Finance Department are for the increase of the Records Clerk II to a Full-time position from a Part-time position as well as 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, investigates and records facts, gathers evidence, identifies and apprehends criminal suspects, and prepares 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”

#### **2007-2008 Accomplishments**

- Completion of Design for the New Police/Fire Station.
- Hired two (2) Reserve Police officers.
- Increased Traffic Enforcement by increasing moving violation citations by 10 percent over previous year.
- Purged records and obsolete/damaged equipment in the Police Department.
- Website development and improvement.

#### **2008-2009 Objectives**

- Complete construction documents, bid and award construction contract for new Police/Fire Station.
- Recruit and hire vacant police officer position.
- Provide demographic crime information on department website.
- Increase safety belt compliance in City to meet/exceed state average compliance rate.

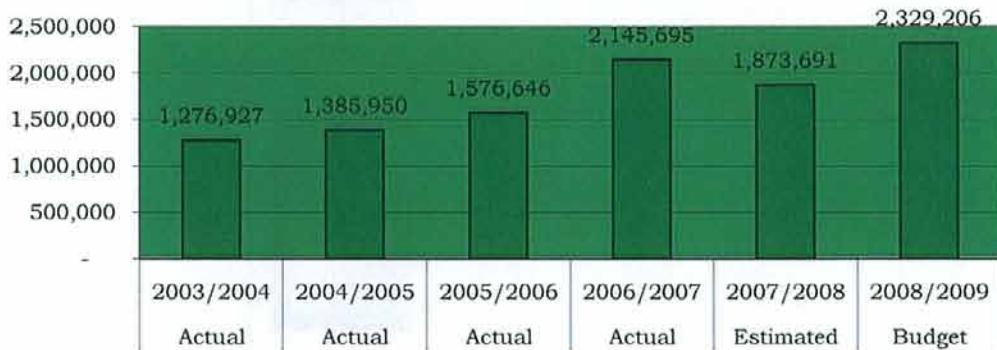
# Police

The chart and graph below show the historical expenditures for the police department as well as the proposed expenditures for 2008/2009.

## City of Winters Police Department Expenditures

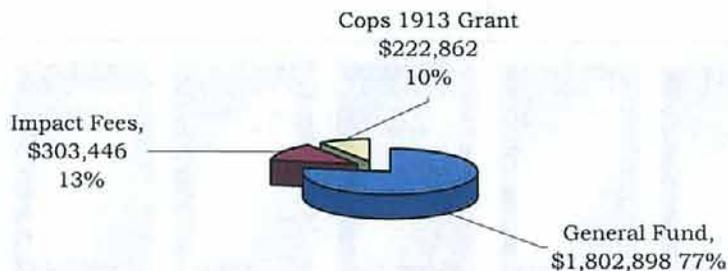
	W	A	AD	A	AF	A	AH	AA	AL	A	AN
327											Proposed Budget
328			Actual		Actual		Estimated		Estimated		2008-2009
			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
329	Salaries and Benefits		\$ 1,013,954		\$ 1,146,030		\$ 1,251,946		\$ 1,346,420		\$ 1,295,111
330	Operating Expenditures		271,999		284,165		368,553		350,772		350,287
331	Allocated Cost		94,621		118,973		126,438		142,344		157,500
332	Capital		5,377		27,477		398,758		34,156		526,308
333	Total Expenditures		\$ 1,385,950		\$ 1,576,646		\$ 2,145,695		\$ 1,873,691		\$ 2,329,206

## Police Department Expenditure History



The Police Department is mostly funded through the General Fund. The other funding sources would be the Cops 1913 Grant, and funding from capital funds for capital items. The graph below shows the funding sources for police spending for 2008/2009

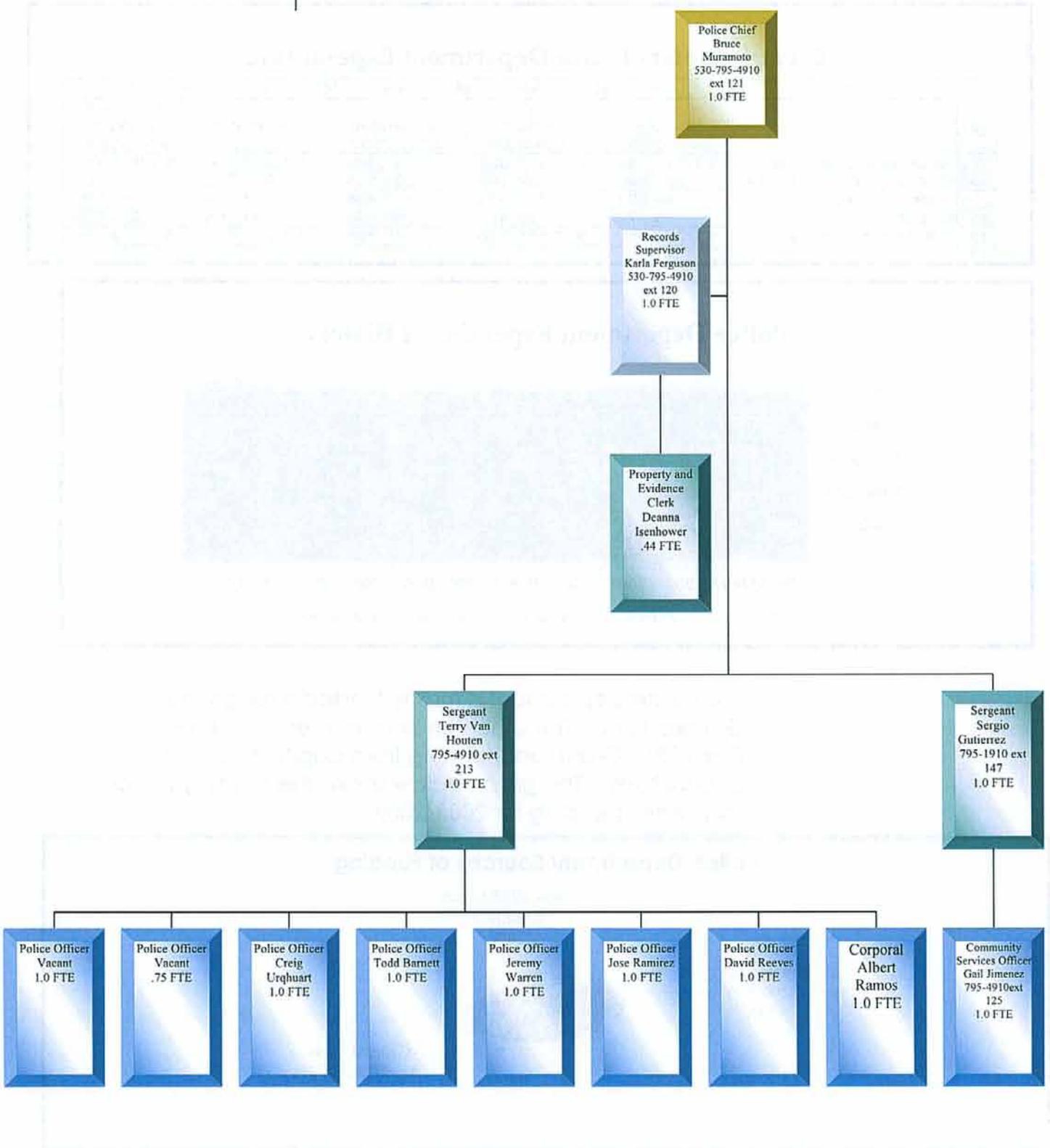
## Police Department Sources of Funding



# Police

## Police Department Organizational Chart

Staffing for the Police Department is shown in the organizational chart below.



# 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 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

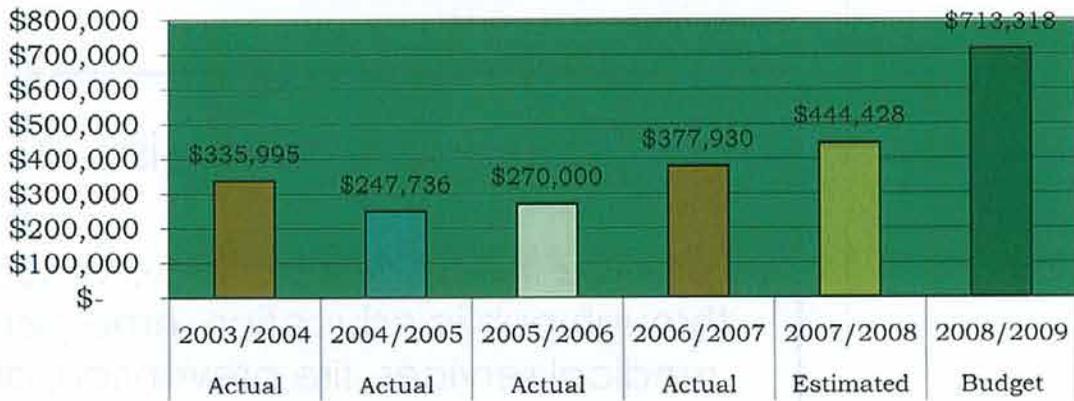
The chart and graph below shows the historical expenditures for the Winters Fire Protection District as well as proposed expenditures for 2008/2009.

### City of Winters Fire Department Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
404			Actual		Actual		Estimated		Estimated		Proposed Budget
405			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
406	Operating Expenditures	\$	225,000	\$	270,000	\$	376,300		409,872		409,872
407	Capital Expenditures		22,736		556		1,630		34,556		303,446
408	Total Expenditures	\$	247,736	\$	270,556	\$	377,930		444,428		713,318
409											

# Fire

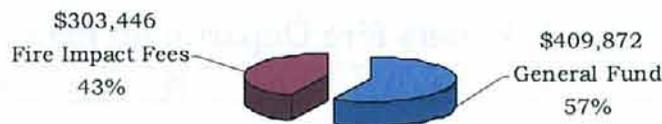
## Winters Fire District Expenditure History



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.

The expenditures for the contract with the Fire Protection District are General Fund Expenditures, however, the City is constructing a new Police/Fire Facility and is using impact fees for the design of that facility.

## Fire Department Source of Funds



## **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 provide direct assistance to the public and ensure that the proper development review process is fulfilled.

The Community Development Department reviews 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**

**2007/2008 Accomplishments**

- GIS implementation
- Processed Winters II 34 unit affordable housing project
- Submitted State of California Workforce Housing Grant Application
- Adopted new Building Permit Fees

**Goals for 2007/2008**

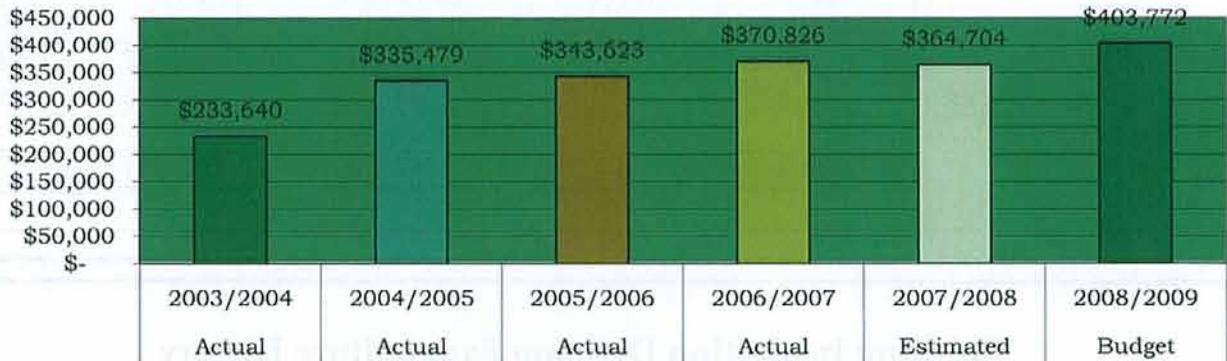
- Extend Horizon Year for General Plan
- Process Site Plans for Winters Commercial and Public Safety Facility
- Implement conditions of approval and development agreements for Callahan Estates, Hudson-Ogando and Winters Highlands subdivision projects.
- Adopt new building permit fees.
- Implement building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

Below are the historical expenditures for the Planning Division of the Community Development Department as well as the proposed 2008/2009 expenditures.

Community Development Planning Division											
	W	A	AD	A	AF	A	AH	AA	AL	A	AN
			Actual		Actual		Estimated		Estimated		Proposed Budget
			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
430											
431											
432	Salaries & Benefits	\$	185,403	\$	179,790	\$	201,931		172,830		217,107
433	Operating Expenditures		76,965		57,643		73,789		101,374		50,700
434	Capital Expenditures										
435	Allocated Costs		73,112		106,190		95,106		90,500		135,966
436	Total Expenditures	\$	335,479	\$	343,623	\$	370,826		364,704		403,772
437											

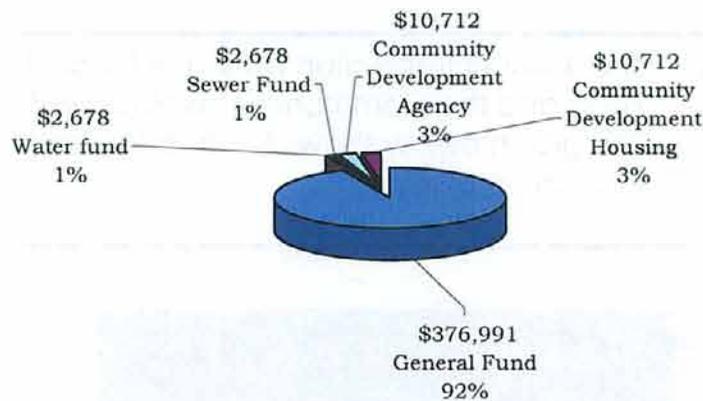
**Community Development Department**

**Community Development Planning Division Expenditure History**



The Planning Division provides support services to other departments and funds. The funding sources for the Planning division are shown in the chart below.

**Community Development Department Planning Division Sources of Funding**



Increased expenditures in the Planning Division are for the addition of staff and as well as negotiated wage and benefit increases, including health care and retirement costs.

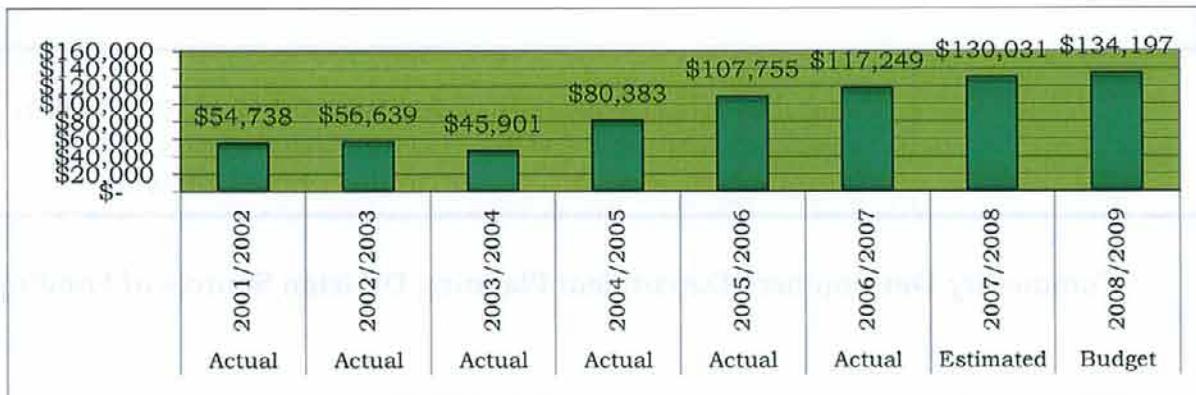
**Community Development Department**

The chart and graph below show historical expenditures as well as the proposed expenditures for 2008/2009 for the Building Inspection Division.

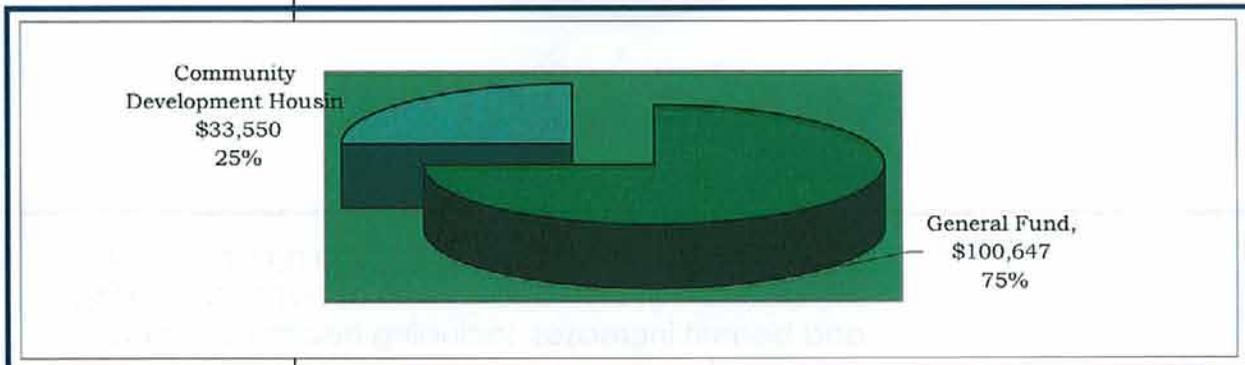
**City of Winters Community Development Building Inspection Division Expenditures**

	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Estimated 2007-2008	Proposed Budget 2008-2009
Salaries & Benefits	\$ 60,953	\$ 97,044	\$ 105,833	\$ 122,145	\$ 121,388
Operating Expenditures	19,430	10,711	11,416	7,885	12,808
Allocated Costs					-
<b>Total Expenditures</b>	<b>\$ 80,383</b>	<b>\$ 107,755</b>	<b>\$ 117,249</b>	<b>\$ 130,031</b>	<b>\$ 134,197</b>

**Building Inspection Division Expenditure History**



The Building Inspection Division is funded by the General Fund and the Community Development Housing Fund. The graph below shows funding sources for the Building Inspection Division.



## Community Development Department

### Community Development Department Organizational Chart

Staffing for the Community Development Department is shown in the organizational chart below.



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## 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

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 Resources 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 include 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

### 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.

#### 2007/2008 Accomplishments

- Purchase of Vehicles
  - Heavy Duty truck with mounted crane
  - New F250 park service truck
  - Gem Electric Vehicle with truck bed
  - Toyota Prius pool car
- TV and cleaned remaining 50% of sewer collection lines and manholes.
- Installed two (2) new pumps at El Rio Villa Lift Station
- Installed two (2) new pumps at East Street Lift Station.
- Two (2) new pumps installed each at Carter Ranch and Walnut Street lift stations.
- Awarded SCADA contract
- Completion of 2000 Park Bond Act Per Capita grant at the Winters Nature Park.

#### 2008/2009 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
- Remodel of City Park restrooms
- Water and sewer line replacement

# Public Works

The chart and graph below show historical expenditures for the public works department as well as projected expenditures for 2008/2009.

## City of Winters Public Works Expenditures

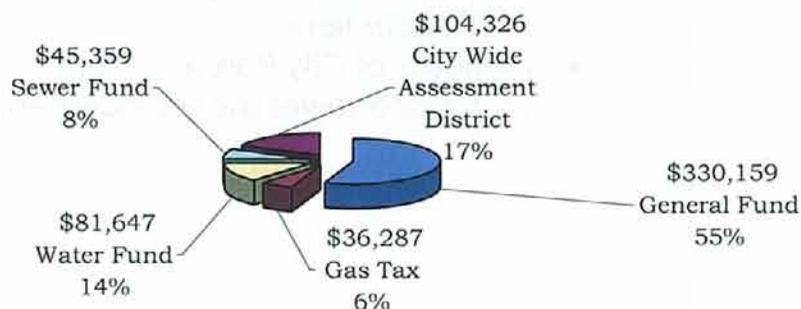
	W	A	AD	A	AF	A	AH	AA	AL	A	AN
648											
649			Actual		Actual		Estimated		Estimated		Proposed Budget
650			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
651	Salaries & Benefits		\$ 417,734		\$ 494,366		\$ 414,381		\$ 387,002		\$ 410,936
652	Operating Expenditures		39,627		68,389		50,019		54,324		42,657
653	Allocated Costs		23,088		47,859		42,864		40,788		61,279
654	Transfers		-		123,586		81,061		70,504		82,906
655	Total Expenditures		\$ 480,448		\$ 734,199		\$ 588,325		\$ 552,618		\$ 597,778

## Public Works Department Expenditure History



The public works department provided support and service to many other funds and departments. The graph below shows the funding sources for the Public Works Department.

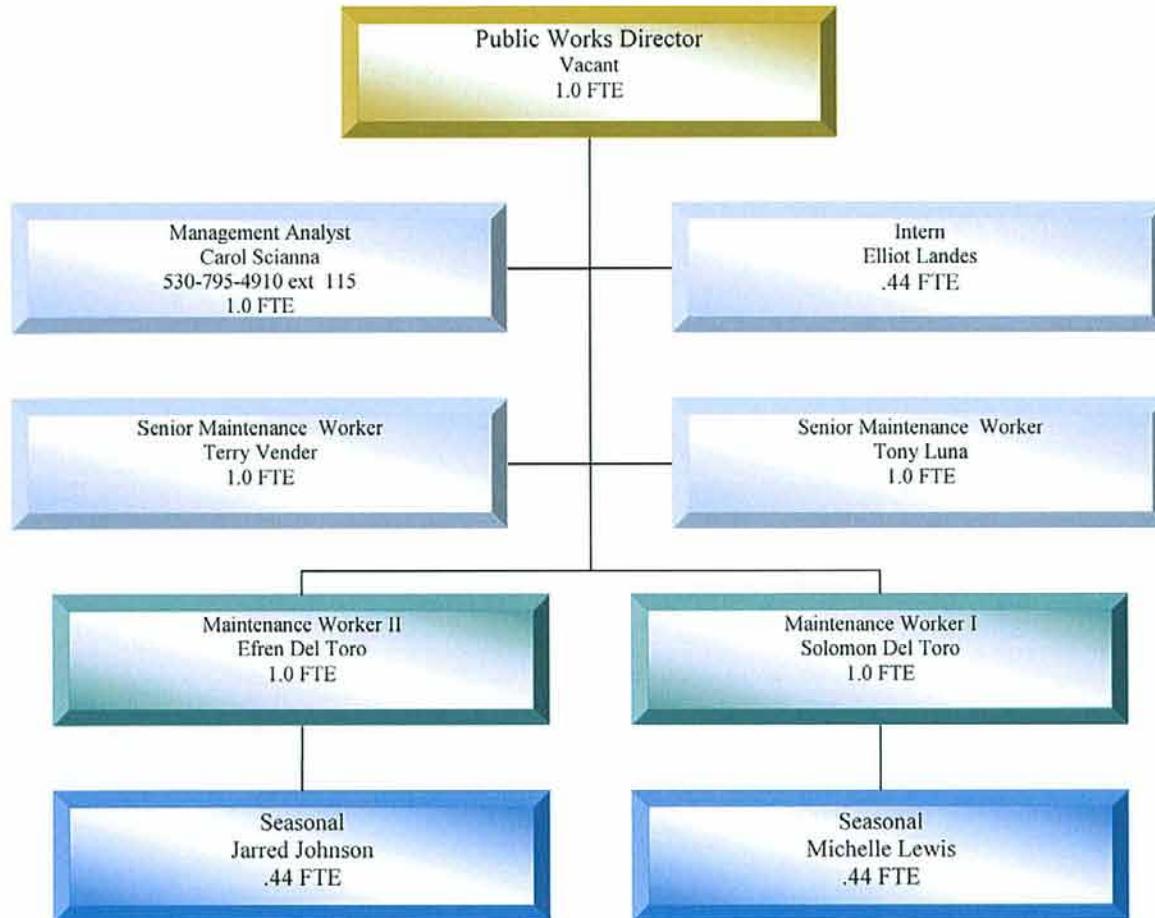
## Public Works Department Source of Funding



# Public Works

## Public Works Department Organizational Chart

Staffing for the Public Works Department is shown in the organizational chart below.



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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 Accomplishments

- Increased Enrollment in Summer Camps
- Field Trips filled to capacity
- First Year of Adult Co-ed softball
- Bobbie Greenwood Community Swim Center Opening
- Successful First Year of Family Fun Night at the Pool
- Winters Aquatic Masters Program
- Adult Lap Swim Morning and Evening.
- Swim Lessons filled

#### 2008/2009 Goals

- Teen Programs
- Create more events for all ages during school year months.
- Provide active recreation for youth, teens and adults
- Additional swim lessons in evenings
- Additional Lap Swim at noon
- Teen Night at Pool
- Manage Pool to run smoothly and efficiently

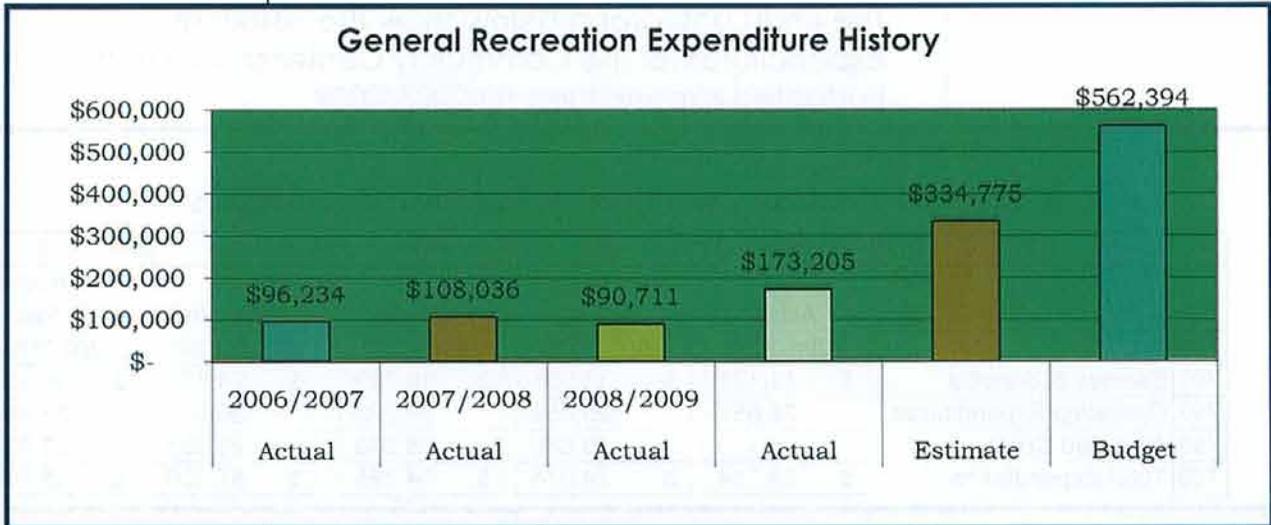
The chart and graph below show the historical expenditures for general recreation as well as proposed expenditures for 2008/2009.

### City of Winters General Recreation Expenditures

	Actual 2004-2005	Actual 2005-2006	Estimated 2006-2007	Estimated 2007-2008	Proposed Budget 2008-2009
Salaries & Benefits	\$ 64,799	\$ 55,082	\$ 120,908	\$ 288,113	\$ 499,494
Operating Expenditures	12,453	16,065	34,775	30,480	37,850
Allocated Costs	30,784	19,564	17,522	16,181	25,050
Transfers			-	-	-
<b>Total Expenditures</b>	<b>\$ 108,036</b>	<b>\$ 90,711</b>	<b>\$ 173,205</b>	<b>\$ 334,775</b>	<b>\$ 562,394</b>

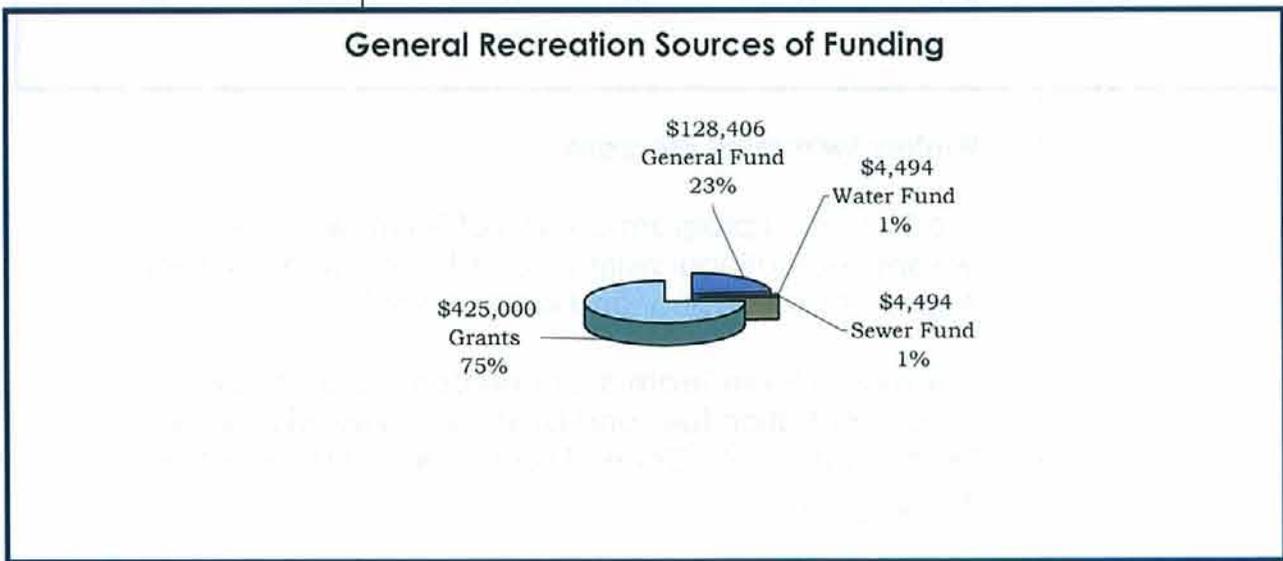
# Recreation

## General Recreation



Increased expenditures in General Recreation include the addition of the After school program, a grant funded program run by City Staff at three (3) school sites in Winters.

The graph below shows funding sources for General Recreation.



## Recreation

### Winters Community Center

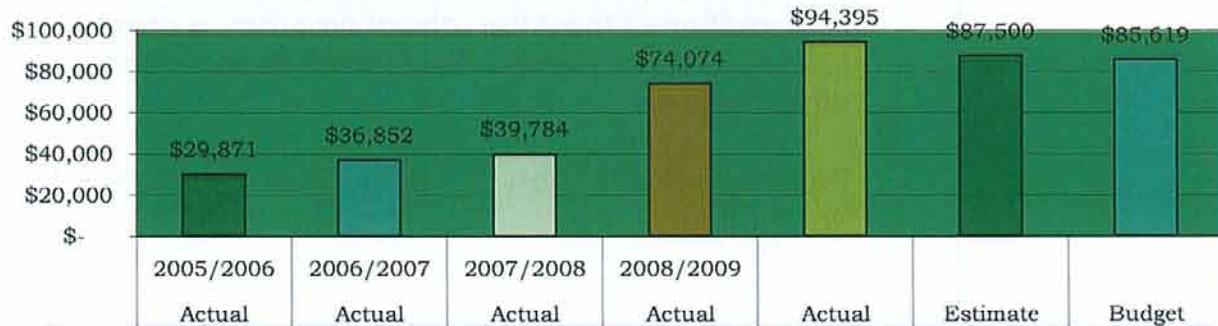
The Community Center is funded entirely by the General Fund. The 2008/2009 budget is a status quo budget.

The chart and graph below show the historical expenditures for the Community Center as well as the Budgeted expenditures for 2008/2009.

### City of Winters Community Center Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
794			Actual		Actual		Estimated		Estimated		Proposed Budget
795			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
796	Salaries & Benefits	\$	11,127	\$	11,536	\$	16,769	\$	24,183	\$	16,194
797	Operating Expenditures		28,657		28,859		49,232		36,323		37,466
798	Allocated Costs		-		33,678		28,393		26,995		31,959
799	Total Expenditures	\$	39,784	\$	74,074	\$	94,395	\$	87,500	\$	85,619

### Community Center Expenditure History



### Winters Swimming Program

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.

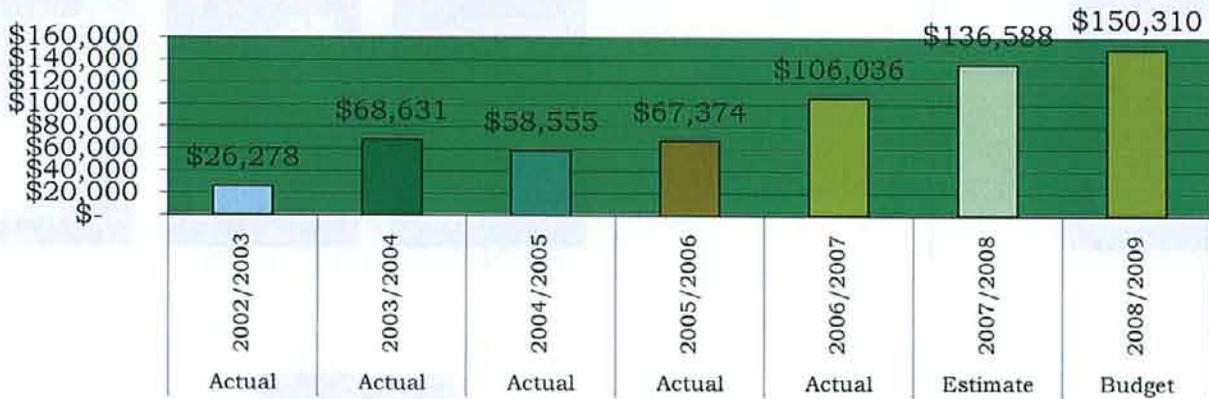
# Recreation

The chart and graph below show the historical expenditures as well as budgeted expenditures for 2008/2009 for the Swimming Program

### City of Winters Swimming Expenditures

	W	A	AD	A	AF	A	AH	AA	AL	A	AN
826			Actual		Actual		Estimated		Estimated		Proposed Budget
827											
828			2004-2005		2005-2006		2006-2007		2007-2008		2008-2009
829	Salaries & Benefits		\$ 34,098		\$ 24,161		\$ 24,466		43,937		42,882
830	Operating Expenditures		24,457		43,213		81,571		92,650		107,428
831	Allocated Costs		-		-		-				
832											
833	Total Expenditures		\$ 58,555		\$ 67,374		\$ 106,036		\$ 136,588		\$ 150,310
834											

### Swimming Program Expenditure History

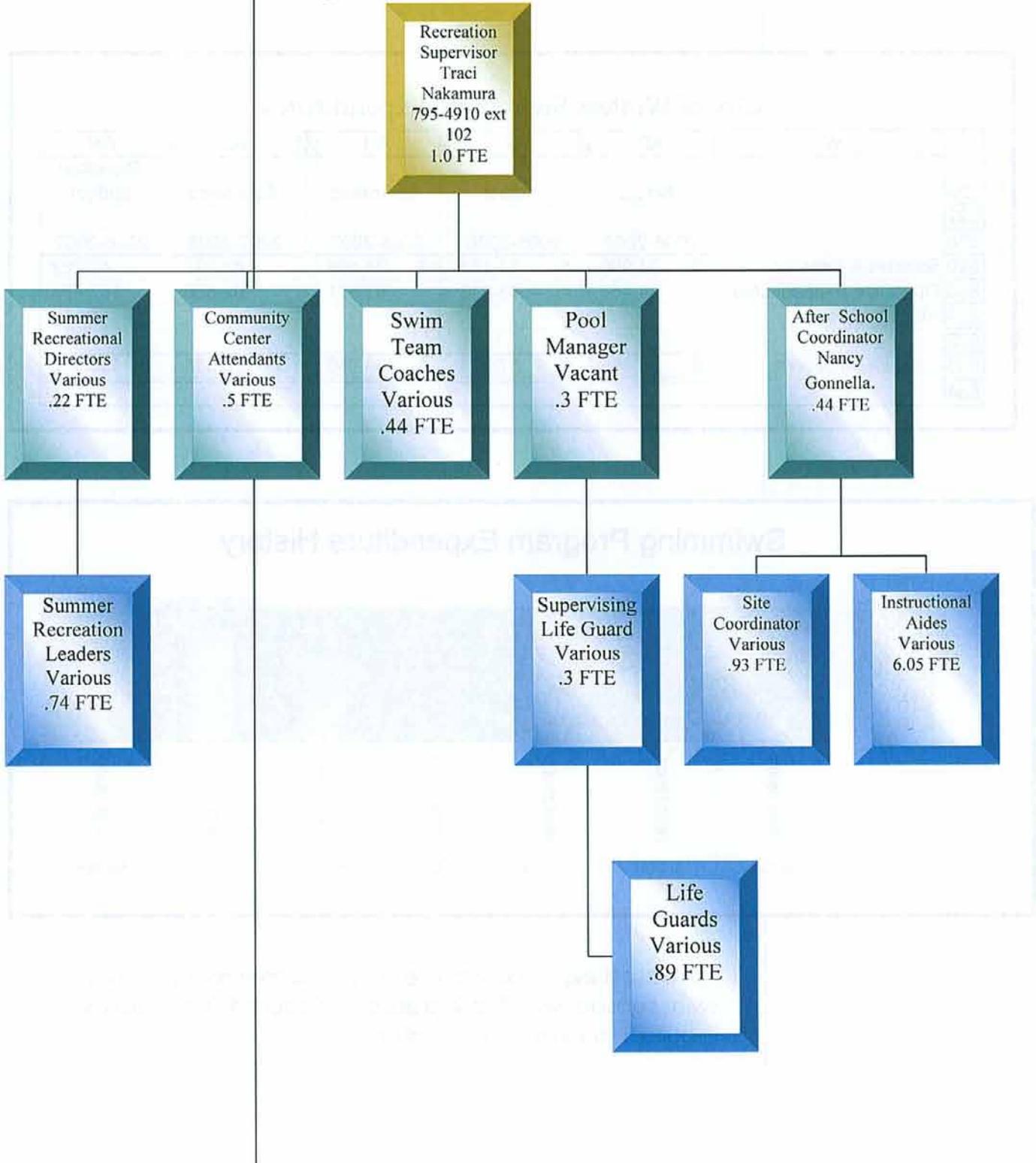


Increased expenditures are due to longer recreational swim season, with the increase in lifeguards and utilities required to extend the season.

# Recreation

## Recreation Department Organization Chart

Staffing for the Recreation Department is shown in the organizational chart below.

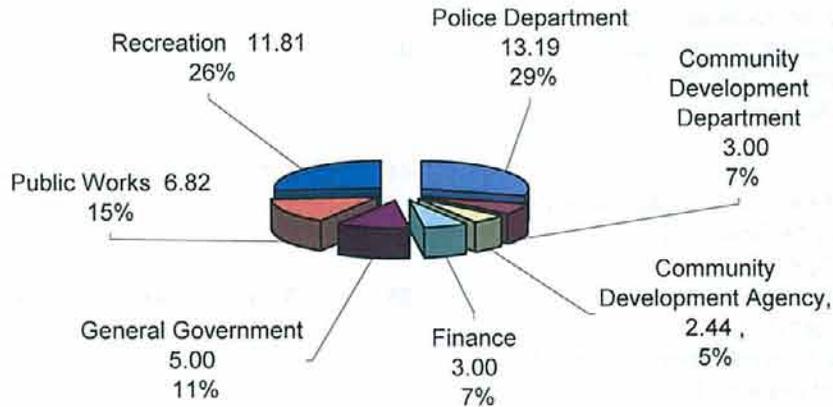


# Staffing

Staffing Comparison by Department In Full Time Equivalent					
Department	04-05 Adopted	05/06 Adopted	06/07 Adopted	07/08 Adopted	08/09 Approved
Community Development Department	2.44	3.44	4.00	3.33	3.00
Community Development Director (1)					
Building Inspector (1)					
Administrative Assistant (1)					
Community Development Agency	1.00	1.44	1.44	3.11	2.44
Redevelopment Director (1)					
Housing Manager (1)					
Intern (.44)					
Finance	2.44	244.00	2.60	2.44	3.00
Director of Financial Management(1)					
Accounting Technician (1)					
Records Clerk (1)					
General Government	3.88	3.88	4.44	4.88	5.00
City Manager (1)					
Director of Administrative Services (1)					
Grant Administrator (1)					
Administrative Assistant (1)					
Executive Secretary (1.0)					
Police Department	11.44	12.94	13.88	13.21	13.19
Police Chief (1)					
Sergeant (2)					
Records Supervisor (1)					
Corporal (1)					
Police Officers (6.75)					
Community Services Officer (1)					
Property and Records Clerk (.44)					
Public Works	8.94	8.44	9.32	8.44	6.82
Public Works Director (.5)					
Management Analyst(1)					
Senior Maintenance Worker (2)					
Maintenance Worker II (2)					
Seasonal Workers (.88)					
Intern (.44)					
Recreation	3.03	3.03	3.33	12.09	11.81
Recreation Supervisor (1)					
Community Center Attendants (.5)					
Swim Coaches (.44)					
Pool Manager (.30)					
Supervising Lifeguard (.30)					
Lifeguard (.89)					
Summer Recreation Leader (.74)					
Summer Recreation Directors (.22)					
After School Coordinator (.44)					
Site Coordinator (.93)					
Instructional Aides (6.05)					
<b>Total FTE's</b>	<b>33.17</b>	<b>277.17</b>	<b>39.01</b>	<b>47.50</b>	<b>45.26</b>

# Staffing

2008/2009 Staffing by Department



The above charts reflect the following:

- The Community Development Department decreased staffing by .33 FTE by deleting 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 decreased by .67 FTE, the agency has reorganized with a Full-time Housing Manager, A Full-time Redevelopment and Economic Development Director and an intern.
- Finance has increased staffing by .56 FTE with the conversion of the Records Clerk position to a Full-time position from a part time position.
- The General Government increased by .12 FTE; this is the addition of a full time Executive Secretary instead of part-time, and the removal of the summer intern.

## Staffing

- The Police Department has a small reduction of .02 FTE, this is due to recruitment issues.
- The Public Works department has a reduction in staff of 1.62 FTE, this is due to reduction in staffing of 2 Full-time positions, and the increase in use of seasonal staffing.
- Recreation has a reduction in staff of .28 FTE, this is due to the elimination of the cashier position at the swimming pool for the summer.

### **Employee Compensation**

The City of Winters has three employee associations 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 of the preparation of this budget, all associations are still in negotiations with management for salary and benefit increases. Currently the salary and benefit increases for budgeting purposes are:

- All employees receive a 2.5% 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

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### 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 Equivalent (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 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 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 costs 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 streets, 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. Adventure Day Camp
  4. Fun in 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 County 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 provisions, 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 that 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 Funds 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**

<b>Category Description</b>	<b>Depreciable Life</b>
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 15<sup>th</sup> 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 15<sup>th</sup>.



## 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:

<b>Category Description</b>	<b>Depreciable Life</b>
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 15<sup>th</sup> 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 15<sup>th</sup>.

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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 2008/2009

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.

# Downtown Streetscape Improvements, Phase 1 - **ALTERNATIVE A (Approved)**

## Project Budget Sheet

CIP#: 06-07

MPFP#(s):

Last Updated: March 2008

Original Approval:

Project Owner: Redevelopment Agency

Project Manager: Cas Ellena

Project Resource: Consultant

### ***DOWNTOWN STREETSCAPE DESIGN GUIDELINES AND PHASE 1 IMPROVEMENTS***

**Description:**

Streetscape Design Guidelines will be developed per the adopted Downtown Master Plan with minimal additional public input. Phase 1 Improvements will include pedestrian and aesthetic improvements on 3/4 of the intersection at Railroad Avenue and Abbey Street

**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		\$ 75,000	Investigations		
Construction Management	11.3%	\$ 104,000	Land		\$ -
Consultant Design		\$ 250,000	Construction		\$ 921,000
RW Consultant		\$ -	Other		
CEQA			<b>Project Total:</b>		<b>\$ 1,350,000</b>

**Financing Schedule:**

Project Start: 2006

Project Completion: 2008

Phases: Phase 1

Fund Code:	702						FY Totals
Name:	Redevelopment	Blank	Blank	Blank	Blank	Blank	
Prior FY:							\$ -
FY 06/07:	\$ 40,000						\$ 40,000
FY 07/08:	\$ 265,000						\$ 265,000
FY 08/09:	\$ 1,045,000						\$ 1,045,000
FY 09/10:							\$ -
FY 10/11:							\$ -
<b>Fund Totals:</b>	<b>\$ 1,350,000</b>	<b>\$ -</b>	<b>\$ 1,350,000</b>				
<b>Ratios:</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>

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)

## Downtown Streetscape Improvements, Phase 2 STIP Funded Project Budget Sheet

CIP#: 08-02

MPFP#(s):

Last Updated: March 2008

Original Approval:

Project Owner: Redevelopment Agency

Project Manager: Cas Ellena

Project Resource: Consultant

### ***DOWNTOWN STREETScape PHASE 2 IMPROVEMENTS***

**Description:**

These Phase 2 Improvements will include pedestrian and aesthetic improvements on the west side of Railroad Avenue from Abbey to Main, the entire intersection of Main Street and First Street, and a mid-block crossing at the paseo on Main Street.

**Authority:**

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

<b>Budget:</b>						
Item	%	Amount	Item	%	Amount	
Project Management		\$ 25,000	Investigations			
Construction Management		\$ 55,000	Land		\$ -	
Consultant Design		\$ 55,000	Construction		\$ 545,000	
RW Consultant		\$ -	Other			
CEQA			<b>Project Total:</b>		<b>\$ 680,000</b>	

<b>Financing Schedule:</b>		Project Start:	2008	Project Completion:	2009		
Phases:	Phase 2						
<b>Fund Code:</b>	702						
<b>Name:</b>	Redevelopment	STIP-TE	Blank	Blank	Blank	Blank	<b>FY Totals</b>
<b>Prior FY:</b>							\$ -
<b>FY 06/07:</b>							\$ -
<b>FY 07/08:</b>							\$ -
<b>FY 08/09:</b>	\$ 185,000						\$ 185,000
<b>FY 09/10:</b>		\$ 495,000					\$ 495,000
<b>FY 10/11:</b>							\$ -
<b>Fund Totals:</b>	\$ 185,000	\$ 495,000	\$ -	\$ -	\$ -	\$ -	\$ 680,000
<b>Ratios:</b>	27.2%	72.8%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Recommended for Approval (Dept. Head)

Finance Department Approval

City Manager Approval

Nicholas J Ponticello, City Engineer (date)

Cas Ellena, Community Development Agency Director (date)

Shelly Gunby, Director of Finance (date)

John Donlevy, City Manager (date)





## 2007/08 Water and Sewer Improvements Project Budget Sheet

CIP#: 08-01  
 Last Updated: Oct 2007  
 Project Owner: Public Works  
 Project Manager: Alan Mitchell

MPFP#(s):  
 Original Approval: May 2007  
 Project Resource: Ponticello Enterprises

**Description:**

Repair and Replacement of Water Infrastructure throughout the City as selected based on inspections.

**Authority:**

General Authority to maintain the existing city water and sewer infrastructure.

<b>Budget:</b>						
	Item	Amount		Item	Amount	
	Project Management	\$ 55,000		Other (CCTV)	\$ 110,000	
	Design	\$ 255,000		Construction	\$ 2,576,000	
	CM, Testing, Insp.	\$ 205,000		Contingency	\$ 400,000	
<b>Project Total:</b>					<b>\$ 3,601,000</b>	

<b>Financing Schedule:</b>		Project Start: 2007		Project Completion: 2008	
Phases: Pre-Design, Design, Bid, and Construction					
Fund Code:	615	626			
Name:	Water	Sewer			
FY 06/07:					\$ -
FY 07/08:	\$ 283,750	\$ 616,500			\$ 900,250
FY 08/09:	\$ 851,250	\$ 1,849,500			\$ 2,700,750
FY 09/10:					\$ -
<b>Fund Totals:</b>	<b>\$ 1,135,000</b>	<b>\$ 2,466,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,601,000</b>
<b>Ratios:</b>	31.5%	68.5%	0.0%	0.0%	100.0%

Recommended for Submittal

Alan Mitchell, Assistant City Engineer      Dec-07

Recommended for Approval (Dept. Head)

Nicholas Ponticello, City Engineer      (date)

Finance Department Approval

Shelly Gunby, Director of Finance      (date)

City Manager Approval

John Donlevy, City Manager      (date)



## Storm Drain Master Plan Update Project Budget Sheet

CIP#: 01-03

MPFP#(s): none

Last Updated: May 2008

Original Approval: June 2003

Project Owner: Public Works

Project Manager: Nick Ponticello

Project Resource: Wood Rodgers

Add costs for CEQA

**Description:**

Update the Master Plan for Storm Run off

**Authority:**

General authority to maintain the existing city infrastructure.

<b>Budget:</b>					
Item	%	Amount	Item	%	Amount
Project Management		\$ 40,000	Investigations		\$ -
Staff Design		\$ -	Land		\$ -
Consultant Design		\$ 117,040	Construction		\$ -
RW Consultant		\$ -	Other		\$ 4,560
CEQA		\$ 50,000	<b>Project Total:</b>	<b>100%</b>	<b>\$ 211,600</b>

<b>Financing Schedule:</b>		Project Start:	2001	Project Completion:	2008		
Phases: Master Planning							
Fund Code:	006	412	492	999	999	999	
Name:	Greyhawk Planning Application	Storm Drain Impact Fee	RAJA Storm Drain	Blank	Blank	Blank	FY Totals
Prior FY:	\$ 12,000	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ 122,000
<b>FY 06/07:</b>	\$ -	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 30,000
<b>FY 7/08:</b>	\$ -	\$ 9,600	\$ -	\$ -	\$ -	\$ -	\$ 9,600
<b>FY 08/09:</b>	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
<b>FY 09/10:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FY 10/11:</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Totals:</b>	\$ 12,000	\$ 189,600	\$ 10,000	\$ -	\$ -	\$ -	\$ 211,600
<b>Ratios:</b>	7.9%	85.5%	6.6%	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 Master Plan Update

## Project Budget Sheet

**CIP#: 06-03**

**MPFP#(s):**

**Last Updated:** March 2006

**Original Approval:** March 2006

**Project Owner:** Public Works

**Project Manager:** Nick Ponticello

**Project Resource:** Larry Walker

**Description:**

Update of the 1996 WWTF Master Plan.

**Authority:**

The update is essential in identifying future facility needs based on the changing regulatory requirements and changing costs for services and construction. The update will be used to revise the City's Wastewater Impact Fees that development will be paying. In addition, it will identify current costs for phasing of the facility's expansion.

<b>Budget:</b>						
Item	%	Amount	Item	%	Amount	
Project Management		\$ 11,000	Investigations		\$ -	
Construction Management		\$ -	Land		\$ -	
Master Plan Report		\$ 50,000	Construction		\$ -	
RW Consultant		\$ -	Other		\$ -	
CEQA		\$ -	<b>Project Total:</b>		<b>\$ 61,000</b>	

<b>Financing Schedule:</b>		Project Start:	2006	Project Completion:	2008	
Phases: Master Planning						
<b>Fund Code:</b>	<b>418</b>					
<b>Name:</b>	Sewer Impact				<b>FY Totals</b>	
<b>Prior FY:</b>	\$ 51,000				\$ 51,000	
<b>FY 07/08:</b>					\$ -	
<b>FY 08/09:</b>	\$ 10,000				\$ 10,000	
<b>FY 09/10:</b>					\$ -	
					\$ -	
					\$ -	
<b>Fund Totals:</b>	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 61,000
<b>Ratios:</b>	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Recommended for Submittal

Alan Mitchell, Assistant City Engineer

12/1/2006

(date)

Recommended for Approval (Dept. Head)

Nicholas Ponticello, City Engineer

(date)

Finance Department Approval

Shelly Gunby, Director of Finance

(date)

City Manager Approval

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.

- Putah Creek Vehicle Bridge Upgrade-the portion budgeted for 2006/2007 is for design only. Construction is scheduled no earlier than 2009/2010.
- Downtown Streetscape Improvements Phase I – When completed, the landscaped planters will require maintenance by the parks crew, this amount is included in the City Wide Assessment District budget.
- Downtown Streetscape Improvements Phase II – When completed, the landscaped planters will require maintenance by the parks crew, this amount is included in the City Wide Assessment District budget.
- Slurry Seal- This will extend the life of streets within the City of Winters, no additional maintenance will be required as a result of this project.
- Safe Routes to School- Initially no additional maintenance will be required, as the sidewalks age, some maintenance will be required and will be included in the annual sidewalk inspection and repair program.
- Water and Sewer Infrastructure Improvements-this project should remove certain portions of the water and sewer lines from the maintenance schedule for a number of years.
- Storm Drain Masterplan- This project is administrative in nature.
- WWTF Master Plan Update- This project is administrative in nature.

## **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 seven 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 objectives 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 9,178 by 2020
- 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 2020 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 is being developed. At 2020 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 1/1/2010. 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 seven (7) acres per land per 1,000 population. The City presently operates with seven (7) total acres of parks, generating a present ratio of 1.01 acre per 1,000. This fiscal assumption includes a projection that by 2017 a sports park will be developed at the former landfill facility and a 10.68-acre neighborhood park will be developed. At 2017 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 \$360,000
  - Each new affordable home projected at assessed value \$180,000
  - Each new home increases population by 3.248 persons

## Future Financial Forecasting

- UUT (based on regression analysis) increases by \$377.00 per unit added
  - Taxable sales (based on regression analysis) increases by \$11,971 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 2.22% 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 2.22% 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 08-09 and 09-10 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 2.22% inflationary factor per year.
  - The City has established a Service Reserve Fund and transfers an amount of General Fund revenues equal to a percentage of Development Fees to an investment fund based on the following schedule:
    1. 08-09      10%
    2. 09-10      20%
    3. 10-11      30%
    4. 11-12      40%
    5. 12-13 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 12-13 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 11-12 and 17-18
  - Service Reserve Fund established
  - Fire District revenues do not increase
  - Property tax calculations based on CDA vs. outside CDA
  - Public Safety Facility opens in 09-10
  - 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 1/1/09
- 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 issued revenue bonds in 07/08, 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 1/1/09
- Capital projects included in the rate computation
- The City issued revenue bonds in 07/08 for major infrastructure work.
- The monthly sewer rate consists of the following components:
  - Operations and Maintenance
  - Capital Repair and Replacement
  - Debt Service
  - Operating Reserves

# Future Financial Forecasting

## General Fund

### City of Winters General Fund Revenue Projections 2008-2009 through 2017-2018

City of Winters Fiscal Forecast 2008/2009 through 2017/2018										6/13/2008
Description	forecast 2008-2009	forecast 2009-2010	forecast 2010-2011	forecast 2011-2012	forecast 2012-2013	forecast 2013-2014	forecast 2014-2015	forecast 2015-2016	forecast 2016-2017	forecast 2017-2018
Property Tax	795,519	812,942	823,268	872,695	956,334	1,038,304	1,172,596	1,231,437	1,280,814	1,330,709
Property Tax in Lieu of Sales Tax	92,250	94,342	97,861	108,373	121,874	129,242	136,671	139,877	143,391	146,905
Property Tax in Lieu of VLF	536,945	575,177	582,483	617,453	676,630	734,626	829,641	871,273	906,208	941,510
Sales & Use Tax	276,750	283,025	293,584	325,118	419,623	495,725	518,012	527,630	538,172	548,715
Prop 172 Sales Tax	25,000	25,000	27,230	30,253	34,155	40,645	42,677	43,530	44,654	45,777
Franchise Tax	213,738	213,738	240,733	277,545	324,523	350,817	375,709	387,979	400,250	412,520
Prop. Trsf Tax	11,000	11,000	11,000	21,516	29,535	26,796	17,737	13,381	9,817	9,817
Utility Tax	378,000	378,000	397,673	437,349	487,984	516,324	543,152	556,378	569,603	582,829
Muni. Ser. Tax	284,760	278,760	283,380	294,300	308,640	321,180	329,940	336,300	340,500	344,700
Bus. Lic. Tax	26,285	26,285	26,285	26,285	26,285	26,285	26,285	26,285	26,285	26,285
Tot Tax	3,200	3,200	3,200	3,200	49,190	95,180	95,180	95,180	95,180	95,180
Motor Veh. in Lieu	51,000	51,000	53,040	55,692	59,034	60,805	62,629	63,881	65,159	66,462
Homeworker Prop Tax Relief	17,511	17,511	17,511	18,358	19,513	20,732	21,557	22,338	22,723	23,108
<b>Total Taxes</b>	<b>2,711,858</b>	<b>2,769,979</b>	<b>2,857,248</b>	<b>3,088,137</b>	<b>3,513,320</b>	<b>3,856,661</b>	<b>4,171,786</b>	<b>4,315,470</b>	<b>4,442,755</b>	<b>4,574,517</b>
Copy Fees	150	150	150	150	150	150	150	150	150	150
Plan Check Fees	52,881	10,000	92,250	122,159	133,593	90,114	73,916	47,386	47,386	47,386
Planning Application Fees	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438
Sales of Maps/Publications	150	150	150	150	150	150	150	150	150	150
Police Reports	818	836	854	873	893	913	933	954	975	996
Fingerprint Fees	2,862	2,926	2,991	3,057	3,125	3,194	3,265	3,338	3,412	3,488
Towing/DUI Reimbursement	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Ticket Sign Off Fees	250	250	250	250	250	250	250	250	250	250
Recreation Fees	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Youth Drama Revenue	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Basketball Revenues	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Pool Ticket Sales	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Swim Passes	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Swim Lessons	600	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Swim Team Reimbursement	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Lifeguard class	900	900	900	900	900	900	900	900	900	900
Park Rental	850	850	850	850	850	850	850	850	850	850
Library Hall Rental	800	800	800	800	800	800	800	800	800	800
Community Center Rental	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Community Center Insurance	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Building Permit Fines	750	750	750	750	750	750	750	750	750	750
Ambulance Charges		2,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total Service Charges</b>	<b>135,251</b>	<b>96,192</b>	<b>181,067</b>	<b>211,104</b>	<b>222,669</b>	<b>179,323</b>	<b>163,262</b>	<b>136,871</b>	<b>137,013</b>	<b>137,158</b>
Rents/Leases	40,888	41,796	42,724	43,672	44,642	45,633	46,646	47,681	48,740	49,822
Interest Revenues	98,131	100,310	102,537	104,813	107,140	109,518	111,950	114,435	116,975	119,572
<b>Total Rents, Interest, Concessions</b>	<b>139,019</b>	<b>142,105</b>	<b>145,260</b>	<b>148,485</b>	<b>151,781</b>	<b>155,151</b>	<b>158,595</b>	<b>162,116</b>	<b>165,715</b>	<b>169,394</b>
Building Permit Surcharge										
Building Permits	127,646	127,646	136,538	182,552	200,143	133,251	108,332	67,517	67,517	67,517
Encroachment Permits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other License & Permits	59,356	59,356	76,434	100,592	109,828	74,709	61,626	40,197	40,197	40,197
<b>Total Licenses and Permits</b>	<b>188,002</b>	<b>188,002</b>	<b>213,972</b>	<b>284,144</b>	<b>310,970</b>	<b>208,960</b>	<b>170,958</b>	<b>108,715</b>	<b>108,715</b>	<b>108,715</b>
P.O.S.T Reimbursement	5,500	5,622	5,747	5,874	6,005	6,138	6,274	6,414	6,556	6,702
<b>Total Grants</b>	<b>5,500</b>	<b>5,622</b>	<b>5,747</b>	<b>5,874</b>	<b>6,005</b>	<b>6,138</b>	<b>6,274</b>	<b>6,414</b>	<b>6,556</b>	<b>6,702</b>
Miscellaneous Revenues	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Commissions on Coke Machin	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	3,000
Developer Planning Reimburs										
<b>Total Other Revenues</b>	<b>23,100</b>									
Gift Income transferred in	26,814	26,814	29,712	52,281	74,556	94,394	107,961	116,256	124,551	132,847
Use of Unrestricted Fund Balance										
Fire District Contribution		84,013	171,387	174,815	178,312	181,878	185,515	189,226	193,010	196,870
Pers Transfer	66,456									
<b>Total Transfer</b>	<b>93,270</b>	<b>110,827</b>	<b>201,100</b>	<b>227,096</b>	<b>252,867</b>	<b>276,272</b>	<b>293,476</b>	<b>305,482</b>	<b>317,562</b>	<b>329,717</b>
<b>Total General Fund Revenues</b>	<b>3,296,100</b>	<b>3,335,829</b>	<b>3,627,494</b>	<b>3,987,940</b>	<b>4,480,713</b>	<b>4,705,604</b>	<b>4,987,452</b>	<b>5,058,167</b>	<b>5,201,415</b>	<b>5,349,302</b>

# Future Financial Forecasting

## General Fund

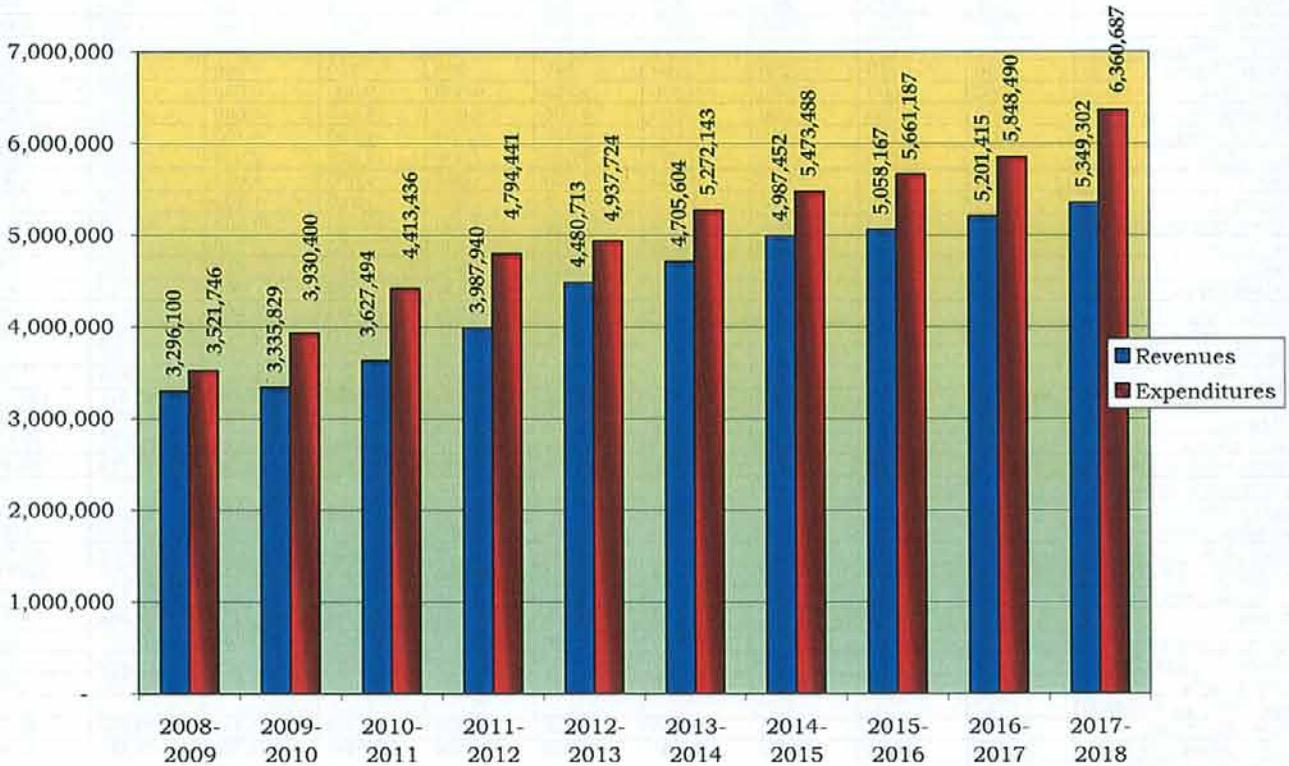
The General Fund Projected Revenues in excess/(less than) projected expenditures is shown in the table below:

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

	forecast 2008-2009	forecast 2009-2010	forecast 2010-2011	forecast 2011-2012	forecast 2012-2013	forecast 2013-2014	forecast 2014-2015	forecast 2015-2016	forecast 2016-2017	forecast 2017-2018
Projected Revenues	\$3,296,100	\$3,335,829	\$3,627,494	\$3,987,940	\$4,480,713	\$4,705,604	\$4,987,452	\$5,058,167	\$5,201,415	\$ 5,349,302
Projected Expenditures	3,521,746	3,930,400	4,413,436	4,794,441	4,937,724	5,272,143	5,473,488	5,661,187	5,848,490	6,360,687
Revenue in Excess/(less than Expenditures)	\$ (225,646)	\$ (594,571)	\$ (785,942)	\$ (806,501)	\$ (457,011)	\$ (566,539)	\$ (486,037)	\$ (603,021)	\$ (647,075)	\$ (1,011,385)

The Graph below shows the trend of revenues and expenditures for 2008/2009 through 2016-2017 fiscal years.

### Projected Revenues and Expenditures



**City of Winters General Fund Revenue and Expenditures**

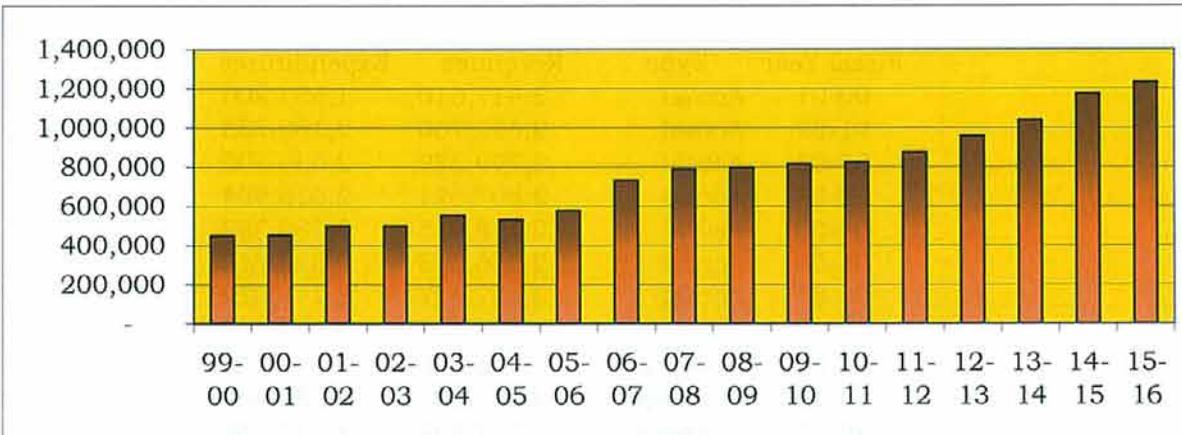
Fiscal Year	Type	Revenues	Expenditures
00-01	Actual	2,417,610	1,557,200
01-02	Actual	2,592,750	2,189,753
02-03	Actual	2,799,279	2,035,205
03-04	Actual	2,807,521	2,015,904
04-05	Actual	2,718,615	2,389,363
05-06	Actual	2,706,843	2,822,716
06-07	Actual	3,152,627	3,147,072
07-08	Estimate	3,287,208	3,312,598
08-09	Budgeted	3,296,100	3,521,746
09-10	Projected	3,335,829	3,930,400
10-11	Projected	3,627,494	4,413,436
11-12	Projected	3,987,940	4,794,441
12-13	Projected	4,480,713	4,937,724
13-14	Projected	4,705,604	5,272,143
14-15	Projected	4,987,452	5,473,488
15-16	Projected	5,058,167	5,661,187
16-17	Projected	5,201,415	5,848,490
17-18	Projected	5,349,302	6,360,687

The projections above show that some revenue creating actions need to be undertaken by the City of Winters. The City is currently implementing Economic Development Plans that will provide additional revenues in the future. The economic impact is not included at this time due to the uncertain nature of timing of the projects. The forecast will be updated as more information is available.

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.

**Property Tax**



**Property Tax**

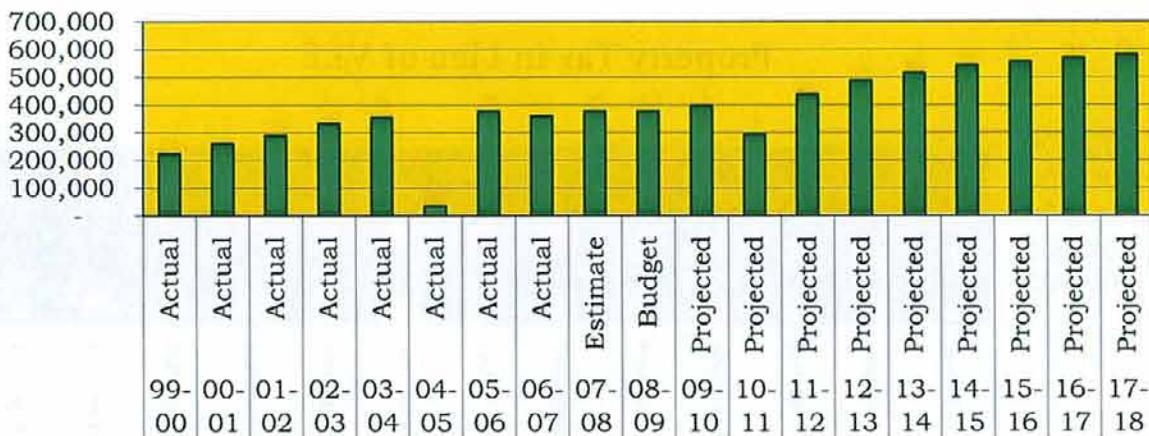
	Property Tax	Assessed Value	% of Assessed Value received in Taxes
Actual	449,066	216,791,066	0.207%
Actual	451,629	235,011,728	0.192%
Actual	499,038	252,992,011	0.197%
Actual	498,128	280,287,089	0.178%
Actual	553,104	311,886,568	0.177%
Actual	530,507	367,722,629	0.144%
Actual	576,772	376,975,133	0.153%
Actual	731,220	464,617,473	0.157%
Estimate	787,643	492,219,254	0.160%
Budget	795,519	497,141,447	0.160%
Projected	812,942	512,055,690	0.159%
Projected	823,268	522,296,804	0.158%
Projected	872,695	553,634,612	0.158%
Projected	956,334	608,998,073	0.157%
Projected	1,038,304	663,807,900	0.156%
Projected	1,172,596	750,102,927	0.156%
Projected	1,231,437	787,608,073	0.156%
Projected	1,280,814	819,112,396	0.156%
Projected	1,330,709	851,876,892	0.156%

## 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.

#### Utility User Tax



#### Utility User Tax

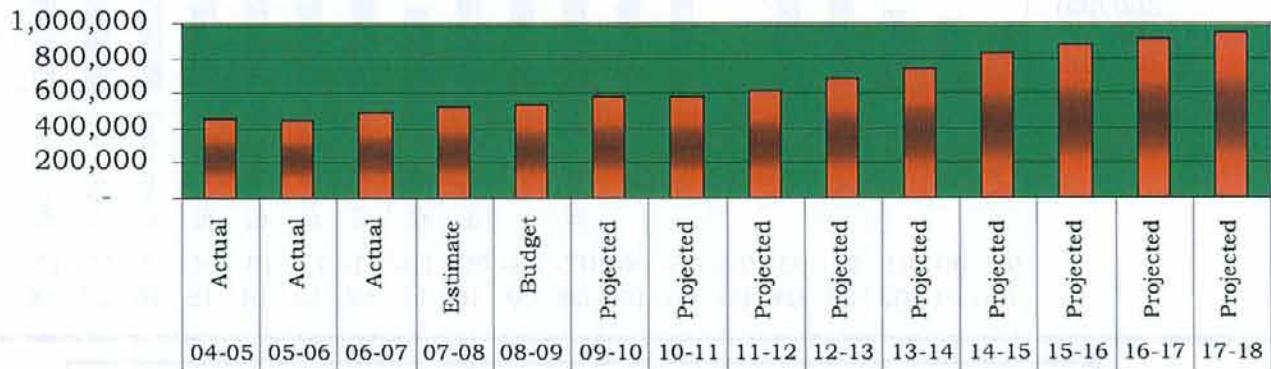
Fiscal Year		Utility User Tax	Units	Utility User Tax per Unit per year
99-00	Actual	223,984	1889	118.57
00-01	Actual	260,138	1904	136.63
01-02	Actual	288,538	1954	147.67
02-03	Actual	332,540	2000	166.27
03-04	Actual	354,994	2045	173.59
04-05	Actual	35,033	2101	16.67
05-06	Actual	377,822	2116	178.55
06-07	Actual	359,590	2174	165.40
07-08	Estimate	378,080	2264	167.00
08-09	Budget	378,000	2264	166.96
09-10	Projected	397,673	2264	175.65
10-11	Projected	294,300	2341	125.72
11-12	Projected	437,349	2446	178.80
12-13	Projected	487,984	2580	189.14
13-14	Projected	516,324	2655	194.47
14-15	Projected	543,152	2726	199.25
15-16	Projected	556,378	2761	201.51
16-17	Projected	569,603	2796	203.72
17-18	Projected	582,829	2831	205.87

## 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

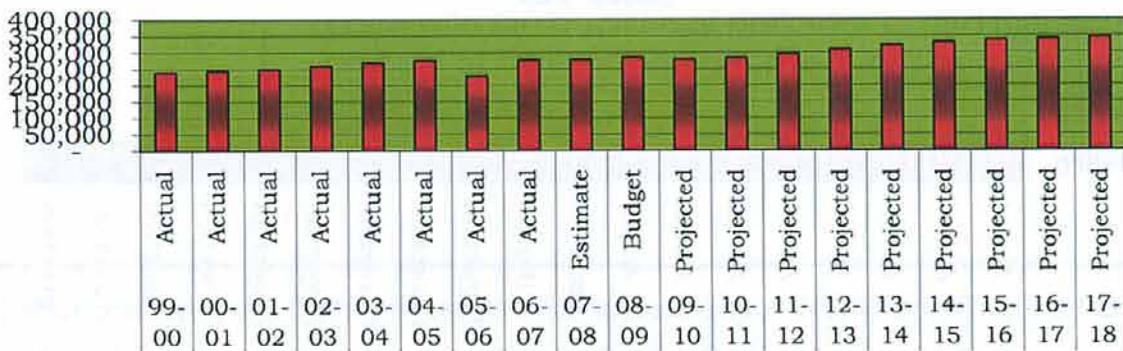
Fiscal Year	Revenues
04-05	Actual 455,002
05-06	Actual 445,055
06-07	Actual 491,360
07-08	Estimate 520,373
08-09	Budget 536,945
09-10	Projected 575,177
10-11	Projected 582,483
11-12	Projected 617,453
12-13	Projected 676,630
13-14	Projected 734,626
14-15	Projected 829,641
15-16	Projected 871,273
16-17	Projected 906,208
17-18	Projected 941,510

## 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	227,200
06-07	Actual	277,166
07-08	Estimate	278,033
08-09	Budget	284,760
09-10	Projected	278,760
10-11	Projected	283,380
11-12	Projected	294,300
12-13	Projected	308,640
13-14	Projected	321,180
14-15	Projected	329,940
15-16	Projected	336,300
16-17	Projected	340,500
17-18	Projected	344,700

## **Future Financial Forecasting**

### **Water Fund**

The Water Fund has completed the current financing plan and has contracted for the development of a new 10 year financing plan. We anticipate the plan being completed by January 1, 2009.

### **Sewer Fund**

The Sewer Fund has completed the current financing plan and has contracted for the development of a new 10 year financing plan. We anticipate the plan being completed by January 1, 2009.

# 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										Total Allocation
			Fund (Streets)	Community Ctr	RDA	RDA Iih	water	reservoir	sewer	cwa			
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%

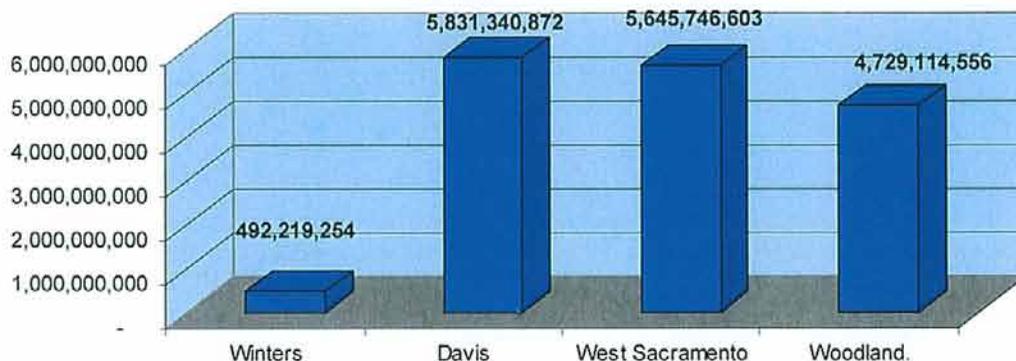
# Comparison to Other Yolo County Cities

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	
<b>City Revenues:</b>								
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
<b>Total Revenues</b>	<b>6,337,795</b>	<b>908.12</b>	<b>85,871,512</b>	<b>1,333.39</b>	<b>143,954,491</b>	<b>3,580.42</b>	<b>66,707,945</b>	<b>1,249.63</b>
<b>City Expenditures</b>								
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)							
<b>Total Expenditures</b>	<b>2,415,146</b>	<b>346.06</b>	<b>24,049,311</b>	<b>373.43</b>	<b>(446,855)</b>	<b>(11.11)</b>	<b>67,022,925</b>	<b>1,255.53</b>

### Net Assessed Value



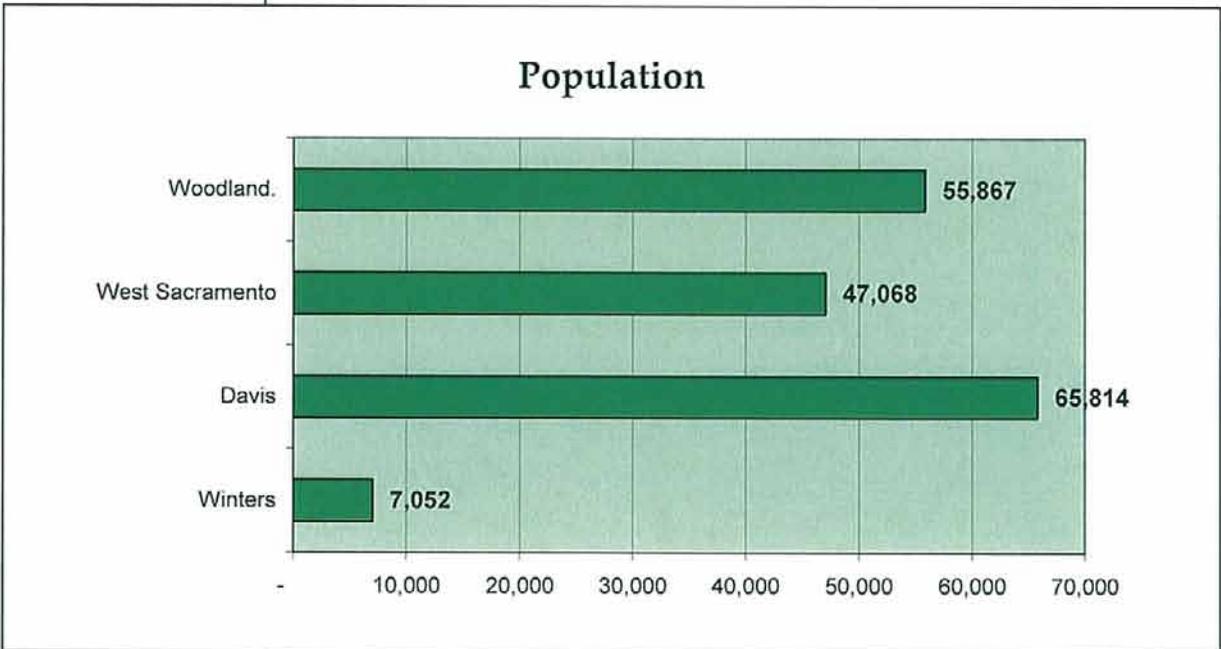
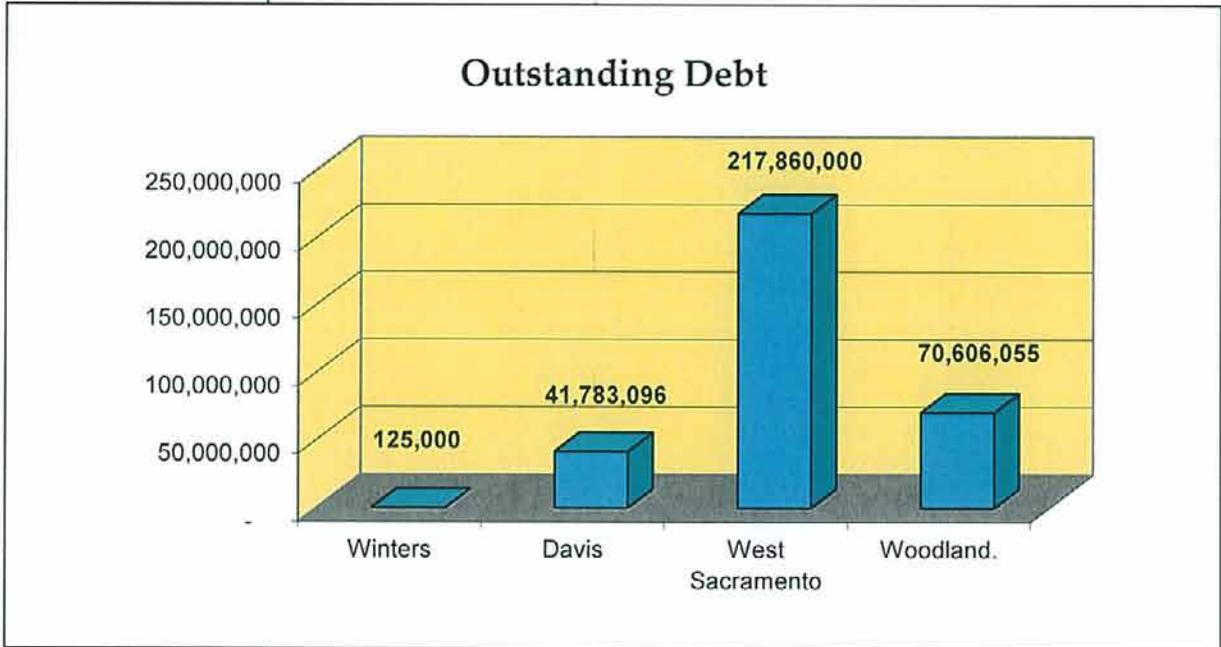






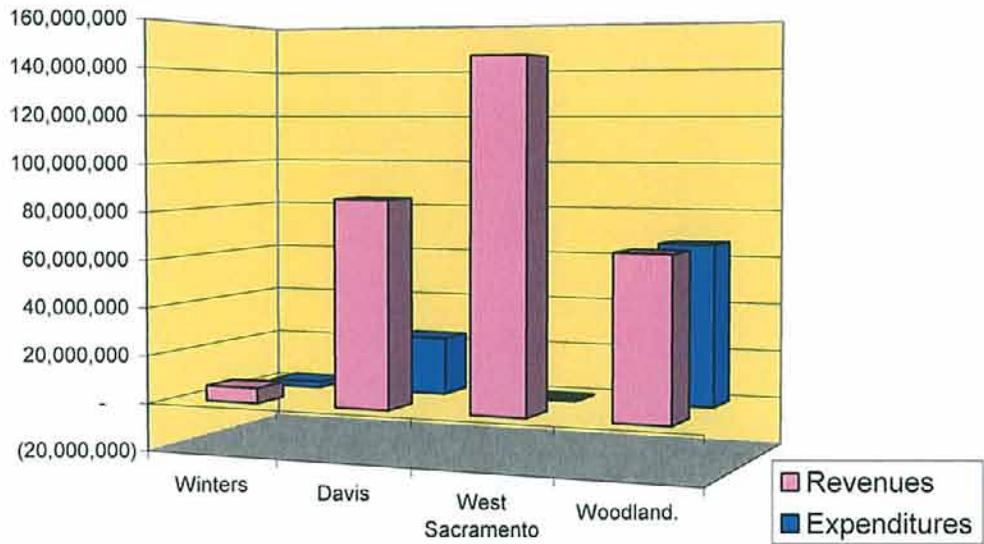


# Comparison to Other Yolo County Cities



# Comparison to Other Yolo County Cities

## Comparison of Revenues and Expenditures







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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 guideways.

### **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**

### **Levy**

The total amount of taxes special assessments, or charges imposed by a government.

### **Material, Supplies and Services**

Expenditures for items that are normally consumed within a fiscal year.

### **Memorandum of Understanding**

The result of labor negotiations between the City of Winters and its various bargaining units.

### **Motor Vehicle License Fee (VLF)**

Based on the market value of a vehicle, VLF is a fee for the privilege of operating a vehicle on public streets. A portion of the fee is returned to cities by the State and its use by a city is unrestricted.

### **Objective**

A defined method to accomplish and establish goals.

### **Operating Budget**

Annual appropriation of funds for ongoing program costs, including salaries and benefits, services and supplies. This is the primary means by which most of the financing, acquisition, spending and service delivery of the city are controlled.

### **Ordinance**

A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries.

### **Public Employee's Retirement System (PERS)**

The retirement system administered by the State of California, to which all permanent City employees belong.

### **Reserve**

An account used to indicate that a portion of a fund's balance is restricted for a specific purpose and is therefore, not available for general appropriation.

## **Glossary of Budget Terms**

### **Resolution**

A special order of the City Council that has a lower legal standing than an ordinance.

### **Retained Earnings**

The excess of an enterprise fund's assets over its liabilities. A negative retained earnings is sometimes called a deficit.

### **Revenue**

Funds that a city receives as income. Revenues include such items as taxes, licenses, user fees, service charges, fines and penalties and grants.

### **Revenue Estimate**

A formal estimate of how much revenue will be earned from a specific revenue source for some future period, usually a future fiscal year.

### **Salaries and Benefits**

A budget category that generally accounts for full-time and temporary employees, overtime and all employee benefits, such as medical and dental insurance and retirement contributions.

### **Special Assessment**

A compulsory levy imposed on certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

### **Stipend**

A fixed sum of money paid for a specific purpose.

### **Tax Base**

The total property valuations on which the City of Winters receives property taxes.

### **Tax Increment Financing**

A tax incentive designed to attract business investment by dedicating to the project area the new property tax









## **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 111 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:

$\% \text{ change in population} + 100/100$

times either

$\% \text{ change in per capita income} + 100/100$

or

$\text{Change in non-residential assessments} + 100/100$

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 1/1/08 was 7,052 compared to 6,936 on 1/1/07, a .167% increase in population.

The change in per capita income for California for 2008/2009 is 4.29%.

## Gann Limit

The factor for determining the year-to-year increase is computed as follows:

$$\frac{4.29+100}{100} \times \frac{.167+100}{100} = 1.060316$$

The calculation of the 6/30/09 appropriation limits is as follows:

2007-2008 appropriation limit	5,038,928
Calculated growth factor	<u>X 1.060316</u>
Appropriation Limit 2007-2008	\$5,342,858

### Appropriations Subject to Limitation for Fiscal Year Ending June 30, 2009

Proceeds from Taxes		\$ 2,711,958
Less Exclusions		
Capital Outlay	\$ -	
Debt Service	<u>1,070,799</u>	
Total Exclusions		<u>1,070,799</u>
Appropriations subject to Limitation		\$ <u>1,641,159</u>
Current Year Limit		<u>5,342,858</u>
Over (Under) Limit		<u><u>(3,701,699)</u></u>

As shown in the box below, the city is at 30.71% 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 2008-19 was adopted by the City Council on May 20, 2008.

## Gann Limit

Below is information for eight (8) years on the appropriations limit.

### City of Winters Appropriation Limit

Fiscal Year	Appropriations Limit	Appropriations	
		Subject to Limit	% Of Limit Used
08-09	5342858	1,641,159	30.72%
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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**CITY COUNCIL  
RESOLUTION 2008-25**

**RESOLUTION OF THE CITY OF WINTERS APPROVING AND ADOPTING A  
BUDGET OF ESTIMATED EXPENDITURES FOR FISCAL YEAR 2008-2009.**

**WHEREAS**, every local agency is required to adopt a budget for the subsequent fiscal year for estimated revenues and expenditures; and

**WHEREAS**, every local governmental agency shall file with the county auditor of the county in which the agency conducts its principal operations, a budget for the fiscal year then in progress; and

**WHEREAS**, the City Council and Staff members have thoroughly reviewed and analyzed the proposed budget in order to determine the needs of the City of Winters;

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Winters that a budget for the Fiscal Year 2008/2009 a copy of which is on file in the City Clerk's Office, is hereby adopted for the City of Winters as follows;

Section 1. General Fund estimated revenues of \$3,202,830, use of available fund balance of \$225,646, and transfer from the fund PERS Reserve of \$93,270 for a total source of funds of \$3,521,746 and total appropriations of \$3,521,746.

Section 2. Special Revenues Funds estimated revenues of \$1,617,655, use of available fund balance of \$251,707, for a total source of funds of \$1,869,362 and total appropriations of \$1,869,363.

Section 3. Capital Revenue Funds estimated revenues of \$3,907,322, use of available fund balance of \$2,724,759 for total source of funds of \$6,632,081 and total appropriations of \$6,632,081.

Section 4. Water O & M Fund estimated revenues of \$934,714 use of available fund balance of \$-0- for total source of funds of \$934,714 and total expenses of \$741,772.

Section 5. Sewer O & M estimated revenues of \$1,018,331, use of available fund balance of \$-0- for a total source of funds of \$1,018,331 and total expenses of \$933,720.

**PASSED AND ADOPTED** by the City of Winters this 23rd day of June 2008 by the following vote:

**AYES:** Council Members Aguiar-Curry, Anderson, Fridae, Stone and Mayor Martin  
**NOES:** None  
**ABSTAIN:** None  
**ABSENT:** None

Michael Martin  
Michael Martin, Mayor

**ATTEST:**

Nanci G. Mills  
Nanci G. Mills, City Clerk