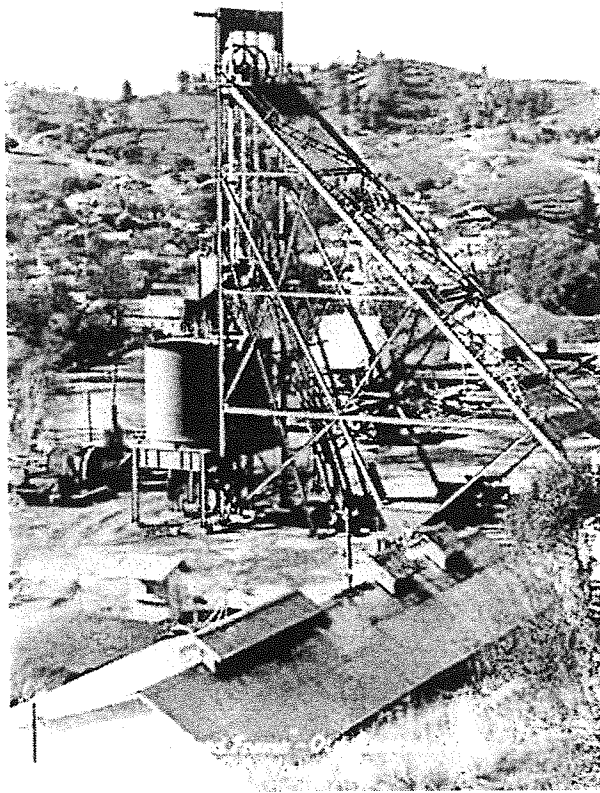


# City of Sutter Creek



*The Old Eureka Mine, established in 1851*

## **Fiscal Year 2007-08 Final Adopted Budget**

### **City Council**

**Tim Murphy  
Mayor**

**Pat Crosby  
Council Member**

**Bill Hepworth  
Mayor Pro Tempore**

**Brent Parsons  
Council Member**

**Gary Wooten  
Council Member**

**City Administrator  
J. Robert Duke**

**Finance Director/ City Treasurer  
Jeff Gardner**

**City Clerk  
Judy Allen**

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# City of Sutter Creek

Incorporated March 7, 1913

## CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and Council members  
DATE: September 17, 2007  
FROM: J. Robert Duke, City Manager  
SUBJECT: 2007 – 2008 Budget

The 2007-08 Budget is presented for Council Consideration. It is in a slightly new format designed to provide policy level information to assist the City Council in adopting the 2007-08 Budget. In order to provide this information, some changes will be made in the City's Chart of Accounts (the City's numbering in its financial system). These changes will also make it easier for department managers to be responsible for their budgets by providing timely monthly reports on revenues and expenditures.

In the Budget document itself, departmental budgets include funding from all sources so that the costs of major functions can be seen. The budget format is also designed to make it easier for citizens to understand the City's financial functions.

The Budget includes positions and changes. While they are included in the budget, the City Manager may decide to recommend changes or to hold off on some positions. The changes are:

- The part-time planning clerk position has been upgraded to full time.
- A part time Code Enforcement position has been deleted
- A full time Assistant City Manger position beginning January 1, 2008.
- A Maintenance position will be open upon the retirement of an employee

Current year budgeted expenditures, are 20,126 less than budgeted revenues. The Wastewater O&M Enterprise Fund is beginning to make up for the prior years deficits as a result of implementing the new wastewater rate study. Fiscal year 2006-07 still showed a small operating deficit. Projected General Fund revenues could very easily fall short if the planned annexation area is not completed as expected and if the commercial development at the corner of Ridge road and Highway 49 takes longer than anticipated.

The budget includes several changes in the funds. These changes are made to simplify the City's finances, to properly separate capital funds from development fees, and to establish funds for reserve purposes. These changes have been reviewed by the auditor. The City is working on updating master Plans for the major infrastructure activities (streets, wastewater). In addition the City's Municipal Code is in the process of being brought to date by City staff in an effort to save the City those cost. These activities are necessary for Sutter Creek as it is entering a period of growth.

Recommendations for the coming year include:

1. Review of the City's existing Redevelopment Agency and consideration of designating a portion of the City for a redevelopment project;
2. Review of the Sewer Revenue plan to capture enough resources to fund operations and capital expenditures in the future;
3. Review of needed capital facilities and adoption of an appropriate development fee that will begin to collect funds for City and County-wide projects.

Other budget issues include:

- Consultant costs for completing the remaining General Plan update.
- The need for additional office space is being reviewed and changes may be forthcoming.
- Developers reimburse the City for staff and consultant costs involved with processing their development application. These reimbursements have been budgeted at \$60,000 although the timing and certainty is unknown, but receiving the reimbursements will provide some relief in the General Fund.

Mid-year adjustments will most likely be required if the Sutterhill Annexation is not completed and/or if the development at the corner of Ridge road and Highway 49 takes longer than expected. It will be important for staff to charge the accounts where the expenditures take place rather than where the funds are available.

The City is in a challenging financial position, even though the Budget is balanced and we intend to meet most of the budget policies for the current fiscal year. As stated above, the critical areas are the General Fund revenues. The City's debt level is fairly good in comparison to the size of the City's total budget. The task will be to assure that new developments pay their way in terms of City services and assure that the City is able to match service levels to the growing demands (especially in terms of Planning and Public Works).

It is a pleasure working with the Sutter Creek City Council, City staff and Consultants, and the citizens of Sutter Creek. You are facing an important time in Sutter Creek's history and hopefully we will continue to move forward.

J. Robert Duke, DPA  
City Manager

## **II - GENERAL BUDGET INFORMATION**

### **A. BUDGET DOCUMENT OVERVIEW**

#### **Purpose of Budget Document**

A budget serves many purposes. It is the City's fundamental policy document, and it is the City's annual financial plan and operations guide. In addition to its function as a resource and spending plan for the city, it informs the public about the City's financial strategies and provides the documentation needed for other financial matters, such as audits, loans and grants.

The City's annual budget provides a plan to allocate resources to meet the needs and desires of Sutter Creeks' residents. The budget is one method for the City Council and City staff to respond to the community's needs. It helps balance City revenues with community priorities and requirements. An annual budget document serves the following purposes:

- . Public communication device
- . Policy document
- . Resource allocation tool
- . City's spending plan
- . Accountability document
- . Management tool
- . Grants authority to City staff.

The annual operating budget is a financial plan for a specific period of time. For Sutter Creek, this time period is one fiscal year. The City's fiscal year is July 1st to June 30th.

#### **Budget Format**

Those of you who have reviewed a prior year city budget will note there have been some minor changes to the document format this year and more changes will be made in future years. Staff hopes this restructured document communicates more useful information to you and the public. Though detailed budget information is still included, the new format emphasizes departmental budgets, and a more comprehensive view of the City's finances. It is hoped this partially new format will prove "user friendly" and, at the same time, provide the level and scope of information regarding the financing of City services and programs desired by its citizens, Council and staff.

#### **Document Organization**

The following section briefly describes the components that comprise the budget document.

## **Administrator's Transmittal Letters**

This section is comprised of a preliminary transmittal letter and will later include a final budget transmittal letter if there are changes from the budget. In these transmittal letters to the City Council and citizens, the City Manager summarizes the proposed budget for the coming Fiscal Year (FY), and summarizes changes enacted by the City Council during adoption of the final budget. The transmittal letters also identify the most critical issues facing the city and departments in the next fiscal year.

## **General Budget Information**

This is the current section and it contains a variety of information that is important to understanding the budget. Information contained in the other sections is described. This section provides information on the City's demographics, government structure, financial management, financial planning, and budget policies.

## **City Organization**

Summary information about the structure of the City government is provided in this section. It includes a citywide organizational chart and staffing levels for 2007-08.

## **Revenue and Expenditure Overview**

This section includes charts showing the overall revenue and expenditure plan for the next fiscal year.

## **All Funds Schedule**

Local government budgets are organized or separated into various funds in order to account for revenues, which are restricted by law as to how they may be spent. Each fund is thought of as a separate bank account targeted to a specific purpose or purposes. The City's budget is financed by these different funds. This section provides financial summary information for each of these funds and a table with a summary of all fund balances, revenues, and expenditures by fund.

## **Department Operating Budgets**

Provides detailed information about each department, including department and division descriptions, accomplishments, 2007-08 major projects, changes proposed for 2005-06, and a financial summary showing sources of revenue and projected expenditures.

## **Capital Improvement Plan**

The present budget does not include any fund in 2007-08.

## **Appendices**

City budget and financial policies are included in the appendices. A glossary is also included.



## **B. CITY DEMOGRAPHICS**

### **Topography**

The City of Sutter Creek lies on flat to gently rolling terrain located at the lower elevations of the Western Slope of California's Sierra Nevada. The benchmark elevation at the city is 1,086 feet. Changes in elevation across town vary considerably. The city is traversed by Sutter Creek.

### **Climate**

The climate of the Sutter Creek area is hot and dry in the summer and mild and wet in the winter. Summer temperatures may occasionally exceed 100 degrees F. Winter temperatures may drop to 20 degrees F.

The growing season extends from the beginning of March to the beginning of December. Average annual rainfall is 24 inches. Most rain occurs between November and April. Snow is very infrequent.

Prevailing winds are generally from the west. Typically, air masses that move over the area originate on the Pacific and pass through the Coast Range and over the San Joaquin and Sacramento Valleys.

### **Geology**

The City lies within the "Mother lode", a unique geological feature historically associated with mineral resources and mining. The Mother lode is situated in the western portion of the Sierra Nevada geological province – a province identified as a fault block that tilts gently downward toward the west. This province is characterized by a broad belt of Paleozoic and Mesozoic metamorphosed sedimentary and volcanic rocks that are intruded by Mesozoic granitic rock. Major geologic structures in the region are oriented roughly parallel to the main axis of the Sierra Nevada range. The Mesozoic Amador series (metamorphosed sedimentary and volcanic rocks) Mariposa Formation (metamorphosed marine sediments) occur in the areas of Jackson and Sutter Creek.

Most of Sutter Creek is underlain by rocks of the Mariposa formation (Jm – dark gray slate with subordinate tuff, greywacke and conglomerate). These rocks are predominantly the metamorphosed (changed and solidified) remnants of the bottom of an ancient inland sea which occupied much of the Western U.S. over 150 million years ago. Areas north and west of Main Street are underlain by the Log town Ridge formation (Jlr – volcanic breccia, tuff, pillow lava). These are remnants of volcanic activity, which was widespread in the area more than 100 million years ago.

The geologic records of both these periods are complicated by episodes of folding and faulting which preceded formation of the Sierra Nevada 100 million years ago. During these periods of folding and faulting molten granitic magma was intruded deep within the earth's crust. As the magma cooled it caused the release of mineral-bearing solutions, which filled fractures near faults in the overlying layers of rock. When these solutions

cooled, they formed the quartz veins, which contained gold that was discovered by miners centuries later.

The Melones Fault which runs north and south adjacent to the eastern part of Sutter Creek is a part of one of the most famous gold bearing regions of the world, the "Mother Lode."

The Nevadan Orogeny, this early period of mountain building that began with the intrusion of molten magma into the earth's crust, took place over 100 million years ago when the area that is now Sutter Creek was beneath approximately two miles of the earth's outer crust. Since that time the outer crust has eroded away and been covered by volcanic tuff, lava and mud flows. These layers have since been eroded and reshaped again and again. The uplift and exposure of the Sierra Nevada that we know today did not occur until relatively recent geologic times, within the last few million years.

Mineral resources, particularly gold, have played an important role in the history of Sutter Creek. While presently this resource is hardly a part of the local economy, it is possible that gold prices could one day increase to the point that it would be economic to once again mine gold in the Sutter Creek area.

The California Division of Mines and Geology on August 1, 1984, presented to the City of Sutter Creek the Mineral Land Classification of the Sutter Creek 15' Quadrangle. The document is hereby incorporated by reference and is made available for public review at Sutter Creek City Hall. Within the document Sutter Creek is shown to have "known mineral deposits where well-developed lines of reasoning, based upon economic geologic principles and adequate data, demonstrate that the likelihood for occurrence of significant mineral deposits is high". The text goes on to clarify that these deposits are either "inferred reserves or presently sub economic as determined by limited sample analysis, exposure and mining history."

Mines in the Sutter Creek area that are specified as having inferred or sub economic mineral reserves include the Sutter Creek Consolidated, the Wheeler, the New London and the Pioneer. The Division of Mines document also indicates that in addition to gold, quartz may be another valuable mineral in the area.

## **Soils**

Most of Sutter Creek is built on Exchequer and Auburn loams. "They are comparatively free of rock outcrops. The Exchequer loam is somewhat excessively drained, and the Auburn loam is well drained ... some gently sloping areas on flats near Sutter Creek are slightly mottled, as the result of seasonal wetness, and have a subsoil of clay or clay loam ..."

## Soils (Continued)

"These soils are used mostly for grazing. Some gently sloping areas are used for dry-armed hay and grain or improved pasture ... hay and grain crops and forage plants respond if fertilizer that contains nitrogen and phosphate is applied."

Auburn and Exchequer soils are each rated as having severe limitations for septic tank filter fields. They exhibit a variable seepage rate depending on the degree of shattering in the parent material. They are susceptible to settlement cracking and they have below average infiltration rates when thoroughly wetted as after prolonged rain.

Areas north and east of Sutter Creek, contain areas in which Awahnee loams are prevalent. Awahnee loams are formed from weathered granite rock. Surface soil is very thin or completely eroded. Root penetration is moderately deep. Runoff is medium to rapid and erosion hazard is moderate to severe. These areas should be grazed lightly and, if cultivated, erosion control is necessary. Awahnee soils have moderate limitations for septic tank filter fields. They have a high seepage rate and the underlying granitic bedrock is weathered, fractured, fairly porous and therefore capable of transmitting water (and sewage) a fair distance.

Most of the Auburn, Exchequer, and Awahnee soils of the project area have an American Association of State Highway Officials (AASHO) engineering classification of A-4. This means the soils fall midway within a rating system where A-1 consists of gravelly soils of high bearing capacity, and A-7 which consists of clayey soils having low strength when wet. The other soils types found in the project area are mine tailings and river wash (Mn, Pw).

## Surface Water

The Sutter Creek area lies within the Sacramento-San Joaquin drainage basin. The Sutter Creek area is drained by several small tributaries to Sutter Creek. Sutter Creek flows westerly from Sutter Creek for approximately twelve miles where it joins the Cosumnes River. Sutter Creek and its tributaries are intermittent streams meaning they carry water produced from seasonal rainfall and tend to dry up in late summer months.

Beneficial uses of Sutter Creek downstream from the city are the same as those for the Cosumnes River:

- Domestic and agricultural water supply
- Recreation
- Aesthetic enjoyment
- Preservation and enhancement of fish, wildlife and other aquatic environments

The Central Valley Regional Quality Control Board is charged with enforcing water quality standards in the area. They will monitor development projects through the environmental review process and they can require restrictions of existing or proposed facilities to control discharge into surface waters to preserve quality. The City of Sutter Creek derives its water needs from the Amador County Water Agency.

## Groundwater

Collectively, well information usually provides insight to an area's ground water resources. Even wells that are near to each other show very different water depth and yield information. A.J. Harris (a well driller with experience in Sutter Creek) has commented that this is typical in areas underlain by impervious rock material. Unless a driller reaches a water bearing fracture in the rock, drilling will have to be deep and adequate yields may still not be reached.

The unique geology of the Sutter Creek area does create at least one special ground water feature. Wells show unusually high yields. Other wells in the same area show similar high yields. The reason for this anomaly may be that a greenstone dike associated with the Melones Fault serves as an underground dam trapping water in the fractured granite that underlies this particular area.

The quality of groundwater resources in Sutter Creek is generally fair to excellent. No serious health hazards have been documented.

## Air Quality

The City of Sutter Creek is located in the Amador County Air Pollution Control District (APCD), which is located in the central portion of Mountain Counties Air Basin. Due to the lack of air quality monitoring Amador County (APCD) is not classified as an attainment or non-attainment area under the Federal Clean Air Act. The district is in compliance with Federal air quality standards with the exception of ozone. The County has been designated as a non-attainment area for ozone precursor emissions. Subsequent research has demonstrated that the violations were largely due to the transport of pollutants from valley metropolitan centers.

The Amador County APCD is responsible for enforcing emission standards upon industrial operations in the Sutter Creek area. At the present time the District has issued no permits in the area and is not aware of any existing or planned industrial air pollution sources. Under Federal law, any industrial activity intending to locate in or near the City would have to prove that the air pollution they might generate would not exceed existing standards.

Existing, non-industrial emission sources identified in the Sutter Creek area include fireplaces and wood stoves, vehicular traffic, household heating, dust from construction, roads or natural sources, and the burning of trash or garden refuse. The city requires burn permits for those desiring to burn wood based (paper) trash or garden refuse.

## Vegetation

Sutter Creek is located in a plant environment often referred to as the Foothill Belt or Upper Sonoran Zone. It is a region that runs north and south along the foothills of the Sierra Nevada that is typified by digger pine (bull pine) interior live oak, blue oak, and various types of chaparral (manzanita, ceanothus, scrub oak etc.). Vegetation common to the Great Central Valley or Lower Sonoran Zone such as grasslands, cottonwood, willow and valley oak are also present.

## Vegetation (Continued)

Several major plant communities (habitat types) are represented in the central Mother lode region of the Sierra Nevada foothills, within which the City is located. These communities, classified by their predominant vegetation, include blue oak-digger pine, valley oak woodland, valley foothill riparian, and a

## History

Sutter Creek was founded in 1843 as a wood cutting camp to supply Fort Sutter near present-day Sacramento. In 1854, Sutter Creek incorporated as a Town having the necessary 400 residents. It was not until March 7, 1913, however, that the City of Sutter Creek was incorporated. Even so, the City/Town of Sutter Creek is celebrating its sesquicentennial this year.

Sutter Creek is 45 miles East and South of Fort Sutter and had large stands of Ponderosa Pine to harvest. Interestingly, the terrain is now covered with heritage oak trees, but this is not the natural flora. If it not for this earlier logging operation, pine trees would cover the hillsides.

Gold was discovered in nearby Coloma but not in Sutter Creek until later. Though a large settlement did not grow up until after 1848, a small village, known as "Pine Woods" was reported to have been occupied on the hill between the town sites of Sutter Creek and Amador City. It is reported that a visit by Captain John Sutter to Sutter Creek in 1846 is the likely inspiration for Sutter Creek's name. Sutter had purchased several Spanish and Mexican land grants in and around the Sacramento valley and foothills. Once word spread of the gold strike at Sutter's Mill, a tidal wave of gold seekers ("the 49er's") overwhelmed Sutter's once prosperous estate. Perhaps feeling "If you cannot beat them—join them", Sutter returned to his wood cutting camp and mill site in Amador County and set up the settlement known as Sutter's Creek (though it is likely that many miners were already settled in the area by that time). Sutter staked mining claims and set up a placer mining operation. The rather independent first generation of emigrant miner reportedly took exception to Sutter's use of servant labor to operate his claims. This conflict probably led to Sutter selling his claims and moving back to his fort in Sacramento.

John Marshall's gold discovery in Coloma led to an immediate rush of "would-be" miners to the Sierra Nevada foothills. Initially, people "placer" mined with wooden and metal pans easily extracting gold from the sand and gravel deposited in the streams, rivers and run off courses in the area. After 1853, when Hydraulic mining was introduced in Nevada City, the method spread throughout the Mother Lode to any mining area that had a supply of water that could be harnessed with sufficient power to scour the soil from the hillsides. In Amador County, a series of canals was constructed to deliver high pressure water to Sutter Creek.

Eventually, the miners discovered that the tilted strata of greenstone containing arsenopyrite and quartz laced with gold protruded in the Jackson-Plymouth geologic district of which Sutter Creek sits nearly in the middle. The weathered strata produced the gold deposited in the streams where it waited to be extracted by the placer miners.

## History (Continued)

Once this stored wealth had been extracted, hard rock lode mining was the industry that employed miners to extract gold from deep-lying portions of the strata.

Lode mining consisted of blasting increasingly deeper shafts and drifts into the ground, hauling out the raw ore, and then processing the gold from the ore in area stamp and ball mills. The mines employed several thousand miners of Italian, Austrian, Welsh, Cornish, Irish, Chinese and Serbian descent. The miner population in Amador County was dominated by Italians, Austrians, and Serbs. Generally, the Italians and Austrians lived and worked in Sutter Creek and the Serbians in Jackson. To this day, the Cities maintain distinct cultural differences that reflect these original demographics. The City of Sutter Creek celebrates Italian Picnic days and the City of Jackson has many Serbian cultural influences.

Between the famous Jackson mines (the Argonaut, and the Kennedy) and those of Sutter Creek (primarily the Central Eureka), this region was the second most productive mining district in the Mother Lode. Together it is estimated that all of the area mines produced approximately \$180 Million of gold. This is second only to the Nevada City and Grass Valley mines which produced nearly \$300 Million.

Lode mining is expensive. The depth of the mines with the seepage and necessary pumping of water added complications to the mining industry. Many of the area mines reached depths of over a mile. The expense, complication, and energy of hauling the ore and miners out of these depths was immense. As the mining became more extensive, the area began to attract mining engineers and other skilled workers who were needed to manufacture equipment needed in the mining operations.

A hydraulic Engineer named Samuel Knight arrived in Sutter Creek from the East Coast in 1866. Knight was accustomed to hydraulic engineering dealing with projects like the Erie Canal or harnessing hydraulic power to operate fairly simple equipment like grist mills. When Knight saw the canals that delivered the water for the hydraulic mining operations, he immediately recognized the potential horsepower that could be harnessed if one could only engineer the proper water wheel. The canal delivered the water to a pipe that gradually constricted from over 12" to about 4" in diameter while dropping some 400' in elevation. The pipe delivered water from Tanner Reservoir to the Sutter Creek canyon where it was sprayed through the monitor nozzles for the hydraulic mining operation. Knight calculated that, with the 400' drop, there was a nearly 200 horsepower energy source waiting to be harnessed.

With partners, Knight set up a foundry in Sutter Creek and began providing machine and metal crafting services to the mines and miners. Knight also began design work on a water wheel that could be driven by the water supply for power. Through subsequent years, many designs evolved from a wheel with wooden buckets connected to an iron hub to ultimately, a solid iron water wheel. Knight finally perfected this design and began to produce the Knight Wheel in 1875. In 1883, the Pelton Water Wheel was introduced and became the primary wheel used in the northern mines near Nevada City and Grass Valley.

## History (Continued)

Disputes about power output continued until Knight, Pelton, and two other wheel producers agreed to a competition in Grass Valley in 1883. The tests showed conclusively that Pelton's smoother "tractor seat" bucket (so called because it was shaped like the metal tractor seats produced at the time) was much more efficient than was Knight's rectangular bucket. This test propelled Pelton to the forefront in the field and history has all but forgotten that Knight invented the "impulse water wheel".

Knight continued producing the Knight Wheels and was successful in producing some of the first electrical generators in the western United States. Sutter Creek boasted electrical power as early as 1901.

Knight used his water wheel in the design and construction of a full machine shop powered exclusively by water. Through an interconnected series of shafts and pulleys (connected by buffalo hide belts), Knight ran an entire industrial machine shop from one 45 HP 42" water-impulse wheel (the compressor is operated by a 24" wheel, the pattern shop uses two 12" wheels for table saw and lathe operation, a 24" wheel for planer operations, and 12" wheel powers the grinder in the foundry).

The Knight Foundry provided a complete metal working industry. A customer would provide a design, or have one drawn by Knight's draftsmen. Then Knight's pattern makers would construct a wooden copy from the plans. The pattern was then used to form a sand relief mold into which molten iron was poured from the Foundry's furnace. Finally, the rough product was delivered to the machine shop for final milling. Many of the historic locomotive railroad parts and mining hoists used in the Mother Lode were designed and constructed at Knight Foundry in Sutter Creek.

As luck would have it (for Sutter Creek, at least), Knight never experienced anything like Pelton's success. After winning the historic contest above, Pelton moved his company to San Francisco and was very successful commercially. As a result, this company was swallowed up by successively larger companies. In contrast, Knight continued to operate his foundry in Sutter Creek. Knight refused to modernize and instead preferred to retain the water power for the machine shop.

When Knight had a stroke in 1901, instead of selling the foundry, he broke the company into stock and gave it to his employees. Over the years, successive generations continued this tradition and gave their stock to succeeding generations of foundry workers. Through this generosity and self-sacrifice, the original water powered foundry has survived to this day.

Until 1998, the foundry operated much as it had since 1871. It constructed special orders of reproduction parts for railroad museums, reproduced cast iron lamp posts and other hard to find iron parts and components. The foundry also continued its traditions by steadily training successive generations of iron masters in varying length courses and workshops. Unfortunately, globalization allowed Far Eastern foundries to enter the U.S. niche market in historic reproduction parts. Unable to compete, eventually Knight Foundry closed its commercial doors.

## History (Continued)

The City of Sutter Creek and the Samuel Knight Chapter of the Society for Industrial Archaeology have partnered to preserve the foundry. Due to the generous support of Richard and Melissa Lyman, the foundry was purchased and is currently in the process of being protected with conservation and preservation easements. Staff from the California Railroad Museum has continued the task of preserving the Knight Foundry and hope to help transform it into a world-class museum and practical learning center. While tours have been offered on an ongoing basis since 1998, there have been no practical seminars since 1999. The iron furnace and cupola were damaged when one of the support cables was torn down by a passing truck. An insurance settlement and a grant application will provide funding to restore the furnace and cupola so that the last "iron masters" can again begin pouring molten iron in Sutter Creek.<sup>a</sup>

In 2000, the City of Sutter Creek, which had acted as trustee, turned over primary preservation responsibility to a 401c (3) non-profit corporation owned by Richard and Melissa Lyman. The City of Sutter Creek remains a supporter of the foundry.

The Knight Foundry story is illustrative of the adaptive history of Sutter Creek. Just as the foundry changed as the economy changed, so has Sutter Creek. The Caminetti Act of 1898 prohibited mines from discharging tailing effluent into streams. Many mines had no other disposal method economically available and closed. Others built retention dams to trap the water long enough for the suspended solids to settle out. One of the most interesting and intriguing adaptations is the case of the Kennedy Mine in nearby Jackson. Kennedy mining engineers devised a set of water wheels that conveyed the mine effluent over two hills without the help of electricity. Using only gravity, the effluent was transmitted in a sluice (wooden canal) at a high velocity to the bottom of the first hill to the first of the "tailing" wheel in the series. The force of the water drove the wheel while some of the water, captured in a bucket on the wheel paddle, was carried up with the spinning wheel. At the wheel's apex, the bucket was designed to spill the water into another sluice box for another run to have the process repeated at the next wheel. Of course this description does not nearly explain the process. The point is that it worked and the Kennedy mine continued to operate despite a potentially lethal piece of legislation.

Mining continued in Sutter Creek at the Central Eureka Mine until 1943 when Executive Order L-301, a Presidential war order, ordered all non-essential industries to close down. The Central Eureka opened again in 1945 but closed in 1953 as gold prices remained steady and inflation drove costs up.

For some years after 1953, the area economy remained sluggish. Though propped up by the lumber industry, the loss of mining related jobs was painful. In 1968, Sutter Creek adopted an historic preservation ordinance and started the slow process of adding tourism to its economy.

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<sup>a</sup> Fahrenwald, Andy, Chief Curator Knight Foundry and President Knight Foundry Chapter of the Society for the Preservation of Industrial Archeology, As reported from a series of personal communications with Mr. Fahrenwald from 1999 to present (2003).



## **History (Continued)**

Beginning in the 1970's, many of the downtown businesses changed from local service provision to antique and novelty shops. In addition, many property owners recognized the potential of historic tourism and began restoration projects. The result is a well-preserved authentic gold rush era town. In 2004, Sunset magazine named Sutter Creek one of the best small towns in which to live and the best preserved town on the west coast.

## **Labor, Employment, and Housing**

According to the January 1, 2007 California Department of Finance population estimates, the city's population at that time was estimated to be 2,480 with a labor force of 2,700. The labor force included employment in the Wholesale/Retail sector, Agriculture, and in Services. In 2003 Sutter Creek had 1,199 housing units.

## **Transportation Access**

Sutter Creek is located on Highway 49, and is approximately 40 miles from Sacramento and three major freeways and Sacramento International Airport. Public transportation is provided by the Amador County Transportation District.

## **Schools**

The Amador County Joint Unified School District serves approximately 4,817 students in the city of Sutter Creek and surrounding unincorporated areas of Amador County. The student population is 83% Caucasian, 9% Hispanic, and 8 % other. The district currently operates 7 Elementary schools (grades 1-5), 2 middle schools, 2 comprehensive high schools, and 1 continuation high school. With new housing developments planned for the Sutter Creek areas, enrollment is expected to increase by 200 over the next five years.

The district's budget is approximately \$30 million for the current school year. The district employs approximately 280 highly qualified certificated and 230 classified employees.

The area is also served by the University of California, Davis; California State University, Sacramento and Los Rios Community College District.

## **C. CITY GOVERNMENT**

### **City Overview**

#### **City Council**

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

The City Council acts as the legislative and policy-making body for the City. The Council appoints the City Manager, City Attorney, and all members of the various boards and commissions which serve in an advisory capacity to the City Council. The Council sets policy on all public matters relating to the City of Sutter Creek, and adopts an annual budget in which the year's approved programs, projects, and services are financed. The City Council periodically establishes city-wide goals and updates the General Plan and Zoning Ordinance as needed. The City Manager is the chief administrator and is responsible for implementing the policies and priorities of the City Council. The City Clerk and the City Treasurer are elected for four year terms.

#### **Planning Commission**

In accordance with the City Code, the Planning Commission hears matters relating to zoning regulation (i.e., annexations, pre-zoning, rezoning, final planned developments, use permits, variances, zoning interpretations and ordinance amendments) and subdivision matters. It also hears General Plan amendment applications associated with development applications. The Planning Commission develops and implements the General Plan and specific plans as necessary. This is a five member commission appointed by the City Council. Members are appointed for a four year term. Appointments are made every two years. Three members at one appointment time, and two members at the subsequent appointment time.

## **City Departments**

The City government contains sixteen (17) departments (described in Section VI):

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. General Administration/City Manager
6. Finance
7. Police
8. Fire
9. Planning
10. Building Regulation
11. Public Works
12. Streets and Roads
13. Parks and Recreation
14. Swimming Pool
15. Community Promotion
16. Building Maintenance
17. Cemetery

## **D. CITY'S FINANCIAL MANAGEMENT**

### **SIMILARITIES TO PERSONAL FINANCIAL PLANNING**

A city is required to essentially complete the same type of financial planning as individual citizens. Where individuals keep their finances in one checking account, cities are required to maintain several type accounts, called funds, to keep money separate according to where the money comes from. Sutter Creek keeps track of its activities in self-balancing sets of accounts called funds which are the basic accounting and reporting components in governmental accounting. Funds are designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Some funds are established to track activities required by law (i.e. Gas Tax fund), some fulfill revenue requirements (grant funds), still others demonstrate prudent administrative practices (such as self-insurance funds for liability).

Budget years run in fiscal year cycles beginning July 1 and ending June 30. The City budget is approved and balanced by fund. The vast majority of these fund balance dollars are held for future expenses for several reasons. Special taxes, such as the gas tax, are restricted to specific services and must be carried forward for that purpose (in this case, street improvements).

## **SIMILARITIES TO PERSONAL FINANCIAL PLANNING (Continued)**

Other balances may result from legal requirements, such as payment of long term debts for bonds. Lastly, each city should set aside a portion of their General Fund balance for a "prudent reserve". Such a reserve provides options for the city to meet unexpected changes in its financial picture. Examples could include a downturn in the economy, an unanticipated cost increase, catastrophic losses, or other unforeseen circumstances.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft or misuse and to ensure that accounting data is compiled for annual financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

In addition, the City maintains budgetary controls, which ensure compliance with the budget approved by the City Council. All activities of the City are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which actual expenditures may not legally exceed the appropriate amount) is at the fund level.

## **BASIS OF ACCOUNTING**

### **Fund Accounting**

The accounts of the City 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.

The budget is adopted on a modified accrual basis of accounting, consistent with Generally Accepted Accounting Principles (GMP). Under the modified accrual basis, revenues are recognized in the accounting period in which 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.

## **Investments and Cash Management**

The City follows the practice of pooling and investing cash of all funds under its control to maximize the return in a safe and prudent manner, while at the same time ensuring that the portfolio is sufficiently liquid to meet day-to-day cash needs. The City's Investment Policy provides for diversity in the types and maturates of investments, including the Local Agency Investment Fund (LAIF), which is in accordance with the California Government code. In actual practice, the City invests mainly in the LAIF. A Finance Officer's Report is submitted to the City Council quarterly, which shows investment activity and the performance of the investment portfolio. The investment policy is reviewed and readopted annually by the City Council, as required by State law. The City's Investment Policy is included in the Appendices.

## **BUDGETING**

### **Base Budget**

Each department requests an annual appropriation sufficient to fund current service levels and any other costs the department is responsible for managing. This year's base budget involved taking the FY 2006-07 actual costs, reducing them for any one-time expenditures, increasing them for known impacts (such as electricity cost increases), and adding new proposed programs or activities.

### **Internal Rates or Charges:**

The City uses a chart to allocate internal charges (such as auditing costs) to the appropriate funds and departments. Staff recommends analyzing the impacts and benefits of developing an internal service rate (Central Service Overhead rate) that can be automatically charged to the appropriate funds and departments. This will assure the proper charging of costs to grants and other funding sources. In addition, the use of Internal Service Funds should be evaluated for Equipment and Leave Accruals.

### **Budget control**

Budget control is at the fund level and any changes or transfers in appropriated fund levels require City Council approval. The City Manager is authorized to transfer budget allocations between accounts and departments, but not between funds. Position Control In approving the annual budget, the City Council approves staffing levels for each job classification for the City. Additions to the staffing levels require City Council approval along with corresponding changes in budget appropriations. The City Manager is authorized to adjust part-time staffing levels dependent on fees received for the services provided (e.g. building inspections paid by building permits).

## **Reserve Policies and Carry-overs**

The City Council will be adopting Reserve Policies to provide for the City's financial security. Until the reserve goal has been met in a given fund, any unspent carry-overs from the prior year is being allocated to one of the reserves. It is a policy that carry-overs will not be used for ongoing operational costs (current expenditures will not exceed current revenues).

## **Budget Policies**

The City Council has formalized several budget policies to give guidance to staff in budget preparations. This serves several purposes:

1. It protects the City Council's policy making ability by ensuring that important policy decisions are not controlled by financial problems or emergencies.
2. It assists the City in complying with Generally Accepted Accounting Principles and the Governmental Accounting Standards Board requirements.
3. It assists in evaluating the City's credit rating in those cases where bonds or other forms of debt are necessary (it equates to the interest rate the City would pay).
4. It gives the City Council a basis for long range financial planning.

## **FINANCIAL PLANNING**

### **Long Range Financial Planning**

Through the formalization of budget policies, the City Council has indicated that the City should begin developing comprehensive, long range financial forecasts. Currently, the City is developing a five year Capital Improvement Plan, a five year Redevelopment Implementation Plan, and a twenty year Development Plan. During 2007-08, these plans will be updated and coordinated. Along with these plans, the City will develop a five-year forecasting model for operating revenues and expenditures. In order to meet long range capital improvement requirements and financial security, the City Council will be adopting several types of reserves:

### **Operating Reserves**

Operating Reserves are budgeted as "Contingencies". These general contingencies are available for unforeseen costs during the year and may be transferred only by Council action. In addition, a PERS Contingency has been established to prepare for the time when the City must pay into the PERS retirement plan for the City's share of the costs (currently, PERS investments have resulted in earnings that do not require City payments). See PERS policy in Appendix A.

## **Capital Reserves**

Capital reserve funds have already been established for a variety of reserve purposes. Additional capital reserve funds have been created to provide separate accounting of funds generated from operations and those generated from developer impact fees. The goal of each capital reserve is to be funded at level that will pay for all replacements and improvements. Each capital reserve will be designated in a separate fund.

## **Cash and Emergency Reserves**

The unappropriated fund balance in each of the operating funds is designated as the Cash and Emergency Reserve. To avoid short term borrowing, adequate cash must be maintained to cover ongoing expenses. 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. The unappropriated fund balance is also an Emergency Reserve in case of a disaster or a sudden economic downturn with resulting reductions in revenues.

## **Long Term Capital Debt**

The City of Sutter Creek uses long term debt financing only for one-time capital improvement projects and unusual equipment purchases. Long term capital debt complies with applicable Federal and State regulations and is repaid over the legal life of the related asset or less. Additional detail on existing indebtedness can be found in Section VII of this budget (City Debt & Debt Service). The City is in an excellent position as relates to bonded indebtedness and other long term debts. The Sewer debt is at low interest rates and is below the maximum amount of reasonable indebtedness for this enterprise. The City has a good cash position and does not have to rely on short term debt or interfund I transfers to cover cash needs.

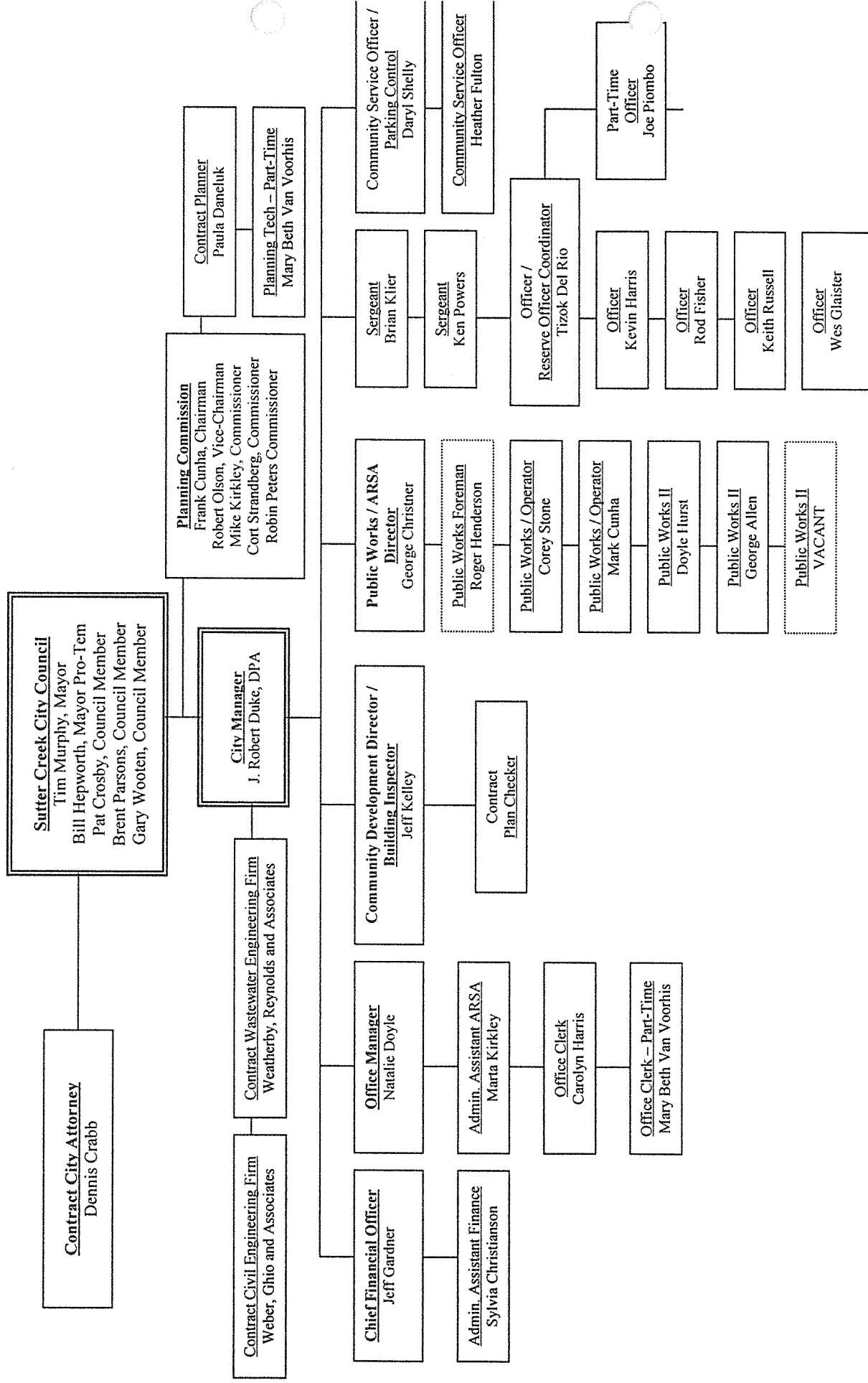
### III - CITY ORGANIZATION

#### Overview

The City government is comprised of twelve departments, including the City Council, City Clerk, City Treasurer, City Attorney, Police Department and the Fire Department (separate fire district to which the City contributes). The following charts show the organizational structure and the staffing levels (Full Time Equivalents - FTEs) in the proposed budget.



# Citizens of Sutter Creek



# City of Sutter Creek

## Staffing Overview

### Position Allocation Summary

Department/Position	07-08 FY Recommended Budget Status	07-08 FY Employee FTE	07-08 FY Contract FTE	07-08 FY Total FTE
<b>Mayor/City Council</b>				
Mayor	Elected			1.00
Council Member	Elected			1.00
Council Member	Elected			1.00
Council Member	Elected			1.00
Council Member	Elected			1.00
<b>City Treasurer</b>	Elected			1.00
<b>City Clerk</b>	Appointed			1.00
<b>City Attorney's Office</b>				
City Attorney	Contract		1.00	1.00
<b>City Manager's Office</b>				
<i>General Management</i>				
City Manager	New Allocation	0.68		0.680
Asst. City Manager	New Position	1.00		1.000
<b>Administrative Services</b>				
<i>General Management</i>				
Office Manager	New Allocation	0.47		0.470
Administrative Assistant	No Change	0.20		0.200
Office Assistant/Receptionist	Temporary	0.50		0.500
<i>Human Resources</i>				
Office Manager	New Allocation	0.10		0.100
Finance Clerk	New Allocation	0.20		0.200
<i>Central Services</i>				
City Manager	New Allocation	0.19		0.190
Office Manager	New Allocation	0.08		0.080
<i>Risk Management</i>				
City Manager	No Change	0.025		0.025
Office Manager	No Change	0.250		0.250
Finance Clerk	No Change	0.05		0.050
<i>Facility Management</i>				
Office Manager	New Allocation	0.02		0.020
<i>Information Technology</i>				
Information Technology Manager	Contract	0.05		0.050
<b>Community Development</b>				
<i>Building</i>				
Community Development Director	No Change	1.00		1.00
Administrative Assistant	No Change	0.20		0.20
<i>Planning</i>				
Senior Planner	Contract	1.00		1.00
Planning Assistant	New Allocation	0.70		0.70
<i>CDBG Grants/Housing</i>				
Grant Administrator	Contract	1.00		1.00

# City of Sutter Creek Staffing Overview

## Position Allocation Summary

Department/Position	07-08 FY Recommended Budget Status	07-08 FY Employee FTE	07-08 FY Contract FTE	07-08 FY Total FTE
<b>Community Enhancement</b>				
Office Assistant				
Intern				
<b>Finance</b>				
Finance Director	No Change		0.20	0.20
Finance Clerk	No Change	0.25		0.25
Office Assistant	No Change	0.10		0.10
<b>Police</b>				
Chief	No Change	0.15		0.15
Lieutenant	No Change	0.25		0.25
Sergeant	No Change	1.00		1.00
Officer	No Change	1.00		1.00
Officer	No Change	1.00		1.00
Officer	No Change	1.00		1.00
Community Resource Officer	No Change	1.00		1.00
Community Services Officer	No Change	0.50		0.50
<b>Culture &amp; Leisure</b>				
Maintenance/Operator II	No Change	0.30		0.30
Maintenance/Operator II	No Change	0.30		0.30
Maintenance II	No Change	0.35		0.35
<b>Public Works</b>				
Superintendent of Public Works	No Change	0.40		0.40
Maintenance Foreman	No Change	0.50		0.50
Maintenance/Operator II	No Change	0.50		0.50
Maintenance/Operator II	No Change	0.50		0.50
Maintenance II	No Change	0.50		0.50
<b>Streets</b>				
Maintenance/Operator II	No Change	0.05		0.05
Maintenance/Operator II	No Change	0.05		0.05
Maintenance II	No Change	0.10		0.10
<b>Public Health (Sewer)</b>				
Superintendent of Public Works	No Change	0.60		0.60
Maintenance Foreman	No Change	0.50		0.50
Maintenance/Operator II	No Change	0.50		0.50
Maintenance/Operator II	No Change	0.20		0.20
City Manager	No Change	0.31		0.31
Finance Clerk	No Change	0.50		0.50
Office Manager	No Change	0.10		0.10
Administrative Assistant	No Change	0.25		0.25
<b>Redevelopment</b>				
City Manager	New Allocation	0.20		0.20
Planning Assistant	New Allocation	0.20		0.20

## **IV - REVENUES AND EXPENDITURES**

### **OVERVIEW**

#### **Revenue Base and Projections**

There are five major revenue sources that comprise more than 74% of the City's discretionary General Fund revenue. The state and federal governments have been enjoying large surpluses based on tremendous income growth; however, the slow down of the economy is slowing the income growth. Now, the energy crisis is taxing the State's financial situation and the Federal tax reduction is cutting into the Federal surplus. However, none of the City's major revenue sources are directly linked to growth in income. The "big five" revenues are property tax, sales tax, state subventions (most notably motor vehicle in-lieu fees), the Utility Tax, and the Transient Occupancy Tax. The increase in the Utility Tax due to increased energy costs is offset by increased energy costs for the City.

#### **Property Taxes**

Property tax revenue derives from a one-percent tax levy on the assessed valuation of real property within the City of Sutter Creek. The assessed valuation is equal to the market price when real estate is sold, but limited by the State Constitution (Proposition 13) to a 2 percent 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 services to bolster the remaining stagnating tax base. Compounding the vagaries of Proposition 13, in FY 1992-93 and FY 1993-94 the State legislature shifted property taxes away from cities and counties throughout the state to provide funding for schools. The so-called Educational Revenue Augmentation Fund (ERAF) shift represents a loss of General Fund property tax revenue to the City.

Significant residential development projects have started the development process; however, much of that development will not produce additional property tax revenues for several years. The major developments will include financial analyses that will analyze the additional City revenues and expenditures necessary to support those developments. Non-residential development has been slow and future development will be dependent upon the increased customer and labor base created by the new residential developments.

#### **Sales Taxes.**

Sales tax revenue derives from one percent of the sales price on taxable products sold within the City of Sutter Creek. The City and surrounding area customer base will not support "big box" or mall type development. Increases in sales tax revenues will be based on the gradual commercial/retail development that accompanies the residential development.

## **Motor Vehicle In-lieu Fees.**

These revenues come from the registration of vehicles throughout the state, and are distributed by the State to cities and counties based largely on population. Revenues are up this year, reflecting again the effect of rising incomes on people's choices to purchase more expensive cars. However, when one examines the long-term trend, this revenue source tracks very closely to changes in population (and the City's population changes in relation to all other cities) and inflation. This source of revenues for cities is continually threatened by each year by various bills in the State legislature. Its long term continuation is uncertain.

The discussion thus far has focused on the discretionary General Fund, because it generally represents the universe of dollars from which the City Council can fund operations and desired service enhancements or expansions. Three additional non-General Fund sources are particularly important in Sutter Creek, however, when it comes to funding on-going operation and maintenance of existing service levels. These non-General Funds are: the Sewer Enterprise Funds. Each is described below.

## **Sewer Enterprise Fund**

The City needs an analysis of the current infrastructure to plan for replacement needs and to assure that the sewer rates are sufficient to fund those replacements when they need to be done. The Sewer Enterprise Fund is generating revenues that fall short of annual operating expenditures, however, these revenues are insufficient to fund future replacements or maintain current minimum operating costs. New subdivisions are required to install sewer mains and other infrastructure. New developments pay impact fees for improvements to the wastewater treatment facilities that support their developments and these improvements are not charged to the Enterprise Fund.

## **Expenditures**

On the expenditure side, the City is in the same boat as other cities in California; expenditures are increasing more rapidly due to inflationary reasons than revenues. The demands on City staff due to the development processing and the increase in the City's population will make it difficult for staff to keep up with normal day to day operations. The City will be in a period of needing increases in staffing levels (such as for building inspections) and the challenge will be to keep up with the increased demands while generating revenues to meet the additional costs.

## **Debt**

In general, the City is in a good debt position with external debt for Sewer operations. The initiation the City's Capital Improvement Plan and associated Development Fees, will result in a funding plan for paying off this debt and additional obligations the City may incur.

### FUNDS OVERVIEW

#### Overview of Section

This section describes the types of funds used in the City's finances, an All Funds Schedule, a Fund Balance Report, and the General Fund Revenues. Fund accounting is central to governmental budgeting. With each fund representing a self-balancing set of revenue, expenditure, and transfer accounts. Certain funds have varying levels of restrictions, imposed either by legal requirements or policy choices, and as such, it can be helpful to a broad overview of the City's finances to show summaries of different funds.

**The City's funds are grouped into seven basic types:**

- . General
- . Special Revenue
- . Capital
- . Debt Service
- . Proprietary
- . Redevelopment Agency
- . 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

The General fund is the primary revenue source and operating fund for most services cities typically offer. These include public safety (police and fire), street maintenance, parks and recreation and neighborhood and community services, etc. In addition, the City Council, City Manager's Office, Finance and City Attorney budgets are predominantly funded by the General Fund. These activities are financed through general tax dollars from sales and property taxes, motor vehicle in-lieu fees, the municipal service tax, and by revenues generated from permits, fees and Investment earnings.

#### Special Revenue Funds

Special revenue funds account for activities funded by special purpose revenue, that is, revenues that are legally restricted to expenditure 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 35 special revenue funds.

## **Capital Projects Funds**

These are the Traffic Mitigation 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 Sewer Funds).

## **Proprietary Funds**

These funds account for City activities, which operates as public enterprises. Revenues come from fees charged to programs, customers or other department users. Enterprise funds, which provide for sewer and water services are proprietary funds. So are internal service funds, which fund programs that provide services to other city departments, such as Equipment (which functions as an internal "rental agency" to City Departments). Proprietary revenue fees and charges are generally established at a level that will recover the costs to provide that service for the current fiscal year plus amounts to be set-aside in reserve for replacements. The City currently has a sewer enterprise fund, which represents separate business activities of the City:

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.

## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments to agencies of the City, or to other governments, on a cost-reimbursement basis. The City currently does not have any Internal Service Funds (ISF), however, it is recommended that the City analyze implementing Equipment and Central Service Overhead ISFs.

## **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. The reader can find a separate debt service schedule in this budget that provides detail on all outstanding debt owed by the City.

## **Redevelopment Agency Funds**

This fund category accounts for the activities of the Community Redevelopment Agency. The City currently does not have a redevelopment agency. Funding for redevelopment is derived from incremental property tax revenue and is used for redevelopment and revitalization of designated areas of the City. Redevelopment law requires that redevelopment projects be funded by debt paid by the incremental tax revenues. The debt is used to pay for improvement projects (either grants, loans, or City built improvements) that will increase the property value of the project and thus generate the tax increments. Redevelopment law also requires that 20% of the annual increment be set aside for low-income housing.

## **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 other 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.

## **Fund Schedules**

The schedule on the following page shows starting fund balance estimates, budgeted revenue, budgeted expenditures and estimated year end fund balances for each fund. Following That schedule is a schedule detailing revenues for all funds by major source. The last schedule in this section is a summary showing the General Fund revenues by revenue source and summary departmental expenditures.



City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

				Budgeted	
				Revenues & Expenditures	
				All Funds	
		2006-07		2007-08	
Fund No.	Description	Budgeted Revenue	Budgeted Expenditures	Budgeted Revenue	Budgeted Expenditures
01	General Fund	1,693,823	1,722,051	1,836,414	1,816,288
02	Traffic Safety	800	-	-	-
03	Gas Tax	31,977	53,000	51,000	51,000
04	Crestviw Lighting District	126	600	-	-
06	Local Transportation Commission	800	0	12,429	-
07	Cemetery	-	1,500	200	-
09	HMGP - HAZ Grant	-	-	-	-
10	Sewer M&O	839,000	633,215	1,083,000	1,133,670
11	Sewer WCRF	50,000	16,000	105,000	46,000
12	Sewer Line Replacement	2,000	50,000	88,300	65,000
13	Sewer EPA Grant (Closed)	28,311	-	-	-
14	Sewer EDA (Closed)	500	43,133	-	-
15	Sewer Debt Service	90,000	45,000	45,000	45,000
16	Sutter Hill Drainage	-	4,500	-	-
17	Monteverde Museum	300	-	-	-
18	Sewer I&I (Closed)	10	-	-	-
19	Knights Foundry	-	-	-	-
20	FEMA	4,018	-	-	-
21	Police Reserve	7,300	-	3,000	-
22	Deferred Compensation Trust Fund	-	-	-	-
25	Bowers Drive Drainage (Closed)	-	-	-	-
30	TM Gopher	2,200	-	1,300	-
31	TM Sutter Hill	500	-	1,500	-
32	TM Crestview	3,100	-	1,500	-
33	TM Sutter -Ione Rd	17,128	65,000	1,300,000	1,300,000
34	TM 49 Bypass	-	-	2,800	-
35	TM General	52,000	60,000	17,000	127,400
36	TM Regional	20,100	33,545	10,300	10,300
37	Parking in Lieu	400	-	560	-
38	Del Vista Road Project	136,000	84,433	-	-
39	HWY 49 Bypass Relinquishment Fund	-	-	85,000	-
40	Traffic Enhancement Activity Fund	-	-	974,000	974,000
44	Central Eureka Mine Park Fund	150,000	-	250,000	250,000
49	SB 621 Indian Gaming Grant	58,200	58,000	57,208	68,000
50	COPS SLESF	100,000	106,751	143,200	145,373
51	OCJP Grant (Closed)	-	-	-	-
52	Safety Grant (Closed)	-	-	-	-
53	UHP Grant (Closed)	-	-	-	-
55	Sutter Creek Bridge Replacement	-	-	-	-
56	SEP Grant (Closed)	-	-	-	-
58	AUSD Pool Refurbishment Fund	-	-	-	-
59	Community Center Grant	280,000	52,500	270,748	-
61	ISF - Central Services	120,719	120,719	137,790	137,790
62	ISF - Human Resources	31,575	31,575	26,377	26,377
63	ISF - Risk Management	77,496	77,496	97,425	97,425
64	ISF - Information Systems	49,587	49,587	44,966	44,966
65	ISF - Facility Management	72,758	72,758	75,062	75,062
66	ISF - Vehicle Mgmt	-	-	19,000	19,000
70	Traffic Congestion Fund	3,025	5,555	8,000	33,260
72	General Plan Update Capital Projects Fund	-	-	-	79,000
79	ARSA City Fund (Closed)	-	187,610	-	-
80	ARSA District Fund	-	-	-	-
82	Redevelopment District Project Fund	-	-	-	40,126
90	Noble Ranch Project Enterprise Fund	50,000	-	100,000	-
94	Equipment Replacement Reserve	6,429	-	6,429	-
95	General Operating Reserve	55,000	-	10,000	-
96	General Capital Reserve	50,000	-	-	-
Total		4,085,182	3,574,528	6,864,507	6,585,036

Revenue Detail All Funds

Budget Code	Fund	Description	2006/07 Budget	2007/08 Budget
<b>Taxes &amp; Franchises</b>				
30100	01	Secured Property Taxes	366,000	400,000
30105	01	Property Taxes In Lieu of MVLF	170,500	182,000
30110	01	Current Supplemental	30,000	30,000
30200	01	Unsecured Property Taxes	12,500	12,000
30900	01	Property Taxes -- Prior	400	300
31660	01	Franchises	70,000	80,000
31670	01	Real Property Transfer Tax	11,000	8,000
31930	01	General Sales and Use Tax	360,000	375,000
31940	01	Sales and Use Tax In Lieu of MVLF	95,000	104,000
31850	01	Transient Lodging Tax	130,000	150,000
<b>Licenses &amp; Permits</b>				
32100	01	Business Licenses	30,000	30,000
32110	01	Construction Permits	75,000	50,000
32111	01	Encroachments	750	500
32125	01	Garage Sale Permits	150	150
32130	01	Other Licenses/Permits	200	300
32135	01	Sign Permits	500	500
34132	01	Variance and Conditional Use Permit	250	300
34135	01	Site Plans	400	-
34140	01	Plan Checking Fees	23,000	18,000
<b>Intergovernmental Revenues</b>				
33560	01	State Motor Vehicle In-Lieu	16,000	16,000
33515	01	Off Highway Motor Vehicle	75	-
33512	01	Homeowners Property Tax Relief	6,700	6,700
33516	01	Other State Grants - Recycling/ Indian Gaming Grant	5,000	5,000
<b>Use of Money</b>				
36100	Multiple	Interest Earnings (All Funds)	40,000	215,000
<b>Other Revenues</b>				
33540	01	Mandated Costs Reimbursed	6,000	2,000
33120	01	Public Safety	9,500	10,000
33100	01	Genl Government		
33514	01	Peace Officers Standards	8,000	-
34142	01	ACUSD Police Service Contract	49,000	28,000
		ANTF Police Service Backfill Contract		88,951
34145	01	Plymouth Inspection Fees	6,000	3,000
34150	01	Sale of Sub Div Maps & Misc Publications	500	1,000
34160	01	Police Report	1,500	1,200
34170	01	City Engr / Planner / Attorney Fees	25,000	
34190	01	Other State Funding		
34210	01	Special Police Services	10,000	15,000
34280	01	Street Lighting Charges		
34310	01	Street, Sidewalk, and Curb		
34311	01	Street Flushing	4,490	-
34385	01	Administration Charges	25,700	60,000
	01	Planning Tech Reimbursement - WG Inc.		38,713
34510	01	Engineering Fees, Inspection		
34560	01	Cemetery Revenues		
34740	01	Park and Community Service	225	200
34750	01	Auditorium Use Fees	16,000	17,000
35130	01	Vehicle Code Fines	12,300	12,000
35140	01	Other Fines		
36200	01	Rents, Royalties, and Commissions	6,000	6,000
36700	01	Contribution/Donation--Private Source	200	100
36710	01	Swimming Pool Revenues	9,000	8,000
36800	01	Insurance Refund	-	-
36810	01	Worker's Comp Dividend		
36820	01	Other Revenue	150	100
	01	Sale of Property	89,433	-
35130	02	Vehicle Code Fines	-	
33551	03	2107 Highway User Tax	22,000	20,000
33552	03	2106 Highway User Tax	17,000	15,000
33553	03	2105 Highway User Tax	17,000	15,000
33554	03	2107-5 Highway User Tax	1,000	1,000
31840	04	Transportation Tax -- Non Transit	-	-

Revenue Detail All Funds

Budget Code	Fund	Description	2006/07 Budget	2007/08 Budget
	20	FEMA Revenue	-	
34410	10	Sewer Service Charges Net of Transfer to Funds 11/12/15	515,000	852,700
34412	10	Septic Dumping Fee	33,000	30,000
34410	11	Sewer Service Charges - Transfer from Fund 10	35,000	75,000
34411	11	Sewer Connection Charges	60,000	30,000
34410	12	Sewer Service Charges - Transfer from Fund 10	83,000	80,300
34410	15	Sewer Service Charges - Transfer from Fund 10	44,000	45,000
	21	Police Reserve Revenues		20,000
36335	30	Traffic Mitigation Fees Crest/Gopher	2,000	1,300
36335	31	Traffic Mitigation Fees - Sutterhill	3,000	1,500
36335	32	Traffic Mitigation Fees - Crestview	2,000	-
36335	33	Traffic Mitigation Fees - Bypass Regional	3,000	1,000,000
	33	SRTS Grant		300,000
36335	34	Traffic Mitigation Fees - Bypass Local	2,000	2,800
36335	35	Traffic Mitigation Fees - General	10,000	10,000
36335	36	Traffic Mitigation Fees - Regional	50,000	10,300
	37	Parking In-Lieu		560
33514	50	COPS Grant	100,000	100,000
33516	49	Indian Gamng Special Dtribution Fund	58,000	57,000
33516	44	EPA Grant		250,000
	90	Noble Ranch Loan Repayment	-	100,000
			-	-
	39	HWY 49 Relinquishment Funds		-
33001	70	Traffic Congestion Funds	3,000	8,000
	73	ACRA Development Fees	-	30,000
	07	Cemetery Revenues		
	59	State Prop 40 Park Grant - Community Center	240,000	240,000
		Fund Transfers - Professional Services Allocation	11,400	11,400
Total			3,033,823	5,281,874

City of Sutter Creek  
Draft Appropriations Budget  
For the Year Ending June 30, 2008

General Fund
Income vs Expense
Fund (01)

Budget Code	Description	2006/07 Budget	2007/08 Budget	Comment:
30100	Secured Property Taxes	366,000	400,000	Property Tax Amin Cost \$19,600
30105	Property Tax In Lieu of MVLF	170,500	182,000	
30110	Current Supplemental	30,000	30,000	
30200	Unsecured Property Taxes	12,500	12,000	
30900	Property Taxes -- Prior	400	300	
31660	Franchises	70,000	80,000	
31670	Real Property Transfer Tax	11,000	8,000	
31850	Transient Lodging Tax	130,000	150,000	
31930	General Sales and Use Tax	360,000	375,000	Annexation Sutter Hill 50,000 Rite Aid 25,000
31940	Sales Tax In Lieu of MVLF	95,000	104,000	
32100	Business Licenses	30,000	30,000	
32110	Construction Permits	75,000	50,000	
32111	Encroachments	750	500	
32125	Garage Sale Permits	150	150	
32130	Other Licenses/Permits	200	300	
32135	Sign Permits	500	500	
33120	Public Safety	9,500	10,000	
33512	Homeowners Property Tax Relief	6,700	6,700	
33514	Police Officers Standards	8,000	-	
33515	Off Highway Motor Vehicle	75	-	
33516	Other State Grants	5,000	5,000	Recycling Grant
33540	Mandated Costs Reimbursed	6,000	2,000	
33560	State Motor Vehicle In-Lieu	16,000	16,000	
34132	Variance & Conditional Use Permits	250	300	
34135	Site Plans	400	-	
34140	Plan Checking Fees	23,000	18,000	
34142	ACUSD Police Service Contract	49,000	28,000	
34143	ANTF Police Position Backfill Cotracy	-	88,951	
34145	Plymouth Inspection Fees	6,000	3,000	
34150	Sale of Sub Div Maps & Misc Publications	500	1,000	
34160	Police Report	1,500	1,200	
34170	City Engr / Planner / Attorney Fees	25,000	-	
	Indian Gaming Grant	-	-	Old Sutter Hill Road
34210	Special Police Services	10,000	15,000	
34311	Street Flushing	4,490	-	
34385	Administration Charges	25,700	60,000	Staff Time and Billing
	Planning Tech Reimbursement - WG Inc.	-	38,713	1/2 Planning Tech Salary Reimbursement
34510	Engineering Fees, Inspection	-	-	
34740	Park and Community Service	225	200	
34750	Auditorium Use Fees	16,000	17,000	
35130	Vehicle Code Fines	12,300	12,000	
36100	Interest Earnings	-	65,000	
36200	Rents, Royalties, and Commissions	6,000	6,000	Cell Antenna
36700	Contribution/Donation--Private Source	200	100	
36710	Swimming Pool Revenues	9,000	8,000	
36800	RMA Refund	-	-	
36820	Other Revenue	150	100	
	Transfer In - Fund 51 OCJP for Police Expenditures	89,433	-	
	Professional Services Allocation	11,400	11,400	Legal
	<b>Total Revenues</b>	<b>1,693,823</b>	<b>1,836,414</b>	

Dept.	Description	2006/07 Budget	2007/08 Budget	Comment:
1000	Non - Departmental	22,534	27,135	
1010	City Council	35,058	31,691	
1020	City Clerk	6,887	6,817	
1030	City Treasurer	3,055	3,011	
1035	City Attorney	40,000	50,000	
1040	General Administration	118,358	122,368	
1050	Finance	31,878	30,282	
1060	Police Dept	706,060	822,332	
1070	Police Reserves	-	-	
1080	Fire Dept	-	-	
1090	Planning	95,633	160,863	LAFCO 39,000
1100	Building Regulation	145,958	153,780	
1110	Public Works	139,157	120,455	
1120	Streets & Roads	35,372	57,893	
1130	Parks & Recreation	134,146	110,477	ACRA \$15,000
1140	Swimming Pool	47,047	35,176	
1150	Community Promotion	58,008	82,008	Parking Lots \$25,000 Visitors Center \$24,000
1160	Building Maintenance	-	-	ISF Fund
1400	Cemetery	2,900	2,000	
	Capital Reserve (Depreciation)	50,000	-	
	Operating Reserve	50,000	-	
	<b>Total Expenditures</b>	<b>1,722,051</b>	<b>1,816,288</b>	

Net Revenues Over (Under) Expenditures (28,228) 20,126

## **VI - DEPARTMENT BUDGETS 2007-08**

### **Department Budget Format Description**

The 2007-08 budget document has been revised to emphasize departmental budgets and the funds used to support each department. The first year of this new budget format is to establish the format and allow for future expansion by providing more detailed information about the activities of each department, including accomplishments for the prior year and the goals for the coming year. The financial data has been summarized into major categories to provide a policy level review of the various budgets.

### **Department Description**

A description of the major functions or operations for the department.

### **2007-08 Major Projects or Programs**

The major projects or programs to be undertaken in the next fiscal year.

### **Budget Changes**

Budget increases or decreases proposed for 2007-08. This also includes adding or deleting positions.

### **Division Descriptions**

Descriptions of the divisions within a department.

### **Staffing**

The staffing levels are budgeted for each department and upon adoption of the budget, the City Council sets the position control level for each department. City Council action is required to increase the staffing levels beyond the level in the final budget. Approval of a staffing increase will be based on the availability of funds to support the increase.

### **Budget Schedule**

The revenue and expenditure budget for each department and the department's divisions follow the departmental narratives.

### **City Summary and Departments**

The departmental budgets are summarized in Section V on the General Fund Summary chart. Each department's budget is shown on the following pages.

## **CITY COUNCIL**

### **Description:**

The City Council is the policy making legislative body of the City of Sutter Creek. The City Council acts upon all legislative matters concerning the City, approving and adopting all 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's advisory committees to insure broad-based citizen input into the affairs of the City. 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 upgrade existing services; determines the ability of the City to provide financing for the proposed budget; and, oversees the financial condition of the City.

### **Budget Changes for 2007-08:**

Community based expenditures have been transferred from the City Council Budget to a new department called Community Promotions.

City of Sutter Creek		City Council		
Final Appropriations Budget		Dept. 1010		
For the Year Ending June 30, 2008				
		Fund 01		
GL	Description	2006/07	FYE June '07	2007/08
Code	Description	Budget	Projected	Budget
40000	Salaries			
41000	FICA er taxes			
41030	Medicare er taxes			
41040	Health Benefits			
41050	Worker's Comp insurance	469	469	412
52010	Special Departmental Expense	1,500	274	1,500
54010	Small Equip			
55012	Community Pro. XMAS	300	608	300
55020	Municipal Code	1,000		1,000
55030	Elections City Council	3,700	2,055	700
61015	Audit and Accounting			
61025	Engineering			
61030	Special Legal			
61055	Other	-		-
61060	Council Stipends	18,900	18,900	18,900
62010	Communications	-		-
64010	Advertising	1,500	1,372	1,500
65010	Risk Management			
65011	Claims			
65030	Memberships/Dues	3,000	1,956	3,000
65040	Travel, Conf, Trg	500	2,257	500
66010	Utilities			
67010	O&M Equipment			
67015	O & M Structural			
68020	Rentals-Mach/Eq.			
63061	Central Services - ISF Allocation	1,444	980	1,358
63062	Human Resources - ISF Allocation	355	328	260
63063	Risk Management - ISF Allocation	977	710	1,078
63064	Information Services - ISF Allocation	557	336	443
63065	Facilities Management - ISF Allocation	857	763	740
63066	Fleet Management - ISF Allocation	-		-
	Total	35,058	31,008	31,691

**Description:**

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 recording minutes and actions of the City Council. The City Clerk is responsible for the filing and safe-guarding of all City ordinances, resolutions, minutes, contracts, and agreements. The City Clerk is also responsible for assuring compliance with the Brown Act (Open Meeting Law). With no staff or resources allocated to the City Clerk's 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.

**Budget Changes for 2007-08:**

. None,



City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

City Clerk
Dept. 1020

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget
41050	Workers Comp Ins.	89	89	79
52010	Special Departmental Expense	250		250
55005	Minute Process	1,500		1,500
55030	Elections City Council			
61060	City Clerk Stipends	3,600	3,600	3,600
65030	Memberships/Dues	450	485	450
65040	Travel, Conf, Trg	200		200
63061	Central Services - ISF Allocation	275	186	259
63062	Human Resources - ISF Allocation	68	62	50
63063	Risk Management - ISF Allocation	186	135	205
63064	Information Services - ISF Allocation	106	64	84
63065	Facilities Management - ISF Allocation	163	145	141
63066	Fleet Management - ISF Allocation	-		-
<b>Total</b>		<b>6,887</b>	<b>4,766</b>	<b>6,817</b>

**Description:**

The City Treasurer is an elected position with a four (4) year term. Currently there is a vacancy in the Treasurer position and the City Council appointed the Finance Director to fulfill the duties of Treasurer until such time as a replacement is elected. The Treasurer is responsible for all investment accounts of the City and those responsibilities which are typically not delegated to the Finance Officer. The Treasurer pays warrants signed by any two of the following: Mayor; Vice mayor; City Clerk; or Treasurer.

Budget Changes for 2007-08: None.

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

City Treasurer
Dept. 1030

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget
41050	WorkersComp Ins	56	56	49
52010	General Supplies			
55030	Elections City Council			
61060	Treasurer Stipend	2,250	1,125	2,250
65010	Risk Management			
65030	Memberships/Dues	250	250	250
65040	Travel, Conf, Trg			
63061	Central Services - ISF Allocation	172	117	162
63062	Human Resources - ISF Allocation	42	39	31
63063	Risk Management - ISF Allocation	116	84	128
63064	Information Services - ISF Allocation	66	40	53
63065	Facilities Management - ISF Allocation	102	91	88
63066	Fleet Management - ISF Allocation	-		-
<b>Total</b>		<b>3,055</b>	<b>1,802</b>	<b>3,011</b>

**Description:**

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

Budget Changes for 2007-08: None.

City of Sutter Creek  
 Final Appropriations Budget  
 For the Year Ending June 30, 2008

City Attorney
Dept. 1045

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget	Comment:
40000	Salaries				
41000	FICA				
41020	PERS retirement benefit				
41030	Medicare				
41040	Health Benefits				
41050	Worker's Comp insurance				
41065	Union Dues				
52010	General Supplies				
54010	Small Equip				
61015	Audit and Accounting				
61057	Contracts-Legal	40,000	50,000	50,000	
62010	Communications				
65010	Risk Management				
65030	Memberships/Dues				
65040	Travel, Conf, Trg				
68020	Rentals-Mach/Eq.				
69075	Interest / Misc Exp				
70040	Equipment				
<b>Total</b>		<b>40,000</b>	<b>50,000</b>	<b>50,000</b>	

## Description

The City Manager is appointed by the City Council and is the Chief Administrative Officer of the City. The City Manager is responsible for the enforcement of all laws, ordinances, contracts, and managing the acquisition, construction, maintenance and operation of all capital improvements. The City Manager advises the City Council on the financial condition of the City. The City Manager makes recommendations to the Council on the affairs of the City and advises the 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.

The budget year just completed was a very successful year for the City as a whole and for specific departments of the City. Over the year, many varied projects were completed by the City staff. Listed below are many of the accomplishments of this last year:

### **2006-07 Accomplishments**

Staff coordinated and assisted with the following developments and projects:

- Gold Rush Ranch and Resort planning and environmental review process;
- Gold County Plaza troubleshooting of road blocks for the project;
- Facilitated the clean up of the former Amador Surplus site and conducted pre-planning for a project on the site;
- Helped coordinate the Regional Sewer Master Plan with Amador Water Agency, ARSA, City of Jackson, City of Lone, and City of Amador City;
- Coordinated with CalTrans the building of the bypass particularly at Sutter-Lone Road and over the existing City treatment plant;
- Continued the comprehensive General Plan Update;
- Continued the Visioning process to accompany the General Plan Update;
- Staff, through consultants, completed the Phase II environmental evaluation of the Central Eureka Mine site offered for dedication as a park and trail for the City.

The following projects are in process:

- AB 1600 fee nexus study.
- Five year capital expenditure review.
- Redevelopment Plan: Sutter Hill property owners have asked that the City refrain from implementing redevelopment until the Bypass has been completed to ascertain if property owners will develop properties without the need for City intervention. Review will continue annually;

## 2007-08 Major Projects c o r o g r a m s

The following projects or assignments will be completed in the coming year:

- Continuing oversight and facilitation of various housing and commercial projects;
- Completion of the Gold Rush Ranch and Resort EIR;
- Completion of the Central Eureka Mine Park and Trail Project environmental review and final acquisition of the property;
- Completion of the General Plan and of the Visioning process report;
- Complete AB 1600 fee nexus study and implement capital recovery fee for building permits;
- Continue assisting with the Regional Sewer Study and help implement the next steps for determining whether the plan will be implemented.
- Other projects that develop in the course of business over the coming year.

**Budget Changes for 2007-08 None.**

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

City Administrator
Dept. 1

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget	Comment:
40000	Salaries	61,965	49,491	64,334	
40010	Part Time Salaries		11,445		
40020	Overtime		118		
41000	FICA	6,887	7,116	7,133	
41010	Unl er taxes	268	473	268	
41020	PERS retirement benefit	14,965	14,371	16,053	
41030	Medicare	1,611	1,768	1,668	
41040	Health Benefits	7,528	7,245	8,725	
41050	Worker's Comp er insurance	2,321	2,321	2,145	
41065	Union Dues	328	112	121	
41051	Life Insurance	50	188	50	
52010	General Supplies				
53015	Repairs & Maint - facilities				
53020	Repairs & Maint - offc mach				
54010	Small Equip				
55020	Municipal Code				
55090	Restrooms				
61015	Audit and Accounting				
61030	Special Legal				
61050	Comp Enhancement				
61055	Other	1,000	2,133	1,000	
61057	Contracts-Other				
62010	Communications				
64010	Advertising				
65010	Insurance, Liability				
65030	Memberships/Dues	500	100	500	
66010	Public Utility				
65040	Travel, Conf, Trg	200	366	200	
67010	O&M Equipment				
68020	Rentals-Mach/Eq.				
69005	Public Safety				
69060	Misc-Judg / Damag				
70040	Machinery				
63061	Central Services - ISF Allocation	7,145	4,851	7,063	
63062	Human Resources - ISF Allocation	1,755	1,621	1,352	
63063	Risk Management - ISF Allocation	4,835	3,514	5,604	
63064	Information Services - ISF Allocation	2,756	1,664	2,305	
63065	Facilities Management - ISF Allocation	4,244	3,776	3,848	
63066	Fleet Management - ISF Allocation	-		-	
Total		118,358	114,000	122,368	



## **FINANCE**

### **Description**

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 the investing and safeguarding of the City's cash in accordance with City Council investment policies.

### **2006-07 Accomplishments**

- Updated Sewer Revenue Plan
- Started AB1600 Study
- 

### **2007-08 Major Projects or Programs**

- Sewer Revenue Plan Update
- Continue Chart of Account revision
- Revise the Financial Reports for Department Directors
- Develop Capital Improvement Plan
- Develop policy for staff cost recovery relating to new development projects
- Develop long range fiscal plan

**Budget Changes for 2007-08** None.

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

Finance  
Dept. 1050

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget	Comment:
40000	Salaries	15,448	14,350	15,423	
41000	FICA	1,858	2,018	1,902	
41010	SUI	51	71	51	
41020	PERS retirement benefit	4,423	4,097	4,772	
41030	Medicare	435	472	445	
41040	Health Benefits	3,035	3,010	1,759	
41050	Worker's Comp insurance	628	628	533	
41065	Union Dues/Life	138	143	138	
52010	General Supplies				
54010	Small Equip				
61015	Audit and Accounting		3,005		CS ISF Fund
61057	Contracts-Finance				CS ISF Fund
62010	Communications				
65010	Risk Management				
65030	Memberships/Dues	250		250	
65040	Travel, Conf, Trg	-		-	
68020	Rentals-Mach/Eq.				
69075	Interest / Misc Exp				
70040	Equipment				
63061	Central Services - ISF Allocation	1,933	1,312	1,754	
63062	Human Resources - ISF Allocation	475	439	336	
63063	Risk Management - ISF Allocation	1,308	951	1,392	
63064	Information Services - ISF Allocation	746	450	572	
63065	Facilities Management - ISF Allocation	1,148	1,022	956	
63066	Fleet Management - ISF Allocation	-		-	
<b>Total</b>		<b>31,878</b>	<b>31,968</b>	<b>30,282</b>	

**Description:**

The Police Department's primary responsibilities are to respond to crime related issues, both reactively and proactively. Reactively, we respond to crime scenes, investigate and record facts, gather evidence, identify and apprehend criminal suspects, and prepare cases for prosecution in court. The general types of crimes we typically respond to are; burglaries, both residential and business, reports of child abuse, domestic violence, sexual assaults, narcotics enforcement, traffic collisions, traffic violations, abandoned vehicle abatement, and response 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, we work with diverse neighborhoods, educating people in crime prevention, crime reporting, school programs and neighborhood meetings. Our goal is to work with the community in order to impact and reduce the number of incidents of crime, thereby maintaining safe neighborhoods.

Mission Statement: "You call. We come. Problem solved."

**2007-08 Major Projects or Programs:**

- . Continue ten hour shifts to accomplish Problem Orient Policing Program

**Budget Changes Requested for 2007-08:**

State and/or Federal grants have expired and additional costs have been transferred to the general fund.

**Contracts & Consultants for 2007-08:**

Amador County (Dispatch/RIMS/CLETS)

A		B	K	L	M	N
1	City of Sutter Creek			Police Department		
2	Final Appropriations Budget			Dept. 1060		
3	For the Year Ending June 30, 2008					
4						
5				Fund 01		
6	GL	Description	2006/07	FYE June '07	2007/08	Comment:
7	Code		Budget	Projected	Budget Request	
8	40000	Salaries	258,658	283,529	300,767	
9	40010	Part Time Salaries	22,200	5,577	5,600	
10	40020	Overtime	12,000	29,642	30,000	
11	41000	FICA	18,292	20,565	22,698	
12	41010	SUI taxes	904	1,357	1,198	
13	41020	PERS retirement benefit	83,046	82,050	103,254	
14	41030	Medicare	4,278	4,914	5,308	
15	41040	Health Benefits	62,530	66,367	86,543	
16	41050	Worker's Comp er insurance	11,117	11,117	12,397	
17	41051	Life Insurance	20		300	
18	41065	Union Dues	1,620	762	1,000	
19	52010	General Supplies	1,000	2,868	3,000	
20	52012	Fuel	20,000	17,718	19,000	
21	53015	Repairs & Maint - facilities	500			
22	53020	Repairs & Maint - offc mach	500	470	500	
23	54010	Small Equip	200	71	100	
24	55010	Community Promotions	100			
25	55040	Clothing	2,000	2,350	2,000	
26	55050	Safety Equipment	2,000	4,814	3,000	
27	61015	Audit and Accounting				
28	61030	Legal	1,000	562	1,000	
29	61040	Medical				
30	61046	Enforcement	1,000	1,427	1,500	
31	61050	Comp Enhancement				
32	61055	Other		5,806	-	
33	61057	Contracts-Other (District Attorney)	17,000		-	
34	61058	Dispatching (County Cost Share)	52,500	30,780	52,500	
35	62010	Communications (RIMS/CLETS/Frame Relay)	15,000	20,310	20,000	
36	64010	Advertising	100	60	100	
37	65010	Risk Management				
38	65030	Memberships/Dues	350	500	500	
39	65040	Travel, Conf, Trg	5,000	5,133	5,000	
40	66010	Utility	400			
41	67009	Vehicle Maintenance	5,000	13,992	14,000	
42	67010	O&M Equipment	500	3,478	1,000	
43	67015	O & M Structural	500		-	
44	68020	Rentals-Mach/Eq.				
45	69040	Animal Control	400			
46	69005	Public Safety	50	213		
47	69050	Misc Bookings	4,000	3,874	4,000	
48	69055	Misc Court / Invs	3,000	3,464	3,500	
49	69075	Interest Exp				
50	70028	Building Improvemts	-			
51	70039	Furniture & Fixtures	-			
52	70030	Improvements	-	1,905	500	
53	70042	IT Equipmt & Installation	-	6,500	4,500	
54	70040	Machinery & Eq	-	1,581	1,000	
55	63061	Central Services - ISF Allocation	34,217	23,228	40,815	
56	63062	Human Resources - ISF Allocation	8,406	7,764	7,813	
57	63063	Risk Management - ISF Allocation	23,152	16,827	32,385	
58	63064	Information Services - ISF Allocation	13,197	7,968	13,319	
59	63065	Facilities Management - ISF Allocation	20,322	18,080	22,234	
60	63066	Fleet Management - ISF Allocation	-		-	
61						
62	Total		706,060	707,623	822,332	

City of Sutter Creek  
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Police Reserves
Dept. 1070

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request
52010	General Supplies	-	-	-
55010	Community Prom			
55040	Clothing			
62010	Communications	-	-	-
55052	Other			
65040	Travel, Conf, Trg			
67010	O&M Equipment			
69005	Public Safety			
70040	Machinery & Eq			
Total		-	-	-

**Description:**

The City utilizes the Sutter Creek Fire Protection District for all fire prevention, suppression and inspection functions required by the City. The Fire Department also coordinates emergency medical response activities for the City. The Fire Department is primarily a volunteer program, however, the City allows two full-time employees to respond to all emergencies during their work hours. This policy gives our fire department enough staffing to earn an I.S.O. rating of "5".

**Budget Changes Requested for 2007-08:**

. None.

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Dept
Dept 1080

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
	FPD Centennial Contribution	2,500	2,500	-	
65040	Travel, Conf, Trg				
70010	Land				
70030	Improvements				
70040	Machinery				
Total		2,500	2,500	-	

**Description:**

The Community Development Department is comprised of the Community Development Division and the Building Inspection Division. The Department is responsible for the development, administration, and enforcement of current and long range land use and development programs for the City. The Department provides support to the Sutter Creek Planning Commission.



## **Budget Changes Requested for 2007-08:**

- . Assistant Planner in the Community Development Division to assist in processing development applications and to work on implementing Redevelopment Agency projects has been upgraded to a full time position.

## **Division Descriptions:**

### **Building Regulation**

This division is responsible for enforcement of codes, laws and regulations governing all building construction and modifications. The Division's work load has been accommodated by a part-time inspector, but is facing a major increase in the number of inspections to be performed.

### **Planning**

The Community Development Division is responsible for the development and administration of current and long range land use planning programs for the City. Development of long range planning programs are guided by the City's General Plan (updated in 1992) and other land use regulatory documents. The Division is responsible for processing development applications accommodating growth and development. Divisional activities include research, analysis, and preparation of reports designed to accommodate growth and development which is beneficial to the City's long term economic, social, and environmental conditions.

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Building Regulation
Dept. 1100

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries	72,064	72,054	75,581	
40010	Part Time Salaries	-		-	
40020	Overtime	-		-	
41000	FICA	8,750	9,675	9,186	
41010	SUI er taxes	147	203	147	
41020	PERS retirement benefit	20,825	20,741	23,050	
41030	Medicare	2,046	2,263	2,148	
41040	Health Benefits	12,142	14,262	14,072	
41050	Worker's Comp er insurance	2,878	2,878	2,710	
41051	Life Insurance	150	280	150	
41065	Union Dues	-		-	
	Special Departmental Expense	200		200	
52010	General Supplies	-		-	
54010	Small Equip				
61050	Comp Enhancement				
61055	Other	-	652	-	
61057	Contracts-Other				
62010	Communications				
64010	Advertising				
65010	Risk Management				
65030	Memberships/Dues	750		750	
65040	Travel, Conf, Trg	300	136	300	
67010	O&M Equipment				
63061	Central Services - ISF Allocation	8,858	6,013	8,923	
63062	Human Resources - ISF Allocation	2,176	2,010	1,708	
63063	Risk Management - ISF Allocation	5,994	4,356	7,080	
63064	Information Services - ISF Allocation	3,417	2,063	2,912	
63065	Facilities Management - ISF Allocation	5,261	4,681	4,861	
63066	Fleet Management - ISF Allocation	-		-	
<b>Total</b>		<b>145,958</b>	<b>142,267</b>	<b>153,780</b>	

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Planning
December 2009

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries		7,607	34,823	
40010	Part Time Salaries	29,173	16,508		
41000	FICA	2,327	2,157	4,164	
41010	SUI er taxes	157	217	139	
41020	PERS retirement benefit	8,532	2,018	10,448	
41030	Medicare	544	504	974	
41040	Health Benefits	10,523		10,449	
41050	Worker's Comp insurance	1,273	1,273	1,335	
41051	Life Insurance	50	56	60	
41065	Union Dues	36		170	
	Special Departmental Expense	1,000			Planning Forum
52010	General Supplies	200	74		
53020	Repairs & Maint - offc mach				
54010	Small Equip				
61025	Engineering	6,000	27,019		
61030	Special Legal				
61045	Planner	5,000	60,905	40,000	PMD Consulting
61047	General Plan		12,594		Budgeted in General Plan CP Fund
61060	PC Stipends	6,750	6,750	6,750	
61048	LAFCO Expense	10,000	4,475	39,000	Pass-Thru from County/MSR/KH
64010	Advertising	1,000	1,597		
65010	Risk Management				
65030	Memberships/Dues	200	153		
65040	Travel, Conf, Trg	1,500	6,728		
68020	Rentals-Mach/Eq.				
63061	Central Services - ISF Allocation	3,918	2,659	4,395	
63062	Human Resources - ISF Allocation	962	889	841	
63063	Risk Management - ISF Allocation	2,651	1,927	3,487	
63064	Information Services - ISF Allocation	1,511	912	1,434	
63065	Facilities Management - ISF Allocation	2,327	2,070	2,394	
63066	Fleet Management - ISF Allocation	-		-	
Total		95,633	159,092	160,863	

**Description:**

**The Public Works Department consists of the following Divisions:**

**Administration & Engineering; and, Maintenance.**

The Divisions are responsible for planning, maintaining, operating, and inspecting infrastructure systems and managing capital improvements to these systems. Public Works Functions include: Streets, Water System, Wastewater System, Lighting and Landscaping, Storm Drains, Landfill, and Maintenance of all City properties. The Divisions' responsibilities are described below.

2004-05 Accomplishments:

**General**

**Capital Projects**

- . Sewer line Improvements
- . Various City Wide Street Projects
- . Assist ACTC with Sutter-lone Road Project planning
- . Complete Sutter Terrace/Bryson Dr. relocation project
- . Coordinate Broad St. sewer project
- . Coordinate Academy Drive sewer project pre-planning
- . Coordinate Community Building construction
- . Coordinate sewer plant upgrades

2007-08 Major Projects or Programs: General

**Capital Projects**

- . Wastewater Treatment Facility Expansion, Phase 1
- . Sewer Master Plan Update
- . Multiple Development Applications
- . Development Fee Program Update
- . 5-year Capital Improvement Plan Update
- . Coordinate sewer plant upgrades

Budget Changes Requested for 2007-08:

- . None.

## Division Descriptions:

### Administration & Engineering Division

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; and, traffic engineering.

### Maintenance Division

This division is responsible for the operation and maintenance of our street system, water system, wastewater system, storm drains, Street Lighting, City landscaping, and all other City buildings and properties.

**Streets:** The Street system includes signs and markings, city trees, future traffic signals, and parking lots. There are approximately 22 lane miles of streets.

**Water System:** The water system responsibilities includes the operation and maintenance of the water system including: water wells; 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 water storage tanks (non- operational).

**Wastewater System:** The operation and maintenance responsibilities for the wastewater system includes: the sewage collection system maintenance; sewage system installation; and, wastewater treatment facility operation and maintenance (contracted). There are approximately 23 miles of sewer distribution lines, and 2 pump stations.

**Lighting and Landscaping:** These are the responsibilities for the maintenance functions associated with the Citywide Lighting and Landscaping District, including the maintenance of soundwalls, median islands, parks, street lighting (PG&E maintained), curbside landscaping, Riparian area maintenance, and bank stabilization.

**Building and Property Maintenance:** Responsibilities include the maintenance functions 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. Programs include maintenance and repair of plumbing, electrical, and HV AC systems to insure building integrity and appearance. Equipment services include vehicle and construction equipment maintenance and repair.

**Storm Drains:** Responsibilities cover the operation and maintenance of the storm drainage system including collection lines, catch basins, curb inlets, ditches, and detention ponds.

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Public Works  
Dept. 1

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries	50,365	61,759	42,706	
40010	Part Time Salaries	-	6,720	-	
40020	Overtime	800	520	800	
41000	FICA	6,095	8,288	5,147	
41010	SUI er taxes	125	472	123	
41020	PERS retirement benefit	14,507	15,864	8,747	
41030	Medicare	1,425	1,939	1,204	
41040	Health Benefits	10,321	12,228	10,026	
41050	Worker's Comp insurance	2,059	2,059	1,484	
41051	Life Insurance	150	282	150	
41065	Union Dues	144	151	61	
52012	Fuel	300	5,749	300	
52010	General Supplies	300	33	300	
55040	Clothing	500	1,073	500	
55050	Safety Equip	1,500	1,918	1,500	
55055	Vehicle Lease Payment	1,274	1,274	1,274	
55075	Flood Control	17,500	9,409	17,500	
55085	Weed Control	6,000	106	6,000	
61055	Other	500		-	
64010	Advertising	100		-	
65030	Memberships/Dues	100	40	100	
65040	Travel, Conf, Trg	150	249	150	
66010	Utilities	500		-	
67010	O&M Equipment	5,000	8,205	5,000	
68020	Equipment Rental	250	1,422	250	
67015	O & M Structural		13		
69040	Animal Control	500		500	
69075	Interest Exp				
70030	Improvements	300		300	
63061	Central Services - ISF Allocation	6,338	4,303	4,887	
63062	Human Resources - ISF Allocation	1,557	1,438	936	
63063	Risk Management - ISF Allocation	4,289	3,117	3,878	
63064	Information Services - ISF Allocation	2,445	1,476	1,595	
63065	Facilities Management - ISF Allocation	3,764	3,349	2,662	
63066	Fleet Management - ISF Allocation	-		2,375	
Total		139,157	153,456	120,455	

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Streets & Roads
Dept. 1120

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries	12,790	17,779	23,420	
40010	Part Time Salaries				
40020	Overtime	100	3	100	
41000	FICA	1,537	2,554	2,811	
41010	SUI er taxes	44	136	79	
41020	PERS retirement benefit	3,658	5,151	5,664	
41030	Medicare	359	598	657	
41040	Health Benefits	3,643	5,625	6,157	
41050	Worker's Comp er insurance	548	548	848	
41051	Life Insurance	35	98	35	
41065	Union Dues	45	66	56	
	Special Departmental Expense				
52010	General Supplies	100	7	100	
53015	Repairs & Maint - facilities	50		50	
55050	Safety Equip	100		100	
55055	Vehicle Lease Payment	1,270	1,270	1,270	
55060	Patching				Gas Tax Fund
55070	Signs	200	269	200	
55085	Weed Control	500		500	
61025	Engineering	1,500	7,074	1,500	Also in Gas Tax Fund
61055	Other	500		500	
67010	O&M Equipment	2,000	5,262	2,000	
67015	O&M Structural	1,500	1,295	1,500	
67050	O&M Sewer		209		
70043	Vehicles				
63061	Central Services - ISF Allocation	1,686	1,145	2,791	
63062	Human Resources - ISF Allocation	414	382	534	
63063	Risk Management - ISF Allocation	1,141	830	2,215	
63064	Information Services - ISF Allocation	650	393	911	
63065	Facilities Management - ISF Allocation	1,001	891	1,520	
63066	Fleet Management - ISF Allocation	-		2,375	
Total		35,372	51,585	57,893	

**Description:**

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, and community events. Two major functions are the Community Center operations and the Swimming Pool programs. The Community Center program includes a diverse array of leisure, environmental, social, Human Service, general service, educational, cultural and recreational activities. The City uses the Sutter Creek High School pool for the summer recreation program. The Summer Swim programs offered are: swim lessons - from Parents and Tots through to Intermediate Lessons; water aerobics; lap swim; open swim; and, lifeguard certification.

**2006-07 Accomplishments:**

- . Community Center Project completed

**2007-08 Major Projects or Programs:**

- . Expand existing recreational programs through Amador County Recreation Agency (ACRA).
- . Budget Changes Requested for 2007-08:
- . Increase in funding to ACRA.



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Parks & Recreation
Dept. 11

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment
40000	Salaries	44,006	50,334	34,210	
40010	Part Time Salaries				
40020	Overtime				
41000	FICA	5,301	7,390	4,150	
41010	Unemployment taxes	140	324	235	
41020	PERS retirement benefit	12,618	14,679	5,163	
41030	Medicare	1,240	1,729	971	
41040	Health Benefits	11,535	14,385	5,277	
41050	Worker's Compensation insurance	1,860	1,860	1,095	
41051	Life Insurance	130	282	130	
41065	Union Dues	117	171	158	
	Special Departmental Expense				
52010	General Supplies				
53015	Repairs & Maint - facilities		3,028		
55050	Safety Equip		1,270		
55055	Vehicle Lease Payment	1,270		1,270	
55085	Weed Control				
55090	Restrooms	2,500	92	2,500	
55075	Flood Control				
55095	Taxes / Fees / Lic	200	177	200	
61025	Engineering				Eureka Mine Fund #44
61057	ACRA - JPA Contribution	9,166	9,611	15,000	
62010	Communications	150		150	
65010	Risk Management				
66010	Utility	19,000	10,440	19,000	
66025	Street Lights				
67010	O&M Equipment	1,000	3,981	1,000	
67015	O & M Structural	800	2,641	800	
67020	Janitorial Expense	4,500	3,767	4,500	
68020	Equipment Rental		284		
69075	Interest Exp				
70030	Improvements	2,000		2,000	
70035	Grant Expense				
63061	Central Services - ISF Allocation	5,725	3,887	3,604	
63062	Human Resources - ISF Allocation	1,407	1,299	690	
63063	Risk Management - ISF Allocation	3,874	2,815	2,860	
63064	Information Services - ISF Allocation	2,208	1,333	1,176	
63065	Facilities Management - ISF Allocation	3,400	3,025	1,963	
63066	Fleet Management - ISF Allocation	-		2,375	
Total		134,146	138,804	110,477	

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries	8,939	15,217	3,309	
40010	Part Time Wages	21,000	23,713	21,000	
40020	Overtime	300	1,101	300	
41000	FICA	2,378	3,034	1,700	
41010	SUI	29	831	11	
41020	PERS	2,560	3,104	999	
41030	Medicare	556	710	398	
41040	Health Benefits	2,428	3,783	1,055	
41050	Worker's Comp	380	380	128	
41051	Life Insurance	30	59	30	
41065	Union Dues	27	43	14	
	Special Departmental Expense				
52010	General Supplies	30	30	30	
52015	Supplies chemicals	3,000	4,082	3,000	
53015	Repairs & Maint - facilities	1,000	30	1,000	
55040	Lifeguard Clothing	50	281	50	
55095	Taxes/Fees/Lic		456		
62010	Communications - Cell Phone	250		250	
64010	Advertising	120	448	120	
65010	Risk Management				
65040	Training, Travel	75	863	75	
65041	Training Class				
66010	Utilities				
67010	O&M Equipment	500	4,765	500	
67015	O & M Structural		1,487		
70030	Improvements				
63061	Central Services - ISF Allocation	1,169	794	422	
63062	Human Resources - ISF Allocation	287	265	81	
63063	Risk Management - ISF Allocation	791	575	335	
63064	Information Services - ISF Allocation	451	272	138	
63065	Facilities Management - ISF Allocation	695	618	230	
63066	Fleet Management - ISF Allocation	-		-	
Total		47,047	66,941	35,176	

Community Promotions
Sept. 1150

GL Code	Description	2005/06 Budget	FYE June '06 Projected	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries						
40010	Part Time Salaries						
40020	Overtime						
41000	FICA er taxes						
41010	SUI er taxes						
41020	PERS retirement benefit						
41030	Medicare er taxes						
41040	Health Benefits						
41050	Worker's Comp er insurance						
52010	General Supplies						
	Beautification	2,000	1,819	5,000	4,969	5,000	
55010	Comm Promotion	29,000	29,791	24,000	26,178	24,000	Including Newsletter (Accounting in House)
55012	Community Pro. - Christmas	200	144	150		150	
	Community Pro. - Fair Booth	-	853	750		750	
67010	Equipment	-					
68012	Parking Lot Lease	13,000	23,158	25,908	24,548	25,908	
	Monte Verde Store	2,500	2,158	2,200	2,945	2,200	Telephone/Electricity/Water
	Visitors Center					24,000	9,600 Salary 9,600 Lease 4,800 Utilities
Total		48,700	57,923	58,008	58,640	82,008	

**Description:**

The City Internal Service Funds (ISF) to allocate costs for City-wide expenditures. Costs are allocated on the basis of personnel costs by fund as a percentage of aggregate personnel costs across all funds. As a result some ISF funds have cost allocations which are transferred to the City's General Fund in a category called Non-Departmental expenses.

**Budget Changes Requested for 2007-08:**

. The cost allocation for 2007-08 is \$27,135.

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GF Non-Departmental
Dept. 1000

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget	Comment:
40000	Salaries				
41000	FICA er taxes				
41030	Medicare er taxes				
41040	Health Benefits				
41050	Worker's Comp er insurance	2,269	1,702	2,608	
52010	Special Departmental Expense				
54010	Small Equip				
55012	Community Pro. XMAS				
55020	Municipal Code				
55030	Elections City Council				
61015	Audit and Accounting				
61025	Engineering				
61030	Special Legal				
61055	Other				
61060	Council Stipends				
62010	Communications				
64010	Advertising				
65010	Risk Management				
65011	Claims				
65030	Memberships/Dues				
65040	Travel, Conf, Trg				
66010	Utilities				
67010	O&M Equipment				
67015	O & M Structural				
68020	Rentals-Mach/Eq.				
63061	Central Services - ISF Allocation	6,983	4,741	8,588	
63062	Human Resources - ISF Allocation	1,716	1,585	1,644	
63063	Risk Management - ISF Allocation	4,725	4,010	6,814	
63064	Information Services - ISF Allocation	2,693	1,626	2,803	
63065	Facilities Management - ISF Allocation	4,148	3,690	4,678	
63066	Fleet Management - ISF Allocation	-		-	
Total		22,534	17,354	27,135	

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Cemetery  
Dept. 1400

Fund 01

GL Code	Description	2006/07 Budget	FYE June '07 Projected	2007/08 Budget Request	Comment:
40000	Salaries				
40010	Part Time Salaries				
40020	Overtime				
41000	FICA er taxes				
41010	SUI er taxes				
41020	PERS retirement benefit				
41030	Medicare er taxes				
41040	Health Benefits				
41050	Worker's Comp er insurance				
41051	Life Insurance				
41065	Union Dues				
52010	General Supplies				
53015	Repairs & Maint - facilities	2,900	2,800	2,000	Tree Removal
55090	Restrooms				
61025	Engineering				
61057	Contracts-Other				
65010	Risk Management				
66010	Utility				
67010	O&M Equipment				
67015	O & M Structural				
70030	Improvements				
63061	Central Services - ISF Allocation				
63062	Human Resources - ISF Allocation				
63063	Risk Management - ISF Allocation				
63064	Information Services - ISF Allocation				
63065	Facilities Management - ISF Allocation				
63066	Fleet Management - ISF Allocation				
Total		2,900	2,800	2,000	

## Redevelopment Agency

The Sutter Creek Redevelopment Agency is a separate agency from the City, however, the Agency's Board is comprised of the City Council members and it uses City staff to carry out its mission. Thus, the Redevelopment Agency has no staff. The 2007-08 revenues and expenditures for the Redevelopment Agency will be shown in the RDA project fund. The Redevelopment Agency activities are summarized in this section. Staff is currently reviewing the Redevelopment Agency's finances and will be updating the Agency's Implementation Plan during 2007-08. Redevelopment law requires that redevelopment projects be funded by debt to be repaid by the tax increment received as a result of the improvements made with those funds. Thus, staff will be proposing financing options for the Agency's approval in 2007-08. Additionally, the Agency's Low Income Housing set-aside funds need to be used for the creation of low/moderate income housing. An Assistant Planner position is being budgeted in the Community Development Department to concentrate on affordable housing development and the implementation of the Redevelopment Plan activities.

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SR RDA Project Fund

Fund 82

GL Code	Description	2006/07 Budget Request	2007/08 Budget Request
<b>Estimated Beginning Fund Balance</b>		<b>(12,753)</b>	<b>(12,753)</b>
	Transfer In		
36100	Interest Revenue		
	<b>Total Revenues</b>	<b>0</b>	

40000	Salaries		23,799
40010	Part Time		-
40020	Overtime		-
41000	FICA ER Taxes		2,920
41010	SUI ER Taxes		50
41020	PERS retirement benefit		7,250
41030	Medicare ER Taxes		683
41040	Health Benefits		4,749
41050	Worker's Comp er insurance		-
41051	Life Ins		325
41065	Union Dues		350
	RDA Expenditures		
	Central Services - ISF Allocation		
	Human Resources - ISF Allocation		
	Risk Management - ISF Allocation		
	Information Services - ISF Allocation		
	Facilities Management - ISF Allocation		
	Fleet Management - ISF Allocation		
	<b>Total Expenditures</b>	<b>0</b>	<b>40,126</b>

Net Revenues Over (Under) Expenditures 0 (40,126)

**Estimated Ending Fund Balance (12,753) (52,879)**



## **Revolving Loan Funds**

Revolving Loan Funds (RLFs) are typically used for housing and commercial loans to provide affordable housing and to encourage economic development through the use of low interest loans that close the gap in the financing of these activities. The City has three revolving loan funds: Housing Rehabilitation; First time Homebuyers; and a Small Business Loan fund. The funds are typically started from grants from the Federal or State governments. Over time, the funds are to be increased through additional governmental grants and loan interest payments. Eventually, the funds should become self perpetuating where the monthly loan payments plus interest are replenishing the funds in amounts that allow for the amounts needed to be made available for annual loans. Housing Rehabilitation RLF Loans are available to Low and Moderate income homeowners in order to rehabilitate their homes. Typically, the loans are made to repair health and safety problems with the home. The City currently has no RLF's.

## TYPES OF RESERVES

The City is formally establishing three types of reserves: Contingencies; Capital Reserves; and Cash and Emergency Reserves.

### **Contingencies**

Contingencies are budgeted in each of the operating funds to account for unanticipated expenditures during the year. These are usually smaller amounts and are not for catastrophic emergencies. They are not kept in separate funds.

### **Capital Reserves**

Capital Reserve funds have already 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). Some new Capital Reserve funds have been created to provide separate accounting of funds generated from operations and those generated from developer impact fees. The goal of each Capital Reserve is to be funded at level that will pay for all replacements and improvements. Capital Reserves allow for saving up for future improvements; the alternative is to rely on debt financing for improvements. Each Capital Reserve Fund will be designated in a separate fund and are described below.

### **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. Annual Appropriations are the amounts in the annual budget approved by the City Council for expenditure during the budget year. Money Reserves are funds that are specifically reserved by the 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.

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 downturns that would result in receiving less revenues than budgeted (this would give the City time to make appropriate adjustments in subsequent budgets).

## CAPITAL RESERVES

### There are three types of Capital Reserves:

**Impact Fee Reserves** - capital for improvements collected from development fees established in accordance with AB1600. The specific projects to be funded are established in accordance with AB1600 procedures. These funds must be used only for those purposes and if not used for those purposes, they must be returned. Impact Fees are used to accommodate new development in the city. The City is currently in the process of developing an AB 1600 study to implement Impact Fees on new development.

**Capital Reserves** - funds set aside collected from sources other than development fees to build, renovate, or improve capital assets. Capital Reserves are used for existing or new infrastructure that benefits the city in general. In some cases, an improvement is partially funded by Impact Fees and partially by Capital Reserves.

**Equipment Capital Reserves** - Equipment operations and replacements can be established as an Internal Service Fund (ISF) that operates similar to an Enterprise Fund or like a rental agency. The Equipment ISF "rents" the equipment to City departments. The "rent" pays for all the ongoing costs of the equipment and includes replacement costs. The funds received for replacement costs are held in an Equipment Capital reserve so that when it comes time to replace the equipment, its purchase price has been saved up in the Equipment Capital Reserve..

#### **Impact Fee Reserves:**

The Development Impact Fees are not currently established. The City is currently beginning a study as required by AB1600. The potential Impact Fee Funds are:

- . Street Impact Fee
- . Storm Drain Impact Fee
- . Water Impact Fees
- . Wastewater Impact Fees
- . Park and Recreation Impact Fee
- . Police Impact Fee
- . Fire Impact Fee
- . General Facilities Impact Fee
- . Historic Preservation Impact Fee

#### **Capital Reserves:**

For 2007-08, new Capital Reserve Funds will be added to keep separate capital improvements funded from operating or other non-impact fee sources. Master plans are developed to plan ahead for replacements and improvements. These plans create the financial plan and establish the funding levels required for the Capital Reserve Funds. Capital Reserves also includes other special purpose reserves. The Capital Reserve Funds are:

- . General Capital
- . Wastewater Capital

## **CASH AND EMERGENCY RESERVES**

Cash and Emergency Reserves are established for the following operating funds: General Fund and Wastewater Enterprise Fund.

### **General Fund**

A significant portion of General Fund revenues are cyclical (such as Property Taxes) and thus the General Fund requires a larger cash and emergency reserve than other funds. For 2007-08, the budget includes a Money Reserve of \$75,000 (6%) and an unappropriated, unreserved, end of year estimated fund balance of approximately \$368,000 (27%) for a total of about 33 % of the annual expenditures.

### **Wastewater Enterprise Fund**

The Wastewater Enterprise Fund receives an even stream of revenues each month and thus the cash reserve needs are smaller than other funds. However, the likelihood of needing funds for emergencies is much greater than other funds. The 2007-08 budget has an unappropriated, unreserved, end of year estimated retained earnings of \$379,000 (25%), however, this does not include interfund loans and repayments. A report on the Enterprise Funds and the internal loans will be made in the fall.

### **Redevelopment Agency Funds**

The Redevelopment Agency is currently undergoing a financial analysis which will result in a proposed financial plan. Thus, no reserves have been designated at this time.

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

General Operating Reserve
Fund 95
Dept. 1120

GL Code	Description	2006/07 Proposed Budget	FYE June '07 Projected	2007/08 Budget Request	Comments
	<b>Estimated Beginning Fund Balance</b>	<b>85,803</b>	<b>85,803</b>	<b>145,821</b>	
	Transfer In	50,000	50,000	0	
36100	Interest Revenue	5,000	10,018	10,000	
	<b>Total Revenues</b>	<b>55,000</b>	<b>60,018</b>	<b>10,000</b>	
	Transfer Out	-	-	-	
	Loss on Sale of Securities	-	-	-	
	<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>Net Revenues Over (Under) Expenditure</b>	<b>55,000</b>	<b>60,018</b>	<b>10,000</b>	
	<b>Estimated Ending Fund Balance</b>	<b>140,803</b>	<b>145,821</b>	<b>155,821</b>	

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

General Capital Reserve
Fund 96

GL Code	Description	2006/07 Proposed Budget	FYE June '07 Projected	2007/08 Budget Request
<b>Estimated Beginning Fund Balance</b>		<b>50,000</b>	<b>50,000</b>	<b>100,000</b>
	Transfer In	50,000	50,000	0
36100	Interest Revenue			
	<b>Total Revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>0</b>
	Transfer Out	-	-	-
	<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Revenues Over (Under) Expenditures		50,000	50,000	0
<b>Estimated Ending Fund Balance</b>		<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

City of Sutter Creek  
Final Appropriations Budget  
For the Year Ending June 30, 2008

Equipment Replacement Reserve
Fund 94
Dept. 1120

GL Code	Description	2006/07 Proposed Budget	FYE June '07 Projected	2007/08 Budget Request	Comments
<b>Estimated Beginning Fund Balance</b>		-	-	<b>6,429</b>	
39999	Transfer In	6,429	6,429	6,429	Transfer from CS ISF Fund
36100	Interest Revenue				
	<b>Total Revenues</b>	<b>6,429</b>	<b>6,429</b>	<b>6,429</b>	
	Transfer Out				
79999	Transfer Out				
	<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Net Revenues Over (Under) Expenditures		6,429	6,429	6,429	
<b>Estimated Ending Fund Balance</b>		<b>6,429</b>	<b>6,429</b>	<b>12,858</b>	

## **Description:**

Funds are used to account for the financing of goods or services provided by one department or agency to other departments to agencies of the City, or to other governments, on a cost-reimbursement basis. The City has identified six internal service funds for the 2007-08 fiscal year.

### **Central Services –**

This Fund provides for the effective management of supplies and various services used by all departments of the City. This allows management better cost control in a variety of areas and helps maintain compliance with the City's purchasing policies.

### **Risk Management –**

This Fund provides for a centralized funding mechanism which protects the City's assets through a comprehensive Risk Management Program. The total cost of the Fund is charged to the departments through their risk management line-item charges. The General Liability Insurance Fund is comprised of four programs: Liability Premiums, Liability Claims, Property Premiums, and Other Premiums. Liability Premiums include premiums and broker services, and Liability Claims provides claims and claims investigation. Also included in this Fund are Property Premiums, which includes property appraisal fees, premiums for property, and boilers and machinery; and Other Premiums, such as volunteers and faithful performance.

### **Building Maintenance Fund –**

This Fund provides for the maintenance of general government buildings. Overall, the Public Works Department administers this Fund. Park, Recreation and Community Services handles a portion of funds specifically designated for park facilities projects.

### **Information Systems Fund –**

This Fund provides for the management of the City's network, and telecommunications equipment and services. Coordination of information technology resources is accomplished through such services as administrative support, technical services, software applications acquisition, and telecommunications. The department's expenditures include personnel costs, operating supplies, contractual/ consulting services, and such capital equipment as computers and other hardware and software.

### **Human Resources Fund –**

This Fund provides for the management of the City's Human Resources function. This includes personnel management, management of employee benefit programs, payroll preparation and the supplies associated with the support of these functional activities.



## Proposed Appropriations Budget

Central Services

For the Year Ending June 30, 2008

Fund 61 - Dept. 6100

	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer in from Replacement Fund				
Transfer in from Capital Imp Fund				
Transfer in from General Fund	6,725	5,047	8,588	
Cost Allocation to City Council	1,261	1,043	1,358	
Cost Allocation to City Manager	6,572	5,164	7,063	
Cost Allocation to City Clerk	240	199	259	
Cost Allocation to City Treasurer	150	124	162	
Cost Allocation to Finance	1,771	1,397	1,754	
Cost Allocation to Planning	4,770	2,831	4,395	
Cost Allocation to Community Development	8,283	6,402	8,923	
Cost Allocation to Streets/Roads	1,585	1,219	2,791	
Cost Allocation to PW/Public Svcs	6,526	4,581	4,887	
Cost Allocation to Parks & Rec	5,974	4,138	3,604	
Cost Allocation to Swimming Pool	1,099	845	422	
Cost Allocation to Public Safety - General Fund	32,928	24,729	40,815	
Cost Allocation to Public Safety - COPS Grant Fund	7,829	4,781	6,312	
Cost Allocation to Public Safety - SEP Grant Fund	-	-	-	
Cost Allocation to Public Safety - UHP Grant Fund	-	-	-	
Cost Allocation to Sewer Collection	14,955	10,725	18,088	
Cost Allocation to Sewer Treatment	10,550	7,247	10,527	
Cost Allocation to RDA	-	-	2,837	
Cost Allocation to ARSA	9,500	6,406	15,004	
Cost Allocation to				
<b>Total Revenue</b>	<b>120,719</b>	<b>86,878</b>	<b>137,790</b>	
<b>PERSONNEL</b>				
Salaries	4,619	4,357	20,833	
Retirement	1,404	1,259	6,375	
Workers Comp	170	182	732	
Health Benefits	1,126	828	3,131	
Taxes	702	753	3,204	
Union Dues/Life Ins.	14	37	14	
<b>Total Personnel</b>	<b>8,035</b>	<b>7,416</b>	<b>34,290</b>	
<b>OPERATING EXPENSES</b>				
Advertising				
Communications	8,200	11,048	12,000	
General Supplies	22,000	20,216	22,000	
Equipment Maintenance	9,000	-	5,000	
Equipment Lease	6,500	3,675	5,000	
Travel/Conferences/Training	3,500	-	3,500	
Professional Services	52,555	44,523	52,500	18,000 Audit, 34,555 Finance
Membership/Dues	500	-	500	
Meetings/Conferences	1,500	-	1,500	Prof Dev
Depreciation				
Replacement Funding	6,429	-	-	45,000 @ 7 Years
Loss on Sale				
Capital - Office Furniture	1,500	-	750	
Capital - Equipment	1,000	-	750	
<b>Total Operating</b>	<b>112,684</b>	<b>79,462</b>	<b>103,500</b>	
<b>TOTAL CENTRAL SVCS</b>	<b>120,719</b>	<b>86,878</b>	<b>137,790</b>	

**Proposed Appropriations Budget  
For the Year Ending June 30, 2008**

Risk Management  
Fund 63 | Dept. 6300

	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer in From General Fund	4,686	6,872	6,814	
Cost Allocation to City Council	878	1,069	1,078	
Cost Allocation to City Manager	4,580	5,291	5,604	
Cost Allocation to City Clerk	167	204	205	
Cost Allocation to City Treasurer	105	127	128	
Cost Allocation to Finance	1,234	1,432	1,392	
Cost Allocation to Planning	3,324	2,901	3,487	
Cost Allocation to Community Development	5,772	6,559	7,080	
Cost Allocation to Streets/Roads	1,104	1,248	2,215	
Cost Allocation to PW/Public Svcs	4,547	4,693	3,878	
Cost Allocation to Parks & Rec	4,163	4,239	2,860	
Cost Allocation to Swimming Pool	766	866	335	
Cost Allocation to Public Safety - General Fund	22,944	25,335	32,385	
Cost Allocation to Public Safety - COPS Grant Fund	5,455	4,898	5,008	
Cost Allocation to Public Safety - SEP Grant Fund	-	-	-	
Cost Allocation to Public Safety - UHP Grant Fund	-	-	-	
Cost Allocation to Sewer Collection	10,420	10,988	14,352	
Cost Allocation to Sewer Treatment	7,351	7,424	8,353	
Cost Allocation to RDA	-	-	2,251	
Cost Allocation to ARSA	-	-	-	
Cost Allocation to				
	<b>77,496</b>	<b>84,146</b>	<b>97,425</b>	
<b>PERSONNEL</b>				
Salaries	19,585	18,048	17,376	
Retirement	5,959	5,211	5,304	
Workers Comp	716	768	640	
Health Benefits	4,573	3,465	3,958	
Taxes	2,984	3,036	2,654	
Union Dues/Life Ins	59	141	54	
<b>Total Personnel</b>	<b>33,876</b>	<b>30,669</b>	<b>29,987</b>	
<b>OPERATING EXPENSES</b>				
Postage				
Insurance - General Liability/Property	38,620	53,127	62,438	
Insurance - Workers Comp				Direct Allocation 41,852
Books/Subscriptions				
Materials & Supplies				
Professional Services				
Legal Services				
Membership/Dues				
Mileage Reimbursement				
Meetings/Conferences				
Training				
Miscellaneous Expense				
Claims	5,000	350	5,000	A/C# 69060
<b>Total Operating</b>	<b>43,620</b>	<b>53,477</b>	<b>67,438</b>	
<b>TOTAL RISK MANAGEMENT</b>	<b>77,496</b>	<b>84,146</b>	<b>97,425</b>	

Proposed Appropriations Budget For the Year Ending June 30, 2008		Facility Management Fund 65   Dept. 6500		
	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer from Replacement Fund				
Transfer from Capital Fund				
Transfer from General Fund	4,053	3,807	4,678	
Cost Allocation to City Council	760	787	740	
Cost Allocation to City Manager	3,961	3,895	3,848	
Cost Allocation to City Clerk	145	150	141	
Cost Allocation to City Treasurer	90	94	88	
Cost Allocation to Finance	1,067	1,054	956	
Cost Allocation to Planning	2,875	2,136	2,394	
Cost Allocation to Community Development	4,992	4,829	4,861	
Cost Allocation to Streets/Roads	955	919	1,520	
Cost Allocation to PW/Public Svcs	3,933	3,455	2,662	
Cost Allocation to Parks & Rec	3,601	3,121	1,963	
Cost Allocation to Swimming Pool	662	637	230	
Cost Allocation to Public Safety - General Fund	19,846	18,651	22,234	
Cost Allocation to Public Safety - COPS Grant Fund	4,719	3,606	3,438	
Cost Allocation to Public Safety - SEP Grant Fund	-	-	-	
Cost Allocation to Public Safety - UHP Grant Fund	-	-	-	
Cost Allocation to Sewer Collection	9,013	8,089	9,854	
Cost Allocation to Sewer Treatment	6,359	5,466	5,735	
Cost Allocation to RDA		-	1,546	
Cost Allocation to ARSA	5,726	4,832	8,174	
Cost Allocation to				
<b>Total Revenue</b>	<b>72,758</b>	<b>65,528</b>	<b>75,062</b>	
<b>PERSONNEL</b>				
Salaries	11,649	12,966	20,782	
Retirement	3,533	3,765	1,187	
Workers Comp	433	464	579	
Health Benefits	3,096	3,460	1,126	
Taxes	1,775	2,314	3,333	
Life Ins. & union Dues	31	95	104	
<b>Total Personnel</b>	<b>20,517</b>	<b>23,064</b>	<b>27,110</b>	
<b>OPERATING EXPENSES</b>				
Materials & Supplies	1,500	-	1,500	
Signs/Promotions				
Building Maintenance	3,500	3,047	5,000	
Grounds Maintenance	3,900	3,345	3,900	
Utilities	22,000	18,131	20,000	
Office Rent				
Depreciation				
Replacement Funding				
Miscellaneous Expense				
Interest Expense	1,464	1,464	261	Mussetti Loan Payment - Interest
Capital - Buildings	16,177	16,477	10,291	Mussetti Loan Payment - Principal
Capital - Furniture & Equipment	3,700	-	7,000	Sound Syatem Community Bldg./Carpet CH Office
<b>Total Operating</b>	<b>52,241</b>	<b>42,464</b>	<b>47,952</b>	
<b>TOTAL FACILITY MGMT</b>	<b>72,758</b>	<b>65,528</b>	<b>75,062</b>	

**Proposed Appropriations Budget  
For the Year Ending June 30, 2008**

Information Systems  
Fund 64 | Dept. 6400

	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer from Replacement				
Transfer from Capital Fund				
Transfer from General Fund	2,762	2,261	2,803	
Cost Allocation to City Council	518	467	443	
Cost Allocation to City Manager	2,700	2,313	2,305	
Cost Allocation to City Clerk	99	89	84	
Cost Allocation to City Treasurer	62	56	53	
Cost Allocation to Finance	727	626	572	
Cost Allocation to Planning	1,960	1,268	1,434	
Cost Allocation to Community Development	3,403	2,867	2,912	
Cost Allocation to Streets/Roads	651	546	911	
Cost Allocation to PW/Public Svcs	2,681	2,052	1,595	
Cost Allocation to Parks & Rec	2,454	1,853	1,176	
Cost Allocation to Swimming Pool	451	379	138	
Cost Allocation to Public Safety - General Fund	13,526	11,076	13,319	
Cost Allocation to Public Safety - COPS Grant Fund	3,216	2,141	2,060	
Cost Allocation to Public Safety - SEP Grant Fund	-	-	-	
Cost Allocation to Public Safety - UHP Grant Fund	-	-	-	
Cost Allocation to Sewer Collection	6,143	4,804	5,903	
Cost Allocation to Sewer Treatment	4,334	3,246	3,435	
Cost Allocation to RDA		-	926	
Cost Allocation to ARSA	3,902	2,869	4,896	
Cost Allocation to				
<b>Total Revenue</b>	<b>49,587</b>	<b>38,913</b>	<b>44,966</b>	
<b>PERSONNEL</b>				
Salaries	5,168	2,264	2,460	
Retirement	1,359	-	737	
Workers Comp	196	147	100	
Health Benefits	1,876	-	985	
Taxes	688	204	372	
Deferred Comp	-		13	
<b>Total Personnel</b>	<b>9,287</b>	<b>2,615</b>	<b>4,666</b>	
<b>OPERATING EXPENSES</b>				
Postage				
Print/Copy				
Books/Subscriptions				
Materials & Supplies	500		500	
Advertising				
Communications				
Equipment Maintenance				
Professional Services	20,000	20,000	20,000	Network Admin
Contract Services CA LLC	1,800	2,978	1,800	SBC ISP Service
Software Support	5,000	3,107	5,000	MOMS Annual Maintenance
Software	3,500	3,213	6,000	Network License, Network Security, Email
Hardware	6,000	5,000	3,500	Server upgrades, Storage
Membership/Dues				
Mileage Reimbursement				
Meetings/Conferences	1,000	-	1,000	MOM'S Training
Training				
Depreciation				
Replacement Funding				40,000 @ 5 years
Website Maintenance	2,500	2,000	2,500	
<b>Total Operating</b>	<b>40,300</b>	<b>36,298</b>	<b>40,300</b>	
<b>TOTAL INFO SYSTEMS</b>	<b>49,587</b>	<b>38,913</b>	<b>44,966</b>	

**Proposed Appropriations Budget  
For the Year Ending June 30, 2008**

Human Resources  
Fund 62 - Dept. 6200

	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer in from General fund	1,759	1,653	1,644	
Cost Allocation to City Council	330	342	260	
Cost Allocation to City Manager	1,719	1,691	1,352	
Cost Allocation to City Clerk	63	65	50	
Cost Allocation to City Treasurer	39	41	31	
Cost Allocation to Finance	463	458	336	
Cost Allocation to Planning	1,248	927	841	
Cost Allocation to Community Development	2,167	2,097	1,708	
Cost Allocation to Streets/Roads	415	399	534	
Cost Allocation to PW/Public Svcs	1,707	1,500	936	
Cost Allocation to Parks & Rec	1,563	1,355	690	
Cost Allocation to Swimming Pool	287	277	81	
Cost Allocation to Public Safety - General Fund	8,613	8,099	7,813	
Cost Allocation to Public Safety - COPS Grant Fund	2,048	1,566	1,208	
Cost Allocation to Public Safety - SEP Grant Fund	-	-	-	
Cost Allocation to Public Safety - UHP Grant Fund	-	-	-	
Cost Allocation to Sewer Collection	3,912	3,512	3,463	
Cost Allocation to Sewer Treatment	2,759	2,373	2,015	
Cost Allocation to RDA		-	543	
Cost Allocation to ARSA	2,485	2,098	2,872	
Cost Allocation to				
<b>Total Revenue</b>	<b>31,575</b>	<b>28,453</b>	<b>26,377</b>	
<b>PERSONNEL</b>				
Salaries	17,846	16,431	15,413	
Retirement	5,418	4,705	4,763	
Workers Comp	661	708	557	
Health Benefits	4,573	3,720	2,902	
Taxes	2,718	2,747	2,388	
Union Dues/Uniforms	59	142	54	
<b>Total Personnel</b>	<b>31,275</b>	<b>28,453</b>	<b>26,077</b>	
<b>OPERATING EXPENSES</b>				
Postage				
Print/Copy				
Books/Subscriptions				
Materials & Supplies	100	-	100	
Advertising	200	-	200	
Payroll Preparation Service				
Membership/Dues				
Mileage Reimbursement				
Meetings/Conferences				
Training				
<b>Total Operating</b>	<b>300</b>	<b>-</b>	<b>300</b>	
<b>TOTAL HUMAN RESOURCES</b>	<b>31,575</b>	<b>28,453</b>	<b>26,377</b>	

	FY 2006/07 REQUEST	Projected FYE 06/30/07	FY 2007/08 REQUEST	COMMENTS
<b>REVENUE</b>				
Transfer from General Fund				
Transfer from Replacement Fund			-	
Sale of Property				
Cost Allocation to Community Development			-	
Cost Allocation to Streets			2,375	
Cost Allocation to Public Works			2,375	
Cost Allocation to Parks & Rec			2,375	
Cost Allocation to Police			-	
Cost Allocation to Sewer - Collection			4,750	
Cost Allocation to Sewer - Treatment			4,750	
Cost Allocation to ARSA			2,375	
<b>Total Revenue</b>	-	-	<b>19,000</b>	
<b>PERSONNEL</b>				
Salaries			-	
Retirement			-	
Workers Comp			-	
Health Benefits			-	
Taxes			-	
Deferred Comp			-	
<b>Total Personnel</b>	-	-	-	
<b>OPERATING EXPENSES</b>				
<b>Citywide Fleet</b>				
Materials & Supplies				
Safety Equipment				
Fuel Expense				
Vehicle Maintenance				
Training				
Equipment Rent				
Capital Lease Payments			19,000	
Depreciation				100,000 @ 7yrs
Replacement Funding				
Equipment				
Vehicles - Christner				
Vehicles - Allen				
Vehicles - Henderson				
Vehicles - Stone				
Vehicles - Hurst				
Vehicles				
<b>Subtotal - General Fleet Management</b>	-	-	<b>19,000</b>	
<b>Police Fleet</b>				
Materials & Supplies				
Safety Equipment				
Fuel Expense				
Vehicle Maintenance				
Training				
Equipment Rent				
Capital Lease Payments				
Depreciation				
Replacement Funding				
Equipment				
Vehicles				
<b>Subtotal - Police Fleet Management</b>	-	-	-	
<b>Total Operating</b>	-	-	<b>19,000</b>	
<b>TOTAL FLEET MGMT</b>	-	-	<b>19,000</b>	

## TYPES OF DEBT

The City occasionally borrows money to provide up-front financing for facilities that are needed prior to when actual cash would otherwise be available. Typically, such borrowing is used for major capital facility acquisition or construction where an identifiable future revenue stream can be reasonably anticipated to be used for repayment. The debt described below is for debt financing from entities external to the City. From time to time, the City may make loans between City funds and these internal loans are not shown in this section. There are several types of debt that are available to cities and each type has certain restrictions as to how the funds may be used and the type of repayment security required. The City may also obtain debt financing through the normal venues available to businesses. The major types include:

- . Certificates of Participation
- . Equipment Lease Financing
- . General Obligation Bonds
- . Revenue Bonds
- . Special Benefit Assessment Bonds
- . Mello-Roos Bonds
- . Tax Allocation Bonds
- . Tax and Revenue Anticipation Bonds

There are other types of specialized debt financing, however, only the types currently in use by the City will be described. The City does have assessment districts, however, the assessments are not for long term financing. Most types of long term debt do not allow for the payment of ongoing operations and maintenance costs and are limited to the costs associated with capital construction. The City currently has two long term debts, one for the Water System and one for the Wastewater System.

The Wastewater System debt is a General Obligation Bond paid through a tax imposed on properties in the system service area. The bond requires a specific source of revenues to pay the annual principal and interest amounts. This source, an assessment on the property tax rolls, cannot be changed without requiring a repayment of the remaining bonded debt.

## DEBT DETAIL

### WASTEWATER

#### Sewer Bond:

Initial amount:	\$850,000
Annual Payment:	\$8,000 - \$43,000 Principal & Interest
Term:	40 years Final Payment Due May 1, 2037
Balance (June 30, 2007):	\$724,000

Payments are made from a separate charge to all Wastewater customers.

# City of Sutter Creek Annual Appropriation Limit Calculation

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. The City Council has elected to use the change in per capita personal income for the current year appropriations limit calculation. The percentage change to be used in setting the 2007-2008 appropriation limit is:

Fiscal Year (FY)	Percentage Change over prior year
2007-08	4.42%

- B. B. Annual appropriation limit using the per capita change in personal income and the City of Sutter Creek change in population. Statistical information was provided by the California Department of Finance in accordance with California Revenue and Taxation Code, Section 2227.

**2007-2008:**

Per Capita Change = 4.42%

Population Change = 0.07%

Per capita converted to a ratio	$\frac{4.42 + 100}{100}$	=	<b>1.0442</b>
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Population converted to a ratio	$\frac{0.07 + 100}{100}$	=	<b>1.0070</b>
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Calculation of factor for FY 2007-2008:	$1.0442 \times 1.007$	=	<b>1.0515</b>
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Appropriations Limit 2006-2007	<b>2,338,310</b>
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Calculated Appropriations Limit 2007-2008	<b>2,458,755</b>
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## **Capital Improvement Plan 2007-08**

During 2007-08, the City's Five Year Capital Improvement Plan, the AB1600 Development Improvement Plan, and the Five Year Redevelopment Plan will be updated. The projects from the current versions of these plans have been reviewed and the projects that are proposed for 2007-08 are included in this budget. The projects included in the 2007-08 budget are those projects which will have sufficient funding for the work to be completed in 2007-08 and are most likely to have staff resources available. In some cases, funds are being held in reserve for those projects which may be identified in the updates of these plans for implementation in 2008-09.

## **XIV - APPENDICES**

- A. Investment Policy**
- B. Budget Policies**
- C. Glossary**
- D. Budget Approval Resolution**

# APPENDIX A

## Investment Policy

## 1.0 Policy

It is the policy of the City of Sutter Creek 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 entity and conforming to all state and local statutes governing the investment of public funds.

## 2.0 Scope

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

### 2.1 Funds:

- 2.1.1 General Fund
- 2.1.2 Special Revenue Funds
- 2.1.3 Capital Project Funds
- 2.1.4 Enterprise Funds
- 2.1.5 Trust and Agency Funds

## 3.0 Prudence:

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

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

## 4.0 Objective:

The primary objectives, in priority order, of the City of Sutter Creek's investment activities shall be:

- 4.1 **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Sutter Creek shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities, do not exceed the income generated from the remainder of the portfolio.
- 4.2 **Liquidity:** the City of Sutter Creek's investment portfolio will remain sufficiently liquid to enable the City of Sutter Creek to meet all operating requirements which might be reasonably anticipated.

- 4.3 Return on Investments: The City of Suffer Creek's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the City of Suffer Creek's investment risk constraints and the cash flow characteristics of the portfolio.

#### 5.0 Delegation of Authority

Authority to manage the City of Sutter Creek's investment program is derived from the following: Management responsibility for the investment program is hereby delegated to the Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

#### 6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make an impartial investment decision. Employees and investment official shall disclose to the Mayor and City Administrator any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment positions that could be related to the performance of the City of Sutter Creek, particularly with regard to the time of purchases and sales.

#### 7.0 Authorized Financial Dealers and Institutions:

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security Broker/Dealers selected by credit worthiness who is authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3 -1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by state/province laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the treasurer with the following: Proof of National Association of Security Dealers certification, trading resolution, proof of state registration, completed broker/dealer questionnaire, certification of having read the City's investment policy and depository contracts.

#### 7.0 Authorized Financial Dealers and Institutions: (Continued)

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Treasurer.

A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the City of Suffer Creek invests.

## 8.0 Authorized & Suitable Investments:

The City of Sutter Creek is empowered by statute to invest in the following types of securities:

- 8.1 Governmental Pools (LAI?)
- 8.2 U.S. Treasury Bills
- 8.3 Agency Paper
- 8.4 Certificates of Deposit

## 9.0 Investment Pools:

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how alien are the securities priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

## 10.0 Collateralization:

Collateralization is required on certificates of deposit. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest.

The entity chooses to limit collateral to the following:

1. Cash
2. Treasury bonds

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

## 10.0 Collateralization: (Continued)

All security transactions entered into by the City of Suffer Creek shall be conducted on a delivery-versus-payment (DV?) basis. Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

## 11.0 Diversification:

The City of Suffer Creek will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City of Suffer Creek's total investment portfolio will be invested in a single security type or with a single financial institution.

## 12.0 Maximum Maturities

To the extent possible, the City of Suffer Creek will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City of Sutter Creek will not directly invest in securities maturing more than two years from the date of purchase.

Reserve funds may be invested in securities exceeding two years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

## 13.0 Internal Control:

The Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

## 14.0 Performance Standards:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

- 14.1 Market Yield (Benchmark): the City's investment strategy is passive. Given this strategy, the basis used by the Treasurer to determine whether Market yields are being achieved shall be the six-month U.S. Treasury Bill and average LAW rate.

## 15.0 Reporting:

The Treasurer shall provide to the City Council monthly investment reports, which provide a clear picture of the status of the current investment portfolio. The management report should include comments on the fixed income markets and economic conditions, discussions regarding restriction on percentages of investment by categories, possible changes in the portfolio structure going forward and thoughts on investment strategies.

Schedules in the quarterly report should include the following:

- Average life and final maturity of all investments listed
- Coupon, discount or earnings rate
- Par value, Amortized Book Value and Market Value
- Percentage of the Portfolio represented by each investment category

## 16.0 Investment Policy Adoption:

- The City of Suffer Creek's investment policy shall be adopted by resolution of the City of Suffer Creek Council. The policy shall be reviewed as needed by the City Council and any modifications made thereto must be approved by the City Council.

# APPENDIX B

## Budget Policies



1. Reserves: The City Council will adopt policies that establish and maintain appropriate financial reserves for contingencies; replacement of equipment and infrastructure; emergency needs; and, for cash flows. A separate policy statement will be adopted by the City Council and reviewed annually in the annual budget process.
2. Balance Carry Forwards: End of year balance carry forwards shall not be used as a continuing method of balancing the budget
3. Structural Deficits: Structural deficits will be avoided by balancing expected annual revenues with expected annual expenditures. All current operating expenditures will be paid for with current operating revenues
4. Current Accounting: Budgetary procedures that fund current expenditures as the expense of future needs, such as postponing expenditures, accruing future revenues, or rolling over short-term, debt, will be avoided.
5. One-Time Revenues: One time revenues will only be used for one time expenditures,
6. CalPERS Reserve: The City Council will adopt a CalPERS reserve policy that treats annual superfunded savings the same as one-time revenues.
7. Debt for Operating Expenses: Proceeds from long term debt will not be used for current, ongoing operations.
8. Long Term Debt Long term borrowing will be confined to capital improvements too large to be financed from current revenues.
9. Bonds: If bonds are required, special assessment, revenue, or other self supporting bonds will be used, where possible, instead of General Obligation Bonds.
10. Debt Service Impact: Before bonded long term debt is issued, the impact of debt service on total annual fixed costs will be analyzed.
11. Bond Term: Bonds will be paid back within a period not to exceed the expected useful life of the capital project.
12. Revenue Forecasts: All revenue forecasts shall be conservative. Revenue projections will be evaluated annually to maintain an error rate of less than 5%.
13. Intergovernmental Assistance: Intergovernmental assistance shall be used to finance only those capital improvements that are consistent with the capital improvement plan and City priorities, and whose operating and maintenance costs have been included in the operating budget forecasts.
14. Grants: All potential grants shall be carefully examined for matching requirements (both dollar and level-of-effort matches).

15. Fully Costed Benefits: All nonsalary 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.
16. Total Compensation: All compensation negotiations will focus on total compensation: direct salary plus employer share of fringe benefits.
17. Capital Improvement Plan: The City Council will adopt a Five Year Capital Improvement Plan that is updated annually.
18. New Facility Maintenance: Future maintenance needs for all new capital facilities will be fully costed out
19. Capital Maintenance and Replacement The budget will provide sufficient funding for adequate maintenance and orderly replacement of capital plant and equipment.
20. Asset Protection: All assets will be maintained at a level that protects capital investment and minimizes future maintenance and replacement costs.
21. Equipment: All equipment replacement and maintenance needs for the next five years will be projected and the projections will be updated each year. A maintenance and replacement schedule based on this projection will be developed and followed.
22. Enterprise (Utility) Fees: All fees and charges for each enterprise fund will be set at a level that fully supports the direct and indirect cost of the activity. Indirect costs include annual depreciation.
23. Utility Rate Studies: Each of the City's utilities will periodically conduct a comprehensive rate study. In each of the intervening years, staff will review and update the current study.
24. Utility Rates: Utility rates shall be smaller and more frequent (e.g. annually) rather than larger and less frequent
25. Revenue and Expenditure Reports: Reports comparing actual revenues and expenditures to budgeted amounts will be prepared monthly.
26. Investment Policy and Reports: The City Council will annually review the City's Investment Policy and quarterly investment performance reports will be prepared for the City Council.
27. Cash Flow: A cash flow analysis will be made of all funds on a regular basis. Disbursement, collection, and deposition of all funds will be scheduled to ensure maximum cash availability.
28. Pooled Investment: When permitted by law, cash from several different funds will be pooled for investment.

29. Position Control: The number and classifications of positions shall be approved in the annual budget. Changes to the number or classification of Full Time Equivalents (FTE5) shall require City Council approval.
30. Transfer Authority: 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 interfund transfers approved in the budget. City Council approval is required for transfers from Contingencies.
31. Appropriations: 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 that City Council policies on development reimbursements are followed.
32. Contracting Authority: The new City Manager should recommend a policy that establishes limits of the City Manager's authority for contract approvals not requiring City Council action.
33. Contract Amounts: Unless otherwise approved by the City Council on an individual basis, contracts for services will specify an amount that will not be exceeded by more than 10% without City Council approval.

**FISCAL IMPACT:**

There is no direct additional cost to the City for adopting these policies; however, adopting the policies will give guidance in the annual budget process for improving the City's financial condition.

# APPENDIX C

## Glossary

A city budget contains specialized and technical terminology that is unique to public finance and budgeting. Therefore, a glossary is provided to help the reader understand terms and vocabulary that are used in this document or that may be discussed during the budget process. Useful terms relevant to the budget process and/or city government are included.

APPROPRIATION:	An authorization made by the City Council which permits the city to incur obligations and to make expenditures or resources.
ASSESSMENT DISTRICT:	Not a separate governmental entity, but rather a defined area of land which will be benefited by the acquisition, construction, or maintenance of a public improvement.
BENEFITS: INSURANCE	Cost to the city for insurance benefits 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 Employees' Retirement for all regular full time employees. The city participates in the California Public Employees' Retirement System (PERS).
BONDS:	A certificate of debt issued by an entity, guaranteeing payment of the original investment, plus interest, by a specified future date.
BUDGET:	A financial plan for a specific period of time (one fiscal year) that matches planned revenues and expenditures with various municipal services.
BUDGET ADJUSTMENT:	A legal procedure to revise a budget appropriation. City staff has the prerogative to move expenditures within or between department programs. Increases to the budget must be approved by the City Council.
BUDGET DOCUMENT:	The instrument used by the City Manager and staff to present a comprehensive financial program to the City Council.
BUDGET RESOLUTION:	The official enactment by the City Council to establish legal authority for city officials to obligate and expend city resources and funds.
BUDGETED FUNDS:	Funds that are planned for certain uses but have not been formally or legally appropriated by the City Council. The budget document submitted for City Council approval is composed of budgeted funds.

**CAPITAL IMPROVEMENT  
PROJECTS:**

The control or management of governmental affairs or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a period of several future years.

**CAPITAL OUTLAY**

Purchase of equipment (including vehicles), tools, and furniture having a value of \$3,000 or more and a normal useful life of two years or more.

**CATASTROPHIC RESERVES:**

Reserves that are usually not appropriated each year but are held in a special fund or as a part of the general fund. Their purpose is to provide emergency funds for use in the event of a major calamity such as a flood or fire.

**CERTIFICATES OF  
PARTICIPATION (COPs):**

Debt instrument, commonly called COP, that provides long term financing through a lease (with an option to purchase) or through an installment agreement.

**CONTRACTUAL SERVICES:**

Expenditures for services which are obtained by an expressed or implied contract or services which are of such nature that they normally would be obtained by such binding services, maintenance and repair services, auto body work, professional service, public utility services, and travel and transportation services.

**DEPARTMENT:**

A separate major administrative section of the city which indicates overall management responsibility for a group of related operations within a functional area. The city's structure has twelve departments.

**DEPARTMENT SUMMARY:**

The Department Summary provides a summary of source of funds and expenditures by major category. The source of funds section shows prior year actual expenditures, the current year budget and year-to date expenditures, and the proposed budget for the next year.

**DEVELOPMENT IMPACT FEES:**

Fees placed 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.

**DIVISION SUMMARY:**

Provides a summary of source of funds and expenditures by major category in the same manner as the Department Summary, described above, except that this summary is at the division level.

ENTERPRISE FUND:	A governmental accounting fund in which the services provided are financed and operated similarly to those of private business. The rate schedules for these services are established to ensure that the revenues are adequate to meet all necessary expenditures.
ENCUMBRANCE:	An anticipated expenditure committed for the payment of goods and services not yet received or paid for. Typically used to show that the city has signed a contract and has obligated funds to pay for goods and services to be received, and paid for, later.
EQUIVALENT DWELLING UNIT (EDU):	A technique for converting land uses into a measure of equivalent number of people.
EXPENDITURE:	Refers to the outflow of funds paid for an asset obtained or goods and services obtained. This term applies to all funds. Expenditures are recorded in the city's financial records when the payments were made and are dated when the goods, services, or assets were received.
EXPENDITURE CATEGORY:	A basis for distinguishing and grouping types of expenditures. Typical groupings include: Personnel; Goods and Services; and, Capital expenditures.
GASOLINE 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 systems.
GENERAL OBLIGATION (G.O.) BONDS:	Bonds issued through a governmental entity which have the legal authority to levy a tax on real and personal property located within the governmental boundaries at any rate necessary to collect enough money each year to pay for principal and interest due.
IN-LIEU TAXES:	Cities may charge a public enterprise (such as the City Water Enterprise) a fee in lieu of taxes. This is the equivalent of what a private enterprise would be charged for property taxes to pay for city services such as public safety.
LIQUIDITY (CASH) RESERVES:	Liquidity is an accounting term that refers to the amount of cash and easily sold securities a local government has at any one time. Liquidity reserves are the cash and securities that the government can use to adjust to the normal unevenness of revenues and expenditures.

MELLO-ROOS COMMUNITY  
FACILITIES TAX:

A special tax imposed to finance public capital facilities and services in connection with new development. May be used for the purchase, construction, improvement, expansion or rehabilitation of any real or tangible property. It may also finance certain services including emergency services, recreation and cultural programs, and library services.

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.

OPERATIONAL RESERVES:

Also known as contingency funds, these reserves are usually appropriated in the annual budget. Their purpose is to meet unexpected small increases in service delivery costs, such as might be caused by an unforeseen increase in costs for particular services.

"PAY-AS-YOU-USE":

Concept that debt financing enables the public entity to spread the cost of a capital project over time, as the use of the project is being utilized. Typically, replacements of existing facilities (e.g. a water main) are funded from saving up a portion of current (water) fees at a rate that will produce enough money to pay for the improvement when it needs to be replaced. A new facility is typically funded by some form of debt that is paid off by increased fees or taxes.

"PAY-AS-YOU-GO":

Concept of paying for capital projects when the initial cost is incurred, rather than overtime, as the project is being utilized. For example, a developer may install new streets, thus paying for the streets when they are built.

REPLACEMENT RESERVES:

These reserves are held to provide for the purpose of operating equipment such as trucks or machinery. They may be kept as part of fund balances or in a special equipment replacement fund. Replacement reserves are often replenished each year to allow for the continuing depreciation or replacement of equipment.

RESERVE:

An account used to indicate that a portion of fund's balance is restricted for a specific purpose and is, therefore, not available for general appropriation. A Contingency Reserve is available for reallocation for special uses as approved by the City Council. See also Operational Reserves (Contingencies), Catastrophic Reserves, Replacement Reserves, and Liquidity Reserves.

REVENUE:

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



REVENUE BONDS:

Bonds issued to acquire, construct or expand public projects for which fees or admissions are charged. Bonds are repaid solely from the income generated by use of that project.

SOURCE OF FUNDS:

Identifies which revenues the city will use to pay the expenditures of each department. Some department budgets include revenues from one or more sources, which legally, may only be used for specific purposes, while others rely more heavily on the city's General Fund which may be used for any appropriate purpose.

SUPPLIES/SMALL  
EQUIPMENT:

Items purchased that have a unit value of less than \$3,000 regardless of normal useful life of less than 2 years.

TAX AND REVENUE  
ANTICIPATION NOTES  
(TRANS):

TRANS are short-term borrowings by a public entity to meet cash flow needs in a city's funds. TRANS are issued before expected receipt of taxes and other revenues during the same fiscal year. For example, a city only receives property tax revenues after November and April each year but may need to spend funds throughout the year.

TAX INCREMENT FINANCING:

A tax incentive designed to attract business investment by dedicating to the project area the new property tax revenues generated by redevelopment. The increase in revenues (increment) is used to finance development related costs in that district.

TEMPORARY PART TIME:

Describes the job status of an employee as one who works less than full time and in a transitory position.