City of Farmersville

Adopted Budget for Fiscal Year 2022-2023

Strong Roots...Growing Possibilities

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City of Farmersville

City Council

Paul Boyer

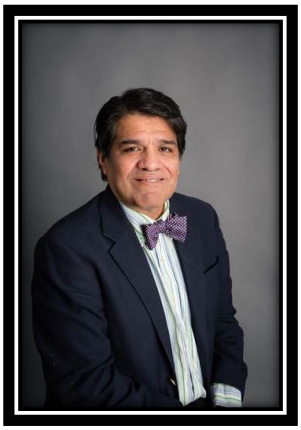
Mayor

Tina Hernandez

Mayor Pro Tem

Greg Gomez

Councilmember



Ruben Macareno

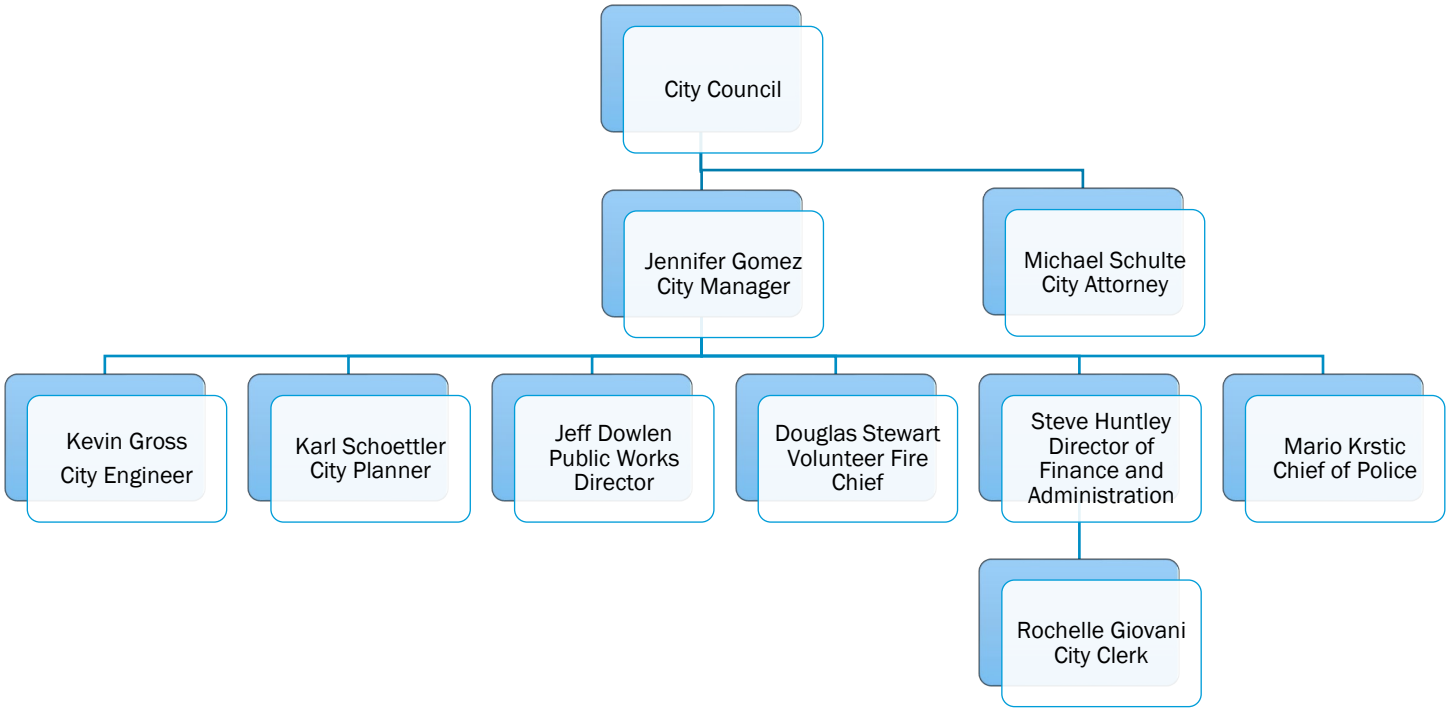
Councilmember

Danny Valdovinos

Councilmember

City of Farmersville

City Leadership



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City of Farmersville

Budget Message

Budget Message for Fiscal Year 2022-23

June 13, 2022

To: Honorable Mayor and City Council of Farmersville

From: Jennifer Gomez, MPA
City Manager

Steve Huntley, CPFO, IPMA-SCP
Director of Finance and Administration

City of Farmersville "Strong Roots...Growing Possibilities"

2022-23 Budget Introduction

It is a great honor to present this balanced Fiscal Year (FY) 2022-23 Budget to the City Council and residents of Farmersville. This Budget continues the Council's legacy of fiscally prudent and strategic spending goals to reach outcomes that assure this community's quality of life, unique identity, and forward progress. Farmersville has visionary leaders who strive to look beyond the year ahead of them and further to the foundations needed for future generations.

The FY 2022-23 Budget takes into consideration the long-term vision of the Council and couples them with the operational requirements that the municipal organization faces on a daily basis. The FY 2022-23 Budget balances the need for laying solid foundations for the future while addressing the needs of today.

In 2020, the entire world experienced the beginnings of a pandemic, and small cities like Farmersville braced for an uncertain future. Today, having weathered that storm, Farmersville must brace itself again for what appears to be an incoming economic storm as inflation rises to levels not seen in 40 years, housing prices are at all-time highs with inventory at all-time lows, interest rates are rising, and companies are still experiencing significant staffing and supply chain shortages. Geopolitical and Social conflicts at home and abroad could also have continuing economic impacts in the next year.

It is an eye to this uncertain future that guided the decisions made in this proposed Budget. If Farmersville stays the course with conservative, fiscally prudent spending, but also makes informed and wise investments in capital and staffing, the City will once again lead this community through the storm to a bright future on the other side.

Policy, Economic, and Legislative Considerations

External factors at the State and Federal levels plus social media influences will always play a part in budget formation and strategic policy (whether efficient and effective or not). These factors can be just as impactful as internal or local factors. Therefore, it is important to consider them as the City plans for its future. More recent events with the COVID-19 pandemic crisis response and the corresponding economic impacts are now the overriding external factors on the City for the next fiscal year. Just as with prior challenges, responding to these historic changes, and a host of other issues, means that staff's involvement in opportunities to be educated and empowered continue to be a priority and a necessity.

Economic and Inflationary Impacts

There is no bigger issue facing the City of Farmersville than the skyrocketing inflation rates and associated looming economic crisis. **The City has already seen costs for construction materials and other essential items increase by 30%-40% in the last year.** Lingering supply chain issues (whether real or just implied through price elevation) and higher fuel costs also add to the economic challenges ahead for City operations and residents alike.

Currently, updates on inflation and the health of the US consumer, as measured by the Personal Consumption Expenditures (PCE) Price Index, are lower recently, but still running well above average at 6.3% increase year-over-year. **The drop in the rate of year-over-year price increases is an indication that inflation might have reached its peak level.**

While personal spending has proven resilient (a key indicator of a healthy economy) the US savings rate fell to the lowest level since 2008. The average consumer still has some capacity to spend, but there are signs that elevated gas, food, and shelter costs are pressuring discretionary spending decisions.

New home sales were down to an annualized rate of 591,000 as a combination of sky-high real estate prices and rising mortgage rates create affordability challenges for potential buyers across the nation.

The Federal Open Market Committee (FOMC) which is tasked with combating inflation and creating jobs, is anticipated to raise rates at an historic rate in both June and July. The Fed is also planning to commence the wind down process of its fiscal stimulus on June 1. **Tightening monetary policy is expected to be a catalyst for additional market volatility and to weigh on US economic growth for the remainder of 2022.**

Last year, as the pandemic was re-testing all-time highs with new variants, the City was bracing for potential economic impacts. However, economic and fiscal stimulus was plentiful and the impacts that the City is now feeling is more related to inflation, than economic collapse due to a pandemic. This inflation, coupled with rising gasoline prices and lingering supply chain issues

from the pandemic heights will likely have a bigger impact than the pandemic did, financially speaking.

Surging inflation means that the City must be cognizant of the impact on its employees, in terms of trying to keep salaries at levels where employees can still afford the necessities of life, and that the City does not lose its employees to other agencies who pay more for the same position. In the midst of the historic rise in inflation, the City has a unique opportunity to begin to set foundations for the future with planned projects and operational changes but must tread carefully, being mindful that Measure Q resources are limited, and now declining.

Measure Q Trends

These funds from Cannabis business will be critical to meeting the deferred maintenance needs of the City, funding revitalizing projects for future development diversification, while ensuring that the General Fund stays healthy for providing essential services into the future. While the potential revenue from Cannabis dispensaries is high, there are also potential downsides if the City becomes too dependent upon it for objectives outside of one-time costs. The new tax revenue has proven very helpful for the City providing the equivalent of a 20% increase to total unrestricted cash of the City.

As discussed repeatedly in past years, restraint and financial discipline needs to be exercised to not recognize Measure Q revenue as ongoing, but rather as one-time funds for potentially several years to come. Balancing the ongoing needs versus one-time projects is becoming more difficult. Staff is mindful of how much should be committed for ongoing annual expenses knowing it will be at the concession of a future project. Spending from cash on hand (cash in the bank from the prior year) rather than projected revenues in the future toward one-time expenses continues to be the most prudent route to take given the precarious situation at hand.

The industry, while highly regulated, is also subject to many outside influences including the very agencies which regulate it! Dozens of law changes to Prop 64 have been enacted since it passed in 2016 by administrative law changes that do not require or include input from voters or local municipalities.

Additionally, the industry is still very new in the business cycle, and uncertainty about competing dispensaries in neighboring cities as well as the newly allowed State-wide delivery of cannabis could dramatically impact this revenue cash flow.

Regarding competition for market share locally, the City of Visalia, with nearly 13 times the population of Farmersville, is once again discussing its Cannabis policy at the writing of this report. If that market share relationship were to change, the tax revenue situation would change with it. So, while **Cannabis Business Tax is one of the largest benefits to the City currently, it could also be one of the largest threats of the future.**

With delivery services, competition for market share is now broader than just local city brick and mortar locations. Clearly, there are many variables at play and the severity of their impact

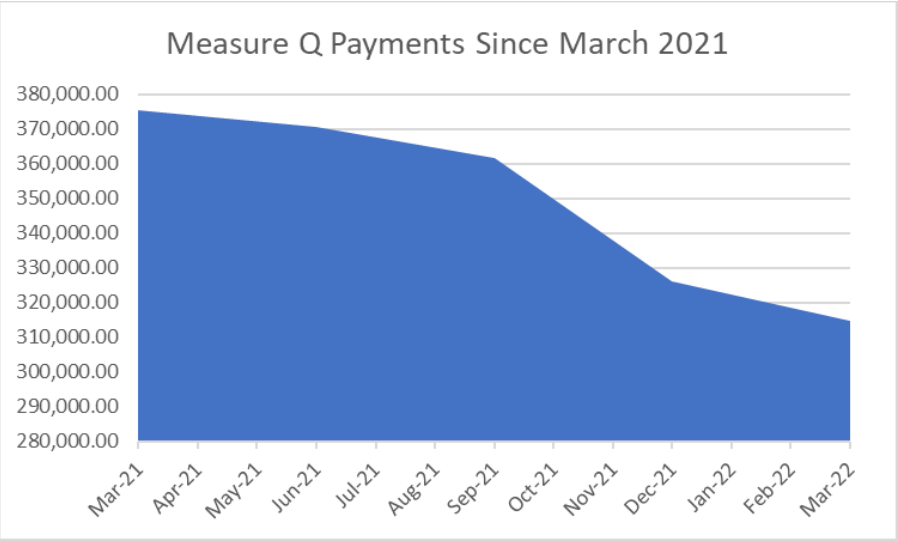
could be debated. It is likely that these changes are to be the first of many to impact this revenue source in the future.

Nevertheless, speculation about future impacts doesn't change the fact that the City is now more dependent upon this resource than ever before, and so it needs to be careful not to over-extend itself. **Patience and creating a commitment to continue a conservative spending plan of only cash on hand rather than future revenue will be the key** to helping everyone stay on the same page with Measure Q spending.

Currently, the City of Farmersville is funding all its capital costs borne by the General Fund with Measure Q Cannabis Business Tax revenue (about $1.1 million). The growing commitment upon this revenue source in all categories is clear, as illustrated in the table below:

Category	FY 2021-22	FY 2022-23	Difference
Cannabis Management	112,000	125,000	+11.6%
Capital Costs	743,183	1,098,737	+47.8%
Operation Costs	358,000	500,000	+39.6%

Projections for future revenue is still in flux as reflected in the declining revenue in each of the last four quarters resulting in a decrease of over 16% in just over a year and reducing the budget forecast by over $250,000 from prior year to Fiscal Year 2022-23.



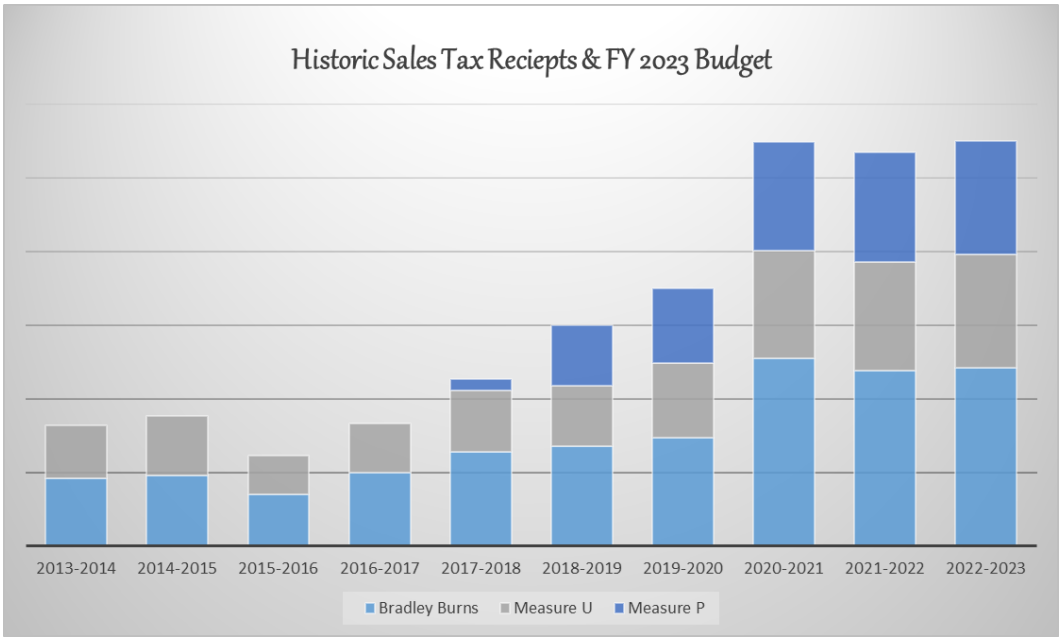
The City is at a crossroads with growing dependence upon this revenue and yet revenue receipts decreasing simultaneously. The underlying concerns about the limited sources of this revenue have not changed.

Discipline and patience are needed to ensure that the City is ready for any revenue changes in the future. It is important to remember that while there is opportunity (another dispensary is on its way) there are also increasing risks and threats not under the control of the City too. A careful balance must be taken for the sake of the City's future.

Tax Base Issues

As the City's tax base remains small and lacks diversity, it has become even more important to manage this factor as the revenue amounts of the City grows and demands for it. In large part, what makes this budget even possible is that the City has not over-extended itself in the last couple of years despite revenue growth. Positions and projects have been added appropriately to each and every department in the last few years (because they were needed), but they were added slowly and incrementally.

While revenue growth has been significant in recent years because of the additional Sales Tax Measure (Measure P) and the new cannabis dispensary businesses, the underlying issue is that the tax base of the City is still too small to say that it is stable for rapid spending growth. **Of all the sales tax that the City depends upon to operate over 54% of it came from just four businesses in 2022.** The table below demonstrates the Sales Tax growth from 2014 to 2023 with the light blue representing the Bradley Burns 1% Sales Tax, the gray representing Measure U (2004), and the dark blue representing Measure P (2017):



This is why fully funded reserves are critical, living within our means (balanced budgets) is paramount, and investment in future revenue diversity is vital.

One of the tasks for the goal of *Financial Sustainability* is to fully fund the reserves of the City. There has been progress toward this goal but the reserves are critical for the City to survive downturns and crisis. It is well documented that the Cities that can cut the least in hard times (assisted by reserves) recover the fastest and grow the most in the good times.

Living within our means by budgeting conservatively has given the City a huge advantage over the last several years. The City has been able to create reserves where there were none. The City has been able to fund capital projects and replace aging assets when it could not before. The City has expanded and added positions and given raises when it could not before.

Intentionally moving slowly has made these achievements possible. Slower growth allows small cities to be ready to survive downturns.

The City should then also take cash that it has now and re-invest it in ways that will develop more growth in the tax base of the City. Revenue sources other than sales tax are important. More, and different types of business will be critical to diversity of economy. This is why the City needs to attempt a hotel tax again and find a way to attract a hotel and anchor businesses by Highway 198 as well as other opportunities for revenue streams.

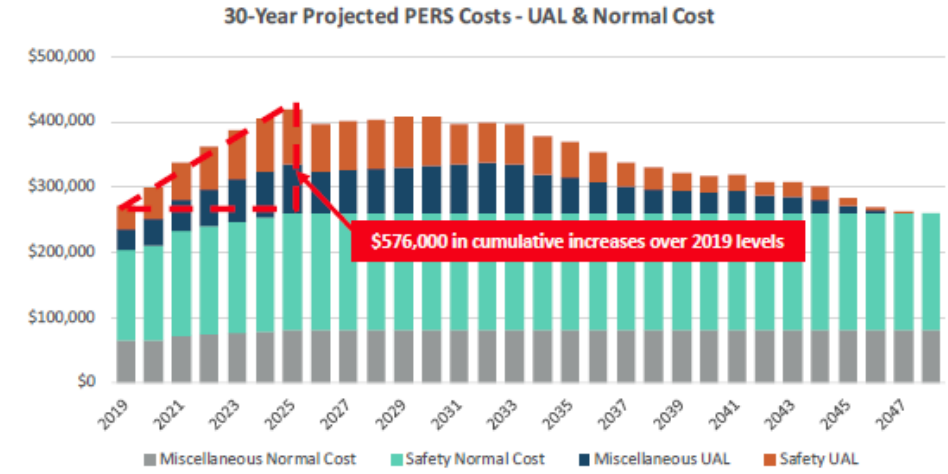
TULARE COUNTY ECONOMIC DEVELOPMENT CORPORATION

To this end the City continues to make efforts to diversify the tax base. Economic development efforts are underway and participation with the Tulare County Economic Development Corporation (EDC), Team California, ICSC, and with other City-led initiatives will drive up demand for more business within Farmersville.

The City will continue normal operations for the Fiscal Year 2022-23 but this comes with necessary self-imposed limitations. There will always be good times and lean times and the City needs to react appropriately in each. The economic factors that can be rightly measured are showing warning signs for the future. So, the City operates with the idea that, **the City's tax base is still insufficient for the service levels it desires, and growth and diversity in the tax base are still needed.**

CalPERS Debt Management

The City also continues to adjust to current CalPERS funding changes, but also paying for debt through CalPERS unfunded accrued liabilities (UAL). To better evaluate this, in October 2018, the City went through a detailed analysis with its municipal advisor to evaluate the most appropriate manner to tackle this large and growing financial issue.



Source: CalPERS Actuarial Reports; Normal Cost assumes 3% growth for next five years and 0% thereafter

Currently, the City pre-pays the "normal" amount owed for the year (instead of paying monthly, it pays annually, thus reducing some interest expense on the amount owed that year). The City also makes Additional Discretionary Payments (ADPs) when funds are available (typically in carryover revenue from one year to the next), which help to reduce the UAL debt burden.

The issue continues as the State attempts to find ways to pay for the pension debt crisis that started in the early 2000s. As the CalPERs portfolio took loss after loss, adjustments were made including signing of PEPRA into law in 2013, lowering the discount rates from 7.75% to 7% shortly thereafter, as well as other actuarial changes that slowly shifted the responsibility of funding pensions from investment earnings to employers. This is best illustrated with the "pension buck" as seen below:

The 'Pension Buck' graphic clearly illustrates that only 60% of pension costs are currently paid by investment earnings. Although this is an improvement over the prior year, the investment policies of the CalPERS Board continue to act as an additional tax on Farmersville residents. This is because rising pension costs in the City budget crowd out the ability to fund other community needs. These rising pension costs are not a reflection of local control, as the City has managed its pension liability prudently - the City has no control over how CalPERS invests pension contributions.

Comparatively, Farmersville is faring well with the amount of debt and the funding ratio of its pension but there are still concerns with this amount of debt and the interest rate (7% generally) will have on the future of the City. Staff is evaluating the best way to tackle these issues and has budgeted for a potential turning point in dealing with the UAL debt in Fiscal Year 2022-23.

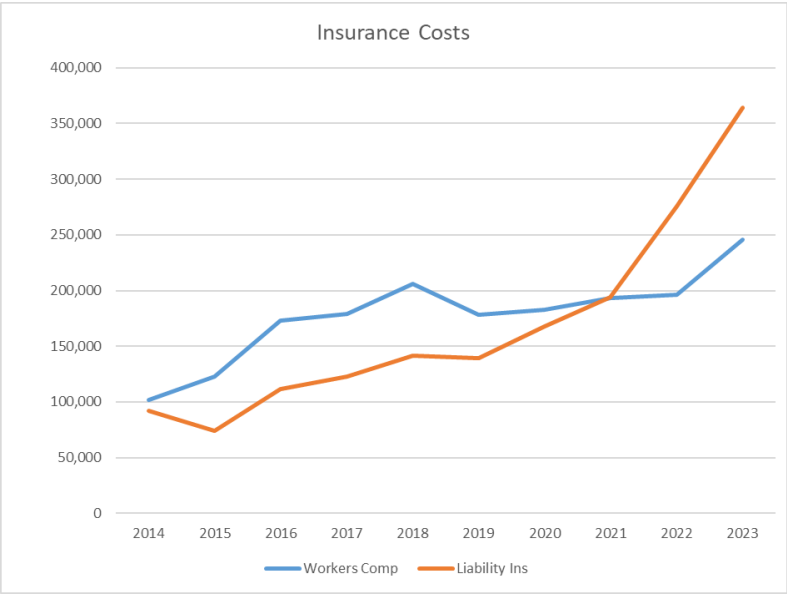
With a much better than average return at CalPERs for Fiscal Year 2021-22 coupled with the discretionary payments made by the City in previous years, the debt issue may be to a point where there may be more options to lock in savings and keep payments low and manageable for the City. Staff is working closely with CalPERS actuarial staff to get the best deal for the City that will support Financial Sustainability and manage the trade-off between risk, flexibility, and financial savings.

Insurance Market Impacts

The City continues to be covered for worker's compensation, liability, crime, auto, property, and employer's liability insurance, with coverage that is pooled with 52 other cities in the Central San Joaquin Valley Risk Management Authority (CSJVRMA). Membership in the CSJVRMA allows the City to be self-funded for most of program areas, which is a proven cost-effective approach as opposed to relying upon traditional insurance carriers for these essential coverages.

However, the property insurance market has become the hardest market in decades caused in large part by unprecedented loss activity such as global catastrophic losses (hurricanes), wildfires, and other attritional losses.

These losses have caused increased scrutiny of client data, reduced sub-limits and caps on certain types of exposures, decreased limits offered by single carriers, increased deductibles, and material premium increases. As a result, the City of Farmersville's total insurance premium in Fiscal Year 2021-22 increased 27.06% and is projected to increase in Fiscal Year 2022-23 by another 24.75%. While these seem like large increases, they are very good compared to the market as a whole where some customers are non-renewed simply because the insurance companies do not have a budget to cover the risk perceived by insuring a City. Meanwhile others have seen premium rates increase by triple digits!



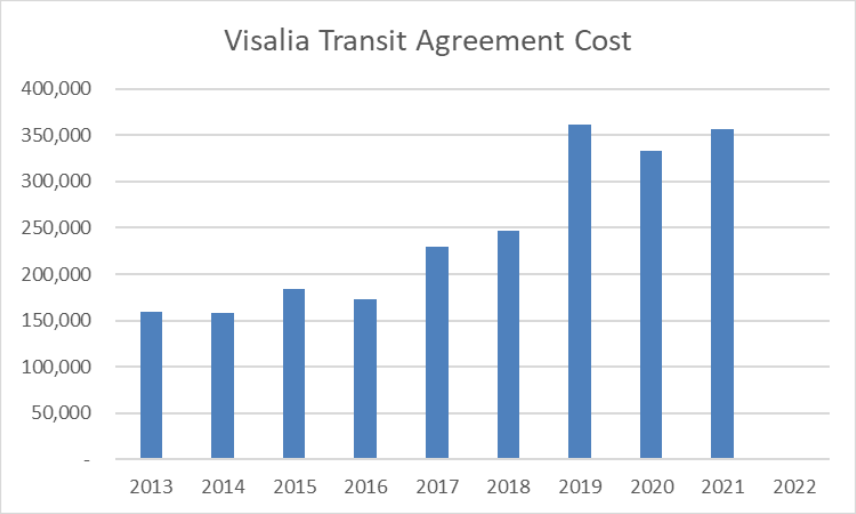
Additionally, increasing costs related to benefits and other requirements will prove very challenging in the years to come. Broad legislation is applied equally to cities, no matter their size, financial standing, or capacity to respond. The City will need to wisely chart a path through these requirements by absorbing, contractual risk transfer, or avoiding the risks associated with these challenges.

Transit Factors

Transportation is an important topic to the residents and City Council of Farmersville and it has been discussed many times. This cost is worthy of mention here because it cannot be seen in the budget. Rather, funding for the transit system is exchanged with Visalia Transit before the transportation funding allocations reach the City of Farmersville. Therefore, no revenues and expenses are associated with it on the books.

In addition, Farmersville received Federal credits applied toward expenses from Visalia for transit operations. The total transit cost for the year was $339,172.10 but the total credits applied to Farmersville were $765,782.02. This leaves a credit balance of $426,609.92 which is anticipated to cover the cost of transit for Fiscal Year 2022-23.

However, with transportation costs rising at a rapid rate, it is a threat to street funding in general. There is no special pot of money to support only transit; the funding is shared between both transit and street maintenance needs and so a balance must be maintained going forward with clear objectives and expectations of services provided.



As a result, Farmersville has elected to transition to the new Tulare County Regional Transit Agency (TCRTA) which is a Joint Powers Authority (JPA). This has unknown costs and an unknown start up period currently. So, it is too early to say if this is going to make financial sense for the City or not. In the meantime, this CARES Act (Federal credits) funding will provide much needed relief so that the City can focus on its street projects.

Funding will be needed in the future for transit services whether they are directly with Visalia or part of services provided by a JPA. City staff will be sure to account for this need in the future when it is better known.

New Law Mandates

Among other policy challenges facing the City, is the relentless flood of laws coming down from the State of California, and their associated impact on the City. The 2021 State of California legislative year saw 2,369 bills introduced collectively by both the Senate and Assembly. Of those, 770 bills were signed into law by the Governor. This has now become a standard with almost equal amounts of new law introduced in both 2020 and 2019 as well. Each year, City staff must realign their procedures and policies whether or not these new laws are successful or effective. This is a heavy burden on the small staff of the City. New law is typically applied to all agencies, no matter their level of staffing, expertise, or budgetary capacity to address such issues.

Of note are the housing crisis, the water crisis, and organic waste management. Law regarding the area of housing has been changing dramatically, and in many ways taking away local control (State mandates about ADUs, for example) but don't actually solve the problem.

Drought and related water accessibility concerns will continue to be a critical issue for the City of Farmersville. It is expected that sometime during the summer months, the Governor's water reduction strategy will become a mandatory plan, requiring extreme conservation measures. This will place an additional fiscal burden on the City's Water Enterprise (as well as code enforcement), as consumption-related revenue will drop. The Water Enterprise must continue to provide clean, reliable water for residents and businesses, and those expenses are generally the same regardless, so the Enterprise will experience constraints as expenses stay static and revenues drop.

Utility Operations & Sustainability

The enterprise funds of the City – Water, Sewer, and Trash are all facing continuing transitions in the coming year.

The Water Utility Fund is one of three Enterprise funds of the City and it has undergone significant change in the last few years. The conversion to meters from a flat rate city-wide and the implementation rate increases over five years (ending in Fiscal Year 2022), dramatically changed the operations of this fund. At this point, the fund is still projected to breakeven (before depreciation cost). **This means that although it may have enough revenue to operate, it is not effectively**

preparing for the eventual repair and replacement of assets appropriately. Therefore, the results of the evaluation of this enterprise's assets will prove important for planning ahead for managing deferred maintenance in the future. This issue, among other future issues relative to being a provider of water, will need to be considered in future calculations to ensure that City rates are appropriate.

The sewer system is not currently in a period of rate increases but more work needs to be done to ensure that the fund is healthy for the long term. Now that the new wastewater treatment plant is complete, the countdown begins to when the City must start the repayment of debt owed to the State (it is already paying the portion owed to USDA). Repayment will start one year after official completion for the State portion (and last 40 years). Payments to USDA will be for a 30-year term. There were significant operation cost increases to stay compliant with the State that must be absorbed while maintaining critical debt covenant revenue ratios. The future of this fund is very different from the history it has had so far.

"Short These rate increases are designed specifically to offset the costs related to increased education and compliance work needed for compliance with SB 1383, organics recycling and composting enforced by CalRecycle. Ultimately, this is a burden on the operation and the refuse fund which can only be solved with service-related user rates charged to residents.

What remains from the pandemic is the uncollected utility payments (water, sewer, and trash) of the City and the dwindling assistance opportunities for rate-payers. The City, as required by the Governor's executive order, had to provide utility services but was not allowed to enter into the collection process on customers that did not pay for the service. As of January 2022, the City is finally able to collect what is owed from services provided. This resulted in over $100,000 of debt and over 100 payment plans created for residents, even after State assistance payments were applied. City staff is working through this glut and will continue to do so for some time as the payment plans are required to be at least 12 months long by State law.

As in the prior years, the City will continue to be successful by keeping its eye on the goals adopted in the Strategic Plan. This will allow the City to wisely tackle decades of deferred maintenance, purchase assets that had never been within its grasp before, pre-pay debt to save thousands of dollars of interest, save for the future economic downturns, and make one-time payments to affect all kinds of good effects on and for the community.

The fifth and final strategic goal of the City is to foster *Financial Sustainability* and it is the goal upon which all other goals are built, the foundation of the plan. This will require risk-taking and investment at times, but it will also take discipline and patience for the long run. **Short-term thinking, and too much attention to short-term results will cause the City to deviate from its strategic plan and miss its goals.**

These strategic plans will all take time to create and implement, but they will create a clear roadmap for the City to follow. It will help to project the true cost to operate services, the true cost to fix broken systems, and the true cost to repair or replace worn down equipment and assets. The City must stick to the strategy and stay the course to cross the finish line on these important tasks and projects and bring the City to where it needs to be. It then needs to create the plan to determine what scope of services the City must or can maintain and then execute a plan to pay for it.

Priorities for the Coming Year

As in past years, the annual budget is where the City puts strategy and policy into action and transaction. Essentially, the City can say what it will do or write down what it plans to do but the budget document is the actual action that takes place and it will either show alignment with these plans or not. This year is a balanced budget proposal that represents the aggregate work of each department of the City to achieve the City's mission set forth by the different goals and tasks within the Strategic Plan. Staff is committed to focusing on the Mission Statement, Core Values, and Strategic Goals and applying them to the daily operations of the City and building the foundations for the future.

That said, the budget for FY 2022-23 is the first major step toward achieving these goals and reaching the strategic culmination of the City. As stated in the Strategic Plan of the City of Farmersville:

> **The mission of the City of Farmersville is to work in partnership with the community to promote a living and working environment that allows for the best quality of life by serving the residents with responsive, consistent, progressive, and professional leadership.**

The Budget incorporates many of the goals identified in the Strategic Plan in order to be in line with the "big picture" mission of the City. While the work will never truly be finished, success can be measured through our ongoing efforts of continuous improvement by focusing on these Strategic Goals and completing specific initiatives and actions.

The Strategic Goals that the City aims for are defined as:

- **Quality of Life** – *enhance core services and address needs of community*
- **Strong & Diverse Economy** – *support new development for residential, commercial, and industrial needs*
- **Public Safety** – *improve current levels of services*

- **<u>Community Engagement</u>** – *effectively communicate with the community including bilingual information*

- **<u>Financial Sustainability</u>** – *maintain healthy finances*

By measuring what is done by staff each day through the lenses of the Core Values of leadership, professionalism, stability, consistency, and efficiency, the City will accomplish the Strategic Goals and therefore, fulfill its mission and commitment to the community. Although the major projects this year represent a shift from large road projects to large park projects, each goal and task will still require Council and staff to maintain focus in order to see the mission clearly. More on the mission, objectives, and specific actions directed by the City Council can be found in the next section of this report.

As in prior years, practically applying the Core Values and Strategic Goals is where City staff brings the vision of City Council from plan to reality. Each department has been busy working on these efforts and have made plans to do so in the coming year through the budget. Over the last year, many improvements have been made to move toward these goals and many more are still on the list to complete.
Improving the **Quality of Life** as defined by the goals of the Strategic plan is to **Enhance Core Services and Address Needs of Community** by:

- Improve infrastructure and facilities
- Develop and improve City parks to encourage community use
- Provide an excellent level of current services
- Provide safe streets for vehicles, bicycles, and pedestrians

In order to meet these goals quality of life has been prioritized again this year, largely through projects programmed in the Capital Improvement Plan. Some of these projects include sidewalk improvements based on the data collected through the City-wide ADA transition plan of FY 2019-20, upgrades to downtown lights, conducting a study to evaluate residential street lights, and replacing a failed water well. Additionally, to improve all methods of transportation "Year 1 Repairs" as prescribed by the Pavement Management Program will repair roads in the East Ash and North Shasta areas of town. This is the first year in a multi-year program that is at least six years in length touching nearly every portion of the City streets not already addressed in the last several projects. Most notably this year will be the work done in parks. Over $5,000,000 will be focused on improvement of parks through the purchase of new bleachers at Veteran's Park, multi-million dollar grants to add to the Sports Park, and use of ARPA funds to update Roy's Park. Other **Quality of Life** developments include master plans for sewer, water, and storm drains, and other public works equipment purchases to improve service delivery.

Economic development efforts have been a big focus in the past couple years and will continue into the new year to foster a

Strong and Diverse Economy again. This goal is defined by **Supporting New Development for Residential, Commercial, and Industrial needs of the City** by way of:

- Approve new subdivisions that offer affordable housing.
- Encourage business development to provide more services and jobs to the community.
- Promote Opportunity Zone to attract manufacturers to the Industrial Zone.
- Broaden the tax base to increase City revenue.

Most notably this year will be the work beginning on the Highway 198 onramp area with a beautification project provided through the Clean California grant awarded to the City. This will prepare the entry to the City with a new, stunning welcome to not only visitors but developers as well. The curb appeal will be a worthy investment to the City's future. In partnership with this effort are several important documents that will help move the City forward. Work will continue on the Downtown Specific Plan and the Zoning Ordinance Update through a grant awarded from SB 2 funding. New to this year will be work to update the City Standards (LEAP grant), and updates to the City's General Plan and Housing Element. While these may seem like inconsequential documents – these are the standards and plans through which the future of Farmersville can be seen. The future vision of the City is cast through these controlling documents for generations to come. City Council's thumbprint on the community will be seen through the implementation of what is in these documents. Interest by commercial and residential developers furthers the City's ability to achieve this goal and City staff will broaden work this year to promote the City this year through traditional and creative marketing methods.

Improving the service levels within **Public Safety** is also addressed in the strategic plan goal of **Improving Current Service Levels** through:

- Deliver high quality services while managing workforce capacity and resources.
- Improve technological capabilities of the City.
- Utilize grant opportunities to implement and complete prioritized City projects.
- Cultivate a positive work environment.

These priorities are addressed in more technology and equipment purchases as in past years. In addition to the new Fire Engine and Command Vehicle added last year, new rescue equipment and AED devices for the Fire Department as well as the continuation of the police department vehicle purchase plan will provide for the latest and best technology for the first responders of the City. More deferred maintenance items will also be addressed through the purchase of SCBA units and turnouts for the Fire Department and the final stage of the remodel in the Police Department. Technology and equipment, while important must be operated by dedicated staff. Therefore, a change in the structure of the Fire Department is necessary to provide more day-to-day on-site management by converting the volunteer leadership structure of a Chief and Battalion Chief to a full-time Battalion Chief position. Finally, the completion of the Strategic (short-term) and Master (long-term) Plan for the Fire Department will light the path forward for the department and kickoff a work toward meeting the goals and objectives.

City staff has worked consistently to improve **Community Engagement** by increased communication relative to utility shutoffs through compliance with SB 998, community workshops held for Sports Park development, outreach regarding COVID-19 assistance, and new use of social media, video conference meetings, and the City website (www.cityoffarmersville-ca.gov) again this year. Outreach will continue in the next year as well. This goal of **Effectively Communicate with the Community Including Bilingual Information** contains the following objectives:

- Encourage community engagement through outreach and interagency partnerships.
- Educate the public through social media and online presence.
- Provide clarification and direction on City policies and processes.
- Promote a positive image to the community.

City staff has launched a couple of surveys recently to interact with residents and collect data for a variety of uses through mail, social media, and the website. This is not just a pandemic work-around, but an effective method that staff will be able to use for years to come. Accessibility for all is a top priority and will continue to be seen through advancements in ADA compliance on the website and enhanced features coming soon. Staff will also continue work on streamlining processes and offering new ways for residents to interact regarding their utility bills, permitting needs, and park reservations. This is important work because as the sports park complex and other park improvements come to fruition, demand for use of public use areas such as picnic areas, sports fields, and an amphitheater, will increase.

Finally, the City targeted **Financial Sustainability** in a significant way for this coming year. City staff is tasked with **Maintain Healthy Finances** by:

- Adopt conservative Annual Budgets for Operations and Capital Improvement Plan.
- Adhere to Debt Management and other Fiscal policies.
- Fully fund the Budgetary Uncertainty Fund and maintain the Minimum Fund Balance.
- Strategically prepare for a changing legislative landscape and economic conditions.

Staff has completed a Cost of Services study and a study to update the Developer Impact Fees to help strengthen the financial sustainability of the City. The implementation of these studies by updating City fee schedules is important to collecting the appropriate amount of fees to pay for the services provided to residents and businesses. This will allow the City the resources it needs to meet all the other goals of the City. Without the proper funding, the General Fund must subsidize the services with tax dollars meant to support other essential services. These new fees were implemented January 1 and July 1, respectively. The City continues to budget conservatively by following fiscal policies and has prepared for the future by addressing the debt burdens it can with CalPERS. However, fully funding the Budgetary Uncertainty Fund remains outstanding and the City should act while times are good to prepare for the inevitable lean times. The City responsibly reports all these revenues and expenses which has led to another successful "clean audit" year without any audit findings.

Last year, it was reported in this message that the City secured a contract with a legislative advocacy group to help find more revenue and funding opportunities for the City. As a result, the City was able to bypass financing of a new fire engine and obtained State Budget funds for this important apparatus instead! Senator Hurtado's office, by way of Townsend Public Affairs, secured this funding and saved the City thousands of dollars in interest payments over the next several years.

The City has maintained this relationship with Townsend & Associates, and in addition to seeking other grants and opportunities with Blais & Associates, is poised to leverage precious dollars for maximum impact in the City. This will also potentially free up other funds available for more deferred maintenance and essential service support in the future. Although it appears that the impacts of the pandemic are largely behind us, acting responsibly with leveraged cash is important as we have now experienced inflationary impacts ballooning project costs that the City is already committed to through grants, thus endangering the financial stability of the City. **Not all grant opportunities are equal, and not all grant opportunities are essential, and so the City must be discerning with its commitments.**

The budget necessary to accomplish all these ongoing goals must start with equipping City staff with the necessary resources. To achieve this, a comprehensive five-year Capital Improvement Plan (CIP) was formulated and updated again this year from department requests that were analyzed, prioritized, and finally presented to Council on March 25, 2022, for review and direction.

The Capital Budget for Fiscal Year 2022-23 has been integrated with operation budget requests into the proposed budget in this report for a complete picture of the year to come. To overcome some of the deferred equipment and infrastructure deficiencies, use of fund balance, one-time allocations (such as ARPA), and affordable financing options have and will continue to be used. This was reviewed with Council on May 25, 2022 for review and direction.

This will prove to be another busy year for the City of Farmersville. This year's **Capital Budget is $10,487,462** has 28 unique projects of which, six are over $1 million each in total cost. This is a total capital reduction of 33% from FY 2021-22 with 33 projects. The completion of the North Farmersville Boulevard Widening Project is imminent and accounts for most of this difference. The total project cost to date of over $9 million makes it the largest road project ever taken on by the City. Things are not slowing down on the operations side of the house either. When the capital budget is added to the **Operation Budget of $12,958,637** (about 27% more from FY 2021-22), it brings the **total proposed budget to $23,446,099** for FY 2022-23 (10% less from FY 2021-22).

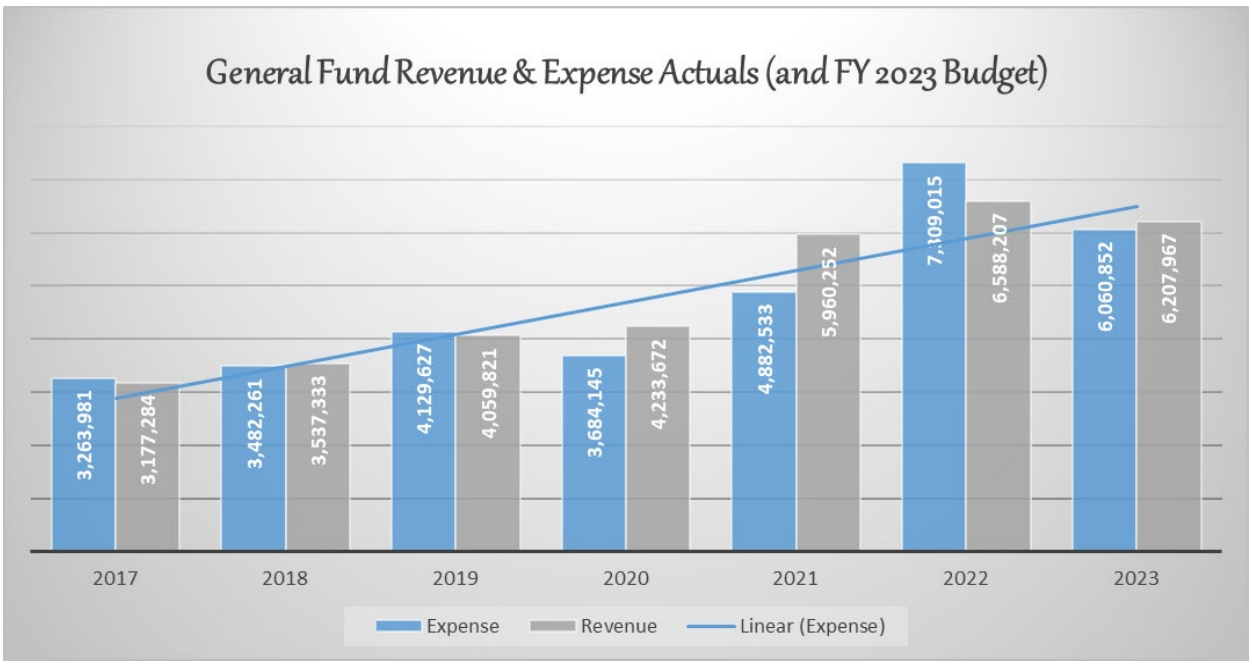
Budget	FY 2021-22	FY 2022-23	Difference	Percent
Operation	10,167,374	12,958,637	2,791,263	27%
Capital	15,741,876	10,487,462	(5,254,414)	-33%
Total	25,909,250	23,446,099	(2,463,151)	-10%

While the City is optimistic about development in the future, **conservatively approaching our growth is key to successfully managing it.** While most of revenue cashflows are out of the control of the City, development of new revenue cashflow sources can be controlled, and will continue to be prioritized with larger, long-term objectives in mind. The City anticipates more growth this year and will continue to prepare itself for new possibilities responsibly.

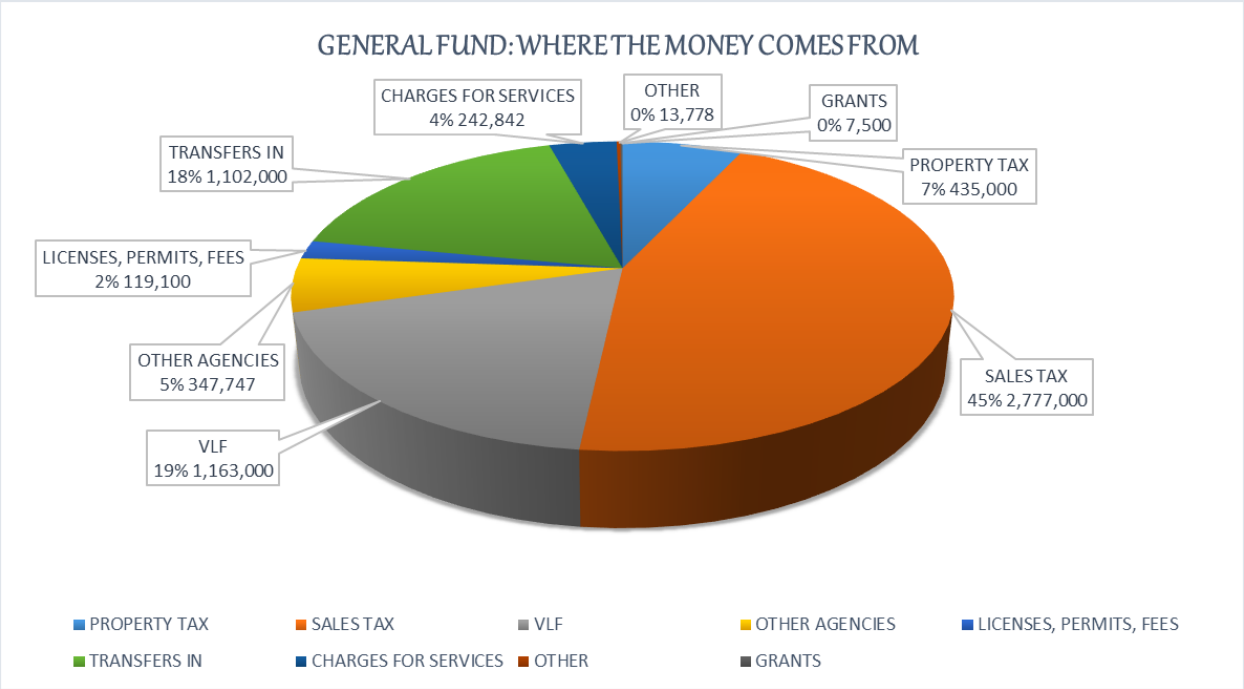
Changes to the Budget over Prior Years

Given these priorities, issues, and strategic direction, the City has made some changes in the budget this year compared to prior years but many of the services remain the same.

The proposed budget for FY 2022-23 is a balanced budget that features a wide variety of ongoing projects, programs, services, and initiatives aimed at achieving the Strategic Plan of the City as adopted in February of 2021. The revenues needed to support these features are forecasted to grow, but at a slower pace than the prior year which was heavily influenced by new revenues streams in Farmersville. This continues a healthy trend of budgeting the last several years:

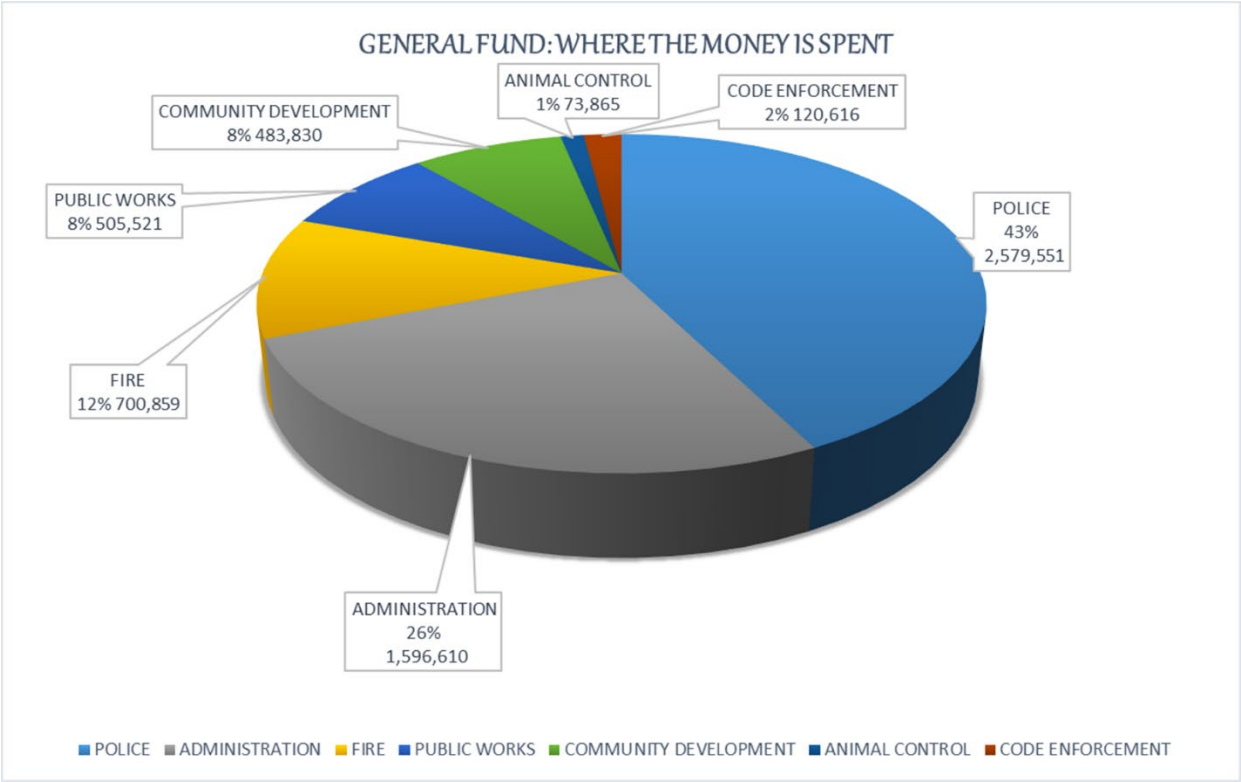


Overall, General Fund revenue for the City is expected to increase about 3% compared to FY 2021-22 budgeted figures. Sales Tax is still the dominate source of income (45%), but as discussed earlier, is reliant upon only a handful of businesses to generate most of this income. Property tax (combined with VLF due to a State funding swap) is the second largest revenue source (26%) has grown slowly mostly due to lack of new development. Transfers into the General Fund are dominated by movement of Measure Q funds to offset the expenses for capital costs and some operational costs and is now the third largest revenue source (18%).



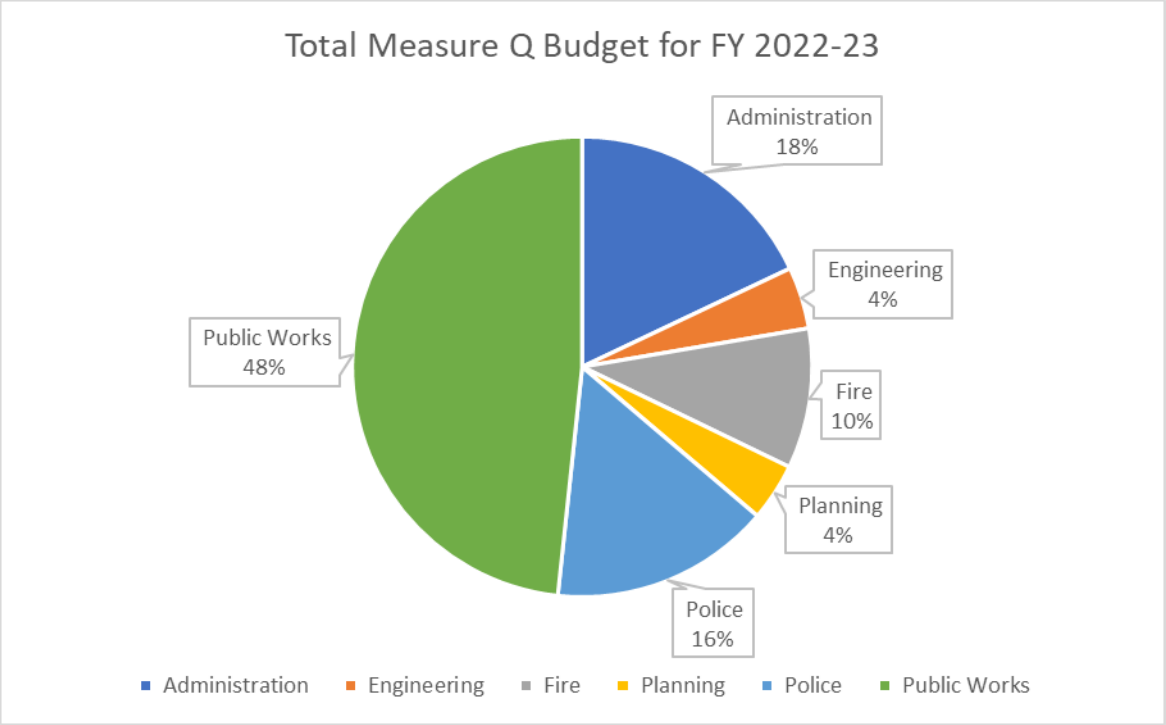
Expenses also continue to grow to support salary and benefit increases, capital projects, and incremental operational expense increases. Although inflationary effect will likely start inflating costs in the near future, the City assumes an increase in costs generally, but also specifically for fuel at about 15%, insurance at 24%, and for other benefits at 10% which have all been added in the budget.

The key elements of change within the operation budget is the update to the salary allocation for Public Works to reflect the changes in the workload of staff due to current priorities and the completion of the Wastewater Treatment Plant project and other changes to park maintenance. While these changes are impactful across a number of different funds they are felt most in the General Fund (increases in cost) and the Maintenance Districts Fund (now appropriately balanced).

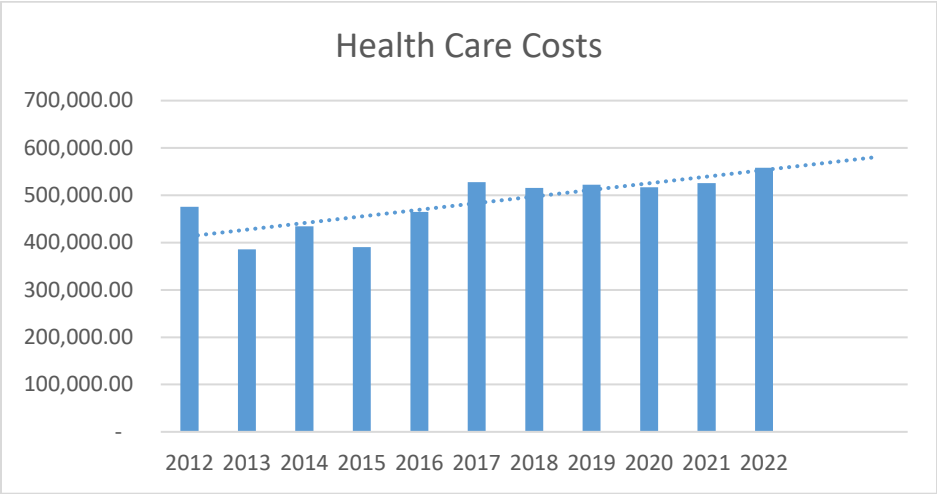


The operations budget contains several new and ongoing grants that were awarded regarding park development, community services, and studies needed for future improvements and development. Service levels are consistent, but more staff and new types of positions are planned to be added to better support the residents of Farmersville and the existing structural needs of the City. A Battalion Chief position will be converted from a volunteer position to a full-time position to add needed depth, flexibility, and leadership in the Fire Operations of the City.

The General Fund remains in a much healthier financial position than several years ago and is maintaining its fund minimum requirements. The health of the General Fund is primarily due to the Measure Q: Cannabis Business Tax revenue relieving the General Fund of hundreds of thousands in deferred maintenance, capital improvements, and other one-time costs that it could not otherwise afford.



The Capital Budget cost in FY 2022-23 is $10,487,462 and $1,098,737 of that cost would have been borne by the General Fund but is instead offset by funds from the Measure Q fund. More information about the use of Measure Q Cannabis Business Tax Fund can be found later in this budget book.



The City has had success in staving off some benefit rate challenges while keeping benefit levels steady. In 2018, the City created a new tier of benefits for all new employees (hired after January 1, 2018) that is much more sustainable and the cost savings have been important for the City (only 2% overall increase since 2018 but will jump in 2022 to 10%).

This program has been incredibly successful and has managed to keep a cost that is, for most employers out of control, largely stable for many years. Due to changes with the hardening of markets but mostly City claims history, total expenses are going up. However, this was anticipated and while still manageable now, staying the course with the current strategy will be important to help keep costs steady.

Major Capital Purchases and Projects

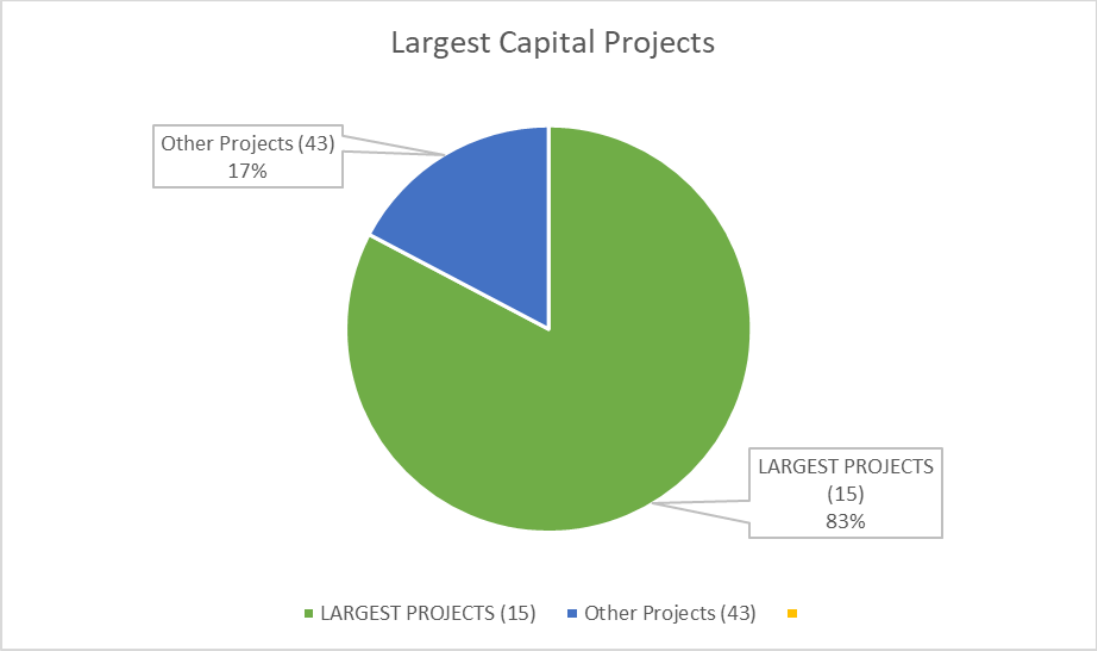
The capital budget remains largely unchanged from when it was first presented to Council on March 25, 2022, and now is $45,703,875 over the next five years and with $10,487,462 of that total budgeted in Fiscal Year 2022-23 alone. Of the $10,487,462 for this next year, $5,486,749 of that is for work on improvements for City parks.

In the case of the proposed budget, there are currently 15 projects underway (or proposed to be) that have a total cost of at least $1,000,000 each. These projects range from the widening of the North Farmersville Boulevard, construction of the Freedom Field portion of the Sports Park, and a new water well, among others. More detail is available in the capital budget section of this report (and the table below).

CAPITAL BUDGET FOR FISCAL YEAR 2022-2023	YEAR 1 2022-23
Master Plans for Sewer, Water, and Storm Drain	150,000
Update City Standards (LEAP Grant)	65,000
New Water Well (ARP allocation)	90,000
Residential Streetlight Study	50,000
Pavement Management Program: Street Repairs Year 1	1,600,000
Solar Plant located at new WWTP	150,000
ADA Sidewalk Improvements	25,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837
Fire Rescue Equipment	38,000
AEDs for Fire Apparatus	18,000
Fire Modem & Tablet Update	25,000
Downtown Specific Plan	90,000
Zoning Ordinance Update	50,000
General Plan Update	63,000
Housing Element Update	100,000
Patrol Vehicle Replacement (FY20)	38,345
Patrol Vehicle Replacement (FY22)	56,900
Police Office Remodel (Phase 3)	75,000
Sports Park Phase III - CNRA Prop 68	1,600,000
Sports Park Rehabilitation Project	17,000
Roy's Park Improvement	196,500
Skid Steer Loader (Bobcat)	115,000
Downtown Streetlight Upgrade	40,188
Freedom Field	2,839,034
TriMax 493 Field Mower	43,943
Roy's Park - Phase II	775,000
Vacuum Truck	384,500
Bleachers for Sports Park	59,215
TOTAL	10,487,462

LARGEST CAPITAL IMPROVEMENTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Central Fire Station		7,000,000				7,000,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard		500,500	500,500			1,001,000
Freedom Field	2,839,034					2,839,034
TOTAL	8,011,871	17,169,569	7,775,913	4,841,500	-	37,798,853

These projects are substantial in size and impact for the City and reflect the commitment to the Strategic Plan of the City. All but two of these projects will require outside funding sources, either through grant, street funding allocation, or some type of financing.



The Proposed Budget includes all expected capital expenditures for FY 2022-23 from the City's Five-Year Capital Improvement Plan. Staff are ever mindful of additional maintenance costs associated with new capital projects; therefore, these costs are always weighed against the benefits of specific projects.

The lion's share of the City's capital program is in the areas of infrastructure improvement and rehabilitation; therefore, most projects serve to reduce future maintenance costs and impact to future year revenues from potential future development.

Summary

Fiscal Year 2022-23 will be another busy year of changes for the City of Farmersville. Future goals will be evaluated and refined, essential services will be updated and strengthened, and strategic projects will help revitalize the City to spur future growth.

Once again, the strategic plan of the City, executed through the budget of the City, will make the difference for Farmersville residents for generations to come.

The City Council has a vision of a prosperous and inviting place to live, work, and play. It will take time and patience to achieve those dreams, but being strategic about the plan, disciplined in execution, and being positioned for bumps along the way is vital.

This winter, the incoming City Council will again have opportunity to reaffirm its commitment to a long-term focus by creating an updated strategic plan that targets long-term vision over short-term distractions. The City must stay the course.

The City defines its success by achieving the Strategic Goals to fulfill the City Mission and displaying the organization's Core Values each and every day. As the City enters a time of economic uncertainty, it is committed to being patient and wise with how to manage new growth and opportunities and mitigate skepticism and negativity.

There are certainly challenges ahead but also a multitude of exciting opportunities for Farmersville's future!

Sincerely,

Jennifer Gomez, MPA
City Manager

Steve Huntley, CPFO, IPMA-SCP
Director of Finance & Administration

City of Farmersville

Mission Statement & Goals

Mission Statement & Goals 2021-2023

Mission Statement

The mission of the City of Farmersville is to work in partnership with the community to promote a living and working environment that allows for the best quality of life by serving the residents with responsive, consistent, progressive, and professional leadership.

Motto

"Strong Roots…Growing Possibilities"

Core Values

Leadership

We value leadership through staff's ability to communicate with others and develop trusting relationships. They exemplify honesty, compassion, ethics, and pride in their work.

Professionalism

We value a professional work environment which provides quality services, demonstrates integrity, and acts with transparent decision-making.

Stability

We value a stable and reliable organization that is prepared to deal with change. Well planned actions bring security and achievable goals.

Consistency

We value a consistent level of service in treating all parties equally without bias. Consistency brings reliability, dependability, and trustworthiness.

Efficiency

We value efficient processes and procedures which are developed through continuous improvement within the organization.

City Council Goals

Quality of Life

Enhance Core Services and Address Needs of Community

- Improve infrastructure and facilities.
- Develop and improve City parks to encourage community use.
- Provide an excellent level of current services.
- Provide safe streets for vehicles, bicycles, and pedestrians.

Strong & Diverse Economy

Support New Development for Residential, Commercial, and Industrial Needs

- Approve new subdivisions that offer affordable housing.
- Encourage business development to provide more services and jobs to the community.
- Promote Opportunity Zone to attract manufacturers to the Industrial Zone.
- Broaden the tax base to increase City revenue.

Public Safety

Improve Current Levels of Services

- Deliver high quality services while managing workforce capacity and resources.
- Improve technological capabilities of the City.
- Utilize grant opportunities to implement and complete prioritized City projects.
- Cultivate a positive work environment.

Community Engagement

Effectively Communicate with the Community Including Bilingual Information

- Encourage community engagement through outreach and interagency partnerships.
- Educate the public through social media and online presence.
- Provide clarification and direction on City policies and processes.
- Promote a positive image to the community.

Financial Sustainability

Maintain Healthy Finances

- Adopt conservative Annual Budgets for Operations and Capital Improvement Plan.
- Adhere to Debt Management and other Fiscal policies.
- Fully fund the Budgetary Uncertainty Fund and maintain the Minimum Fund Balance.
- Strategically prepare for a changing legislative landscape and economic conditions.

Priorities & Proposed Actions: Tier 1

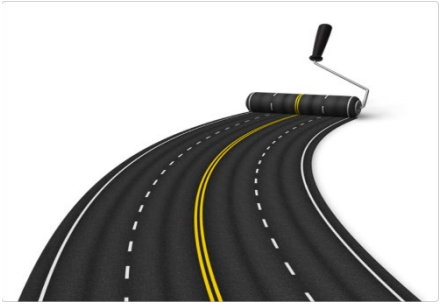
Economic Development

- Continue to expand tax base with new development and enhance marketing through coordinated efforts with consultant and Tulare County Economic Development Corporation.

Future Grants for Prioritized Needs

- Do not apply for grants unless they will help meet Council's Goals and Priorities.

Street Improvements/Aging Infrastructure/Deferred Maintenance



- Determine critical or at-risk services and include in City's Capital Improvement Plan.
- Implement policy for new subdivisions to include street maintenance in district assessments.

Small Local Business

- Notify business owners of grant or loan opportunities through Tulare County Economic Development Corporation and other agencies.

Housing

- Streamline process for developers to incentivize construction opportunities.
- Promote property that is available for new development.

Downtown Improvements

- Redesign Farmersville Blvd. in the downtown area to create a more pedestrian friendly model with improvements to street, sidewalks, lighting, and landscaping for short-term and long-term planning.

Staffing

- Ensure hiring of the most qualified candidates that will fit our culture of teamwork and continuous improvement. Provide opportunities to cross-train staff, develop new skills and knowledge, and offer words of encouragement and thanks in small tokens of appreciations.

- Review opportunities to hire interns to assist departments.

- Utilize new equipment or software to increase productivity if the benefits can outweigh the costs; and ensure security measures are in place to protect systems.

- Public Works - 6 more employees are needed to run smoothly. Review opportunities to contract out services or hire temporary employees to be funded by cannabis revenue.

- Police – Current levels include 16 sworn officers and one civilian position. For succession planning and capacity concerns implement a plan to add positions as needed.

- Fire – Establish a plan on the future growth of the Fire Department.

- Finance – Identify future needs of Finance and Administration to address ongoing growth within the organization and improved services for the community.

Priorities & Proposed Actions: Tier 2

Highway 198 Development

- Provide wayfinding signs to attract drivers to downtown and government facilities.

Police Department

- Use data in marketing material to promote the City.

- Continue to provide outreach to the community and youth through educational programs.

Water Quality & Supply

- Maintain safe and efficient water system.

Chamber of Commerce

- Utilize the Tulare Kings Hispanic Chamber as a resource for local businesses.

TOT (Hotel) Tax

- Prepare ballot measure for November 2022 election and coordinate educational material with an independent committee.

Legislative Changes

- Staff and Council to remain active and participate in the League of California Cities and review opportunity to contract with a lobbyist firm to protect the interests and needs of the city.

Street Lighting Improvements

- Evaluate opportunities to increase lighting in older residential neighborhoods.

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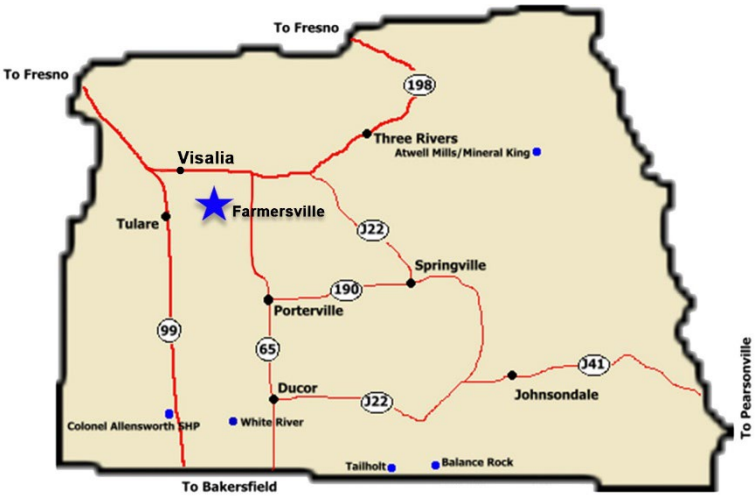
City of Farmersville

Community

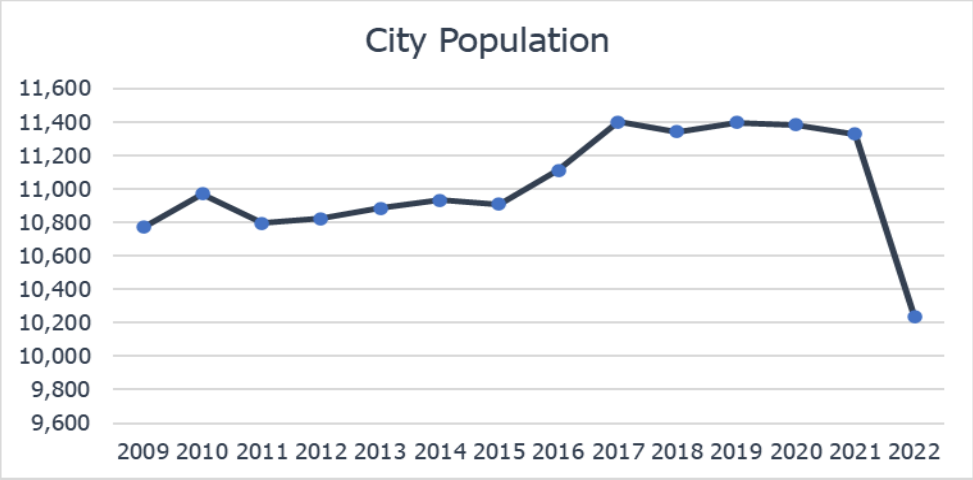
Demographics



The City of Farmersville combines a small-town environment with the outdoor amenities offered by the fertile farmlands and has a strategic location settled along Highway 198 providing easy access to Visalia and Highway 99 to the west of the Sequoia National Park in the Sierra Nevada Mountains to the east.

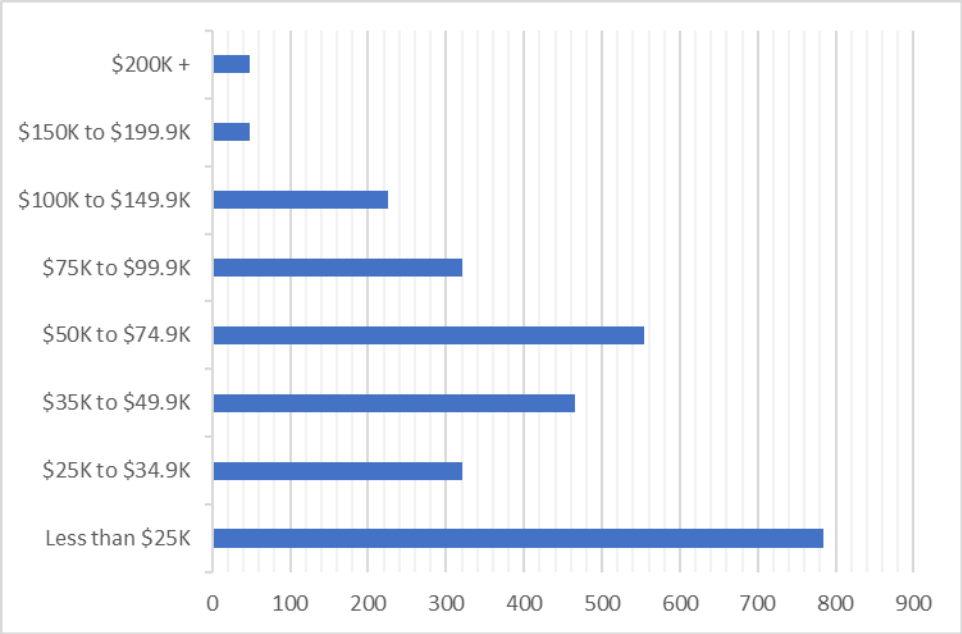
Farmersville is a community of just over 11,000 people and is devoted to preserving its rich history, creating opportunities for quality development, and carefully planning for its future through smart grown efforts. The city is ranked safest city in Tulare County and continues to thrive in the growing central San Joaquin Valley region.

City Population



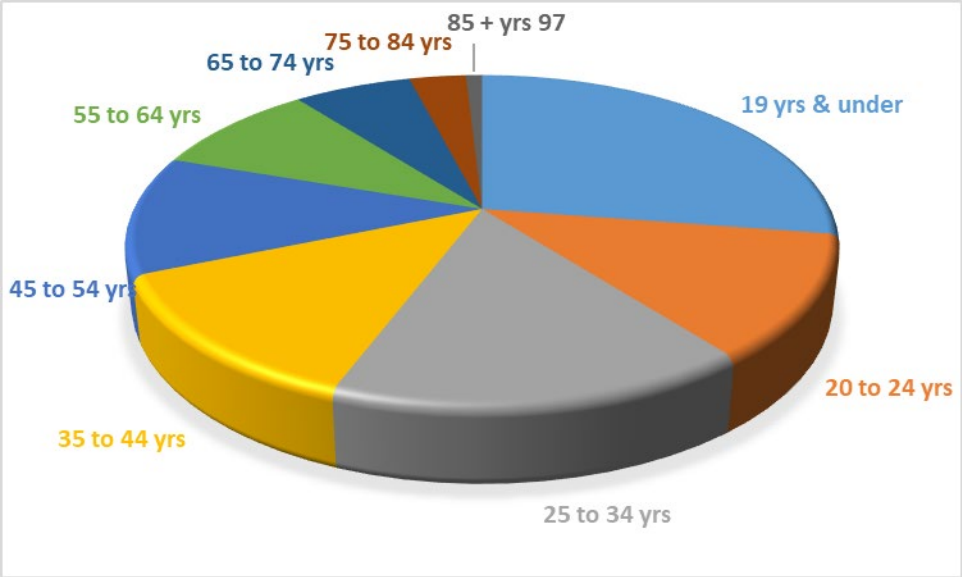
Source: CA Department of Finance

Household by Income



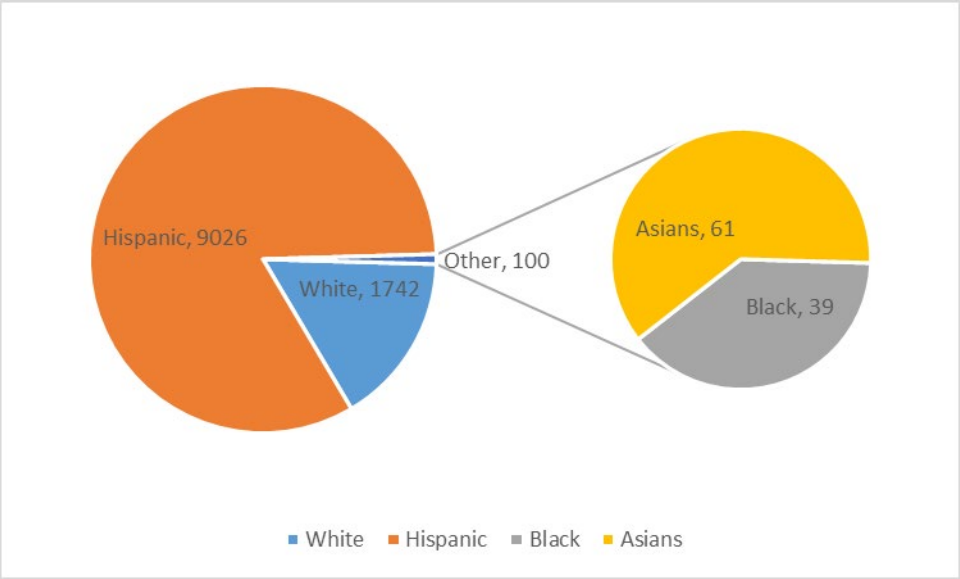
Source: Economic Development Corporation

Population by Age



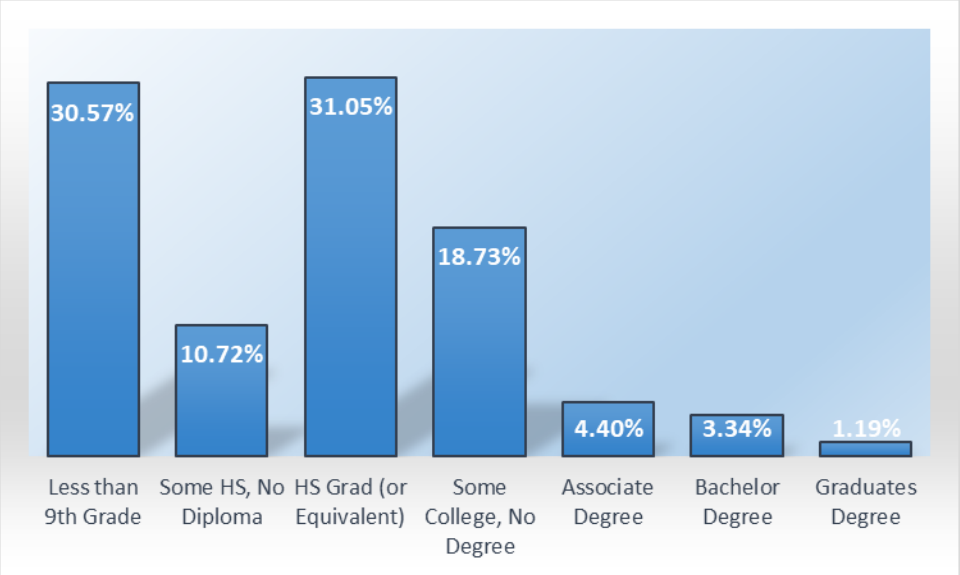
Source: ECONSolution by HDL

Population by Race



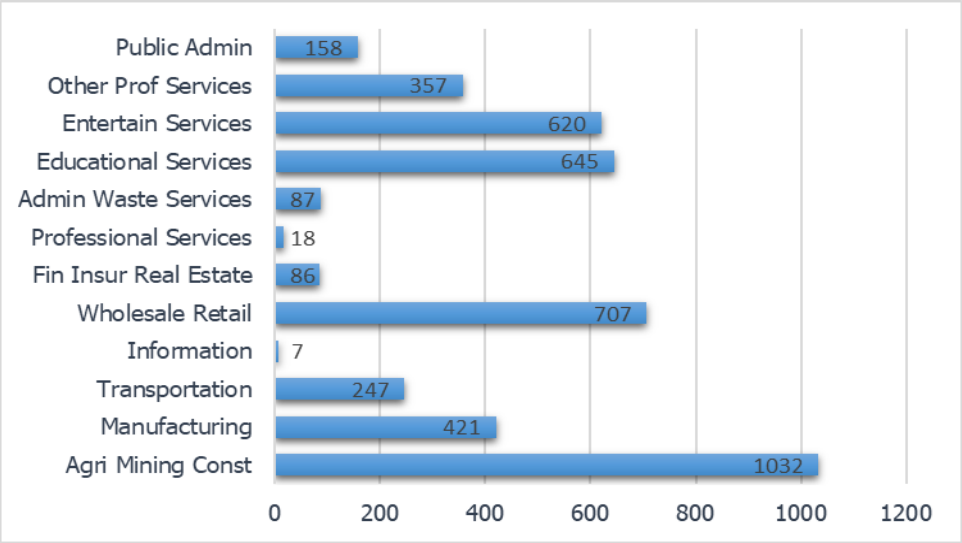
Source: ECONSolution by HDL

Education



Source: ECONSolution by HDL

Employment by Industry



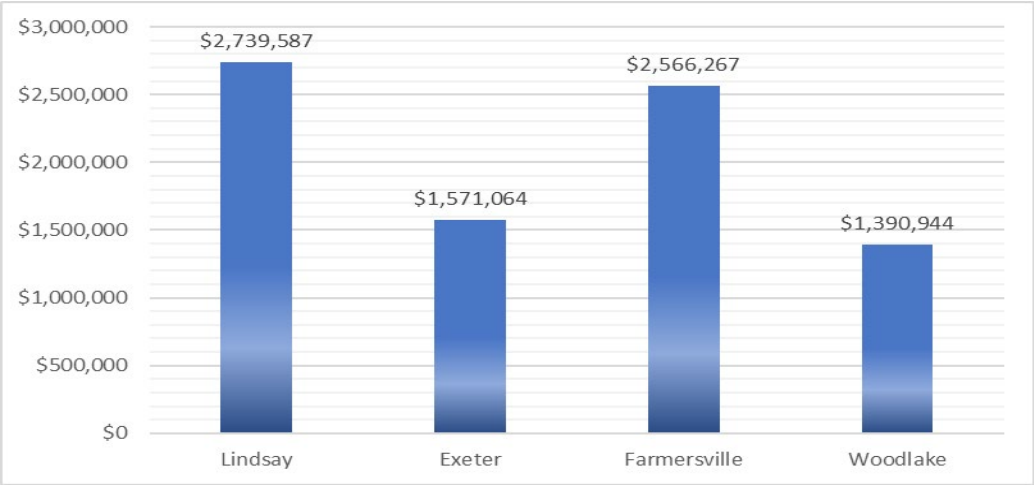
Source: ECONSolution by HDL

Surrounding Municipalities

The following municipalities are also located within Tulare County:

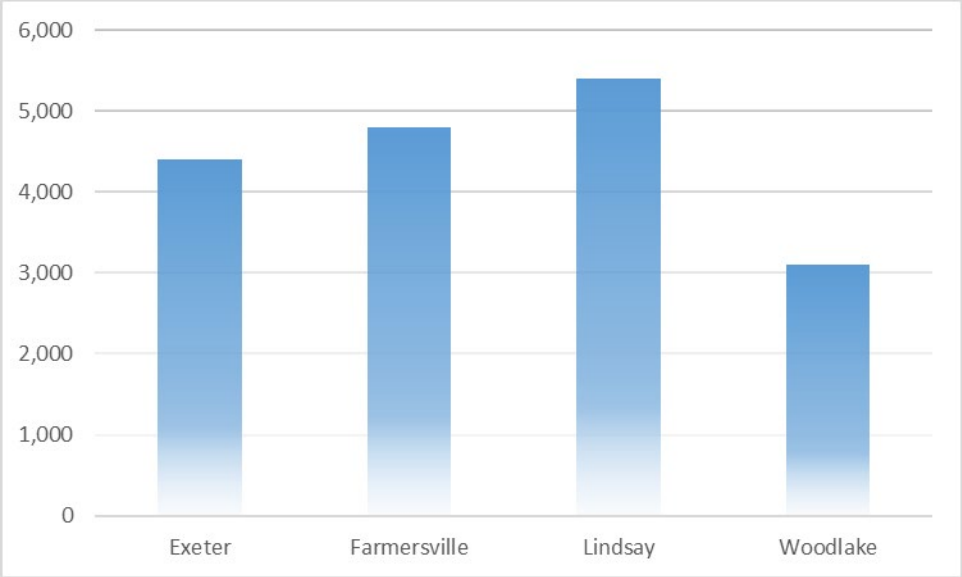
- Visalia, Exeter, Woodlake, Tulare, Dinuba, Porterville, and Lindsay.

Sales Tax Revenue Comparison



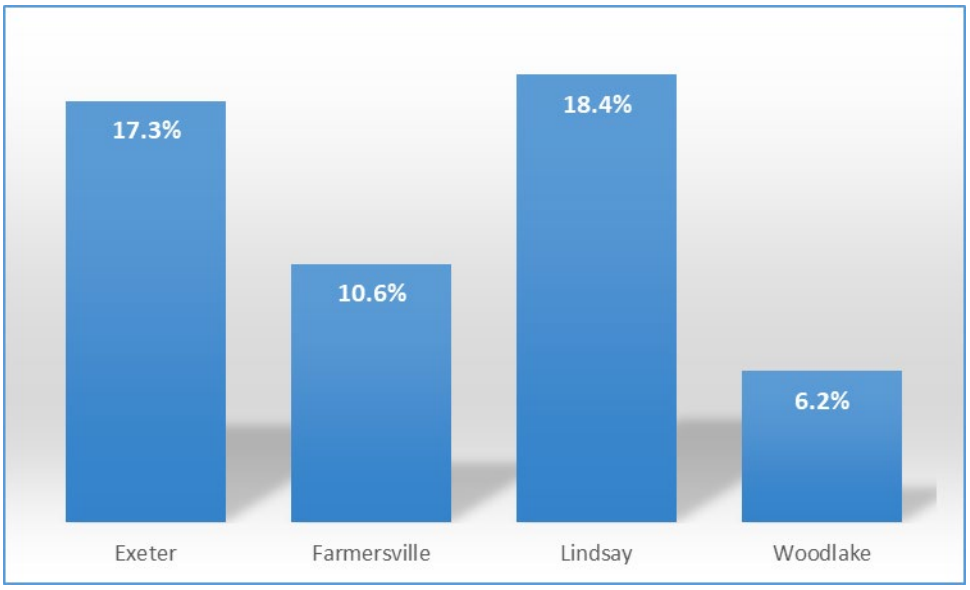
Excludes data from City of Visalia, City of Tulare, City of Porterville, City of Dinuba, and Tulare County – source HDL

Labor Force Comparison



Excludes data from City of Visalia, City of Tulare, City of Porterville, City of Dinuba, and Tulare County – source Employment Development Department 2021 statistics

Unemployment Rate Compassion



Excludes data from City of Visalia, City of Tulare, City of Porterville, City of Dinuba, and Tulare County – source Employment Development Department 2021 statistics

City of Farmersville

Overview of Funds

Overview of Funds

The City's financial system utilizes fund accounting. There are over 35 active funds and each fund should be considered to be a separate and unique "entity". Each fund has a separate accounting structure for its revenues and expenditures, cash, assets, and liabilities. With the exception of the General Fund, the revenues and expenditures of these funds are restricted for the unique purpose of the specific fund.

General Fund - 01

The General fund is the only fund that can be completely used at the City's discretion. However, it is also precious as it supports a huge range of programs and departments from public safety to financial administration. The General Fund is organized in multiple departments to help delineate all the varying expenses it supports. This allows for proper organization and budgetary control by individual departments. Some of these departments are self or partially sustaining through their own income generation while most are not. While there are many important revenue sources that support these expenditures, three are foremost: Motor Vehicle License Fees (swapped for Property Tax by the State), Property Taxes, and Sales Tax (Bradley-Burns).

Property Taxes are the 1% annual tax paid by property owners within City limits. In 1978, The State of California passed proposition 13 which sets the property tax rate at a 1% fixed amount. This 1% is shared by all taxing agencies for which the subject property resides within. In addition to the 1% fixed amount, taxes are levied within the tax rate area to pay interest and redemption charges on voter-approved indebtedness. Some of the bonds are applicable to only a few tax rate areas within the City. This total 1% tax is split up and shared among many taxing jurisdictions, including the City of Farmersville, Tulare County, Tulare County Library, Kaweah Delta Water Conservation District, College of the Sequoias District, Delta Vector Mosquito Abatement District, Farmersville Unified School District, Deep Creek Cemetery District, among others. The City receives approximately 12% of the total property tax revenue collected within Farmersville's city limits.

The other notable revenue source for the General Fund is Sales Tax (Bradley-Burns). When a purchase is made in Farmersville, an additional 8.75% of the original purchase price is added to the original cost of an item and represents the sales tax amount. Like property taxes, this total sales tax amount collected from Farmersville purchases is shared among the State of California, the County of Tulare and the City of Farmersville. The City's General Fund retains a realistic

"sales tax rate" of only .950% (less than 1%) of the original purchase price due to the section 3.32.030 of the City Municipal Code (as with all Cities in Tulare County). Sales Tax is the only large General Fund revenue source that has potential for significant growth, but it takes large changes in the City's taxable sales base to realize noteworthy adjustments. For the City to receive $10,000 additional dollars in sales tax revenue, there must be new taxable purchases of over $1,000,000 (one million dollars) that takes place within City limits.

General Fund Reserve - 102

This fund was created by way of the Minimum Fund Balance Policy in Fiscal Year 2018-19 and acts as the minimum fund balance for the General Fund. The balance is determined as 25% of the average actual revenue received over the last three fiscal years. These funds can only be used by Council authority and is intended only to meet unanticipated revenue shortfalls, short-term economic downturns, local disaster expenses, and shall remain exclusive of all other reserve funds. Repayment is required as soon as possible after use.

General Fund Capital - 103

This fund was created by way of the Debt Management Policy in Fiscal Year 2017-18 which called out the requirement of a separate Capital Budget and five-year projection and a separate fund that acts as the capital set aside for the General Fund. This is the vehicle by which major capital projects and capital equipment purchases are made. Major capital expenditures for the General Fund are housed here and monies designated in the General Fund Capital Budget fund it.

Water Utility Fund - 02

The Water Utility fund is an enterprise fund. The operation and maintenance of this fund are handled by the Public Works Department while the billing and collections aspect of the operation are handled by the Administration Department. The budget document reflects the net operating cash for this Utility. Only activities directly related to the City's water system may be accounted for in this fund, both expense and revenue.

Water Development Fund - 03

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

Fund 03 is for Water Distribution Facilities and Equipment; Fund 05 is for Wastewater Collection Facilities and Equipment; Fund 23 is for Storm Drainage Facilities and Equipment; Fund 30 is for Park Land and Park Development; Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; Fund 64 is for Community Center Facilities; Fund 71 is for Fire Rescue/Suppression Facilities and Equipment; Fund 81 is for Law Enforcement Facilities and Equipment.

Sewer Utility Fund - 04

The Sewer Utility fund is also an enterprise fund. The operation and maintenance of this fund are handled by the Public Works Department while the billing and collections aspect of the operation are handled by the Administration Department. The budget document reflects the net operating cash for this Utility. Only activities directly related to the City's sewer system may be accounted for in this fund, both expense and revenue.

Sewer Development Fund - 05

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

Fund 03 is for Water Distribution Facilities and Equipment; Fund 05 is for Wastewater Collection Facilities and Equipment; Fund 23 is for Storm Drainage Facilities and Equipment; Fund 30 is for Park Land and Park Development; Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; Fund 64 is for Community Center Facilities; Fund 71 is for Fire Rescue/Suppression Facilities and Equipment; Fund 81 is for Law Enforcement Facilities and Equipment.

Solid Waste Utility Fund - 06

The Solid Waste Utility fund is another enterprise fund. The operation and maintenance of this fund are handled by the contract waste-hauler (Mid Valley Disposal). The billing and collections aspect of the operation for residential accounts are handled by the Administration Department whereas the commercial accounts are directly handled by the waste-hauler. The budget document reflects the net operating cash for this Utility. Only activities directly related to the City's sewer system may be accounted for in this fund, both expense and revenue.

Self-Insured Reserve - 08

This is a restricted reserve fund that houses the prudent reserves for the City. Currently, there are three separate reserves called out by other Agency requirements or Council action. The reserves are: The Self-Insurance Retention (SIR) Reserve; the Vacation Accrual Cap Reserve; The Budgetary Uncertainty Fund.

The Self-Insurance Retention (SIR) Reserve is designed to maintain the minimum requirement payout needed to offset the SIR, or amount paid by City first, for various types of claims through the claim process though the City's membership in The Central San Joaquin Valley Risk Management Authority (CSJVRMA). The Vacation Accrual Cap Reserve was established in Fiscal Year 2016-17 and is a calculated figure to offset the existing liability to a certain level in case of large payouts that could unexpectedly adversely impact the General Fund. The Budgetary Uncertainty Fund was established in FY 2017-18 in case of fiscal emergency and can be used for a small set of emergency actions by Council authority only.

Customer Deposits - 09

This fund temporarily houses customer deposits taken and potentially refunded when a resident or land-owner opens a utility account with the City.

Drug Enforcement - 11

This fund houses Law Enforcement forfeiture funds from the State and County level and are restricted to only certain types of purchases and uses within law enforcement parameters.

Federal and State Grant Fund - 12

This fund houses a majority of grants that are not associated directly with other restricted funds or enterprise funds. Since the City is very active in grant programs and management it is essential to properly segregate these reimbursable expenses and track them independently for clear accountability purposes.

Police Supplemental Law Enforcement Services Fund (SLESF) - 14

This fund houses law enforcement funds from the State allocated through the Supplemental Law Enforcement Services Fund and are restricted to only certain types of purchases and uses within law enforcement parameters.

Surface Transportation Fund - 20

This fund is for road projects that receive State and/or Local assistance. These funds are restricted to certain types of expenditures only related to qualifying projects related to street repair and maintenance or other specific transportation expenses.

Gas Tax Fund - 21

The Gas Tax Fund is used primarily to pay for only salaries and benefits of City employees that work within the Road Division. Because this fund relies solely upon taxes imposed upon state-wide gasoline sales as its only revenue source, the funds are restricted for street purposes only. This is also commonly referred to as Highway Users Tax Allocation (HUTA).

Transportation Development Act Fund - 22

This Fund houses allocations of restricted funds from the State for street repair, maintenance, construction, and other transportation expenses on qualifying projects through the programs known as TDA and LTF.

Storm Drain Development Fund - 23

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Measure R Fund - 26

In November of 2006, the voters of Tulare County approved Measure R, a ½ cent sales tax, which addresses the major regional, local, and transit/bike/environmental report transportation needs in Tulare County. This fund houses both the local allocation of Measure R to the City as well as the expenses and reimbursements relative to the approved regional projects approved through the Oversight Committee and administered through Tulare County Association of Governments (TCAG).

SB 1 Road Maintenance and Rehabilitation Account Fund (RMRA) - 27

A State gasoline tax resulting from the passage of Senate Bill 1 provides funding for repairs to local street and road systems. This was a landmark transportation funding package that was signed by Governor Brown on April 28, 2017. It includes annual inflationary adjustments to all per-gallon motor vehicle excise taxes (HUTA). The revenue allocated through the RMRA includes:

- An additional 12 cent per gallon increase to the gasoline excise tax
- An additional 20 cent per gallon increase to the diesel fuel excise tax with half of the revenues going to the state Trade Corridor Enhancement Account (TCEA) and half to the RMRA
- An additional vehicle registration tax called the "Transportation Improvement Fee" with rates based on the value of the motor vehicle effective January 1, 2018
- An additional $100 vehicle registration tax on zero emissions vehicles of model year 2020 or later effective July 1, 2020

Park Development Fund - 30

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Park Improvement Fund - 31

This fund is set aside to support the expenses and revenues directly related to parks and their use, maintenance, future development. Many of the expenses and reimbursement related to grants used to construct the Sports Park are contained in this fund.

Maintenance Districts Fund - 35

The Lighting and Landscape Maintenance District Fund was formed to track assessment district fees that are paid by a property owner, through property tax assessments, for the upkeep of common areas located within their housing subdivisions. There are numerous districts within the City of Farmersville. All revenue and expenditures within these districts are pooled within this fund currently. As such, the fund balance has been restricted for the use for the benefit of these districts only.

City Properties Fund - 39

This is a distinct fund related to properties owned by the City other than the main Civic Center in order to track the rental income and expenses related to the ownership and maintenance of these properties in one location.

CDBG Program Income Fund - 40

This is the fund that receives program income payments and related expenditures through the City of Farmersville's active Community Development Block Grant (CDBG) Program. These funds are highly restricted and require approval from California Department of Housing and Community Development (HCD).

HOME Program Income Fund - 41

This is the fund that receives program income payments and related expenditures through the City of Farmersville's active HOME Investment Program (HOME). These funds are highly restricted and require approval from U.S. Department of Housing and Urban Development (HUD).

Cal HOME Program Income Fund - 42

This is the fund that receives program income payments and related expenditures through the City of Farmersville's active CalHOME Program. These funds are highly restricted and require approval from California Department of Housing and Community Development (HCD).

American Rescue Plan Act (ARPA) Revenue Fund - 60

This fund houses the revenues directed to the City through the American Rescue Plan Act of 2021. The funds are restricted for specific use by the US Treasury. All funds will be transferred to cover the eligible costs in other funds. Allocation of the funds to the City will be completed in June 2021 and June 2022.

Circulation System Facilities Development Fund - 61

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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General Government Development Fund - 62

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Library Development Fund - 63

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Community Center Development Fund - 64

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Fire Development Fund - 71

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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Fire Cost Recovery Fund - 72

The Fire Cost Recovery Fund is designed to primarily house the revenue generated by Farmersville Fire Department staff participating in Office of Emergency Services deployments throughout the State fighting wildfires. This revenue is offset with the cost of sending those resources out of the City to participate in the same deployments. The resulting surplus will then be set aside for future asset replacement for the Fire Department apparatus and related equipment as needed. This will serve the City in the long run to help defray the staggering increases in costs relative to Fire Apparatus in recent years.

Evidence Holding Fund - 80

A fund to temporarily preserve assets seized and held related to Police actions within City limits.

Police Development Fund - 81

Funds 03, 05, 23, 30, 61, 62, 63, 64, 71, and 81 are all Development Impact Fee Funds. These fees are assessed and collected at the building permit level and are restricted for their respective use relative to increased expenses borne by the City due to the development of property with City limits.

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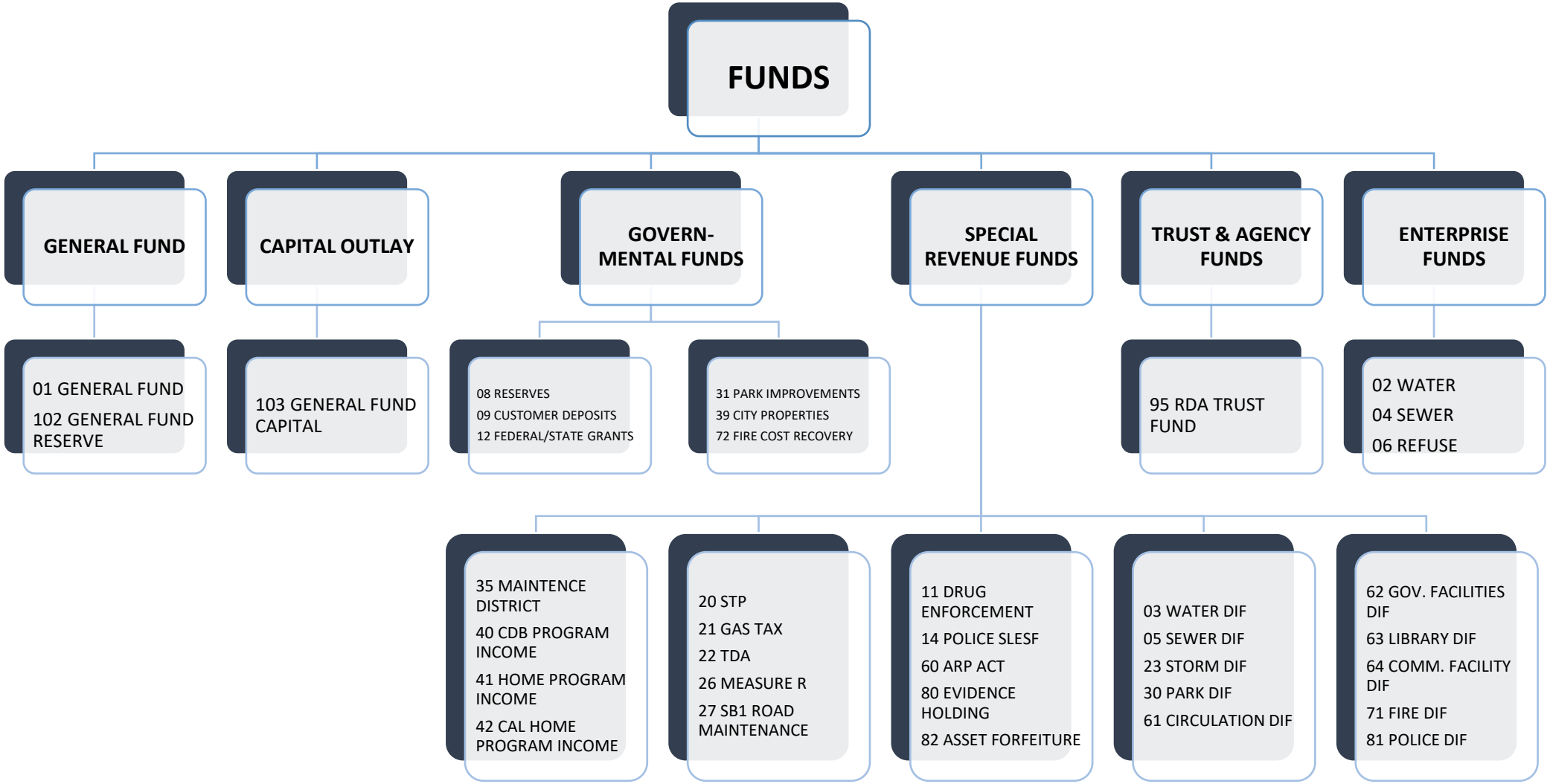
Federal Asset Forfeiture Fund - 82

This fund houses Law Enforcement forfeiture funds from the Federal level and are restricted to only certain types of purchases and uses within law enforcement parameters.

Cannabis Capital Fund - 104

This Fund holds tax revenues related to the Cannabis Business Tax within the City of Farmersville. This tax was approved by voters on November 7, 2017 for a tax as high as 10% or $25 per square foot of canopied growing area. On June 11, 2018 the Council voted to set the rate at 5% and $7 per square foot respectively and this rate has been confirmed each year following.


FUNDS
GENERAL FUND
CAPITAL OUTLAY
GOVERN-MENTAL FUNDS
SPECIAL REVENUE FUNDS
TRUST & AGENCY FUNDS
ENTERPRISE FUNDS
01 GENERAL FUND
102 GENERAL FUND RESERVE
103 GENERAL FUND CAPITAL
08 RESERVES
09 CUSTOMER DEPOSITS
12 FEDERAL/STATE GRANTS
31 PARK IMPROVEMENTS
39 CITY PROPERTIES
72 FIRE COST RECOVERY
95 RDA TRUST FUND
02 WATER
04 SEWER
06 REFUSE
35 MAINTENCE DISTRICT
40 CDB PROGRAM INCOME
41 HOME PROGRAM INCOME
42 CAL HOME PROGRAM INCOME
20 STP
21 GAS TAX
22 TDA
26 MEASURE R
27 SB1 ROAD MAINTENANCE
11 DRUG ENFORCEMENT
14 POLICE SLESF
60 ARP ACT
80 EVIDENCE HOLDING
82 ASSET FORFEITURE
03 WATER DIF
05 SEWER DIF
23 STORM DIF
30 PARK DIF
61 CIRCULATION DIF
62 GOV. FACILITIES DIF
63 LIBRARY DIF
64 COMM. FACILITY DIF
71 FIRE DIF
81 POLICE DIF

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City of Farmersville

Changes to Funds

Changes to Funds

The following section of this report identifies major fund changes that have taken place over the prior year. Additional information for all City funds can be found in the Overview of City Funds section.

Circulation System Facilities Development Fund - 61

The adoption of revised and updated Development Impact Fees by City Council via Resolution 2021-047 made a need for new funds to house special revenues, effective 7/1/2022. These new fees were able to continue using Development Impact Fee Funds already established, namely, Funds 03, 05, 23, 30, 71, and 81 but new categories of fees required separate funds as these are restricted revenues that should not be mingled. The new funds created are as follows:

Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; and Fund 64 is for Community Center Facilities.

General Government Development Fund - 62

The adoption of revised and updated Development Impact Fees by City Council via Resolution 2021-047 made a need for new funds to house special revenues, effective 7/1/2022. These new fees were able to continue using Development Impact Fee Funds already established, namely, Funds 03, 05, 23, 30, 71, and 81 but new categories of fees required separate funds as these are restricted revenues that should not be mingled. The new funds created are as follows:

Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; and Fund 64 is for Community Center Facilities.

Library Development Fund - 63

The adoption of revised and updated Development Impact Fees by City Council via Resolution 2021-047 made a need for new funds to house special revenues, effective 7/1/2022. These new fees were able to continue using Development Impact Fee Funds already established, namely, Funds 03, 05, 23, 30, 71, and 81 but new categories of fees required separate funds as

these are restricted revenues that should not be mingled. The new funds created are as follows:

Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; and Fund 64 is for Community Center Facilities.

Community Center Development Fund - 64

The adoption of revised and updated Development Impact Fees by City Council via Resolution 2021-047 made a need for new funds to house special revenues, effective 7/1/2022. These new fees were able to continue using Development Impact Fee Funds already established, namely, Funds 03, 05, 23, 30, 71, and 81 but new categories of fees required separate funds as these are restricted revenues that should not be mingled. The new funds created are as follows:

Fund 61 is for Circulation System Facilities (transportation); Fund 62 is for General Government Facilities; Fund 63 is for Library Collection and Computers; and Fund 64 is for Community Center Facilities.

Fire Cost Recovery Fund - 72

The Fire Cost Recovery Fund is designed to primarily house the revenue generated by Farmersville Fire Department staff participating in Office of Emergency Services deployments throughout the State fighting wildfires. This revenue is offset with the cost of sending those resources out of the City to participate in the same deployments. The resulting surplus will then be set aside for future asset replacement for the Fire Department apparatus and related equipment as needed. This will serve the City in the long run to help defray the staggering increases in costs relative to Fire Apparatus in recent years.

This is a new strategy to be implemented for Fiscal Year 2022-2023 and will necessitate a new governmental fund be established for it to operate in the desired fashion known as Fund 72, Fire Cost Recovery.

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City of Farmersville

Financial Policies

Financial Policies

Financial Policies of the City of Farmersville are included with the Budget to give the reader an overview of the City's current significant Financial Policies guiding decisions and processes. Each Financial Policy has a signed Resolution that gives a detailed summary of how each policy will maintain financial stability within the City's current funds.

All Policies are in Appendix A at the end of this report.

Minimum Fund Balance and Budgetary Uncertainty Fund Policy

The adoption of the policy establishing a minimum fund balance and a contingency fund for the General Fund was adopted April 9, 2018 by Resolution 2018-011.

The policy establishes a target for minimum cash balance for the General Fund be 25% of the average actual revenue received over the last three fiscal years. The Government Finance Officers Association (GFOA) recommends a balance of no less than two months expenses or revenue (about 17%), but highly recommends additional balances based upon the unique characteristics of the agency, especially if it is a small agency like Farmersville. This recommended rate could be as high as 40%. Use of the Fund Balance such that it would bring the balance below the minimum would require explanation in the budget message and is limited to meet unanticipated revenue shortfalls, short-term economic downturns, local disaster expenses, and shall remain exclusive of all other reserve funds. Repayment is required as soon as possible after use. The Fund minimum is currently at the targeted rate of 25%.

The most obvious benefits of this specific policy for the City of Farmersville includes, but is not limited to:

- It prepares the City for eventual future economic and other external shocks not under City control.
- It saves the City from making cuts and layoffs to essential services.
- It protects the City from slowly whittling away savings over time by inappropriate General Fund budget deficits.
- It clearly shows the City's commitment to prudent fiscal management and planning for the future appropriately.

The policy also sets a target for the Budgetary Uncertainty Fund (BUF) of 15% of the average of the last three years of General Fund revenue received. Initially, the BUF was funded at 5% with the remaining 10% to be funded in future years. Use of the Budgetary Uncertainty Fund is

limited by the requirement of a declaration of a Fiscal Emergency by the City Council and requires a refunding of the fund over the following five years.

The City Council then may use the funds to:

- Provide resources to make up for temporary decreased revenues, such as State subventions.
- Provide temporary resources in the event of an economic downturn while expenditure reductions are also implemented.
- Provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other disaster(s).

Currently, the BUF is funded approximately to the 11.5% level and the target of 15% has not yet been achieved.

Debt Management Policy

The adoption of the Debt Management Policy for the City of Farmersville was adopted February 26, 2018 by Resolution 2018-005.

From time to time, the City uses long and short-term debt issuances to finance its capital improvement program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The GFOA recommends that local governments adopt comprehensive written debt management policies that provide Staff, elected officials and the public with guidelines, allowances and restrictions to follow during the debt issuance process.

The purpose of establishing the Debt Management Policy is to provide management objectives and overall parameters for issuing and administering the Debt Program for the City of Farmersville. It provides guidance for the issuance of City debt obligations, and to maintain the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment beneficial to the City and necessary for essential services.

Investment Policy

The adoption of the Investment Policy for the City of Farmersville was adopted January 13, 2020 by Resolution 2020-001.

The goal of the Investment Policy is to provide guidelines for the prudent investment of the City's temporary idle cash and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City while protecting its pooled cash. The

City's cash management system is designed to accurately monitor and forecast expenditures and revenues, thus enabling the City to invest funds to the fullest extent possible. The City attempts to obtain the highest yield obtainable as long as the investments first meet the criteria established for safety and liquidity.

Procurement Policy

The adoption of the Procurement Policy for the City of Farmersville was adopted February 24, 2020 by Resolution 2020-003.

The Procurement policy is the guiding document for the City's purchasing processes. This includes planning purchases, solicitations issued, vendors selected, purchase orders issued, and goods or services are received. The City of Farmersville desires to be both effective and efficient in purchasing with the goal of integrity woven throughout the process. Ethically purchasing goods and services with an emphasis is on the best value for the City's dollar. This is accomplished by ensuring that goods and services are of high quality, available when needed, not overpriced, and that taxpayers know that public funds are being spent wisely on its behalf and not for the personal benefit of government employees, officials, or their friends.

The policy sets out the description of the system, the authority, structure, and thresholds applicable to different kinds of purchases as well as ethical standards of care, exceptions to bidding, and compliance with State and Federal regulations.

City of Farmersville

Basis of Accounting and Budget

Basis of Accounting and Budget

Basis of accounting refers to the point at which revenue and expenditures are recognized in the budget and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The City of Farmersville's budget and financial statements are prepared in accordance with generally accepted accounting principles.

The budgets for proprietary funds are presented on the ACCRUAL basis of accounting. Revenue is recognized when earned and expense is recognized when incurred.

The budgets of governmental funds are presented on the MODIFIED ACCRUAL basis of accounting. Under the MODIFIED ACCRUAL basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. Available means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the MODIFIED ACCRUAL basis of accounting when the related liability is incurred.

Governmental Funds

General Fund – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital costs which are not paid through other funds.

Special Revenue Funds – Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Project Funds – Capital Project Funds are used to account for the acquisition, construction and improvement of capital facilities other than those financed by proprietary funds.

Proprietary Funds

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

City of Farmersville

Proposition 4 – Gann Appropriations Limit

Prop 4 Gann Appropriations Limit

California Proposition 4, commonly referred to as the Gann Limit, this was a ballot initiative adopted in 1980, and modified by Proposition 111, which passed in 1990, to limit the amount of tax proceeds State and Local governments can spend each year. The Gann Limit now appears in California's State Constitution as Article XIIIB.

What Local Government Funds Are Covered

Article XIIIB attempted to restrict spending at all levels of government in California. The Appropriations Limit applies to all taxes levied by and for a government entity. The law applies to the State, as well as to all local governments including any city, county, school district, special district, authority, or other political subdivision of or within the State.

For most local governments, the funds constrained by Article XIIIB will include the General Fund, Capital Outlay Funds, and Special Revenue Funds. The source of revenues will determine whether a fund requires a separate Appropriations Limit.

Determining the Appropriations Limit

The total annual appropriations subject to limitation of the State and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article. – California Constitution Article XIIIB Section 1

The Appropriations Limit is:

- The calculated dollar amount which restricts the ability to appropriate proceeds of taxes
- The Appropriations Subject to Limitation may not exceed the Appropriations Limit
- The Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year increased for inflation and population growth
- The Appropriations Limit in a given year depends on the Appropriations Limit for the Base Year (first year of calculation) adjusted annually according to specified factors

Appropriations Subject to the Limitation

Appropriations subject to the limitation of an entity of local government means any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of state subventions to that entity (other than subventions made pursuant to Section 6)* exclusive of refunds of taxes. – California Constitution Article XIIIB Section 8(B)
*state mandate reimbursement

The Appropriations Subject to Limitation of an entity of local government are those specified appropriated revenue sources to which the Article XIIIB limit applies. The categories and definitions of revenues included in an entity's Appropriations Subject to Limitation should be consistent across all years and the Base Year.

Proceeds of Taxes

Proceeds of taxes include:

- All taxes levied by or for a public agency
- Any revenue from regulatory licenses, user charges, and user fees to the extent that the proceeds exceed the cost of providing the regulation, product, or service
- State subventions for general purposes
- Any interest earned from the investment of the proceeds of taxes

State Subventions

State subventions shall include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention. – Government Code Section 7903

For the purposes of Article XIIIB, state subventions to a local government is money received from the state, which is unrestricted to use. Discretionary funding to local governments from the state has dwindled dramatically since the passage of Proposition 4 in 1979.

- Motor Vehicle License Fees (VLF) In Lieu funds that are not designated as to use

- Homeowners Property Tax Relief

State moneys provided to local governments with restricted uses are to be included by the State in the State's Appropriations Limit computations. State subventions provided to local governments without restriction as to use are excluded from the State's Appropriations Limit computations. The same proceeds of taxes may not be included in the Appropriations Limit computations of more than one local jurisdiction or the State. Motor Vehicle Fuel Tax (Gasoline Tax or HUTA) revenues allocated to a local government are not a state subvention for the purposes of Article XIIIB because these funds are restricted as to use. The State of California includes these funds in its own Appropriations Limit calculations and should therefore not be

included on the local agency's calculation worksheet. State mandate reimbursements are specifically excluded from state subventions.

User Fees

Revenue received from regulatory licenses, user charges, and user fees are not considered as proceeds of taxes unless the proceeds exceed the costs reasonably borne in providing the regulation, service, or product. If a determination is made that the proceeds from an aggregated group of regulatory licenses, user charges, or user fees exceeds costs, then any such excess is to be considered proceeds of taxes under Article XIIIB.

- Group planning and zoning fees and charges for comparison with the costs of providing services for which those fees are charged;
- Group building inspection, fire safety inspection, public works inspection, and construction permit fees and charges for comparison with the costs of providing services for which those fees are charged;
- Group police department fees and charges for comparison with the costs of providing services for which those fees are charged;
- Group parks and recreation fees and charges for comparison with the costs of providing services for which those fees are charged

Note that the following are NOT considered regulatory licenses, user fees or charges for the purpose of this Article XIIIB requirement, nor are they proceeds of taxes:

- Rents, concessions, entrance fees, franchise fees such as facility room rentals; equipment rentals; park, museum and zoo entrance fees, golf greens fees, on and off-street parking, and tolls
- Fines, forfeitures, penalties such as late payment fees, citations, parking fines, code enforcement fees and penalties, interest charges and other charges for violation of the law
- Assessments on real property or persons for special benefit conferred.

Exclusions

The following are excluded from the Appropriations Subject to Limitation:

- Certain types of debt service costs
- Qualified Capital Outlay
  - Qualified Capital Outlay is an appropriation for a fixed asset (including land and construction) with a useful life of 10 years or more and a value which equals or exceeds one hundred thousand dollars ($100,000)
- The costs of complying with court orders and federal mandates which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly
- Appropriations required to refund taxes
- Local agency loan funds or indebtedness funds, or investment funds in bank accounts
- Debt Service
- Annual debt service and other financing costs
- Certificates of participation
- Lease-purchases
- Periodic contributions into a capital reserve fund provided that the funds are used to purchase a qualified capital asset
- Purchases or rehabilitation which enhances the value of or extends the life of an existing property, provided that the equipment, land, facility, and/or construction costs meet the dollar and life expectancy criteria (ten years and $100,000). An example would be the addition of $100,000 in sprinkler improvements to enhance an existing park sprinkler system. Another example would be the reconstruction of a deteriorated roadway
- Lease of a qualified capital asset

Special Determination for Exclusions

Items which are not considered Qualified Capital Outlay include:

- Collections of lower-priced assets which, when aggregated, total more than $100,000
- Regular maintenance of assets Count only that portion of the asset(s) which are purchased with tax proceeds. An asset with multiple funding sources should be prorated in order to determine how much is exempt from the Appropriations Limitation.

Income from the rent or sale of a qualified capital asset may need to be counted as proceeds of taxes. If the asset was originally obtained using funds which would have been above the Appropriations Limit were it not for the qualified capital outlay exclusion, any revenue gained from the asset under these circumstances should be treated as proceeds of taxes.

Reserve Funds

Whenever tax proceeds are appropriated into a reserve fund (contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar fund) they are to be counted as Appropriations Subject to Limitation in the year of appropriation. However, such funds are not included in the computation when they are withdrawn (or authorized to be withdrawn). Transfers among eligible reserve funds are also not counted as Appropriations Subject to Limitation.
There are two exceptions to this rule:

1) The future costs of a qualified capital outlay or

2) The damages of an eligible emergency may be created and financed outside of the Appropriations Limit. The specific capital outlay project should be clearly stated prior to funding the reserve, and strict accounting should be used for the expenditure of the funds.

Annual Calculation Methods

Percentage changes in population for each year - including for a city, special district, county, or county incorporated area - are available from the California Department of Finance Demographics Unit. The percentage change in California per capita personal income is defined in law as California personal income divided by the civilian population of the state…divided by the similarly determined quotient for the next prior year." The Department of Finance is required to make this calculation and notify each local agency of the figure no later than May 1 of each year.

The percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local non-residential new construction is properly defined as:

The dollar change in locally assessed non-residential valuation due to new construction from the prior year's assessment roll to the most recent assessment roll is divided by the total secured and unsecured assessment roll in the prior year.

The "change in the cost of living" for an entity of local government shall be either (A) the percentage change in California per capita personal income from the preceding year or (B) the percentage change in the local assessment roll from the preceding year for the jurisdiction due to the addition of local non-residential new construction. Each entity of local government shall select its change in the cost of living pursuant to this paragraph annually by a recorded vote of the entity's governing body.

Annual Review and Enforcement

The annual calculation of the appropriations limit under this article for each local government entity shall be reviewed as part of an annual financial audit. – California Constitution Article XIIIB Section 1.5

The annual calculation of the Appropriations Limit must be reviewed as part of an annual financial audit. The League of California Cities interprets this requirement as follows:

- An annual financial audit of the entity shall include a review of the adjustments made to the Appropriations Limit from the prior year.

- If the government entity alters or modifies its Appropriations Limit, the review will address those changes, including any related revision of base year and intervening year calculations.

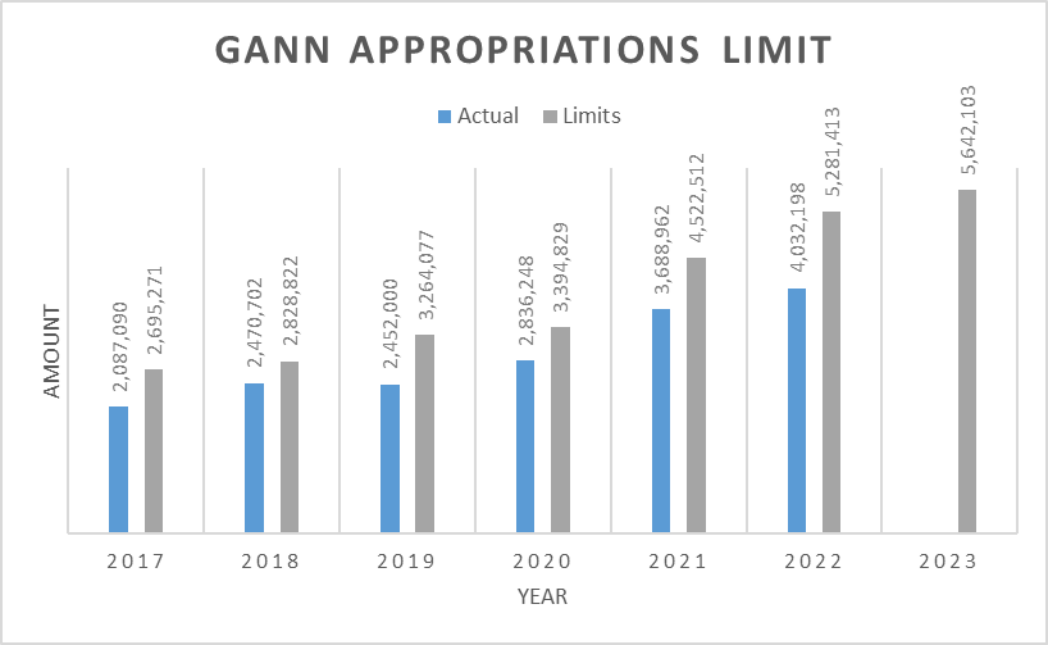
- The review will evaluate the accuracy of the computations and the adequacy of documentation. Completion of the worksheets in these guidelines or other alternative computations, along with required council motions, will provide adequate documentation needed for the review.

- A local government need not conduct an annual audit of its proceeds of taxes. The limit changes annually and is different for every city. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each city, and modified for changes in inflation and population in each subsequent year. By law, inflationary adjustments are based on the California Department of Finance's official report on changes in the state's per capita income or non-residential assessed valuation due to new construction. Population adjustments are based on changes in city or county population levels.

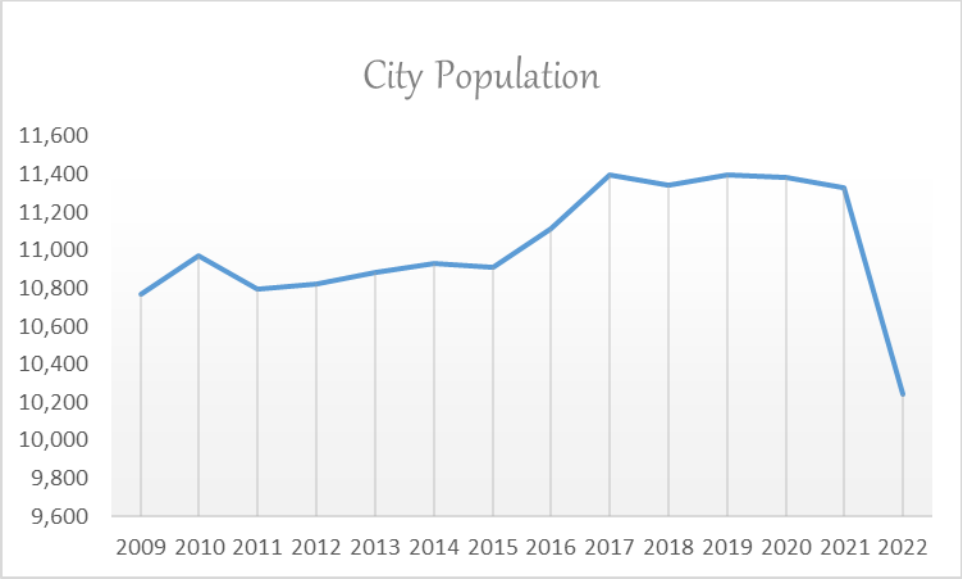
City of Farmersville Appropriations Limit

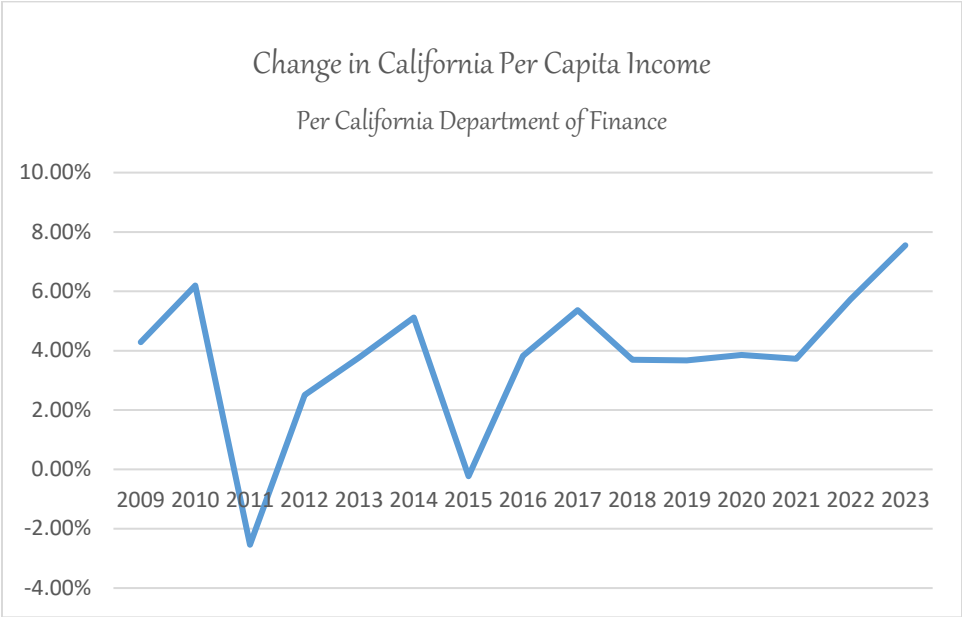
As a recap, Section 9710 of the California Government Code, added in 1980 by the State legislature, requires the Council to adopt the City's Gann Appropriations Limit for the following year by resolution. This annual resolution identifies the maximum tax proceeds that can be appropriated and spent. If a City receives more revenue than the appropriation limit, the revenue must be returned to the taxpayers through a tax reduction or refund. Additional appropriations to the budget funded by non-tax sources such as services charges, restricted revenues from other agencies, grants or beginning fund balances are unaffected by the Appropriations Limit.

A copy of the annual Appropriations Limit Resolution can be located in the budget under the Adopting Resolution section. The Appropriation Limit is also identified on the Consolidated Financial Statement pages of the budget document. The Department of Finance does not release the annual information until May of each year.



The following charts track the changes in the data from the Department of Finance reference in the annual letter as applied to Farmersville's appropriation limit:





Implications of the Gann Appropriations Limit

As exhibited above for the last several completed fiscal years, the City's tax revenue is certainly less than the appropriation limits. As the City must balance its budget every year, operational and capital programs supported by available tax revenue must 'live within their means'. Future trends for this historical pattern (an appropriations limit that far exceeds actual revenue from taxes) does not appear to be changing unless the City were to experience an influx of high tax revenue generating businesses like distribution centers or big box retailers that were somehow not accounted for in the calculations made by the California Department of Finance.

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City of Farmersville

Summary of Financial Statements

Summary of Financial Statements

The Summary of Financial Statements is the combined financial inflows and outflows of the City and its various funds into a single table. It provides the reader with a snapshot of the entire financial position of the City on one page. It includes revenues by type of revenue and expenditures by function. The prior three years' worth of audited data are presented.

Expenditures (outflows)

The expenditures for all the different functions of the City will be reflected in one of the following groups. These groups correlate to several different schedules within the City's Financial Statements as verified by our Auditors. While different accounting basis apply to Governmental Funds and Enterprise Funds, they are represented here in the clearest comparison possible.

- City Council
- Administration
- City Properties
- Law Enforcement
- Fire Services
- Animal Control
- Buildings, Grounds, and Parks
- Street Construction and Maintenance
- Community Development
- Interest and Fiscal Charges
- Water Utility
- Solid Waste Utility
- Sewer Utility

Revenues (inflows)

The revenues for all the different functions of the City will be reflected in one of the following groups as well which also correlate to several different schedules within the City's Financial Statements as verified by our Auditors. A different accounting basis apply to Governmental Funds and Enterprise Funds with revenues, as with the expenditures.

- Governmental – General Revenues
- Business – General Revenues

Summary of Financial Statements

Total Expenditures by Function	Note: These amounts were derived using Report (or Modified Accrual)
Functional Revenues by Function	balances plus any capital asset additions in the enterprise funds.
General Revenues	

Description	Report 6/30/2018	Report 6/30/2019	Report 6/30/2020	Report 6/30/2021
City Council				
Expenses	2,744.00	11,113.00	7,962.00	4,452.00
	2,744.00	**11,113.00**	**7,962.00**	**4,452.00**
Administration				
Expenses	308,891.00	501,775.00	441,678.00	503,262.00
Charges for Services	(53,769.00)	(97,777.00)	(64,863.00)	(98,482.00)
	255,122.00	**403,998.00**	**376,815.00**	**404,780.00**
City Properties				
Expenses	34,176.00	70,782.00	60,866.00	53,737.00
	34,176.00	**70,782.00**	**60,866.00**	**53,737.00**
Law Enforcement				
Expenses	2,021,226.00	2,241,441.00	2,251,119.00	2,685,143.00
Charges for Services	(197,352.00)	(169,661.00)	(214,771.00)	(145,341.00)
Operating Grants and Contributions	(169,161.00)	(164,286.00)	(172,795.00)	(382,707.00)
Capital Grants and Contributions	(22,038.00)	(5,896.00)	(59,033.00)	(4,206.00)
	1,632,675.00	**1,901,598.00**	**1,804,520.00**	**2,152,889.00**
Fire Services				
Expenses	589,007.00	764,929.00	382,638.00	500,346.00
Charges for Services	(3,725.00)	(154,138.00)	(9,699.00)	(159,311.00)
Operating Grants and Contributions	(285,812.00)	(144,132.00)	0.00	0.00
Capital Grants and Contributions	(33,422.00)	(5,898.00)	(4,640.00)	(1,654.00)
	266,048.00	**460,761.00**	**368,299.00**	**339,381.00**
Animal Control				
Expenses	77,054.00	76,283.00	75,800.00	74,534.00
Charges for Services	(625.00)	(115.00)	(2,790.00)	(2,015.00)
	76,429.00	**76,168.00**	**73,010.00**	**72,519.00**
Building, Grounds & Parks				
Expenses	142,177.00	363,081.00	359,395.00	663,270.00
Charges for Services	(3,400.00)	(600.00)	(472.00)	(99.00)
Capital Grants & Contributions	(31,874.00)	(200,232.00)	(27,578.00)	(240,925.00)
	106,903.00	**162,249.00**	**331,345.00**	**422,246.00**
Street Construction & Maintenance				
Expenses	4,216,524.00	894,683.00	824,833.00	3,557,677.00
Charges for Services	(61,345.00)	(61,553.00)	(62,830.00)	(63,349.00)
Operating Grants & Contributions	(462,163.00)	(432,406.00)	(444,727.00)	(463,444.00)
Capital Grants & Contributions	(3,106,310.00)	(851,818.00)	(1,436,970.00)	(3,130,757.00)
	586,706.00	**(451,094.00)**	**(1,119,694.00)**	**(99,873.00)**

Community Development				
Expenses	596,908.00	632,756.00	484,901.00	965,877.00
Charges for Services	(19,652.00)	(47,108.00)	(31,838.00)	(51,492.00)
Operatin Grants & Contributions	(432,733.00)	(179,408.00)	(158,890.00)	(453,076.00)
Capital Grants & Contributions	0.00	0.00	0.00	(2,426.00)
	144,523.00	**406,240.00**	**294,173.00**	**458,883.00**
Interest and Fiscal Charges				
Expenses	46,028.00	46,028.00	2,063.00	51,126.00
	46,028.00	**46,028.00**	**2,063.00**	**51,126.00**
Water Fund				
Expenses	934,795.00	902,924.00	1,138,171.00	1,053,654.00
Charges for Services	(705,062.00)	(924,884.00)	(987,823.00)	(1,053,631.00)
Capital Grants and Contributions	(44,880.00)	(7,920.00)	(6,230.00)	(4,983.00)
	184,853.00	**(29,880.00)**	**144,118.00**	**(4,960.00)**
Refuse/Solid Waste Fund				
Expenses	762,875.00	803,383.00	870,420.00	826,347.00
Charges for Services	(823,563.00)	(834,527.00)	(851,545.00)	(859,038.00)
Operating Grants and Contributions	5,000.00	(10,000.00)	(624.00)	0.00
	(55,688.00)	**(41,144.00)**	**18,251.00**	**(32,691.00)**
Sewer Fund				
Expenses	991,033.00	999,771.00	1,181,472.00	1,340,108.00
Charges for Services	(1,965,208.00)	(1,981,879.00)	(1,973,337.00)	(1,988,004.00)
Capital Grants and Contributions	(67,081.00)	(5,263,673.00)	(9,552.00)	(11,284.00)
	(1,041,256.00)	**(6,245,781.00)**	**(801,417.00)**	**(659,180.00)**
Governmental - General Revenues				
Property Taxes	(1,321,805.00)	(1,369,636.00)	(1,434,714.00)	(1,509,127.00)
Sales Taxes	(1,127,213.00)	(1,522,607.00)	(1,774,721.00)	(2,770,742.00)
Franchise Taxes	(128,556.00)	(140,606.00)	(150,109.00)	(163,836.00)
Cannabis Taxes	0.00	0.00	(691,919.00)	(1,451,278.00)
Other Taxes	(9,999.00)	(8,332.00)	(7,019.00)	(10,021.00)
Motor Vehicle In-Lieu	0.00	0.00	0.00	0.00
Rental Income	(180,148.00)	(180,246.00)	(184,422.00)	(218,408.00)
Earnings on Investments	7,215.00	(188,628.00)	(298,387.00)	6,929.00
Gain on Sale of Capital Assets	0.00	0.00	16,044.00	0.00
Miscellaneous	(93,458.00)	(78,965.00)	(96,756.00)	(59,370.00)
Transfers	0.00	(138,013.00)	(68,000.00)	0.00
	(2,853,964.00)	**(3,627,033.00)**	**(4,690,003.00)**	**(6,175,853.00)**
Business - General Revenues				
Earnings on Investments	(50,879.00)	(94,765.00)	(107,249.00)	(64,368.00)
Miscellaneous	(478.00)	(368.00)	(870.00)	845.00
Transfers	0.00	138,013.00	68,000.00	0.00
	(51,357.00)	**42,880.00**	**(40,119.00)**	**(63,523.00)**
Government-Wide Grouping Codes	**(666,058.00)**	**(6,813,115.00)**	**(2,757,796.00)**	**(2,928,647.00)**
Net Income (Loss)	**666,058.00**	**6,813,115.00**	**2,757,796.00**	**2,928,647.00**
Total Revenue	**(13,321,168.00)**	**(15,896,707.00)**	**(11,806,618.00)**	**(15,914,035.00)**
Total Expense	**12,655,110.00**	**9,083,592.00**	**9,048,822.00**	**12,985,388.00**

City of Farmersville

Summary of Budget Process

Budget Preparation Process

The City of Farmersville prepares a budget covering operations and capital improvements that is comprehensive for the entire agency. The process begins in January and typically concludes in June with the adoption of the Budget for the fiscal year (starting July 1).

The following is a brief discussion about the process.

January

Every January, the City completes its mid-year budget review, which covers the first six months of the fiscal year from July 1st through December 31st. This is a comprehensive review of all revenue sources and expenses for each department and fund. All Department Heads are apprised of the budget status monthly throughout the year, but the mid-year review is an important milestone to have an in-depth analysis of budget progress.

Although most revenue sources and expenses are predictable in nature, they may not be paid to or from the City uniformly throughout the year and can have other factors that can impact them. Therefore, economic factors, legislatives changes, local events, among others, are all considered and evaluated for their possible impact on the current year City budget. These data points are reviewed and compared to prior periods for trend analysis and other statistical measures.

The Mid-Year Review is a citywide process that includes input from the Department Heads and is reviewed with the City Manager and City priorities. All these requests are then assimilated into a formal budget amendment presented to Council for approval.

February

With a better view of where the City is headed toward the end of the fiscal year, finance staff begins to make projections for revenue and expenditures in the next year. Staff considers both quantitative and qualitative factors in these estimates.

Work also begins with each department to gather requests for additions or changes to the Capital Improvement Program (CIP) which ultimately creates the Capital Budget.

Finance staff also begins work to create and update budget request documents for each department to complete in March.

March

Typically, Finance staff compiles and analyzes the budget request documents from each department for both CIP and the Operation Budgets to create draft documents for the City Manager to review. The City Manager is then given a general status update based upon the preliminary budget with the budget requests compiled together for the first time.

The City Manager then begins the process with finance staff to review, prioritize, and discuss options with each department. From there, with direction of the City Manager, finance staff formalize the results into a document for City Council.

The Capital Budget and Five-Year Capital Improvement Projection is first presented to Council in March to get direction on its inclusion in the overall budget of the City.

April

At this point, most budget items have been finalized with the City Manager and finance staff begins creating official reports, tables, charts, and other documents to prepare for final presentation and adoption by the City Council.

Last minute additions, changes, and updates are made with the intent to have the most complete budget possible to present.

Labor negotiations, if applicable, should also be concluding by this point in order to be included in the budget for the next fiscal year.

May

The Proposed City Budget is typically rolled out sometime in May. Copies of the Proposed Budget are distributed to the City Council and community by way of Council Packets and the City's website.

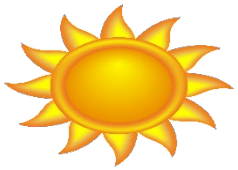
Special budget hearings are scheduled for mid to late May, where the proposed budget is rolled out by the City Manager and Director of Finance & Administration. Each City department is available to present or further explain their portion of the budget.

The department budgets highlight department accomplishments from the past year, current status, plans, and requests for the next fiscal year. The budget hearing meetings are duly noticed public meetings that everyone is encouraged to attend, and ample opportunities are provided for the public to speak and interact.

There are potentially two ways in which the Proposed Budget is revised before being adopted; the City Manager may propose an amendment to the Proposed Budget or any member of the City Council makes a motion to add, alter, or remove appropriations for a particular program or project.

Typical reasons for this would be a significant assumption in the budget has changed due to an event, such as legislative changes at the State level, an inadvertent omission of staff during the budget build process, or a development in labor negotiations.

June



The proposed budget documents and reports are updated to reflect any changes from the prior meeting(s) and is then voted on by the City Council to adopt the budget as presented.

There are other documents that are typically considered and adopted along with the annual budget, specifically:

- Salary Schedule Table (sets compensation levels for all employees, required by State statute)
- Adoption of Memorandums of Understanding (MOU) with labor groups
- The Appropriation Limit (Gann Limit) as calculated with State Department of Finance figures

The City's budget must be adopted by June 30th each year unless a special resolution is passed that extends appropriations into the new fiscal year. Once adopted, the Proposed Budget becomes the Adopted Budget and Administrative Services Department staff enter all new appropriations into the financial system in time for the first day of the new fiscal year (July 1st).

The Adopted Budget document is created from the Proposed, posted on the City's website, and distributed to interested parties.

The City's annual budget is adopted every June, and covers a 12 month fiscal year beginning July 1st and ending June 30th. The City Council authorizes all appropriations, which is the legal authority to spend public tax or rate dollars for a specific purpose. All appropriations lapse at June 30th every fiscal year, and must be reauthorized by the City Council if still needed for the purpose in which they were initially approved.

From time to time, it becomes necessary to recognize new revenue and request new appropriations that were not included in the Adopted Budget. Budget appropriations may be

revised at any time during the year by taking a Budget Amendment Resolution to the City Council.

The process to amend the budget starts with a staff request to the City Manager, review by the Finance Department, and a staff report to the City Council justifying the request. Typical budget amendments include:

- Receipt of a grant for a new project or program
- The progress/timing of a capital project has changed since the estimates developed in the budget
- The City is facing a significant unfunded need

There is typically one larger amendment affiliated with the mid-year review and there may be need for multiple other smaller amendments as well. Once these are completed, the final revised budget is the official record and included in the audited financial statement report to City Council each fiscal year.

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City of Farmersville

Measure Q: Cannabis Business Tax

Measure Q: Cannabis Business Tax

Measure Q History

Measure Q was a general tax measure that was approved in November 2017 authorizing the City to levy a local tax on cannabis businesses at a maximum rate of 10 percent of gross receipts or $25 per square foot of cultivated growing area with no automatic sunset date.

Measure Q revenues may be used in any lawful purpose, as directed by the City Council, including but not limited to addressing cannabis industry impacts and/or maintaining and/or improving: 9-1-1 emergency response and neighborhood police patrols; fire protection services; streets and roads repairs; support of senior and youth services; city parks; recreation programs; and any other city services for Farmersville residents and the public.

The approved tax measure (Yes: 65.41%, No: 34.59%) created Ordinance 484 and added Chapter 5.30 Commercial Cannabis Business Tax to the Farmersville municipal code.

Measure Q revenues are budgeted through the normal annual budgeting process typically reviewed in public meeting with City Council March through June of each year.

The tax rate is set by City Council resolution annually and was initially set at a rate of 5 percent of gross receipts or $7 per square foot of cultivated land in Fiscal Year 2019-20 and has remained the same each year thereafter.

The City tracks all the receipts of revenue from the commercial dispensaries in a separate fund, Cannabis Business Tax Revenue (#104), and all expenditures are budgeted and transferred out to the separate funds in which they are applied.

A complete listing of the transfers between funds is available in the Budget Summaries section of this budget report.

Management of Cannabis Business Tax (CBT)

The City's strategy in dealing with Cannabis Business Tax is in partnership with HDL Companies. HDL Companies is a pioneer and leader of auditing, operations, and revenue solutions for public agencies, and specifically Cannabis Consulting. HDL helped the City with initial development of regulations, the application evaluation process, and compliance management of the dispensaries.

HDL assists the City with routine compliance management of the dispensaries in cooperation with the Farmersville Police Department and supplies other regulatory services over the dispensaries through routine operational and financial audits.

The City manages the revenue from the dispensaries as one-time funds, not ongoing revenue streams, for a number of reasons. Overall, the City has a small tax base that is highly susceptible to swings in the business cycles of the surrounding economy so the City has to stay conservative to make sure that it does not get over-extended in the good times so that it can survive the lean times.

Additionally, while this industry is lucrative, at this point City Council and staff are both very aware that, despite heavy regulation, this industry is new and highly influenced by regulations set forth by the California Department of Tax and Fee Administration (CDTFA). A change in regulation in this industry could drastically change the revenue for the City one way or another.

Finally, the market share is currently limited by the amount of permits allowed by the City Council but even more so by participation in surrounding jurisdictions. Currently, the City of Visalia does not allow commercial dispensaries and therefore Farmersville is the closest retail and delivery option to the approximate 140,000 residents of this neighboring city. Therefore, if the regulations in the City of Visalia were to change, the revenue stream could change very quickly and whatever Farmersville is dependent upon this revenue for would need to change just as quickly. The industry is still early on in the business cycle and could change significantly in the future.

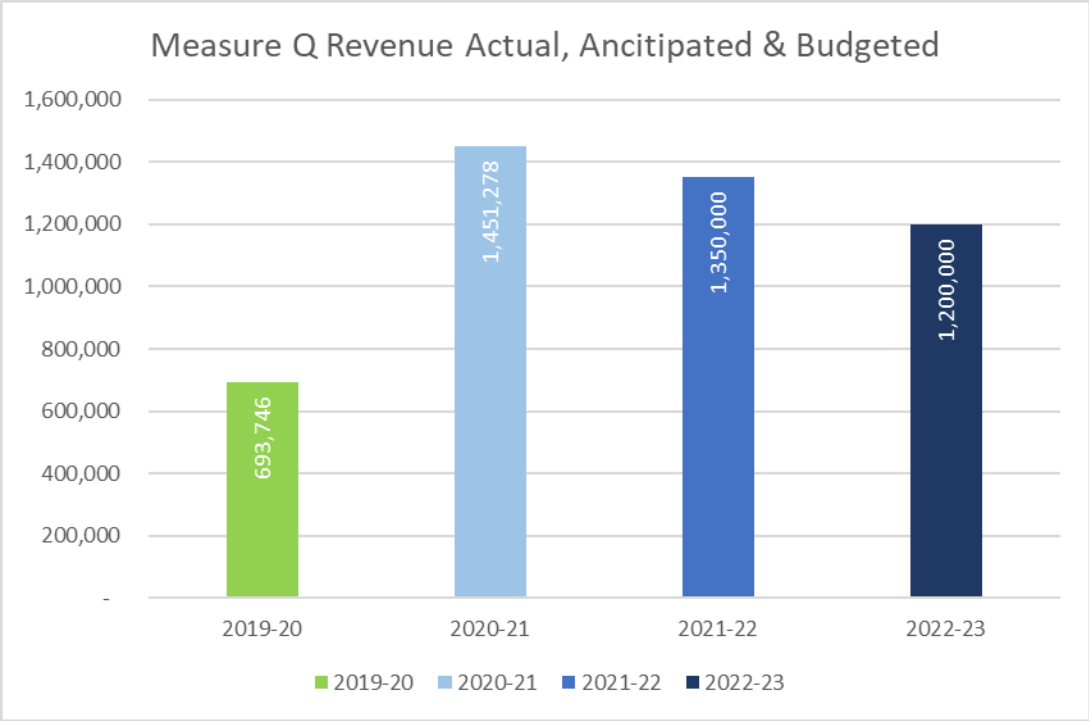
Therefore, the City uses these funds to protect the financial sustainability of the General Fund. This is accomplished by redirecting deferred maintenance, special one-time cost projects, and other capital improvement expenditures like grant matching funds or equipment purchases to Cannabis Business Taxes rather than the fund balance of the General Fund. The new tax revenues also support one police officer and ongoing equipment and supply expenses along with fees paid to HDL for services directly related to the compliance and regulatory services relative to this industry.

Measure Q Revenue

Measure Q revenue is collected from the permitted businesses within City limits through a quarterly tax return. City code allows for three businesses to be permitted to operate as a dispensary. Currently, there are three permitted, but only two operating. The quarterly payment is received by City staff from the operating dispensaries and handled separately and reported separately. In addition to the funds being reported like all others through the financial statements created by the City at year-end, staff also produces a standalone Measure Q report which reports all the revenues and expenditures of the separate fund and is available on the City website.

The City received $693,746 in FY 2019-20, the first year of operation of the new dispensaries in Farmersville. The first full year of dispensary operations, FY 2020-21, the City received $1,451,278. It is anticipated that the City will received approximately $1,350,000 in FY 2021-22.

Although the budget was originally set to $1,450,000 for FY 2021-22, it appears that the revenue has peaked and actual revenue receipts may lag the budget by about $150,000 or 10% for the year. As a result, the budget for FY 2022-23 anticipates the revenue to level off with the quarterly amounts at the end of FY 2021-22 which projects a budget of $1,200,000.

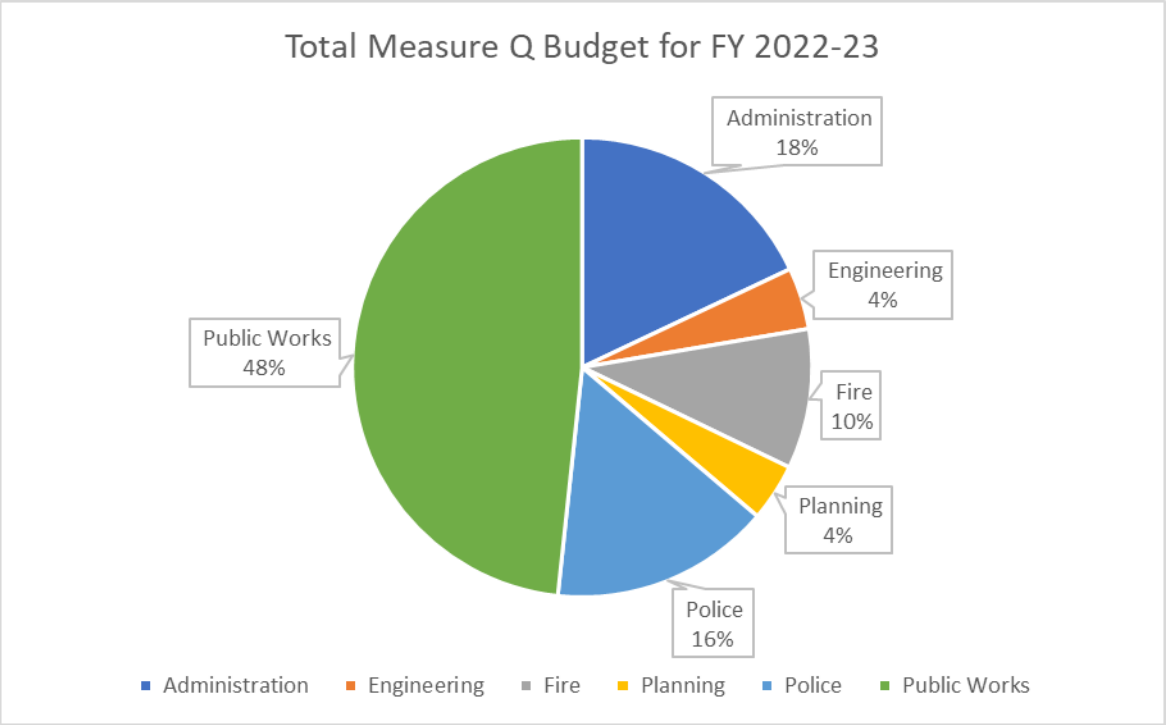


The City has projected that Measure Q revenue will be $1,450,000 for FY 2021-22. This is based on current performance, considering current market assumptions, and not accounting for any additional revenues from a third dispensary that may open sometime in FY 2021-22.

Measure Q Expenditures

Following the strategy listed in the previous section of this report, the City did not have any expenditures from this revenue stream in FY 2019-20. This allowed the City to operate conservatively and spend down the cash on hand before budgeting cashflows for FY 2020-21 and following.

Currently, to meet the objectives of the tax measure, the funds are used in a variety of ways across different departments and most spending is made from cash on hand. The following chart illustrates this with Police, Public Works, and Fire departments allocated the most amounts of revenue to offset capital costs in FY 2021-22 (33%, 31%, and 17%, respectively).



The current budget has $1,725,737 in expenses budgeted. Of that amount, $1,098,737 is going to support the capital costs of the General Fund in a variety of ways, detailed below.

MEASURE Q CAPITAL COSTS FOR FY 2022-23	AMOUNT
Residential Streetlight Study	$ 50,000
ADA Sidewalk Improvements	$ 25,000
Sports Park Rehabilitation Project	$ 17,000
Skid Steer Loader (Bobcat)	$ 38,334
Sports Park Phase IV - City Match	$ 625,000
TriMax 493 Field Mower	$ 43,943
Bleachers for Sports Park	$ 59,215
Downtown Specific Plan (SB2 Grant)	$ 15,000
General Plan Update	$ 21,000
Housing Element Update	$ 34,000
Patrol Vehicle Replacement (FY20)	$ 38,345
Patrol Vehicle Replacement (FY22)	$ 56,900
Police Office Remodel (Phase 3)	$ 75,000
TOTAL	1,098,737

The other $627,000 of budgeted is being used to cover costs relative to ongoing Cannabis Business Tax operations (HDL and related costs), the one additional Police Officer position, one additional Fire Department position, and several additional operational expenditures, also detailed below.

MEASURE Q OPERATION COSTS FOR FY 2022-23	AMOUNT
HDL Cannabis Compliance Services & Management	$ 30,000
Salary & Benefits of 1 additional police officer	$ 87,000
Additional officer supplies and equipment	$ 10,000
Salary & Benefits for Fire Battalion Chief	$ 170,000
Townsend Public Affairs contract	$ 60,000
Additional Temporary Public Works staff	$ 50,000
FUSD Swim Program	$ 20,000
Boys & Girls Club Youth Program	$ 100,000
Operations Budget Contingency	$ 100,000
TOTAL	627,000

For Fiscal Year 2022-23 forecasted revenues of $1,200,000 less budgeted expenditures of $1,725,737 leaves a negative cashflow of $525,737 for the period. However, it is anticipated that the ending available balance as of 6/30/2022 will be approximately $1,600,000.

Annual Report on Measure Q

The City plans to release annual reports detailing the cash balance of the cannabis business tax revenue fund and all the actual revenues and expenditures for the period after it has been closed. The release date of this report is likely in September following the end of a Fiscal Year (June 30).

Future Uses of Measure Q Revenues

Each year the City Council approves the budget of the City which incorporates capital and operation budget expenses. The use of cannabis business tax revenues are included within this budgeting process. No future encumbrances or commitments exist on these funds outside of the current budget and Capital Improvement Plan.

City of Farmersville

Budget Summaries

Budget Summaries

The Budget Summaries section of the budget document is intended to give the reader an overview of the City's Budget through several different viewpoints. The purpose of splitting the budget up in several different ways is to clearly show the true nature of revenue sources and the expenditures they support in a transparent way. The tables are described below, in the order in which they appear:

Summary of Fund Balances

The fund balance summary shows the impact, over several years, the annual revenue and expenditure activity has on the fund balance of all the City's individual funds. In some cases, the fund balance may show a negative amount which can be due to several factors; including timing differences in expenditures and grant reimbursements or a previous operating deficit that is being addressed.

Summary of Proposed Budget by Fund

This schedule is meant to give the reader an understanding of how requested budget appropriations breakdown for each fund between personnel-related costs, operations and maintenance accounts, and capital expenditures.

Summary of General Fund Expenditures by Department

Providing more detail than the fund summaries described above, this schedule provides the reader with a detail of General Fund appropriations for each Department and operating sections within each for a 3-year period. Some City departments, such as the Fire Department have appropriations in the General Fund alone; whereas other departments, such as Public Works have only a portion of their appropriations in the General Fund.

General Fund Net Position Estimate

Using a beginning cash balance estimate, this schedule applies the revenue and expense budgeted for the year (and other factors as applicable) to produce an estimated cash balance at the end of the year. The intent of this table is to demonstrate what level of cash the General Fund has left to meet cashflow swings, fund capital purchases in the future, and weather emergencies expenditures.

Summary of Revenues by Fund

This provides the reader with a breakdown of anticipated revenue compared to actual revenues in prior years by fund.

Summary of Expenditures by Fund

This provides the reader with a breakdown of anticipated expenditures compared to actual expenditures in prior years by fund.

Summary of All Expenditures by Department

This schedule provides a brief summary of expenditures by department and then by fund for a comparison to prior periods.

Summary of All Expenditures by Department & Type

This schedule is a comprehensive look at the expenditures by department and broken down by type to allow detailed, yet summarized view of expenditures in the budget compared to prior periods.

Summary of Restricted Funds

The City has numerous revenue streams that are treated as restricted fund balances, which reflects resources that are subject to externally enforceable legal restrictions (e.g. debt covenants, grantors, etc.) and/or when revenues are restricted to a particular purpose pursuant to enabling legislation (e.g. gasoline taxes). This schedule shows details related to these funds and the impact of the proposed budget upon them.

Summary of Budgeted Transfers

This table separately displays all the transfers in the budget for the year with detail about the purposes and details regarding the due to and due from accounts.

All Revenue and Expenditure Accounts

A complete listing of all revenue and expenditure accounts listed by fund and department and including totals by group to provide the reader a complete picture of the budget as a whole. Expenditures and expenses are listed as positive figures (debits) while revenues are listed at negative figures (credits) to show to the true accounting by department and fund.

Summary of Fund Balances

Fund	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022 (As of 04/30/22)
01 GENERAL FUND	(2,715.49)	434,595.70	1,320,467.79	29,315.67
102 GENERAL FUND RESERVE	1,670,709.50	1,439,868.82	1,439,868.82	1,439,868.82
103 GENERAL FUND CAPITAL	-	44,081.31	-	(143,945.07)
104 CANNABIS CAPITAL FUND	-	383,619.12	1,065,025.91	2,320,637.52
02 WATER UTILITY	850,005.45	899,441.67	1,070,986.34	1,261,291.59
03 WATER DEVELOPMENT	562,492.16	380,419.72	387,002.19	290,097.34
04 SEWER UTILITY	5,253,961.63	2,662,554.32	5,568,637.98	5,417,701.17
05 SEWER DEVELOPMENT	980,630.89	1,004,457.45	1,025,088.79	1,042,849.11
06 REFUSE	335,393.65	360,425.20	372,826.47	405,926.52
09 CUSTOMER DEPOSITS	72,592.06	11,262.60	13,948.70	14,061.63
11 DRUG ENFORCEMENT	19,795.01	16,962.82	17,044.00	17,044.00
12 FEDERAL AND STATE GRANTS	(312,256.74)	(92,032.72)	(426,346.07)	(245,147.49)
14 POLICE DEPT SLESF	241,696.58	239,232.43	230,772.30	205,179.33
20 STP	1,033,306.84	1,048,578.10	90,021.87	840,021.87
21 GAS TAX	395,613.77	409,523.80	373,625.71	279,288.77
22 TDA	881,616.01	1,138,543.28	1,612,361.48	1,770,574.56
23 STORM DRAIN	148,616.72	152,931.22	154,642.98	161,376.98
25 STREET MITIGATION FUND	31,631.59	32,090.60	-	-
26 MEASURE R FUND	1,565,892.35	1,399,930.99	1,338,077.96	(857,131.08)
27 RMRA (SB1) FUND	125,209.15	256,830.88	-	189,078.18
30 PARK DEVELOPMENT	17,983.46	18,718.68	18,991.55	20,888.78
31 PARK IMPROVEMENTS	(140,334.93)	(11,515.72)	(100,010.56)	29,520.22
35 MAINTENANCE DISTRICT	80,023.45	20,312.60	(5,270.14)	4,072.10
39 CITY PROPERTY FUND	9,630.73	21,944.80	59,992.15	82,479.81
40 CDBG PROGRAM INCOME	29,772.39	3,527.14	56,606.86	281,906.21
41 HOME PROGRAM INCOME	9,907.21	36,383.73	66,758.58	12,339.58
42 CAL HOME PROGRAM INCOME	69,396.01	123,300.11	259,211.14	137,901.14
60 AMERICAN RESCUE PLAN ARAP	-	-	-	1,167,934.44
71 FIRE DEVELOPER FEES	155,850.91	162,774.50	157,505.52	159,481.18
80 EVIDENCE HOLDING	11,202.29	11,364.85	17,779.85	17,779.85
81 POLICE DEVELOPER FEES	210,972.36	151,768.42	14,191.96	25,351.56
82 ASSET FORFEITURE	2,727.61	2,767.19	2,297.03	2,297.03
83 LIVE SCAN	(3,229.00)	(3,765.00)	(4,319.00)	(4,493.00)
	14,308,093.62	12,760,898.61	16,197,788.16	16,375,548.32

Proposed Fiscal Year 2022-23 Budget by Fund

Fund	Personnel	Maintenance & Operation	Capital Outlay	Total Expenditure	Total Revenue
01 GENERAL FUND	3,394,396	2,491,706	174,750	6,060,852	(6,207,967)
102 GENERAL FUND RESERVE	-	-	-	-	-
103 GENERAL FUND CAPITAL	-	111,000	987,737	1,098,737	(1,098,737)
104 CANNABIS CAPITAL FUND	-	1,725,737	-	1,725,737	(1,209,666)
02 WATER UTILITY	533,059	651,450	71,333	1,255,842	(1,185,834)
03 WATER DEVELOPMENT	-	-	-	-	(8,030)
04 SEWER UTILITY	506,101	1,100,200	923,658	2,529,959	(2,016,831)
05 SEWER DEVELOPMENT	-	-	-	-	(8,026)
06 REFUSE	87,774	749,063	-	836,837	(911,495)
08 SELF INSURED RESERVE	-	-	-	-	-
09 CUSTOMER DEPOSITS	-	-	-	-	-
11 DRUG ENFORCEMENT	-	-	15,000	15,000	(93)
12 FEDERAL AND STATE GRANTS	-	640,000	1,732,837	2,372,837	(2,372,837)
14 POLICE DEPT SLESF	209,088	500	-	209,588	(161,078)
15 POLICE DEPT AB109	-	-	-	-	-
20 STP	-	-	-	-	(4,405)
21 GAS TAX	186,340	206,100	-	392,440	(332,729)
22 TDA	-	95,000	1,640,188	1,735,188	(659,635)
23 STORM DRAIN	-	-	-	-	(8,716)
25 STREET MITIGATION FUND	-	-	-	-	-
26 MEASURE R FUND	-	-	-	-	(236,344)
27 RMRA (SB1) FUND	-	-	-	-	(258,769)
30 PARK DEVELOPMENT	-	-	-	-	(18,907)
31 PARK IMPROVEMENTS	-	7,500	4,010,534	4,018,034	(4,010,980)
35 MAINTENANCE DISTRICT	17,049	45,000	-	62,049	(62,500)
39 CITY PROPERTY FUND	-	59,500	-	59,500	(93,459)
40 CDBG PROGRAM INCOME	-	-	-	-	(335,041)
41 HOME PROGRAM INCOME	-	-	-	-	(319)
42 CAL HOME PROGRAM INCOME				-	(1,152)
60 AMERICAN RESCUE PLAN	-	-	946,000	946,000	(1,286,976)
61 CIRCULATION SYSTEM DEVELOPMENT	-	-	-	-	(2,280)
62 GOVERNMENT FACILITIES DEVELOPMENT	-	-	-	-	(3,366)
63 LIBRARY DEVELOPMENT	-	-	-	-	(132)
64 COMMUNITY FACILITY DEVELOPMENT	-	-	-	-	(7,152)
71 FIRE DEVELOPER FEES	-	40,000	-	40,000	(5,217)
72 FIRE COST RECOVERY	40,000	-	40,000	80,000	(150,000)
80 EVIDENCE HOLDING	-	-	-	-	-
81 POLICE DEVELOPER FEES	-	5,200	-	5,200	(5,185)
82 ASSET FORFEITURE	-	-	2,300	2,300	(13)
	4,973,807	7,927,956	10,544,337	23,446,099	(22,663,872)

Summary of General Fund Expenditure By Department

General Fund	Fiscal Year 2021 Actuals				Fiscal Year 2022 Revised Budget				Fiscal Year 2023 Proposed Budget			
	Personnel	Maintenance & Operation	Capital Outlay	Total	Personnel	Maintenance & Operation	Capital Outlay	Total	Personnel	Maintenance & Operation	Capital Outlay	Total
400 GENERAL FUND RESERVE	-	-	150,000	150,000	-	-	1,400,000	1,400,000	-	-	-	-
401 CITY COUNCIL	-	4,452	-	4,452	15,502	26,600	-	42,102	15,502	12,000	-	27,502
404 ADMINISTRATION	181,572	140,092	3,682	325,346	574,270	272,500	4,000	850,770	457,968	302,500	4,000	764,468
405 MEMBERSHIPS LEGISLATIVE	-	15,179	-	15,179	-	20,500	-	20,500	-	25,000	-	25,000
406 ADMINISTRATION OVERHEAD	-	466,138	4,782	470,920	-	733,867	3,500	737,367	-	765,041	2,500	767,541
407 CITY SPONSORSHIPS	-	4,216	-	4,216	-	6,000	-	6,000	-	12,000	-	12,000
411 POLICE	2,000,640	316,021	59,194	2,375,854	2,171,771	370,800	42,107	2,584,678	2,128,401	396,400	54,750	2,579,551
414 COMMUNITY DEVELOPMENT	46,019	404,277	-	450,296	49,364	425,000	-	474,364	43,230	440,600	-	483,830
415 CODE ENFORCEMENT	70,598	12,974	-	83,572	85,670	24,750	1,000	111,420	93,116	26,500	1,000	120,616
420 FIRE DEPARTMENT	297,543	163,584	30,848	491,975	307,868	201,300	70,000	579,168	422,559	178,300	100,000	700,859
425 PUBLIC WORKS	117,455	301,921	-	419,377	185,283	244,600	-	429,883	248,021	245,000	12,500	505,521
426 ANIMAL CONTROL	-	74,534	-	74,534	-	73,865	-	73,865	-	73,965	-	73,965
	2,713,826	1,903,389	248,506	4,865,721	3,389,728	2,399,782	1,520,607	7,310,117	3,408,796	2,477,306	174,750	6,060,852

Estimated General Fund Net Position

		Beginning Balance	Expense	Revenue	Ending Balance
Beginning Balance as of 04/30/2022		1,469,184			
	Less: Fund Minimum Balance	1,233,624			
	Less: Budgeted Expense		6,060,852		
	Add: Budgeted Revenue			6,207,967	
Estimated Available Balance as of 06/30/2023					**382,675**

Summary of Revenues by Fund

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
01 GENERAL FUND	4,233,672	5,656,682	6,588,207	6,207,967
102 GENERAL FUND RESERVE	20,595	-	-	-
103 GENERAL FUND CAPITAL	339,436	462,422	1,525,323	1,098,737
104 CANNABIS CAPITAL FUND	693,746	1,702,169	1,453,518	1,209,666
02 WATER UTILITY	987,471	1,062,566	1,125,568	1,185,834
03 WATER DEVELOPMENT	13,764	8,514	17,871	8,030
04 SEWER UTILITY	2,039,115	2,026,088	2,005,186	2,016,831
05 SEWER DEVELOPMENT	23,827	20,631	28,642	8,026
06 REFUSE	857,594	862,662	890,269	911,495
08 SELF INSURED RESERVE	-	150,000	-	-
11 DRUG ENFORCEMENT	3,209	-	93	93
12 FEDERAL AND STATE GRANTS	468,273	717,515	1,586,703	2,372,837
14 POLICE DEPT SLESF	159,630	158,935	151,272	161,078
20 STP	15,271	758,958	755,585	4,405
21 GAS TAX	266,556	255,684	299,670	332,729
22 TDA	393,611	649,043	656,026	659,635
23 STORM DRAIN	4,315	1,712	3,545	8,716
25 STREET MITIGATION FUND	459	-	-	-
26 MEASURE R FUND	1,077,951	1,786,078	10,505,485	236,344
27 RMRA (SB1) FUND	199,701	211,321	234,610	258,769
30 PARK DEVELOPMENT	735	273	1,300	18,907
31 PARK IMPROVEMENTS	30,540	241,756	1,844,734	4,010,980
35 MAINTENANCE DISTRICT	63,291	88,349	61,955	62,500
39 CITY PROPERTY FUND	52,701	83,854	85,816	93,459
40 CDBG PROGRAM INCOME	17,525	59,222	334,055	335,041
41 HOME PROGRAM INCOME	40,361	31,225	223	319
42 CAL HOME PROGRAM INCOME	101,839	136,261	1,000	1,152
60 AMERICAN RESUE PLAN	-	-	1,280,193	1,286,976
61 CIRCULATION SYSTEM DEVELOPMENT	-	-	-	2,280
62 GOVERNMENT FACILITIES DEVELOPMENT	-	-	-	3,366
63 LIBRARY DEVELOPMENT	-	-	-	132
64 COMMUNITY FACILITY DEVELOPMENT	-	-	-	7,152
71 FIRE DEVELOPER FEES	6,924	3,101	12,629	5,217
72 FIRE COST RECOVERY	-	-	-	150,000
80 EVIDENCE HOLDING	163	-	-	-
81 POLICE DEVELOPER FEES	5,653	3,554	21,248	5,185
82 ASSET FORFEITURE	40	22	13	13
83 LIVE SCAN	1,085	251	-	-
	12,119,049	17,138,847	31,470,738	22,663,872

Summary of Expenditures by Fund

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
01 GENERAL FUND	4,020,107	4,865,721	7,310,117	6,060,852
102 GENERAL FUND RESERVE	251,436	-	-	-
103 GENERAL FUND CAPITAL	295,723	473,503	1,525,323	1,098,737
104 CANNABIS CAPITAL FUND	-	960,423	1,312,323	1,725,737
02 WATER UTILITY	921,352	1,045,213	1,190,406	1,255,842
03 WATER DEVELOPMENT	195,836	1,932	-	-
04 SEWER UTILITY	1,212,814	1,340,111	1,782,518	2,529,959
05 SEWER DEVELOPMENT	-	-	243,000	-
06 REFUSE	870,420	826,346	883,759	836,837
08 SELF INSURED RESERVE	-	-	-	-
11 DRUG ENFORCEMENT	19,879	-	-	15,000
12 FEDERAL AND STATE GRANTS	535,813	787,228	1,439,703	2,372,837
14 POLICE DEPT SLESF	164,943	170,749	196,337	209,588
20 STP	-	967,514	-	-
21 GAS TAX	253,165	298,659	357,218	392,440
22 TDA	49,699	94,801	115,188	1,735,188
23 STORM DRAIN	-	-	154,000	-
25 STREET MITIGATION FUND	-	32,091	-	-
26 MEASURE R FUND	862,084	1,622,230	10,330,000	-
27 RMRA (SB1) FUND	71,491	458,678	-	-
30 PARK DEVELOPMENT	-	-	-	-
31 PARK IMPROVEMENTS	64,655	239,677	1,377,734	4,018,034
35 MAINTENANCE DISTRICT	125,901	116,899	79,396	62,049
39 CITY PROPERTY FUND	41,659	53,736	42,700	59,500
40 CDBG PROGRAM INCOME	43,770	6,142	-	-
41 HOME PROGRAM INCOME	13,884	850	-	-
42 CAL HOME PROGRAM INCOME	46,316	350	-	-
60 AMERICAN RESCUE PLAN	-	-	333,250	946,000
71 FIRE DEVELOPER FEES	-	8,370	18,350	40,000
72 FIRE COST RECOVERY	-	-	-	80,000
80 EVIDENCE HOLDING	-	-	-	-
81 POLICE DEVELOPER FEES	64,857	141,480	-	5,200
82 ASSET FORFEITURE	-	492	-	2,300
83 LIVE SCAN	1,474	886	-	-
	10,127,277	14,514,079	28,691,322	23,446,099

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
400 General	01 GENERAL FUND	-	150,000	1,400,000	-
	102 GENERAL FUND RESERVE	251,436	-	-	-
	103 GENERAL FUND CAPITAL	-	244,403	-	-
	104 CANNABIS CAPITAL FUND	-	960,423	1,312,323	1,725,737
	12 FEDERAL AND STATE GRANTS	535,813	787,228	1,439,703	2,372,837
General Total		787,249	2,142,054	4,152,026	4,098,574
401 City Council	01 GENERAL FUND	7,962	4,452	42,102	27,502
City Council Total		7,962	4,452	42,102	27,502
404 Administration	01 GENERAL FUND	243,507	325,346	850,770	764,468
	103 GENERAL FUND CAPITAL	111,702	8,022	4,380	-
	02 WATER UTILITY	267,072	267,360	307,822	311,448
	04 SEWER UTILITY	244,254	267,019	285,474	292,815
	06 REFUSE	73,414	62,351	68,537	60,778
	21 GAS TAX	8,871	18,621	20,421	20,390
	40 CDBG PROGRAM INCOME	43,770	6,142	-	-
	41 HOME PROGRAM INCOME	13,884	850	-	-
	42 CAL HOME PROGRAM INCOME	46,316	350	-	-
	60 AMERICAN RESCUE PLAN	-	-	333,250	946,000
Administrative Total		1,052,791	956,059	1,870,653	2,395,899

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
405 Membership Legislative	01 GENERAL FUND	19,230	15,179	20,500	25,000
Membership Legislative Total		19,230	15,179	20,500	25,000
406 Administration Overhead	01 GENERAL FUND	550,518	470,920	737,367	767,541
Administration Overhead Total		550,518	470,920	737,367	767,541
407 City Sponsorships	01 GENERAL FUND	2,019	4,216	6,000	12,000
City Sponsorships Total		2,019	4,216	6,000	12,000
411 Police	01 GENERAL FUND	2,205,271	2,375,854	2,584,678	2,579,551
	103 GENERAL FUND CAPITAL	72,857	204,376	243,026	170,245
	11 DRUG ENFORCEMENT	19,879	-	-	15,000
	14 POLICE DEPT SLESF	164,943	170,749	196,337	209,588
	81 POLICE DEVELOPER FEES	64,857	141,480	-	5,200
	82 ASSET FORFEITURE	-	492	-	2,300
	83 LIVE SCAN	1,474	886	-	-
Police Total		2,529,281	2,893,838	3,024,041	2,981,884

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
414 Community Development	01 GENERAL FUND	225,006	450,296	474,364	483,830
	103 GENERAL FUND CAPITAL	-	-	8,000	36,000
Community Development Total		225,006	450,296	482,364	519,830
415 Code Enforcement	01 GENERAL FUND	73,774	83,572	111,420	120,616
	103 GENERAL FUND CAPITAL	39,591	-	-	-
Code Enforcement Total		113,365	83,572	111,420	120,616
420 Fire	01 GENERAL FUND	378,417	491,975	579,168	700,859
	103 GENERAL FUND CAPITAL	-	7,286	900,000	-
	71 FIRE DEVELOPER FEES	-	8,370	18,350	40,000
	72 FIRE COST RECOVERY	-	-	-	80,000
Fire Total		378,417	507,631	1,497,518	820,859
425 Public Works	01 GENERAL FUND	239,311	419,377	429,883	505,521
	103 GENERAL FUND CAPITAL	71,574	9,417	369,916	892,492
	02 WATER UTILITY	654,280	777,853	882,585	944,394
	03 WATER DEVELOPMENT	195,836	1,932	-	-
	04 SEWER UTILITY	968,559	1,073,092	1,497,045	2,237,143
	05 SEWER DEVELOPMENT	-	-	243,000	-
	06 REFUSE	797,006	763,995	815,222	776,059
	20 STP	-	967,514	-	-
	21 GAS TAX	244,294	280,038	336,797	372,050

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
	22 TDA	49,699	94,801	115,188	1,735,188
	23 STORM DRAIN	-	-	154,000	-
	25 STREET MITIGATION	-	32,091	-	-
	26 MEASURE R FUND	862,084	1,622,230	10,330,000	-
	27 SB1 Road Maintenance & Rehab	71,491	458,678	-	-
	31 PARK IMPROVEMENTS	64,655	239,677	1,377,734	4,018,034
	35 MAINTENANCE DISTRICT	125,901	116,899	79,396	62,049
	39 CITY PROPERTIES	41,659	53,736	42,700	59,500
Public Works Total		4,386,348	6,911,329	16,673,465	11,602,431
426 Animal Control	01 GENERAL FUND	75,093	74,534	73,865	73,965
Animal Control Total		75,093	74,534	73,865	73,965
Grand Total		10,127,277	14,514,079	28,691,322	23,446,099

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
400 General	CAPITAL OUTLAY	48,655	1,595	506,000	1,732,837
	OTHER	251,436	1,354,826	2,712,323	1,725,737
	PROFESSIONAL & CONTRACTUAL SRV	487,158	785,633	933,703	640,000
General Total		787,249	2,142,054	4,152,026	4,098,574
401 City Council	OPERATING SERVICES & SUPPLIES	6,187	1,529	14,000	9,000
	PROFESSIONAL & CONTRACTUAL SRV	1,775	2,923	27,000	17,400
	SALARIES & BENEFITS	-	-	1,102	1,102
City Council Total		7,962	4,452	42,102	27,502
404 Administration	CAPITAL OUTLAY	118,312	11,703	208,380	950,000
	OPERATING SERVICES & SUPPLIES	16,163	10,108	22,500	22,500
	OTHER	-	-	133,250	-
	PROFESSIONAL & CONTRACTUAL SRV	157,839	137,326	250,000	280,000
	SALARIES & BENEFITS	760,477	796,921	1,256,523	1,143,399
Administrative Total		1,052,791	956,059	1,870,653	2,395,899
405 Membership Legislative	PROFESSIONAL & CONTRACTUAL SRV	19,230	15,179	20,500	25,000
Membership Legislative Total		19,230	15,179	20,500	25,000
406 Administration Overhead	CAPITAL OUTLAY	6,392	4,782	3,500	2,500
	OPERATING SERVICES & SUPPLIES	178,259	199,317	301,367	379,041
	OTHER	-	-	-	-

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
	PROFESSIONAL & CONTRACTUAL SRV	305,558	207,744	360,000	325,000
	UTILITIES	60,309	59,077	72,500	61,000
Administration Overhead Total		550,518	470,920	737,367	767,541
407 City Sponsorships	PROFESSIONAL & CONTRACTUAL SRV	2,019	4,216	6,000	12,000
City Sponsorships Total		2,019	4,216	6,000	12,000
411 Police	CAPITAL OUTLAY	373,769	405,542	285,133	242,295
	OPERATING SERVICES & SUPPLIES	114,936	102,719	135,400	163,400
	OTHER	-	-	-	-
	PROFESSIONAL & CONTRACTUAL SRV	168,202	187,501	206,400	211,700
	SALARIES & BENEFITS	1,848,976	2,171,388	2,368,108	2,337,489
	UTILITIES	23,397	26,687	29,000	27,000
Police Total		2,529,281	2,893,838	3,024,041	2,981,884
414 Community Development	CAPITAL OUTLAY	-	-	-	-
	OPERATING SERVICES & SUPPLIES	-	-	-	600
	OTHER	615	15	-	-
	PROFESSIONAL & CONTRACTUAL SRV	209,030	404,262	433,000	476,000
	SALARIES & BENEFITS	15,361	46,019	49,364	43,230
Community Development Total		225,006	450,296	482,364	519,830
415 Code Enforcement	CAPITAL OUTLAY	39,591	-	1,000	1,000
	OPERATING SERVICES & SUPPLIES	3,133	283	7,750	10,000
	PROFESSIONAL & CONTRACTUAL SRV	6,258	6,662	10,000	10,000
	SALARIES & BENEFITS	57,741	70,598	85,670	93,116

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
	UTILITIES	6,642	6,030	7,000	6,500
Code Enforcement Total		113,365	83,572	111,420	120,616
420 Fire	CAPITAL OUTLAY	7,937	46,504	988,350	140,000
	OPERATING SERVICES & SUPPLIES	40,822	33,991	55,000	79,000
	OTHER	-	-	-	-
	PROFESSIONAL & CONTRACTUAL SRV	76,436	114,597	130,000	125,000
	SALARIES & BENEFITS	241,933	297,543	307,868	462,559
	UTILITIES	11,289	14,996	16,300	14,300
Fire Total		378,417	507,631	1,497,518	820,859
425 Public Works	CAPITAL OUTLAY	1,636,874	3,583,783	2,334,893	7,475,705
	OPERATING SERVICES & SUPPLIES	545,255	517,582	802,388	895,059
	OTHER	68,000	32,091	397,000	10,000
	PROFESSIONAL & CONTRACTUAL SRV	1,028,771	1,604,249	11,881,732	1,859,754
	SALARIES & BENEFITS	791,724	779,746	775,988	892,913
	UTILITIES	315,725	393,879	481,464	469,000
Public Works Total		4,386,348	6,911,329	16,673,465	11,602,431
426 Animal Control	PROFESSIONAL & CONTRACTUAL SRV	75,093	74,534	73,865	73,965
Animal Control Total		75,093	74,534	73,865	73,965
Grand Total		**10,127,277**	**14,514,079**	**28,691,322**	**23,446,099**

Summary of Budgeted Transfers

	Due To		Due From		Amount	Description
01 GENERAL FUND						
	01-400-4004	GENERAL FUND FRANCHISE FEE	02-425-5404	WATER FUND FRANCHISE FEE	10,750	ANNUAL FRANCHISE FEE - WATER FUND
	01-400-4004	GENERAL FUND FRANCHISE FEE	04-425-5404	SEWER FUND FRANCHISE FEE	12,500	ANNUAL FRANCHISE FEE - SEWER FUND
	01-400-4004	GENERAL FUND FRANCHISE FEE	06-425-5404	TRASH FUND FRANCHISE FEE	46,922	ANNUAL FRANCHISE FEE - TRASH FUND
	01-406-5250	OVERHEAD DEPT, OVERHEAD EXPENSE	02-425-5250	WATER FUND OVERHEAD EXPENSE	237,500	ANNUAL OVERHEAD ALLOCATION - WATER FUND
	01-406-5250	OVERHEAD DEPT, OVERHEAD EXPENSE	04-425-5250	SEWER FUND OVERHEAD EXPENSE	237,500	ANNUAL OVERHEAD ALLOCATION - SEWER FUND
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	30,000	ANNUAL EXPENSE RELATIVE TO CANNABIS OPERATIONS
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	100,000	OPERATING CONTINGENCY
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	50,000	PUBLIC WORKS TEMP EMPLOYEES
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	100,000	BOYS AND GIRLS CLUB YOUTH PROGRAM
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	20,000	FARMERSVILLE UNIFIED SCHOOL DISTRICT SWIM PROGRAM
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	97,000	POLICE OFFICER SALARY AND BENEFITS
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	170,000	FIRE BATTALION CHIEF SALARY AND BENEFITS
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	60,000	TOWNSEND & ASSOCIATES CONTRACT COST
GENERAL FUND TOTAL					1,172,172	
103 GENERAL FUND CAPITAL						
	103-400-9000	GENERAL FUND CAPITAL TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	1,098,737	COVER GENERAL FUND CAPITAL COSTS FOR FY 2023
GENERAL FUND CAPITAL TOTAL					1,098,737	Total
04 SEWER UTILITY						
	04-1108	WWTP ASSET REPLACEMENT RESERVE	04-425-9001	TRANSFER-OUT	10,000	MINIMUM ASSET REPLACEMENT COST
SEWER UTILITY FUND TOTAL					10,000	Total
Grand Total					2,280,909.00	

Summary of Restricted Funds

Fund	Fiscal Year 2022 (As of 04/30/22)	Fiscal Year 2023 Proposed Revenue	Fiscal Year 2023 Proposed Expense	Summary
02 WATER UTILITY	1,261,217.67	1,185,833.69	1,255,841.61	1,191,209.74
03 WATER DEVELOPMENT	290,097.34	8,029.87	-	298,127.21
04 SEWER UTILITY	5,417,753.16	2,016,831.26	2,529,958.88	4,904,625.53
05 SEWER DEVELOPMENT	1,042,849.11	8,026.25	-	1,050,875.36
06 REFUSE	405,948.45	911,495.42	836,836.75	480,607.13
11 DRUG ENFORCEMENT	17,044.00	92.75	15,000.00	2,136.75
12 FEDERAL AND STATE GRANTS	(245,147.49)	2,372,837.00	2,372,837.00	(245,147.49)
14 POLICE DEPT SLESF	205,179.33	161,077.78	209,588.06	156,669.04
20 STP	840,021.87	4,404.74	-	844,426.61
21 GAS TAX	279,288.77	332,729.42	392,440.18	219,578.00
22 TDA	1,770,574.56	659,635.50	1,735,188.00	695,022.06
23 STORM DRAIN	161,376.98	8,716.20	-	170,093.18
25 STREET MITIGATION FUND	-	-	-	-
26 MEASURE R FUND	(857,131.08)	236,344.25	-	(620,786.83)
27 RMRA (SB1) FUND	189,078.18	258,769.09	-	447,847.27
30 PARK DEVELOPMENT	20,888.78	18,906.95	-	39,795.73
31 PARK IMPROVEMENTS	29,520.22	4,010,980.38	4,018,034.00	22,466.60
35 MAINTENANCE DISTRICT	4,072.10	62,500.00	62,049.27	4,522.83
40 CDBG PROGRAM INCOME	281,906.21	335,041.38	-	616,947.59
41 HOME PROGRAM INCOME	12,339.58	318.66	-	12,658.24
42 CAL HOME PROGRAM INCOME	137,901.14	1,151.96	-	139,053.10
60 AMERICAN RESUE PLAN	1,167,934.44	1,286,976.46	946,000.00	1,508,910.90
61 CIRCULATION SYSTEM DEVELOPMENT	-	2,280.00	-	2,280.00
62 GOVERNMENT FACILITIES DEVELOPMENT	-	3,366.00	-	3,366.00
63 LIBRARY DEVELOPMENT	-	132.00	-	132.00
64 COMMUNITY FACILITY DEVELOPMENT	-	7,152.00	-	7,152.00
71 FIRE DEVELOPER FEES	159,481.18	5,217.19	40,000.00	124,698.37
72 FIRE COST RECOVERY	-	150,000.00	80,000.00	70,000.00
80 EVIDENCE HOLDING	17,779.85	-	-	17,779.85
81 POLICE DEVELOPER FEES	25,351.56	5,185.15	5,200.00	25,336.71
82 ASSET FORFEITURE	2,297.03	12.50	2,300.00	9.53
Grand Total	**12,637,622.94**	**14,054,043.85**	**14,501,273.76**	**12,190,393.03**

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2023

		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 GENERAL FUND					
400 GENERAL REVENUES					
01 -400-400 -4001 -	PROPERTY TAX	(307,000)	(307,000)	(192,708)	(320,000)
01 -400-400 -4002 -	SALES TAX (54058)	(1,100,000)	(1,170,000)	(714,619)	(1,210,000)
01 -400-400 -4003 -	SALES TAX-PROP 172	(20,000)	(20,000)	(27,591)	(27,000)
01 -400-400 -4004 -	FRANCHISE FEE	(162,939)	(162,939)	(18,177)	(182,512)
01 -400-400 -4005 -	PROPERTY TAX - VLF	(1,100,000)	(1,115,000)	(564,881)	(1,163,000)
01 -400-400 -4006 -	REAL PROP TRANSFER TAX	(2,500)	(4,500)	(7,757)	(4,500)
01 -400-400 -4007 -	PROPERTY TAX - PRIOR	(2,500)	(3,500)	(2,526)	(3,500)
01 -400-400 -4008 -	PROPERTY TAX - SUPPLEMENTAL CR	(2,500)	(3,500)	(2,572)	(3,500)
01 -400-400 -4009 -	PROPERTY TAX - SUPPLEMENTAL PR	(2,500)	(3,500)	(1,273)	(3,500)
01 -400-400 -4010 -	CASH OVER AND SHORT	-	-	3	-
01 -400-400 -4040 -	INVESTMENT EARNINGS	(9,376)	(9,376)	(85,465)	(8,778)
01 -400-400 -4051 -	M V IN-LIEU FEES	-	-	-	-
01 -400-400 -4055 -	PROPERTY TAX RELIEF	-	-	(935)	-
01 -400-400 -4059 -	NOTARY FEES	-	-	-	-
01 -400-400 -4077 -	PROPERTY TAX INCREMENTS	(95,198)	(95,198)	(51,538)	(100,000)
01 -400-400 -4080 -	MISC. INCOME (ONE-TIME PAYMENTS)	(5,000)	(755,000)	(754,810)	(5,000)
01 -400-400 -4082 -CARES	CARES GRANTS	-	-	-	
01 -400-400 -4105 -	SALES TAX - ADD ON (121)	(700,000)	(725,000)	(432,402)	(770,000)
01 -400-400 -4109 -	SALES TAX - ADD ON (628)	(700,000)	(725,000)	(431,108)	(770,000)
01 -400-400 -4996 -	GAIN/LOSS ON INVESTMENT	-	-	465,795	-
01 -400-00 -9000 -	OPERATING TRANSFER IN	(470,000)	(470,000)	-	(627,000)
01 -400-00 -9001 -	TRANSFER OUT	-	1,400,000	1,400,000	-
	TOTAL GENERAL REVENUES	(4,679,513)	(4,169,513)	(1,422,564)	(5,198,290)
401 CITY COUNCIL					
01 -401-300 -5110 -	FICA		893	670	893
01 -401-300 -5111 -	MEDICARE		209	157	209
01 -401-300-5202 -	OPERATING SUPPLIES	6,000	6,000	-	1,000
01 -401-300 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	27,000	27,000	12,100	17,400
01 -401-300 -5208 -	EMPLOYEE DEVELOPMENT	8,000	8,000	1,409	8,000
	TOTAL CITY COUNCIL	41,000	42,102	14,336	27,502
404 ADMINISTRATION					
01 -404-400 -4011 -	BUSINESS LICENSE	(33,000)	(33,000)	(38,212)	(40,000)
01 -404-400 -4012 -	RENTAL LICENSE	(24,000)	(24,000)	(26,000)	(30,000)
01 -404-400 -4022 -	GARAGE SALE PERMITS	(1,500)	(1,500)	(767)	(1,000)
01 -404-400 -4075 -	RENT	(137,680)	(137,680)	(114,401)	(141,400)
01 -404-000 -4080 -	MISC. INCOME	-	-	-	-
01 -404-000 -4084 -	BUSINESS LICENSE PENALTY	(500)	(500)	(1,915)	(500)
01 -404-400 -4115 -	CANNABIS COMMERCIAL	(35,000)	(35,000)	(31,700)	(35,000)
01 -404-400 -4116 -	CANNABIS RESIDENTIAL	-	-	-	-
01 -404-400 -5101 -	SALARIES	204,879	197,723	154,647	222,995
01 -404-400 -5103 -	OVERTIME	200	200	-	200
01 -404-400 -5110 -	FICA	12,754	12,311	8,920	13,755
01 -404-400 -5111 -	MEDICARE	2,983	2,879	2,215	3,247
01 -404-400 -5112 -	PERS RETIREMENT	15,390	14,980	10,361	16,849
01 -404-400 -5116 -	LTD/LIFE INSURANCE	1,942	1,601	1,193	1,829
01 -404-400 -5117 -	WORKERS COMPENSATION	1,133	1,133	969	1,378
01 -404-400 -5118 -	CLEANING ALLOWANCE	488	488	425	525
01 -404-400 -5119 -	DEFERRED COMP	7,032	6,321	-	7,652
01 -404-400 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	4,418	-

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2023

		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 -404-400 -5121 -	HEALTH/DENTAL/VISION	27,146	26,804	19,147	29,124
01 -404-400 -5122 -	PERS UAL PAYMENT	9,646	9,479	9,325	10,037
01 -404-400 -5122 - ADP	PERS UAL PAYMENT	-	300,000	300,000	150,000
01 -404-400 -5124 -	HEALTHY LIVING	351	351	153	378
01 -404-400 -5202 -	OPERATING SUPPLIES	2,500	2,500	1,505	2,500
01 -404-400 -5204 -	REPAIRS & MAINTENANCE SERVICES	-	-	-	-
01 -404-400 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	220,000	220,000	82,119	250,000
01 -404-400 -5205 - COBI'S	PROFESSIONAL & CONTRACTUAL SRV	30,000	30,000	10,206	30,000
01 -404-400 -5206 -	UTILITIES	-	-	-	-
01 -404-400 -5208 -	EMPLOYEE DEVELOPMENT	20,000	20,000	12,139	20,000
01 -404-400 -5211 -	PHONE/INTERNET	-	-	-	-
01 -404-400 -5255 -	FUEL	-	-	-	-
01 -404-400 -5504 -	EQUIPMENT	4,000	4,000	618	4,000
	TOTAL ADMINISTRATION	328,763	619,090	405,366	516,568
405 MEMBERSHIP LEGISLATION					
01 -405-300 -5205 -	MEMBERSHIPS LEGISLATIVE	20,500	20,500	21,529	25,000
	TOTAL MEMBERSHIP LEGISLATION	20,500	20,500	21,529	25,000
406 ADMINISTRATIVE OVERHEAD					
01 -406-400 -5201 -	OFFICE SUPPLIES	5,000	5,000	1,848	5,000
01 -406-400 -5202 -	OPERATING SUPPLIES	6,000	6,000	741	6,000
01 -406-400 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	-	-
01 -406-400 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	360,000	360,000	206,702	325,000
01 -406-400 -5206 -	UTILITIES	46,500	46,500	15,606	38,000
01 -406-400 -5207 -	INSURANCE	289,167	289,167	293,253	366,641
01 -406-400 -5211 -	PHONE/INTERNET	26,000	26,000	15,534	23,000
01 -406-400 -5250 -	OVERHEAD	(475,000)	(475,000)	-	(475,000)
01 -406-400 -5255 -	FUEL	750	1,200	786	1,400
01 -406-400 -5504 -	EQUIPMENT	3,500	3,500	1,012	2,500
	TOTAL ADMINISTRATIVE OVERHEAD	261,917	262,367	535,482	292,541
407 CITY SPONSORSHIPS					
01 -407-200 -4064 -	RECREATION FEES	-	-	-	-
01 -407-200 -5202 -	OPERATING SUPPLIES	-	-	-	-
01 -407-200 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	6,000	6,000	3,500	12,000
	TOTAL CITY SPONSORSHIPS	6,000	6,000	3,500	12,000
411 POLICE					
01 -411-000 -4031 -	VEHICLE CODE FINES	-	-	-	-
01 -411-000 -4032 -	PARKING FINES	(1,000)	(1,000)	(645)	(1,000)
01 -411-100 -4034 -	FINES & FORFEITURES	(5,000)	(5,000)	(10,876)	(10,000)
01 -411-000 -4035 -	FORFEITURES	-	-	-	-
01 -411-100 -4054 -	VEHICLE THEFT	-	-	-	-
01 -411-100 -4063 -	POLICE SERVICES	(15,000)	(15,000)	(15,660)	(15,000)
01 -411-100 -4068 -	SCHOOL DISTRICT REIMBURSEMENT	(117,223)	(117,223)	(58,612)	(187,347)
01 -411-100 -4071 -	DUI REIMBURSEMENT	(2,500)	(2,500)	(9,111)	(5,000)
01 -411-100 -4072 -	POST REIMBURSEMENT	-	-	(6,247)	-
01 -411-100 -4080 -	MISC. INCOME	-	-	-	-
01 -411-000 -4080 -DMV	DMV AUTO THEFT	-	-	-	(15,000)
01 -411-000 -4080 -LACAN	LIVE SCAN REVENUE	(1,000)	(1,000)	(2,227)	(1,000)
01 -411-000 -4081 -PRP56	STATE GRANTS	(69,784)	(69,784)	(40,707)	-
01 -411-000 -4081 -OES20	STATE GRANTS	-	(30,357)	-	-
01 -411-100 -4082 -VESTS	BULLETPROOF VESTS	(2,500)	(2,500)	719	(2,500)

City of Farmersville

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 -411-100 -4111 -	TRAFFIC SCHOOL REIMBURSEMENT	-	-	-	-
01 -411-100 -4113 -	RESTITUTION	-	-	-	-
01 -411-000 -9000 -	OPERATING TRANSFER IN	-	-	-	-
01 -411-100 -5101 -	SALARIES	1,416,119	1,384,820	992,209	1,360,840
01 -411-100 -5103 -	OVERTIME	70,000	70,000	69,640	70,000
01 -411-100 -5104 -	RESERVE OFFICER PAY	-	-	-	-
01 -411-100 -5110 -	FICA	88,832	86,892	62,356	85,344
01 -411-100 -5111 -	MEDICARE	20,775	20,321	15,454	19,960
01 -411-100 -5112 -	PERS RETIREMENT	149,155	151,465	100,746	153,190
01 -411-100 -5116 -	LTD/LIFE INSURANCE	13,807	12,155	7,714	11,791
01 -411-100 -5117 -	WORKERS COMPENSATION	85,372	85,372	76,799	90,163
01 -411-100 -5118 -	UNIFORM ALLOWANCE	13,600	13,600	7,950	12,800
01 -411-100 -5119 -	DEFERRED COMP	32,377	26,308	16,697	26,840
01 -411-100 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
01 -411-100 -5121 -	HEALTH/DENTAL/VISION	278,016	267,042	175,909	246,797
01 -411-100 -5122 -	PERS UAL PAYMENT	50,720	50,736	40,744	47,797
01 -411-100 -5124 -	HEALTHY LIVING	3,060	3,060	1,350	2,880
01 -411-100 -5201 -	OFFICE SUPPLIES	4,000	4,000	2,105	4,000
01 -411-100 -5202 -	OPERATING SUPPLIES	14,000	14,000	3,319	14,000
01 -411-100 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	-	-
01 -411-100 -5204 -	REPAIRS & MAINTENANCE SERVICES	35,000	35,000	37,460	35,000
01 -411-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	205,400	205,400	116,196	205,000
01 -411-100 -5205 - LACAN	LIVE SCAN EXPENSE	1,000	1,000	376	1,000
01 -411-100 -5208 -	EMPLOYEE DEVELOPMENT	30,000	30,000	17,600	30,000
01 -411-100 -5209 -	UNIFORM MAINTENANCE	2,400	2,400	2,419	2,400
01 -411-100 -5210 -	ADVERTISING	-	-	-	-
01 -411-100 -5211 -	PHONE/INTERNET	29,000	29,000	17,177	27,000
01 -411-100 -5255 -	FUEL	50,000	50,000	47,806	78,000
01 -411-100 -5504 -	EQUIPMENT	5,000	5,000	-	33,000
01 -411-100 -5504 -DMV	EQUIPMENT	-	-	-	15,000
01 -411-100 -5504 -OES20	EQUIPMENT	-	30,357	-	-
01 -411-100 -5504 -VESTS	EQUIPMENT	6,750	6,750	4,388	6,750
01 -411-100 -5514 -	VEHICLES	-	-	-	-
01 -411-100 -5558 -	INTEREST EXPENSE	-	-	-	-
	TOTAL POLICE	2,390,376	2,340,314	1,673,049	2,342,704
414 COMMUNITY DEVELOPMENT					
01 -414-800 -4021 -	BUILDING PERMITS	(1,500)	(1,500)	(14,546)	(2,000)
01 -414-800 -4028 -	CONDITIONAL USE PERMITS	(3,000)	(3,000)	(8,250)	(3,560)
01 -414-000 -4080 -	MISC. INCOME	(4,000)	(4,000)	-	(1,000)
01 -414-800 -4120 -	SIGN PERMIT	(1,500)	(1,500)	(100)	(300)
01 -414-800 -4121 -	EVENT PERMIT	(300)	(300)	(630)	(840)
01 -414-800 -4122 -	TEMPORARY USE PERMIT - BUSINESS	(200)	(200)	-	(200)
01 -414-800 -4125 -	ADMINISTRATIVE FEES	(4,500)	(4,500)	(7,865)	(2,500)
01 -414-000 -4130 -	TENTATIVE PARCEL MAP	(1,200)	(1,200)	(20,000)	(3,015)
01 -414-800 -4131 -	FINAL PARCEL MAP	(500)	(500)	-	(3,030)
01 -414-000 -4132 -	ANNEXATION	(200)	(200)	-	(9,125)
01 -414-000 -4161 -	EIR FEE	(500)	(500)	(2,000)	-
01 -414-000 -4162 -	ZONE CHANGE	(2,000)	(2,000)	(4,500)	(4,550)
01 -414-000 -4163 -	GENERAL PLAN AMENDMENT	(1,350)	(1,350)	(2,700)	(2,275)
01 -414-000 -4165 -	ENCROACHMENT PERMIT	-	-	(1,540)	(3,525)
01 -414-800 -4710 -	SITE PLAN REVIEW FEE	(1,300)	(1,300)	(1,300)	(4,420)
01 -414-800 -4711 -	VARIANCE	-	-	-	(1,780)
01 -414-000 -4712 -	LOT LINE ADJUSTMENT	-	-	(800)	(2,210)

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 -414-800 -9000 -	TRANSFER-IN	-	-	-	-
01 -414-800 -5101 -	SALARIES	33,329	33,289	26,025	31,788
01 -414-800 -5103 -	OVERTIME	-	-	233	-
01 -414-800 -5110 -	FICA	2,080	2,077	1,644	1,984
01 -414-800 -5111 -	MEDICARE	486	486	385	464
01 -414-800 -5112 -	PERS RETIREMENT	2,567	2,673	1,605	2,243
01 -414-800 -5116 -	LTD/LIFE INSURANCE	361	339	241	327
01 -414-800 -5117 -	WORKERS COMPENSATION	291	291	303	328
01 -414-800 -5118 -	UNIFORM ALLOWANCE	125	125	125	125
01 -414-800 -5119 -	DEFERRED COMP	986	984	658	940
01 -414-800 -5121 -	HEALTH/DENTAL/VISION	7,469	7,319	5,198	3,605
01 -414-800 -5122 -	PERS UAL PAYMENT	1,609	1,691	1,555	1,336
01 -414-100 -5124 -	HEALTHY LIVING	90	90	135	90
01 -414-800 -5202 -	OPERATING SUPPLIES	-	-	546	500
01 -414-800 -5204 -	REPAIRS & MAINTENANCE SERVICES	-	-	38	100
01 -414-800 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	350,000	410,000	158,961	385,000
01 -414-800 -5205 - BLITE	BLIGHT REMOVAL & IMPROVEMENT	-	-	-	25,000
01 -414-800 -5205 - DEVLP	ECONOMIC DEVELOPMENT	15,000	15,000	14,400	30,000
01 -414-800 -5206 -	UTILITIES	-	-	-	-
01 -414-800 -5210 -	ADVERTISING	-	-	-	-
	TOTAL COMMUNITY DEVELOPMENT	392,342	452,314	147,821	439,500
415 CODE ENFORCEMENT					
01 -415-800 -4034 -	FINES & FORFEITURES	(1,000)	(1,000)	(222)	(1,000)
01 -415-000 -4122 -	TEMPORARY USE PERMIT - BUSINESS	-	-	(415)	-
01 -415-800 -5101 -	SALARIES	53,225	51,513	33,261	62,332
01 -415-800 -5103 -	OVERTIME	500	500		500
01 -415-800 -5110 -	FICA	3,361	3,255	2,084	3,925
01 -415-800 -5111 -	MEDICARE	786	761	487	918
01 -415-800 -5112 -	PERS RETIREMENT	5,305	5,314	2,421	4,397
01 -415-800 -5116 -	LTD/LIFE INSURANCE	650	554	299	643
01 -415-800 -5117 -	WORKERS COMPENSATION	8,927	8,927		6,346
01 -415-800 -5118 -	UNIFORM ALLOWANCE	800	800	350	800
01 -415-800 -5119 -	DEFERRED COMP	1,574	-		-
01 -415-800 -5121 -	HEALTH/DENTAL/VISION	13,935	10,504	4,436	10,454
01 -415-800 -5122 -	PERS UAL PAYMENT	3,325	3,362	3,215	2,620
01 -415-100 -5124 -	HEALTHY LIVING	180	180	-	180
01 -415-100 -5201 -	OFFICE SUPPLIES	-	-	-	-
01 -415-800 -5202 -	OPERATING SUPPLIES	500	500	-	500
01 -415-800 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	-	-
01 -415-800 -5204 -	REPAIRS & MAINTENANCE SERVICES	3,000	3,000	422	3,000
01 -415-800 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	10,000	10,000	4,864	10,000
01 -415-800-5208	EMPLOYEE DEVELOPMENT	3,000	3,000	-	3,000
01 -415-800 -5211 -	PHONE/INTERNET	7,000	7,000	3,917	6,500
01 -415-800 -5255 -	FUEL	1,250	1,250	1,228	3,500
01 -415-800 -5504 -	EQUIPMENT	1,000	1,000	-	1,000
	TOTAL CODE ENFORCEMENT	117,319	110,420	56,347	119,616
420 FIRE DEPARTMENT					
01 -420-100 -4053 -	ABANDONED VEH ABATEMENT	(4,000)	(4,000)	(2,532)	(4,000)
01 -420-100 -4065 -	FIRE SERVICES - FINES & FEES	(100)	(100)	(260)	(100)
01 -420-100 -4067 -	REIMB OF COSTS - OES OUT OF COUNTY	(40,000)	(40,000)	(142,802)	-
01 -420-000 -4080 -	MISC. INCOME	-	-	-	-
01 -420-100 -4081 -VFAG	VFA GRANT REIMB	-	-	-	-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 -420-100 -5101 -	SALARIES	186,565	186,565	159,318	279,326
01 -420-100 -5103 -	SPECIAL PAY	30,000	30,000	24,050	-
01 -420-100 -5110 -	FICA	11,749	11,749	11,469	17,561
01 -420-100 -5111 -	MEDICARE	2,748	2,748	2,682	4,107
01 -420-100 -5112 -	PERS RETIREMENT	17,977	17,975	13,394	28,232
01 -420-100 -5116 -	LTD/LIFE INSURANCE	2,064	1,882	1,356	2,777
01 -420-100 -5117 -	WORKERS COMPENSATION	26,781	26,781	27,961	40,369
01 -420-100 -5118 -	UNIFORM ALLOWANCE	2,400	2,400	1,350	3,200
01 -420-100 -5119 -	DEFERRED COMP	1,702	1,702	1,190	4,216
01 -420-100 -5120 -	STATE UNEMPLOYMENT INSURANCE			3,375	-
01 -420-100 -5121 -	HEALTH/DENTAL/VISION	19,874	19,506	14,826	33,242
01 -420-100 -5122 -	PERS UAL PAYMENT	6,113	6,021	4,911	8,809
01 -420-100 -5124 -	HEALTHY LIVING	540	540	270	720
01 -420-100 -5201 -	OFFICE SUPPLIES	1,000	1,000	494	1,000
01 -420-100 -5202 -	OPERATING SUPPLIES	8,000	8,000	8,032	12,000
01 -420-100 -5202 -VFEXP	VOLUNTEER EQUIPMENT EXP	3,000	3,000	-	3,000
01 -420-100 -5203 -	REPAIR & MAINTENANCE SUPPLIES	5,000	5,000	4,264	8,000
01 -420-100 -5204 -	REPAIRS & MAINTENANCE SERVICES	15,000	15,000	22,065	25,000
01 -420-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	130,000	130,000	120,125	85,000
01 -420-100 -5206 -	UTILITIES	1,300	1,300	785	1,300
01 -420-100 -5208 -	EMPLOYEE DEVELOPMENT	15,000	15,000	1,353	15,000
01 -420-100 -5211 -	PHONE/INTERNET	15,000	15,000	8,543	13,000
01 -420-100 -5255 -	FUEL	8,000	8,000	9,222	15,000
01 -420-100 -5504 -	EQUIPMENT	70,000	70,000	51,024	100,000
01 -420-100 -5504 -VFAG	VOL FIRE ASSIS GRANT	-	-	-	-
01 -420-100 -5514 -	VEHICLES	-	-	3,376	-
01 -420-100 -5505 -	VOLUNTEER PASS THRU PAY	-	-	-	-
01 -420-100 -9000 -	TRANSFER-IN	-	-	-	-
	TOTAL FIRE DEPARTMENT	535,713	535,068	349,843	696,759
425 PARKS, BUILDINGS & GROUNDS					
01 -425-600 -5101 -	SALARIES	105,326	105,351	93,438	140,785
01 -425-600 -5110 -	FICA	6,653	6,655	5,826	8,885
01 -425-600 -5111 -	MEDICARE	1,556	1,556	1,362	2,078
01 -425-600 -5112 -	PERS RETIREMENT	7,929	7,798	5,535	10,462
01 -425-600 -5116 -	LTD/LIFE INSURANCE	1,231	1,102	713	1,443
01 -425-600 -5117 -	WORKERS COMPENSATION	19,346	19,346	20,200	26,633
01 -425-600 -5118 -	UNIFORM ALLOWANCE	1,641	1,641	960	2,083
01 -425-600 -5119 -	DEFERRED COMP	3,042	3,541	2,087	4,619
01 -425-600 -5121 -	HEALTH/DENTAL/VISION	34,832	33,011	21,236	44,380
01 -425-600 -5122 -	PERS UAL PAYMENT	4,970	4,935	4,805	6,232
01 -425-600 -5124 -	HEALTHY LIVING	347	347	104	423
01 -425-600 -5202 -	OPERATING SUPPLIES	2,000	2,000	247	2,000
01 -425-600 -5203 -	REPAIR & MAINTENANCE SUPPLIES	20,000	20,000	13,629	20,000
01 -425-600 -5203 - PARKS	REPAIR & MAINTENANCE SUPPLIES	20,000	20,000	8,125	20,000
01 -425-600 -5203 - H20PK	H20PK R&M MAINT WATER PARK	1,500	1,500	22	1,500
01 -425-600 -5204 -	REPAIRS & MAINTENANCE SERVICES	17,000	17,000	12,664	20,000
01 -425-600 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	10,000	10,000	31,292	82,000
01 -425-600 -5205 -TEMP	PROFESSIONAL & CONTRACTUAL SRV	103,000	123,000	98,597	50,000
01 -425-600 -5206 -	UTILITIES	34,000	34,000	22,056	32,000

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
01 -425-600 -5211 -	PHONE/INTERNET	10,000	10,000	5,831	6,500
01 -425-600 -5255 -	FUEL	2,750	5,500	4,016	4,000
01 -425-600 -5285 -	SMALL TOOLS	1,600	1,600	81	7,000
01 -425-600 -5504 -	EQUIPMENT				12,500
	TOTAL PARKS, BUILDINGS & GROUNDS	408,724	429,883	352,824	505,521
426 ANIMAL CONTROL					
01 -426-100 -4066 -	ANIMAL CONTROL FEES	(500)	(500)	-	(500)
01 -426-100 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	32	100
01 -426-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	73,865	73,865	49,243	73,865
	TOTAL ANIMAL CONTROL	73,365	73,365	49,275	73,465
	TOTAL GENERAL FUND	(103,494)	721,910	2,186,808	(147,114)
	TOTAL REVENUES	(5,667,850)	(6,588,207)	(3,389,386)	(6,207,967)
	TOTAL EXPENSES	5,564,356	7,310,117	5,576,194	6,060,852
102 GENERAL FUND RESERVE					
102 -400-100 -9000 -	TRANSFER-IN	-	-	-	
102 -400-100 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL GENERAL FUND RESERVE	-	-	-	-
	TOTAL REVENUES	-	-	-	-
	TOTAL EXPENSES	-	-	-	-
103 GENERAL FUND CAPITAL					
103 -404-000 -5504 -	EQUIPMENT	4,380	4,380	6,123	-
103 -404-000 -5514 -	VEHICLES	-	-	-	-
103 -411-000 -5504 -	EQUIPMENT	135,000	135,000	60,918	75,000
103 -411-000 -5514 -	VEHICLES	102,737	102,737	-	91,683
103 -411-000 -5558 -	INTEREST	5,290	5,290	1,952	3,561
103 -411-000 -5907 -	PRINCIPAL PORTION OF DEBT	-	-	36,393	-
103 -414-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	21,000	-	-	21,000
103 -414-000 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	15,000	8,000	-	15,000
103 -415-000 -5514 -	VEHICLES	-	-	-	-
103 -415-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
103 -420-000 -5504 -	EQUIPMENT	15,000	32,000	31,835	-
103 -420-000 -5514 -	VEHICLES		68,000		-
103 -420-000 -5514 - FRENG	VEHICLES	115,567	800,000	737,338	-
103 -425-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	50,000	50,000	-	50,000
103 -425-000 -5205 -ADAFX	PROFESSIONAL & CONTRACTUAL SRV	25,000	-	-	25,000
103 -425-000 -5504 -	EQUIPMENT	232,210	281,210	56,549	158,492
103 -425-000 -5514 -	VEHICLES		16,706	10,468	-
103 -425-000 -5516 -	CONSTRUCTION IN PROCESS	22,000	22,000	-	34,000
103 -425-000 -5516 -CHPL1	CONSTRUCTION IN PROCESS	-	-	2,961	-
103 -425-000 -5516	CONSTRUCTION IN PROCESS	-	-	-	625,000
103 -411-0000-4081 -	STATE GRANTS	-	-	-	-
103 -400-100 -9000 -	TRANSFER IN	(743,183)	(1,525,323)	(800,000)	(1,098,737)
103 -400-00 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL GENERAL FUND CAPITAL	0	(0)	144,537	(0)
	TOTAL REVENUES	(743,183)	(1,525,323)	(800,000)	(1,098,737)
	TOTAL EXPENSES	743,183	1,525,323	944,537	1,098,737

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
104 MEASURE Q: CANNABIS BUSINESS TAX					
104 -400-400 -4200 -	CANNABIS TAX REVENUE	(1,450,000)	(1,450,000)	(687,532)	(1,200,000)
104 -400-000 -4040 -	INVESTMENT EARNINGS	(3,518)	(3,518)	-	(9,666)
104 -400-0000-9000 -	OPERATING TRANSFER IN	-	-	-	-
104 -400-00 -9001 -	TRANSFER OUT	1,213,183	1,312,323	117,000	1,725,737
	TOTAL CANNABIS TAX COLLECTION	(240,335)	(141,195)	(570,532)	516,071
	TOTAL REVENUES	(1,453,518)	(1,453,518)	(687,532)	(1,209,666)
	TOTAL EXPENSES	1,213,183	1,312,323	117,000	1,725,737
02 WATER UTILITY					
02 -404-00 -5101 -	SALARIES	221,735	217,655	171,831	221,502
02 -404-00 -5110 -	FICA	13,814	13,561	10,052	12,788
02 -404-00 -5111 -	MEDICARE	3,231	3,172	2,468	3,227
02 -404-00 -5112 -	PERS RETIREMENT	16,698	16,661	11,258	16,880
02 -404-00 -5116 -	LTD/LIFE INSURANCE	2,202	1,858	1,338	1,866
02 -404-00 -5117 -	WORKERS COMPENSATION	1,453	1,453	1,333	1,607
02 -404-00 -5118 -	UNIFORM ALLOWANCE	625	625	638	613
02 -404-00 -5119 -	DEFERRED COMP	6,946	6,846	4,692	7,461
02 -404-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-		-
02 -404-00 -5121 -	HEALTH/DENTAL/VISION	35,579	34,999	25,147	35,006
02 -404-00 -5122 -	PERS UAL PAYMENT	10,466	10,542	10,118	10,056
02 -404-00 -5124 -	HEALTHY LIVING	450	450	230	441
02 -425-00 -5101 -	SALARIES	93,479	93,490	82,258	120,746
02 -425-600 -5103 -	OVERTIME	12,000	12,000	14,765	12,000
02 -425-00 -5110 -	FICA	5,892	5,892	6,057	7,611
02 -425-00 -5111 -	MEDICARE	1,378	1,378	1,417	1,780
02 -425-00 -5112 -	PERS RETIREMENT	7,127	7,008	5,078	8,984
02 -425-00 -5116 -	LTD/LIFE INSURANCE	1,043	948	788	1,209
02 -425-00 -5117 -	WORKERS COMPENSATION	15,036	15,036	15,699	21,533
02 -425-00 -5118 -	UNIFORM ALLOWANCE	1,275	1,275	996	1,658
02 -425-00 -5119 -	DEFERRED COMP	2,968	3,190	2,376	4,026
02 -425-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-		-
02 -425-00 -5121 -	HEALTH/DENTAL/VISION	31,150	30,047	24,740	36,370
02 -425-00 -5122 -	PERS UAL PAYMENT	4,467	4,434	4,319	5,352
02 -425-00 -5124 -	HEALTHY LIVING	270	270	167	342
02 -425-00 -5201 -	OFFICE SUPPLIES	200	200	128	200
02 -425-00 -5202 -	OPERATING SUPPLIES	20,000	20,000	11,952	20,000
02 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	15,000	15,000	9,046	15,000
02 -425-00 -5204 -	REPAIRS & MAINTENANCE SERVICES	1,500	1,500	-	1,500
02 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	105,000
02 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	126,000	105,000	81,367	96,000
02 -425-00 -5205 - SB2DT	PROFESSIONAL & CONTRACTUAL SRV	15,000	8,000	-	15,000
02 -425-00 -5206 -	UTILITIES	122,000	122,000	104,968	140,000
02 -425-00 -5208 -	EMPLOYEE DEVELOPMENT	2,000	2,000	-	2,000
02 -425-00 -5211 -	PHONE/INTERNET	2,500	2,500	1,155	2,500
02 -425-00 -5250 -	OVERHEAD	237,500	237,500	-	237,500
02 -425-00 -5255 -	FUEL	4,000	4,000	3,601	6,000
02 -425-00 -5404 -	FRANCHISE PAYMENT	10,750	10,750	-	10,750
02 -425-00 -5504 -	EQUIPMENT	162,460	162,460	6,123	38,333
02 -425-00 -5504 -WELL6	EQUIPMENT	-	-	-	-
02 -425-00 -5504 -WELL7	EQUIPMENT	-	-	-	-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
02 -425-00 -5514 -	VEHICLES	-	16,706	10,468	-
02 -425-00 -5516	CONSTRUCTION IN PROCESS	-	-	-	33,000
02 -425-00 -5516 -BIRCH	CONSTRUCTION IN PROCESS	-	-	-	-
02 -425-000 -4014 -	WATER USER FEES	(1,033,262)	(1,033,262)	(894,786)	(1,133,087)
02 -425-000 -4015 -	RECONNECTION FEES	(10,000)	(10,000)	(516)	(10,000)
02 -425-000 -4040 -	INVESTMENT EARNINGS	(5,556)	(5,556)	-	(6,247)
02 -425-000 -4058 -	RETURNED CHECK FEE	(500)	(500)	(191)	(500)
02 -425-000 -4080 -	MISC. INCOME	-	-	(787)	-
02 -425-00 -4081 - SB2DT	STATE GRANT - SB2	(15,000)	(15,000)	-	(15,000)
02 -425-00 -4081 - REAP	EQUIPMENT	-	-	-	(21,000)
02 -425-000 -9000 -	TRANSFER-IN	(61,250)	(61,250)	-	-
02 -425-000 -9001 -	TRANSFER-OUT	-	-	-	-
	TOTAL WATER UTILITY	82,625	64,838	(269,708)	70,008
	TOTAL REVENUES	(1,125,568)	(1,125,568)	(896,281)	(1,185,834)
	TOTAL EXPENSES	1,208,193	1,190,406	626,573	1,255,842
03 WATER DEVELOPMENT					
03 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
03 -425-00 -5504 -	EQUIPMENT	-	-	110,638	-
03 -425-100 -5514	VEHICLES	-	-	-	-
03 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
03 -425-000 -4016 -	WATER DEVELOPMENT FEES	(15,840)	(15,840)	(6,462)	(6,291)
03 -425-000 -4040 -	INVESTMENT EARNINGS	(2,031)	(2,031)	-	(1,739)
03 -425-000 -9001	TRANSFER-OUT	-	-	-	-
	TOTAL WATER DEVELOPMENT	(17,871)	(17,871)	104,175	(8,030)
	TOTAL REVENUES	(17,871)	(17,871)	(6,462)	(8,030)
	TOTAL EXPENSES	-	-	110,638	-
04 SEWER UTILITY					
04 -404-00 -5101 -	SALARIES	204,553	201,664	159,764	207,961
04 -404-00 -5110 -	FICA	12,745	12,566	9,360	11,946
04 -404-00 -5111 -	MEDICARE	2,981	2,939	2,292	3,030
04 -404-00 -5112 -	PERS RETIREMENT	15,427	15,447	10,427	15,831
04 -404-00 -5116 -	LTD/LIFE INSURANCE	2,040	1,729	1,246	1,771
04 -404-00 -5117 -	WORKERS COMPENSATION	1,365	1,365	1,272	1,542
04 -404-00 -5118 -	UNIFORM ALLOWANCE	588	588	625	588
04 -404-00 -5119 -	DEFERRED COMP	6,290	6,305	4,312	6,910
04 -404-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
04 -404-00 -5121 -	HEALTH/DENTAL/VISION	33,214	32,674	23,547	33,383
04 -404-00 -5122 -	PERS UAL PAYMENT	9,669	9,774	9,348	9,431
04 -404-00 -5124 -	HEALTHY LIVING	423	423	225	423
04 -425-00 -5101 -	SALARIES	93,479	93,490	82,258	116,455
04 -425-600 -5103 -	OVERTIME	12,000	12,000	14,766	12,000
04 -425-00 -5110 -	FICA	5,892	5,892	6,050	7,338
04 -425-00 -5111 -	MEDICARE	1,378	1,378	1,415	1,716
04 -425-00 -5112 -	PERS RETIREMENT	7,127	7,008	5,074	8,681
04 -425-00 -5116 -	LTD/LIFE INSURANCE	1,043	948	788	1,161
04 -425-00 -5117 -	WORKERS COMPENSATION	15,036	15,036	15,699	20,399
04 -425-00 -5118 -	UNIFORM ALLOWANCE	1,275	1,275	888	1,573
04 -425-00 -5119 -	DEFERRED COMP	2,968	3,190	2,376	3,899
04 -425-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
04 -425-00 -5121 -	HEALTH/DENTAL/VISION	31,150	30,047	24,740	34,567
04 -425-00 -5122 -	PERS UAL PAYMENT	4,467	4,434	4,319	5,172
04 -425-00 -5124 -	HEALTHY LIVING	270	270	156	324
04 -425-00 -5201 -	OFFICE SUPPLIES	100	100	128	200
04 -425-00 -5202 -	OPERATING SUPPLIES	35,000	35,000	46	35,000
04 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	16,000	16,000	52,005	50,000
04 -425-00 -5204 -	REPAIRS & MAINTENANCE SERVICES	20,000	20,000	-	52,000
04 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	369,000
04 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	390,000	369,000	341,112	96,000
04 -425-00 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	15,000	8,000	-	15,000
04 -425-00 -5205 -SD	STORM DRAIN PROF & CONT SRV	25,000	25,000	-	25,000
04 -425-00 -5205 -WWTP	WWTP CONSTRUCTION	-	-	-	-
04 -425-00 -5206 -	UTILITIES	200,000	200,000	123,660	180,000
04 -425-00 -5208 -	EMPLOYEE DEVELOPMENT	2,000	2,000	-	2,000
04 -425-00 -5211 -	PHONE/INTERNET	4,000	4,000	1,778	3,000
04 -425-00 -5250 -	OVERHEAD	237,500	237,500	-	237,500
04 -425-00 -5255 -	FUEL	8,500	8,500	7,575	13,000
04 -425-00 -5404 -	FRANCHISE PAYMENT	12,500	12,500	-	12,500
04 -425-00 -5503 -	CAPITAL IMPROVEMENTS	10,000	10,000	-	-
04 -425-00 -5504 -	EQUIPMENT	176,210	176,210	6,632	422,833
04 -425-00 -5514 -	VEHICLES	-	16,706	10,468	-
04 -425-00 -5516	CONSTRUCTION IN PROGRESS	-	-	-	33,000
04 -425-00 -5516 -PERCO	CONSTRUCTION IN PROGRESS	-	-	-	-
04 -425-00 -5516 -WWTP	CONSTRUCTION IN PROGRESS	-	-	252,258	-
04 -425-00 -5516 -SOLAR	CONSTRUCTION IN PROGRESS	66,250	50,000	-	150,000
04 -425-00 -5558 - WWTP	INTEREST EXPENSE	131,560	131,560	65,780	317,825
04 -425-000 -4017 -	SEWER USER FEES	(1,984,466)	(1,984,466)	(1,445,232)	(1,987,782)
04 -425-000 -4040 -	INVESTMENT EARNINGS	(20,720)	(20,720)	-	(29,049)
04 -425-000 -4080 -	STATE REVOLVING FUND	-	-	(582,359)	-
04 -425-000 -4081 - WWTP	STATE REVOLVING FUND	-	-	(138,990)	-
04 -425-000 -4082 - WWTP	USDA	-	-	-	-
04 -425-000 -9001	TRANSFER-OUT				10,000
	TOTAL SEWER UTILITY	(190,188)	(222,668)	(924,191)	513,128
	TOTAL REVENUES	(2,005,186)	(2,005,186)	(2,166,582)	(2,016,831)
	TOTAL EXPENSES	1,814,998	1,782,518	1,242,390	2,529,959
05 SEWER DEVELOPMENT					
05 -425-000 -4018 -	WASTEWATER DEVELOPMENT FEES	(19,266)	(19,266)	(4,649)	(2,424)
05 -425-000 -4118 -	DEV FEES - SEWER COLLECTION	(4,002)	(4,002)	(966)	-
05 -425-000 -4040 -	INVESTMENT EARNINGS	(5,374)	(5,374)	-	(5,602)
05 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
05 -425-00 -5504 -	EQUIPMENT	-	-	-	-
05 -425-100 -5514	VEHICLES	-	-	-	-
05 -400-100 -9001 -	TRANSFER OUT	243,000	243,000	-	-
	TOTAL SEWER DEVELOPMENT	214,358	214,358	(5,614)	(8,026)
	TOTAL REVENUES	(28,642)	(28,642)	(5,614)	(8,026)
	TOTAL EXPENSE	243,000	243,000	-	-
06 REFUSE					
06 -404-00 -5101 -	SALARIES	49,094	47,710	37,306	42,044
06 -404-00 -5110 -	FICA	3,060	2,974	2,209	2,241

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
06 -404-00 -5111 -	MEDICARE	716	696	545	613
06 -404-00 -5112 -	PERS RETIREMENT	3,620	3,621	2,429	3,252
06 -404-00 -5116 -	LTD/LIFE INSURANCE	505	428	298	354
06 -404-00 -5117 -	WORKERS COMPENSATION	349	349	303	328
06 -404-00 -5118 -	UNIFORM ALLOWANCE	150	150	188	125
06 -404-00 -5119 -	DEFERRED COMP	1,561	1,547	1,053	1,547
06 -404-00 -5121 -	HEALTH/DENTAL/VISION	8,838	8,664	6,155	8,247
06 -404-00 -5122 -	PERS UAL PAYMENT	2,269	2,291	2,194	1,937
06 -404-00 -5124 -	HEALTHY LIVING	108	108	68	90
06 -425-00 -5101 -	SALARIES	54,340	54,342	45,658	17,313
06 -425-00 -5110 -	FICA	3,425	3,425	2,837	1,083
06 -425-00 -5111 -	MEDICARE	801	801	664	253
06 -425-00 -5112 -	PERS RETIREMENT	4,161	4,093	2,759	1,398
06 -425-00 -5116 -	LTD/LIFE INSURANCE	617	550	360	143
06 -425-00 -5117 -	WORKERS COMPENSATION	8,721	8,721	9,106	1,700
06 -425-00 -5118 -	UNIFORM ALLOWANCE	740	740	144	128
06 -425-00 -5119 -	DEFERRED COMP	1,870	1,926	1,155	853
06 -425-00 -5121 -	HEALTH/DENTAL/VISION	18,246	17,908	11,761	3,264
06 -425-00 -5122 -	PERS UAL PAYMENT	2,608	2,590	2,522	833
06 -425-00 -5124 -	HEALTHY LIVING	157	157	17	27
06 -425-00 -5202 -	OPERATING SUPPLIES	500	500	56	500
06 -425-00 -5203 -STSWP	STREET SWEEPER EXPENSES	5,000	5,000	2,453	5,000
06 -425-00 -5204 -	REPAIRS & MAINTENANCE SERVICES	-	-	-	-
06 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	660,732	660,732	446,334	692,254
06 -425-00 -5205 -RECYC	BEVERAGE RECYCLING	-	-	-	-
06 -425-00 -5211 -	PHONE/INTERNET	2,500	2,500	1,049	2,000
06 -425-00 -5250 -	OVERHEAD	-	-	-	-
06 -425-00 -5255 -	FUEL	-	-	552	2,000
06 -425-00 -5255 -STSWP	STREET SWEEPER FUEL	5,000	5,000	95	1,000
06 -425-00 -5404 -	FRANCHISE PAYMENT	46,238	46,238	-	46,309
06 -425-000 -4004 -	FRANCHISE FEE	(46,238)	(46,238)	(31,229)	(46,309)
06 -425-000 -4019 -	REFUSE FEES	(693,981)	(693,981)	(501,918)	(714,962)
06 -425-000 -4040 -	INVESTMENT EARNINGS	(2,089)	(2,089)	-	(2,035)
06 -425-000 -4080 -	MISC. INCOME	-	-	-	-
06 -425-000 -4081 -RECYC	BEVERAGE RECYCLING	-	-	-	-
06 -425-000 -4092 -	ADMINISTRATIVE FEE	(64,733)	(64,733)	(43,720)	(64,833)
06 -425-000 -4093 -	ALLEY RECONSTRUCTION REPAIR	(36,990)	(36,990)	(24,983)	(37,047)
06 -425-000 -4094 -	STREET SWEEPING FEE	(46,238)	(46,238)	(31,229)	(46,309)
06 -400-100 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL REFUSE	(4,345)	(6,510)	(52,814)	(74,659)
	TOTAL REVENUES	(890,269)	(890,269)	(633,079)	(911,495)
	TOTAL EXPENSES	885,924	883,759	580,265	836,837
08 RESERVE					
08 -400-100 -9000 -	TRANSFER-IN	-	-	-	-
08 -400-100 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL RESERVE	-	-	-	-
	TOTAL REVENUES	-	-	-	-
	TOTAL EXPENSES	-	-	-	-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
11 DRUG ENFORCEMENT					
11 -411-000 -4040 -	INVESTMENT EARNINGS	(93)	(93)	-	(93)
11 -411-000 -4080 -	NARCOTICS REVENUE	-	-	-	-
11 -411-00 -5205 -	NARCOTICS EXPENSE	-	-	-	-
11 -411-00 -5504 -	EQUIPMENT				15,000
11 -411-00 -5504 -	EQUIPMENT	-	-	-	-
	TOTAL DRUG ENFORCEMENT	(93)	(93)	-	14,907
	TOTAL REVENUES	(93)	(93)	-	(93)
	TOTAL EXPENSES	-	-	-	15,000
12 FEDERAL AND STATE GRANTS					
12 -400-000 -4040	INVESTMENT EARNINGS	-	-	-	-
12 -400-000 -4082 -ALLEY	2020 CDBG ALLEY GRANT (12028)	(250,000)	(250,000)	1,595	-
12 -400-000 -4082 -12600	2018 HOME - 12600	(392,000)	(392,000)	(65,521)	(390,000)
12 -400-00 -4082 -12909	2018 CDBG - 12909 (Youth Svcs)	(232,558)	(232,558)	84,442	(40,000)
12 -400-00 -4082 -12910	2018 CDBG - 12910 (Senior Svcs)	(86,877)	(86,877)	283	(50,000)
12 -400-00 -4082 -00013	CDBG CV1 (00013)	(82,268)	(82,268)	(43,863)	-
12 -400-000 -4081 - SB2DT	SB2 DOWNTOWN	(80,000)	(80,000)	11,917	(45,000)
12 -400-000 -4081 - SB2ZO	SB2 ZONING UPDATE	(70,000)	(70,000)	-	(50,000)
12 -400-000 -4081 - USRP	URBAN STREAMS RESTORATION	-	-	(2)	-
12 -400-000 -4081 - LEAP	Update City Standards (LEAP Grant)	(65,000)	(65,000)	-	(65,000)
12 -400-000 -4081 - WLGEN	OES GRANT	(256,000)	(256,000)	-	-
12 -400-000 -4081 -CCLGP	CLEAN CALIFORNIA GRANT (HWY 198)				(1,732,837)
12 -400-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
12 -400-00 -5205 -12600	2018 HOME - 12600	392,000	392,000	156,096	390,000
12 -400-00 -5205 -12909	2018 CDBG - 12909 (Youth Svcs)	232,558	232,558	72,975	40,000
12 -400-00 -5205 -12910	2018 CDBG - 12910 (Senior Svcs)	86,877	86,877	20,719	50,000
12 -400-00 -5205 -00013	CDBG CV1 (00013)	82,268	82,268	85,678	-
12 -400-000 -5205 -LEAP	PROFESSIONAL & CONTRACTUAL SRV	65,000	65,000	-	65,000
12 -400-000 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	80,000	40,000	25,898	45,000
12 -400-000 -5205 -SB2ZO	PROFESSIONAL & CONTRACTUAL SRV	70,000	35,000	-	50,000
12 -400-000 -5205 -USRP	URBAN STREAMS RESTORATION	-	-	24	-
12 -400-00 -5504 -WLGEN	EQUIPMENT	328,000	256,000	-	-
12 -400-00 -5516 -CBLVD	CONSTRUCTION IN PROCESS	-	-	-	-
12 -400-00 -5516 -CCLGP	CONSTRUCTION IN PROCESS	-	-	-	1,732,837
12 -400-00 -5516 -ALLEY	CONSTRUCTION IN PROCESS	250,000	250,000	45,615	-
12 -400-000 -9000 -9900	OPERATING TRANSFER IN	(72,000)	(72,000)	-	-
	TOTAL FEDERAL AND STATE GRANTS	-	(147,000)	395,855	-
	TOTAL REVENUES	(1,586,703)	(1,586,703)	(11,149)	(2,372,837)
	TOTAL EXPENSES	1,586,703	1,439,703	407,005	2,372,837
14 POLICE SLESF					
14 -411-00 -5101 -SLESF	SALARIES	127,933	130,781	97,941	138,807
14 -411-00 -5103 -SLESF	OVERTIME	5,000	5,000	5,448	6,000
14 -411-00 -5110 -SLESF	FICA	8,053	8,230	6,438	8,728
14 -411-00 -5111 -SLESF	MEDICARE	1,883	1,925	1,506	2,041
14 -411-00 -5112 -SLESF	PERS RETIREMENT	11,849	12,254	7,968	13,642
14 -411-00 -5116 -SLESF	LTD/LIFE INSURANCE	1,384	1,287	938	1,350
14 -411-00 -5117 -SLESF	WORKERS COMPENSATION	11,228	11,228	11,722	12,693
14 -411-00 -5118 -SLESF	UNIFORM ALLOWANCE	1,600	1,600	500	1,600
14 -411-00 -5119 -SLESF	DEFERRED COMP	-	2,065	759	2,207

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
14 -411-00 -5121 -SLESF	HEALTH/DENTAL/VISION	21,519	17,502	12,465	17,403
14 -411-00 -5122 -SLESF	PERS UAL PAYMENT	4,029	4,105	3,237	4,257
14 -411-00 -5124 -SLESF	HEALTHY LIVING	360	360	180	360
14 -411-00 -5205 -SLESF	PROFESSIONAL & CONTRACTUAL SRV	-	-	110	500
14 -411-00 -5504 -SLESF	EQUIPMENT	-	-	-	-
14 -411-00 -5514 -SLESF	VEHICLES	-	-	-	-
14 -411-000 -4040 -SLESF	INVESTMENT EARNINGS	(1,272)	(1,272)	-	(1,078)
14 -411-000 -4045 -SLESF	POLICE GRANTS	(150,000)	(150,000)	(134,232)	(160,000)
14 -411-000 -4080 -	MISC. INCOME	-	-	-	-
	TOTAL POLICE SLESF	43,567	45,065	14,978	48,510
	TOTAL REVENUES	(151,272)	(151,272)	(134,232)	(161,078)
	TOTAL EXPENSES	194,838	196,337	149,211	209,588
20 STP					
20 -425-00 -5202 -	OPERATING SUPPLIES	-	-	-	-
20 -425-00 -5516 - WWLNT	CONSTRUCTION IN PROCESS	-	-	-	-
20 -425-000 -4030 -	STP PROGRAM	-	-	-	-
20 -425-000 -4040 -	INVESTMENT EARNINGS	(5,585)	(5,585)	-	(4,405)
20 -425-000 -4081 -WWLNT	STATE GRANTS	(750,000)	(750,000)	-	-
	TOTAL STP	(755,585)	(755,585)	-	(4,405)
	TOTAL REVENUES	(755,585)	(755,585)	-	(4,405)
	TOTAL EXPENSES	-	-	-	-
21 GAS TAX					
21 -404-00 -5101 -	SALARIES	15,235	15,235	12,264	15,235
21 -404-00 -5110 -	FICA	947	947	662	947
21 -404-00 -5111 -	MEDICARE	222	222	166	222
21 -404-00 -5112 -	PERS RETIREMENT	1,231	1,211	858	1,218
21 -404-00 -5116 -	LTD/LIFE INSURANCE	128	95	72	95
21 -404-00 -5117 -	WORKERS COMPENSATION	58	58	61	66
21 -404-00 -5118 -	UNIFORM ALLOWANCE	25	25	-	25
21 -404-00 -5119 -	DEFERRED COMP	451	451	316	451
21 -404-00 -5121 -	HEALTH/DENTAL/VISION	1,393	1,393	1,060	1,389
21 -404-00 -5122 -	PERS UAL PAYMENT	772	766	746	726
21 -404-00 -5124 -	HEALTHY LIVING	18	18	-	18
21 -425-00 -5101 -	SALARIES	75,220	75,226	65,382	92,938
21 -425-00 -5110 -	FICA	4,734	4,734	4,096	5,858
21 -425-00 -5111 -	MEDICARE	1,107	1,107	958	1,370
21 -425-00 -5112 -	PERS RETIREMENT	5,796	5,698	4,126	6,997
21 -425-00 -5116 -	LTD/LIFE INSURANCE	812	746	540	928
21 -425-00 -5117 -	WORKERS COMPENSATION	11,026	11,026	11,513	19,266
21 -425-00 -5118 -	UNIFORM ALLOWANCE	935	935	780	1,275
21 -425-00 -5119 -	DEFERRED COMP	2,539	2,650	1,749	3,204
21 -425-00 -5121 -	HEALTH/DENTAL/VISION	24,397	23,664	16,533	29,640
21 -425-00 -5122 -	PERS UAL PAYMENT	3,633	3,606	3,512	4,168
21 -425-00 -5124 -	HEALTHY LIVING	198	198	131	306
21 -425-00 -5202 -	OPERATING SUPPLIES	-	-	44	100
21 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	30,000	30,000	3,858	30,000
21 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	40,000	70,000	55,380	86,000
21 -425-00 -5206 -	UTILITIES	70,000	70,000	43,423	65,000
21 -425-600 -5255 -	FUEL	8,500	8,500	7,372	13,000

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
21 -425-00 -5266 -	SIGNAGE	12,000	12,000	13,157	12,000
21 -425-600 -5504 -	EQUIPMENT	-	-	-	-
21 -425-600 -5514 -	VEHICLES	-	16,706	10,468	-
21 -425-000 -4035 -	STATE GAS TAX 2103	(87,841)	(96,054)	(63,412)	(111,560)
21 -425-000 -4036 -	STATE GAS TAX 2105	(64,529)	(66,995)	(42,945)	(73,080)
21 -425-000 -4037 -	STATE GAS TAX 2106	(39,083)	(40,245)	(27,305)	(43,529)
21 -425-000 -4038 -	STATE GAS TAX 2107	(82,068)	(91,300)	(47,569)	(99,839)
21 -425-000 -4039 -	STATE GAS TAX 2107.5	(3,000)	(3,000)	(3,000)	(3,000)
21 -425-000 -4040 -	INVESTMENT EARNINGS	(2,076)	(2,076)	-	(1,721)
21 -425-000 -4080 -	MISC. INCOME	-	-	-	-
	TOTAL GAS TAX	32,779	57,548	74,994	59,711
	TOTAL REVENUES	(278,597)	(299,670)	(184,230)	(332,729)
	TOTAL EXPENSES	311,375	357,218	259,225	392,440
22 TDA					
22 -425-00 -5202 -	OPERATING SUPPLIES	-	-	-	-
22 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	-	10,000
22 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	75,000	75,000	-	85,000
22 -425-00 -5205 -COSNR	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
22 -425-00 -5205 -WWLNT	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
22 -425-00 -5266 -	SIGNAGE	-	-	-	-
22 -425-00 -5504 -	EQUIPMENT	40,188	40,188	-	40,188
22 -425-00 -5516 -	CONSTRUCTION IN PROCESS	-	-	-	-
22 -425-00 -5516 -XWALK	CONSTRUCTION IN PROCESS	-	-	-	-
22 -425-00 -5516 -PMP22	CONSTRUCTION IN PROCESS	2,000,000	-	-	-
22 -425-00 -5516 -PMPY1	CONSTRUCTION IN PROCESS	-	-	-	1,600,000
22 -425-000 -4040 -	INVESTMENT EARNINGS	(6,026)	(6,026)	-	(9,635)
22 -425-000 -4041 -	LTF STREETS	(650,000)	(650,000)	-	(650,000)
22 -425-000 -4081 -SBLVD	STATE GRANTS			-	-
	TOTAL TDA	1,459,162	(540,838)	-	1,075,553
	TOTAL REVENUES	(656,026)	(656,026)	-	(659,635)
	TOTAL EXPENSES	2,115,188	115,188	-	1,735,188
23 STORM DRAIN DEVELOPMENT					
23 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
23 -425-00 -5503 -	CAPITAL IMPROVEMENTS	-	-	-	-
23 -425-000 -4040 -	INVESTMENT EARNINGS	(815)	(815)	-	(847)
23 -425-000 -4044 -	STORM DRAIN DEV FEES	(2,730)	(2,730)	(910)	(7,869)
23 -425-000-9001	OPERATING TRANSFER OUT	154,000	154,000	-	-
	TOTAL STORM DRAIN	150,455	150,455	(910)	(8,716)
	TOTAL REVENUES	(3,545)	(3,545)	(910)	(8,716)
	TOTAL EXPENSES	154,000	154,000	-	-
26 MEASURE R					
26 -425-000 -4040 -	INVESTMENT EARNINGS	(6,485)	(6,485)		(2,344)
26 -425-000 -4080 -	MEASURE R REVENUE	(199,000)	(199,000)	(187,137)	(234,000)
26 -425-000 -4081 -EWLNT	STATE GRANTS	-	-	-	-
26 -425-000 -4081 -ENTRY	STATE GRANTS	(9,904,000)	(9,904,000)	(1,754,493)	-
26 -425-000 -4081 -LRSP	STATE GRANTS	-	-	(11,409)	-
26 -425-000 -4081 -CBLVD	STATE GRANTS	-	-	-	-

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26 -425-000 -4081 -PMS20	STATE GRANTS	-	-	-	-
26 -425-000 -4081 -RRXNG	STATE GRANTS	-	-	-	-
26 -425-000 -4081 -TCNTR	STATE GRANTS	-	-	-	-
26 -425-000 -4081 -WLNT5	STATE GRANTS	-	-	-	-
26 -425-900 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	30,000	30,000	-	-
26 -425-900 -5205 -LRSP	PROFESSIONAL & CONTRACTUAL SRV	-	-	689	-
26 -425-900 -5205 -ENTRY	PROFESSIONAL & CONTRACTUAL SRV	10,300,000	10,300,000	200	-
26 -425-900 -5516 -ENTRY	CONSTRUCTION IN PROCESS	-	-	4,175,110	-
26 -425-900 -5516 -EWLNT	CONSTRUCTION IN PROCESS	-	-	546	-
26 -425-900 -5516 -LRSP	CONSTRUCTION IN PROCESS	-	-	12,715	-
26 -425-900 -5516 - CBLVD	CONSTRUCTION IN PROCESS	-	-	-	-
26 -425-900 -5516 - PMS20	CONSTRUCTION IN PROCESS	-	-	349	-
26 -425-900 -5516 - RRXNG	CONSTRUCTION IN PROCESS	-	-	23,501	-
26 -425-900 -5516 - TCNTR	CONSTRUCTION IN PROCESS	-	-	-	-
26 -425-900 -5516 - PMP23	CONSTRUCTION IN PROCESS	-	-	-	-
26 -425-900-9000 - WWLNT		-	-	-	-
26 -425-00 -9000	OPERATING TRANSFER IN	(396,000)	(396,000)	-	-
	TOTAL MEASURE R	(175,485)	(175,485)	2,260,071	(236,344)
	TOTAL REVENUES	(10,505,485)	(10,505,485)	(1,953,039)	(236,344)
	TOTAL EXPENSES	10,330,000	10,330,000	4,213,110	-
27 ROAD MAINTENANCE & REHAB (SB1)					
27 -425-00 -5516 -WWLNT	CONSTRUCTION IN PROCESS	-	-	-	-
27 -425-000 -4040 -	INVESTMENT EARNINGS	-	-	-	(574)
27 -425-000-4081	STATE GRANT	(218,978)	(234,610)	(131,165)	(258,195)
27 -425-00 -9000	OPERATING TRANSFER IN	-	-	-	-
	TOTAL SB1 RMRA	(218,978)	(234,610)	(131,165)	(258,769)
	TOTAL REVENUES	(218,978)	(234,610)	(131,165)	(258,769)
	TOTAL EXPENSES	-	-	-	-
30 PARK DEVELOPMENT					
30 -425-000 -4020 -	PARK DEVELOPMENT FEES	(1,200)	(1,200)	(617)	(18,801)
30 -425-000 -4040 -	INVESTMENT EARNINGS	(100)	(100)	-	(106)
	TOTAL PARK DEVELOPMENT	(1,300)	(1,300)	(617)	(18,907)
	TOTAL REVENUES	(1,300)	(1,300)	(617)	(18,907)
	TOTAL EXPENSES	-	-	-	-
31 PARK IMPROVEMENTS					
31 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-		-
31 -425-00 -5205 -SKATE	PROFESSIONAL & CONTRACTUAL SRV	7,500	-		7,500
31 -425-00 -5504	EQUIPMENT	-	-		-
31 -425-00 -5516-CCNR	CONSTRUCTION IN PROCESS	1,082,734	1,082,734	250,993	1,600,000
31 -425-00 -5516-FREE	CONSTRUCTION IN PROCESS	295,000	295,000	120,325	2,214,034
31 -425-00 -5516 -JENGS	CONSTRUCTION IN PROCESS	-	-	3,693	-
31 -425-00 -5516-ROYPK	CONSTRUCTION IN PROCESS	-	-	17,813	196,500
31 -425-00 -5516-SPP	CONSTRUCTION IN PROCESS	-	-		-
31 -425-000 -4040 -	INVESTMENT EARNINGS	-	-		(446)
31 -425-000 -4080 -	MISC. INCOME	-	-	(10,000)	-
31 -425-000 -4081 -CCNR	STATE GRANTS	(1,082,734)	(1,082,734)	13,499	(1,600,000)
31 -425-000 -4081 -FREE	STATE GRANTS	(295,000)	(295,000)	(1,639)	(2,214,034)

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
31 -425-000 -4081 -ROYPK	STATE GRANTS	-	-		(196,500)
31 -425-000 -4081 -SPP	STATE GRANTS	-	-		-
31 -425-000 -9000 -	TRANSFER IN		(467,000)	(467,000)	-
	TOTAL PARK IMPROVEMENTS	7,500	(467,000)	394,684	7,054
	TOTAL REVENUES	(1,377,734)	(1,844,734)	(465,140)	(4,010,980)
	TOTAL EXPENSES	1,385,234	1,377,734	392,824	4,018,034
35 MAINTENANCE DISTRICTS					
35 -425-00 -5101 -	SALARIES	9,716	9,716	7,999	10,554
35 -425-00 -5110 -	FICA	609	609	526	661
35 -425-00 -5111 -	MEDICARE	142	142	123	155
35 -425-00 -5112 -	PERS RETIREMENT	785	772	580	828
35 -425-00 -5116 -	LTD/LIFE INSURANCE	94	89	70	92
35 -425-00 -5117 -	WORKERS COMPENSATION	1,002	1,002	1,047	1,133
35 -425-00 -5118 -	UNIFORM	85	85	432	85
35 -425-00 -5119 -	DEFERRED COMP	394	394	274	426
35 -425-00 -5121 -	HEALTH/DENTAL/VISION	2,658	2,610	1,959	2,605
35 -425-00 -5122 -	PERS UAL PAYMENT	492	488	475	493
35 -425-00 -5124 -	HEALTHY LIVING	18	18	56	18
35 -425-00 -5202 -	OPERATING SUPPLIES	500	500	23	500
35 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	500	500	399	500
35 -425-00 -5204 -	REPAIRS & MAINTENANCE SERVICES	-	-	-	-
35 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	38,000	38,000	20,292	36,000
35 -425-00 -5206 -	UTILITIES	6,000	6,000	4,127	6,000
35 -425-00 -5211 -	PHONE/INTERNET	264	264	-	-
35 -425-00 -5255 -	FUEL	1,500	1,500	1,010	2,000
35 -425-00 -5285 -	SMALL TOOLS	-	-	-	-
35 -425-00 -5504	EQUIPMENT	-	-	-	-
35 -425-00 -5514	VEHICLES	-	16,706	10,468	-
35 -425-000 -4025 -	PROPERTY ASSESSMENTS	(61,955)	(61,955)	(39,381)	(62,500)
35 -425-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
35 -425-000 -9000 -	TRANSFER IN	-	-	-	-
	TOTAL MAINTENANCE DISTRICTS	804	17,441	10,479	(451)
	TOTAL REVENUES	(61,955)	(61,955)	(39,381)	(62,500)
	TOTAL EXPENSES	62,759	79,396	49,861	62,049
39 CITY PROPERTIES					
39 -425-000 -4040 -	INVESTMENT EARNINGS	(236)	(236)	-	(416)
39 -425-000 -4075 -	RENT	(85,580)	(85,580)	(71,243)	(93,043)
39 -425-000-4080	MISC. REVENUE	-	-	-	-
39 -425-000 -5202 -	OPERATING SUPPLIES	500	500	8	-
39 -425-000 -5203 -	MAINTENANCE SUPPLIES	2,000	2,000	1,470	2,500
39 -425-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	10,000	10,000	13,767	25,000
39 -425-00 -5206 -	UTILITIES	-	-	-	-
39 -425-000 -5206 - CMCTR	COMM CENTER UTILITIES	24,000	24,000	18,593	26,000
39 -425-000 -5206 -HLTHY	UTILITIES - HEALTHY START	1,200	1,200	572	1,000
39 -425-000 -5207	INSURANCE	-	-	-	-
39 -425-000 -5211 -	PHONE/INTERNET	5,000	5,000	3,599	5,000

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
39 -425-000 -9000 -	TRANSFER OUT	-	-	-	-
	TOTAL CITY PROPERTIES	(43,116)	(43,116)	(33,233)	(33,959)
	TOTAL REVENUES	(85,816)	(85,816)	(71,243)	(93,459)
	TOTAL EXPENSES	42,700	42,700	38,010	59,500
40 CDBG PROGRAM INCOME					
40 -404-000 -4040 -	INVESTMENT EARNINGS	(55)	(55)	-	(1,041)
40 -404-000 -4081 -	STATE GRANTS	-	-	(25,376)	-
40 -404-000 -4081 -1983	STATE GRANTS	-	-	(1,525)	-
40 -404-000 -4081 -1984	STATE GRANTS	-	-		-
40 -404-000 -4081 -1987	STATE GRANTS	-	-		-
40 -404-000 -4081 -1988	STATE GRANTS	-	-		-
40 -404-000 -4081 -1989	STATE GRANTS	(34,000)	(34,000)	(19,457)	(75,000)
40 -404-000 -4081 -1990	STATE GRANTS	(75,000)	(75,000)	(450)	(75,000)
40 -404-000 -4081 -1992	STATE GRANTS	(75,000)	(75,000)	(11,500)	(75,000)
40 -404-000 -4081 -1994	STATE GRANTS	(75,000)	(75,000)	(3,450)	(75,000)
40 -404-000 -4081 -1996	STATE GRANTS	(75,000)	(75,000)	(400)	(34,000)
40 -404-000 -4081 -1997	STATE GRANTS	-	-		-
40 -404-000 -4081 -1999	STATE GRANTS	-	-	(1,310)	-
40 -404-000 -4081 -2000	STATE GRANTS	-	-		-
40 -404-000 -4081 -2001	2001 PROGRAM INCOME	-	-		-
40 -404-000 -4081 -2002	GRANT PI	-	-	(53,531)	-
40 -404-000 -4081 -2003	GRANT PI	-	-		-
40 -404-000 -4081 -2004	STATE GRANTS	-	-	(101,700)	-
40 -404-000 -4081 -2005	2005 CDBG Program Income	-	-		-
40 -404-000 -4081 -6713	STATE GRANTS	-	-		-
40 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-		-
40 -404-00 -5205 -9900	PROFESSIONAL & CONTRACTUAL SRV	-	-		-
40 -404-00 -5516- CDBG18	CONSTRUCTION IN PROCESS	-	-		-
40 -404-000 -9001	TRANSFER-OUT	-	-		-
	TOTAL CDBG PROGRAM INCOME	(334,055)	(334,055)	(218,699)	(335,041)
	TOTAL REVENUES	(334,055)	(334,055)	(218,699)	(335,041)
	TOTAL EXPENDITURES	-	-	-	-
41 HOME PROGRAM INCOME					
41 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	84,838	-
41 -404-00 -5205 -0895	PROFESSIONAL & CONTRACTUAL SRV	-	-		-
41 -404-000 -4040 -	INVESTMENT EARNINGS	(223)	(223)		(319)
41 -404-000 -4082 -12600	FEDERAL GRANTS	-	-		-
41 -404-000 -4081 -00HM	STATE GRANTS	-	-	(1,700)	-
41 -404-000 -4082 -0652	0652 FEDERAL	-	-		-
41 -404-000 -4082 -H3104	FEDERAL GRANTS	-	-	(28,419)	-
41 -404-000 -4082 -98HM	FEDERAL GRANTS	-	-		-
	TOTAL HOME PROGRAM INCOME	(223)	(223)	54,719	(319)
	TOTAL REVENUES	(223)	(223)	(30,119)	(319)
	TOTAL EXPENDITURES	-	-	84,838	-
42 CALHOME PROGRAM INCOME					
42 -404-000 -4040 -	INVESTMENT EARNINGS	(1,000)	(1,000)		(1,152)
42 -404-000 -4081 -CH05	STATE GRANTS	-	-		-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
42 -404-000 -4081 -00HM	STATE GRANTS	-	-	(200)	-
42 -404-000 -4081 -08CH	STATE GRANTS	-	-	(4,500)	-
42 -404-000 -4081 -10CH	STATE GRANTS	-	-	(3,900)	-
42 -404-000 -4081 -12CH	STATE GRANTS	-	-	(1,000)	-
42 -404-000 -4081 -CH04	STATE GRANTS	-	-		-
42 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	131,810	-
42 -404-00 -9001 -	TRANSFER OUT	-	-		-
	TOTAL CALHOME PROGRAM INCOME	(1,000)	(1,000)	122,210	(1,152)
	TOTAL REVENUES	(1,000)	(1,000)	(9,600)	(1,152)
	TOTAL EXPENDITURES	-	-	131,810	-
60 AMERICAN RESCUE PLAN (ARPA)					
60 -404-400 -4082 -	ARP TAX REVENUE	(1,000,000)	(1,280,193)	-	(1,280,193)
60 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	(6,783)
60 -404-000 -5504 -	EQUIPMENT		200,000	112,259	81,000
60 -404-00 -5516	CONSTRUCTION IN PROCESS				90,000
60 -404-00 -5516 -ROY2	CONSTRUCTION IN PROCESS				775,000
60 -404-00 -9001 -	TRANSFER OUT	133,250	133,250	-	-
	TOTAL AMERICAN RESCUE PLAN	(866,750)	(946,943)	112,259	(340,976)
	TOTAL REVENUES	(1,000,000)	(1,280,193)	-	(1,286,976)
	TOTAL EXPENSES	133,250	333,250	112,259	946,000
61 CIRCULATION SYSTEM DEVELOPMENT					
61 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
61 -404-000 -4221 -	DEVELOPER FEES	-	-	-	(2,280)
	TOTAL CIRCULATION SYSTEM FACILITIES	-	-	-	(2,280)
	TOTAL REVENUES	-	-	-	(2,280)
	TOTAL EXPENSES	-	-	-	-
62 GOVERNMENT FACILITIES DEVELOPMENT					
62 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
62 -404-000 -4221 -	DEVELOPER FEES	-	-	-	(3,366)
	TOTAL GENERAL GOVERNMENT FACILITIES	-	-	-	(3,366)
	TOTAL REVENUES	-	-	-	(3,366)
	TOTAL EXPENSES	-	-	-	-
63 LIBRARY DEVELOPMENT					
63 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
63 -404-000 -4221 -	DEVELOPER FEES	-	-	-	(132)
	TOTAL LIBRARY COLLECTION AND COMPUTERS	-	-	-	(132)
	TOTAL REVENUES	-	-	-	(132)
	TOTAL EXPENSES	-	-	-	-

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		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
64 COMMUNITY FACILITY DEVELOPMENT					
64 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
64 -404-000 -4221 -	DEVELOPER FEES	-	-	-	(7,152)
	TOTAL COMMUNITY CENTER FACILITIES	-	-	-	(7,152)
	TOTAL REVENUES	-	-	-	(7,152)
	TOTAL EXPENSES	-	-	-	-
71 FIRE DEVELOPMENT					
71 -420-000 -5205 -	PROFESSIONAL & CONTRACTUAL	-	-	-	40,000
71 -420-000 -5504 -	EQUIPMENT	18,350	18,350	16,674	-
71 -420-000 -5514 -	VEHICLES	-	-	-	-
71 -420-100 -4112 -	PUBLIC SAFETY DEVELOPER FEES	(11,796)	(11,796)	(6,067)	(4,398)
71 -420-100 -4040 -	INVESTMENT EARNINGS	(833)	(833)	-	(819)
71 -420-000 -9001	TRANSFER-OUT	-	-	-	
	TOTAL FIRE DEVELOPER FEES	5,721	5,721	10,607	34,783
	TOTAL REVENUES	(12,629)	(12,629)	(6,067)	(5,217)
	TOTAL EXPENSES	18,350	18,350	16,674	40,000
72 FIRE COST RECOVERY					
72 -420-000 -5103 -	OUT OF COUNTY SPECIAL PAY	-	-		40,000
72 -420-000 -5505 -	VOLUNTEER PASS-THRU				40,000
72 -420-000 -5504 -	EQUIPMENT	-	-	-	-
72 -420-100 -4040 -	INVESTMENT EARNINGS	-	-	-	-
72 -420-100 -4081 -	STATE REIMBURSEMENT	-	-	-	(150,000)
	TOTAL FIRE COST RECOVERY	-	-	-	(70,000)
	TOTAL REVENUES	-	-	-	(150,000)
	TOTAL EXPENDITURES	-	-	-	80,000
81 POLICE DEVELOPMENT					
81 -411-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-		5,200
81 -411-000 -5504 -	EQUIPMENT	-	-	-	-
81 -411-100 -4040 -	INVESTMENT EARNINGS	(525)	(525)	-	(91)
81 -411-100 -4112 -	PUBLIC SAFETY DEVELOPER FEES	(20,723)	(20,723)	(3,762)	(5,094)
	TOTAL POLICE DEVELOPER FEES	(21,248)	(21,248)	(3,762)	15
	TOTAL REVENUES	(21,248)	(21,248)	(3,762)	(5,185)
	TOTAL EXPENDITURES	-	-	-	5,200

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2023

		2021-2022 BUDGET	2021-2022 AMENDMENT	2021-2022 ACTUAL AS OF 3/31/2022	2022-2023 PROPOSED BUDGET
82 STATE ASSET FORFEITURE					
82 -411-000 -5504 -	EQUIPMENT	-	-	-	2,300
82 -411-100 -4040 -	INVESTMENT EARNINGS	(13)	(13)	-	(13)
82 -411-100 -4035 -	FORFEITURES	-	-	-	-
	TOTAL STATE ASSET FORFEITURE	(13)	(13)	-	2,287
	TOTAL REVENUES	(13)	(13)	-	(13)
	TOTAL EXPENDITURES	-	-	-	2,300
	GRAND TOTAL				
	TOTAL REVENUES	(28,984,343)	(31,470,738)	(11,844,290)	(22,663,872)
	TOTAL EXPENDITURES	28,007,235	28,691,322	15,052,422	23,446,099
	REVENUE (OVER) OR UNDER	(977,108)	(2,779,416)	3,208,132	782,227

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City of Farmersville

Budget Charts

Budget Charts

The Budget Charts section of the budget document is intended to give the reader a graphical overview of the most important areas and trends with the City's proposed Budget compared to prior years.

General Fund: Where the Money Comes From

This pie chart's aim is to convey a summarized version of the various types of revenues that the General Fund is dependent upon. These figures are the result of extensive analysis to produce an accurate yet estimated projection for the Fiscal Year. A percentage and amount are assigned to each slice of the pie for reference to the total General Fund budgeted revenue. While these sources are generally static there will be variance in the percentage related to each source from year to year.

General Fund: Where the Money is Spent

This pie chart's aim is to convey a summarized version of the various types of expenditure areas within the General Fund. These figures are the result of the entire budgeting process from individual departments up to the City Manager. A percentage and amount is assigned to each slice of the pie for reference to the total General Fund budgeted revenue. While these sources are generally static there will be variance in the percentage related to each source from year to year. Community Development contains the recreation sponsorship program and Administration contains, overhead, City Council, and other various expenses. Public Works is primarily allocated to other funds so the amount in the General Fund is just one portion of their total budget.

Actual Revenue and Expense with Projected Budget

This is an historic look at the actual revenue and expenses by year for the General Fund. This is displayed in a cash basis, which is primarily how the City operates and budgets. However, these figures will vary slightly from the Financial Statements as they are modified accrual basis

for the General Fund. Additionally, other funds are rolled up in the General Fund for the purposes of the financial statements; this graph is the General Fund alone. The purpose for this difference is to graphically show the variances from year to year and how the City is dependent upon unevenly flowing revenues to operate ongoing operations.

The other item worthy of mentioning is the trend line that is placed on this chart. While the trend line is not indicative of actual rate or an actual future rate of growth, it is simply a linear trend line for illustration purposes. The intent is to show that the budget is below the linear trend line expected. This is an important factor as it will allow for there to be easier decision about additional revenues at year-end (conservative budgeting strategic goal) rather than being short and trying to determine what to cut in future years.

This chart provides the reader with a graphical breakdown of actual revenues compared to actual revenues by year to allow a general conclusion of how well the City is living within its means during each year. It is important that the City not overspend but also not hoard cash to the detriment of the service levels provided. These actuals are then compared the budgeted amounts for the next fiscal year to show the trend. It is important to note that after a year of revenues exceeding expense, additional revenues may be allocated in the following years by City Council since that money is received and available to spend.

General Fund Expense – Budget vs. Actual

This provides the reader with a graphical breakdown of anticipated expenditures compared to actual expenditures by year. This allows a general conclusion of how well the budgetary controls of the City are working and the trend of expenses relative to the General Fund.

Expenditures vary widely and different budgetary emphases each year can make these amounts change over time.

General Fund Revenue – Budget vs. Actual

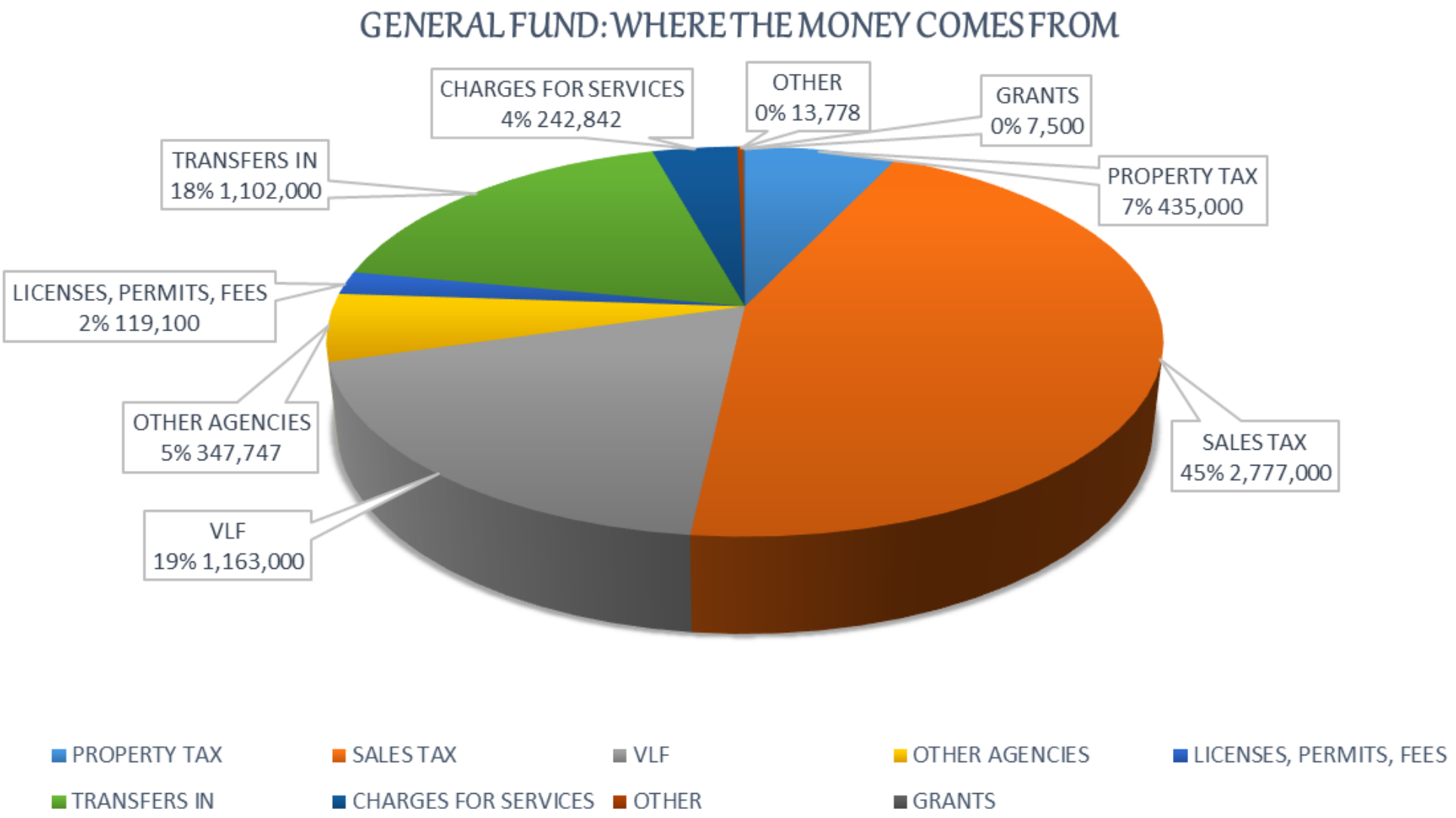
This provides the reader with a graphical breakdown of anticipated revenues compared to actual revenues by year. This allows a general conclusion of how well the budgetary forecasting of the City is working and the trend of revenues relative to the General Fund.

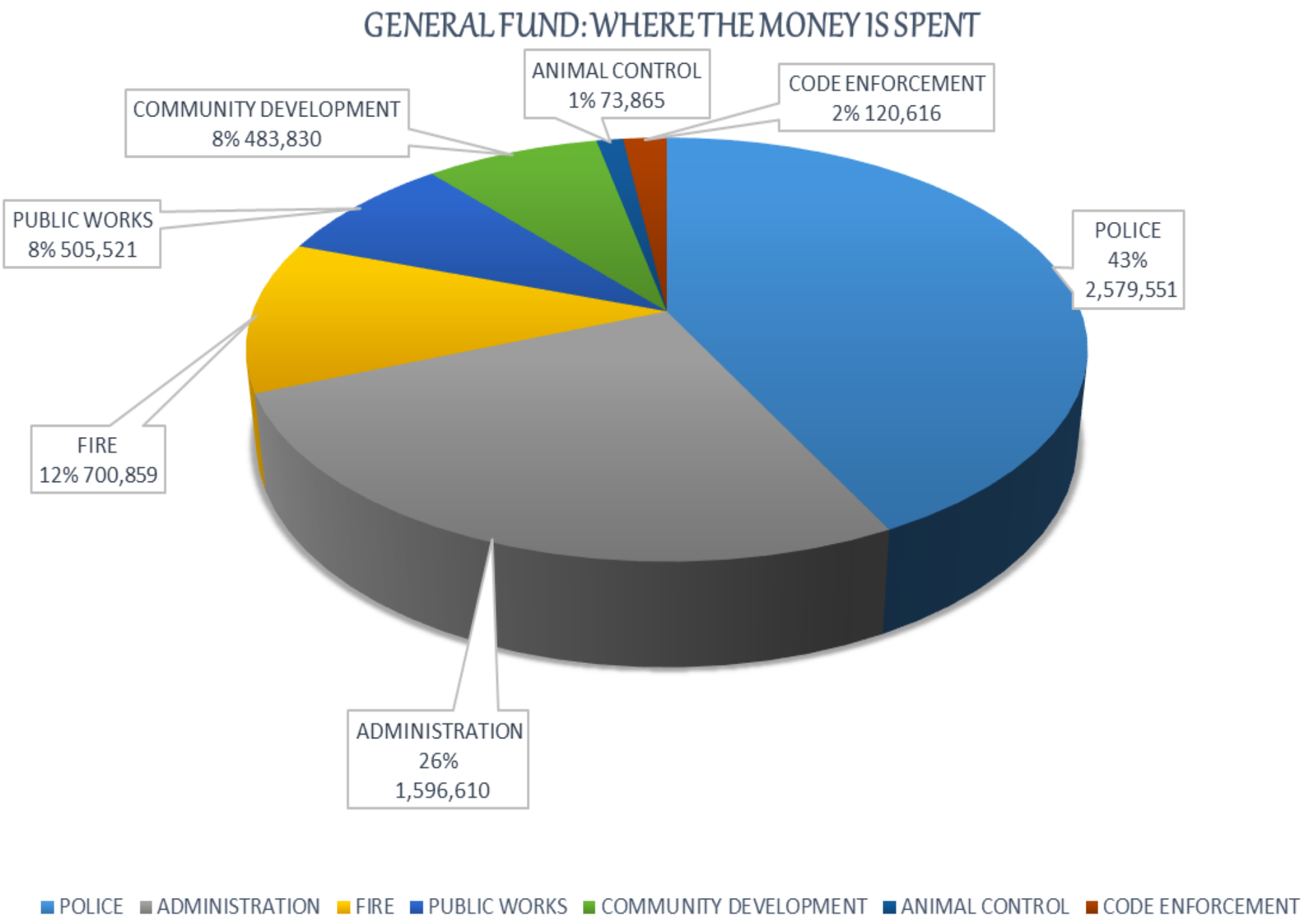
Revenues vary widely and different many external impacts out of the control of the City can make these amounts vary widely over time.

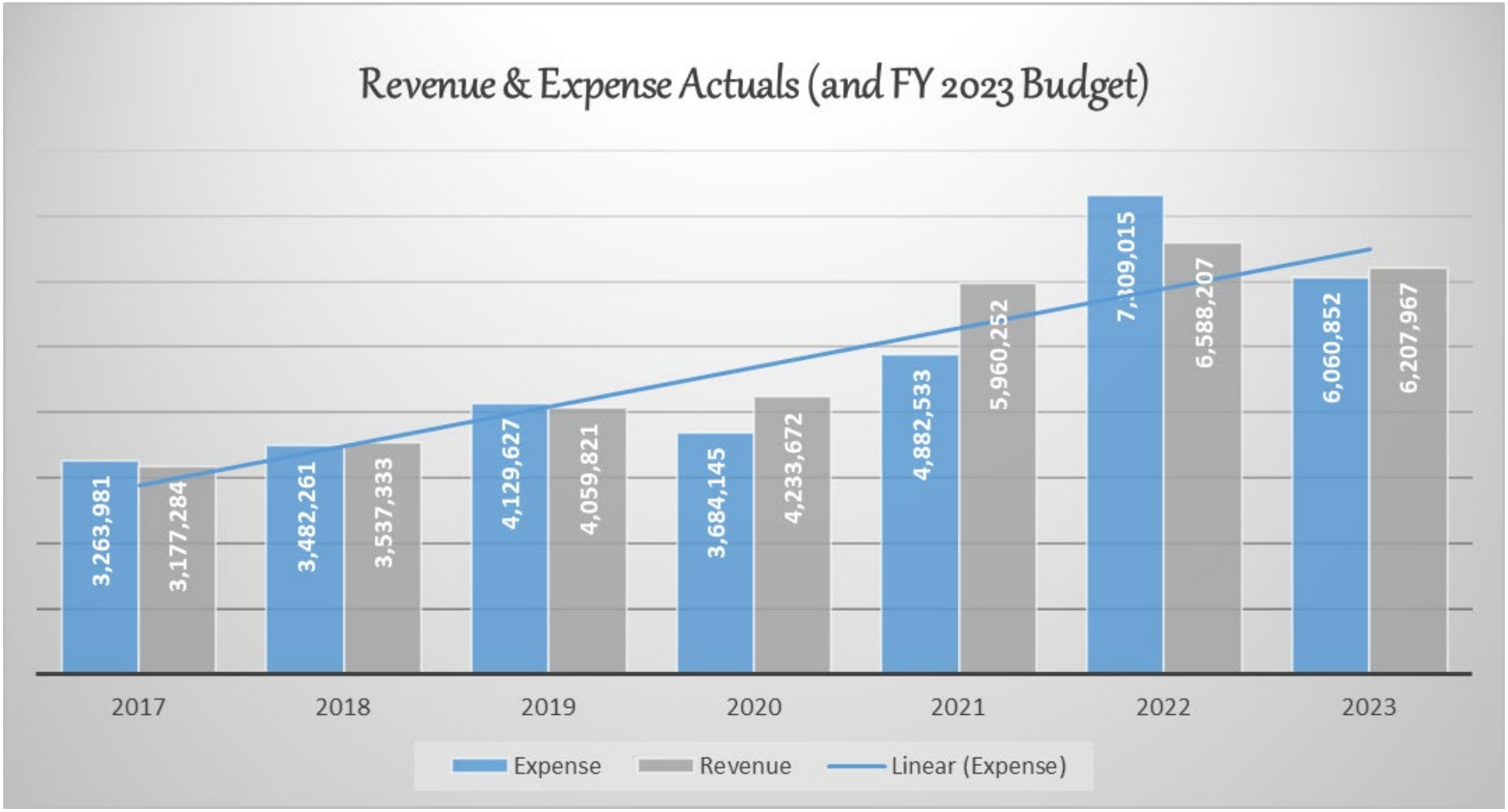
Historic Sales Tax Receipts & Projected Budget

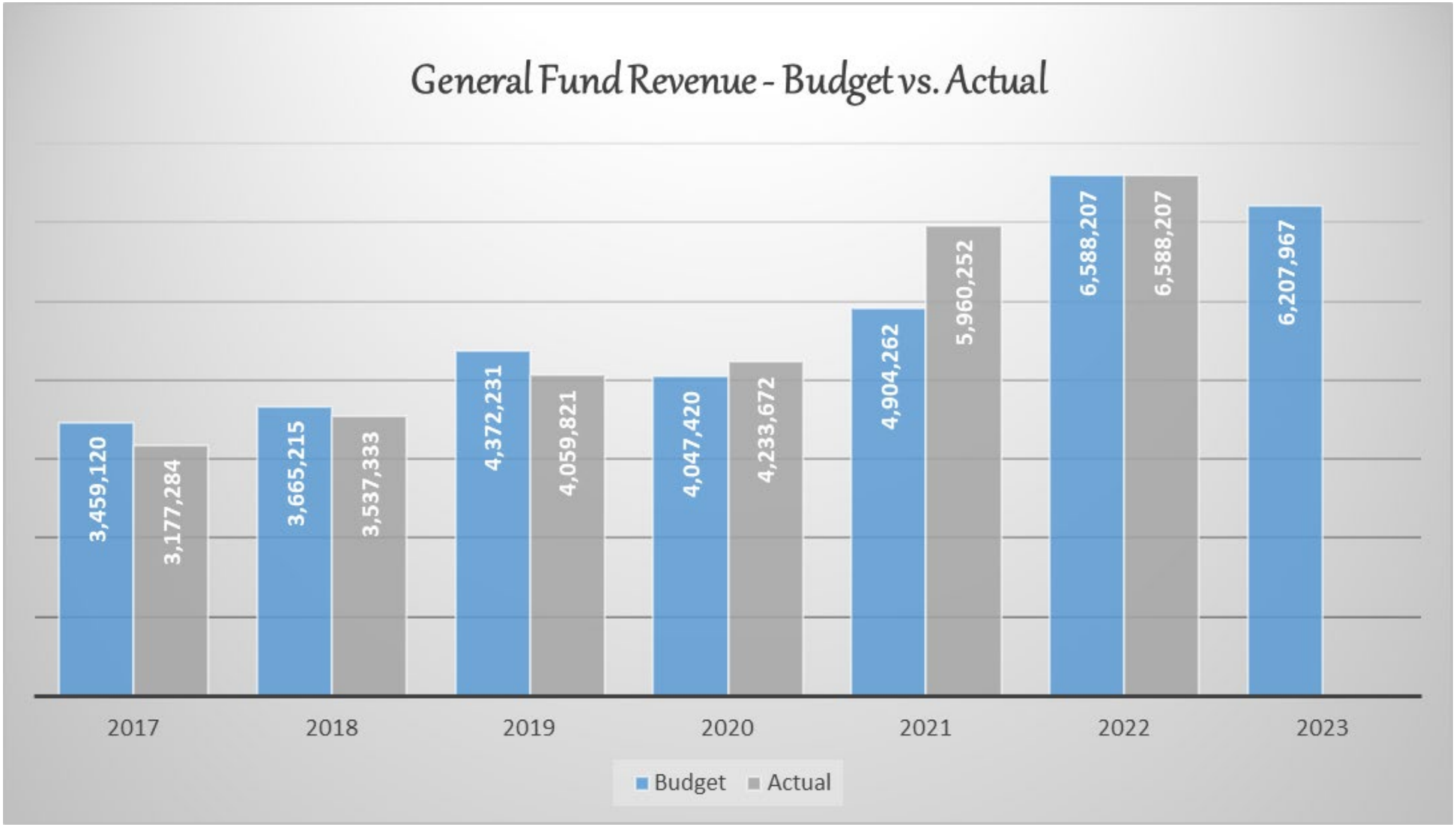
This schedule provides a brief graphical summary of the City's largest income generator, Sales Tax. A separate bar is assigned to the standard Bradley Burns Sales Tax and additional bars for local tax: Measure U and Measure P.

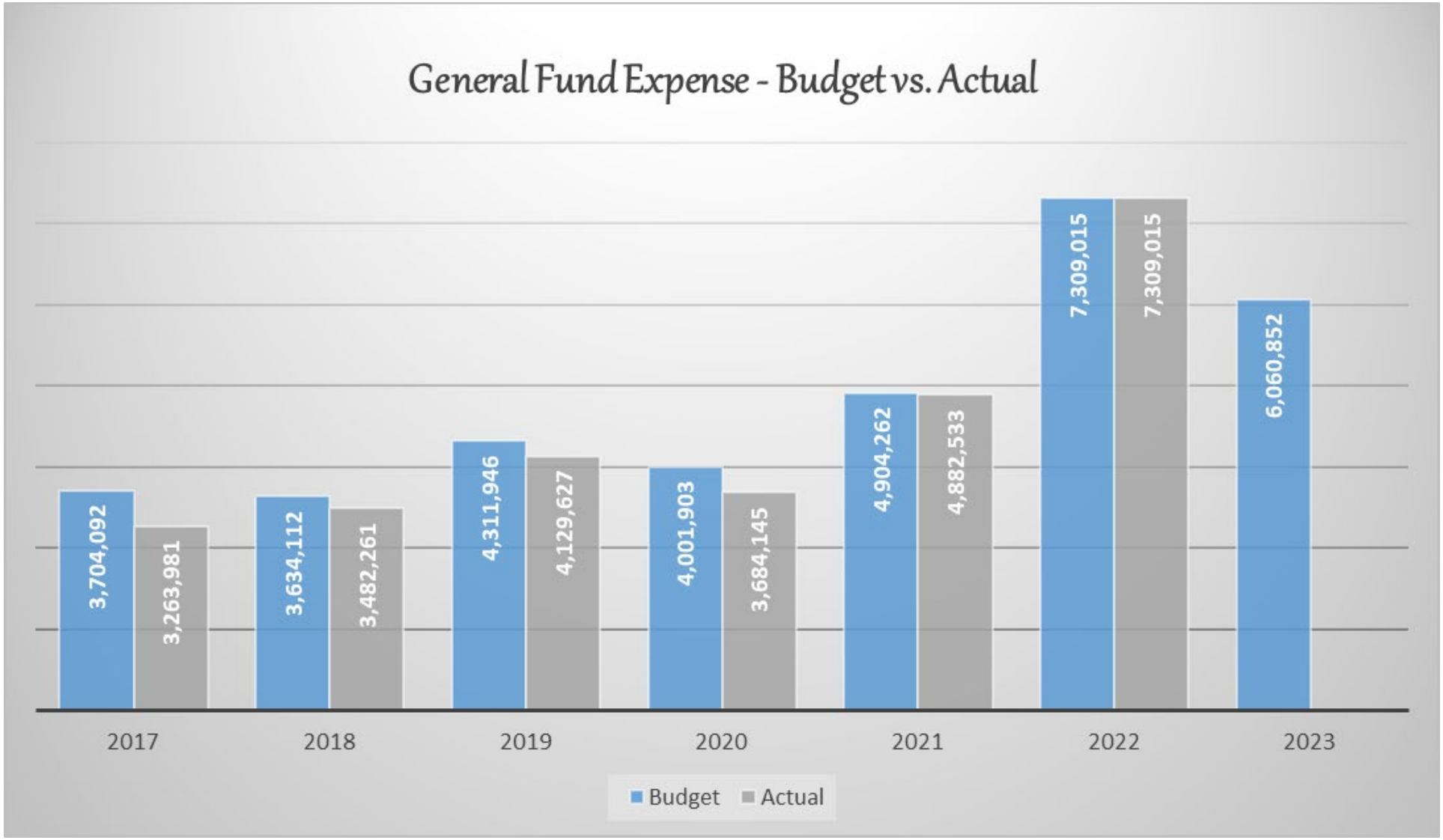
This chart is significant in that it shows the wide swings of this revenue source, even within a relatively short period of time. City staff are always anticipating volatility in Sales Tax and the budget reflects conservatism because of the nature of this revenue source. The anticipated economic changes over the next twelve months will be difficult to predict but may have less impact on Farmersville than other surrounding Cities due to the small tax base of the City.

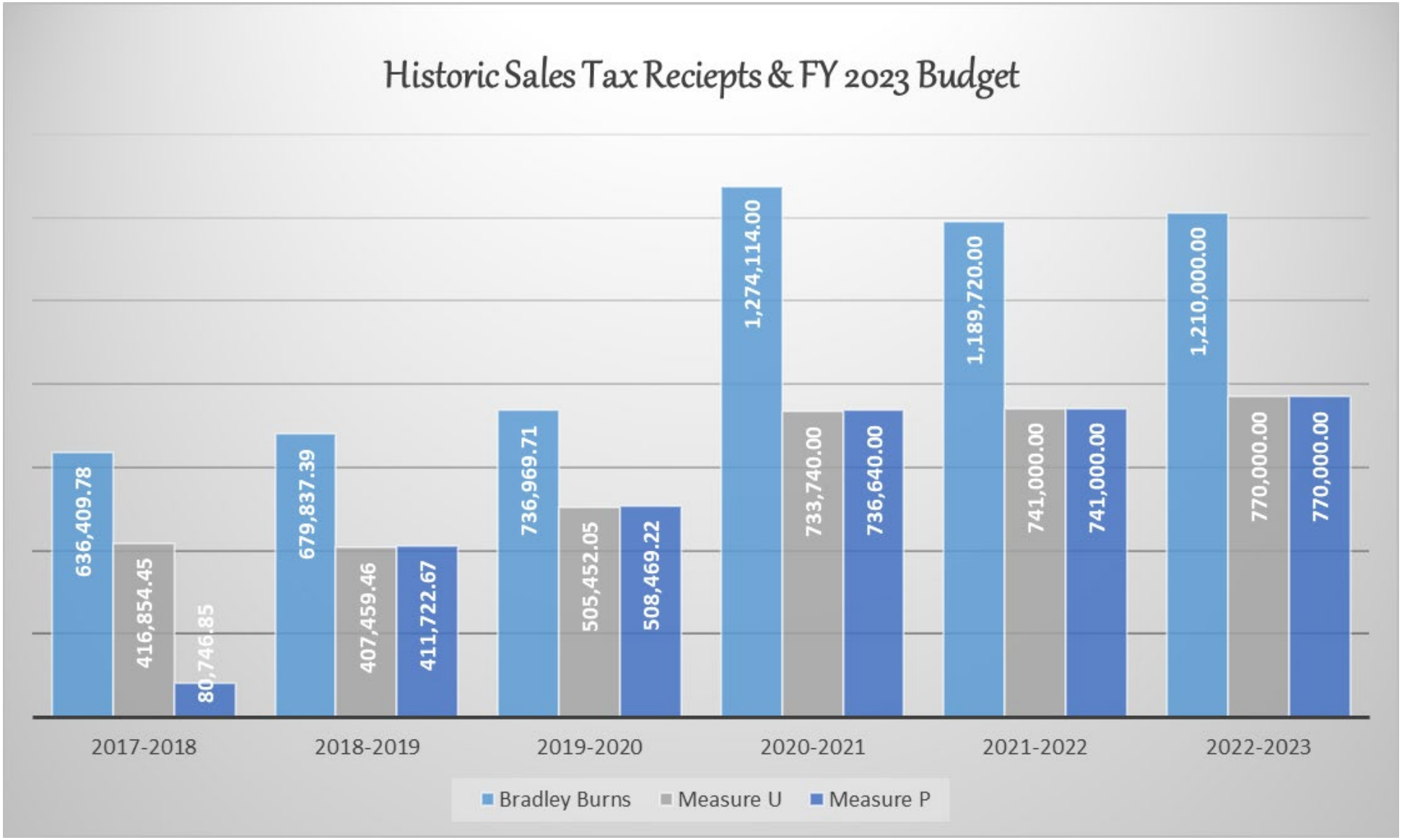

GENERAL FUND: WHERE THE MONEY COMES FROM
CHARGES FOR SERVICES 4% 242,842
OTHER 0% 13,778
GRANTS 0% 7,500
TRANSFERS IN 18% 1,102,000
PROPERTY TAX 7% 435,000
LICENSES, PERMITS, FEES 2% 119,100
OTHER AGENCIES 5% 347,747
SALES TAX 45% 2,777,000
VLF 19% 1,163,000
PROPERTY TAX
SALES TAX
VLF
OTHER AGENCIES
LICENSES, PERMITS, FEES
TRANSFERS IN
CHARGES FOR SERVICES
OTHER
GRANTS


GENERAL FUND: WHERE THE MONEY IS SPENT
ANIMAL CONTROL
1% 73,865
CODE ENFORCEMENT
2% 120,616
COMMUNITY DEVELOPMENT
8% 483,830
PUBLIC WORKS
8% 505,521
POLICE
43%
2,579,551
FIRE
12% 700,859
ADMINISTRATION
26%
1,596,610
POLICE
ADMINISTRATION
FIRE
PUBLIC WORKS
COMMUNITY DEVELOPMENT
ANIMAL CONTROL
CODE ENFORCEMENT


Revenue & Expense Actuals (and FY 2023 Budget)
3,263,981
3,177,284
3,482,261
3,537,333
4,129,627
4,059,821
3,684,145
4,233,672
4,882,533
5,960,252
7,109,015
6,588,207
6,060,852
6,207,967
2017
2018
2019
2020
2021
2022
2023
Expense
Revenue
Linear (Expense)


General Fund Revenue - Budget vs. Actual
3,459,120
3,177,284
3,665,215
3,537,333
4,372,231
4,059,821
4,047,420
4,233,672
4,904,262
5,960,252
6,588,207
6,588,207
6,207,967
2017
2018
2019
2020
2021
2022
2023
Budget
Actual


General Fund Expense - Budget vs. Actual
3,704,092
3,263,981
3,634,112
3,482,261
4,311,946
4,129,627
4,001,903
3,684,145
4,904,262
4,882,533
7,309,015
7,309,015
6,060,852
2017
2018
2019
2020
2021
2022
2023
Budget
Actual


Historic Sales Tax Reciepts & FY 2023 Budget
636,409.78
416,854.45
80,746.85
679,837.39
407,459.46
411,722.67
736,969.71
505,452.05
508,469.22
1,274,114.00
733,740.00
736,640.00
1,189,720.00
741,000.00
741,000.00
1,210,000.00
770,000.00
770,000.00
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
Bradley Burns
Measure U
Measure P

City of Farmersville

Summary of Debt

Summary of Debt

The City Council adopted the Debt Management Policy in February 2018. The purpose of establishing the Debt Management Policy is to provide management objectives and overall parameters for issuing and administering the Debt Program for the City of Farmersville. It provides guidance for the issuance of City debt obligations, and to maintain the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment beneficial to the City and necessary for essential services. The GFOA recommends that local governments adopt comprehensive written debt management policies.

From time to time, the City uses long and short-term debt issuances to finance its capital improvement program based on cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The current debt of the City is discussed below:

2022 Equipment Purchase

In Fiscal Year 2021-22, the City obtained a three-year financing package of $167,336 for the purchase of three Police Department Dodge Charger Interceptors. This debt will retire in spring of 2025.

The Debt Service Schedule is included in the next section.

2020 Equipment Purchase

In Fiscal Year 2019-20, the City obtained a three-year financing package of $145,000 for the purchase of three Police Department Dodge Charger Interceptors. This debt will retire in winter of 2023.

The Debt Service Schedule is included in the next section.

2018 Wastewater Treatment Plant Debt

In 2018, construction began on the new wastewater treatment facility. This project is currently estimated to cost around $27 million. Financing the project was done through a combination of a grant / loan / loan forgiveness debt through the State Revolving Fund (SRF), a loan through a Certificate of Participation with the United States Department of Agriculture (USDA), and Fund balance from the Sewer Utility Fund.

The total principal amount to be repaid is estimated at $15,991,591, of which $10,991,591 in principle to be repaid to the SRF and the remaining $5,000,000 in principle to USDA. The debt will retire in fall of 2050 for SRF and in spring of 2058 for USDA.

The Aggregate and individual Debt Service Schedules are included in the next section.

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City of Farmersville

Debt Service Schedules

CITY OF FARMERSVILLE
CITIZEN BUSINESS BANKLOAN SCHEDULE: POLICE VEHICLES (3)

CONTACT: BILL MORTON (MUNICIPAL FINANCE CORPORATION)
Municipal Finance Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361
805-719-1237

2019 Dodge Chargers: 2C3CDXAG4KH734181
2C3CDXAG6KH734179
2C3CDXAG2KH734180

DATE OF LOAN	1/30/2020		LOAN PAYMENTS MADE QUARTERLY - FIXED AMOUNT AT $12,781.55
INTEREST RATE	3.50%		PAYMENT TO CITIZENS BUSINESS BANK, FINANCING THROUGH MUNICIPAL FINANCE CORPORATION
AMOUNT OF LOAN	145,000.00		3 YEAR LEASE WITH OPTION TO BUY

PAYMENT NUMBER	DATE	PRINCIPAL AMOUNT	INTEREST AMOUNT	PAYMENT TOTAL	STATUS	PRINCIPAL BALANCE	NOTES
	1/30/2020					145,000.00	Loan funded on 1/30/2020
1	4/30/2020	11,512.80	1,268.75	12,781.55	PAID	133,487.20	#132580 DTD 4/17/2020
2	7/30/2020	11,613.54	1,168.01	12,781.55	PAID	121,873.66	#132937 DTD 7/23/2020
3	10/30/2020	11,715.16	1,066.39	12,781.55	PAID	110,158.50	#133235 DTD 10/15/2020
4	1/30/2021	11,817.66	963.89	12,781.55	PAID	98,340.84	#133575 DTD 1/14/2021
5	4/30/2021	11,921.07	860.48	12,781.55	PAID	86,419.77	#133885 DTD 4/16/2021
6	7/30/2021	12,025.38	756.17	12,781.55	PAID	74,394.39	#134297 DTD 7/29/2021
7	10/30/2021	12,130.60	650.95	12,781.55	PAID	62,263.79	#134594 DTD 10/08/2021
8	1/30/2022	12,236.74	544.81	12,781.55	PAID	50,027.05	#134997 DTD 1/26/2022
9	4/30/2022	12,343.81	437.74	12,781.55	PAID	37,683.24	#135310 DTD 4/7/2022
10	7/30/2022	12,451.82	329.73	12,781.55		25,231.42	
11	10/30/2022	12,560.78	220.77	12,781.55		12,670.64	
12	1/30/2023	12,670.64	110.91	12,781.55		-	
		145,000.00	8,378.60	153,378.60		-	

CITY OF FARMERSVILLE

CITIZEN BUSINESS BANKLOAN SCHEDULE: POLICE VEHICLES (3)

CONTACT: STEFAN MORTON (MUNICIPAL FINANCE CORPORATION)
Municipal Finance Corporation 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361
805-719-1237

2021 Dodge Chargers: 2C3CDXAT7MH666250
2C3CDXAT9MH666251
2C3CDXAT9MH663978

Agreement: 2022-002

DATE OF LOAN	4/5/2022		LOAN PAYMENTS MADE QUARTERLY - FIXED AMOUNT AT $14,517.62
INTEREST RATE	2.50%		PAYMENT TO CITIZENS BUSINESS BANK, FINANCING THROUGH MUNICIPAL FINANCE CORPORATION
AMOUNT OF LOAN	167,335.81		3 YEAR LEASE WITH OPTION TO BUY

PAYMENT NUMBER	DATE	PRINCIPAL AMOUNT	INTEREST AMOUNT	PAYMENT TOTAL	STATUS	PRINCIPAL BALANCE	NOTES
	4/30/2022					167,335.81	Loan funded on 4/5/2022
1	7/31/2022	13,471.77	1,045.85	14,517.62		153,864.04	
2	10/31/2022	13,555.97	961.65	14,517.62		140,308.07	
3	1/30/2023	13,640.69	876.93	14,517.62		126,667.38	
4	4/30/2023	13,725.95	791.67	14,517.62		112,941.43	
5	7/31/2023	13,811.74	705.88	14,517.62		99,129.69	
6	10/31/2023	13,898.06	619.56	14,517.62		85,231.63	
7	1/30/2024	13,984.92	532.70	14,517.62		71,246.71	
8	4/30/2024	14,072.33	445.29	14,517.62		57,174.38	
9	7/31/2024	14,160.28	357.34	14,517.62		43,014.10	
10	10/31/2024	14,248.78	268.84	14,517.62		28,765.32	
11	1/30/2025	14,337.84	179.78	14,517.62		14,427.48	
12	4/30/2025	14,427.48	90.14	14,517.62		-	
		167,335.81	6,875.63	174,211.44		-	

City of Farmersville

2018 WWTP Project Financing

All Financing Sources

(Assumes No Interest Payments on Principal Forgiveness Portion of SRF Loan)

Aggregate Debt Service

DATE	SRF Loan Debt Service	USDA Loan Debt Service	Total Debt Service
06/30/2019	-	88,555.95	88,555.95
06/30/2020	-	196,227.61	196,227.61
06/30/2021	368,611.12	207,595.00	576,206.12
06/30/2022	484,929.78	207,560.00	692,489.78
06/30/2023	484,929.78	207,470.00	692,399.78
06/30/2024	484,929.78	207,673.84	692,603.62
06/30/2025	484,929.78	208,125.00	693,054.78
06/30/2026	484,929.78	207,842.50	692,772.28
06/30/2027	484,929.78	207,505.00	692,434.78
06/30/2028	484,929.78	208,436.10	693,365.88
06/30/2029	484,929.78	207,637.50	692,567.28
06/30/2030	484,929.78	208,107.50	693,037.28
06/30/2031	484,929.78	207,495.00	692,424.78
06/30/2032	484,929.78	208,122.92	693,052.70
06/30/2033	484,929.78	208,077.50	693,007.28
06/30/2034	484,929.78	207,245.00	692,174.78
06/30/2035	484,929.78	207,357.50	692,287.28
06/30/2036	484,929.78	207,651.58	692,581.36
06/30/2037	484,929.78	207,335.00	692,264.78
06/30/2038	484,929.78	208,200.00	693,129.78
06/30/2039	484,929.78	207,955.00	692,884.78
06/30/2040	484,929.78	207,856.62	692,786.40
06/30/2041	484,929.78	207,217.50	692,147.28
06/30/2042	484,929.78	207,725.00	692,654.78
06/30/2043	484,929.78	208,122.50	693,052.28
06/30/2044	484,929.78	207,600.16	692,529.94
06/30/2045	484,929.78	207,615.00	692,544.78
06/30/2046	484,929.78	207,710.00	692,639.78
06/30/2047	484,929.78	207,695.00	692,624.78
06/30/2048	484,929.78	207,716.76	692,646.54
06/30/2049	484,929.78	207,335.00	692,264.78
06/30/2050	484,929.97	207,990.00	692,919.97
06/30/2051	-	207,507.50	207,507.50
06/30/2052	-	208,013.40	208,013.40
06/30/2053	-	208,185.00	208,185.00
06/30/2054	-	207,317.50	207,317.50
06/30/2055	-	207,340.00	207,340.00
06/30/2056	-	207,269.46	207,269.46
06/30/2057	-	207,972.50	207,972.50
06/30/2058	-	207,555.00	207,555.00
Total	**$14,431,574.93**	**$8,177,919.40**	**$22,609,494.33**

Par Amounts Of Selected Issues

SRF Loan Principal to be Repaid	10,991,591.00
USDA Loan Principal to be Repaid	5,000,000.00
TOTAL PRINCIPAL TO BE REPAID	**15,991,591.00**

City of Farmersville

2018 WWTP Project Financing

USDA Portion

(Assumes City Begins Paying Interest During Construction Period)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2019	70,000.00	2.750%	18,555.95	88,555.95	88,555.95
06/30/2020	72,000.00	2.750%	124,227.61	196,227.61	196,227.61
06/30/2021	74,000.00	2.750%	133,595.00	207,595.00	207,595.00
06/30/2022	76,000.00	2.750%	131,560.00	207,560.00	207,560.00
06/30/2023	78,000.00	2.750%	129,470.00	207,470.00	207,470.00
06/30/2024	80,000.00	2.750%	127,673.84	207,673.84	207,673.84
06/30/2025	83,000.00	2.750%	125,125.00	208,125.00	208,125.00
06/30/2026	85,000.00	2.750%	122,842.50	207,842.50	207,842.50
06/30/2027	87,000.00	2.750%	120,505.00	207,505.00	207,505.00
06/30/2028	90,000.00	2.750%	118,436.10	208,436.10	208,436.10
06/30/2029	92,000.00	2.750%	115,637.50	207,637.50	207,637.50
06/30/2030	95,000.00	2.750%	113,107.50	208,107.50	208,107.50
06/30/2031	97,000.00	2.750%	110,495.00	207,495.00	207,495.00
06/30/2032	100,000.00	2.750%	108,122.92	208,122.92	208,122.92
06/30/2033	103,000.00	2.750%	105,077.50	208,077.50	208,077.50
06/30/2034	105,000.00	2.750%	102,245.00	207,245.00	207,245.00
06/30/2035	108,000.00	2.750%	99,357.50	207,357.50	207,357.50
06/30/2036	111,000.00	2.750%	96,651.58	207,651.58	207,651.58
06/30/2037	114,000.00	2.750%	93,335.00	207,335.00	207,335.00
06/30/2038	118,000.00	2.750%	90,200.00	208,200.00	208,200.00
06/30/2039	121,000.00	2.750%	86,955.00	207,955.00	207,955.00
06/30/2040	124,000.00	2.750%	83,856.62	207,856.62	207,856.62
06/30/2041	127,000.00	2.750%	80,217.50	207,217.50	207,217.50
06/30/2042	131,000.00	2.750%	76,725.00	207,725.00	207,725.00
06/30/2043	135,000.00	2.750%	73,122.50	208,122.50	208,122.50
06/30/2044	138,000.00	2.750%	69,600.16	207,600.16	207,600.16
06/30/2045	142,000.00	2.750%	65,615.00	207,615.00	207,615.00
06/30/2046	146,000.00	2.750%	61,710.00	207,710.00	207,710.00
06/30/2047	150,000.00	2.750%	57,695.00	207,695.00	207,695.00
06/30/2048	154,000.00	2.750%	53,716.76	207,716.76	207,716.76
06/30/2049	158,000.00	2.750%	49,335.00	207,335.00	207,335.00
06/30/2050	163,000.00	2.750%	44,990.00	207,990.00	207,990.00
06/30/2051	167,000.00	2.750%	40,507.50	207,507.50	207,507.50
06/30/2052	172,000.00	2.750%	36,013.40	208,013.40	208,013.40
06/30/2053	177,000.00	2.750%	31,185.00	208,185.00	208,185.00
06/30/2054	181,000.00	2.750%	26,317.50	207,317.50	207,317.50
06/30/2055	186,000.00	2.750%	21,340.00	207,340.00	207,340.00
06/30/2056	191,000.00	2.750%	16,269.46	207,269.46	207,269.46
06/30/2057	197,000.00	2.750%	10,972.50	207,972.50	207,972.50
06/30/2058	202,000.00	2.750%	5,555.00	207,555.00	207,555.00
Total	**$5,000,000.00**	**-**	**$3,177,919.40**	**$8,177,919.40**	**$8,177,919.40**

City of Farmersville

2018 WWTP Project Financing

SRF Loan

(Assumes No Interest Payments During Construction Period)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2019	-	1.900%	-	-	-
06/30/2020	-	1.900%	-	-	-
06/30/2021	238,046.07	1.900%	130,565.05	368,611.12	368,611.12
06/30/2022	298,664.29	1.900%	186,265.49	484,929.78	484,929.78
06/30/2023	286,287.05	1.900%	198,642.73	484,929.78	484,929.78
06/30/2024	291,726.50	1.900%	193,203.28	484,929.78	484,929.78
06/30/2025	297,269.31	1.900%	187,660.47	484,929.78	484,929.78
06/30/2026	302,917.42	1.900%	182,012.36	484,929.78	484,929.78
06/30/2027	308,672.85	1.900%	176,256.93	484,929.78	484,929.78
06/30/2028	314,537.64	1.900%	170,392.14	484,929.78	484,929.78
06/30/2029	320,513.85	1.900%	164,415.93	484,929.78	484,929.78
06/30/2030	326,603.62	1.900%	158,326.16	484,929.78	484,929.78
06/30/2031	332,809.08	1.900%	152,120.70	484,929.78	484,929.78
06/30/2032	339,132.46	1.900%	145,797.32	484,929.78	484,929.78
06/30/2033	345,575.97	1.900%	139,353.81	484,929.78	484,929.78
06/30/2034	352,141.92	1.900%	132,787.86	484,929.78	484,929.78
06/30/2035	358,832.61	1.900%	126,097.17	484,929.78	484,929.78
06/30/2036	365,650.43	1.900%	119,279.35	484,929.78	484,929.78
06/30/2037	372,597.79	1.900%	112,331.99	484,929.78	484,929.78
06/30/2038	379,677.15	1.900%	105,252.63	484,929.78	484,929.78
06/30/2039	386,891.02	1.900%	98,038.76	484,929.78	484,929.78
06/30/2040	394,241.94	1.900%	90,687.84	484,929.78	484,929.78
06/30/2041	401,732.54	1.900%	83,197.24	484,929.78	484,929.78
06/30/2042	409,365.46	1.900%	75,564.32	484,929.78	484,929.78
06/30/2043	417,143.40	1.900%	67,786.38	484,929.78	484,929.78
06/30/2044	425,069.13	1.900%	59,860.65	484,929.78	484,929.78
06/30/2045	433,145.44	1.900%	51,784.34	484,929.78	484,929.78
06/30/2046	441,375.20	1.900%	43,554.58	484,929.78	484,929.78
06/30/2047	449,761.33	1.900%	35,168.45	484,929.78	484,929.78
06/30/2048	458,306.80	1.900%	26,622.98	484,929.78	484,929.78
06/30/2049	467,014.63	1.900%	17,915.15	484,929.78	484,929.78
06/30/2050	475,888.10	1.900%	9,041.87	484,929.97	484,929.97
06/30/2051	-	-	-	-	-
06/30/2052	-	-	-	-	-
06/30/2053	-	-	-	-	-
06/30/2054	-	-	-	-	-
06/30/2055	-	-	-	-	-
06/30/2056	-	-	-	-	-
06/30/2057	-	-	-	-	-
06/30/2058	-	-	-	-	-
Total	**$10,991,591.00**		**$3,439,983.93**	**$14,431,574.93**	**$14,431,574.93**

City of Farmersville

Five-Year Capital Improvement Plan

And Capital Budget

Five Year Capital Improvement Plan and Capital Budget

Each year, the City of Farmersville updates its five-year projection of capital projects and purchases through the updating of the Five-Year Capital Improvement Plan (CIP). The first year (in this case, Fiscal Year 2022-23) of the five-year plan will then be presented as the proposed Capital Budget for the upcoming Fiscal Year – a substantial portion of the overall annual budget for the City. It is a best practice for municipalities to update their Five-Year CIP on an annual basis, typically during the budget process, because it serves as a valuable tool for the Council, Staff, and the Community to understand the current and future needs of the City.

The budget document shows projects by Department, with a brief description of the project, funding source(s), current year appropriations in Year one and a projection of needs for the next five years for planning purposes only. Amounts shown in the Year one column correspond to projects listed in each respective Department budget.

An area of particular note is that the CIP identifies both funded and unfunded projects/needs so that a full picture of current and future needs is illustrated. This CIP is the result of many staff hours and discussion of future needs of the organization. By nature, it is a fluid document that will be refined each year as future needs are discovered or present themselves to Staff.

Criteria and Assumptions

The criteria used to qualify a project for the CIP includes new facilities, equipment/vehicles, building refurbishment, and infrastructure projects; and includes the design, construction, and major rehabilitation of capital improvements that have long-term life spans and typically cost more than $5,000, though there are some exceptions to these strict categories with other one-time purchases that are outside a normal operation budget. The criteria used includes:

- Criteria 1: Project corrects immediate and urgent public health or public safety issue.
- Criteria 2: Project addresses regulatory, safety, or environmental requirements that more likely than not threatens in whole or in part the City's ability to operate a core program or function within the next fiscal year if not replaced or repaired.

- Criteria 3: Project replaces a capital asset that will more likely than not reduce or eliminate the City's ability to operate a core program within the next fiscal year if not replaced or repaired.

- Criteria 4: Project represents an investment that will return real cash savings over an identifiable investment horizon and that return exceeds the City's cost of capital (cost of capital equals weighted average interest on City debt issues and capital leases).

- Criteria 5: Project extends an existing City Program or function to meet the Council's vision and explicit direction.

- Criteria 6: Project creates a new City program or function to meet the Council's vision and explicit direction.

- Criteria 7: Project addresses regulatory, safety, or environmental requirements that could threaten in whole or in part the City's ability to operate a core program or function at some future time if not replaced or repaired.

- Criteria 8: Project replaces a capital asset that could reduce or eliminate the City's ability to operate a core program at some future time if it is not replaced or repaired.

Other assumptions made for the capital budget include:

1. A limited Capital Budget: The biggest assumption is that the funds available for the Capital Budget are limited and therefore extremely precious. There are many funding sources and restrictions sometimes apply (like street funding, or Development Impact Fees or DIF). The City is in much improved financial standing since the low in Fiscal year 2011-12, but still does not have many of the long-term funding vehicles in place to make capital purchases sustainable yet (outside of grant funding). However, there is a lot of Capital Purchasing that has been deferred and so there is much more need than resources and so projects must be carefully considered and prioritized.

2. Establish sinking funds: The City does not have any sinking funds established at this point. This means, that although we are aware that capital assets wear out and break, we are not systematically saving for their subsequent replacement over time. However, it is assumed that this trend should be reversed to align with Council strategic initiatives and mission statement. Therefore, identifying these items and saving for them will need to become an important part of the City budgets going forward.

3. Completely fund and maintain reserves to appropriate policy levels: In addition to systematically saving for capital asset replacement, the City has adopted policies for a fund minimum on the General Fund and a Budgetary Uncertainty Fund in case of specific and dire emergency needs only. While the fund minimum has been met, the emergency savings has not yet been fully funded. Now that the City is anticipating new one-time funds, these critical reserves full funding are essential.

4. Avoiding financing / debt issuance: The City is desirous of purchasing the capital it needs to provide the level of service that it can with the resources available to it. However, it is staff's assumption that a goal is to avoid borrowing and debt issuance whenever possible and keep total purchase costs low. However, there are also times where debt is appropriate to make major capital purchases and smooth costs out over time at reasonable borrowing costs, but only in accordance with the Debt Policy of the City.

5. Complete existing grant commitment glut: Currently, the City of Farmersville is working its way through a "glut" of grants. That is, the City's improvement in its financial standing has allowed for a flurry of activity with increased funding through grant awards. However, the downside of this has been the risk of non-compliance as City staff does not have the capacity to manage so many projects with only a handful of administrative personnel available. Therefore, the assumption built into the Capital Budget and CIP process is to systematically space out grant-funded strategic projects with this limitation in mind.

Capital Budget Organization for Fiscal Year 2022-23

Government Code and the best practice for Capital Budgeting is to include a projection for the upcoming year as well as at least four more years to create a full five-year projection. The City of Farmersville is now in its third year of the formalized process and is learning how to best incorporate the mandated structure of the city's Debt Policy and the industry best practices for Capital Budgeting.

However, staff is confident that this process has been improved from the prior year through the establishment of the General Fund Capital Fund which will house many of the planned purchases and projects outlined in the Fiscal Year 2022-23 Capital Budget. The series of tables that follow are a way to show a simplified version of the Capital Budget in different ways, but ultimately still displaying all the items and estimated costs for Fiscal Year 2022-23. The point is to draw out the changes and additions, so they are clear in the midst of the long lists of projects and purchases.

This section of the report will give a general overview of the Capital Budget and highlight some of the budgeting process. It will also make statistical comparisons for review purposes and to identify trends and issues. Finally, it will touch on funding status or other issues of the different items included in the Capital Budget from Fiscal Year 2021-22.

The process of creating the Capital Budget begins with the evaluation of Capital Projects that is straightforward. Essentially, as described like a mathematical statement:

"existing budget items – completed items – removed items + new items = new budget"

So, to identify what comprises the "existing budget" all other items progress was reviewed with each department and confirmed their likely status at the end of the year. The table below highlights what Finance staff estimates will be the existing capital budget at the end of the year (6/30/2022):

CAPITAL PROJECTS ROLLED OVER FROM FY 2021-22	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Admin Vehicle (Air Quality Grant)				43,500		43,500
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Birch Water Line Relocation		35,000	326,000			361,000
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Water Recharge Basin		14,400	193,700			208,100
Update City Standards (LEAP Grant)	65,000					65,000
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
City Hall Parking Lot (Phase 1)		191,000				191,000
City Hall Parking Lot (Phase 2)			17,500	171,100		188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Alley Improvement Construction		875,000				875,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Central Fire Station		7,000,000				7,000,000
SCBA Bottle Filling Station			60,000			60,000
Fire Patrol Vehicle				225,000		225,000
Downtown Specific Plan	90,000					90,000
Zoning Ordinance Update	50,000					50,000
General Plan Update	63,000	126,000	63,000			252,000
Patrol Vehicle Replacement (FY20)	38,345					38,345
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)		60,900	60,900	60,900		182,700
Police Office Remodel (Phase 3)	75,000					75,000
Skate Park		7,500				7,500
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard		500,500	500,500			1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Roy's Park Improvement	196,500					196,500
Skid Steer Loader (Bobcat)	115,000					115,000
Digital Sign				45,000		45,000
Downtown Streetlight Upgrade	40,188					40,188
Freedom Field	2,839,034					2,839,034
TOTAL	7,310,967	16,168,200	3,793,500	5,387,000	-	32,659,667

While the number of projects that need to be carried forward to Fiscal Year 2022-23 are many and represent over $32 million, there is good rationale for these changes. First, of the 37 projects to be carried forward, 18 are projects scheduled beyond Fiscal Year 2022-23 and are appropriate to carry forward as part of the natural planning process. Of the 19 projects that remain, 12 are multi-year projects or had timing such that they have expenses in both Fiscal Year 2021-22 and Fiscal Year 2022-23 (and maybe future years too).

Therefore, the 7 projects carried forward, that were both scheduled for FY 2022-23, and are not multi-year, are displayed in the table below. Of these 7 projects, six of them were originally scheduled for Fiscal Year 2022-23 anyway (Master Plans for Water, Sewer, and Storm Drain, Updating City Standards, Residential Street Light Study, Patrol Vehicle replacement for FY 20 and FY 22) and so the last project is a result of needing to be rescheduled or restated to better

match the capacity of City staff to handle the project or to match a revised scope of the project/purchase.

CAPITAL PROJECTS ROLLED OVER FROM FY 2021-22	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Update City Standards (LEAP Grant)	65,000					65,000
Residential Streetlight Study	50,000					50,000
Police Office Remodel (Phase 3)	75,000					75,000
Roy's Park Improvement	196,500					196,500
Skid Steer Loader (Bobcat)	115,000					115,000
Downtown Streetlight Upgrade	40,188					40,188
TOTAL	691,688	-	-	-	-	691,688

After the items that are identified to be carried forward are assessed, it is also important to figure out what has been completed, removed, or anticipated to be completed, before Fiscal Year 2022-23 begins. The table on the following page will help demonstrate these changes.

A few important notes about the table below:

1. There are several projects/purchases listed as completed – these have verified completion by the departments and a stated actual amount spent. This assumes that there are no unknown expenses that were delayed and unpaid or misallocated to another area.

2. Items listed as "by 6/30/22" is a reference to finance staff's understanding that all these projects will be complete for Fiscal Year 2021-22. However, some of them have the actual column listed as "Pending" rather than a dollar amount because the purchase is still yet to be completed at the writing of this report.

3. There are three projects/purchases listed as Deleted with explanations listed in the following table.

PROJECTS REMOVED FROM THE CAPITAL PLAN	BUDGET	STATUS
MUNIS System Upgrades (shared with enterprise)	44,380	COMPLETED
North Farmersville Blvd Widening	10,300,000	COMPLETED
Alley Improvement Design	250,000	COMPLETED
Transit Center Study	150,000	DELETED
Fire Engine	800,000	COMPLETED
Battalion Chief Vehicle	90,000	DELETED
Hand Held Radios (3)	15,000	COMPLETED
Radios for Command Vehicle	18,350	COMPLETED
Hand Held Radios (2)	17,000	DELETED
Park Irrigation Upgrade	10,000	COMPLETED
Well 7 Generator	128,000	COMPLETED
Liberty Park Trail Lighting	114,000	COMPLETED
Civic Center HVAC System	85,220	COMPLETED
Well 5 Upgrade and Generator	200,000	COMPLETED
Well 6 Upgrade and Generator	200,000	COMPLETED
WWTP Loader	90,000	COMPLETED
Museum & Event Center Exterior Painting	25,000	COMPLETED
Tablet and Modem Update (Dispatch Hardware)	60,000	COMPLETED

To better explain the deletions, finance staff evaluated each and confirmed with the departments the rationale for the changes. A summary of these reasons is listed below:

EXPLANATION OF DELETED CIP ITEMS	BUDGET	STATUS	REASON
Transit Center Study	150,000	DELETED	NEED IS MET WITH NEW PROJECT
Battalion Chief Vehicle	90,000	DELETED	NO LONGER NEEDED
Hand Held Radios (2)	17,000	DELETED	EQUIPMENT ALREADY PURCHASED
TOTAL	257,000		

The next step of the Capital Budgeting process begins with the submission of requests from the separate departments within the City for Fiscal Year 2022-23 projects and projects estimated for the future. These requests are then reviewed and edited as needed and ultimately prioritized by the City Manager to align with the overall strategy of the City.

NEW ADDITIONS TO THE CAPITAL PLAN FOR FY 2023	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Pavement Management Program: Street Repairs Year 4				9,395	241,136	250,531
Urban Water Management Program				53,000		53,000
Fire Rescue Equipment	38,000					38,000
AEDs for Fire Apparatus	18,000					18,000
Modem & Tablet Update	25,000					25,000
Housing Element Update	100,000	15,000				115,000
TriMax 493 Field Mower	43,943					43,943
Booster Pump & Electrical Panel for Sports Park		200,000				200,000
Liberty Park Trail Improvements		141,000				141,000
Pocket Park Improvements		150,000				150,000
Liberty Park - Phase II				545,000		545,000
Roy's Park - Phase II	775,000					775,000
Roy's Park - Phase III					500,000	500,000
Veteran's Park Improvements					500,000	500,000
Soccer Field Improvements		8,500				8,500
Vacuum Truck	384,500					384,500
Bleachers for Sports Park	59,215					59,215
TOTAL	3,176,495	3,115,569	4,774,413	607,395	1,241,136	12,915,008

Administration & Finance Department

The list Administration and Finance Departments capital projects and purchases has been reduced to only one for the next five years. This five-year projection contained two projects for this department last year. The new projection for the next five-years is as listed in the following table:

ADMINISTRATION & FINANCE CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Admin Vehicle (Air Quality Grant)		43,500				43,500
TOTAL	-	43,500	-	-	-	43,500

There were no major changes from the prior year. The most critical of these projects, which will be complete in FY 2021-22, is the MUNIS system upgrade which will do several things:

The first planned upgrades are to convert the current utility billing module that the City uses to the newer, preferred module. The existing module is based upon very old technology and is become problematic because it does not have newer features expected by partners and customers alike. This will be coordinated with new partnership for online payments that will be much more robust and user friendly for both the customer and finance staff.

The second portion of the upgrade will also add the ability to keep documents paperless in the system to better facilitate transparency and audit efficiency. This will be a huge help to the workload of finance staff dealing with boxes of paperwork each year currently.

Finally, these changes will also be upgraded with a new graphical user interface that is much more intuitive and should allow for more efficient processing and easier cross-training of staff.

The administration vehicle is intended only to be purchased with an available Air Quality Control Board grant, thus reducing the total cost to about $23,500 when that is available.

As time progresses, these projected costs or funding sources could change. For the full details on these projects and programs, see the attached schedule detailing the entire Capital Budget and Project. Ultimately, this request will be rolled up in the summary later in the report.

Engineering Department

The Engineering Department Capital Budget request has changed meaningfully for Fiscal Year 2022-23. Significant progress has been made in the last year on some projects while others have been delayed, and therefore rescheduled, for various reasons. As mentioned previously, there was, and continues to be, a project glut of deferred maintenance that must be done. However, City staff and finances are only able to do so many at once and although there is a light at the end of the tunnel, the overwhelming number of projects continues to be a strain on City resources.

This projection anticipates 21 projects with a total cost of about $27 million. Compared with this same five-year projection last year, the Year 1 total has decreased dramatically from about $12 million down to almost $4 million. The completion of the widening and improvements to North Farmersville Blvd in FY 2021-22 accounts for most of this cost difference. However, now that it is complete, the next phase of projects will replace the expense and effort but in parks and new road work.

ENGINEERING CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Birch Water Line Relocation		35,000	326,000			361,000
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Water Recharge Basin		14,400	193,700			208,100
Update City Standards (LEAP Grant)	65,000					65,000
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
City Hall Parking Lot (Phase 1)		191,000				191,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Alley Improvement Construction		875,000				875,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Pavement Management Program: Street Repairs Year 4				9,395	241,136	250,531
Urban Water Management Program				53,000		53,000
TOTAL	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050

The Engineering Department Capital Budget request includes only a few projects that are already underway. This is telling again of the transition year that the City is in after the completion of such a large project (North Farmersville Blvd) and the need to reschedule projects due to capacity and cashflow issues. So, while there may not appear to be as many projects this year, there are an equal amount, just many more in the preliminary stages.

This update is indicative while the City is slowly nearing the end of the massive project glut of the last seven years it is now entering another wave of projects. Finance staff still considers this a backlog or glut of projects because their basis is primarily deferred maintenance and need to be addressed critically. They are priority projects all with timelines that are desired to be short but cannot all realistically be done quickly. The City must manage the cashflows and wisely plan the implementation rather than attempting too much at once.

As discussed previously, some of the new projects coming online are as follows:

Central Farmersville Blvd repairs are scheduled further out in the plan (FY 2024-25) to coordinate with the City's other street projects. It is also currently unfunded, or underfunded, and work will need to be done to identify how it would be paid for appropriately.

The Birch water line relocation is an ill-located water line that needs to be addressed in the coming years.

A master plan for water, sewer, and storm drains is critically important to determining the status of the underground assets of the City and developing a plan to properly maintain them and avoid costly deferred maintenance or emergency repairs because of neglected infrastructure.

A water recharge basin may play an important part in the water strategy of the City in the future but its funding, location, and use are still to be determined.

The parking lot of City Hall is another example of deferred maintenance that has gone well beyond the traditional cost of routine maintenance and must be addressed.

A residential streetlight study is in the plan to address concerns raised by City Council and through a survey conducted by City staff.

An ADA sidewalk project has also been added to the Capital Improvement Plan to address ADA compliance issues with sidewalks not addressed through street improvements prescribed by the Pavement Management Program repairs.

The first year of implementing the pavement management plan will be important. This is the first time in several years that the City has had opportunity to focus on smaller collector road repairs as road repairs had been dominated by major road repairs with outside funding for major arterial roads.

The new grant awarded for beautification primarily out at the onramp area to Highway 198 will also make a large aesthetic impact for the City.

Most of these projects are all considered high priority as the maintenance of these roads and other facilities and the planning for expansion of access and transportation around the City is overdue because of years of unfunded deferred maintenance.

Fire Department

FIRE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Fire Station		7,000,000				7,000,000
SCBA Bottle Filling Station			60,000			60,000
Fire Patrol Vehicle				225,000		225,000
Fire Rescue Equipment	38,000					38,000
AEDs for Fire Apparatus	18,000					18,000
Fire Modem & Tablet Update	25,000					25,000
TOTAL	81,000	7,000,000	60,000	225,000	-	7,366,000

The Fire Department request contains six projects/equipment of which two are currently not funded. The Central Fire Station, and the SCBA Bottle Filling Station do not have funding sources identified yet but are programmed for FY 2024 and 2025 respectively so there is still time to locate funds for each.

Of the remaining projects, they are all expected to be paid for through cash on hand from either the General Fund Capital Fund, Development Impact Fees, or the American Rescue Plan Act (ARPA) allocation, as appropriate. General Fund capital costs are being supported by Measure Q currently.

Changes to this department requests from a year ago are a:

1. Update of the cost estimate for the Fire Station.

2. The fire engine purchase was completed and through State Budget earmark avoided the debt issuance to pay for it!
3. SCBA filling station has been delayed a year for cashflow purposes.
4. All radios were purchased in FY 2021-22 even though planned out over two years.
5. The command vehicle purchase is anticipated to be completed by 6/30/22.
6. A battalion chief vehicle purchase has been removed from the plan.
7. The addition of Fire Rescue equipment to the plan to carry on the new engine.
8. AEDs for each apparatus is planned to update old equipment.
9. Modem and Tablet updates are schedule to coordinate with the dispatch updates from the County.

Because of the high dollar amount of the Central Fire Station creative solutions will likely need to be financed or secure funding outside of the City revenue streams. The Central Fire Station's funding method is still unknown and is listed as a one-year expense but will likely be modified once this is closer to being built.

Planning Department

The Planning Department has indicated that there are several major documents/plans that are due for an update in the coming years. Due to the recent award of the SB 2 grant to the City the timelines of two projects were shifted dramatically and work has begun. As indicated in the table below, work began in Fiscal Year 2020-21 for both the Downtown Specific Plan and the Zoning Ordinance update because of the grant funding and continues to date.

PLANNING DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Downtown Specific Plan	90,000					90,000
Zoning Ordinance Update	50,000					50,000
General Plan Update	63,000	126,000	63,000			252,000
Housing Element Update	100,000	15,000				115,000
TOTAL	303,000	141,000	63,000	-	-	507,000

Previously, both projects were slated to begin in Fiscal Year 2023-24. No changes were made to the General Plan update as it was schedule to start work in FY 2021-22 originally.

The addition of a Housing Element Update project is new this year and is still preliminary at this point. There may be opportunity to share cost with the project through multi-jurisdictional cooperation. The details are still being worked out with the City Manager's office.

While grants are supporting some of this work it will also take funding from enterprise funds and the General Fund (backed up by Measure Q Tax revenues).

Police Department

The Police Department Capital Project list has been updated to the following five items:

POLICE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Patrol Vehicle Replacement (FY20)	38,345					38,345
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)		60,900	60,900	60,900		182,700
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)				64,600	64,600	129,200
TOTAL	170,245	117,800	117,800	125,500	64,600	595,945

Previously listed items on the Police department Capital budget that were completed in Fiscal Year 2021-22 tablet and modem update for the dispatch upgrades associated with the County.

All projects listed are funded through future financing, existing cash on hand, or grant funds.

The routine purchase of patrol vehicles is already an approved program that the Council adopted and implemented in 2016. The current strategy is to purchase three new vehicles every other year to smooth costs and keep an up-to-date fleet under warranty and performing well, thus reducing repair expenses (among other benefits). The purchase in FY 2020 is a three year pay off period, as is the one in FY 2022 so cost will continue to be budgeted for several years.

The only new addition to this list is the next iteration of vehicles purchases in FY 2026.

The Office remodel project was pushed off from FY 2021-22 to FY 2022-23 and should be the final stage. Since the original funding of DIF is depleted this is programmed for Measure Q tax revenue as the funding source.

Public Works Department

The Public Works Department has a request for 21 projects and purchases for a total of over $10 million. This is a increase from the prior year five-year projection of 18 projects and over $7 million. However, many of these projects are related to ongoing projects or initiatives already underway.

Of the 20 new projects/purchases added to the total five-year capital improvement plan this year, 11 of them are within the Public Works Department with a total projected expense of just over $3.3 million. The most impactful of these items is the grant awarded work to completed in Roy's Park through several phases. Roy's Park at this point is scheduled for nearly $1.5 million in improvements over the next several years.

The following table displays the full five-year projection for the Public Works Department but one of the most important factors in these projects is the funding status. Currently, some of the largest of the projects on the list remain unfunded (New Corporation Yard). The new corporation yard does not have any realistic prospects yet. The total amount unfunded is approximately $1 million.

PUBLIC WORKS DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Skate Park		7,500				7,500
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard			1,001,000			1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Roy's Park Improvement	196,500					196,500
Skid Steer Loader (Bobcat)	115,000					115,000
Digital Sign		45,000				45,000
Downtown Streetlight Upgrade	40,188					40,188
Freedom Field	2,839,034					2,839,034
TriMax 493 Field Mower	43,943					43,943
Booster Pump & Electrical Panel for Sports Park		200,000				200,000
Liberty Park Trail Improvements		141,000				141,000
Pocket Park Improvements		150,000				150,000
Liberty Park - Phase II				545,000		545,000
Roy's Park - Phase II	775,000					775,000
Roy's Park - Phase III					500,000	500,000
Veteran's Park Improvements					500,000	500,000
Soccer Field Improvements					8,500	8,500
Vacuum Truck	384,500					384,500
Bleachers for Sports Park	59,215					59,215
TOTAL	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380

Summary of the Complete FY 2022-23 Capital Improvement Plan & Budget

The Capital Budget and five-year Capital Projection is an extensive list of projects and capital purchases that have been thoroughly reviewed and prioritized. They have been evaluated by the City Manager and connected to the strategic initiatives and plans of the City. In total, the Capital budget for Fiscal Year 2022-23 is $10,487,462. Including the estimates through Fiscal Year 2026-27, it is a total of $45,703,875 over the five years.

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

Many funding sources will be used and acquired in the process to complete these ambitious objectives across the many funds of the City. A breakdown by fund is summarized below:

CAPITAL PROJECTS BY FUND	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
02 WATER UTILITY	182,333	82,000	365,000	1,255,000	-	1,884,333
03 WATER DEVELOPMENT	-	97,650	276,950	53,000	-	427,600
04 SEWER UTILITY	716,833	4,897,000	21,000	15,000	-	5,649,833
05 SEWER DEVELOPMENT	-	83,250	83,250	-	-	166,500
12 FEDERAL AND STATE GRANTS	1,892,837	3,476,069	4,774,413	1,342,500	-	11,485,819
20 STP	-	-	-	840,000	-	840,000
22 TDA	1,640,188	400,000	-	9,395	241,136	2,290,719
26 MEASURE R FUND	-	75,000	1,925,000	-	-	2,000,000
27 RMRA (SB1) FUND	-	-	75,000	1,085,000	-	1,160,000
31 PARK IMPROVEMENTS	4,010,534	7,500	-	-	-	4,018,034
40 CDBG PROGRAM INCOME	-	333,000	333,000	334,000	-	1,000,000
60 AMERICAN RESCUE PLAN (ARPA)	946,000	1,410,000	-	-	-	2,356,000
71 FIRE DEVELOPER FEES	-	7,000,000	60,000	-	-	7,060,000
103 GENERAL FUND CAPITAL	1,098,737	1,422,300	654,300	580,100	1,609,600	5,365,037
TOTAL	10,487,463	19,283,769	8,567,913	5,513,995	1,850,736	45,703,875

While many of the items requested in the Capital Budget are significant, and some are small equipment purchases, the vast majority of the spending is concentrated in only 15 of 58 projects listed in the Capital Plan. Each of these major projects has an estimated total cost of at least $1,000,000. Each project will also then require a funding source outside of the City's immediate resources such as a grant, street funding allocation, or some type of financing.

LARGEST CAPITAL IMPROVEMENTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Central Fire Station		7,000,000				7,000,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard		500,500	500,500			1,001,000
Freedom Field	2,839,034					2,839,034
TOTAL	8,011,871	17,169,569	7,775,913	4,841,500	-	37,798,853

As mentioned earlier in previous sections of this report, there are several projects that remain unfunded at this time. While this could be as simple as grant funding that has been applied for but not yet awarded, it could also be necessary repairs that there is no level of current funding guaranteed at all.

To summarize, the total unfunded projects by year are listed below. City staff will diligently work to fund these projects and will update City Council with progress toward that end. However, if funding cannot be acquired or not without significant burden or other cost, the projects may be delayed.

UNFUNDED CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Water Storage Tank			18,000	1,240,000		1,258,000
Alley Improvement Construction		875,000				875,000
Solar Plant at WWTP	150,000	4,850,000				5,000,000
Central Fire Station		7,000,000				7,000,000
SCBA Bottle Filling Station			60,000			60,000
Fire Patrol Vehicle				225,000		225,000
New Corporation Yard for Public Works		500,500	500,500			1,001,000
TOTAL	150,000	13,225,500	728,500	2,807,500	-	16,911,500

Ensuring that all projects are appropriately funded to allow for timely execution is a priority. However, there are many factors that contribute to difficulty of making these estimates. Since transactions are constantly occurring, and revenues are not always exact, figuring out what the most accurate figures are can be challenging, much less what they will be in the future.

Continual strategic planning that looks at both short and long-term goals to combat constraints and other challenges is currently underway and will need to become an ongoing commitment to keep this Capital Budget relevant and effective from year to year. This will direct prudent future action to allow the City to function within reasonable means for the long-term benefit of its residents.

Part of this delicate balance of funding is with the new, yet not entirely stable Measure Q funding that the City has through the Cannabis Business Tax. This revenue source props up the General Fund projects that could never happen otherwise. This funding source has brought in less money each quarter for three quarters in a row as of the writing of this report. The future is precarious with these funds but the City is dependent upon them to fund its major capital initiatives.

MEASURE Q CAPITAL COSTS FOR FY 2022-23	AMOUNT
Residential Streetlight Study	$ 50,000
ADA Sidewalk Improvements	$ 25,000
Sports Park Rehabilitation Project	$ 17,000
Skid Steer Loader (Bobcat)	$ 38,334
Sports Park Phase IV - City Match	$ 625,000
TriMax 493 Field Mower	$ 43,943
Bleachers for Sports Park	$ 59,215
Downtown Specific Plan (SB2 Grant)	$ 15,000
General Plan Update	$ 21,000
Housing Element Update	$ 34,000
Patrol Vehicle Replacement (FY20)	$ 38,345
Patrol Vehicle Replacement (FY22)	$ 56,900
Police Office Remodel (Phase 3)	$ 75,000
TOTAL	1,098,737

For review, the entire Capital Budget and Five-Year Projection is attached to this report but the summarized Capital Budget is listed in the table on the following page.

TOTAL CAPITAL BUDGET AND FIVE YEAR PROJECTION	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Admin Vehicle (Air Quality Grant)				43,500		43,500
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Birch Water Line Relocation		35,000	326,000			361,000
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Water Recharge Basin		14,400	193,700			208,100
Update City Standards (LEAP Grant)	65,000					65,000
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
City Hall Parking Lot (Phase 1)		191,000				191,000
City Hall Parking Lot (Phase 2)			17,500	171,100		188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Alley Improvement Construction		875,000				875,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Pavement Management Program: Street Repairs Year 4				9,395	241,136	250,531
Urban Water Management Program				53,000		53,000
Central Fire Station		7,000,000				7,000,000
SCBA Bottle Filling Station			60,000			60,000
Fire Patrol Vehicle				225,000		225,000
Fire Rescue Equipment	38,000					38,000
AEDs for Fire Apparatus	18,000					18,000
Fire Modem & Tablet Update	25,000					25,000
Downtown Specific Plan	90,000					90,000
Zoning Ordinance Update	50,000					50,000
General Plan Update	63,000	126,000	63,000			252,000
Housing Element Update	100,000	15,000				115,000
Patrol Vehicle Replacement (FY20)	38,345					38,345
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)		60,900	60,900	60,900		182,700
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)				64,600	64,600	129,200
Skate Park		7,500				7,500
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard		500,500	500,500			1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Roy's Park Improvement	196,500					196,500
Skid Steer Loader (Bobcat)	115,000					115,000
Digital Sign				45,000		45,000
Downtown Streetlight Upgrade	40,188					40,188
Freedom Field	2,839,034					2,839,034
TriMax 493 Field Mower	43,943					43,943
Booster Pump & Electrical Panel for Sports Park		200,000				200,000
Liberty Park Trail Improvements		141,000				141,000
Pocket Park Improvements		150,000				150,000
Liberty Park - Phase II					545,000	545,000
Roy's Park - Phase II	775,000					775,000
Roy's Park - Phase III					500,000	500,000
Veteran's Park Improvements					500,000	500,000
Soccer Field Improvements		8,500				8,500
Vacuum Truck	384,500					384,500
Bleachers for Sports Park	59,215					59,215
TOTAL	10,487,462	19,283,769	8,567,913	5,513,995	1,850,736	45,703,875

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN:

FISCAL YEAR 2022-2023 THROUGH FISCAL YEAR 2026-2027

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

CAPITAL PROJECTS BY FUND	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
02 WATER UTILITY	182,333	82,000	365,000	1,255,000	-	1,884,333
03 WATER DEVELOPMENT	-	97,650	276,950	53,000	-	427,600
04 SEWER UTILITY	716,833	4,897,000	21,000	15,000	-	5,649,833
05 SEWER DEVELOPMENT	-	83,250	83,250	-	-	166,500
12 FEDERAL AND STATE GRANTS	1,892,837	3,476,069	4,774,413	1,342,500	-	11,485,819
20 STP	-	-	-	840,000	-	840,000
22 TDA	1,640,188	400,000	-	9,395	241,136	2,290,719
26 MEASURE R FUND	-	75,000	1,925,000	-	-	2,000,000
27 RMRA (SB1) FUND	-	-	75,000	1,085,000	-	1,160,000
31 PARK IMPROVEMENTS	4,010,534	7,500	-	-	-	4,018,034
40 CDBG PROGRAM INCOME	-	333,000	333,000	334,000	-	1,000,000
60 AMERICAN RESCUE PLAN (ARPA)	946,000	1,410,000	-	-	-	2,356,000
71 FIRE DEVELOPER FEES	-	7,000,000	60,000	-	-	7,060,000
103 GENERAL FUND CAPITAL	1,098,737	1,422,300	654,300	580,100	1,609,600	5,365,037
TOTAL	10,487,463	19,283,769	8,567,913	5,513,995	1,850,736	45,703,875

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

ADMINISTRATION & FINANCE DEPARTMENTS

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

ADMINISTRATION & FINANCE CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Admin Vehicle (Air Quality Grant)		43,500				43,500
TOTAL	-	43,500	-	-	-	43,500

Project No.	ADM2020-03	**Capital Improvement Plan**
Department:	**Administration**	**Project Request**
Criteria:	**8**	Fiscal Year 2020 CIP
Title:	**Administration Vehicle**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of New Admin Vehicle to replace an aging vehicle. The 2012 Prius used for admin purposes will be 14 years old in 2026 and although it will likely have light use and lower miles compared to normal use it is likely to be time to replace it as older vehicles become more difficult and expensive to maintain.

2. In the past there has been numerous opportunities to get a grant for $20,000 toward the purchase of a hybrid or electric vehicle through the Air Resources Control Board. Although the City does not know if these grants will be available in the future, the City does plan to take advantage of it if they are.

3. The admin vehicle will be of similar make and model to the existing admin vehicle but will depend upon the availability and other market conditions in the auto industry at the time of purchase.

4. Maintenance and Operational costs are expected to be low and consist of mainly fuel costs and some minor maintenance. The purchase will likely include a maintenance package and/or warranty which will allow for minimal expense each year.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle				43,000.00		43,000.00
Other (specify)						-
Total	-	-	-	43,000.00	-	43,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance				500.00	500.00	1,000.00
Total	-	-	-	500.00	500.00	1,000.00

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund				23,000.00	500.00	23,500.00
Other (specify)				20,000.00		20,000.00
Total Funding Sources	-	-	-	43,000.00	500.00	43,500.00
Total Funding Sources	-	-	-	43,000.00	500.00	43,500.00
Total Project Cost	-	-	-	43,500.00	500.00	44,000.00
Total Unfunded	-	-	-	500.00	-	500.00

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

ENGINEERING DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

ENGINEERING CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Birch Water Line Relocation		35,000	326,000			361,000
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Water Recharge Basin		14,400	193,700			208,100
Update City Standards (LEAP Grant)	65,000					65,000
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
City Hall Parking Lot (Phase 1)		191,000				191,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Alley Improvement Construction		875,000				875,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Pavement Management Program: Street Repairs Year 4				9,395	241,136	250,531
Urban Water Management Program				53,000		53,000
TOTAL	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050

Project No.	ENG2020-02	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2020 CIP
Title:	**Central Farmersville Boulevard**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Pavement re-construction of Central Farmersville Boulevard (Visalia Road to Walnut Avenue)
2. Funding – As funds are available. Initial Design and Engineering costs could be supported by local Measure R allocation if other funding sources do not become available. Other project costs are currently unfunded.
3. Road work would include pavement work, curb and gutter as necessary, and required ADA improvements at intersections.
4. Maintenance will be outside of the limits of this CIP Plan.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.			150,000.00	50,000.00		200,000.00
Acquisitions						-
Permits						-
Administration				100,000.00		100,000.00
Construction				950,000.00		950,000.00
Inspection				100,000.00		100,000.00
Contingency				142,500.00		142,500.00
Equip / Vehicle						-
Other (specify)						-
Total	-	-	150,000.00	1,342,500.00	-	1,492,500.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund			150,000.00			150,000.00
Other (specify)						-
Total Funding Sources	-	-	150,000.00	-	-	150,000.00
Total Funding Sources	-	-	150,000.00	-	-	150,000.00
Total Project Cost	-	-	150,000.00	1,342,500.00	-	1,492,500.00
Total Unfunded	-	-	-	1,342,500.00	-	1,342,500.00

Project No.	ENG2020-06	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2020 CIP
Title:	**Birch Water Line Relocation**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Relocation of 700' of 6" water line from between lot lines to Birch Street.
2. Water Funds
3. Includes water line, trenching, abandonment of existing line.
4. Maintenance will be outside of the limits of this CIP Plan.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.		35,000.00				35,000.00
Acquisitions						-
Permits						-
Administration			25,000.00			25,000.00
Construction			240,000.00			240,000.00
Inspection			25,000.00			25,000.00
Contingency			36,000.00			36,000.00
Equip / Vehicle						-
Other (specify)						-
Total	-	35,000.00	326,000.00	-	-	361,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility		35,000.00	326,000.00			361,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	35,000.00	326,000.00	-	-	361,000.00
Total Funding Sources	-	35,000.00	326,000.00	-	-	361,000.00
Total Project Cost	-	35,000.00	326,000.00	-	-	361,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-01	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**Master Plans (Sewer, Water, Storm Drain)**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Update the city's master plans for sewer, water and storm drain.
2. Funding through Sewer & Water Utility
3. Update city's master plans for future development including sewer and water infrastructure, storm drain systems and retention basins.
4. Maintenance will be negligible.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	150,000.00					150,000.00
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	-	-	150,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	75,000.00					75,000.00
Water Utility	75,000.00					75,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	150,000.00
Total Funding Sources	-	-	-	-	-	150,000.00
Total Project Cost	-	-	-	-	-	150,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-02	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Water Recharge Basin**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. New ponding basin (6 feet depth) with designed storage capacity of 15 acre-feet to be constructed at location based on updated Master Plan.
2. Funding through Water Utility Developer Impact Fees.
3. Right of way (3.5 acre ±), excavation & grading, storm drain concrete pipe, fencing, outfall structure.
4. Slope maintenance, sediment control.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.		10,400.00				10,400.00
Acquisitions			35,000.00			35,000.00
Permits						-
Administration		4,000.00	1,200.00			5,200.00
Construction			150,000.00			150,000.00
Inspection			7,500.00			7,500.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	14,400.00	193,700.00	-	-	208,100.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF		14,400.00	193,700.00			208,100.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	14,400.00	193,700.00	-	-	208,100.00
Total Funding Sources	-	14,400.00	193,700.00	-	-	208,100.00
Total Project Cost	-	14,400.00	193,700.00	-	-	208,100.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-03	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Update City Standards**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Update existing city standard plans.
2. Funding split through the LEAP grant that has been awarded to the City.
3. Updated standard plans for sewer, water, street, storm drain and others.
4. Maintenance will be negligible.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	53,000.00					53,000.00
Acquisitions						-
Permits						-
Administration	12,000.00					12,000.00
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	65,000.00	-	-	-	-	65,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	65,000.00					65,000.00
Total Funding Sources	65,000.00	-	-	-	-	65,000.00
Total Funding Sources	65,000.00	-	-	-	-	65,000.00
Total Project Cost	65,000.00	-	-	-	-	65,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-04	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Water Tank Construction**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. New water storage tank to be installed at location determined by updated master plan. Assume 1,000,000 gallon tank.
2. Funding through Water Utility funds.
3. Water tank. Established master plan for determining location.
4. Annual inspections, water testing, on-site maintenance.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.			18,000.00			18,000.00
Acquisitions						-
Permits						-
Administration						-
Construction				1,200,000.00		1,200,000.00
Inspection				40,000.00		40,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	18,000.00	1,240,000.00	-	1,258,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility			18,000.00			18,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-			-	-	18,000.00
Total Funding Sources	-	-	-	-	-	18,000.00
Total Project Cost	-	-	18,000.00	1,240,000.00	-	1,258,000.00
Total Unfunded	-	-	18,000.00	1,240,000.00	-	1,240,000.00

Project No.	ENG2022-05	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Water Well Construction**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Replace existing Well 3 at Corporation Yard with an upgraded system to handle increased city water demand.
2. Funding through Water Utility Funds or a DWR grant if available. ARP funding may also be applied if applicable.
3. Replace the existing well with a larger, deeper system capable of producing 1 MGD. Include 150 KW generator.
4. Water well test reports, annual inspections, pump maintenance.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	77,500.00	15,000.00				92,500.00
Acquisitions						-
Permits						-
Administration	12,500.00	9,000.00				21,500.00
Construction		1,351,000.00				1,351,000.00
Inspection		35,000.00				35,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	90,000.00	1,410,000.00	-	-	-	1,500,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	90,000.00	1,410,000.00				1,500,000.00
Total Funding Sources	90,000.00	1,410,000.00	-	-	-	1,500,000.00
Total Funding Sources	90,000.00	1,410,000.00	-	-	-	1,500,000.00
Total Project Cost	90,000.00	1,410,000.00	-	-	-	1,500,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-06	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**City Hall Parking Lot (Phase 1)**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Improve/ rehab existing AC pavement & drainage elements for City Hall parking lot.

2. Funding through General Fund Capital Fund.

3. Phase 1:

   Initial improvements will be focused primarily at the south end of City Hall within the Police and Fire Department area. The elements included in this phase are:

   a. 1,960 S.Y. Grind & Overlay (within Fire and Police private parking area).
   b. 240 L.F. Valley Gutter
   c. 2,870 S.F. Reinforced Concrete (west entrance replacement, additional concrete slab at south end of building).
   d. 5,162 S.Y. Fog Seal (within public parking area).

4. Maintenance will be negligible once improvements are complete. Planning completed in Fiscal Year 2021-22 but construction delayed until Fiscal Year 2023-24 due to funding constraints.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		181,000.00				181,000.00
Inspection		10,000.00				10,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	191,000.00	-	-	-	213,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		191,000.00				191,000.00
Other (specify)						-
Total Funding Sources	-	191,000.00	-	-	-	191,000.00
Total Funding Sources	-	191,000.00	-	-	-	191,000.00
Total Project Cost	-	191,000.00	-	-	-	213,000.00
Total Unfunded	-	-	-	-	-	22,000.00

Project No.	ENG2022-07	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**City Hall Parking Lot (Phase 2)**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Improve/ rehab existing AC pavement & drainage elements for City Hall parking lot.
2. Funding through General Fund Capital Fund.
3. Phase 2 will include the pavement rehabilitation for the public parking area of City Hall. (5,162 S.Y.)
4. Maintenance will be negligible once improvements are complete.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.			12,000.00			12,000.00
Acquisitions						-
Permits						-
Administration			5,500.00			5,500.00
Construction				162,100.00		162,100.00
Inspection				9,000.00		9,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	17,500.00	171,100.00	-	188,600.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund			17,500.00	171,100.00		188,600.00
Other (specify)						-
Total Funding Sources	-	-	17,500.00	171,100.00	-	188,600.00
Total Funding Sources	-	-	17,500.00	171,100.00	-	188,600.00
Total Project Cost	-	-	17,500.00	171,100.00	-	188,600.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-08	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**Residential Streetlight Study**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Two phase project:
   Phase 1: Conduct a study to evaluate locations for new street lights and determine costs for additional lights.
   Phase 2: Prioritize sites and proceed with installation based on available funds.

2. Phase 1: To be funded by Cannabis Revenue. Estimated cost is $50,000 until formal quotes are acquired. The estimate is referenced in the below tables.

   Phase 2: Unfunded. Cost of project is currently unknown and not included in the below tables.

3. Older residential areas do not meet today's standards on distance between streetlights and causing some areas to be extremely dark. Residents have expressed concern, prompting a review of the current locations and to determine the feasibility of adding more streetlights.

4. There will be an additional cost of approximately $xxx a month for each additional light installed.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration				50,000.00		50,000.00
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	50,000.00	-	50,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund				50,000.00		50,000.00
Other (specify)						-
Total Funding Sources	-	-	-	50,000.00	-	50,000.00
Total Funding Sources	-	-	-	50,000.00	-	50,000.00
Total Project Cost	-	-	-	50,000.00	-	50,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-09	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**PAVEMENT MANAGEMENT PROGRAM - YEAR 1**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Pavement re-construction of roadway based on results from Pavement Management System results
2. Funding – As funds are available.
3. Road work would include pavement work, curb and gutter as necessary, and required ADA improvements at intersections.
4. Maintenance will be outside of the limits of this CIP Plan.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	75,000.00					75,000.00
Acquisitions						-
Permits						-
Administration						-
Construction	1,525,000.00	400,000.00				1,925,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	1,600,000.00	400,000.00	-	-	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA	1,600,000.00	400,000.00				2,000,000.00
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	1,600,000.00	400,000.00	-	-	-	2,000,000.00
Total Funding Sources	1,600,000.00	400,000.00	-	-	-	2,000,000.00
Total Project Cost	1,600,000.00	400,000.00	-	-	-	2,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-10	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**PAVEMENT MANAGEMENT PROGRAM - YEAR 2**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Pavement re-construction of roadway based on results from Pavement Management System results
2. Funding – As funds are available.
3. Road work would include pavement work, curb and gutter as necessary, and required ADA improvements at intersections.
4. Maintenance will be outside of the limits of this CIP Plan.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.		75,000.00				75,000.00
Acquisitions						-
Permits						-
Administration						-
Construction			1,925,000.00			1,925,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	75,000.00	1,925,000.00	-	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R		75,000.00	1,925,000.00			2,000,000.00
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	75,000.00	1,925,000.00	-	-	2,000,000.00
Total Funding Sources	-	75,000.00	1,925,000.00	-	-	2,000,000.00
Total Project Cost	-	75,000.00	1,925,000.00	-	-	2,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-11	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**PAVEMENT MANAGEMENT PROGRAM - YEAR 3**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Pavement re-construction of roadway based on results from Pavement Management System results
2. Funding – As funds are available but likely paid through remaining STP funds and RMRA SB1 funds.
3. Road work would include pavement work, curb and gutter as necessary, and required ADA improvements at intersections.
4. Maintenance will be outside of the limits of this CIP Plan.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.			75,000.00			75,000.00
Acquisitions						-
Permits						-
Administration						-
Construction				1,925,000.00		1,925,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	75,000.00	1,925,000.00	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)			75,000.00	1,085,000.00		1,160,000.00
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)				840,000.00		840,000.00
Total Funding Sources	-	-	75,000.00	1,925,000.00	-	2,000,000.00
Total Funding Sources	-	-	75,000.00	1,925,000.00	-	2,000,000.00
Total Project Cost	-	-	75,000.00	1,925,000.00	-	2,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-12	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Alley Improvements (Construction)**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Project is to construct safe throughways for residents to walk, bike, and obtain access to their garages, backyards, neighbors, and transit center. Alleys will be upgraded to Class III bicycle facilities.

2. Potential funding for construction through CDBG grant.

3. Construction improvements for (8) Alley reconstructions including excavation and earthwork, valley gutter replacement, ADA drive approaches, 8-16 new street lights, storm drain modifications and updated signage and striping.

4. Future maintenance will be required to prevent the improvements from deteriorating to severe conditions.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration		74,700.00				74,700.00
Construction		715,000.00				715,000.00
Inspection		29,300.00				29,300.00
Contingency		54,000.00				54,000.00
Equip / Vehicle						-
Grand Opening		2,000.00				2,000.00
Total	-	875,000.00	-	-	-	875,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	-
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	-	875,000.00	-	-	-	875,000.00
Total Unfunded	-	875,000.00	-	-	-	875,000.00

Project No.	ENG2022-13	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2022 CIP
Criteria:	**4**	
Title:	**Solar Plant Located at WWTP**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Ground-mounted solar system array to supply electrical power to applications at the Farmersville Wastewater Treatments Plant.

2. Potential funding provided through a grant with the DWR for construction, but this application has not been completed yet. Wastewater Utility and/or Cannabis Business Tax funds can be used for the design phase of the project.

3. Solar panels and ground mount structure, excavation/conduit runs, interconnection with SCE coordination.

4. System performance analysis, inverter inspection and maintenance, array inspection and cleaning. Software updates and system calibration will be necessary for max efficiency of solar array.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	150,000.00					150,000.00
Acquisitions						-
Permits						-
Administration						-
Construction		4,850,000.00				4,850,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	150,000.00	4,850,000.00	-	-	-	5,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	-
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	150,000.00	4,850,000.00	-	-	-	5,000,000.00
Total Unfunded	150,000.00	4,850,000.00	-	-	-	5,000,000.00

Project No.	ENG2022-15	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**ADA Sidewalk Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Using the ADA transition plan documents created in 2020, the City will plan, design, and construct/reconstructed sidewalk in some of the areas identified by the study as high need. This first phase will begin with Sector F improvements as identified in the ADA Improvement Plan.

2. The preliminary design and planning phases can be paid with Cannabis Business Tax. Depending upon the cost, scope, and location the construction may be paid for with cannabis business tax or a potential round of funding through the ATP Safe Routes to School funding from CalTrans, if awarded. Original estimate is for $250,000 total budget for a limited scope project. The ADA improvement plan calls for multiple millions of dollars of corrections but will need to be handled in several different projects when funding is available.

3. Primarily focused on repairing, replacing, or creating curb, gutter, and sidewalk to improve access throughout the City. This project is specifically focusing on areas outside of the ADA improvements accompanying surface road repairs.

4. There is no estimate for ongoing operations and maintenance cost at this point until the scope is determined and the new assets are created. Maintenance of the sidewalks is usually minimal and the useful life can be over 20 years.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration	25,000.00					25,000.00
Construction		225,000.00				225,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	25,000.00	225,000.00	-	-	-	250,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	25,000.00					25,000.00
Other (specify)		225,000.00				225,000.00
Total Funding Sources	25,000.00	225,000.00	-	-	-	250,000.00
Total Funding Sources	25,000.00	225,000.00	-	-	-	250,000.00
Total Project Cost	25,000.00	225,000.00	-	-	-	250,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2023-01	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2023 CIP Request
Criteria:	**6**	
Title:	**Hwy 198 Gateway Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Beautification project at Hwy 198 at the offramp areas to represent a gateway to Farmersville. Additionally, a litter campaign will be conducted as well as some downtown improvements. The total cost for this project is estimated at $4,333,906.

2. This project is 100% funded by the Clean California Local Grant Program - Caltrans.

3. Environmental Phase: $123,640
   Encroachment Permit: $51,080
   Design/Engineering: $549,117
   Construction Engineering: $447,515
   Construction (Downtown Improvements): $53,346
   Construction: $3,099,708
   Clean Up Events & Groundbreaking/Ribbon Cutting: $1,000
   Anti Litter Campaign: $2,000
   Anti Litter Signage: $6,500

4. Maintenance will be performed by City.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.	672,757.00					672,757.00
Acquisitions						-
Permits	51,080.00					51,080.00
Administration						-
Construction	1,000,000.00	2,600,569.00				3,600,569.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	9,000.00	500.00				9,500.00
Total	1,732,837.00	2,601,069.00	-	-	-	4,333,906.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)	1,732,837.00	2,601,069.00				4,333,906.00
Total Funding Sources	1,732,837.00	2,601,069.00	-	-	-	4,333,906.00
Total Funding Sources	1,732,837.00	2,601,069.00	-	-	-	4,333,906.00
Total Project Cost	1,732,837.00	2,601,069.00	-	-	-	4,333,906.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2023-02	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2023 CIP Request
Criteria:	**5**	
Title:	**AHSC Ped & Bike Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Bike and pedestrian improvements in the area of Farmersville Blvd between Walnut and Front Streets. Estimated cost is $1,246,175.

2. These improvements are funded by the AHSC grant awarded to Self-Help Enterprises in conjunction with the Los Arroyos housing project and multi-modal hub. This project should be coordinated with the CIP regarding Year 2 Street Project. Period of performance is 6 years per grant guidelines, but official deadline will be stated in the Standard Agreement.

3. This project creates connectivity between the Los Arroyos complex and the future transit center creating a more pedestrian and bike friendly community.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction			1,246,175.00			1,246,175.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total						1,246,175.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)			1,246,175.00			1,246,175.00
Total Funding Sources	-	-	1,246,175.00	-	-	1,246,175.00
Total Funding Sources	-	-	1,246,175.00	-	-	1,246,175.00
Total Project Cost	-	-	1,246,175.00	-	-	1,246,175.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2023-03	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2023 CIP Request
Criteria:	**6**	
Title:	**Multi Modal Hub**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. A Multi Modal Hub, commonly thought of as a transit center, will be centrally located on Front Street off of Farmersville Blvd. Total estimates are being confirmed for design and construction, but there is a current budget of $3,528,238.

2. The Multi Modal Hub is a project that is in partnership with Self Help Enterprises and TCAG. Funding by a AHSC grant in the amount of $3,528,238 is for construction and must be completed within 6 years of award. The fiscal year for construction has not been determined and is just a placeholder for purposes of this CIP. Funding for design will be reviewed with TCAG.

3. A Multi Modal Hub is to support current and future transit needs which could include buses, micro transit, charging stations, and rail.

4. The Multi Modal Hub will need general facility maintenance and can be contracted out or performed by Public Works.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction			3,528,238.00			3,528,238.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	3,528,238.00	-	-	3,528,238.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)			3,528,238.00			3,528,238.00
Total Funding Sources	-	-	3,528,238.00	-	-	3,528,238.00
Total Funding Sources	-	-	3,528,238.00	-	-	3,528,238.00
Total Project Cost	-	-	3,528,238.00	-	-	3,528,238.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2023-04	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2023 CIP Request
Criteria:	**5**	
Title:	**Year 4 Street Project**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Year 4 Street Project is estimated to cost $250,531.
2. This small segment of repairs will be paid from available street funding at the time but likely from TDA / LTF funds as projected by Street Cashflow projections.
3. Year 4 Street Project will include repairs to W. Front Street and include ADA improvements if needed.
4. Ongoing maintenance will be covered by the Public Works Department.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.				9,395.00		9,395.00
Acquisitions						-
Permits						-
Administration						-
Construction					241,136.00	241,136.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	9,395.00	241,136.00	250,531.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA				9,395.00	241,136.00	250,531.00
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	9,395.00	241,136.00	250,531.00
Total Funding Sources	-	-	-	9,395.00	241,136.00	250,531.00
Total Project Cost	-	-	-	9,395.00	241,136.00	250,531.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2023-05	**Capital Improvement Plan Project Request**
Department:	**Engineering**	Fiscal Year 2023 CIP Request
Criteria:	**5**	
Title:	**Urban Water Management Plan**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The Urban Water Management Plan is a comprehensive document detailing how the City handles water in a variety of contexts from safety to stormwater run off and much more. This Plan is required by State Law once a community reaches a certain threshold in population and then is required to be updated routinely thereafter in 2025, 2030, 2035 and so on. The City of Farmersville is projected to near this threshold in the coming years but has not yet. As a proactive approach the City will engage in creating this plan document in the year 2025 to maximize the efficiency of coordinating with the updating schedule.

2. The estimated cost from the City Engineer is projected to be about $53,000 and is eligible to be paid from the Developer Impact Fees specifically for the Water Utility as it directly pertains to expense from growth of the system.

3. The plan will consist of all the State required documentation and various schedules needed to demonstrate the compliance of the City with the plan and State law.

4. The plan will have incremental costs as it is required to be updated on a routine basis set by State Law.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)				53,000.00		53,000.00
Total	-	-	-	53,000.00	-	53,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF				53,000.00		53,000.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	53,000.00	-	53,000.00
Total Funding Sources	-	-	-	53,000.00	-	53,000.00
Total Project Cost	-	-	-	53,000.00	-	53,000.00
Total Unfunded	-	-	-	-	-	-

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

FIRE DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

FIRE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Fire Station		7,000,000				7,000,000
SCBA Bottle Filling Station			60,000			60,000
Fire Patrol Vehicle				225,000		225,000
Fire Rescue Equipment	38,000					38,000
AEDs for Fire Apparatus	18,000					18,000
Fire Modem & Tablet Update	25,000					25,000
TOTAL	81,000	7,000,000	60,000	225,000	-	7,366,000

Project No.	FRE2020-05	**Capital Improvement Plan**
Department:	**FIRE**	**Project Request**
Criteria:	**5**	Fiscal Year 2020 CIP
Title:	**Central Fire Station**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. A new fire station should be constructed in the central part of town to meet ISO requirements for response distances, to improve response times and meet current safety and operational standards. The current facility is makeshift at best and was the least recommended location as contained in the 1997 Quad Fire Station Study. The current location has been in use since 1998. The recommendation is to scrap the ($3.2 mil.) RRM design completed in 2007 and change scope to a pre-engineered structure with less site work.

   The optimal need is for a 7500 square foot facility per fire station design guidelines and needs assessment. At minimum the FFD could operate in a 6000-7000 square foot facility. Cost is estimated at 160-174 dollars/sq ft at prevailing wage as a public works project.

   Currently the FFD operates out of a dedicated space of 3509 sq ft and 1621 sq ft of shared space for a total of 5130 sq ft.

2. Currently there are no funding sources identified and the projected year may change. This project will need to be revised to show design costs and updated timeline.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)		7,000,000.00				7,000,000.00
Total	-	7,000,000.00	-	-	-	7,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	-
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	-	7,000,000.00	-	-	-	7,000,000.00
Total Unfunded	-	7,000,000.00	-	-	-	7,000,000.00

Project No.	FRE2021-03	**Capital Improvement Plan Project Request**
Department:	**FIRE**	Fiscal Year 2021 CIP
Criteria:	**6**	
Title:	**SCBA Bottle Filling Station**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of an SCBE Bottle Filling Station. Estimated purchase price is $60,000.
2. The SCBA Bottle Filling Station is for fire department use, would be a new capability for the fire department that we currently rely on Tulare County or CDF for. This purchase would be eligible for DIF funds.
3. An SCBA Filling Station would eliminate our reliance on using Tulare County Fire or CDF to fill our air bottles for our fire fighters and allow this to be done in a more timely and efficient fashion. The City Manager has determined that a is in line with the vision of the Council for the next 5 years.
4. There is an estimated useful life of about 10 to 15 years.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle			60,000.00			60,000.00
Other (specify)						-
Total	-	-	60,000.00	-	-	60,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	-
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	-	-	60,000.00	-	-	60,000.00
Total Unfunded	-	-	60,000.00	-	-	60,000.00

Project No.	FRE2022-05
Department:	**Fire**
Criteria:	**6**
Title:	**Fire Patrol Vehicle**

Capital Improvement Plan
Project Request
Fiscal Year 2022 CIP

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of Patrol. Estimated purchase price is $225,000.

2. This apparatus will replace the existing aging Patrol that has reached the end of its useful service life. A funding source has not yet been identified for this project.

3. The Patrol is a vital piece of the fire department fleet of apparatus. It fills a segment of response type that is necessary in order to meet NFPA recommendations and aids in the department's ability to respond to all manner of emergency response types. This Patrol is in line with the Vision and Goals of the Council providing a complete level of public safety response to the community.

4. The Patrol has an estimated front line service life of 10 years and an additional service life as backup apparatus of another 5 years for a total of 15 years of service (2014 Ram).

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle				225,000.00		225,000.00
Other (specify)						-
Total	-	-	-	225,000.00	-	225,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF				225,000.00		225,000.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	225,000.00	-	225,000.00
Total Funding Sources	-	-	-	225,000.00	-	225,000.00
Total Project Cost	-	-	-	225,000.00	-	225,000.00
Total Unfunded	-	-	-	-		-

Project No.	FRE2023-01	**Capital Improvement Plan Project Request**
Department:	**Fire**	Fiscal Year 2023 CIP Request
Criteria:	**1**	
Title:	**Holmatro Rescue Equipment**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of Holmatro Rescue Equipment. Estimated purchase price is $38,000.

2. Holmatro Rescue Equipment is for use by the fire department for technical rescue of pin ins and entrapped victims of vehicle, industrial, and natural disaster incidents. This purchase, although a replacement of existing equipment that is beyond its service life, would provide enhanced capabilities for the fire department when engaged in rescue operations. As a result of this it would be eligible for DIF funds if available. In the alternative, cannabis funds could also be used for this purchase and if necessary, this could be funded through the general fund.

3. Current equipment is no longer serviceable by the manufacturer making this a necessary and essential purchase. This purchase is line with the vision of the Council of enhancing public safety capabilities for the next 5 years.

4. The Holmatro Rescue Equipment has an estimated useful life of about 15 years.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	38,000.00					38,000.00
Other (specify)						-
Total	38,000.00	-	-	-	-	38,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q	38,000.00					
General Fund						-
Other (specify)						-
Total Funding Sources	38,000.00	-	-	-	-	-
Total Funding Sources	38,000.00	-	-	-	-	-
Total Project Cost	38,000.00	-	-	-	-	38,000.00
Total Unfunded	-	-	-	-	-	38,000.00

Project No.	FRE2023-02	**Capital Improvement Plan Project Request**
Department:	**Fire**	Fiscal Year 2023 CIP Request
Criteria:	**1**	
Title:	**ZOL AED's**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of six (6) ZOL AED's. Estimated purchase price is $3000 each for a total purchase price of $18,000.

2. The ZOL AED's are for use on each piece of fire apparatus and are for use during response to medical emergencies. Existing equipment has reached the end of its serviceable life and the transition to ZOL would enhance our response capabilities as well as alleging us with equipment used by current EMS providers in Tulare County. The switch to ZOL also provides the ability to have the EMS agencies to provide us with replacement AED pads eliminating our need to purchase replacements. Although this replaces existing, unserviceable equipment, it also enhances our abilities making it an eligible DIF purchase. In the alternative this is in line with the spirit of Measure Q public safety enhancements promised to the public or could also be purchased with General Fund resources.

3. The ZOL AED's are a vital piece of rescue equipment that enhances the Fire departments ability to effectively respond to medical emergencies or to treat public safety personnel that may be having a medical emergencies. This purchase is in line with the vision of the Council for enhancing public safety response capabilities as well as the spirit of Measure Q that was adopted by the public with the understanding that it would be used primarily for Public Safety with a portion going towards recreation.

4. The ZOL AED's have an estimated useful life of about 10 years.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	18,000.00					18,000.00
Other (specify)						-
Total	18,000.00	-	-	-	-	18,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q	18,000.00					
General Fund						-
Other (specify)						-
Total Funding Sources	18,000.00	-	-	-	-	-
Total Funding Sources	18,000.00	-	-	-	-	-
Total Project Cost	18,000.00	-	-	-	-	18,000.00
Total Unfunded	-	-	-	-	-	18,000.00

Project No.	FRE2023-03	**Capital Improvement Plan**
Department:	**Fire Department**	**Project Request**
Criteria:	**1**	Fiscal Year 2023 CIP Request
Title:	**Modem/Tablet Project**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase of 6 Cradlepoint vehicle modems, 6 Getac tablets, and associated mounting hardware allowing the Fire Department to fully utilize the Spilman dispatch and RMS system being implemented by Tulare County in the 2023 budget year.

2. The purchase of these modems/tablets is specifically for use by the Farmersville Fire Department as they will be mounted in fire apparatus. Appropriate funding sources for this project would be DIF, ARPA, or General Fund.

3. The modem/tablet project will keep the Fire Department current with allied agencies and with our contract dispatch service through Tulare County. It will allow for multiple additional tools through voiceless communications with dispatch, GPS mapping, in vehicle reporting capabilities etc. The City Manager has determined this project is in line with the vision of the Council in supporting public safety for the next 5 years.

4. The modem/tablet project will require an annual subscription for the Cradlepoint modems that will be assumed as an operational expense through the current general fund operations budget.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	30,000.00					30,000.00
Other (specify)						-
Total	30,000.00	-	-	-	-	30,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund						-
Other (specify)	30,000.00					30,000.00
Total Funding Sources	30,000.00	-	-	-	-	30,000.00
Total Funding Sources	30,000.00	-	-	-	-	30,000.00
Total Project Cost	30,000.00	-	-	-	-	30,000.00
Total Unfunded	-	-	-	-	-	-

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

PLANNING DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

PLANNING DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Downtown Specific Plan	90,000					90,000
Zoning Ordinance Update	50,000					50,000
General Plan Update	63,000	126,000	63,000			252,000
Housing Element Update	100,000	15,000				115,000
TOTAL	303,000	141,000	63,000	-	-	507,000

Project No.	PLN2020-01	**Capital Improvement Plan**
Department:	**Planning**	**Project Request**
Criteria:	**7**	Fiscal Year 2020 CIP
Title:	**Downtown Specific Plan (SB2 Grant)**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. A Downtown Specific Plan needs to be developed.

2. Total project cost is $130,000. Project will be paid from several sources; $85,000 from SB2 grant, and the balance will be shared by the enterprise funds.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	90,000.00					90,000.00
Total	90,000.00	-	-	-	-	90,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	15,000.00					15,000.00
Water Utility	15,000.00					15,000.00
General Fund	15,000.00					15,000.00
Other (specify)	45,000.00					45,000.00
Total Funding Sources	90,000.00	-	-	-	-	90,000.00
Total Funding Sources	90,000.00	-	-	-	-	90,000.00
Total Project Cost	90,000.00	-	-	-	-	90,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PLN2020-02	**Capital Improvement Plan**
Department:	**Planning**	**Project Request**
Criteria:	**7**	Fiscal Year 2020 CIP
Title:	**Comprehensive Zoning Ordinance Update (SB2 Grant)**	
		REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. A Comprehensive Zoning Ordinance Update needs to be done and should coincide with the General Plan Update.

2. Funding for the Update can be taken from the General Fund and Enterprise Funds but will now be funded by SB2 ($75,000).

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	50,000.00					50,000.00
Total	50,000.00	-	-	-	-	50,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	50,000.00					50,000.00
Total Funding Sources	50,000.00	-	-	-	-	50,000.00
Total Funding Sources	50,000.00	-	-	-	-	50,000.00
Total Project Cost	50,000.00	-	-	-	-	50,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PLN2020-03	**Capital Improvement Plan Project Request**
Department:	**Planning**	Fiscal Year 2020 CIP
Criteria:	**7**	
Title:	**Comprehensive General Plan Update & Env Impact Report**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The General Plan was adopted and prepared for a 20 year period covering the City's growth up to 2025. Updating a general plan can take a couple of years so the process should begin in FY 2021-22.

2. Funding for the General Plan can be taken from the General Fund and Enterprise Funds. The City was awarded $111,609 of State funds through the REAP grant program administered by TCAG. This will help to offset the total project cost of this project of $252,000.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	63,000.00	126,000.00	63,000.00			252,000.00
Total	63,000.00	126,000.00	63,000.00	-	-	252,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	21,000.00	42,000.00	21,000.00			84,000.00
Water Utility	21,000.00	42,000.00	21,000.00			84,000.00
General Fund	21,000.00	42,000.00	21,000.00			84,000.00
Other (specify)						-
Total Funding Sources	63,000.00	126,000.00	63,000.00	-	-	252,000.00
Total Funding Sources	63,000.00	126,000.00	63,000.00	-	-	252,000.00
Total Project Cost	63,000.00	126,000.00	63,000.00	-	-	252,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PLN2023-01	**Capital Improvement Plan Project Request**
Department:	**Planning**	Fiscal Year 2023 CIP Request
Criteria:	**2**	
Title:	**Housing Element**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Update to City of Farmersville Housing Element. Estimated cost is $115,000 if no other jurisdictions participate. City staff are working with other local cities to coordinate a Multi-Jurisdictional Housing Element by hiring a single consultant in order to reduce cost for this project.

2. This project will be paid from several sources including the General Fund and Enterprise Funds.

3. Because of numerous changes to Housing Element law, the cost and complexity of preparing a Housing Element has increased significantly. Housing Elements are required every eight years and for Tulare County cities it will be due on December 31, 2023. The project will begin in FY 2023 and conclude in FY 2024.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	100,000.00	15,000.00				115,000.00
Total	100,000.00	15,000.00	-	-	-	115,000.00
Operations & Maint						
FTE Costs						-
Operations						
Maintenance						
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	34,000.00	5,000.00				39,000.00
Water Utility	33,000.00	5,000.00				38,000.00
Measure Q						
General Fund	33,000.00	5,000.00				38,000.00
Other (specify)						-
Total Funding Sources	100,000.00	15,000.00	-	-	-	115,000.00
Total Funding Sources	100,000.00	15,000.00	-	-	-	115,000.00
Total Project Cost	100,000.00	15,000.00	-	-	-	115,000.00
Total Unfunded	-	-	-	-	-	-

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

POLICE DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

POLICE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Patrol Vehicle Replacement (FY20)	38,345					38,345
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)		60,900	60,900	60,900		182,700
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)				64,600	64,600	129,200
TOTAL	170,245	117,800	117,800	125,500	64,600	595,945

Project No.	POL2020-04	**Capital Improvement Plan**
Department:	**Police**	**Project Request**
Criteria:	**8**	Fiscal Year 2020 CIP
Title:	**Vehicle Replacement Program for 2019/2020 Fiscal Yer**	
		REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The Police Department Vehicle Replacement Program was adopted by council a number of years ago
2. It calls for the replacement of three (3) Police Patrol vehicles every other year
3. The 2019/2020 Fiscal Year is a vehicle purchase year for the program
4. For the purchase year the department intends to replace three Dodge chargers with the purchase of two new Dodge Chargers and one new Dodge Durango for use by one of the departments K9 Teams.
5. The vehicles will be purchased fully equipped and with extended warranties
6. This will be done under a lease purchase program over a three year term

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	38,345.00					38,345.00
Other (specify)						-
Total	38,345.00	-	-	-	-	38,345.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	38,345.00					38,345.00
Other (specify)						-
Total Funding Sources	38,345.00	-	-	-	-	38,345.00
Total Funding Sources	38,345.00	-	-	-	-	38,345.00
Total Project Cost	38,345.00	-	-	-	-	38,345.00
Total Unfunded	-	-	-	-	-	-

Project No.	POL2020-05	**Capital Improvement Plan**
Department:	**Police**	**Project Request**
Criteria:	**8**	Fiscal Year 2020 CIP
Title:	**Vehicle Replacement Program for 2021/2022 Fiscal Yer**	
		REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The Police Department Vehicle Replacement Program was adopted by council a number of years ago
2. It calls for the replacement of three (3) Police Patrol vehicles every other year
3. The 2021/2022 Fiscal Year is a vehicle purchase year for the program
4. For the purchase year the department intends to replace three Dodge chargers with the purchase of three new Dodge Chargers.
5. The vehicles will be purchased fully equipped and with extended warranties
6. This will be done under a lease purchase program over a three year term

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	56,900.00	56,900.00	56,900.00			170,700.00
Other (specify)						-
Total	56,900.00	56,900.00	56,900.00	-	-	170,700.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	56,900.00	56,900.00	56,900.00			170,700.00
Other (specify)						-
Total Funding Sources	56,900.00	56,900.00	56,900.00	-	-	170,700.00
Total Funding Sources	56,900.00	56,900.00	56,900.00	-	-	170,700.00
Total Project Cost	56,900.00	56,900.00	56,900.00	-	-	170,700.00
Total Unfunded	-	-	-	-	-	-

Project No.	POL2020-06	**Capital Improvement Plan**
Department:	**Police**	**Project Request**
Criteria:	**8**	Fiscal Year 2020 CIP
Title:	**Vehicle Replacement Program for 2023/2024 Fiscal Yer**	
		REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The Police Department Vehicle Replacement Program was adopted by council a number of years ago
2. It calls for the replacement of three (3) Police Patrol vehicles every other year
3. The 2023/2024 Fiscal Year is a vehicle purchase year for the program
4. For the purchase year the department intends to replace three Dodge chargers with the purchase of three new Dodge Chargers.
5. The vehicles will be purchased fully equipped and with extended warranties
6. This will be done under a lease purchase program over a three year term

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle		60,900.00	60,900.00	60,900.00		182,700.00
Other (specify)						-
Total	-	60,900.00	60,900.00	60,900.00	-	182,700.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		60,900.00	60,900.00	60,900.00		182,700.00
Other (specify)						-
Total Funding Sources	-	60,900.00	60,900.00	60,900.00	-	182,700.00
Total Funding Sources	-	60,900.00	60,900.00	60,900.00	-	182,700.00
Total Project Cost	-	60,900.00	60,900.00	60,900.00	-	182,700.00
Total Unfunded	-	-	-	-	-	-

Project No.	POL2022-02	**Capital Improvement Plan**
Department:	**Police**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**PD Office Remodel (Phase 3)**	**REVISED**

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Phase III of the Police Department remodel project. Estimated purchase price is $50,000.
2. The Phase III police Department Remodel can be funded out of Cannabis Specific Revenue which fits within the intent of the language in the tax measure indicating that public safety be one of the primary expenditures for that revenue source.
3. The Phase III Police Department remodel project encompasses the front reception area, records room, Chief's office, Commander's office and the restroom and shower room which is utilized by both the police and fire staff. The project adds a level of security as well as dramatically increasing functionality of the spaces.
4. The total cost includes construction, fixtures, flooring, and furniture from the public works department and various venders.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	75,000.00					75,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	75,000.00	-	-	-	-	75,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	75,000.00					75,000.00
Other (specify)						-
Total Funding Sources	75,000.00	-	-	-	-	75,000.00
Total Funding Sources	75,000.00	-	-	-	-	75,000.00
Total Project Cost	75,000.00	-	-	-	-	75,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	POL2022-03	**Capital Improvement Plan Project Request**
Department:	**Police**	Fiscal Year 2022 CIP
Criteria:	**8**	
Title:	**Vehicle Replacement Program for 2026 Fiscal Year**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The Police Department Vehicle Replacement Program was adopted by council a number of years ago
2. It calls for the replacement of three (3) Police Patrol vehicles every other year
3. The 2024/2026 Fiscal Year is a vehicle purchase year for the program
4. For the purchase year the department intends to replace three Dodge chargers with the purchase of three new Dodge Chargers.
5. The vehicles will be purchased fully equipped and with extended warranties
6. This will be done under a lease purchase program over a three year term

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle				64,600.00	64,600.00	129,200.00
Other (specify)						-
Total	-	-	-	64,600.00	64,600.00	129,200.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund				64,600.00	64,600.00	129,200.00
Other (specify)						-
Total Funding Sources	-	-	-	64,600.00	64,600.00	129,200.00
Total Funding Sources	-	-	-	64,600.00	64,600.00	129,200.00
Total Project Cost	-	-	-	64,600.00	64,600.00	129,200.00
Total Unfunded	-	-	-	-	-	-

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2022-2023

PUBLIC WORKS DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Administration		43,500				43,500
Engineering	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050
Fire	81,000	7,000,000	60,000	225,000	-	7,366,000
Planning	303,000	141,000	63,000	-	-	507,000
Police	170,245	117,800	117,800	125,500	64,600	595,945
Public Works	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380
TOTAL	10,487,462	18,880,769	9,222,013	5,799,395	1,314,236	45,703,875

PUBLIC WORKS DEPARTMENT CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Skate Park		7,500				7,500
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,600,000					1,600,000
New Corporation Yard			1,001,000			1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Roy's Park Improvement	196,500					196,500
Skid Steer Loader (Bobcat)	115,000					115,000
Digital Sign		45,000				45,000
Downtown Streetlight Upgrade	40,188					40,188
Freedom Field	2,839,034					2,839,034
TriMax 493 Field Mower	43,943					43,943
Booster Pump & Electrical Panel for Sports Park		200,000				200,000
Liberty Park Trail Improvements		141,000				141,000
Pocket Park Improvements		150,000				150,000
Liberty Park - Phase II				545,000		545,000
Roy's Park - Phase II	775,000					775,000
Roy's Park - Phase III					500,000	500,000
Veteran's Park Improvements					500,000	500,000
Soccer Field Improvements					8,500	8,500
Vacuum Truck	384,500					384,500
Bleachers for Sports Park	59,215					59,215
TOTAL	6,070,380	884,500	1,348,000	879,000	1,008,500	10,190,380

Project No.	PBW2020-04	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**6**	Fiscal Year 2020 CIP
Title:	**JENNINGS PARK REMODEL - CDBG 2018 PROGRAM INCOME**	
		REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Convert Jennings Park from a ballfield to a family park. Park would include a playground, playground seating, circular sidewalk, picnic tables, restroom, bar-b-que grills and trees. Staff is looking at spending up to $1,000,000 depending on funding.

2. Park conversion is not eligible for DIF or any other restricted funds. Therefore staff is applying to use Program Income from CDBG if awarded as a supplemental activity through CDBG 2018 grant.

3. Jennings park essentially is not used. Conversion of this park from a ball field to a family park will provide residents with more family oriented leisure.

4. Currently the park receives little usage. Park maintenance is anticipated to remain the same.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)		333,000.00	333,000.00	334,000.00		1,000,000.00
Total	-	333,000.00	333,000.00	334,000.00	-	1,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		-				-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)		333,000.00	333,000.00	334,000.00		1,000,000.00
Total Funding Sources	-	333,000.00	333,000.00	334,000.00	-	1,000,000.00
Total Funding Sources	-	333,000.00	333,000.00	334,000.00	-	1,000,000.00
Total Project Cost	-	333,000.00	333,000.00	334,000.00	-	1,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2020-13	**Capital Improvement Plan Project Request**
Department:	**PUBLIC WORKS**	Fiscal Year 2020 CIP
Criteria:	**4**	
Title:	**SPORTS PARK PHASE III**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The proposed Farmersville Community Park, Phase III – The Sequoia Gateway Area will consist of an amphitheater/outdoor classroom and a playground. The amphitheater will have a concrete stage, a natural sloped seating area, and basic amenities to facilitate public events and small concerts. This space will double as an outdoor classroom with a weather station and include a schoolhouse pavilion. The nature-themed playground will incorporate elements reflected in nature such as rock-shaped boulders. There will be outdoor exercise equipment, a walking path, bench seating, and age-appropriate information panels. This project will serve a community classified as a 'severely disadvantaged community'.

2. State of California Natural Resources Agency (CNRA), Cultural, Community and Natural Resources Grant Program (CCNR)

3. 1,908,206 grant funds, 10,000 city funds, and 10,640 in-kind staff hours

4. Expanded park will likely require an entire FTE to maintain on top of other costs related to parts and materials.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration	321,667.00					321,667.00
Construction	1,278,333.00					1,278,333.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	1,600,000.00	-	-	-	-	1,600,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	10,000.00					10,000.00
Other (specify)	1,590,000.00					1,590,000.00
Total Funding Sources	1,600,000.00	-	-	-	-	1,600,000.00
Total Funding Sources	1,600,000.00	-	-	-	-	1,600,000.00
Total Project Cost	1,600,000.00	-	-	-	-	1,600,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2020-21	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2020 CIP
Title:	**New Corporation Yard**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

Replacement or expansion of existing public works yard that is too small and using antiquated technology facilities. Planning is still under way but it is anticipated that the cost would be over $1,000,000 with the purchase of land and other upgrades to equipment, infrastructure and facilities.

Partial payment from DIF funds is appropriate and will eliminate some of the General Fund exposure to cost.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions			150,000.00			150,000.00
Permits						-
Administration						-
Construction			851,000.00			851,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	1,001,000.00	-	-	1,001,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	-	-
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	-	-	1,001,000.00	-	-	1,001,000.00
Total Unfunded	-	-	1,001,000.00	-	-	1,001,000.00

Project No.	PBW2020-23	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2020 CIP
Title:	**FARMERSVILLE SPORTS REHAB PROJECT**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. The existing Farmersville Sports Park Trail is in need of significant landscape refurbishment. The initial funding agency denied the installation of hard plumb irrigation as requested by this office, and mandated the installation of a drip irrigation system. As a result, pest rodents have decimated the drip system chewing holes in the tubing which ultimately has caused flood irrigation of the surrounding landscape, allowing weeds to overtake all areas of the walking trail.

   The subsequent time public works personnel must dedicate to maintain the walking trail is impractical, unproductive and not cost effective over the long-term.

2. This project would commence with the refurbishment of single zones along the trail over the course of several years. Refurbishment includes installation of hard plumb irrigation, landscape fabric (AKA… weed barrier) and rubber mulch. This combination will significantly reduce operation and maintenance costs over the long term.

3. Refurbishment is estimated between $8,000.00 – 17,000.00 per zone and will be paid solely from the General Fund unless other funding sources become available.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	17,000.00	8,000.00	14,000.00			39,000.00
Total	17,000.00	8,000.00	14,000.00	-	-	39,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	17,000.00	8,000.00	14,000.00			39,000.00
Other (specify)						-
Total Funding Sources	17,000.00	8,000.00	14,000.00	-	-	39,000.00
Total Funding Sources	17,000.00	8,000.00	14,000.00	-	-	39,000.00
Total Project Cost	17,000.00	8,000.00	14,000.00	-	-	39,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2021-02	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**8**	Fiscal Year 2021 CIP
Title:	**Roys Park Improvements - Phase I**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Upgrade amenities at Roys Park. Estimated cost is $196,500. The details of the costs have not been identified yet.

2. The City will be receiving $178,000 from the Per Capita Program funded by Prop 68. Farmersville Kiwanis Club has also expressed interest in donating up to $10,000 for ADA accessible equipment. Irrigation upgrades have been budgeted for $8,500 and will be funded by Fund 31.

3. Improvements will include ADA accessible sidewalks, new playground equipment, shade structures, additional picnic tables, improve/replace current arbors, improve restroom, and irrigation upgrades.

4. Roys Park is currently maintained by Public Works and these improvements will not have a significant impact on ongoing operations and maintenance.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	196,500.00					196,500.00
Total	196,500.00	-	-	-	-	196,500.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	8,500.00					8,500.00
Other	188,000.00					188,000.00
Total Funding Sources	196,500.00	-	-	-	-	196,500.00
Total Funding Sources	196,500.00	-	-	-	-	196,500.00
Total Project Cost	196,500.00	-	-	-	-	196,500.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2021-03	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2021 CIP
Title:	**Skid Steer Loader (Bobcat)**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Estimated purchase one Bobcat Skid-steer loader – S595 T4 $115,000.
2. The Bobcat is eligible to be paid for with multiple funds. Therefore, it will not be paid solely from the General Fund.
3. Trailer to haul the equipment will need to be purchased separately.
4. Ongoing operations and maintenance expense will be minimal.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	115,000.00					115,000.00
Other (specify)						-
Total	115,000.00	-	-	-	-	115,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	38,333.00					38,333.00
Water Utility	38,333.00					38,333.00
General Fund	38,334.00					38,334.00
Other (specify)						-
Total Funding Sources	115,000.00	-	-	-	-	115,000.00
Total Funding Sources	115,000.00	-	-	-	-	115,000.00
Total Project Cost	115,000.00	-	-	-	-	115,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2021-07	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**6**	Fiscal Year 2021 CIP
Title:	**Digital Message Sign**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. A digital message sign along Farmersville Blvd at Veterans Park to announce upcoming meetings and community events.

2. This purchase will use General Fund and Enterprise Funds. The cost can vary from $10,000 to $100,000 depending on the size and style. Staff has received a quote of $30,000 to $40,000 based on general discussions. This amount could vary once a specific sign is designed.

3. The sign would need to be purchased as well as the material for the base, which could be a metal stand, brick, or stone and the total cost will be impacted by this too.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle				40,000.00		40,000.00
Material				5,000.00		5,000.00
Total		-	-	45,000.00	-	45,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility				15,000.00		15,000.00
Water Utility				15,000.00		15,000.00
General Fund				15,000.00		15,000.00
Other						-
Total Funding Sources	-	-	-	45,000.00	-	45,000.00
Total Funding Sources	-	-	-	45,000.00	-	45,000.00
Total Project Cost		-	-	45,000.00	-	45,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2022-02	**Capital Improvement Plan Project Request**
Department:	**PUBLIC WORKS**	Fiscal Year 2022 CIP
Criteria:	**5**	
Title:	**DOWNTOWN STREETLIGHT UPGRADE**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Downtown lighting has been deficient due to lack of adequate streetlighting. This project will mitigate those issues.

2. City Council has requested streetlight improvements for the downtown area. The costs to convert the existing High Pressure Sodium Mission Bell fixtures to an LED is:

   a. $25,000 for fourteen (14) LED Mission Bell Light Fixtures (not including SCE labor).
   b. $2,688 for fourteen (14) TAP devices for streetlight mounted decorations.
   c. $196 for ongoing monthly fee for the TAP devices. A total of $2,352 per year fee.
   d. Estimate for SCE labor is an additional $12,500.

3. More accurate quote information is only available from SCE with an actual work order.

4. No information on going operations and maintenance costs outside of TAP device fees.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	40,188.00					40,188.00
Total	40,188.00	-	-	-	-	40,188.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA	40,188.00					40,188.00
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	40,188.00	-	-	-	-	40,188.00
Total Funding Sources	40,188.00	-	-	-	-	40,188.00
Total Project Cost	40,188.00	-	-	-	-	40,188.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2022-04	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Freedom Field**	REVISED

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Design and construction of Freedom Field, Phase 4 of the sports park. Estimated cost is $2,249,034 plus annual maintenance.

2. Urban Greening Grant will fund $1,994,034. The City's match of $255,000 will be funded by the Cannabis Business Tax ($250,000 for parking lot and $5,000 for grand opening). The City will also need to provide an additional $370,000 in Cannabis Business Tax funds to additional upgrades and cost increases related to the high inflationary trends in the economy currently. Additional costs due to supply chain issues and changes to the scope will also require an additional $400,000 in funds from the Park Improvement Fund.

3. This is in line with the master plan for the sports park and will add approximately 2.33 acres. Features will include a 1.5 acre turf area, picnic shelters, a tot lot, walking trails, shrubs, trees, a plaza for community events, and an ADA accessible parking lot with drop off zones.

4. Maintenance and operations will be managed by the Public Works Department. Projected costs have not been calculated.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.	13,000.00					13,000.00
Acquisitions						-
Permits	5,000.00					5,000.00
Administration	97,000.00					97,000.00
Construction	2,537,759.00					2,537,759.00
Inspection						-
Contingency	181,275.00					181,275.00
Equip / Vehicle						-
Other (Grand Open	5,000.00					5,000.00
Total	2,839,034.00	-	-	-	-	2,839,034.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	1,025,000.00					1,025,000.00
Other (specify)	1,814,034.00					1,814,034.00
Total Funding Sources	2,839,034.00	-	-	-	-	2,839,034.00
Total Funding Sources	2,839,034.00	-	-	-	-	2,839,034.00
Total Project Cost	2,839,034.00	-	-	-	-	2,839,034.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-01	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**3**	
Title:	**TRIMAX 493 FIELD MOWER**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase a Trimax 493 field mower to replace our existing field mower. Quoted purchase price is $43,942.87.

2. Our Landpride AFM4016 field mower was purchased in June 2006. In 2020, we opted to extend the life of the mower and replaced the major components at a cost of $4,500.00 to allow us to perform research for a replacement. Since that time, we have had other components fail and I have decided this mower needs to be retired.

3. The Trimax 493 is a superior mower compared to the landpride. It was designed with less moving parts, which will result in less maintenance and repair costs. The mower will strictly be utilized for park maintenance and therefore it will solely be funded by the General Fund. It has an estimated useful lifespan of about 20-25 years.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	43,943.00					43,943.00
Other (specify)						-
Total	43,943.00	-	-	-	-	43,943.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						
General Fund	43,943.00					43,943.00
Other (specify)						-
Total Funding Sources	43,943.00	-	-	-	-	43,943.00
Total Funding Sources	43,943.00	-	-	-	-	43,943.00
Total Project Cost	43,943.00	-	-	-	-	43,943.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-02	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**4**	
Title:	**Booster Pump & Electrical Panel**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Purchase and installation of booster pump and electrical panel for Sports Park. Current estimates are $75,000 for the booster pump and $125,000 for the electrical panel. This equipment will be installed at the north end of the park near Walnut. This does not include the cost to install and run the power to various locations in the park. Estimates will be provided along with lighting costs as installation is needed.

2. This project will need to be paid for from Measure Q and is scheduled for FY 2023-24.

3. This equipment will provide better water pressure and more efficient watering at the Sports Park which is becoming a higher need as additional phases have been added. Electricity is needed for future lights in the ball fields, so this will provide the source for that power. This request is in line with the vision of the Council for the next 5 years.

4. Standard maintenance will be performed by the Public Works Department and incorporated into the annual operations budget.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle		200,000.00				200,000.00
Other (specify)						-
Total	-	200,000.00	-	-	-	200,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q		200,000.00				200,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	200,000.00	-	-	-	200,000.00
Total Funding Sources	-	200,000.00	-	-	-	200,000.00
Total Project Cost	-	200,000.00	-	-	-	200,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-03	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2023 CIP Request
Title:	**Liberty Park Trail Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Replace and install new trail at Liberty Park. Estimated cost is $141,000 for a concrete walkway.
2. City staff is looking into funding opportunities through TCAG. Otherwise, this project will need to be paid from the General Fund or more specifically Measure Q.
3. Improvements to the Liberty Park trail came at the request of City Council.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		141,000.00				141,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	141,000.00	-	-	-	141,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q		141,000.00				141,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	141,000.00	-	-	-	141,000.00
Total Funding Sources	-	141,000.00	-	-	-	141,000.00
Total Project Cost	-	141,000.00	-	-	-	141,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-04	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2023 CIP Request
Title:	**Pocket Park Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Improvements to Pocket Park on North Steven Ave. Estimated cost is $150,000.
2. This project will need to be paid for from Measure Q.
3. Improvements to Pocket Park are at the direction of Council with the intent to include irrigation, turf, a drinking fountain, playground and shade structure, and general landscaping. This project is scheduled for FY 2024 and will be contracted out.
4. Ongoing maintenance will also be contracted out in order to keep public works staff focused on other city services.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		150,000.00				150,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	150,000.00	-	-	-	150,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q		150,000.00				150,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	150,000.00	-	-	-	150,000.00
Total Funding Sources	-	150,000.00	-	-	-	150,000.00
Total Project Cost	-	150,000.00	-	-	-	150,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-05	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**8**	
Title:	**Liberty Park Improvements - Phase 2**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Additional improvements to Liberty Park. Estimated cost is $500,000 for the restroom. $10,000 for trees and sign. $35,000 for fabric shade structure.

2. Project will need to be paid for from Measure Q.

3. The Parks Strategic Plan identifies the replacement of the existing restroom, adding a shade structure over the playground, plant trees along the north fence, and replace the sign for the park.

4. The life expectancy of the fabric shade structure is 10 years. Also, if a shade structure is installed then the trees surrounding the playground will need to be removed in order to accommodate the support poles. A decision on installing a shade structure or utilizing the existing trees for shade can be confirmed by Council closer to the timing of the project.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction					545,000.00	545,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	-	545,000.00	545,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q					545,000.00	545,000.00
General Fund						-
Other (specify)						-
Total Funding Sources			-			545,000.00
Total Funding Sources	-	-	-	-	-	-
Total Project Cost	-	-	-	-	545,000.00	545,000.00
Total Unfunded	-	-	-	-	545,000.00	545,000.00

Project No.	PBW2023-06	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**8**	
Title:	**Roy Park Improvements - Phase 2**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Additional improvements to Roy Park. This phase is to complete amenities and features that were not completed with the Per Capita grant. Estimated cost is $775,000.
2. This project will need to be paid using ARPA funds.
3. A Master Plan for the park identifies multiple amenities and features to be added.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	775,000.00					775,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	775,000.00	-	-	-	-	775,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q						-
General Fund						-
Other (specify)	775,000.00					775,000.00
Total Funding Sources	775,000.00	-	-	-	-	775,000.00
Total Funding Sources	775,000.00	-	-	-	-	775,000.00
Total Project Cost	775,000.00	-	-	-	-	775,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-07	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**8**	
Title:	**Roy Park Improvements - Phase 3**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Additional improvements to Roy Park. Estimated cost is $500,000 for a restroom. Estimates for a stage and additional sidewalks have not been obtained.

2. This project will need to be paid for from Measure Q. An updated budget will be prepared once a scope is finalized leading up to FY 2026-27.

3. The Parks Strategic Plan identifies the replacement of the existing restroom and adding an outdoor stage.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction					500,000.00	500,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	-	500,000.00	500,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q					500,000.00	500,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	500,000.00	500,000.00
Total Funding Sources	-	-	-	-	500,000.00	500,000.00
Total Project Cost	-	-	-	-	500,000.00	500,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-08	**Capital Improvement Plan Project Request**
Department:	**Public Works**	Fiscal Year 2023 CIP Request
Criteria:	**8**	
Title:	**Veterans Park Improvements**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Improvements to Veterans Memorial Park. Estimated cost is $500,000 to replace existing restroom. Modifying the irrigation system will need to be done once the ball fields are no longer use and relocated to the sports park. Other amenities may be added to transform the park into a more family-oriented area instead of active recreation. The scope of this project and a budget will need to be developed once the construction of the sports park nears completion.

2. This project will need to be paid for from Measure Q unless a grant is available.

3. The Parks Strategic Plan identifies the replacement of the existing restroom, repainting the splash pad, and modifying the irrigation. While this is scheduled for FY 2027, the timing for some improvements will depend on the completion of the sports park. This CIP will be revised as developing the scope becomes more practical.

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction					500,000.00	500,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	-	-	500,000.00	500,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					Total
	2022-23	2023-24	2024-25	2025-26	2026-27	
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
Measure Q					500,000.00	500,000.00
General Fund						-
Other (specify)						-
Total Funding Sources	-	-	-	-	500,000.00	500,000.00
Total Funding Sources	-	-	-	-	500,000.00	500,000.00
Total Project Cost	-	-	-	-	500,000.00	500,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-09	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**5**	Fiscal Year 2023 CIP
Title:	**Sports Park Soccer Field Irrigation Upgrades**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Expand irrigation for the children's sports field. Estimated cost for this addition is $8,500.00.

2. Park conversion is not eligible for DIF or any other restricted funds. Therefore it will need to be paid for from the General Fund.

3. The addition of irrigation in the southwest side of the sports field will enable smaller children to engage in outdoor sports along with the older children. Currently irrigation valves for the area were installed in the initial construction. This will require the installation of irrigation laterals, sprinklers and valve decoders.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		8,500.00				8,500.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	8,500.00	-	-	-	8,500.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		-				-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		8,500.00				8,500.00
Other (specify)						-
Total Funding Sources	-	8,500.00	-	-	-	8,500.00
Total Funding Sources	-	8,500.00	-	-	-	8,500.00
Total Project Cost	-	8,500.00	-	-	-	8,500.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-10	**Capital Improvement Plan Project Request**
Department:	**PUBLIC WORKS**	Fiscal Year 2023 CIP
Criteria:	**2**	
Title:	**VACUUM TRUCK**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Replace our existing 2006 Vactor vacuum truck due to the State of California Air Resources Board is phasing out diesel powered vehicles older than 2010. To accomplish phasing out older vehicles, California DMV will not issue a vehicle registration for our Vactor in 2023. Estimated cost for this vehicle is $384,500.00.

2. This vehicle will be funded by the Sewer Fund.

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	384,500.00					384,500.00
Other (specify)						-
Total	384,500.00	-	-	-	-	384,500.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		-				-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	384,500.00					384,500.00
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	384,500.00	-	-	-	-	384,500.00
Total Funding Sources	384,500.00	-	-	-	-	384,500.00
Total Project Cost	384,500.00	-	-	-	-	384,500.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2023-11	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**5**	Fiscal Year 2023 CIP
Title:	**VETERANS PARK BLEACHERS**	

Project Description

1. Describe Project / Equipment. 2. List potential Funding Sources. 3. Describe Project Items 4. Detail Operations and Maintenance costs:

1. Replace our existing nine (9) volunteer fabricated bleachers at Veterans Park. Estimated cost for the bleachers are as follows:
   A. Preferred - $5,237.95 each + $12,072.75 tax & shipping for a total of $59,214.30

2. Bleachers will be funded by the General fund or Grant funding.

Website link - 5 Row, 15' PREFERRED Aluminum Bleacher w/ Chain Link - A07-556 | Anthem Sports (anthem-sports.com)

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	59,215.00					59,215.00
Other (specify)						-
Total	59,215.00	-	-	-	-	59,215.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		-				-
Total	-	-	-	-	-	-

	Fiscal Year					
	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	59,215.00					59,215.00
Total Funding Sources	59,215.00	-	-	-	-	59,215.00
Total Funding Sources	59,215.00	-	-	-	-	59,215.00
Total Project Cost	59,215.00	-	-	-	-	59,215.00
Total Unfunded	-	-	-	-	-	-

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City of Farmersville

City Departments Overview

City Departments Overview

This section of the budget report is a more in depth look at the budget by each department. Although there are areas in this document where you can look up the figures and sum up all that will be spent and received monetarily, it is also very important to examine what services are required and provided by way of the budgeted spending plan. Immediately below is a summary of service areas affiliated with each department. The following reports will breakdown these services further and tie into performance and the Proposed Budget.

Administration & Finance

- City Council
- City Manager
- City Attorney
- City Clerk
- Administration & Finance
    - Internal Controls
    - Budgeting
    - Accounting, Auditing & Reporting
    - Risk Management & Insurance
    - Banking & Investment Management
    - Contracting & Purchasing
    - Grant Management & Reporting
    - Financial Services
    - Utility Billing & Collections
    - Payroll & Benefit Management
    - Human Resources & Training
    - Information Technology Services
    - Debt Management

Community Development

- City Planning
- Building Permitting & Inspections
- Economic Development
- Grant Development & Management
- Community Services

Fire & Code Enforcement

- Emergency Response & Operations
- Training
- Emergency Preparedness & Disaster Management
- Fire Prevention
- Code Enforcement

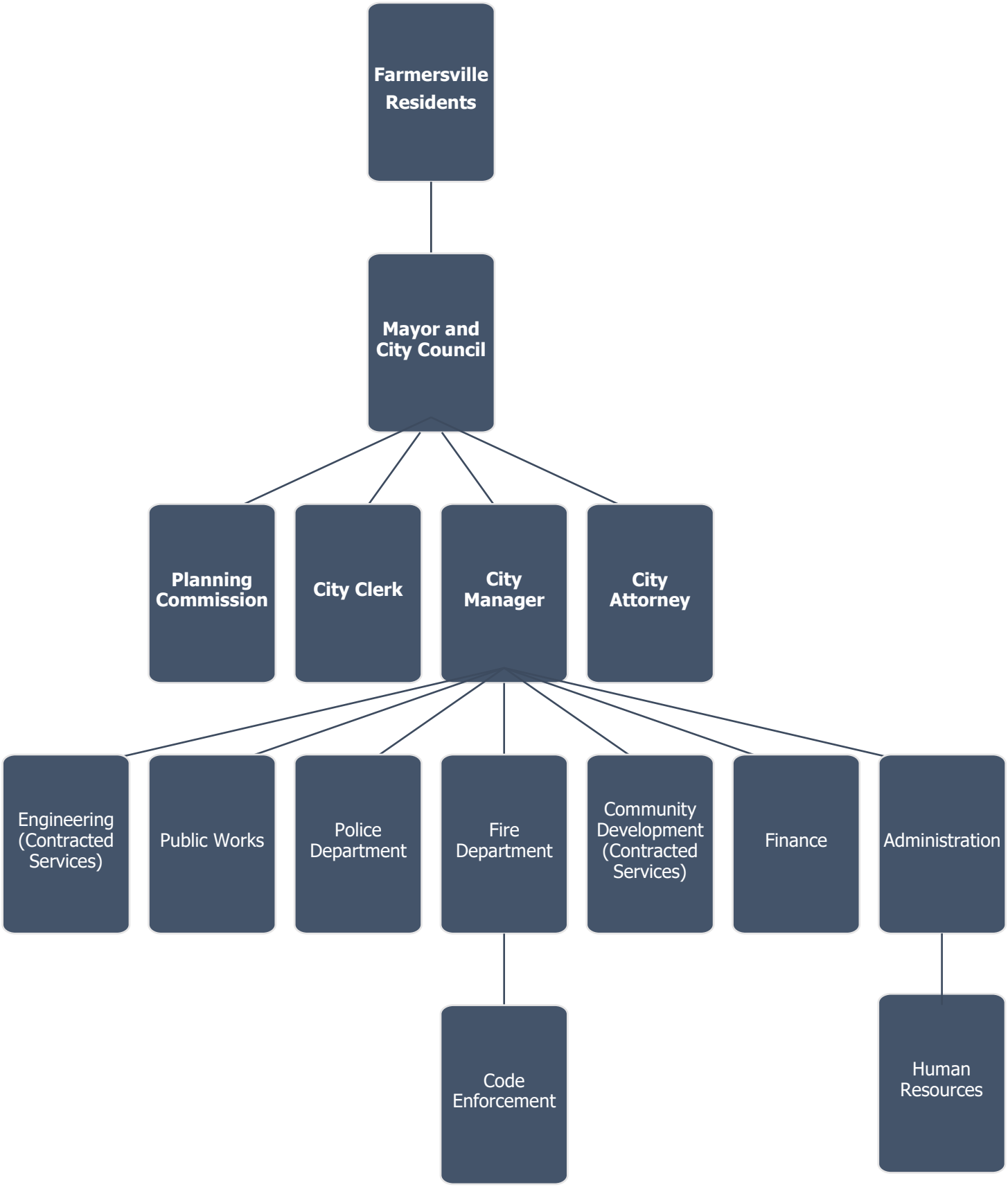
Police

- Administration
  - Rules and Regulations
  - Policy and Procedures
  - Personnel
  - Recruiting and Hiring
  - Internal Affairs
  - Records
  - Dispatch
  - Training
  - Supplies and Services
- Operations
  - Patrol
  - Traffic Enforcement
  - Parking Enforcement
  - Field Training Officer Program
  - School Resource Officers
- Investigations
  - Criminal Investigations
  - Vice
  - Narcotics

Public Works & Engineering

- Water Department
- Wastewater
- Street Maintenance
- Fleet Maintenance
- Parks Maintenance
- Landscape & Lighting Maintenance Districts
- Buildings Maintenance
- Engineering

Jurisdiction Wide Organizational Chart



City of Farmersville

Administration & Finance Departments

Administration & Finance Departments

The Administration and Finance Departments are two different departments that are bound together by the services they must provide, their location and proximity together, and the small size of the agency. Therefore, both departments are managed by one Department Head (Director of Finance and Administration) at City Hall.

This department manages the financial integrity of the City's critical programs, activities, and resources through a number of policies and systems covering the areas of:

- Internal Controls
- Budgeting
- Accounting, Auditing & Reporting
- Risk Management & Insurance
- Banking & Treasury Management
- Contracting & Purchasing
- Grant Management & Reporting
- Financial Services
- Permitting & Licensing
- Utility Billing & Collections
- Payroll & Benefit Management
- Human Resources & Training
- Information Technology Services

In addition to the wide variety of tasks and areas of responsibility, general customer service at City Hall, administrative support to the City Manager, as well as the role of City Clerk, are all functionally reporting in this department as well. This department is staffed by seven full-time positions currently.

Department Accomplishments

<u>Finance Department:</u>

- Successfully received an unqualified audit opinion (best available) for the City and for the Fiscal year ended June 30, 2021. The Single Audit (report on federal funds awarded was also completed without findings).

- Completed all quarterly reporting to various agencies for more than a dozen different grant projects throughout the year.

- Staff is near completion on implementing a utility billing upgrade which will allow residents further freedom and conveniences to pay their utility bills online and automatically, free of charge.

- Staff continues to improve and add to the permitting portion of the MyGov software that was implemented by the City in FY 2020-21.

- Completed work to implement new Development Impact Fee and Comprehensive Fee Schedules. New Services fees were effective 1/1/2022 and new Development Impact fees are effective 7/1/2022 and will accurately recover cost of providing elective services to employees.

- Successfully administered the completion of the CARES act funding and navigated related regulation changes regarding employment law relative to the COVID-19 pandemic.

- Received, managed, and reported on the ARPA allocation funding for the City.

- Managed multiple COVID assistance programs from the State to assist residents in defraying the cost of outstanding utility debt. The City issued over $120,000 in assistance to residents.

- Continued work with providers and grant administrators for HOME 2018, CDBG 2018 (both Senior & Youth services), CDBG 2020, and CDBG CV1 (covid response), and CalHOME program income.

- Began working on new grant awards through the California Natural Resources Agency and Urban Greening as well as the Statewide Parks and Community Revitalization.

- Work continues on managing and reporting for the Downtown Specific Plan and Zoning Update projects through the SB2 grant funding award.

- Assisted with the application and management of the CDBG Technical Assistance grant (alleyway improvement design) and the CalOES Community Power Resiliency grant (backup generator for water wells).

- Completed reimbursement work for grants related to North Farmersville Blvd improvements, East Walnut improvements, West Walnut Improvements, Deep Creek Restoration work, Local Roadway Safety Program, and the Wastewater Treatment Plant.

- Staff attended the California Society of Municipal Finance Officers Annual Conference, a statewide gathering of public finance leaders, for dozens of training sessions on current and upcoming issues relevant to California cities, so that department staff stay current on emerging financial issues, including a focus this year on the status of the California

Public Employees Retirement System (CalPERS), internal controls, and GASB updates for financial statement compliance.

Administration Department:

- Hired a new Human Resources Manager! The new position consolidates, improves, and fills the gaps on numerous compliance and process requirements of the City in addition to managing daily tasks related to recruitment, retention, training, and benefits.

- Continued work on further documenting all Policies and Procedures for the department in one consolidated location. This is an ongoing effort but, according to City records has never been accomplished before. The final product is expected to be available in Fiscal Year 2022-23.

- Further expanded staff training opportunities to making education and job enrichment a priority through membership with CSJVRMA, LCW consortium, ERMA, and CPS HR.

- Implemented new procedures related to records management and contract compliance with the City Clerk. This work includes digitizing past years records and contracts for a total of over 14,000 pages this year.

- Issued RFP and assisted in strategic planning for the future of the Fire Department.

- Held the first joint management – labor meeting for the new Alternative Dispute Resolution program to expedite the Workers Compensation Program claims.

- Staff attended the California Association of Joint Powers Authorities Annual Conference (virtually), a statewide gathering of public finance and risk leaders, for dozens of training sessions on current and upcoming issues relevant to California cities, so that department staff stay current on emerging financial issues, including a focus this year on the hardening insurance market, evolving risk trends, and best practices in managing JPAs dealing with Workers Compensation and Liability claims.

- Completed work to assist the City Manager in restructuring options for Public Works and Fire Department for future growth.

- Conducted analysis to ensure that benefits offered to City staff are efficient and competitive for the market.

- Successfully managed COVID response and Emergency Temporary Standards changes to comply with State and Federal Agencies.

- Improved our management of protected leaves and other medical or workers compensation related processes to reduce lost time.

- Updated and improved recruitment process and hired two new staff.
- Changed pre-employment and workers compensation medical provider.
- New improvements to the website for increased accessibility (ADA) and website changes to focus on the economic development of the community.
- Management of grant funds to local businesses from COVID assistance funds.

Department Goals

Specific Goals for the Departments in the coming year are:

Finance Department:

- Staff will continue to expand the budget process and further professionalize the presentation and comprehensiveness of the report including the routine update of the CIP and Capital Budget.
- Continue work to implement a new Utility Billing system in order to better manage and improve payment options and account details for increased levels of customer service.

- Continue work to implement a multi-modal payment System for utility billing to bring more payment options, in more locations, for extended hours to all City residents.
- Upgrading the City ERP software to more user-friendly and up-to-date technology.
- Improve the timesheet process for all employees.
- Improve the business licensing process and compliance of the City.

Administration Department:

- Further expand staff training opportunities and hosting of trainings on-site to making education and job enrichment a priority. Specifically targeting technical training for system users, customer service training for public interaction, and City Clerk, risk, and human resources training for other staff as appropriate.

- Create improved cyber security and related training opportunities for City staff.
- Continue building a new HR department from the ground up to assist all areas of the City with the latest compliance and resources.
- Complete the overhaul of the Employee Handbook and Personnel Policies.
- Increased presence on website and social media for community interaction and economic development of the community.

Fiscal Year 2022-23 Budget Specifics

Finance Department:

- Most of the department cost is salaries and benefits but no new staff are added this year. The department has a current complement of 5 full time staff: Finance Manager, Development Coordinator / AR Clerk, Utility Billing Clerk, and AP Clerk, and the Director of Finance & Administration that oversees the entire department and Administration too. All position costs are allocated across the General Fund and Enterprise Funds.

- Cost of salary and benefit changes and decreased from $1,256,523 to $1,143,399 in FY 2022-23 (9% decrease). This decrease is due the reduction of funds set aside for CalPERS UAL additional discretionary payment in Fiscal Year 2021-22. The large payment in prior year was one time spending from carryforward amounts. The payment this year will be less.
- Anticipating moderate growth in most main revenue sources for the year at about 3% increases.
- No Capital items currently planned for the department this year.
- Other incremental changes due to ongoing costs for operations and supplies are minimal and allocated through the overhead process to be shared among the General Fund and Enterprise Funds.
- Insurance costs are located in this department and are planned to be another large increase this year of around 24%.

Administration Department:

- No significant changes to the salary and benefit costs outside of minor changes to the allocation of salary expense for the HR Manager position to match the reality of time spent by department/fund. Department primarily made up of City Manager, City Clerk, and HR Manager and outside consultants.

- Significant increases in Capital Outlay section due to Clean California grant with planned expenditures of about $1,732,837. These are one-time expenses related to beautification near the Highway 198 onramp area.

- Other grant activity is continuing keep expenditures inflated due to work done on the SB2 grant for Zone Updates and Downtown Plan.

- All transfers from the Measure Q Fund are recorded here with a record transfer amount this next year of $1,725,737 to fund both operations and capital costs.

- Responding to increase public and departmental demands and required will have unknown budget impacts.

Department Unmet Needs / Future Goals

Finance Department:

Although staff is more effective than ever with newer technologies supporting streamlined systems and processes as well as increasingly out-sourcing tasks to more effective consultants, City Hall staff workload is still at (or beyond) capacity and will likely need more support and/or more outsourcing to be able to handle the workload going forward.

No new staff positions are planned right now, but the department is evaluating potential outsourcing of billing and licensing to see if those options could be effective. However, the addition of a new HR Manager in Administration has freed up other staff from some HR and training tasks and given them more capacity.

Each member of the City Hall staff is responsible for different tasks (some which cannot be combined because of internal control standards) and therefore have no back-up or effectively cross-trained staff member in case of leave, attrition, or vacations. Although the system manages to work currently, and is lean and efficient, there is no leeway. If additional demands and requirements are made, then existing staff will have to add to their existing duties.

Administration Department:

Staff is still working on improving existing processes and systems languishing after years of neglect because of staffing shortages. These shortcomings need to be shored up immediately, but the shortage of staff time and other resources hinder immediate upgrades. Some progress toward filling this gap will be accomplished through the hiring of an HR Manager. While there will be years of work to get caught up on potentially, staff anticipates that there could be immediate impacts to workloads not only within the department but in other operational units as the tasks become consolidated.

Managing the increasing workload and compliance requirements with the ongoing changes to laws, increased maintenance and reporting from grant project assets, bog down staff efforts to meet essential basic services.

Staff is keenly aware that any increases at the administration level increase the cost of all services provided by the City. Therefore, lean is the goal but it is a fine line to walk for any department to be understaffed and therefore taking on undue risk.

Departmental Budget Summary - Administration & Finance

Administration & Finance

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Revenues by Fund				
01 GENERAL FUND	(3,768,243)	(5,205,459)	(5,801,193)	(4,819,190)
102 GENERAL FUND RESERVE	(20,595)	-	-	-
103 GENERAL FUND CAPITAL	(319,436)	(422,422)	(1,525,323)	(1,098,737)
104 CANNABIS CAPITAL FUND	(693,746)	(1,702,169)	(1,453,518)	(1,209,666)
08 SELF INSURED RESERVE	-	(150,000)	-	-
12 FEDERAL AND STATE GRANTS	(468,273)	(717,515)	(1,586,703)	(2,372,837)
40 CDBG PROGRAM INCOME	(17,525)	(59,222)	(334,055)	(335,041)
41 HOME PROGRAM INCOME	(40,361)	(31,225)	(223)	(319)
42 CAL HOME PROGRAM INCOME	(101,839)	(136,261)	(1,000)	(1,152)
60 AMERICAN RESCUE PLAN	-	-	(1,280,193)	(1,286,976)
61 CIRCULATION SYSTEM DEVELOPMENT	-	-	-	(2,280)
62 GOVERNMENT FACILITIES DEVELOPMENT	-	-	-	(3,366)
63 LIBRARY DEVELOPMENT	-	-	-	(132)
Grand Total	**(5,430,017)**	**(8,424,272)**	**(11,982,208)**	**(11,129,696)**
Expenditures by Fund				
01 GENERAL FUND	243,507	475,346	2,250,770	764,468
102 GENERAL FUND RESERVE	251,436	-	-	-
103 GENERAL FUND CAPITAL	111,702	252,424	4,380	-
104 CANNABIS CAPITAL FUND	-	960,423	1,312,323	1,725,737
02 WATER UTILITY	267,072	267,360	307,822	311,448
04 SEWER UTILITY	244,254	267,019	285,474	292,815
06 REFUSE	73,414	62,351	68,537	60,778
12 FEDERAL AND STATE GRANTS	535,813	787,228	1,439,703	2,372,837
21 GAS TAX	8,871	18,621	20,421	20,390
40 CDBG PROGRAM INCOME	43,770	6,142	-	-
41 HOME PROGRAM INCOME	13,884	850	-	-
42 CAL HOME PROGRAM INCOME	46,316	350	-	-
60 AMERICAN RESCUE PLAN	-	-	333,250	946,000
Grand Total	**1,840,039**	**3,098,113**	**6,022,679**	**6,494,473**

Departmental Budget Summary - Administration & Finance

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Expenditures by Category				
CAPITAL OUTLAY	363,138	13,298	714,380	2,682,837
OPERATING SERVICES & SUPPLIES	22,772	10,108	22,500	22,500
OTHER	-	1,354,826	2,845,573	1,725,737
PROFESSIONAL & CONTRACTUAL SRV	693,652	922,959	1,183,703	920,000
SALARIES & BENEFITS	760,477	796,921	1,256,523	1,143,399
Grand Total	**1,840,039**	**3,098,113**	**6,022,679**	**6,494,473**

Full Time Personnel Count		
City Manager	1	1
Administrative Analyst/City Clerk	1	1
Director of Finance & Administration	1	1
HR Manager	-	1
Finance Manager	1	1
Account Clerk I	1	1
Account Clerk II	1	1
Grand Total	**6**	**7**

City of Farmersville

Community Development Department

Community Development Department

The Community Development Department is primarily outsourced by way of multiple contracted positions or consultants that assist the City in the functional areas within this department. It is lead directly by the City Manager with support staff provided by the Finance and Administration departments. The role of Development Coordinator is relatively new to the City which acts as the permitting technician and liaison between the following contracted consultants:

- City Planner: This position is contracted with Collins & Schoettler Planning Consultants, and specifically, as Karl Schoettler serving as the City Planner.

- Building Permitting and Inspections: These services are outsourced primarily to the County of Tulare Resource Management Agency.

- Economic Development: HDL Companies is a primary consultant that assists the City with Economic Development efforts. However, Townsend & Associates have also assisted the City with lobbying and resources research.

- Grant Development and Management: Blais & Associates assist the City extensively with grant research, development, and management.

- Community Services: This is a broad category, but related to the expansive affordable housing efforts underway, it is Self Help Enterprises that primarily assists the City with these type of services.

Department Accomplishments

- Continuing with development of permits and licenses through City-wide MyGov software that manages planning, permitting, citizen requests, business licensing, and resident requests in a comprehensive way through a web-based solution.

- Started the process to create a new Downtown Specific Plan, and a new update to the Zoning Ordinance provided by SB2 Planning Grant.

- Awarded two new grants totaling $ 4,511,858, successfully completed and closed out 7 rants, managing 6 active grants.

- Scheduled new initiative for Hotel Tax (transient occupancy tax) to be prepared for future commercial development.

- Continued the Economic Development Incentive Program and other economic outreach activities by the City Manager and Administrative staff.

- Two (2) Housing Rehabilitation loans totaling $153,012 in financing and activity delivery under the 2018 HOME (these were billed in January 2022)

- One (1) Homebuyer Assistance loan totaling $144,471 in financing and activity delivery with the CalHome Program Income

- One (1) Housing Rehabilitation loan totaling $105,882 in financing and activity delivery with CalHome Program Income

- The City has also been providing financial support to CSET for Senior Services of $17,544 and the Boys and Girls Club for youth activities, of $94,677 utilizing 2018 CDBG funding

New Grant Application Awarded (B&A involvement):

1) **Caltrans: Clean California:**
   Planning, design, and construction funds for transformative gateway and downtown improvements. The project includes landscaping of 2.6 acres of barren land at the City's gateway on both the north and south sides of State Route 198 (Caltrans Right of Way). New retaining walls will enhance an existing slope with monument sign lettering and LED lighting to showcase the City name and motto. The surrounding spaces will feature climate-appropriate, drought-tolerant plantings in alternative rows of rock to mimic the region's bountiful crops. The second improvement area is the heart of downtown where new benches, plantings, signage, and banners will make the central commercial district more inviting and distinctive. A litter abatement campaign is included in the project.
   Award: $ 4,333,906

2) **California State Parks Prop. 68 Per Capita:**
   Revitalization of Roy's Park with upgrades of a new playground structure, sidewalks, shaded picnic pavilions, tables, benches, BBQ grills, and signage.
   Award: $177,952

Recent Project Completion and Grant Closeout (B&A Involvement):

1) Clean Water SRF Loan and Grant: WWTF Expansion and Upgrade
   Finance amount: $23,614,591
   Principal Forgiveness: $2,220,000
   Grant: $3,760,000

2) USDA Rural Development: WWTF Expansion and Upgrade
   Loan: $5,000,000

3) Department of Water Resources Urban Streams Restoration: Deep Creek Restoration Plan and Phase 1 implementation.
   Grant: $748,465

4) Caltrans Active Transportation Program Cycle 2: West Walnut Improvements
   Grant: $417,149

5) Caltrans Active Transportation Cycle 3: East Walnut Safe Routes to Schools Improvements
   Caltrans Grant: $519,769 TCAG/Measure R Grant: $306,929

6) Caltrans Local Roadway Safety Plan
   Caltrans Grant: $72,000 / City Match $8,000

7) CDBG-COVID: Utility Subsistence Payments
   Grant: $82,268

Active Grant-Funded Projects Underway (B&A Involvement):

1) SB2 Planning Grant: Zoning Update and Downtown Specific Plan.
   Grant: $160,000

2) California Natural Resources Urban Greening Grant: Freedom Field Phase of Community Sports Park Development
   Grant: $1,994,034 / City Match $255,000 / Additional Funding $770,000

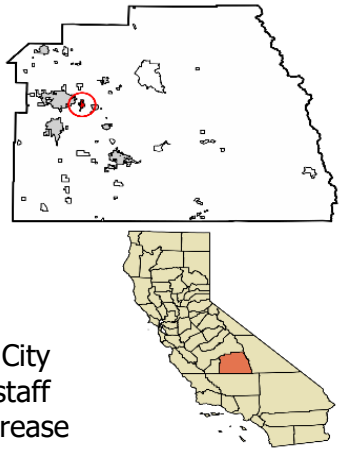
3) CDBG Program Income: Jennings Park Improvements
   Program Funds: $1,015,983
4) CDBG Planning and Technical Assistance: Design/Environmental Alley Paving
   Grant: $250,000

5) CA Office of Emergency Services: Community Power Resiliency: Drinking Water Wells Generators
   Grant: $256,000

6) California Natural Resources Cultural and Community Natural Resources: Farmersville Community Park Sequoia Gateway Phase (amphitheater, outdoor classroom, and a playground)
   Grant: $1,908,206 / City Match $20,640

Department Goals

Specific Goals for the Departments in the coming year are:



- City Planning:
  - Preparing updates to general plans, the zoning code, developing a downtown specific plan, and others
  - Implementing new Service Fees and Development Impact Fees

- Building Permitting and Inspections:
  - Improve the flow of the approval process through the City
  - Increase the amount of building permits approved as staff anticipates economic development to continue and increase
  - Increased intradepartmental coordination

- Economic Development:
  - Enhance Marketing efforts to meet potential developers and retailers
  - Establish Transient Occupancy Tax (TOT)

- Grant Development and Management:
  - Successfully manage the 8 open grants and additional locally funded projects
  - Close out up to seven of the existing grants in Fiscal Year 2021-22.

- Community Services:
  - Ongoing management of $10,000,000+ loan portfolio
  - Administration of the 2018 Community Development Block Grant Award of $390,000 for Senior and Youth Services through multi-year grant term.
  - Administration of the 2018 Home Investment Partnerships Program Award of $500,000 for first-time homebuyer and owner-occupied rehabilitation programs through multi-year grant term.
  - Expand use of parks for public purposes and aligned with City goals.

Fiscal Year 2022-23 Budget Specifics

<u>The highlights of the Fiscal Year 2022-23 budget for Community Development are:</u>

- Increased investment by $15,000 appropriation to ongoing Economic Development Initiatives. The new total of $30,000 will help to support the City Manager and administrative staff to seek new investment in the City by developers and other sources.

- Working with Self Help Enterprises to maximize program income for future uses aligned with City strategic goals.

- The City will continue to invest in blight removal when and where appropriate throughout the year. Annual budget of $25,000 encumbrance to roll up to a maximum of $50,000 encumbered.

- Grant management will continue for several park, infrastructure, and housing projects in Fiscal Year 2022-23. The improvements create a more sustainable and enjoyable quality of life in the City.

- Anticipating completion and closeout of several existing grants in Fiscal Year 2022-23 related to park development, street improvements, and potential residential and commercial developments.

- Updated fees for services effective as of January 1, 2022 will help to accurate offset the true cost of City doing business related to the outward voluntary services provided by the City. This will be an important step forward for the fiscal health of the City.

- Extended program funding to CSET of $60,000 and to Boys & Girls Club of $100,000 to continue senior and youth services as directed by City Council. These general fund expenses will be partially offset with Measure Q funds and will allow services to continue after the CDBG grant ends.

Department Unmet Needs / Future Goals

The City is dependent upon the contracted employees and consultants hired to assist the City in providing these ongoing services. The challenge is to ensure that resources are available in the future so that there is no lapse in service or service levels.

The high number of active grants to manage in this department is a stretch given the small number of staff currently employed. This also creates further dependence upon outside help to provide these ongoing services too.

The City needs a strong tax base to keep providing the services in this department but in order to get the strong tax base, investing tax dollars on economic development is required. This natural conflict will not be resolved but needs to be effectively managed for optimum results.

Departmental Budget Summary - Community Development

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Community Development				
Revenues by Fund				
01 GENERAL FUND	(63,265)	(29,740)	(22,050)	(44,330)
Grand Total	**(63,265)**	**(29,740)**	**(22,050)**	**(44,330)**
Expenditures by Fund				
01 GENERAL FUND	225,006	450,296	474,364	483,830
103 GENERAL FUND CAPITAL	-	-	8,000	36,000
Grand Total	**225,006**	**450,296**	**482,364**	**519,830**
Expenditures by Category				
CAPITAL OUTLAY	-	-	-	-
OPERATING SERVICES & SUPPLIES	615	-	-	600
PROFESSIONAL & CONTRACTUAL SRV	209,030	404,277	433,000	476,000
SALARIES & BENEFITS	15,361	46,019	49,364	43,230
Grand Total	**225,006**	**450,296**	**482,364**	**519,830**
Full Time Personnel Count				
Development Coordinator			1	1
Grand Total			**1**	**1**

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City of Farmersville

Fire Department and Code Enforcement

Fire Department and Code Enforcement

The Fire Department is one of the oldest institutions in the community and in 2018 reached a milestone of 70 years of dedicated service to the residents and visitors of Farmersville.

The Farmersville Fire Department is a "Combination Fire Department" serving the community with both career and volunteer members. In FY 2018-19, personnel included the Fire Chief and 3 Fire Officers who are fulltime employees, along with a part-time Code Enforcement Officer, with 26 personnel serving as volunteers who contribute their time and effort to protect their neighbors from the ravages of fire and other perils. In FY 2019-20 the Department went through a dramatic restructuring and now consists of three fulltime fire officers, one fulltime Code Enforcement officer, and a volunteer Fire Chief and volunteer Battalion Chief.

"The Mission of the Farmersville Fire Department is the Protection of Life, Property, and the Environment from the effects of Fires, Medical and Rescue Emergencies, and Other Hazards. This is accomplished through Comprehensive Emergency Response, Code Enforcement, and Public Education Efforts in a cost-effective manner by utilizing career and volunteer personnel".

Fire Department Functions

EMERGENCY RESPONSE & OPERATIONS

The Fire Department continues to function as an "All Hazards" agency responding to requests for service that include structural, vehicle, grass, and other exterior miscellaneous fires. The department is a First Responder to medical emergencies and traffic accidents, as well as other hazardous conditions such as downed power lines, chemical spills, and flooding.

In 2020, the Fire Department responded to over 1,900 calls for service. In addition to protecting the over 11,000 people within the 2.3 square mile incorporated city limits, the department has a reciprocal automatic aid agreement with the Tulare County Fire Department expanding the response area to the 56 square miles surrounding the city. The "Closest Resource Concept" serves the public well and it is not unusual to see firefighters and apparatus from Farmersville, Exeter, Visalia, Tulare County & Cal Fire working closely together.

The Fire Department also participates in mutual aid strike team response regionally and throughout California when requested by the State Office of Emergency Services.

TRAINING

Response readiness is a top priority in the fire service. Routine apparatus & equipment checks regularly occur to meet the challenge of emergency response. In addition, maintenance and testing of equipment takes up a considerable amount of time between answering alarms and training. All fire pumps are tested annually as is each piece of fire hose in the departments 10,000 ft. inventory.

Firefighters must attend training on a wide variety of subjects to meet the requirements of Cal OSHA, and the National Fire Protection Association (NFPA). Many of the department personnel hold various certifications from the State Fire Marshal's Office. Training topics include Structural & Wildland Firefighting, Vehicle & Other Rescue Situations, Hazardous Materials Response, and Emergency Medical Care. Half of the department members are also certified as Emergency Medical Technicians (EMTs). In addition, personnel conduct Pre-Fire Planning surveys of Target Hazards and commercial occupancies for safe & effective operations.

EMERGENCY PREPAREDNESS & DISASTER MANAGEMENT

The Fire Department is responsible for Disaster Planning for all hazards faced by the community which include fires, floods, earthquakes, hazardous materials, and severe weather-related incidents. All city departments work under the Standardized Emergency Management System (SEMS) to minimize the effects of disasters through mitigation, response, and recovery activities with the goal of returning to normalcy as soon as possible.

The City participates in the Emergency Council along with various planning and preparedness committees. Police, Fire & Public Works resources participate in the Mutual Aid System and work in conjunction with the Tulare County Operational Area and State Office of Emergency Services when incidents exceed local capabilities.

FIRE PREVENTION

The Farmersville Fire Department is committed to a Community Risk Reduction Strategy. The goal is to prevent incidents from occurring in the first place which provides a greater cost/benefit ratio.

The Fire Department enforces the California Fire Code in conjunction with Title 19 (Public Safety) and Title 24 (Building Standards) as well as the Farmersville Municipal Code. Fire Inspections are conducted for new construction as well as periodic inspections of existing buildings such as schools, apartments, places of assembly and commercial occupancies. Inspections are also completed on properties to reduce fire hazards and public nuisances from weeds, and rubbish accumulation and other property maintenance issues.

Public education activities include age-appropriate school programs, fire station tours, career days, and senior citizen or workplace programs as requested. In addition, the department participates in various parades, festivals, and community events.

CODE ENFORCEMENT

Inspections are completed on properties to reduce fire hazards and public nuisances from weeds, rubbish accumulation, and other property maintenance issues, such as substandard housing and vehicle abatement. Business licensing is enforced to prevent illegal businesses, vending, or rental operations. Code enforcement also enforces the permitting of yard sales and temporary event permits.

The purpose of the program is to enforce City codes that will contribute to improving the overall health, safety, and quality of life in the community. An educational approach before citation is utilized to gain compliance initially. Citations, abatement, and liens against the property can ultimately be used.

APPARATUS & EQUIPMENT

The Department maintains a fleet of specialized fire apparatus including a 4-wheel drive Brush Fire Patrol Unit, a Quick Attack Squad Unit (250 GPM Pumper), an Engine (1500 GPM Pumper), the new Engine (1500 GPM Pumper), and 2 Command/Utility Vehicles. This new engine is a step towards modernizing the Fire Department as well as allowing the ability to remove obsolete equipment from service.

Equipment includes the "Jaws of Life" Hydraulic Rescue tool used to free accident victims that will be ordered and placed on the engine in the coming fiscal year, Ropes and Rescue Equipment, Thermal Imaging Cameras (TICs) which allows firefighters to "see through smoke", Self-Contained Breathing Apparatus, air monitors, an assortment of fire hose, nozzles, ladders, smoke removal fans, generators, lights, power saws, and hand tools. Each vehicle also carries lifesaving oxygen, medical gear, and Automatic External Defibrillators (AED's) for victims of cardiac arrest.

FIRE EXPLORER POST

Fire Explorer Post 83 provides opportunities for youth ages 14-18 to explore Fire & Emergency Services as a potential career choice. Through exposure during training and ride along activities, local youth learn valuable skills, improve self-esteem, and develop through group leadership and participation. Adult advisors administer the program in conjunction with the Boy Scouts of America and Learning for Life. The post serves as a recruitment tool for future volunteer firefighters as several members have come up through the ranks upon reaching 18 years of age.

Department Accomplishments

- Replacement of aging handheld radios. New handheld radios will help the department communicate during multi-agency responses and incidents.
- Received and put into service the new Fire Engine that has allowed the Department to surplus the aerial ladder truck and move the older engine into reserve status.
- Received and put into service the new command vehicle with enhanced communications capabilities.
- Participated in Regional Hazardous Materials Response Team planning process.
- Provided over 400 hours of personnel training sessions with a focus on volunteer development and increasing the number of engine operators.
- Enhanced volunteer program personnel effectiveness
- Responded to over 1900 emergency calls in 2020.
- Continued the process to become accredited to deliver emergency medical care at the EMT level.

Fiscal Year 2022-23 Budget Specifics

Fire Service

The Fire Department budget for Fiscal Year 2022-23 is increasing from Fiscal Year 2021-22 by about $161,691 (over 30%) due to increases in cost in a couple of categories (total cost of $696,759). Salaries and Benefits are increasing $114,691 (about 37%) due to incremental adjustments and to salaries, increases in benefit costs related to converting the department leadership to a full-time Battalion Chief rather than a combination of two volunteers paid on a stipend. However, the new full-time Battalion Chief will be offset by a transfer of revenue from Measure Q Cannabis Business Tax.

Other increases are related to adding specific funding for new equipment for officers in the way of 30 wildland tops, seven (7) sets of turnouts, four (4) SCBA purchases, and other equipment and training resources. Overall, this is only a $7,000 operation change from the prior year.

However, continuing with significant updates to the strategy of the department, all revenue and expenses related to Office of Emergency Services (OES) out-of-county deployments will now be housed in a new fund, "Fire Cost Recovery Fund (72)" and will be set aside specifically for asset replacement in future years. This has an impact on the total expenditure and revenue trend of the department since it is splitting it up in a new way.

Separately, in the Capital Budget, the Fire Department has no budgeted items that impact the General Fund or Measure Q because the new additions will be paid through the allocation to the City through the American Rescue Plan Act (ARPA) funds. An estimated $81,000 in ARPA funds

are appropriated to pay for costs relative to Rescue Equipment, AEDs for each fire apparatus, and modem and tablet updates for each apparatus because of the Tulare County dispatch updates.

Any revenues received are primarily related to fees for service or mutual aid reimbursement for participation in strike teams State-wide but are now directed primarily to the Cost Recovery fund.

Code Enforcement

Although the code enforcement department changed significantly in the prior years by converting the one officer position to a full-time status, and then becoming vacant in the same year, the position is now filled and operating effectively.

Operations and budget-wise the department is very similar to the prior year. The estimated cost of the department is $119,616 for all categories. Any revenues received through citation payments are minimal and will not offset a significant portion of this cost currently. As new efforts and initiatives get underway through coordination with the County and other City departments, there may be needs for new training, equipment, and expanded working space.

There are currently no capital items budgeted for the Code Enforcement department at this time.

Department Goals

The following work plan reflects the various goals and objectives that the Department is striving to achieve each year based upon the following workload analysis:

1. **Emergency Response:** Fire Suppression (Structural, Vehicle, Grass & Other Exterior types), Emergency Medical Services (Medical Aids & Traffic Accidents), Special Operations (Hazardous Materials, Technical Rescues and Other Disasters), Public Service and Hazardous Condition calls. FFD provides mutual aid to neighboring agencies on a regular basis and participates in statewide mutual aid response.
2. **Maintenance & Operations:** Routine checks and servicing of apparatus and equipment, fire station building and grounds to provide an environment of safety and readiness. Includes Maintenance and Inspection of and/or Testing of 7 vehicles and specialized equipment including: 8 Ladders, 10,000 feet of Fire Hose, 7 apparatus mounted and portable pumps, 4 chain saws, 3 rotary saws, 5 generators, 16 fire extinguishers, 5 Thermal Imaging Cameras, 4 atmospheric monitors, 2 hydraulic rescue tool sets, 263 + hydrants, 18 breathing apparatus, 9 AED's, 50 air cylinders and periodic facility safety inspections.

3. **Training & Safety:** Company Drills, Tailboard Safety Topics, Special Drills, In Service Training and Professional Development efforts to maintain certification and/or competency in required fire, hazardous materials, emergency medical services and rescue disciplines to perform in an OSHA compliant, safe, and effective manner.

4. **Community Risk Reduction:** Periodic Fire & Life Safety Inspections of approximately 156 Commercial & Residential Occupancies which includes 30 Apt. Bldgs.12 Licensed Care Facilities. 25 Assembly & Educational Occupancies including 14 Churches & 7 Schools, Conduct Code Enforcement, Nuisance, Hazard & Vehicle Abatement, Public Education, and Target Hazard Pre-Fire Planning programs.

5. **Records & Reports:** Complete and/or maintain documentation as it relates to each of the programs and activities listed above (NFIRS incident reports, payroll, shift change, training, safety, fire prevention, operations, etc.) as required by OSHA, NFPA, statutes or regulations.

Department Unmet Needs / Future Goals

The challenges facing any organization are many. The Fire Department is charged with protecting over $548,672,872 in assessed property valuation. This translates into maintaining appropriate staffing levels and providing adequate equipment and facilities.

Recruitment and retention of volunteer firefighters is a constant challenge in a climate of decreased civic participation and busy working families. The nature of the volunteer has changed including having only a few living in town. It is also imperative that firefighters have the best equipment to complete their mission in a safe and effective manner. An apparatus and equipment replacement programs are in the process of being implemented which may include lease purchase plans while continuing to apply for available grants although limited and highly competitive.

Efforts need to continue to revert to a central fire station response in the core of the city to meet response time goals and ISO requirements, especially considering continued growth to the northern end of the city and the Hwy 198 commercial area.

In addition, the City continues to grow and with the pending addition of a 108-unit affordable housing apartment complex will likely increase the City's population by an estimated 500 residents and add a number of large two-story structures placing additional response burdens and challenges on the fire department. The City is also poised for a potential growth of up to 800 additional single family and multifamily units with a potential population growth of between 3000 and 4000 residents. The City needs to establish a structured strategy for growth and compliance with a current assessment of service levels as a baseline to ensure that the service is effective and efficient for the City and its residents.

Departmental Budget Summary - Fire & Code Enforcement

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Fire & Code Enforcement				
Revenues by Fund				
01 GENERAL FUND	(19,915)	(184,463)	(45,100)	(5,100)
103 GENERAL FUND CAPITAL		-	-	-
71 FIRE DEVELOPER FEES	(6,924)	(3,101)	(12,629)	(5,217)
72 FIRE COST RECOVERY	-	-	-	(150,000)
Grand Total	**(26,839)**	**(187,564)**	**(57,729)**	**(160,317)**
Expenditures by Fund				
01 GENERAL FUND	452,191	575,547	690,588	821,474
103 GENERAL FUND CAPITAL	39,591	7,286	900,000	-
71 FIRE DEVELOPER FEES		8,370	18,350	40,000
72 FIRE DEVELOPER FEES	-	-	-	80,000
Grand Total	**491,782**	**591,202**	**1,608,938**	**941,474**
Expenditures by Category				
CAPITAL OUTLAY	47,528	46,504	989,350	141,000
OPERATING SERVICES & SUPPLIES	43,955	34,274	62,750	89,000
OTHER	-	-	-	-
PROFESSIONAL & CONTRACTUAL SRV	82,694	121,259	140,000	135,000
SALARIES & BENEFITS	299,674	368,141	393,538	555,674
UTILITIES	17,931	21,025	23,300	20,800
Grand Total	**491,782**	**591,203**	**1,608,938**	**941,474**
Full Time Personnel Count				
Battalion Chief			-	1
Fire Captain			-	1
Fire Lieutenant			3	2
Code Enforcement			1	1
Grand Total			**4**	**5**

City of Farmersville

Police Department

Police Department

The Farmersville Police Department is responsible for the safety and welfare of the approximately 11,000 residents of the City of Farmersville and its visitors. The Department provides general law enforcement services for the community. These services include, but are not limited to, patrol, traffic enforcement, criminal investigations, civil standby, and law enforcement services during special community events. In addition, the Department maintains all records generated within the department, management of property and evidence storage, dispatching services, the cadet program; and functions as a vital part of the entire City team assisting with Public Works, Animal Control, Code Enforcement, and the Fire Department as needed.

This annual budget report includes a brief overview describing the divisions of the Department, their duties, and some of their accomplishments for the past year. The intent is to relay a sense of the department activities however it is not intended to be a detailed accounting of department operations.

Mission Statement:

The Mission of the Farmersville Police Department is to work in partnership with our community to enhance the quality of life in our city, preserving peace, reducing fear, and providing a safe environment through the equitable and professional enforcement of law.

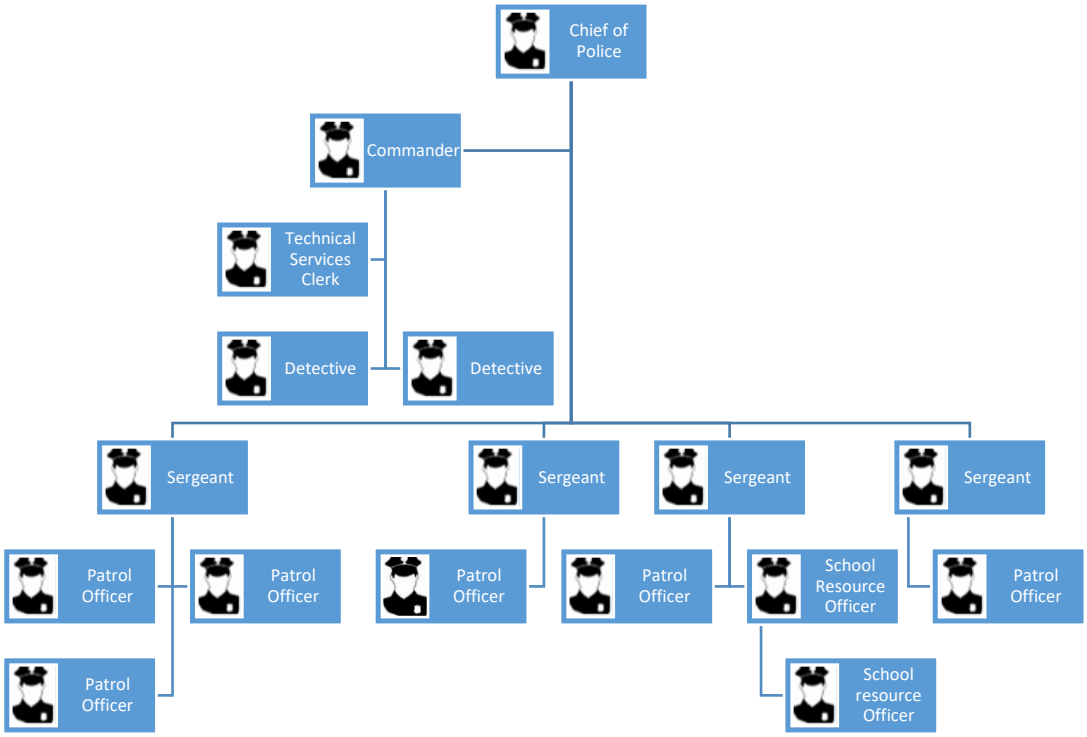
Department Structure

The Police Department has a current allocation of (16) sixteen funded sworn fulltime positions and (2) two non-sworn Technical Services Clerk (TSC). Due to budget restraints in the past, the number of positions had been reduced, but the department is slowly rebuilding to meet the needs of the community.

The department was able to add two sworn positions in the FY 2020-21 fiscal year through the use of Cannabis Business Tax and through the Supplemental Law Enforcement Fund (SLESF) allocation which has increased over time based on the City's population growth.

Department Structure

The Police Department is structured as illustrated in the organizational chart below:



The police department is divided into three categories. These are Administration, Operations, and Investigations. Each of these divisions is administered under the same budget via the Office of The Chief of Police.

The Administration Division is responsible for development of rules and regulations, policy and procedures, personnel matters, all phases of recruitment and hiring, internal affairs, records, dispatch, training, supplies and services.

The Operations Division is responsible for the delivery of all essential services provided by the police department including patrol, traffic enforcement, parking enforcement, and Field Training Officer program, and School Resource Officers.

The Investigations Division is responsible for all criminal investigations as well as any self-initiated investigations, such as vice and narcotics.

Department Accomplishments

- The Department continues its relationship with the School District and its Pathways program at the High School. This program focusses classes for students interested in careers in public safety. Officers have appeared as guest lecturers and assisted with preparation for competitions with the students in the program. The Department completed a two-year partnership with FUSD and TCOE in a grant program to reduce and prevent students use of vaping devices and tobacco products. Officers have participated in classroom education as well as shoulder tap details and business education throughout the community.

- The department continues its training in defensive tactics and continues to look for innovative ways to provide our officers skills and tools to allow them to better serve the community. The department initiated a new contract cycle with Axon for updated body cameras and the new Taser-7 to keep our officers toolboxes stocked with a number of choices and options. As COVID restrictions ease officer training will ramp back up and we will get into a regular cycle of training that was previously disrupted due to the pandemic.

- The department has recruited, hired, and trained new officers over the past year but has also endured a number of extended absences related to COVID-19 and other protected leaves. Managing leaves amid all the other extended absences and situations related to the pandemic while still maintaining minimum staffing levels has, and continues to be, extremely challenging. This results in a greatly reduced ability to conduct any significant details or community outreach while struggling to simply cover shifts.

- Several special details were conducted including compliance checks for subjects on probation and parole, sweeps of the community for gang activity, and extra patrols during the holidays specifically looking for subjects engaged in package theft and thefts from vehicles.

Department Goals

Specific goals for the department in the coming year are:

- Work towards implementation of the Councils Vision and Goals as outlined in their Strategic Plan.

- Continue to work cooperatively with the Farmersville Unified School District through the School Resource Officers, Cadet Program, and their Pathways Program.

- Continue the "Coffee with a Cop" public outreach once per quarter post pandemic.

- Continue to work through the challenges of the growing cannabis industry guiding it through the ever-changing rules and regulations coming down from the State level as well as the newly allowed delivery permits, addition of a third retail outlet, and relocation of an existing outlet with the addition of an on-site venue.

- Continue implementation of the Transit Camera program establishing the infrastructure for monitoring of the street cameras as well as live feed from cannabis retailers.

- Continue to work on the station remodel as it progresses into its final phase covering the front office and lobby area.

- Successfully implement all CIP projects as budgeted and on time.

- Continue to work with the community to maintain the lowest crime rate in Tulare County and work towards further reducing crime numbers.

- Continue to develop staff through training and getting caught up on training mandates post pandemic. Continue mentoring staff and engaging in succession planning department-wide.

- Continue to explore new tools, techniques, and technology to maximize the limited staff time and staffing levels.

- Work toward increasing staffing to appropriate levels as revenues increase.

Fiscal Year 2022-23 Budget Specifics

The FY 2022-23 Police Department Budget strives to provide the City of Farmersville the best service possible with the lean staffing and limited resources by leveraging new technology and quality training.

Over the past several years, and particularly the past few fiscal years, the Department has experienced significant challenges in retention of existing, experienced staff and recruitment of new officers. This has stabilized over the past year even in the face of the significant challenges that the pandemic created however other unanticipated absences have created staffing challenges. The Department has had a significant number of extended leaves due to Covid and other protected leaves which would have caused severe impacts to staffing levels and ultimately the overtime budget had it not been for the addition of two positions in FY 2020-21. The additional staffing allowed the maintaining of minimum staffing levels while controlling the use of overtime.

Through these challenges the department has been able to preserve one of the lowest crime rates of any city in Tulare County. This has been the case for the past four fiscal years and the department, and its staff continue to work hard to maintain and improve that status.

FY 2022-23 Budget Summary

The Budget for FY 2022-23 reflects a spending decrease of about 10% for a total of $2,342,704 in the General Fund, $209,588 in the SLESF Fund, $7,500 from forfeiture funds, and $170,245 in capital expenditures through Measure Q. While there are some incremental changes budgeted relative to minor increased operation costs like fuel and utilities, additions including security camera software-as-a-service subscription, new hardware to become compatible with dispatch updates, and other costs related to new app-based technology for officers, account for nearly $40,000 in additional cost. These cost increases related to one-time projects are off-set by reduced capital costs and reduced salary and benefit costs. Fees for services for the year are not expected to change significantly.

Separately, in the Capital Fund, the department will continue implementation of the Capital Improvement Plan at a cost of $170,245. 100% of these capital costs are paid for with Measure Q revenues. This will include completing the remodel of the existing police facility. The police department facilities had not changed since the opening of the Civic Center over twenty years ago. The plan includes the last phase of the reconfiguration of office space offering a fresh new look and feel for staff and increased functionality to accommodate the additional staff positions.

The CIP includes continuing the vehicle replacement program which will begin payment on three (3) patrol vehicles purchased in FY 2021-22 which is also funded with Measure Q funds.

Most revenue types collected by the police department have minimal impact on the General Fund budget and are typically designed for cost recovery for services rendered. The adoption of the new Master Fee Schedule proposed by the recent fee study would assist in that cost recovery since the last fee adjustments were done ten (10) years ago. There are few grants currently available for law enforcement and those that are available require substantial matching funds and are typically designed for larger jurisdictions or multi-agency task forces.

The significant revenues brought in by the department consist of reimbursement by contract with the Farmersville Unified School District for two (2) School Resource Officers assigned to the schools for the regular school year (partial funding for two positions).

The department also receives an allocation of AB 3229, Citizens Option for Public Safety (COPS) funds at a minimum of $100,000 annually. The department is currently funding two (2) fulltime police officers with these revenues. The City has typically received about $150,000 annually in this allocation and combined with cash on hand in this separate fund, anticipates that it will be able to support the second additional position to FY 2025-26. At that point, additional funding will likely be needed to continue to support the second position.

One (1) additional police officer position is currently supported by Measure Q Cannabis Business Tax revenues and the City has budgeted for this position to continue in FY 2021-22. In the future, when additional Measure Q funds can be spared for ongoing operational costs such as salary and benefits, the number of sworn officers should be increased to 17.

It is important to note that these five (5) positions are almost fully funded through means other than General Fund tax revenue. The FY 2022-23 General Fund budget supports the remaining eleven (11) sworn officers and two (2) civilian positions.

The department continues to watch for grant opportunities and does take advantage of Homeland Security funding when appropriate as well as making use of DMV Auto Theft Funds when appropriate projects are developed.

The dedicated men and women of the Farmersville Police Department will continue to work diligently to maintain and improve the reputation they have built in the community providing full-service law enforcement to all its members.

Departmental Budget Summary - Police

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Police				
Revenues by Fund				
01 GENERAL FUND	(379,459)	(235,006)	(244,364)	(236,847)
103 GENERAL FUND CAPITAL	(20,000)	(40,000)		
11 DRUG ENFORCEMENT	(3,209)	-	(93)	(93)
14 POLICE DEPT SLESF	(159,630)	(158,935)	(151,272)	(161,078)
15 POLICE DEPT AB109	-	-	-	-
80 EVIDENCE HOLDING	(163)	-	-	-
81 POLICE DEVELOPER FEES	(5,653)	(3,554)	(21,248)	(5,185)
82 ASSET FORFEITURE	(40)	(22)	(13)	(13)
83 LIVE SCAN	(1,085)	(251)	-	-
Grand Total	**(569,238)**	**(437,768)**	**(416,990)**	**(403,215)**
Expenditures by Fund				
01 GENERAL FUND	2,205,271	2,375,854	2,584,678	2,579,551
103 GENERAL FUND CAPITAL	72,857	204,376	243,026	170,245
11 DRUG ENFORCEMENT	19,879	-	-	15,000
14 POLICE DEPT SLESF	164,943	170,749	196,337	209,588
15 POLICE DEPT AB109	-	-	-	-
81 POLICE DEVELOPER FEES	64,857	141,480	-	5,200
82 ASSET FORFEITURE	-	492	-	2,300
83 LIVE SCAN	1,474	886	-	-
Grand Total	**2,529,281**	**2,893,838**	**3,024,041**	**2,981,884**
Expenditures by Category				
CAPITAL OUTLAY	373,769	405,542	285,133	242,295
OPERATING SERVICES & SUPPLIES	114,937	102,719	135,400	163,400
OTHER	-	-	-	-
PROFESSIONAL & CONTRACTUAL SRV	168,202	187,501	206,400	211,700
SALARIES & BENEFITS	1,848,976	2,171,388	2,368,108	2,337,489
UTILITIES	23,397	26,687	29,000	27,000
Grand Total	**2,529,281**	**2,893,838**	**3,024,041**	**2,981,884**

Departmental Budget Summary - Police

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Full Time Personnel Count				
Police Chief			1	1
Police Commander			1	1
Police Sergeant			4	3
Police Officer			10	12
Technical Service Clerk			1	2
Grand Total			**17**	**19**

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City of Farmersville

Public Works Department & Engineering

Public Works Department & Engineering

Mission:

The mission of the Public Works Department of the City of Farmersville is to continually provide cost effective and efficient essential services to the public. This includes safe drinking water; environmentally sound wastewater collection and treatment, storm water management, solid waste collection, and safe well-managed streets, parks, and public facilities.

Vision:

The City of Farmersville Public Works Department strives to build community confidence by providing quality services to its citizens in a safe, responsive, and cost-effective manner. The Department is dedicated to the pursuit of new technologies and innovations that result in service improvements that enhance the quality of life for the residents. The Department continues to expand upon the commitment to meet the challenges of the future.

Department Structure

The Public Works Department is comprised of 7 Full-Time employees who attend to the following divisions:

Water Department: The Water Division operates and maintains six (6) City water wells, over 26 miles of water main pipeline, 576 water valves, 263 fire hydrants, 2,614 City water metered services, 95 Cameron Creek water metered services, submits reports to the State of California and performs monthly water meter usage readings.

Wastewater: The Waste Water Division manages, operates and maintains over 29 miles of sewer main pipeline, four (4) sewer lift stations, 389 Sanitary Sewer Manholes, the 1.25 million gallon per day Waste Water Treatment Plant.

Street Maintenance: The Street Maintenance Division maintains over 65 miles of streets and alleys, City parking lots, 161 Storm water manholes, 5 miles of storm drain pipeline, all City sidewalks, curbs, gutters, ponding basins, City owned trees, signage, median islands, graffiti removal from public properties and bi-monthly street sweeping. Street striping services are contracted.

Fleet Maintenance: The Fleet Maintenance Division manages, maintains vehicles (Diesel & Gas) and various pieces of equipment. The division is responsible for On & Off Road Vehicle Registry (DOORS), SMOG & Opacity Testing & Reporting and the Hazardous Materials Handling Programs.

Parks Maintenance: Parks Maintenance Division provides maintenance for the City's eight (8) parks totaling thirty-two (32) acres (including, trails, turf, trees, ballfields, playgrounds, and the water park).

Landscape & Lighting Maintenance Districts: The Public Works Department is responsible for the operations and maintenance of the City's seven (7) Landscape Zones.

Building Maintenance: The Government Building Maintenance Division is responsible for the maintenance and repair of the Police, Fire, City Hall, and other City owned facilities.

Department Accomplishments

Water Division

Water Division produced the following required reports to remain in compliance:

- Monthly summary of distribution system coliform monitoring. Twelve (12) weekly water samples taken throughout the City
- Monthly summary of coliform monitoring for source(s) (Wells) taken from each active well source
- Monthly Chlorine & Production Report
- Stage 2 Disinfection Byproduct Report and Sampling Report
- Annual distribution system Lead & Copper sampling
- Annual report to the Drinking Water Program
- Complete and distribute the annual Consumer Confidence Report (CCR)
- Participate in EPA Un-Regulated Contaminant Monitoring (UCMR)
- Complete State Water Boards water system inspection
- Responded to over 150 Under Ground Service Alerts (USA) marking City water, sewer and storm drain utilities.

The Water Division completed the following water system projects:

- Completed upgrade to Well 5 which included a VFD, water lube conversion, Pump Extension, motor, and flowmeter.

Recycling Division

- Provide free Metal, Green Waste, E-waste and Mattress/Box spring collection at City Yard
- Continued to implement Mandatory Commercial Recycling Plan (AB 341), Mandatory Organics Recycling Plan (AB 1826), and California's Short-Lived Climate Pollutant Reduction law (SB1383) to residential and commercial customers
- Met and complied with State and County quarterly and yearly reports, such as: CalRecycle Electronic Annual Report, Recycling Incentive Payment Program Report, CalRecycle Mattress Recovery and Recycling Program Report, among others
- Assisted Code Enforcement with special clean-ups

Wastewater Division

- Weekly WWTP sampling in compliance with state regulations.
- Monthly WWTP Report.
- Performed water jet cleaning in portions of the sanitary sewer collection system.
- Quarterly maintenance of four (4) sanitary sewer lift stations.
- Monthly maintenance & cleaning of the Wastewater Treatment Plant.
- Laboratory analyzed wastewater samples.
- Replace existing Vacuum Truck with new compliant unit.

Street Maintenance Division

- Performed water jet cleaning in portions of the storm sewer collection system.
- Completed monthly pothole repairs, clear storm drains, trim/remove/replace street trees, replace signage, weed abatement and more.
- Continued recycling program for damaged/non-compliant street signs.
- Continued replacing street signage to meet new retro-reflectivity requirements.
- Continued on-going storm drain inlet cleaning throughout the city.
- Perform bi-monthly street sweeping.
- Trim city trees throughout the City.
- Completed the Roundabout irrigation and landscaping upgrades.
- Commenced the Visalia Road median irrigation and landscaping upgrades.
- Removed graffiti from all City controlled or maintained property.
- Complete North Farmersville Blvd Widening and Improvements.

Fleet Maintenance

- Monitored and complied with State and Federal vehicular maintenance requirements.
- Complete Smog Check & Smoke Test requirements.
- Continued to oversee the preventive maintenance program to safeguard the drivability and prolong the life of City vehicles.

- Updated the DOORS On & Off Road Registry Program.

Parks Maintenance

- Repaired irrigation, mark lines for sports programs, field repair, playground repair, and general park maintenance.
- Repaired Veterans Park electrical outlets.
- Completed the Armstrong Park renovation project.

Buildings & Grounds

- Completed work orders for maintenance or repairs at City Facilities.
- Commenced irrigation upgrade at Sports Park.
- Partial completion of Police Department remodel.

Department Goals

The primary goal of the Public Works Department is to improve the quality of life for all Farmersville Residents and customers. Specific goals for the future include:

- Improve landscaping and amenities at all City Parks.
- Develop and improve the City website to better inform the public of the services available.
- Install trail lighting at Liberty Park walking trail.
- Install trail lighting at Farmersville Sports Park.
- Install sidewalk at Farmersville Sports Park walking trail if supported by public.
- Expand/improve Public Works Corporation Yard.
- Water main upgrade on E. Birch from Costner to Magnolia.
- Complete multiple park improvement projects (grants).

Fiscal Year 2022-23 Budget Specifics

- Continue retrofit of City Wells to include VFD, water lube conversion, Pump Extension

- General Fund Cost budgeted at $505,521 up from $408,724 in FY 2021-22 and $323,155 in FY 2020-21.

- Updated salary allocation to more accurately reflect time spent between divisions. Primary changes impact the Maintenance Districts (now outsourced) and the Trash Utility (absorb the cost of street sweeping salary and benefits and operational costs).

- Purchasing a new mower and new tools to convert from gas to battery as prescribed by State regulatory agencies.

- Biennial street striping & stenciling is budgeted for FY 2022-23.

- Continuation of the temporary employee program to help facilitate deferred maintenance needs for landscaping and irrigation in the parks and road medians. Projecting need at 2 employees for 6 months (or equivalent). Cost is estimated at $50,000 and to be offset by Measure Q Cannabis Business Tax revenue.

- The Capital Budget contains 21 different projects and a cost of $10,190,380 in FY 2022-23. These projects consist of roadwork, park improvements, capital and equipment purchases as well as infrastructure upgrades. They will be paid from a variety of funds and revenue sources but mainly the Enterprise Funds (utilities), Cannabis Business Tax, and a variety of grant funds. See the Capital Budget section of this report for more details on project specifics.

Department Unmet Needs / Future Goals

The following list of projects and programs are identified as part of the Department's strategic planning process, and staff would like to call them out as future activities as funding becomes available:

- Replace all walking trail irrigation at Farmersville Sports Park
- Purchase portable, stand-by generators for water wells
- Implement Leak Detection Program
- Continue with installation of electronic flow meters at each well location
- Electronic static and residual water level reporting units at each well location
- Public restroom improvements and remodels
- Integrate Public Works assets into GIS
- Addition of new water well on south side of City

Engineering Department:

The Engineering Department is a fully contracted position out-sourced to QK Inc., professional engineers. While all projects underway are essentially Public Works Department projects, they are split out separately when they require much more in the way of planning, administration, construction management, environmental or biological needs, surveying, or other specialty tasks. For reference, the projects that fall under the engineering category are as follows:

ENGINEERING CAPITAL PROJECTS	YEAR 1 2022-23	YEAR 2 2023-24	YEAR 3 2024-25	YEAR 4 2025-26	YEAR 5 2026-27	TOTAL
Central Farmersville Blvd Repairs			150,000	1,342,500		1,492,500
Birch Water Line Relocation		35,000	326,000			361,000
Master Plans for Sewer, Water, and Storm Drain	150,000					150,000
Water Recharge Basin		14,400	193,700			208,100
Update City Standards (LEAP Grant)	65,000					65,000
Water Storage Tank			18,000	1,240,000		1,258,000
New Water Well (ARP allocation)	90,000	1,410,000				1,500,000
City Hall Parking Lot (Phase 1)		191,000				191,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs Year 1	1,600,000	400,000				2,000,000
Pavement Management Program: Street Repairs Year 2		75,000	1,925,000			2,000,000
Pavement Management Program: Street Repairs Year 3			75,000	1,925,000		2,000,000
Alley Improvement Construction		875,000				875,000
Solar Plant located at new WWTP	150,000	4,850,000				5,000,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Highway 198 Gateway Improvements (CCLGP)	1,732,837	2,601,069				4,333,906
AHSC Phase I: Pedestrian and Bike Improvements			1,246,175			1,246,175
AHSC Phase II: Multi-Modal Hub			3,528,238			3,528,238
Pavement Management Program: Street Repairs Year 4				9,395	241,136	250,531
Urban Water Management Program				53,000		53,000
TOTAL	3,862,837	10,693,969	7,633,213	4,569,895	241,136	27,001,050

Departmental Budget Summary - Public Works

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
Public Works				
Revenues by Fund				
02 WATER UTILITY	(987,471)	(1,062,566)	(1,125,568)	(1,185,834)
03 WATER DEVELOPMENT	(13,764)	(8,514)	(17,871)	(8,030)
04 SEWER UTILITY	(2,039,115)	(2,026,088)	(2,005,186)	(2,016,831)
05 SEWER DEVELOPMENT	(23,827)	(20,631)	(28,642)	(8,026)
06 REFUSE	(857,594)	(862,662)	(890,269)	(911,495)
20 STP	(15,271)	(758,958)	(755,585)	(4,405)
21 GAS TAX	(266,556)	(255,684)	(299,670)	(332,729)
22 TDA	(393,611)	(649,043)	(656,026)	(659,635)
23 STORM DRAIN	(4,315)	(1,712)	(3,545)	(8,716)
25 STREET MITIGATION FUND	(459)	-	-	-
26 MEASURE R FUND	(1,077,951)	(1,786,078)	(10,505,485)	(236,344)
27 RMRA (SB1) FUND	(199,701)	(211,321)	(234,610)	(258,769)
30 PARK DEVELOPMENT	(735)	(273)	(1,300)	(18,907)
31 PARK IMPROVEMENTS	(30,540)	(241,756)	(1,844,734)	(4,010,980)
35 MAINTENCE DISTRICT	(63,291)	(88,349)	(61,955)	(62,500)
39 MUSEUM FUND	(52,701)	(83,854)	(85,816)	(93,459)
Grand Total	**(6,026,901)**	**(8,057,488)**	**(18,516,262)**	**(9,816,662)**
Expenditures by Fund				
01 GENERAL FUND	239,311	419,377	429,883	505,521
103 GENERAL FUND CAPITAL	71,574	9,417	369,916	892,492
02 WATER UTILITY	693,895	784,360	882,585	944,394
03 WATER DEVELOPMENT	195,836	1,932	-	-
04 SEWER UTILITY	968,559	1,073,092	1,497,045	2,237,143
05 SEWER DEVELOPMENT	-	-	243,000	-
06 REFUSE	797,006	763,995	815,222	776,059
20 STP	-	967,514	-	-
21 GAS TAX	244,294	280,038	336,797	372,050
22 TDA	49,699	94,929	115,188	1,735,188
23 STORM DRAIN	-	-	154,000	-
25 STREET MITIGATION FUND	-	32,091	-	-
26 MEASURE R FUND	862,084	1,622,230	10,330,000	-

Departmental Budget Summary - Public Works

Fund	Fiscal Year 2020 Actual	Fiscal Year 2021 Actual	Fiscal Year 2022 Budget	Fiscal Year 2023 Proposed
27 SB1 Road Maintenance & Rehab	71,491	458,678	-	-
31 PARK IMPROVEMENTS	64,655	239,677	1,377,734	4,018,034
35 MAINTENANCE DISTRICT	125,901	116,899	79,396	62,049
39 CITY PROPERTY FUND	41,659	53,736	42,700	59,500
Grand Total	**4,425,963**	**6,917,964**	**16,673,465**	**11,602,431**

Expenditures by Category				
CAPITAL OUTLAY	71,574	3,583,783	2,334,893	7,475,705
OPERATING SERVICES & SUPPLIES	2,050,322	517,582	802,388	895,059
OTHER	177,081	32,091	397,000	10,000
PROFESSIONAL & CONTRACTUAL SRV	1,019,219	1,610,884	11,881,732	1,859,754
SALARIES & BENEFITS	791,724	779,746	775,988	892,913
UTILITIES	316,044	393,879	481,464	469,000
Grand Total	**4,425,963**	**6,917,964**	**16,673,465**	**11,602,431**

Full Time Personnel Count		
Public Works Director	1	1
Public Works Supervisor	1	1
Public Works Specialist	1	-
Maintenance Worker	5	5
Public Works Crew Leader	-	1
Grand Total	**8**	**8**

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City of Farmersville

Positions, Salaries & Benefits

Positions, Salaries & Benefits

The City of Farmersville has four labor groups: Police Officer's Association (POA), International Brotherhood of Teamsters (Local 517), Miscellaneous Employee Association, and Mid-Management Employee Association. Salary & Benefits are set by Memorandum of Understanding (MOU). MOUs are generally considered and adopted around the same time as the annual budget unless the MOU is a multi-year agreement.

Memorandums of Understanding – MOUs

Current MOUs agreements cover the period through June 30, 2023. They contain all the negotiated benefits and other important employment related information by bargaining group, including the salary schedule attached in this section.

Organizational Chart by Position

This chart displays all the currently filled positions and their organization within the structure of the City.

Authorized Full-Time Personnel Positions by Department

This schedule details the number of positions, by title, authorized and assigned to each Department.

Time & Cost Allocation for Full-Time Positions

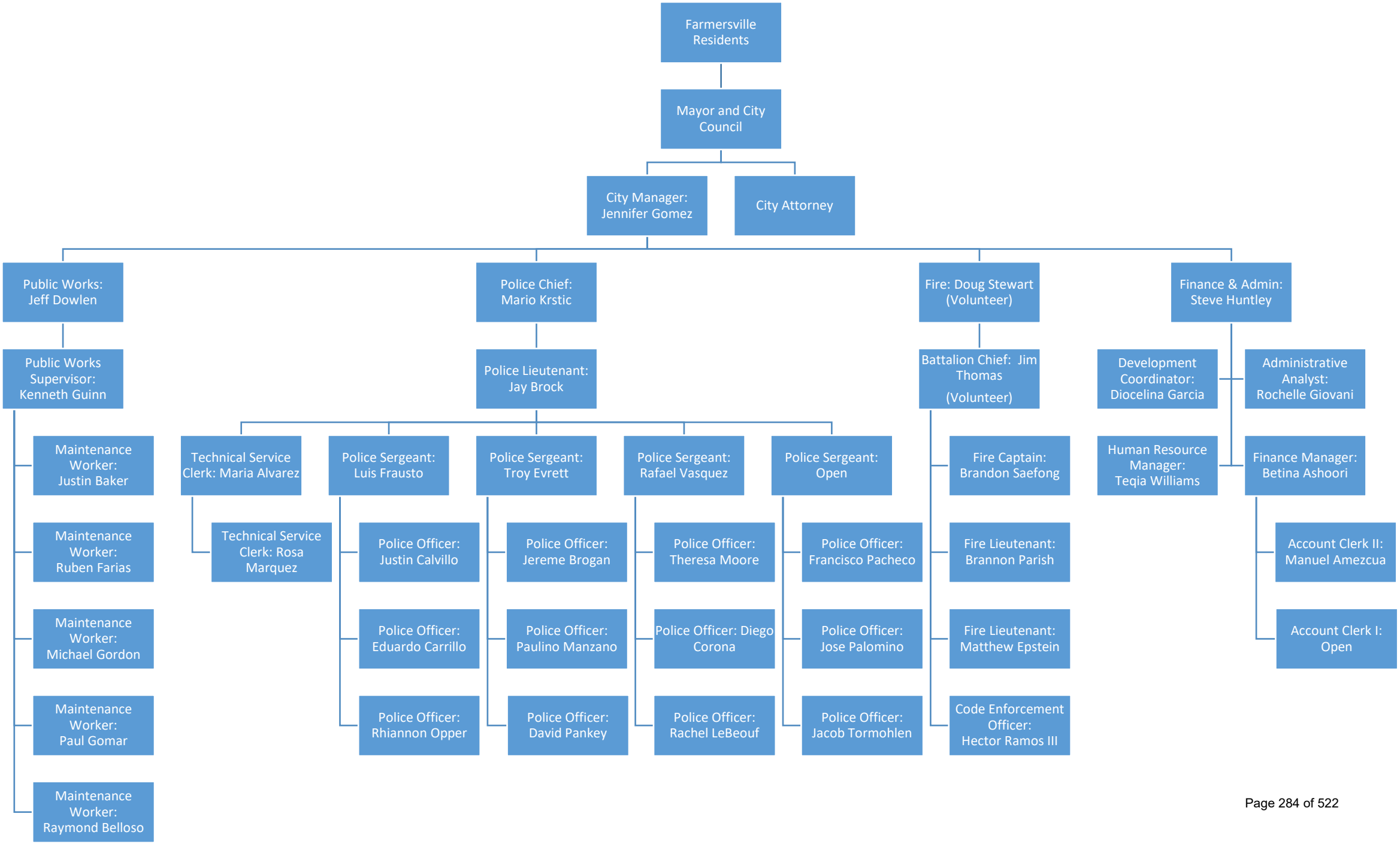
This schedule shows the standard time and cost allocation by City Department for each full-time position.

Historical Payroll & Benefit Cost by Fund

This Schedule shows the time and cost allocation of full-time staff by fund and accounting department. Funding sources are based upon level of service or involvement attributed to a program or department. It is important to note that the total number of positions shown here may not match the number of positions, since not all positions are funded at 100% every year due to vacancies or new positions.

Salary Schedule

The Salary schedule covers all positions available for the City of Farmersville. However, not all are filled or budgeted necessarily. This can be compared to the prior schedule for clearer information regarding budgeted positions. This schedule is what is adopted with the MOUs. All employees hired before January 1, 2018 are considered part of Tier 1 and have a different salary schedule length and a different benefits package. Employees hired on January 1, 2018 or later are considered part of Tier 2.


Farmersville Residents
Mayor and City Council
City Manager: Jennifer Gomez
City Attorney
Public Works: Jeff Dowlen
Public Works Supervisor: Kenneth Guinn
Maintenance Worker: Justin Baker
Maintenance Worker: Ruben Farias
Maintenance Worker: Michael Gordon
Maintenance Worker: Paul Gomar
Maintenance Worker: Raymond Belloso
Police Chief: Mario Krstic
Police Lieutenant: Jay Brock
Technical Service Clerk: Maria Alvarez
Technical Service Clerk: Rosa Marquez
Police Sergeant: Luis Frausto
Police Officer: Justin Calvillo
Police Officer: Eduardo Carrillo
Police Officer: Rhiannon Opper
Police Sergeant: Troy Evrett
Police Officer: Jereme Brogan
Police Officer: Paulino Manzano
Police Officer: David Pankey
Police Sergeant: Rafael Vasquez
Police Officer: Theresa Moore
Police Officer: Diego Corona
Police Officer: Rachel LeBeouf
Police Sergeant: Open
Police Officer: Francisco Pacheco
Police Officer: Jose Palomino
Police Officer: Jacob Tormohlen
Fire: Doug Stewart (Volunteer)
Battalion Chief: Jim Thomas (Volunteer)
Fire Captain: Brandon Saefong
Fire Lieutenant: Brannon Parish
Fire Lieutenant: Matthew Epstein
Code Enforcement Officer: Hector Ramos III
Finance & Admin: Steve Huntley
Development Coordinator: Diocelina Garcia
Administrative Analyst: Rochelle Giovani
Human Resource Manager: Teqia Williams
Finance Manager: Betina Ashoori
Account Clerk II: Manuel Amezcua
Account Clerk I: Open

Authorized Full Time Personnel Positions by Department

Department	Position Title	FY 2020-2021
Administration	City Manager	1
Administration	Administrative Analyst	1
Administration	Director of Finance & Administration	1
Administration	Human Resources Manager	1
Administration	Finance Manager	1
Administration	Account Clerk I	1
Administration	Account Clerk II	1
	Departmental Subtotal	**7**
Public Works	Public Works Director	1
Public Works	Public Works Supervisor	1
Public Works	Maintenance Worker	5
Public Works	Public Works Crew Leader	1
	Departmental Subtotal	**8**
Fire	Battalion Chief	1
Fire	Fire Captain	1
Fire	Fire Lieutenant	2
	Departmental Subtotal	**4**
Code Enforcement	Code Enforcement Officer	1
	Departmental Subtotal	**1**
Community Development	Development Coordinator	1
	Departmental Subtotal	**1**
Police	Police Chief	1
Police	Police Commander	1
Police	Police Sergeant	3
Police	Police Officer	12
Police	Technical Service Clerk	2
	Departmental Subtotal	**19**
	Total Authorized Full-Time Positions	**40**

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
City Manager	Administration	01	404	30%
City Manager	Administration	02	404	30%
City Manager	Administration	04	404	30%
City Manager	Administration	21	404	10%
City Manager	Administration			100%
Administrative Analyst	Administration	01	404	50%
Administrative Analyst	Administration	02	404	25%
Administrative Analyst	Administration	04	404	25%
Administrative Analyst	Administration			100%
Director of Finance & Administration	Administration	01	404	35%
Director of Finance & Administration	Administration	02	404	30%
Director of Finance & Administration	Administration	04	404	25%
Director of Finance & Administration	Administration	06	404	10%
Director of Finance & Administration	Administration			100%
Human Resources Manager	Administration	01	404	50%
Human Resources Manager	Administration	02	404	25%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Human Resources Manager	Administration	04	404	25%
Human Resources Manager	Administration			100%
Finance Manager	Administration	01	404	35%
Finance Manager	Administration	02	404	30%
Finance Manager	Administration	04	404	25%
Finance Manager	Administration	06	404	10%
Finance Manager	Administration			100%
Account Clerk I	Administration	01	404	5%
Account Clerk I	Administration	02	404	40%
Account Clerk I	Administration	04	404	40%
Account Clerk I	Administration	06	404	15%
Account Clerk I	Administration			100%
Account Clerk II	Administration	01	404	5%
Account Clerk II	Administration	02	404	40%
Account Clerk II	Administration	04	404	40%
Account Clerk II	Administration	06	404	15%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Account Clerk II	Administration			100%
Public Works Director	Public Works	01	425	20%
Public Works Director	Public Works	02	425	20%
Public Works Director	Public Works	04	425	20%
Public Works Director	Public Works	06	425	15%
Public Works Director	Public Works	21	425	20%
Public Works Director	Public Works	35	425	5%
Public Works Director	Public Works			100%
Public Works Supervisor	Public Works	01	425	20%
Public Works Supervisor	Public Works	02	425	30%
Public Works Supervisor	Public Works	04	425	30%
Public Works Supervisor	Public Works	21	425	15%
Public Works Supervisor	Public Works	35	425	5%
Public Works Supervisor	Public Works			100%
Public Works Crew Leader	Public Works	01	425	20%
Public Works Crew Leader	Public Works	02	425	35%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Public Works Crew Leader	Public Works	04	425	35%
Public Works Crew Leader	Public Works	21	425	10%
Public Works Crew Leader	Public Works			100%
Maintenance Worker	Public Works	01	425	35%
Maintenance Worker	Public Works	02	425	20%
Maintenance Worker	Public Works	04	425	20%
Maintenance Worker	Public Works	21	425	25%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	60%
Maintenance Worker	Public Works	02	425	20%
Maintenance Worker	Public Works	04	425	10%
Maintenance Worker	Public Works	21	425	10%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	50%
Maintenance Worker	Public Works	02	425	10%
Maintenance Worker	Public Works	04	425	10%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Maintenance Worker	Public Works	21	425	30%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	30%
Maintenance Worker	Public Works	02	425	30%
Maintenance Worker	Public Works	04	425	30%
Maintenance Worker	Public Works	21	425	10%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	10%
Maintenance Worker	Public Works	02	425	30%
Maintenance Worker	Public Works	04	425	30%
Maintenance Worker	Public Works	21	425	30%
Maintenance Worker	Public Works			100%
Battalion Chief	Fire	01	420	100%
Battalion Chief	Fire			100%
Fire Captain	Fire	01	420	100%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Fire Captain	Fire			100%
Fire Lieutenant	Fire	01	420	100%
Fire Lieutenant	Fire			100%
Fire Lieutenant	Fire	01	420	100%
Fire Lieutenant	Fire			100%
Code Enforcement Officer	Code Enforcement	01	415	100%
Code Enforcement Officer	Code Enforcement			100%
Development Coordinator	Community Development	01	414	50%
Development Coordinator	Community Development	02	404	25%
Development Coordinator	Community Development	04	404	25%
Development Coordinator	Community Development			100%
Police Chief	Police	01	411	100%
Police Chief	Police			100%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Police Commander	Police	01	411	100%
Police Commander	Police			100%
Police Sergeant	Police	01	411	100%
Police Sergeant	Police			100%
Police Sergeant	Police	01	411	100%
Police Sergeant	Police			100%
Police Sergeant	Police	01	411	100%
Police Sergeant	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	01	411	100%
Police Officer	Police			100%

Time & Cost Allocation for Full-Time Positions 2022-2023

Position	Department	Fund	Department	Time & Cost Allocation
Police Officer	Police	01	411	100%
Police Officer	Police			100%
Police Officer	Police	14	411	100%
Police Officer	Police			100%
Police Officer	Police	14	411	100%
Police Officer	Police			100%
Technical Service Clerk	Police	01	411	100%
Technical Service Clerk	Police			100%
Technical Service Clerk	Police	01	411	100%
Technical Service Clerk	Police			100%
	Grand			40

Historical Payroll & Benefit Cost by Fund & Department

Fund	Department	FY 20 Actuals	FY 21 Actuals	FY 22 Budget	FY 23 Proposed
01-General Fund	404-Administration	$166,866	$181,572	$574,270	$457,968
02-Water	404-Administration	$267,072	$267,360	$307,822	$311,448
04-Sewer	404-Administration	$244,254	$267,019	$285,474	$292,815
06-Refuse	404-Administration	$73,414	$62,351	$68,538	$60,778
21-Gas Tax	404-Administration	$8,871	$18,621	$20,423	$20,390
01-General Fund	411-Police	$1,759,767	$2,000,640	$2,171,772	$2,128,401
01-General Fund	414-Community Development	$15,361	$46,019	$49,366	$43,230
01-General Fund	415-Code Enforcement	$57,741	$70,598	$85,669	$93,116
01-General Fund	420-Fire	$241,933	$297,543	$307,867	$422,559
01-General Fund	425-Public Works	$113,888	$117,455	$185,282	$248,021
02-Water	425-Public Works	$250,947	$219,680	$174,969	$221,611
04-Sewer	425-Public Works	$196,308	$206,260	$174,969	$213,285
06-Refuse	425-Public Works	$28,448	$24,870	$95,253	$26,996
14-Police SLESF	411-Police	$89,209	$170,749	$196,336	$209,088
21-Gas Tax	425-Public Works	$125,805	$134,407	$129,592	$165,950
35-Maintence District	425-Public Works	$76,327	$77,074	$15,927	$17,049
	Total	$3,716,211	$4,162,215	$4,843,529	$4,932,705

Salary Schedule Fiscal Year 2023

Tier 1

Position	Range	A	B	C	D	E	F
City Manager	21	$145,000					
Administrative Analyst	8©	$57,782	$60,671	$63,705	$66,890	$70,234	$73,746
Development Coordinator	8©	$55,739	$58,526	$61,452	$64,525	$67,751	$71,139
Human Resources Manager	8©	$74,272	$77,986	$81,885	$85,979	$90,278	$94,792
Director of Finance & Administration	19	$105,594	$110,874	$116,418	$122,239	$128,351	$134,768
Finance Director	18	$91,199	$95,759	$100,547	$105,574	$110,853	$116,395
Finance Manager	17	$76,129	$79,935	$83,932	$88,129	$92,535	$97,162
Account Clerk I	1(b)	$34,223	$35,934	$37,730	$39,617	$41,598	$43,678
Account Clerk II	2(a)	$45,861	$48,155	$50,562	$53,090	$55,745	$58,532
Technical Service Clerk	1(a)	$39,836	$41,828	$43,919	$46,115	$48,421	$50,842
Police Officer	5(b)	$50,671	$53,204	$55,865	$58,658	$61,591	$64,670
Corporal	7	$53,217	$55,877	$58,671	$61,605	$64,685	$67,919
Police Sergeant	8(a)	$67,907	$71,303	$74,868	$78,611	$82,542	$86,669
Police Commander	9(b)	$91,011	$95,561	$100,339	$105,356	$110,624	$116,155
Police Chief	17	$129,959	$136,457	$143,280	$150,444	$157,966	$165,863
Code Enforcement Officer	5(a)	$47,272	$49,635	$52,117	$54,723	$57,459	$60,332
Fire Chief	20	$111,265	$116,828	$122,669	$128,803	$135,243	$142,005
Battalion Chief	17	$83,958	$88,156	$92,564	$97,192	$102,051	$107,154
Fire Captain	8(b)	$62,651	$65,783	$69,072	$72,526	$76,152	$79,960
Fire Lieutenant	5(a)	$46,751	$49,088	$51,543	$54,120	$56,826	$59,667
Maintenance Worker	2(b)	$35,404	$37,174	$39,033	$40,984	$43,034	$45,185
Public Works Crew Leader	3	$47,445	$49,817	$52,308	$54,923	$57,669	$60,553
Public Works Supervisor	9(a)	$63,579	$66,758	$70,096	$73,601	$77,281	$81,145
Public Works Director	19	$85,193	$89,453	$93,926	$98,622	$103,553	$108,731

Salary Schedule Fiscal Year 2023

Tier 2

Position	Range	A	B	C	D	E	F	G	H	I
City Manager	21	145,000								
Administrative Analyst	8©	57,782	59,588	61,450	63,370	65,350	67,393	69,499	71,670	73,910
Development Coordinator	8©	55,739	57,481	59,277	61,129	63,040	65,010	67,041	69,136	71,297
Human Resources Manager	8©	74,272	76,593	78,987	81,455	84,001	86,626	89,333	92,124	95,003
Director of Finance & Administration	19	105,594	108,894	112,297	115,806	119,425	123,157	127,006	130,975	135,068
Finance Director	18	91,199	94,049	96,988	100,019	103,144	106,368	109,692	113,119	116,654
Finance Manager	17	76,129	78,508	80,961	83,491	86,101	88,791	91,566	94,427	97,378
Account Clerk I	1(b)	34,223	35,292	36,395	37,532	38,705	39,915	41,162	42,448	43,775
Account Clerk II	2(a)	45,963	47,400	48,881	50,409	51,984	53,608	55,284	57,011	58,793
Technical Service Clerk	1(a)	39,836	41,081	42,365	43,688	45,054	46,462	47,914	49,411	50,955
Police Officer	5(b)	50,671	52,254	53,887	55,571	57,308	59,099	60,946	62,850	64,814
Corporal	7	53,217	54,880	56,595	58,363	60,187	62,068	64,007	66,008	68,070
Police Sergeant	8(a)	67,907	70,030	72,218	74,475	76,802	79,202	81,677	84,230	86,862
Police Commander	9(b)	91,011	93,855	96,788	99,812	102,931	106,148	109,465	112,886	116,414
Police Chief	17	129,959	134,020	138,209	142,528	146,982	151,575	156,312	161,196	166,234
Code Enforcement Officer	5(a)	47,272	48,749	50,272	51,843	53,464	55,134	56,857	58,634	60,466
Fire Chief	20	111,265	114,742	118,328	122,025	125,839	129,771	133,826	138,008	142,321
Battalion Chief	17	84,332	86,967	89,685	92,488	95,378	98,358	101,432	104,602	107,871
Fire Captain	8(b)	62,790	64,752	66,776	68,863	71,014	73,234	75,522	77,882	80,316
Fire Lieutenant	5(a)	46,751	48,212	49,718	51,272	52,874	54,527	56,231	57,988	59,800
Maintenance Worker	2(b)	35,404	36,510	37,651	38,828	40,041	41,293	42,583	43,914	45,286
Public Works Crew Leader	3	47,550	49,036	50,569	52,149	53,778	55,459	57,192	58,979	60,822
Public Works Supervisor	9(a)	63,579	65,566	67,615	69,728	71,907	74,154	76,471	78,861	81,325
Public Works Director	19	85,193	87,856	90,601	93,432	96,352	99,363	102,468	105,670	108,973

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City of Farmersville

Resolutions

RESOLUTION 2022-010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ESTABLISHING FISCAL YEAR 2022-23 APPROPRIATIONS LIMIT PURSUANT TO ARTICLE XIIIB OF THE CALIFORNIA CONSTITUTION

WHEREAS, Article XIIIB of the Constitution of the State of California places a limit on the annual appropriations of "proceeds of taxes" of state and local government; and

WHEREAS, SB1352, Chapter 1205, 1980 Statutes, provides for implementation of Article XIIIB by defining various terms used in said article and prescribing procedures to be used in implementing specific provisions of the article, one such provision is that each year the governing body of each local jurisdiction shall, by resolution, establish its Appropriations Limit for the fiscal year; and

WHEREAS, pursuant to Article XIIIB of the Constitution of the State of California and SB1352, the City of Farmersville is required to establish its Appropriations Limit for fiscal year 2022-23; and

WHEREAS, the Appropriations Limit computation for Fiscal Year 2022-23 is based on the change in California per capita personal income multiplied by the change in population for the City of Farmersville as provided by the State of California Department of Finance.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Farmersville as follows:

1. The Appropriations Limit for the City of Farmersville for the fiscal year 2022-23 is the sum of $ 5,642,102.71 as detailed in Schedule "A" attached hereto and by this reference incorporated herein.

PASSED, ADOPTED AND APPROVED this 13th day of June, 2022 by the following vote:

Motion to Approve Valdovinos ; **Second** Hernandez

AYES: Boyer, Hernandez, Gomez, Valdovinos, Macareno

NOES: Ø

ABSTAIN: Ø

ABSENT: Ø

Paul Boyer

Paul Boyer
MAYOR of the City of Farmersville

Attest:

Rochelle Giovani

ROCHELLE GIOVANI
CITY CLERK

RESOLUTION 2022-014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ESTABLISHING A REVISED SALARY SCHEDULE FOR ALL PERSONNEL FOR FISCAL YEAR 2022-23

WHEREAS, Section 36506 of the Government Code of the State of California provides that the City Council shall, by Resolution or Ordinance, fix the compensation for all appointive officers and employees; and

WHEREAS, the City Council has heretofore by Resolution established salary schedules for all personnel groups of the City;

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Farmersville as follows:

1. The Salary Schedule for all positions for the City of Farmersville for the Fiscal Year 2022-23 as detailed in Schedule "A" attached hereto and by this reference incorporated herein.

PASSED, ADOPTED AND APPROVED this 13th day of June, 2022 by the following vote:

AYES: Boyer, Hernandez, Gomez, Valdovinos, Macareno

NOES: 0

ABSTAIN: 0

ABSENT: 0

Paul Boyer

PAUL BOYER
MAYOR of the City of Farmersville

Attest:

Rochelle Giovani

ROCHELLE GIOVANI
CITY CLERK

INCORPORATED
CITY OF
Farmersville
OCTOBER 5, 1939

RESOLUTION 2022-009

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ADOPTING A BUDGET FOR THE CITY OF FARMERSVILLE FOR THE FISCAL YEAR 2022-23

WHEREAS, the City Council of the City of Farmersville is desirous of establishing an annual Budget and Spending Plan for the Fiscal Year 2022-23, and

WHEREAS, the Farmersville City Council has reviewed and considered the draft budget documents and has received input from the public on May 23, 2022, and

WHEREAS, the Budget for the twelve months ending June 30, 2023 document attached hereto and made a part of this Resolution, reflects the Fiscal Year 2022-23 Operating and Capital Budget for the City of Farmerville.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Farmersville as follows:

1. The Farmersville City Council does hereby adopt the Fiscal Year 2022-23 Budget for the City of Farmersville, as outlined in the attached Budget for the twelve months ending June 30, 2023.
2. The City Manager is hereby authorized to make expenditures and appropriations in accordance with the Budget as adopted, with the exception of those expenditures which require prior Council approval, in accordance with the adopted City ordinances, rules, and regulations.

PASSED, ADOPTED AND APPROVED this 13th day of June, 2022 by the following vote:

Motion to Approve Valdovinos; **Second** Hernandez

AYES: Boyer, Hernandez, Gomez, Valdovinos, Macareno

NOES: Ø

ABSTAIN: Ø

ABSENT: Ø

Paul Boyer
MAYOR of the City of Farmersville

Attest:

ROCHELLE GIOVANI
CITY CLERK

INCORPORATED CITY OF Farmersville OCTOBER 5, 1930

RESOLUTION 2022-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ADOPTING A CAPITAL IMPROVEMENT PLAN AND CAPITAL BUDGET FOR THE CITY OF FARMERSVILLE FOR THE FISCAL YEAR 2022-2023 AND FIVE-YEAR PROJECTION THROUGH FISCAL YEAR 2023-2027

WHEREAS, the City Council of the City of Farmersville is desirous of establishing an annual Capital Budget and Five-Year Capital Improvement Plan, and

WHEREAS, the Farmersville City Council has reviewed and considered the draft Capital Budget and Capital Improvement Plan documents on March 28, 2022 and April 25, 2022, and

WHEREAS, the Proposed Budget for the twelve months ending June 30, 2023 document has assimilated the revised Capital Budget and Five-Year Capital Improvement Plan and was reviewed on May 23,2022;

WHEREAS, attached hereto the Proposed Budget for Fiscal Year 2022-2023 and made a part of this Resolution, reflects both the Fiscal Year 2022-2023 Operating and Capital Budget for the City of Farmerville.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Farmersville as follows:

1. The Farmersville City Council does hereby adopt the Fiscal Year 2022-2023 Capital Budget and Five-Year Capital Improvement Plan projection for the City of Farmersville, as outlined in the attached Budget for the twelve months ending June 30, 2023.
2. The City Manager is hereby authorized to make expenditures and appropriations in accordance with the Budget as adopted, with the exception of those expenditures which require prior Council approval, in accordance with the adopted City ordinances, rules, and regulations.

PASSED, ADOPTED AND APPROVED this 8th day of June, 2020 by the following vote:

AYES: Boyer, Hernandez, Gomez, Valdovinos, Macareno

NOES: Ø

ABSTAIN: Ø

ABSENT: Ø

Paul Boyer
MAYOR of the City of Farmersville

Attest:

ROCHELLE GIOVANI
CITY CLERK

INCORPORATED CITY OF Farmersville OCTOBER 5, 1909

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City of Farmersville

Appendixes

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City of Farmersville

Debt Management Policy

EXHIBIT A

CITY OF FARMERSVILLE
DEBT MANAGEMENT POLICY

Scope and Application

This Debt Management Policy sets forth certain debt management objectives and establishes overall parameters for issuing and administering debt for which the City or other Covered Entities (as defined hereafter) is financially obligated or is responsible for managing ("**Debt Program**"). Recognizing that cost-effective access to the capital markets depends on prudent management of the Debt Program, this Debt Management Policy has been adopted by resolution.

Debt Management Policy Review and Approval

This Policy, adopted by City Council/Board of Directors resolution, will be reviewed biennially by the Finance Director to ensure the Policy remains current. It is the intention of the governing body that any modifications to this Policy will be reviewed by the City Council, unless otherwise directed by the City Council. Any and all modifications to this Policy are subject to City Council approval by resolution.

Debt Management Objectives and Goals

This Policy is intended to comply with section 8855 of the California Government Code and to assist the Covered Entities in accomplishing each of the following objectives:

- Maintain a prudent balance of debt and equity in meeting long-term capital needs in the form of pay-as-you-go financing. Debt and equity balance will be considered when planning the use of debt financing to address facility needs and other public infrastructure, and will ensure against incurring a level of fixed debt obligation which denies an appropriate level of future operating flexibility.
- Maintain financial discipline, prudence and long term stability.
- Ensure the Covered Entities'' long-term ability to maintain an acceptable level of service to residents of the City of Farmersville.
- Lower the cost of borrowing by maintaining high ratings and easy access to capital markets.

- Establish and periodically review policies, goals, objectives and standards which will enable the Covered Entities to maintain or improve their credit ratings.
- Keep policy makers informed of the Covered Entities' policies, goals and standards with regard to the issuance of debt.
- Facilitate approval of debt issuance using predetermined, certain policies.
- Incorporate debt management practices into the City's planning and project management activities.
- Support decisions based upon sound financial and management practices; reduce political influence in the debt issuance process.
- Ensure financial controls are in place with respect to proceeds of debt issuances.
- Ensure compliance with applicable state and federal laws.
- Full and timely repayment of debt.

Entities Covered

These policies establish the parameters within which debt may be issued by the City of Farmersville, Farmersville Housing Authority, and Farmersville Public Finance Authority and the Successor Agency to the Redevelopment Agency of the City of Farmersville (collectively, the "**Covered Entities**"). Additionally, these policies apply to debt issued by the Covered Entities on behalf of assessment, community facilities or other special districts, conduit-type financing by the City for multifamily housing or industrial development projects.

Supplemental policies, tailored to the specifics of certain types of financings, may be adopted by the City Council in the future. These supplemental policies may address, but are not limited to, the Covered Entities' general obligation, lease revenue, enterprise, multifamily housing and land-secured financings.

Professional Assistance

The Covered Entities will use the services of independent financial/municipal advisors and bond counsel on all debt financings. The Finance Director shall have the authority to periodically select service providers as necessary to meet legal requirements and minimize the Covered Entities' debt costs. Such services, depending upon the type of financing, which may include financial advisory, underwriting, trustee, verification agent, escrow agent, arbitrage consulting and special tax consulting.

The City Attorney's Office shall be responsible for selection of bond counsel and, for publicly-issued debt, selection of disclosure counsel. Additionally, the City

Attorney's Office will be responsible for the selection of disclosure counsel in those circumstances where the City Attorney's Office determines it to be necessary or desirable to retain disclosure counsel to generally advise the Covered Entities with respect to its obligations under state and federal securities-laws. The goal in selecting service providers, whether through a competitive process or otherwise, is to achieve an appropriate balance between service and cost.

Types and Purposes of Debt

The Covered Entities may use several types of municipal debt obligations to finance long-term capital projects and associated real property acquisitions, to the extent permitted by applicable law. Long-term debt is only issued to finance the acquisition and/or construction of capital improvements unless otherwise decreed by court order or adjudicated settlement. Long-term debt financing shall never be used to fund operating or maintenance costs. Prior to the issuance of debt, a reliable revenue source shall be identified to secure repayment of the debt. The following types and purposes of debt of the Covered Entities.

A. **Long-term Borrowing**: Long-term borrowing may be used to finance the acquisition or improvement of land, facilities or equipment for which it is appropriate to spread these costs over more than one budget year and, with respect to the Covered Entities, will be reflected in the Adopted Annual Capital Budget and Adopted Five-Year Capital Improvement Plan. Long-term borrowing may also be used to fund capitalized interest, costs of issuance, required reserves, and any other financing-related costs which may be legally capitalized. Long-term borrowing shall not be used to fund normal and re-occurring operating costs.

B. **Short-term Borrowing**: In general, short-term borrowing through financing vehicles, such as commercial paper and lines of credit, will be considered as an interim source of funding for a capital improvement in anticipation of long-term borrowing or for the acquisition of equipment, or any other purpose permitted under the California Government Code, including but not limited to Articles 7 and 7.6 of Chapter 4, of Part 1, of Division 2 of Title 5 thereof. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Covered Entity determine that extraordinary circumstances exist, must not exceed seven (7) years. The Covered Entity may also authorize the use of a short-term financing vehicle with a maturity longer than seven (7) years consistent with the useful life of

the financed project if use of a short-term financing vehicle would be a beneficial component to the applicable debt portfolio. Additionally, short-term borrowing may be considered if available cash is insufficient to meet short-term operating needs.

C. Assessment Bonds: Proceeds from Assessment Bonds may be used to finance local public improvements, provided that said improvements benefit the parcels of land to be assessed. Local streets, street lights, landscaping, sidewalks and sanitary sewers are some examples of local improvements commonly financed by assessment bonds.

D. General Obligation Bonds: General Obligation Bonds may only be issued with two-thirds approval of a popular vote. The California State Constitution (Article 16, Section 18) limits the use of the proceeds from General Obligation Bonds to "the acquisition or improvement of real property." Libraries, parks and public safety facilities are all types of facilities which could be financed with General Obligation Bonds.

E. Enterprise Revenue Bonds: Enterprise Revenue Bonds finance facilities for a revenue producing enterprise, and are payable from revenue sources within that enterprise.

F. Lease Financing:

i) As used in this section, the term "**lease financing**" means any lease or sublease made between the Covered Entities and another party for the purpose of financing the acquisition, construction or improvement by the Covered Entities of real property or equipment. By way of example and not limitation, the term "lease financing" includes certificates of participation, lease revenue bonds or lease revenue notes.

ii) Prior to bringing a lease financing to the City Council for approval, the Finance Director will perform initial due diligence on the project to be financed. The Finance Director's due diligence review will include the following elements:

a. Any lease financing must have an identified revenue source for repayment, which may include the general fund, eligible special funds or project revenues.

b. Prior to embarking on a lease financing in which project revenues are identified as the repayment source, a feasibility study will be performed to determine the volatility of the revenue and provide a sensitivity analysis on project revenue projections including worst/best case scenarios, including without limitation, the impact on any repayment source identified as the backstop to the project revenues as the repayment source.

c. The Finance Director will present the results of the due diligence review including any feasibility study to the City Council for review and consideration, in order to proceed with the preparation of the documents necessary for the lease financing, at least two-thirds majority approval by the City Council of the proposed plan of finance is required.

d. At the time the Finance Director brings forward the lease financing for City Council approval, the Finance Director will also provide the City Council with an update to the due diligence report and any feasibility study. Approval of the lease financing will require at least two-thirds majority approval by the City Council.

iii) The provisions of this section will not apply to a refunding of a lease financing transaction.

G. Refunding Obligations: Periodic reviews of outstanding debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve City objectives relating to changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile. In general, refundings which produce a net present value savings of at least three percent (3%) of the refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than three percent (3%) will be considered on a case-by-case basis. Refundings with negative savings will not be considered unless there is a compelling public policy objective which is accomplished by retiring the debt.

H. Tax and Revenue Anticipation Bonds or Notes.

I. Land-secured financings, such as special tax revenue bonds and limited obligation assessment bonds.

J. **Tax increment financings to the extent permitted under State law.**

K. **Debt may be publicly issued or privately placed** and may be issued on either a long term basis or short-term basis consistent with the provisions of this Policy.

L. **Other Obligations**: There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to non-enterprise revenue bonds, bond anticipation notes, grant anticipation notes and judgment or settlement obligation bonds.

Responsibility for Debt Management Activities

The City's Finance Director will be responsible for managing and coordinating all activities related to the issuance and administration of debt under this policy, including the implementation of internal control procedures to ensure that the proceeds of debt will be directed to the intended use. The Finance Director shall be subject to City Manager's direction and supervision. The Finance Director is charged with responsibility for the conduct of all City finance functions.

Additionally, the Finance Director serves as the chief financial officer of the Covered Entities is responsible for the oversight of the their 'financial affairs, including use of the proceeds of debt issued by the Covered Entities.

Covered Entities implementing debt-financed capital programs will work in partnership with the Finance Director to provide information and otherwise facilitate the issuance and administration of debt.

All long-term financing proposed transactions for capital improvements must be approved by the governing body of the Covered Entities. "**Long-term financing**" means financing which constitutes an obligation beyond one fiscal year. The Covered Entities must comply with all public hearing requirements applicable to the specific type of bond being approved.

A. Annual Debt Report and Other Reports

The Finance Director will prepare an annual debt report for review by the governing body of the Covered Entities for consideration. The content of the annual debt report will include a summary of the Covered Entities'' credit ratings, outstanding and newly-issued debt, a discussion of anticipated debt issues,

refunding opportunities, a review of legislative, regulatory and market issues, and an outline of any new or proposed changes to this Debt Management Policy. The Finance Director shall also be responsible for timely preparation of all reports mandated by law in connection with issuance of debt, including but not limited to under Government Code § 8855(i), (j) and (k) (i), including timely submittal to the governing bodies of the Covered Entities prior to submittal to the California Debt and Investment Advisory Commission.

B. Debt Administration Activities

The Finance Director is responsible for the Covered Entities' debt administration activities, particularly investment of bond proceeds, monitoring compliance with bond covenants, implementing internal control procedures to ensure the use of proceeds of bonds and other debt will be directed to their intended use, monitoring use of facilities financed and tax-exempt debt, continuing disclosure, monitoring arbitrage compliance for tax-exempt debt, and ongoing interactions with credit rating agencies, all of which shall be centralized with the Office of the Finance Director.

C. Internal Control Procedures

Whenever reasonably possible, proceeds of debt used to finance capital improvements will be held by a third-party trustee and the Covered Entities will submit written requisitions for such proceeds. The Finance Director will execute each such requisition. The Finance Director will be responsible for selecting trustees and other fiscal agents associated with bond and certificate of participation issues. To the extent permitted by bond counsel, the rating agencies or any bond insurer, the Finance Director will serve as the Covered Entities' fiscal agent on its debt transactions.

D. Method of Sale

Except to the extent a competitive process is required by law, the Finance Director under supervision of the City Manager shall be responsible for determining the appropriate manner in which to offer any securities to investors. The preferred method of sale is competitive bid. However, other methods such as negotiated sale and private placement may be considered on a case-by-case basis.

Debt Issuance

A. Debt Capacity

The Covered Entities must keep outstanding debt within the limits of applicable law and all levels consistent with its credit worthiness objectives. Without limiting the foregoing, the Covered Entities must keep outstanding debt within the limits of the City's requirementsand the Successor Agency will issue debt to refund its outstanding debt consistent with applicable law. In particular, the Covered Entities must assess the impact of new debt issuance on the long-term affordability of all outstanding and planned debt issuance. Such analysis recognizes that Covered Entities have limited capacity for debt service in their budget, and that each newly issued financing will obligate the Covered Entities to a series of payments until the bonds are repaid.

B. Credit Quality

The Covered Entities seek to obtain and maintain from rating agencies the highest possible credit ratings for all categories of short-term and long-term debt. The Covered Entities will not issue bonds directly or on behalf of others which do not carry investment grade ratings. However, the Covered Entities will consider the issuance of non-rated special assessment, community facilities, multifamily housing and special facility bonds.[1]

C. Structural Features

i) Debt Repayment

Debt will be structured for a period consistent with a fair allocation of costs to current and future beneficiaries of the financed capital project and, consideration will be given, The Covered Entities must structure their debt issues so that the maturity of the debt issued is consistent with the economic or useful life of the capital project to be financed.

ii) Variable-Rate Debt

The Covered Entities may choose to issue securities which pay a rate of interest which varies according to a pre-determined formula or results from a periodic remarketing of the securities. Such issuance must be consistent with applicable law and covenants of pre-existing bonds, and in an aggregate amount consistent with the Covered Entity's' creditworthiness objectives. When making the determination to issue bonds in a variable rate mode, consideration will be given in regards to the useful life of the project or facility being financed or refinanced

[1] In most cases, a bond which cannot achieve an investment-grade rating will not be rated at all, because there is little value from a bond-marketing perspective in a below investment-grade rating.

or the term of the project requiring the funding, market conditions and the overall debt portfolio structure when issuing variable rate debt for any purpose.

iii) Derivatives

Derivative products[2] may have application to certain Covered Entities borrowing programs. In certain circumstances these products can reduce borrowing cost and assist in managing interest rate risk. However, these products carry with them certain risks not faced in standard debt instruments. The Finance Director must evaluate the use of derivative products on a case-by-case basis to determine whether the potential benefits are sufficient to offset any potential costs.

Relationship to Capital Improvements Program or Budget Planning Goals and Objectives

The Covered Entities are committed to long term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The Covered Entities intend to issue debt for the purposes stated in this Debt Management Policy and to implement policy decisions incorporated in the Covered Entities' annual operations and capital budgets-and the City's five-year capital improvement plan. This Debt Management Policy is intended to ensure that debt levels and their related annual costs will advance the Covered Entities' planning goals and objectives.

Debt Affordability Target Limitations

"**Debt affordability**" is considered in the policies established by the Covered Entities and financial and economic ratios recognized by rating agencies. Target ratios identified in this Debt Management Policy are guidelines and should be revisited as the Covered Entities' capital program and financial resources change.

The principal affordability measures will be the follows:

- **As a percent of budget**: Consistent with market practices this ratio will be calculated as a percent of General Fund revenue, as a percent of General Fund revenue less General Fund intergovernmental revenue, and as a percent of operating expenditures. The Covered Entities will keep ratios at or below the median for California cities.

[2] A derivative product is a financial instrument which "derives" its own value from the value of another instrument, usually an underlying asset such as a stock, bond or an underlying reference such as an interest rate index.

- **Tax rate threshold**: The Covered Entities recognize taxpayer sensitivity to tax rates. The City may set a target limit for approving any such special obligations, for example where the aggregate tax would exceed 2% of assessed value of real property. However, bond issues which achieve a level of community support sufficient to satisfy the two-thirds (2/3) majority vote threshold will be deemed to be an exception to the guidelines for financial and economic measures insofar as an inconsistency may otherwise appear to exist.
- **Rating agency ratios**: The rating agencies, bond insurance companies and institutional investor analysts commonly rely on certain ratios to measure a jurisdiction's debt load. In addition to the ratios of debt as a percent of revenues and expenditures, the rating agencies employ debt as a percent of assessed valuation; debt as a percent of personal income; and debt per capita.

These three ratios are not direct measures of issuer debt affordability, however they provide useful benchmarks by which the Covered Entities can compare to its peers and affect the way bond market participants view the Covered Entities. The Covered Entities' goal is to maintain such measures at levels which are at or below the average of comparable counties. Moody's Investors Services publishes debt measures for certain California public entities, which will be utilized as a source for comparison purposes.

The Covered Entities may determine that a particular improvement is of such high necessity to ensure the safety and welfare of their residents that it must incur obligations in excess of these thresholds. To the extent such thresholds are ever exceeded for such purposes, it is the intention of the Covered Entities to avoid future occurrences of debt or other fixed obligations until such thresholds are restored.

Disclosure Practices and Procedures

A. Statement of Policy

The Covered Entities are committed to full and complete primary (prior to issuance) and secondary (post issuance) market disclosure in accordance with disclosure requirements established by the Securities and Exchange Commission and Municipal Securities Rulemaking Board and other applicable legal authorities, as may be amended from time to time. The City is also committed to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share clear, timely and accurate financial information.

B. Implementation of Policy Objectives

i) For purposes of this section, the following definitions apply

"**Continuing Disclosure Agreement**" means the certificate or agreement entered into by the City in connection with the sale of bonds in order to satisfy the requirements of Securities and Exchange Rule 15c2-12 which requires the Covered Entities, as applicable, to provide specified information and annual reports while the bonds remain outstanding.

"**Offering Document**" means the document prepared by the City in connection with the sale of bonds to the public.

ii) Written Policies and Procedures

In order to carry out these policies objectives, the City Manager, in consultation with the City Attorney, will implement written disclosure policies and procedures related to the provision of financial and other relevant information to investors including preparation and review of Offering Documents before submission to the governing bodies of the Covered Entities for approval and compliance with Continuing Disclosure Agreements, and if required, the development and maintenance of an investor webpage on the City's website as well as and other related topics.

iii) City Council Review and Approval of Offering Documents

The City's consideration of the approval of bonds and the Offering Documents related to the bonds is to be placed on the applicable City Council agenda as a new business matter and not on the Consent Calendar. Any Offering Document to be issued in connection with the sale of the bonds is to be transmitted to City Council in substantially final form for the City Council's consideration and approval to release to investors, subject to any updating required to make the Offering Document accurate and complete. The City Council's review will consider whether the Offering Document includes all material information to an investor in the bonds - meaning information where there is a substantial likelihood that the information would have actual significance in the deliberations of the reasonable investor. At the City Council meeting at which the proposed sale of bonds is considered, the City Council will have the opportunity to address questions to City staff and the professional advisors regarding the information presented in the Offering Document.

iv) Responsibility for Disclosure

The City Manager and the Finance Director are the Covered Entities' designated officials for communicating information concerning the Covered Entities'' finances and other information about the Covered Entities which a reasonable investor would consider to be material in making a decision to purchase or sell debt issued by the Covered Entities.

Communications from other Covered Entities officials or employees regarding the City's financial condition must not be considered to be official communications by the City to the investor marketplace unless otherwise approved by the City.

The reports re

<u>Debt Administration – Investments, Use of Proceeds and Tax Compliance</u>

A. Investment and use of Proceeds

Investments of proceeds of bonds or other forms of debt shall be consistent with federal tax requirements and any applicable State law requirements, and the City's Investment Policy as modified from time to time, and with requirements contained in the governing documents. The Finance Director will be responsible for the implementation of internal control procedures to ensure that the proceeds of debt, regardless of tax status, will be directed to the intended use. This responsibility is in addition to the specific requirements related to the monitoring use of tax-exempt proceeds specified below.

B. Federal Tax Compliance

i) Responsible Department

The Finance Director will have primary responsibility for all ongoing tax compliance matters relating to tax-exempt debt issued by the Covered Entities. The Finance Director, who may in turn consult with bond counsel, will be responsible for monitoring ongoing tax compliance matters relating to tax-exempt debt, including compliance with the arbitrage rebate requirements of section 148 of the Internal Revenue Code, as set forth below. It is contemplated that additional policies and procedures will be implemented by either or both the City Manager and the Finance Director to supplement the policies and procedures set forth in this Debt Management Policy.

ii) Arbitrage Compliance

The Finance Director will maintain a system of record keeping and reporting to meet the arbitrage compliance requirements of federal tax law for tax-exempt debt. In connection with this responsibility, the Finance Director must:

a) Program payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of bonds or notes, and no later than 60 days after the last bond or notes of each issue is redeemed;

b) During the construction period of each capital project financed in whole or in part by bonds or notes, monitor the investment and expenditure of proceeds and consult with rebate experts as necessary, to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the bonds or notes; and

c) Retain copies of all arbitrage reports and account statements as described below in "Record Keeping Requirements."

C. Use of Tax-Exempt Debt and Facilities

The Finance Director, together with the applicable City department heads, will be responsible for:

- Monitoring the use of tax-exempt proceeds and the use of tax-exempt financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the debt to ensure compliance with covenants and restrictions set forth in the governing documents relating to the debt;

- Maintaining records identifying the assets or portion of assets which are financed or refinanced with proceeds of each issue of tax-exempt debt, including a final allocation of tax-exempt proceeds as described below under "Record Keeping Requirements";

- Consulting with the City Attorney's Office and bond counsel in the review of any contracts or arrangements involving use of tax-exempt financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the governing documents relating to the tax-exempt debt;

- Maintaining records for any contracts or arrangements involving the use of tax-exempt financed or refinanced assets as described below under "Record Keeping Requirements";

- Conferring at least annually with personnel responsible for tax-exempt financed or refinanced assets to identify and discussing any existing or planned use of tax-exempt financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the governing documents relating to the tax-exempt debt; and

- To the extent that the City discovers that any applicable tax restrictions regarding use of tax-exempt proceeds and tax-exempt-financed or refinanced assets will or may be violated, consulting promptly with the City Attorney's Office and bond counsel to develop a course of action to remediate any identified violation.

D. Record Keeping Requirements

The Finance Director and other applicable City departments, as may be necessary, will be responsible for maintaining the following documents for the term of each issue of tax-exempt debt (including debt issued to refinance existing debt, if any) plus at least three (3) years:

- A copy of the closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of tax-exempt, including any elections made by the City in connection therewith;

- A copy of all material documents relating to capital expenditures financed or refinanced by tax-exempt debt proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, draw requests for tax-exempt debt proceeds and evidence as to the amount and date for each draw down of tax-exempt debt proceeds, as well as documents relating to costs paid or reimbursed with tax-exempt debt proceeds and records identifying the assets or portion of assets which are financed or refinanced with tax-exempt debt proceeds, including a final allocation of tax-exempt debt proceeds;

- A copy of all contracts and arrangements involving the use of tax-exempt debt-financed or refinanced assets; and

- A copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in

connection with any investment agreements, and copies of all bidding documents, if any.

BEFORE THE CITY COUNCIL OF THE
CITY OF FARMERSVILLE

IN THE MATTER OF: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING A DEBT MANAGEMENT POLICY	**RESOLUTION 2018-005**

WHEREAS, pursuant to Senate Bill 1029 ("SB 1029"), which was signed by the California Governor on September 12, 2016 and went into effect on January 1, 2017, California public agencies which issue debt must adopt debt management policies which meet certain criteria;

WHEREAS, in response to SB 1029, and in order to adhere to sound financial management practices, the City Counci finds it desirable to approve the City's Debt Management Policy; and

WHEREAS, there has been presented to this meeting a proposed form of a Debt Management Policy; and

THEREFORE, BE IT RESOLVED, by the City Council of the City of Farmersville, State of California, hereby adopts the City of Farmersville Debt Management Policy, as set forth in the attached EXHIBIT A; and

BE IT FURTHER RESOLVED, that this Resolution and the above-noted City of Farmersville Debt Management Policy shall be effective immediately after the date of adoption of this Resolution.

UPON MOTION OF COUNCIL MEMBER BENAVIDES, SECONDED BY COUNCIL MEMBER GOMEZ, THE FOLLOWING WAS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL AT AN OFFICIAL MEETING HELD ON FEBRUARY 26, 2018, BY THE FOLLOWING VOTE:

AYES: Boyer, Sisk, Gomez, Benavides
NOES:
ABSTAIN:
ABSENT: Vasquez

BY: Paul Boyer
PAUL BOYER, MAYOR

ATTEST: _____
Gregorio Gomez, City Clerk Pro Tempore

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City of Farmersville

Investment Policy

City of Farmersville Investment Policy

I. Governing Authority

Legality
The investment program shall be operated in conformance with governing legislation and other legal requirements laid out in section 2.04 of the Farmersville Municipal Code regarding the position of Treasurer / Chief Financial Officer and California Government Code Section 53601.

II. Scope

This policy applies to the investment of all funds, excluding the investment of employees' retirement funds.

1. *Pooling of Funds*
Except for cash in certain restricted and special funds, the City of Farmersville will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Also, per SEC Rule 15B (Municipal Advisor Rule), the policy must clearly state whether or not the cash being pooled/invested includes municipal bond proceeds or not.

Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. General Objectives

The primary objectives of investment activities shall be safety, liquidity, and return:

1. *Safety*
Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk
The City of Farmersville will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section VII of this Investment Policy
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk
The City of Farmersville will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity

of the portfolio in accordance with this policy (see section VIII).

2. *Liquidity*
The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity).

Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. *Return*
The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds that would improve the quality, yield, or target duration in the portfolio may be undertaken;
- Unanticipated liquidity needs of the portfolio require that the security be sold.

IV. Standards of Care

1. *Prudence*
The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. The Investment Officer acting in accordance with written procedures and this 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 the liquidity and the sale of securities are carried out in accordance with the terms of this policy.

2. *Ethics and Conflicts of Interest*
Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws (City's Conflict of Interest Policies, California Government Code section 1090, and the California Political Reform Act). They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Farmersville.

3. *Delegation of Authority*
Authority to manage the investment program is granted to the Chief Financial Officer / Treasurer and

derived from City of Farmersville Municipal Code section 2.04 and California Government Code 53601. Responsibility for the operation of the investment program is hereby delegated to the Chief Financial Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures should include references to the following: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

V. Authorized Financial Institutions, Depositories, and Broker/Dealers

1. *Authorized Financial Institutions, Depositories, and Broker/Dealers*
A list will be maintained of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as FINRA broker check.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA)certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the [entity's] investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted by the Chief Financial Officer.

2. If a third party investment advisor is authorized to conduct investment transactions on the City's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to City upon request. In selecting financial institutions for the deposit or investment of City funds, the credit rating of these institutions will be considered. These financial institutions shall be authorized to provide investment services in California.

VI. Safekeeping and Custody

1. *Delivery vs. Payment*
All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible custody account prior to the release of funds.

2. Safekeeping
Securities will be held by an independent third-party custodian selected by the city as with all securities held in the City's name (centralized, if possible). The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards No.

70, or SAS 70).

3. *Internal Controls*
The Chief Financial Officer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually by the investment committee, where present, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, mis-representation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the City.

VII. Suitable and Authorized Investments

1. *Investment Types*
Consistent with the GFOA Policy Statement on State and Local Laws Concerning Investment Practices, California State Law, and other binding documents, the following investments will be permitted by this policy and in the following proportions:

Investment Type	Maximum % or $	Maximum Maturity	Minimum Required Rating
Bank / Time Deposits	None	5 years	N/A
U.S. Treasuries	None	5 years	N/A
U.S. Agencies	None	5 years	N/A
Money Market Funds	20% (10% with one mutual fund)	N/A	N/A
Bankers Acceptances	30% (5% with one bank)	180 days	A1/P1
Commercial Paper	25% (5% with one firm)	270 days	A1/P1
Negotiable CDs	30% (5% with one bank)	5 years	A < 1 year AA < for 1-5 years
CDs non-negotiable CDARS	30% (5% with one bank)	3 years	N/A
Municipal Obligations	5% with on Agency	5 years	A (except City's own bonds)
Medium Term Notes	30%	5 years	A
Supranationals	2%	5 years	AAA
LAIF (State Pool)	Per State Statute	N/A	N/A
CSJVRMA Pool	None	N/A	N/A

Investment in derivatives of the above instruments shall require authorization by the appropriate governing authority.
It is the intent that investments shall be managed in such a way that any market price losses resulting from interest-rate volatility would be offset by coupon income and current income received from the overall portfolio over market cycles. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Pursuant to Government Code Section 53601 et seq. the City may only invest in the following security types (See the Glossary section for a detailed description of each of these investment types):

A. U.S. Government Treasury Bills and Notes

B. U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)

C. ***Certificates of Deposit*** (non-negotiable) (CDs) – The City is authorized to use of private CD placement services by local agencies. This investment policy allows for the use of a placement service called the Certificate of Deposit Account Registry Service (CDARS), which acts as the master custodian for the placement of CDs. Through the use of this placement service, local banks that work with CDARS place one investment by the City and divide the deposit into individual CDs not to exceed $250,000, so that each individual CD is fully insured by the FDIC.

D. ***Bankers Acceptances*** (BA) – with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO).

E. Commercial Paper - Prime commercial paper with an A1/P1 rating as provided for by a NRSRO. Purchases must be limited to corporations organized and operating within the United States, and as a practical matter generally only those corporations operating within the State of California, having total assets in excess of $500 million, and having an "A" or higher rating for the issuer's debentures, other than commercial paper (as-provided by Moody's or Standard and Poor's rating services). In addition, purchases may not represent more than ten percent (10%) of the outstanding paper of an issuing corporation.

F. ***State of California Local Agency Investment Fund (LAIF)***

G. ***Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA)***

H. ***Domestic money market mutual funds*** – These must be registered with the Federal Securities and Exchange Commission (SEC), have over $500 million in total assets, be rated in the highest rating category by two nationally recognized rating services and only invest in:

a. U.S. Government or federal agency securities and repurchase agreements,
b. Tax exempt obligations or other investment instruments specifically included in the local investment policy

I. ***Negotiable Certificates of Deposit*** - Must be issued by a nationally or state chartered bank or savings and loan association, or by a state licensed branch of a foreign bank.

J. ***Medium Term Corporate Notes*** - Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated “A” or better by a NRSRO.

a. If a corporate note owned by the City is downgraded by either Moody’s or S&P to a level below the quality required by this Investment Policy, it shall be the City’s policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.

b. If a security is downgraded two grades below the level required by the City, the security shall be sold immediately.

c. If a security is downgraded one grade below the level required by this policy and matures within 6 months, the security will be held to maturity. The Chief Financial Officer may determine to sell the security if it is determined that there is a probability of default prior to maturity. If a decision is made to retain the security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the City Council.

K. ***Municipal Obligations*** – Must be rated "A" or better by a nationally recognized rating agency except for the City's own bonds and bonds issued by the City's former Redevelopment Agency and its Financing Authority, which may have any rating. Municipal Obligations include the following:

i. Registered state warrants or treasury notes or bonds of the State of California and bonds, notes, warrants, or other evidences of indebtedness of any local agency within California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the state or local agency or by a department or agency of the state or local agency.

ii. Registered treasury notes or bonds of any of the 49 U.S. States in addition to the State of California, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 U.S. States, in addition to California.

L. ***Supranationals*** - Must be rated "AAA" or better by a nationally recognized rating

a. agency and is U.S. dollar denominated senior unsecured unsubordinated obligations issued by the International Bank for Reconstruction and Development, International Finance Corporation, or the Inter-American Development Bank.

2. *Collateralization*

Where allowed by governing legislation and in accordance with the GFOA Recommended Practices on the Collateralization of Public Deposits, full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit (at least 102% per California Government Code).

3. *Repurchase Agreements*

Repurchase agreements shall be consistent with GFOA Recommended Practices on Repurchase Agreements and California Government Code.

VIII. Investment Diversification & Constraints

1. *Diversification*

It is the policy of the City of Farmersville to diversify its investment portfolios. To eliminate risk of loss resulting from the overconcentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Farmersville funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds except for the employee retirement fund.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

- Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will

exceed a loss on a single issuer's securities.

- Risks of market price volatility shall be controlled through maturity diversification and duration management.
- The Chief Financial Officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills, or collateralized certificates of deposit. The Chief Financial Officer shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.

The following diversification limitations shall be imposed on the portfolio:

Any security type or structure not specifically approved by this policy and investment instructions is specifically prohibited. Security types, which are thereby prohibited to be purchased as defined by Government Code Section 53601.6 include, but are not limited to:

a) Complex derivative structures such as range notes, inverse floaters, or any other complex variable rate or structure note.
b) Interest-only strips that are derived from a pool of mortgages (i.e. Collateralized Mortgage Obligations), or any security that could result in zero interest accrual if held to maturity.
c) Mortgage and asset backed securities, and trade in options or future contracts.

2. *Maximum Maturities*

To the extent possible, the City of Farmersville shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with governing legislation. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be segregated into a long-term "core" investment portfolio and invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of funds as allowed by State law. The intent to invest in securities with longer maturities shall be disclosed in writing to the legislative body.

3. Competitive Bids

The Chief Financial Officer shall obtain competitive bids from at least three brokers or financial institutions on all purchases and sales of investment instruments transacted on the secondary market when practicable.

IX. Reporting

1. *Methods*

The Chief Financial Officer shall prepare an investment report monthly, according to California government code section 53607 and 53646(b) relative to the investment holdings and investment activity of the City.

The report shall include a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last quarter. This management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy.

The report will be provided to the City Manager, City Clerk, and the City Council. The report will include the following:

- Listing of individual securities held at the end of the reporting period including type, acquisition cost, book cost, and market value.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one-year duration that are not intended to be held until maturity (in accordance with Governmental Accounting Standards Board (GASB) requirements).
- Average weighted return on investments as compared to applicable benchmarks.
- Percentage of the total portfolio which each type of investment represents.
- A statement that the investment portfolio is in compliance with the investment policy and is meeting the investment policy objectives

2. *Performance Standards*

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. An appropriate benchmark(s) shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmarks shall have a similar weighted average maturity as the portfolio.

3. *Marking to Market*

The market value of the portfolio shall be calculated monthly and a statement of the market value of the portfolio shall be issued monthly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, “Accounting and Financial Reporting for Certain Investments”, as of June 30th of each Fiscal Year the City will report all investments in excess of one year at market value. Any change in the value of the investments will be recognized annually, as a part of interest income.

X. Policy Considerations

1. *Amendments*

This policy shall be reviewed on an annual basis. Any changes must be submitted by the investment officer and approved by the investment oversight committee or authoritative body acting in such capacity.

XI. Approval of Investment Policy

The investment policy shall be formally approved and adopted by the City Council and reviewed annually.

XII. Glossary

A

Accrued Interest: Coupon interest accumulated on a bond or note since the last interest payment or, for a new issue, from the dated date to the date of delivery.

Agencies: Federal agency securities and/or Government-sponsored enterprises. These include securities of government agencies such as, but not limited to: Federal National Mortgage Association (FNMA); Federal Home Loan Bank (FHLB); Government National Mortgage Association (GNMA); Community Development Corporation (CDC), Small Business Association (SBA), Federal Farm Credit Bank (FFCB) and Federal Home Loan Mortgage Corporation (FHLMC).

Arbitrage: Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets. The 1986 Tax Reform Act made this practice by municipalities illegal solely as a borrowing tactic, except under certain safe- harbor conditions.

Asked: The price at which securities are offered.

Asset Backed Securities: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

B

Bank Deposits: To deposit collateral in the form of currency that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.

Bank Notes: A senior, unsecured, direct obligation of a bank or U.S. branch of a foreign bank.

Bankers' Acceptance (BA): These are bills of exchange or time drafts drawn on, and accepted by, commercial banks in the top 100 of the world, which are eligible for purchase by the Federal Reserve System. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is secured with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. BAs are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. BAs are sold at a discount from par and the amount and maturity date are fixed.

Basis Point: Refers to the yield on bonds. Each percentage point of yield in bonds equals 100 basis points (1/100% or 0.01%). If a bond yield changes from 7.25% to 7.39% that is an increase of 14 basis points.

Benchmark: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid: The price offered by a buyer of securities. When you are selling securities, you ask for a bid. See Offer.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bonds: A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.

Book Entry: The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the

ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value: The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of any premium or discount.

Broker: A broker assists in the buying and selling of investments together for a commission.

C

Call Price: The price at which an issuer may redeem a bond before maturity

Callable Bond: A bond issue in which all or a part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions

CALTRUST: a Joint Powers Authority created by public agencies to provide a convenient method for public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and oversees the activities of the investment manager and other agents.

CD Placement Service: A private cd placement service that allows local agencies to purchase more than $250,000 in cds from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS (Certificate of Deposit Account Registry System) is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than $250,000 each, so that FDIC coverage is maintained.

Central San Joaquin Valley Risk Management Authority Pooled Investment Account (CSJVRMA): CSJVRMA is a money market portfolio created for the 54 member Public Agencies of the CSJVRMA. Similar to LAIF, this pool provides daily liquidity, money market returns and unlimited number of deposits and withdrawals. CSJVRMA pool may hold a broader range of securities that would not be eligible under the City investment criteria. Since CSJVRMA pool is subject to different statutory investment provisions, any such variances in their holdings are acceptable under this policy

Certificate Of Deposit (CD): A time deposit with a maturity evidenced by a certificate See "Non-Negotiable" and "Negotiable" Certificate of Deposit. Large-denomination CDs are typically negotiable.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper: Unsecured promissory notes issued to finance short term credit needs, with maturities ranging from 2 to 270 days. Unsecured promissory notes are issued to finance short term credit needs. The paper must be of "prime" quality of the highest ranking, or of the highest letter and numerical rating as provided by Moody's or Standard & Poor's. Eligible paper is further limited to issuing corporations that are organized and operate within the United States, have total assets in excess of $500 million, and have an 'A1-P1' rating for its debt from Moody's or Standard & Poor's.

Comprehensive Annual Financial Report (CAFR): The official annual report for the City. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

Corporate Notes And Bonds: Debt instruments, typically unsecured, issued by corporations, with

original maturities in most cases greater than one year and less than ten years. Medium term notes (MTN) are unsecured, corporate and depository institution debt obligations. Allowable medium term notes must be issued by corporations organized and operating within the United States (U.S.) or by depository institutions licensed by the U.S. or any state and operating within the U.S. MTNs must be rated “A” or better by Moody’s or Standard and Poor’s.

Coupon: (a) The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value and (b) a certificate attached to a bond evidencing interest due on a payment date.

Credit Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor’s and Fitch Ratings use the same system, starting with their highest rating, of AAA, AA, A, BBB, BB, B, CCC, CC, C, and D for default. Moody’s Investors Service uses Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D. Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.

Credit Risk: The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market’s perception of a corporation’s credit will cause the market value of a security to fall, even if default is not expected.

CUSIP Number: The Committee on Uniform Security Information Procedures (CUSIP) Number refers to a security’s identification number assigned to each publicly traded security by the CUSIP Service Bureau operated by Standard & Poor’s for the American Bankers Association. The CUSIP Number is a nine-character identifier unique to the issuer, the specific issue and the maturity, if applicable (the first six characters identifying the issuer, the next two identifying the security and the last digit provides a check digit to validate the accuracy of the preceding CUSIP number).

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

D

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions; buying and selling for his/her own account.

Debenture: A bond secured only by the general credit of the issuer.

Defeased Bond Issues: Issues that have sufficient money to retire outstanding debt when due so that the agency is released from the contracts and covenants in the bond document.

Delivery Versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives: Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or financial contracts based upon amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

Discount: The difference between the cost price of a security and its maturity when quoted at lower than

face value. A security selling below original offering price after sale is considered sold at a discount.

Discount Securities: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, *e.g.,* U.S. Treasury Bills.

Diversification: Dividing investment funds among a variety of securities offering independent returns

Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.

E

Effective Duration: A measure of the price sensitivity of fixed-income investments, especially for those with embedded option features such as call options. As yields rise, the effective duration of a callable investment rises to reflect the fact that it has become less likely to be called. The more rates rise, the longer the effective duration will become, approaching the duration to maturity. The converse is true in a declining interest rate environment (that is, the more rates fall, the shorter the effective duration will become, approaching the duration to call). For securities without an embedded option, the duration to call, maturity, and effective duration are all the same.

Extendable Notes: Securities with maturity dates that can be extended by mutual agreement between the issuer and investor. When investing in these types of securities, the maturity date plus the stated extendable option must not exceed the time frames that are allowed in California Government Code or the investment policy for the investment type.

F

Federal Credit Agencies: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, *e.g.*, banks, small business firms, students, farmers, farm cooperatives, and exporters.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures bank deposits, up to $250,000 per deposit.

Federal Funds Rate: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB): Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States government sponsored corporation.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, is a private stockholder- owned corporation and its purchases include a variety mortgages and second loans, in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and

guarantees that all security holders will receive timely payment of principal and interest.

Federal Open Market Committee (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

Fiduciary: A person who holds something in trust for another and bears liability for its safekeeping.

First Tier Securities: Securities that have received short-term debt ratings in the highest category from the requisite nationally recognized statistical-rating organizations (NSROS), or are comparable unrated securities, or are issued by money market funds, or government securities. [See sec Rules: Paragraph (a)(12) of rule 2a-7]

G

Government Accounting Standards Board (GASB): A standard-setting body, which prescribes standard accounting practices for governmental units.

Government National Mortgage Association (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FMHA mortgages. The term “pass-throughs” is often used to describe Ginnie Maes.

Guaranteed Investment Contracts (GICS): An agreement acknowledging receipt of funds for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest.

H-K

Interest: The amount a borrower pays to a lender for the use of his or her money.

Interest Rate Risk: The potential for a decline in bond prices and the market value of bonds in the portfolio, due to rising market interest rates. In general, bond prices vary inversely with interest rates. The change in a bond’s price depends on several factors, including its maturity date. In general, bonds with longer maturities are more sensitive to changes in interest rates than bonds with shorter maturities. Similarly, bond funds with longer average portfolio maturities, such as the CalTRUST Medium-Term and Long-Term Accounts, will be more sensitive to interest rate changes than those with shorter average portfolio maturities, such as the CalTRUST Short-Term account.

Investment Agreements: Investment agreements are contracts with respect to funds deposited by an investor. Investment agreements are often separated into those offered by banks and those offered by insurance companies. In the former case, they are sometimes referred to as “bank investment contracts.”

L

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss

of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

Liquidity Risk: The chance that a security, sold prior to maturity, will be sold at a loss of value. For a local agency, the liquidity risk of an individual investment may not be as critical as how the overall liquidity of the portfolio allows the agency to meet its cash needs.

Local Agency Investment Fund (LAIF): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment. LAIF was created in the California State Treasury by Section 17429 GC. LAIF holds local government funds in trust in a state investment pool in order to provide safety, liquidity and the benefits of the investment pool yield for local government entities invested in LAIF.

M

Market Risk: The price at which a security is trading and could be presumably be purchased or sold.. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk that affects all securities within an asset class similarly.

Market Value: The price at which a security is trading and could presumably be purchased or sold on a specific date.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded. Rule 2a-7 of the Investment Company Act applies to Money Market Funds, which mandates these funds to maintain certain standards, including a 13 month maturity limit and a 90 day average maturity on investments, to maintain a constant net asset value of $1.00.

Mortgage Backed Securities (MBS): Mortgage-backed securities (MBS) are created when a mortgagee or a purchaser of residential real estate mortgages creates a pool of mortgages and markets undivided interests or participations in the pool. MBS owners receive a prorata share of the interest and principal cash flows (net of fees) that are "passed through" from the pool of mortgages. MBS are complex securities whose cash flows are determined by the characteristics of the mortgages that are pooled together. Investors in MBS face prepayment risk associated with the option of the underlying mortgagors to pre-pay or payoff their mortgage. Most MBS are issued and/or guaranteed by federal agencies and instrumentalities (e.g., Government National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC)).

Mortgage Pass-Through Obligations: Securities that are created when residential mortgages (or other mortgages) are pooled together and undivided interests or participations in the stream of revenues associated with the mortgages are sold.

Mutual Funds: An investment company that pools money and can invest in a variety of securities,

including fixed-income securities and money market instruments.

N

National Association Of Securities Dealers (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over the counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Nationally Recognized Statistical Rating Organizations (NSROs): Credit rating agencies whose ratings are permitted to be used for regulatory purposes such as Securities and Exchange Commission.

Negotiable Certificate Of Deposit (NCD): A large denomination certificate of deposit which can be sold in the open market prior to maturity. Generally, it is a short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state- licensed branch of a foreign bank. The majority of negotiable cds mature within six months, while the average maturity is two weeks. Negotiable cds are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor). These instruments are supported only by the strength of the institution issuing them.

Net Asset Value (NAV): A term used in the mutual fund industry to determine the average price per share of a pool or mutual fund. How this measure varies over time provides information on whether the pool is stable or variable. NAV is the market value of all securities in a mutual fund, less the value of the fund's liabilities, divided by the number of shares in the fund outstanding. Shares of mutual funds are purchased at the fund's offered NAV.

Net Present Value: An amount that equates future cash flows with their value in the present terms.

Non-Negotiable Certificates Of Deposit: Funds deposited in nationally or state chartered bank or state or federal association for a specified period of time at a specified rate of interest. The first $250,000 is guaranteed by the Federal Deposit Insurance Corporation (FDIC) for banks, the Federal Savings and Loan Insurance Corporation (FSLIC) for savings and loan associations and the National Credit Union Share Insurance Fund (NCUSIF) for credit unions. CDs with a face value in excess of $250,000 must be collateralized at 110% of market value with pledged securities of the bank.

Note: A written promise to pay a specified amount to a certain entity on demand or on a specified date. Usually bearing a short-term maturity of a year or less (though longer maturities are issued—see "Medium-Term Note").

O

Offer: The price asked by a seller of securities. When you are buying securities, you ask for an offer. See Asked and Bid.

Open Market Operations: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

Options: A contract that gives the buyer the right to buy or sell an obligation at a specified price for a specified time. Exchange Traded Options are standardized option contracts that are actively traded on the Chicago Board of Exchange on a daily basis, whereas over the counter options are traded directly between the buyer and seller at agreed upon prices and conditions (the former type of option is therefore more liquid than the latter).

P-Q

Par Amount Or Par Value: The principal amount of a note or bond which must be paid at maturity. Par, also referred to as the "face amount" of a security, is the principal value stated on the face of the security. A par bond is one sold at a price of 100 percent of its principal amount.

Portfolio: Collection of securities held by an investor.

Premium: The amount by which the price paid for a security exceeds the security's par value. Investors pay a premium to purchase a security when the return to the investor (yield) is lower than the stated coupon (interest rate) on the investment.

Price: Price is the amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Primary Dealer: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC), registered securities broker-dealers and banks.

Principal: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

Prudent Person Rule: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking an income and preservation of capital.

Qualified Public Depositories: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

R

Rate Of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

Reverse Repurchase Agreements: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

Repurchase Agreement (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. One exception is when the Federal Reserve is said to be doing RP, it is lending money that is increasing bank reserves.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 Of The Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities.

S

Safekeeping: A service to customers rendered by banks for a fee, whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Safety: In the context of investing public funds, safety relates to preserving the principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Secondary Market: A market made for the purchase and sale of outstanding issues following the initial distribution.

Securities & Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC Rule 15C3-1: See Uniform Net Capital Rule.

Settlement Date: The date when a trade is cleared by delivery of securities against funds

Structured Notes: Notes issued by Government Sponsored Enterprises (FHLB, FNMA, FHLB, etc.) and Corporations, which have imbedded options (e.g., call features, step-up coupons, floating rate coupons, and derivative based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

T

Tax And Revenue Anticipation Notes (TRANS): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Time Deposits: Issued by depository institutions against funds deposited for a specified length of time. Time deposits include instruments such as deposit notes. They are distinct from certificates of deposit (CDs) in that interest payments on time deposits are calculated in a manner similar to that of corporate bonds, whereas interest payments on CDs are calculated similar to that of money market instruments.

Treasury Bills: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months to one year.

Treasury Bonds: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes: Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

Trustee: A financial institution with powers to act in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

U

Underwriter: A dealer that purchases a new issue of municipal securities for resale.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted to cash.

U.S. Treasury Obligations: These are debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds, for which the full faith and credit of the United States are pledged for the payment of principal and interest. Bills are short-term obligations that mature in one year or less and are sold at a discount. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more**.**

W-Z

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years

Yield (Yield to Maturity, Yield to Call or Yield to Worst): The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Yield Curve: A graphical representation of the yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero Coupon Security: A security that is issued at a discount and makes no periodic interest payments. The rate of return consists of an accretion of the principal and is payable at par upon maturity.

RESOLUTION 2020-001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING THE ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, on May 24th, 2004 the City Council of the City of Farmersville reviewed and adopted the City of Farmersville's Investment Policy; and

WHEREAS, the revised policy and report has been presented to the Council requesting adoption of the annual Statement of Investment Policy; and

WHEREAS, the authority governing investments for California local agencies is set forth in the California Government Code, Sections 53601 et. Seq.; and

WHEREAS, the Statement of Investment Policy describes the investment of City funds in compliance with the Municipal Code and State law; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Farmersville, California, hereby resolve as follows:

1. The annual Statement of Investment Policy attached hereto as "Exhibit A" has been reviewed in a public meeting and is hereby adopted.

2. Pursuant to Government Code Sections 53601 et. Seq., the City of Farmersville City Council hereby authorizes and directs the City Treasurer / Chief Financial Officer (Director of Finance and Administration) to invest funds not required for the immediate necessities of the City in accordance with the attached Investment Policy and to do all things necessary to implement said Investment Policy.

PASSED, ADOPTED AND APPROVED this 13th day of January, 2020 by the following vote:

AYES: Gomez, Boyer, Hernandez, Macareno

NOES: _____

ABSTAIN: _____

ABSENT: Vasquez

GREGORIO GOMEZ
MAYOR of the City of Farmersville

ATTEST:

ROCHELLE GIOVANI – CITY CLERK

INCORPORATED CITY OF FARMERSVILLE OCTOBER 6, 1909

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City of Farmersville

Minimum Fund Balance and Budgetary Uncertainty Fund Policy

Minimum Fund Balance and Budgetary Uncertainty Fund Policy

The City will avoid the appropriation of fund balance for recurring operating expenditures (deficit spending). If at any time the utilization of a fund balance to pay for operating expenditures is necessary to maintain the quality or level of current services, and explanation of the circumstances of the utilization of fund balance and the strategy to arrest the future use of fund balance will be included in the annual budget message.

Therefore, the City will strive to maintain a General Fund Operating Cash Balance of unassigned cash balance equal to approximately 25% of the three-year moving average of the General Fund actual revenue received. This minimum fund balance is necessary to ensure the ongoing ability of the City to maintain the City's needed credit ratings, meet unanticipated revenue shortfalls, short-term economic downturns, local disaster expenses, and shall remain exclusive of all other reserve funds. If the balance drops below the target amount the City will strive to replenish the fund as soon as possible.

The City shall also establish a General Fund Budgetary Uncertainty Fund to provide for contingency funding during extreme situations that threaten the ongoing operational abilities of the City. In order for the City to access and use this fund a Fiscal Emergency must be declared by the City Council. The City Council may then use the balance of the fund at its discretion to:

- Provide resources to make up for temporary decreased revenues, such as State subventions.
- Provide temporary resources in the event of an economic downturn while expenditure reductions are also implemented.
- Provide resources to meet emergency expenditures in the case of flood, fire, earthquake, landslides, or other disaster(s).

The target for the Budgetary Uncertainty Fund shall be approximately 15% of a three-year moving average of actual General Fund revenues received (average two months of revenue). The initial funding of this fund shall be approximately 5% of the three-year moving average of actual General Fund revenues received.

Once some or all of the fund is used, the amount must be repaid to the fund as soon as possible within five years to the level set forth by this policy.

Unassigned cash balances in excess of the General Fund Operating Cash Balance and any potential annual adjustments to the Budgetary Uncertainty Fund will be appropriately budgeted through the Capital Budget of the City of Farmersville on an annual basis.

The balances and required levels of these funds will be examined annually and reported to City Council. At that time any adjustments needed will be made and the policy will be evaluated and adjusted appropriately as well.

BEFORE THE CITY COUNCIL OF THE CITY OF FARMERSVILLE

IN THE MATTER OF:
RESOLUTION CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING THE MINIMUM FUND BALANCE AND BUDGETARY UNCERTAINTY FUND AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

RESOLUTION 2018-011

WHEREAS, the City of Farmersville is a municipal corporation that is organized and existing pursuant to the laws of the State of California (the "City") and at certain times adopts policies to give guidance to compliance with the law, conformity to best practices, and prudent management; and

WHEREAS, the City has determined that it would be in the best interests of the City and citizens of the community to adopt a fiscal policy for a minimum fund balance in the General Fund to ensure several important goals, including but not limited to, ensure the ongoing ability of the City to maintain the City's needed credit ratings, meet unanticipated revenue shortfalls, short-term economic downturns, local disaster expenses; and

WHEREAS, the City has determined that it would be in the best interests of the City and citizens of the community to also adopt a fiscal policy for the establishment of a budgetary uncertainty fund for the General Fund to provide for contingency funding during extreme situations that threaten the ongoing operational abilities of the City

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Farmersville

1. Approves and adopts the Fiscal Policy of Minimum Fund Balance and Budgetary Uncertainty Fund to be enacted immediately.

2. Therefore, the establishment of the Minimum Fund Balance of 25% of the 3-year moving average of actual revenues received by the General Fund will be effective immediately.

3. Therefore, the creation of the Budgetary Uncertainty Fund will also be created and funded in part with continued funding in future years to ultimately meet the goal of 15% of the 3-year moving average of actual revenues received by the General Fund.

UPON MOTION OF COUNCIL MEMBER BENAVIDES, SECONDED BY COUNCIL MEMBER GOMEZ, THE FORGOING WAS PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL AT AN OFFICIAL MEETING HELD ON APRIL 9, 2018, BY THE FOLLOWING VOTE:

AYES: 5
NOES:
ABSTAIN:
ABSENT:

BY: _____
PAUL BOYER, MAYOR

ATTEST: _____
ROCHELLE GIOVANI, City Clerk

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City of Farmersville

Procurement Policy

CITY OF FARMERSVILLE

Procurement Policy

City of Farmersville
909 W. Visalia Road Farmersville, CA 93223
Phone 559.747.0458
Fax 559.747.6724

Updated February 2020

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	Introduction and Resolution	
1	**An Overview of Procurement …**	Introduce Farmersville procurement services, objectives, and ethical standards.
2	**Overview of City Policies that…**	Overview of bidding, insurance, exceptions, and other policies affecting the procurement of goods and services.
3	**Procurement Methods**	Review of methods used in the acquisition of products and services.
4	**Purchase Orders**	Familiarize the user with the purpose and usage of purchase orders and change orders.
5	**Vendor Issues**	Provide information about contacting vendors, making purchase commitments, adding vendors to the suppliers list, filing complaints about vendors, accepting vendor deliveries, and making payments to vendors.
6	**Glossary of Procurement Terms**	Definition of common procurement terms.
	Appendix A	Risk Matrix and Insurance Language
	Appendix B	Approval Memo Form
	Appendix C	Purchase Order Form
	Appendix D	CUCCAC Manual
	Appendix E	Purchasing Thresholds Matrixes

RESOLUTION 2020-003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE ADOPTING THE CITY OF FARMERSVILLE PROCUREMENT POLICY

WHEREAS, the City of Farmersville wishes to provide for fair and equitable treatment of all vendors who are interested in and capable of providing supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair, and maintenance to the City for its purchase and use; and

WHEREAS, the City of Farmersville wishes to maximize the purchasing value of its public funds by establishing sensible procurement policies and procedures; and

WHEREAS, the City of Farmersville's population continues to grow and the number of purchases and the purchase price of supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair and maintenance required for municipal government operations continue to increase, and it is prudent and desirable for the City to become more efficient by streamlining organizational processes; and

WHEREAS, the City wishes to streamline handling and review of purchase contracts, afford the City Council more opportunity and time to address more important public issues, improve the economy and effectiveness of the City's purchasing efforts, and avoid unnecessary delays in purchases of routine supplies, materials, services, vehicles, machinery, equipment, appliances, apparatus, construction, repair, and maintenance necessary to provide public services to its residents by streamlining its procurement procedures; and

WHEREAS, the City wishes to implement a procurement system of quality and integrity by establishing purchasing policies and procedures which contain internal controls and safeguards by which the City's staff may ensure that proposed purchase contract awards to vendors comply with all Federal, State, and local legal requirements and verify that appropriations are budgeted and sufficient unexpended moneys remain before a commitment of public funds is made.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Farmersville, California, hereby resolve as follows:

1. Approves the establishment of the following procurement policy attached hereto as "Attachment A" empowering City staff, as appropriately designated by the policy, to do the necessary procurement work, as allowed by appropriation through the final adopted budget, is hereby adopted to govern the purchase of City supplies, goods, commodities, equipment, and services and construction projects.

2. This policy, as applicable, shall constitute the procedures and rules governing the solicitation of bids and award of contracts for public works projects and the solicitation and selection of firms for services pursuant to Chapter 3.16 of the City of Farmersville Municipal Code.

3. Regular review and updating of said policy and purchasing restrictions and thresholds shall be conducted by City staff on a routine basis and presented before Council for consideration and adoption as needed. Additionally, routine reporting of budgeting and spending of appropriated funds to City Council will continue to occur monthly.

4. This policy shall become effective upon the second reading of the Updated City of Farmersville Municipal Code Chapter 3.16: Purchases.

PASSED, ADOPTED AND APPROVED this 24th day of February, 2020 by the following vote:

AYES: Gomez, Vasquez, Boyer, Hernandez

NOES: _____

ABSTAIN: _____

ABSENT: Macareno

GREGORIO GOMEZ
MAYOR of the City of Farmersville

ATTEST:

ROCHELLE GIOVANI – CITY CLERK

Introduction

This Procurement Policy document is intended to serve as a reference tool for City staff and departments. It details the policies and procedures of the City's purchasing authority. It outlines all phases of the procurement process and clarifies the responsibilities of individual departments and staff, and explains the legal requirements affecting the City.

This guide will help City personnel familiarize themselves with procurement processes and enable them to timely and efficiently obtain the goods and services they need.

Quick Reference

Chapter 1 – An Overview of the Procurement System

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1

An Overview of the Procurement System

Chapter Objective: This chapter is an introduction to City of Farmersville purchasing process – its service processes, objectives, and ethical standards.

What is Procurement?

Procurement is the process through which purchases are planned, solicitations issued, vendors selected, purchase orders issued, and goods or services are received.

The City of Farmersville desires to be both effective and efficient in purchasing with the goal of integrity woven throughout the process. Ethically purchasing goods and services with an emphasis is on the best value for the City's dollar.

This is accomplished by ensuring that goods and services are of high quality, available when needed, not overpriced, and that taxpayers know that public funds are being spent wisely on its behalf and not for the personal benefit of government employees, officials, or their friends.

The City's Procurement System

The City of Farmersville has adopted a decentralized procurement system, which is under the authority of the City Manager or his/her designee(s) as the City Purchasing Agent (PA) established by the Purchases section of the City's Municipal Code. The decentralized purchasing is necessary due to the small amount of administrative staff and is functional because of the small size of the City. This means that the PA is ultimately responsible for procurement in general, but delegates his/her authority in limited measure to Department Heads within the City. The PA (or designee) therefore establishes leasing agreements; coordinates surplus sales; and most importantly, procures all commodities under $75,000 and services under $100,000 and certain construction services under $200,000.

The City of Farmersville therefore does not run a centralized Internal Service Fund (ISF) but purchases are made directly by each department, as applicable, while payment and oversight of purchases are maintained through a centralized accounts payable process in the Finance Department.

Procurement Authority

The City derives its authority from two sources: local and state laws. Local law encompasses City Councils' resolutions and directives. The two main sources giving authority to Procurement Services to purchase goods and services on behalf of the City are the Purchases Ordinance and the California Government Code.

Purchasing Ordinance. The City's Municipal Code Chapter 3.16, "Purchases" was established by Ordinance 278 (passed and adopted in 1984), to govern the activities of the City. In general, it established that the PA shall have the duties and powers prescribed by the laws of the State of California relating to City Purchasing Agents, Public Contract Code, and Government Code. A full copy of the Code Section is available on the City's website.

State and Federal Laws. State laws that are applicable to various City procurement activities can be found in the Government Code, the Civil Code, and the Public Contract Code (including the California Uniform Public Construction Cost Accounting Act; CUPCCAA). Where pertinent, specific code sections are referenced throughout this policy. Federal law is applicable to City procurement activities any time federal funds are used for particular procurements, but specifically listed in Chapter 2 of this Policy.

Procurement Objectives & Standards of Conduct

The City's procurement policy objectives and standards are applied to all transactions through the following values:

- Establish the legal authority of the procurement function within the City
- Simplify, clarify, and reflect the laws governing procurement
- Enable uniform procurement policies throughout the City
- Build public confidence in public procurement
- Ensure the fair and equitable treatment of everyone who deals with the procurement system
- Provide for increased efficiency, economy, and flexibility in public procurement activities and maximize to the fullest extent the purchasing power of the City
- Foster effective broad-based competition from all segments of the supplier community
- Safeguard the integrity of the procurement system and protect against corruption, waste, fraud, and abuse
- Ensure appropriate public access to contracting information
- Foster equal employment opportunities that are in line with legal requirements, in the policies and practices of suppliers and subcontractors wishing to do business with the City

The following ethics statements are applicable to all City employees who participate in the procurement process.

- City employees shall not obligate the City of Farmersville, financially or otherwise, by any means, including but not limited to purchase orders and contracts, when the employee has a personal, material, financial, or other interest in the obligation.

- Employees are prohibited from directly or indirectly soliciting or accepting any rebate, kickback, gift, gratuity, or favor for personal gain from any individual, corporation, or group.

- The City's employees, directors, appointed or elected officials, volunteers, agents or contacts shall neither solicit nor accept gratuities, favors, gifts, consulting fees, trips, or anything having a monetary value in excess of fifty dollars ($50.00) from a vendor, potential vendor, family or employees of a vendor, contractor or parties to subcontractors.

- City employees, when purchasing an item(s) for personal use, must avoid the appearance of City representation. The employee shall pay all such purchases with his or her personal funds. When personal purchases are made under these circumstances, separate invoices or sales receipts must be issued by the supplier. Such invoices must bear the employee's name, home address, and phone number and may *not* be delivered to the City. Employees may *not* solicit, or accept, discounts, reduced prices, or other benefits from suppliers because of employees' position with the City.

Procurement Process Conflicts of Interest

There will be uniform and equitable application of the Standards of Conduct of the City of Farmersville involving all activities associated with the procurement of goods and services. This section also defines responsibility to identify and prevent real or apparent Conflicts of Interest.

Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering data. However, in making such contacts, employees, officers, Council Members, and agents shall avoid any commitment or implication of a possible future award.

Accordingly, no request for complimentary services or supplies, which may imply an obligation on the part of the City, shall be made. Requests for testing services, product samples, or demonstrations, and free trips to examine vendor products are to be avoided.

Whenever procurement is in process (e.g., during the solicitation, evaluation, negotiation, and award phases) all contacts with potential contractors or vendors shall be made through the Purchasing Agent or designee(s).

Employees, officers, directors, and agents of the City are also subject to the laws of the City and State of California concerning conflicts of interest. Monetary penalties and, in some cases, criminal penalties are imposed by California law for violations. In addition, City employees are subject to discipline for a violation that could lead to or result in termination of employment in addition to consequences relative to the California Fair Political Practices Commission (FPPC).

Gratuities and Kickbacks

No member of the groups listed above will neither solicit nor accept gratuities, favors or

anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Farmersville.

Personal Conflicts of Interest

No City employee, officer, Council member, agent or contact shall participate in the selection, award or administration of a third party contract or other agreement if a real or apparent conflict of interest would be involved. Such a conflict of interest arises, whether real or apparent, when any of the following has a financial or other interest in the firm(s) considered or selected for award:

a) An employee, officer, board member, or agent of the City;

b) Any member of their immediate family, including but not limited to, husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, son-in-law, and daughter-in-law;

c) Their partner or business associate; or

d) A company or organization which is about to employ any of the above.

Apparent or Appearance of Conflict is based on a reasonableness standard i.e. would a reasonable person with knowledge of all material facts believe there appears to be a conflict?

Organizational Conflict of Interest

An organizational conflict of interest may be real or apparent and arises where, because of other activities, financial interests, relationships, or contracts – a contractor is unable, or potentially unable, to render impartial assistance or advice to the City. Such a conflict exists in circumstances where the contractor's objectivity is or might be impaired or where the contractor has an unfair competitive advantage.

Organizational conflicts lead to two (2) distinct problems - bias or an unfair competitive advantage.

a) Bias is a situation where an advisor is placed in a position that creates an incentive to distort advice or decision making.

b) Unfair competitive advantage occurs when one contractor has information not available to other contractors in the normal course of business. For example, an unfair competitive advantage would occur when a contractor developing specifications or work statements has access to information that the City has paid the contractor to develop, or information which the City has furnished to the contractor for its work, when that information has not been made available to the public and to other offerors. Because this information enhances the contractor's competitive position in the procurement process, it represents an unfair competitive advantage over other offerors.

The City's procurement activities shall be structured to ensure full and open competition and to eliminate or minimize any unfair competitive advantage in circumstances where an organizational conflict, real or apparent, is presented. Appropriate structural steps are dependent upon the particular circumstances surrounding the procurement and might include: prohibiting the contractor from participating in the procurement, the bid process or in evaluation of bids, fully disclosing all information to all prospective offerors for a reasonable amount of time, adjustment of specifications to address any potential advantage, among others.

Confidential Information

No member of the groups listed above shall furnish advice or services to a firm which is bidding on or planning to bid on a contract with the City, or which is doing business presently with the City. No member shall use confidential information for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to them by blood, marriage, or by common commercial or financial interest.

Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Farmersville.

Quick Reference

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2

City Policies that Affect Procurement

Chapter Objective: Provide an overview of City policies affecting the procurement of goods and services and provide instructions for compliance.

Bidding Policies

It is the City's policy to develop maximum competition for all purchases and to make awards based on the lowest responsive and responsible bid received. A responsive bidder is one who responds to all of the significant requirements outlined in the solicitation. A responsible bidder is one who is deemed to be capable of supplying the goods or services requested.

The City's goal through purchasing is to achieve the **best overall value** by securing goods and services at the ***lowest cost possible commensurate with quality and other relevant requirements.***

Commodities (Materials & Equipment)

$1 to $10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head.

$10,001 to $25,000 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo. After approval is granted, the purchase can be made with the vendor recommended by the department.

$25,001 to $75,000 – Written Quotes

Competitive bidding is required. The respective department acquires approval from the PA and then issues a written Request for Quotation. The number of vendors contacted varies, depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder. In

the case of capital (defined as an asset anticipated to have a useful life of over 1 year and a purchase cost over $5,000) the item must be on the adopted Capital Budget for the year.

Over $75,000 – Formal Bids and RFPs / RFQs

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a **formal** sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred. A purchase order (PO) is required.

Award is made to the lowest responsive and responsible bidder, in the case of IFBs. In the case of RFPs, award is made in accordance with the evaluation criteria, terms, and conditions stated therein.

Typically, commodity items are procured using a bid process where an award is made to the lowest responsive and responsible bidder. However, in some instances an RFP may be used. The PA must gain authorization from City Council to approve the PO.

Services (Non-Construction)

$1 to $10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head.

Contract requirements shall not be artificially divided to avoid bidding requirements.

$10,001 to $25,000 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo.
After approval is granted, the purchase can be made with the vendor recommended by the department.

$25,001 to $50,000 – Written Quotes

Competitive bidding is required. The respective department acquires approval from the PA and then issues a written Request for Quotation. The number of vendors contacted varies, depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder.

Over $50,000 – Formal Bids or RFPs / RFQs (and contract)

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a **formal** sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. Typically, the RFP process is used for services. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder in the case of IFBs. In the case of RFPs, the award is

made in accordance with the evaluation criteria, terms, and conditions stated therein.

Services above $100,000 require City Councils' approval

When a service contract is utilized by multiple City departments, staff will be responsible for tracking encumbrances and obtaining Council approval as needed.

Services (Construction)

$1 to $10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head.

$10,001 to $25,000 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo. After approval is granted, the purchase can be made with the vendor recommended by the department.

$25,001 to $60,000 – Written Quotes

Competitive bidding is required. The respective department issues a written Request for Quotation. The number of vendors contacted will vary, depending on the dollar amount of the purchase and the time available. Award is made to the lowest responsive and responsible bidder and approved by the PA.

$60,001 to $200,000 – Informal Bid

Informal bids will be solicited in accordance with the California Uniform Public Construction Cost Accounting Procedures (CUPCCAP) alternative bidding procedures. The award is approved by the City Council.

Services above $200,000 require City Councils' approval

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a **formal** sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. Typically, the RFP process is used for services. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder in the case of IFBs. In the case of RFPs, the award is made in accordance with the evaluation criteria, terms, and conditions stated therein.

Federally Funded Projects / Grants Procurement (2 CFR 200)

Council on Financial Assistance Reform Priorities (COFAR) goal is to reduce risk of waste, fraud, and abuse while reducing administrative burdens through the establishment of a Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (2 CFR 200). The City of Farmersville's policy related to Federally-funded projects and/or grant is established to reflect this goal and be in compliance with 2 CFR 200.

As a result, the City will operate with the following regulation for the procurement of property or services stemming from federal aid. This section shall apply to the awarding of sub-grants and contracts by the City stemming from federal grants to the City. This section shall have the same application on the awarding of sub-grants and contracts by the City stemming from state, county or other non-federal government entity grants originating as federal grants.

A. Determination of Federal Awards Requirements for Pass-thru Agencies, Subrecipients, and Contractors (200.330 & 200.331)

1. The City may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities.

   Therefore, the City will make a case-by-case determination for each agreement it makes for the disbursement of Federal program funds that the party receiving the funds in the role of a subrecipient or a contractor.

   The City will comply with any additional guidance to support these determinations from the awarding agency provided such guidance does not conflict with this section.

   1. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. For purposes of making a determination as a subrecipient the City will consider the following characteristics of a Federal assistance relationship:

      a. Determines who is eligible to receive what Federal assistance;
      b. Has its performance measured in relation to whether objectives of a Federal program were met;
      c. Has responsibility for programmatic decision making;
      d. Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
      e. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

   2. A contract is for the purpose of obtaining goods and services for the City's own use and creates a procurement relationship with the contractor. For purposes of making a determination as a contractor the City will consider the following characteristics of a procurement relationship:

a. Provides the goods and services within normal business operations;
b. Provides similar goods or services to many different purchasers;
c. Normally operates in a competitive environment;
d. Provides goods or services that are ancillary to the operation of the Federal program; and
e. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

3. The Purchasing Agent, or designee, will use their judgement in classifying each agreement as a subaward (Federal assistance relationship) or a procurement contract (procurement relationship). The substance of the relationship is more important than the form of the agreement in making the determination.

2. Every subaward will be clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. If some of the information is not available, the City will provide the best information available to it.

1. Federal Award Identification data as listed in Section 200.331 (1-4) and appropriate terms and conditions concerning closeout of the subaward.

3. Every subrecipient will be subject to evaluation and monitoring by the City as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

1. Reviewing financial and performance reports required by the pass-through entity.

2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521 Management decision.

4. Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in 200.331(b), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

a. Providing subrecipients with training and technical assistance on program-related matters; and

b. Performing on-site reviews of the subrecipient's program operations;
c. Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.

5. The City will verify that every subrecipient is audited as required by Subpart F - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.

6. The City will consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

7. The City will consider taking enforcement action against noncompliant subrecipients as described in § 200.338.

B. Procurement Standards.

1. The City shall maintain a contract administration system which ensures contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.

2. The City shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

   a. The employee, officer or agent;
   b. Any member of his or her immediate family;
   c. His or her partner; or
   d. An organization which employs, or is about to employ, any of the above, has a financial or other interest in or a tangible personal benefit from a firm considered for award.

3. The City’s officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Such a conflict will not arise where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value ($50 or less). The City’s standards of conduct provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the City.

4. The City shall not enter into a contract with a non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government or Indian tribe, unless the non-Federal entity maintains written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean due to relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

5. The City shall avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economic purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

6. The City shall consider entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

7. The City shall consider using Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

8. The City shall consider using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure its essential function is provided at the overall lower cost.

9. The City shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources.

10. The City shall maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price.

11. The City shall use time and material type contracts only:
    a. After a determination is made that no other contract is suitable; and
    b. If the contract includes a ceiling price the contractor exceeds at their own risk.

12. The City alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. These standards do not relieve the City of any contractual responsibilities under its contracts.

C. Competition.

1. The City will conduct procurement transactions in a manner providing full and open competition. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors developing or drafting specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.

2. The City shall conduct procurements in a manner prohibiting the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes

expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

3. The City shall have written procedures for procurement transactions. These procedures will ensure that all solicitations:

   a. Incorporate a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
   b. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

4. The City shall ensure prequalified lists of persons, firms or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. The City shall not preclude potential bidders from qualifying during the solicitation period.

D. Methods of Procurement to be Followed

The City shall use one of the following methods of procurement:

1. Procurement by Micro-Purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and adjusted periodically for inflation. As of the date of this ordinance, the micro-purchase threshold is $10,000.

2. Procurement by Small Purchase Procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than the simplified acquisition threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908 and periodically adjusted for inflation. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources. As of the date of this ordinance, the simplified acquisition threshold is $250,000.

3. Procurement by Sealed Bids (Formal Advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

a. For sealed bidding to be feasible, the following conditions should be present:
   (1) A complete, adequate, and realistic specification or purchase description is available;
   (2) Two or more responsible bidders are willing and able to compete effectively for the business; and
   (3) The procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally based on price.

b. If sealed bids are used, the following requirements apply:

   (1) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
   (2) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services for the bidder to properly respond;
   (3) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
   (4) A firm-fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
   (5) If there is a sound documented reason, any or all bids may be rejected.

4. Procurement by Competitive Proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

   a. Requests for proposals shall be publicized and identify all evaluation factors including relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
   b. Proposals will be solicited from an adequate number of qualified sources;
   c. The City shall conduct technical evaluations of the proposal received and for selecting awardees;
   d. Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
   e. The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

5. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances applies:

a. The item is available only from a single source;
b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in a written request from the City; or
d. After solicitation of multiple sources, competition is determined inadequate.

6. Contracting with Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms.

   a. The City shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises and labor surplus area firms are used when possible.
   b. Affirmative steps include:
      (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
      (2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
      (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
      (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
      (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
      (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in subsections 6.b.(1) through (6) of this section.

7. Contracts Cost and Price.

   a. The City shall perform a cost or price analysis in every procurement action exceeding the simplified acquisition threshold including contract modifications. The method and degree of analysis will be dependent on the facts surrounding each procurement situation. As a starting point, the City shall make independent estimates before receiving bids or proposals.
   b. Costs or prices based on estimated costs for contracts under the Federal award will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the City under Subpart E – Cost Principles of Title 2, Subtitle A, Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).
   c. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

8. Federal Awarding Agency or Pass-Through Entity Review.

   a. The City shall make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is

needed to ensure that the item or service specified is the one being proposed for purchase.

b. The City shall make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposal or invitations for bids, or independent cost estimates when:

(1) The City's procurement procedures or operation fails to comply with the procurement standards of Title 2, Subtitle A, Part 200, Subsection 200.324;
(2) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
(3) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product;
(4) The proposed contract is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
(5) A proposed modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

c. The City may be exempted from the pre-procurement review in subsection 8.b. above if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards set forth in Title 2, Subtitle A, Part 200, or the City self-certifies compliance with such standards if self-certification is permitted by the Federal awarding agency or pass-through entity.

9. Bonding Requirements. For public projects, the City shall require bid guarantees, performance bonds, and payment bonds consistent with Title 2, Part 200, Section 200.325 of the Code of Federal Regulations.

10. Contract Provisions. The City's contracts shall contain the provisions in Appendix II to Title 2, Subtitle A, Part 200 – Contract Provisions for non-Federal Entity Contracts Under Federal Awards, as applicable.

E. Suspended or Debarred Parties

A. City employees shall not enter into covered transactions with parties that are suspended or debarred or otherwise excluded from or ineligible for participation in Federal assistance programs and activities (2 CFR 200.213; 2 CFR 180).

Exceptions to Bidding (Government Code 10300-10334)

Sole Source/Brand Procurement

An exception may be granted based on two premises:

- Only a single company or organization can supply the needed product or service. As in the case of proprietary software maintenance, only the licensor of the product can provide support.

- Only a single "brand/model" will meet the department's technical/functional requirements. For example, only the Brand X equipment is compatible with existing system requirements. Brand X is available through several distributors. Brand X would be considered a "sole brand" but not a "sole source" since it is available from many sources (distributors).

Sole source requests should not be made unless the department is confident that the request is reasonable, appropriately justified to meet the City's requirements, and can withstand a possible audit. Sole source/brand purchasing minimizes or eliminates competition and should be avoided whenever possible.

If a department believes that only a specific make and model will meet its needs, it should include an objectively written explanation that details the unique features of the sole source/brand item, which states why these features are required. If other brands or models have been tested or used previously, the department should specify the brands or models tested or used, the dates they were tested or used, and why they are not acceptable.

A written justification, signed by the department head must be submitted for the PA's review/approval. Department should provide the written justification in a standard memo format to the PA.

Use of Existing Agreement

An exception may be granted if the product/service is available through the utilization of another public entity's contract (includes city, county, state, federal, school district, League of California Cities, California Communities Program, Federal GSA). The contract must have been competitively bid, be current within the last year, and be for the same product or service. It must also meet all City policies.

Standardization

When supplies, equipment, or services are uniformly adopted or otherwise standardized, or when an item is designated to match others in use by the City, the purchase may be exempt from bidding requirements or be made with limited competition to distributors of the manufacturer of the standardized item. Compatibility issues between differing technologies will also be considered for exception.

Emergencies

The item(s) purchased *are immediately necessary* for:

- The continued operation of the office or department involved; or
- Are immediately necessary for the preservation of life or property.

Technically, an emergency need is one that could not have been foreseen. Failure to submit a proper documentation on time does NOT constitute a valid emergency.

Contracted City Staff

The City of Farmersville is a small municipality that is dependent upon contracted professional staff to fill staff positions normally performed by in-house staff in larger agencies, such as City Engineer or City Planner. Therefore, an exception to the normal bidding process may apply when using contracted professional staff in their role as the City representative, in their respective field, under their existing contract. The task order will still be subject to the authorization and approval process and thresholds laid out in Chapter 2 of this document.

Pre-Qualified List of Contractors

The City of Farmersville wants to promote fairness and equality in bidding but also guard public funds from waste by avoiding awards to unqualified or under-qualified contractors that may respond with a lowest bid on a public project. Given the rural nature of the City, the bidding pool of contractors may be insufficient to meet quality standards of certain City projects. By establishing a pre-qualified list of contractors for construction projects the City can manage this risk for appropriate projects. A contractor may be added to the list after going through a vetting process established by the PA or designee. Pre-qualified contractors will be added to a list maintained by the PA or designee(s) for a period of one year. When a project becomes available, and not subject to other bidding requirements from State or Federal funding sources, a contractor from the pre-qualified list may be selected from the list, subject to the authorization and approval process and thresholds laid out in Chapter 2 of this document.

Local Preference

Purchasing goods and services from local vendors is desired because it stimulates the Farmersville economy and recognizes that local vendors are valued members of our community. City staff, exercising good judgement by considering factors such as quality, previous performance, availability, and potential tax revenues to the City will, when practicable, give preference to purchasing locally. All other portions of this policy relative to normal competitive bidding will apply.

A local advantage cannot be considered for Federal funded contracts. For more information see Uniform Guidance 2 CFR Ch. II §200.319 (7)(b).

A local advantage cannot be considered for State funded contracts due to increasingly strict State requirements mirroring Federal standards (e.g. CalTrans funded programs).

Miscellaneous

- Formal competition has failed
- A procurement made from another unit of government
- Procurement of used item is advantageous
- Public utilities (Gov Code 4217)
- Legal services
- Medical services

Unauthorized Purchases

Except for emergencies or other authorized exceptions, no purchases can be made or are authorized until funds have been encumbered by the Finance Department.

Usually, an unauthorized purchase is discovered when a department submits a documentation to cover a purchase (goods or services) that has already been delivered. Should a department make an unauthorized purchase, the department is issued a warning.

If a second violation occurs, a memorandum is sent stating that the Finance department will process the payment, after receipt of a written explanation.

If a third violation occurs, a memorandum is sent stating that the Finance department will not process the request / invoice. The department is advised approval must be sought from the City Council, or the employee can be personally responsible for the charges.

Written Contracts

City staff will typically require a written contract when the cost of the services, and in some cases goods, exceeds $50,000. New construction contracts are needed for projects exceeding $100,000.

The City of Farmersville prefers to use a **Standard Services Contract** and will provide it to departments upon request. The standard contract has been approved by the City Attorney and Risk Management. Use of any contract other than the standard contract, or making material changes to the standard contract, will require City Attorney approval.

Insurance Requirements

The City requires that contractors have, and maintain, certain types of insurance coverage when they enter into contractual agreements to perform services.

Insurance requirements vary depending on the type/scope of services provided. In certain cases, the contractor will need to provide insurance coverage, <u>whether or not the contract requires the vendor to enter City property.</u>

A Recommended Insurance Coverage Matrix has been developed to assist with the determination by Risk Management and is attached to this policy for reference.

Proof of insurance must be provided prior to the start of any work.

The following are the most commonly required types of coverage.

- **Commercial General Liability:** The City should be added, by endorsement, as an "additional insured."

- **Automobile Liability:** Is required if driving or traveling is required in providing the contracted services If the vendor/contractor has employees but no vehicles registered to the business (non-owned and hired automobile liability coverage should be provided).

- **Workers' Compensation:** Contractors working on City property must first provide proof of Workers' Compensation for all employees working on the job site. Requirement may be waived if the vendor is a sole proprietor/partner/corporate officer with no employees.

- **Professional Liability (Errors and Omissions):** Is required for certain services – including but not limited to – appraisers, notaries, software programmers, auditors, lawyers, insurance agents, surveyors, dentists, doctors, nurses, counselors, engineers, etc.

Prevailing Wages

In accordance with Labor Code Sections 1770-1773, prevailing wages must be paid to all workers on a "public works" project (see Glossary for definition) when the project is over $1,000.

When bidding on public works projects that exceed $1,000, under the law, all bidders are expected to use the same wage rates. The California Department of Industrial Relations determines the prevailing rate of wages for specific geographic areas. Additional information is available at www.dir.ca.gov/dlsr/pwd/index.htm.

Surety and Performance Bonds

Bid Bonds

The bid bond guarantees the City that the bidder will enter into the contract if it is awarded. Bid security shall be required for all construction work bids when the cost is estimated to exceed $25,000. Bids must be accompanied by a Bid Security in the amount of not less than 10% of the amount bid in one of the following forms:

- Cash
- A cashier's check made payable to the City of Farmersville
- A certified check made payable to the City of Farmersville
- A bidder's bond executed by an admitted surety insurer, made payable to the City of Farmersville

Upon an award to the lowest responsive and responsible bidder, the security of an unsuccessful bidder shall be returned in a reasonable period, but in no event shall that security be held by the City beyond 60 days from the time the award is made.

A bid received and not accompanied by cash, cashier's check, certified check, or

approved bond will result in return of the bid without consideration.

Bid security is optional for other bids or proposals.

Performance and Payment Bonds

The performance bond guarantees that the contractor will perform the duties assumed by entering the contract. The payment bond guarantees that the contractor will pay all suppliers and subcontractors who assist in the performance of the work.

One hundred percent (100%) performance and payment bonds are required on all public works projects awarded in excess of $25,000.

Performance and payment bonds are optional for other bids or proposals. In most instances, bonds are not necessary if a contractor has been selected after a thorough review of references, qualifications, and financial stability.

Settlements and Other Agreements

$1 to $25,000 – Administrative Process

The City Manager must act on behalf of the City with regard to settlements and other legal agreements where expeditious action would be of great benefit to the City. Because the City is largely self-insured through the Central San Joaquin Valley Risk Management Authority (CSJVRMA) with self-insured retention (SIR) limits of $25,000 or more, the City Manager can act to settle disputes and other agreements up to the $25,000 limit. The City Manager shall report the action to the Mayor at their earliest convenience and to the Council as a whole by the next regular Council Meeting available.

Over $25,000 – City Councils' Approval

All other claims and disputes related to liability, property, or workers' compensation are taken over by the CSJVRMA at the point that the cost surpasses the SIR limit of the City. In cases where the Memorandum of Coverage (MOC) through the CSJVRMA does not apply, and the cost exceeds $25,000 the City Manager must gain approval from the City Council to make settlement.

Outside Legal Services

Where it is necessary, as in the case where the City Attorney has a conflict of interest, or when it is deemed desirable because specialized legal expertise is required from the private sector, outside legal counsel may be retained by contract, subject to the following limitations:

- All contracts for outside legal services in excess of fifty thousand dollars ($50,000) shall be approved by the City Council.
- Contracts for such services, which do not exceed fifty thousand dollars

($50,000), are within the Purchasing Agent's authority, but are subject to prior written approval of the City Attorney.

Compliance is provided by way of a memo from the City Attorney annually.

Quick Reference

Chapter 3 – Procurement Methods

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Procurement Credit Card	**26**
Accounts Payable Process	**26**

3

Procurement Methods

Chapter Objective: Review of methods used in the acquisition of products and services.

Council Approval

As stated earlier in this guide, the City Council, through the Purchases Ordinance, delegates contracting authority to the City Purchasing Agent. That authority is limited to $100,000 when contracting for services ($200,000 for construction services). Therefore, departments have the option to obtain Councils' approval for certain large-dollar contracts. The Mayor signs the contract on behalf of the City. Any required encumbrance or appropriation is setup, by the Finance Department.

Procurement Credit Cards

The Procurement Bank Card eliminates the many steps in the procurement process and facilitates one payment to the bank on a monthly basis, instead of individual payments to a large number of vendors.

This procurement method is typically to be used for low-dollar purchases (under $10,000) and must be approved by the City Manager or Department Head, with complete documentation of the completed transaction, reconciled monthly by the Finance Department.

Procurement cards have unique controls that ensure purchases made are within program specifications for product and dollar limits. In addition, each cardholder requires certification of all purchases with verification performed by the approving official, before payment is made. Cardholders must sign a participation agreement accepting the terms and conditions placed on card usage.

Accounts Payable Process

The most common procedure for processing payments for the City of Farmersville is through decentralized purchasing authority granted by the Purchasing Agent to department heads and then payment to the vendor is made through the centralized Accounts Payable process in the Finance Department.

Most payments are still made by check to make reconciliation and request for reimbursement through grants and other funding sources the clearest to all invested parties. Some

reoccurring payments are made by ACH by the Accounts Payable clerk.

Invoices and Pay Estimates

As purchases are made by authorized designees, it is their responsibility to receive a copy of the invoice or receipt of purchase and forward this to the Department Head for account coding and approval or directly to Accounts Payable clerk, as appropriate. Accounts Payable will not pay from statements or work orders – only invoices and pay estimates (for large construction projects).

Many invoices are reoccurring in nature and may come directly to the Finance Department or the Accounts Payable Clerk. In these situations, the invoices will be routed back to each purchasing authority (Department Head) for coding and payment approval.

Coding and Approval

All invoices must have appropriate coding and approval from the purchasing department head or City Manager before payment will be processed. Certain exceptions for common, reoccurring payments as indicated in the municipal code, are permitted.

Submission for Payment

Invoices need to be submitted to the Finance Department on a timely basis so that payment can be effective and efficient. Sufficient back-up needs to be included prior to submission including invoices, estimates, GSA per diem calculations and other supporting documentation to prove authority to purchase as well as proof of purchase and/or receipt of goods and/or services.

Accounts Payable Process

Invoices and Pay Estimates are received by the Finance department daily by mail, email, courier, FAX, in-person, from other departments, and internally. These documents are sorted, routed, and received back with budgetary coding and approvals as appropriate. All other issues are returned or routed to the City Manager depending upon the issue, frequency, or severity of the issue.

Once gathered together the Accounts Payable clerk assembles the invoices together and creates cover sheets for uniform coding and organization of the batch. This batch is provided to the Finance Director who reviews the invoices and approves or denies them for payment. The approved invoices are then entered into the system to create a batch for payment. This is put through the distribution process and checks are created. Checks are then matched up with the supporting invoices and documents, compared to the batch reported and signed by the Finance Director and the Mayor or Mayor Pro Tem. The invoice batch, cover sheets and checks are scanned and saved for record keeping and audit purposes.

Exceptions to Check Writing

Some reoccurring payments (utility bills and ancillary payroll benefits) are paid through websites or electronically by admin staff as part of the payroll or typically monthly accounts payable process. These transactions are approved and submitted to Accounts Payable clerk to enter into the system in an “ACH batch” to record the transaction. The payments are reconciled monthly with the bank reconciliation process.

Quick Reference

Chapter 4 –Purchase Orders

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What is a Purchase Order?	**29**
One-Time Purchase Orders	**29**

4

Purchase Orders

Chapter Objective: Review of purchase order nomenclature, and the process for using and approving POs.

What is a Purchase Order?

A purchase order authorizes the vendor to deliver materials or services in accordance with the terms and conditions specified thereon (or incorporated from a bid or other document by reference). It also acknowledges the obligation of the City to pay for the goods or services ordered, upon their receipt and proper invoice. Unless a separate contract document is executed, the purchase order establishes the contractual relationship between the City and the vendor. A purchase order is a legally binding contract.

The purchase order is the City's commitment for the value of the material or service ordered. It is a legal document. When a purchase order is issued as an acceptance of a bid, quotation, or offer, a contractual relationship is established.

One-Time Purchase Orders

The City of Farmersville utilizes "One-time" purchase orders that are generally issued for a finite quantity of products, or services; i.e., large equipment purchases, and one-time projects. Encumbered funds may, with certain restrictions, be carried forward into the next fiscal year.

Purchase orders will be required in the following situations:

- Commodities (Materials & Equipment) over $75,000

Purchase orders will not be required in the case that contracts are in place. Typically, contracts are used in procurement of services at the following thresholds:

- Services (Non-Construction) will be completed by contract over $100,000
- Services (Construction) will be completed by contract over $200,000

Quick Reference

Chapter 5 – Vendor Issues

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Accepting Deliveries from Vendors	31
Making Payments to Vendors	33

5

Vendor Issues

Chapter Objective: Provide guidelines for dealing with vendors and vendor-related issues.

Making Contact with Vendors

Vendors sometimes call on City departments and divisions. Although they may offer helpful information, they may also subject City employees to high-pressure sales pitches. Please direct vendors to the City Clerk. The Clerk will gather information about their products and services and give them applications for inclusion in the City's Supplier Mailing List.

Making Commitments to Purchase

Because the City, like all public agencies, buys goods on an open competitive basis, employees / Commissioners / Council Members must ***not*** promise any vendor future business.

Vendor / Supplier Mailing List

The City Clerk maintains a list of suppliers for all classes of commodities and services that are regularly purchased by the City. Departments should refer all new suppliers to the City Clerk to be added to the list.

Accepting Deliveries from Vendors

Deliveries are usually made as follows:

City Hall: Packages delivered to City Hall are inspected for visible external damage, such as dents or punctures in packaging, water damage, etc. If such damage is discovered, it is noted on the delivering carrier's bill of lading, and the department is notified. All other inspections are the responsibility of the ordering department.

Received at User Location: When goods are received directly by the department, the following procedures should be observed:

- Avoid accepting delivery of any merchandise until adequate identification from the

packaging or delivery documents (carrier's receipt) is obtained. A packing slip or other suitable identification indicating the merchandise should be delivered to the department must be in evidence before the shipment is accepted.

- Sign only for the number of boxes or parcels which are received from that carrier, and are listed on the delivery documents that accompany the delivery.

- The receiver is not signing as to the condition of the merchandise inside the box or parcel. However, the receiver should note any exterior damage, including unsealed packaging, on the delivery documents before signing. The receiver should not refuse a shipment because of apparent damage. This may result in storage fees being charged to the City.

- In cases of known damage (apparent at time of delivery):

  ⇒ Note on both copies of delivery documents "case damaged in shipment" and, if the item is visible and the damage is visible, also include "item visibly damaged"

  ⇒ Obtain signature from carrier on both copies of delivery documents before signing for receipt

  ⇒ Return one copy of receipt to carrier

  ⇒ Contact the vendor immediately

Inspection: Thorough inspection of goods is the responsibility of the ordering department. This includes inspection for conformance to specifications and ordered quantity, as well as inspection for damage. ***The department has the ultimate responsibility*** for determining whether the items have been received in good order.

- Goods received should be checked promptly against the packing slip and the purchase order. Partial deliveries should be noted.

- If goods are damaged, the vendor should be notified immediately. Do not destroy or discard any damaged items or packing materials.

- Departments receiving incorrect shipments or damaged goods may wish to complete a Vendor Complaint form detailing the problem and return the form to Procurement Services or download the form from the GSA Procurement Services' intranet website.

- The ordering department is obligated to accept delivery of any goods that have been ordered. If there is a change regarding need for the items, the department should immediately contact Procurement Services to make other arrangements. Only Procurement Services has the authority to cancel purchase orders. It should be realized that there might be a restocking charge if items must be returned through no fault of the vendor. The City's failure to accept and pay for ordered goods is a breach of contract.

Making Payment to Vendors

Payments should be made within the terms of the purchase order or agreement. Customary payment terms for the City are Net 30 Days, from receipt of invoice, for goods/services received. Advance payments should be avoided. Invoices should be reviewed carefully, signed by the appropriate department authority, coded with the correct account code, and forwarded to Accounts Payable.

Some vendors offer discounts if their invoices are paid promptly. To take advantage of these early-payment discounts and to maintain good vendor relations, it is important that all invoices, packing slips, and receiving reports be forwarded to the Finance Department as soon as possible.

Questions regarding payment of invoices should be addressed to the Finance Department.

Quick Reference

Chapter 6 – Glossary

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Glossary	**35**

6

Glossary of Procurement Terms

- ***Brand Name Or Equal Specifications.*** A specification limited to one or more items by manufacturers' names or catalog numbers to describe the standard of quality, performance, and other salient characteristics needed to meet City requirements, and which provides for the submission of equivalent products.

- ***Brand Name Specifications.*** A specification limited to one or more items by manufacturers' names or catalog numbers.

- ***Business****.* Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

- ***Business, Local.*** Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity, which maintains a physical working office within the geographic boundaries of the City of Farmersville.

- ***Buyer.*** A professionally trained person employed by Procurement Services to obtain materials and services for City departments, in accordance with all state and local laws and internal City policies and procedures.

- ***Change Order****.* A written order signed and issued by the Purchasing Agent, or his designee, directing the supplier or contractor to make changes or modifications to an order. The change order may make written alteration to the specifications, delivery point, rate of delivery, period of performance, price, quality, quantity, or other provisions of the contract.

- ***Contract.*** Any authorized City agreement, regardless of what it is called (purchase order, contract, etc.), for the procurement of supplies, equipment, services, or construction.

- ***Contractor.*** Any person having a contract with the City.

- ***Construction.*** The erection or assembly of large structures. The term construction is, to a significant degree, synonymous with building, but in common usage it most often is applied to such major works as buildings, ships, aircraft, and public works such as roads, dams, and bridges.

- ***Cost Analysis.*** The evaluation of cost data for arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

- ***Cost Data.*** Factual information concerning the cost of labor, material, overhead, and other cost elements that are expected to be incurred, or which have been actually incurred, by the contractor in performing the contract; or that are expected to be incurred by the City in the use of the equipment or material to be purchased.

- ***Cost Reimbursement Contract.*** A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions, and a fee or profit, if any.

- ***Emergency Purchase Order.*** An emergency purchase order results when a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest.

- ***Employee.*** An individual drawing a salary or wages from the City, whether elected or not; any non-compensated individual performing personal services for the City or any department, agency, commission, council, board, or any other entity established by the executive or legislative branch of the City; and any non-compensated individual serving as an elected official of the City.

- ***Fixed Asset.*** All City equipment and other assets with a purchase price of $5,000 or more, including tax and delivery, and relatively permanent.

- ***Formal Bids.*** Formal bids are those that are obtained by written solicitation. The bids are received in writing by a set date and time. The bids are publicly opened by Procurement Services. The written bids and the bid summary are maintained by Procurement Services.

- ***Gratuity.*** A payment, loan, subscription, advance, deposit of money, service, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received

- ***Immediate Family.*** A spouse, children, parents, brothers, and sisters.

- ***Informal Quotes.*** Informal quotes are offers made by vendors. The quotes may be verbal, electronic, or written. The Buyer maintains a summary of the quotes received.

- ***Invitation for Bids.*** All documents, whether attached or incorporated by reference utilized for soliciting sealed bids. Invitations for Bids (IFB) are awarded to the lowest responsive and responsible bidder(s).

- ***Local Business.*** (See Business, Local).

- ***Personal Services Contract.*** An accepted means for providing specialized tasks, which cannot be as effectively accomplished by the regular work force.

- ***Prevailing Wage.*** In accordance with Labor Code Sections 1770-1773 prevailing wages must be paid to all workers on a “public works” project when the project is over $1,000.

- ***Price Analysis.*** The evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

- ***Pricing Data.*** Information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and sub-contract prices.

- ***Procurement.*** The buying, purchasing, renting, leasing, trading, or otherwise acquiring of any supplies, equipment, services, or construction. It also includes all functions that pertain to the obtaining of any supplies, equipment, services, or construction, including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

- ***Procurement Policy.*** Procurement governing document approved by resolution by the City Council of Farmersville.

- ***Public Works Project.*** As defined in Public Contract Code § 20150.2, "public project" means: a project for the erection, improvement, and repair of public buildings and works.

- ***Purchase Order.*** City's commitment for the value of the material or service ordered. It is a legal document.

- ***Request for Proposals.*** All documents, whether attached or incorporated by reference, utilized for soliciting proposals. Requests for Proposals (RFP) are generally awarded based on several evaluation factors, including price.

- ***Requesting Department.*** Any department, commission, board, or agency requiring supplies, equipment, services, or construction.

- ***Responsible Bidder or Offeror.*** A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance, and who has submitted a bid that conforms in all material respects to the requirements set forth in the solicitation.

- ***Services.*** The furnishing of labor, time, or effort by a contractor, not involving delivery of a specific product other than reports which are merely incidental to the required performance.

- ***Specification*** Any description or scope of work of the physical or functional characteristics or of the nature of supplies, equipment, service, or construction. It may include a description of any requirement for inspection, testing or delivery of supplies, equipment, services, or construction.

- ***Supplier List.*** A list of potential bidders, listed by commodity codes for materials and services furnished.

Appendix A:

Risk Matrix

RISK MATRIX & INSURANCE LANGUAGE

YORK RISK SERVICES

Revised July 2019

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Exhibit 2: Risk Matrix 2

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Category 2 “Intermediate Risk” 4

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Exhibit 1
Risk Matrix Definitions
(Determine Risk Category by evaluating all factors that could increase the agency's liability for that particular project. Once Risk Category is determined, utilize Exhibit 2 to select insurance terms.)

Risk Category	Risk Level	Examples
1	Low	• Vending machine providers • Facilities use • Special events • Some professional service providers • General contracts
2	Intermediate	• Construction contracts • Some professional service providers • Technology consultants • Facilities use • Special events
3	High	• Major construction contracts • Garbage haulers • Some professional service providers
Other	Undefined	• The risk is unique • Custom insurance requirements needed

Exhibit 2
Risk Matrix
("+" = Limits may need to increase for Risk Categories 2 & 3, depending on the project.)

Risk Category	Workers' Compensation	General Liability	Auto Liability
1	Statutory Employer's Liability $1,000,000	$2,000,000 per occurrence (may accept $1,000,000 per occurrence for lower risks) $4,000,000 general aggregate $1,000,000 products/completed operations aggregate	$2,000,000 Combined Single Limit (may accept $1,000,000 for lower risks)
2	Statutory Employer's Liability $1,000,000	$2,000,000+ per occurrence $4,000,000+ general aggregate $2,000,000+ products/completed operations aggregate	$2,000,000+ Combined Single Limit
3	Statutory Employer's Liability $1,000,000	$5,000,000+ per occurrence $10,000,000+ general aggregate $5,000,000+ products/completed operations aggregate	$5,000,000+ Combined Single Limit
Other	Consult with Risk Management Professionals	Consult with Risk Management Professionals	Consult with Risk Management Professionals

Language Templates for Risk Categories 1-3

1. Category 1 "Low Risk"

Insurance Requirements

i. Commercial General Liability

a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

d. Coverage shall contain a waiver of subrogation in favor of the City.

ii. Business Automobile Liability

a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars ($2,000,000) per accident.

iii. Workers' Compensation and Employers' Liability

a. Vendor shall maintain Workers' Compensation Insurance and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

iv. All Coverages

a. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

b. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

c. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

d. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

2. <u>Category 2 "Intermediate Risk"</u>

Insurance Requirements

i. Commercial General Liability

a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall

be twice the required occurrence limit. Vendor's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

d. Coverage shall contain a waiver of subrogation in favor of the City.

ii. Business Automobile Liability

a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars ($2,000,000) per accident.

iii. Workers' Compensation and Employers' Liability

a. Vendor shall maintain Workers' Compensation Insurance and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

iv. All Coverages

a. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

b. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

c. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

d. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

e. Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a "per subcontractor" or "per consultant" basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

3. <u>Category 3 "High Risk"</u>

Insurance Requirements

i. Commercial General Liability

a. Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than five million dollars ($5,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor's general liability policies shall be primary and shall not seek contribution from the City's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

b. Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

c. Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

d. Coverage shall contain a waiver of subrogation in favor of the City.

ii. Business Automobile Liability

a. Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than five million dollars ($5,000,000) per accident.

iii. Workers' Compensation and Employers' Liability

a. Vendor shall maintain Workers' Compensation Insurance and Employer's Liability Insurance with limits of at least one million dollars ($1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

iv. All Coverages

f. Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

g. All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

h. Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

i. Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an A.M. Best rating of A- VII or higher.

j. Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a “per subcontractor” or “per consultant” basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

Exhibit 3
Ancillary Coverage Requirements

Contract Activity Involved	Professional Liability	Pollution Liability	Builders Risk	Aircraft Liability	Cyber Liability	Installation Floater
Construction or Remodeling Projects - Construction or remodeling projects		X	X			X
Hazardous or Waste Materials - Removal of asbestos or lead-based paint; or the use, application, transport, removal, cleanup, or disposal of hazardous material in quantities of 100 gallons or more; or the disposal, treatment, transport, or storage of waste.		X				
Installation of Equipment						X
Professional Service Provider - Services from an accountant, architect, attorney, claims administration firm, consultant, insurance broker, engineer, financial advisor, medical professional, or other person who maintains a professional license.	X					
Technology Vendor	X				X	
Use of Aircraft or Helicopter				X		

1. The following are suggested insurance language if Ancillary Coverages are recommended. Please consult with the Risk Manager for customized limits and language for specific circumstances.

   a. Aircraft Liability Insurance

      i. Aircraft liability insurance coverage shall provide limits of $5,000,000 - $10,000,000 per accident.

      ii. The policy shall be endorsed to include the City, its officers, employees, and agents as additional insureds.

   b. Builders Risk Insurance

      i. Contractor shall obtain and maintain Builders Risk/Course of Construction insurance. Policy shall be provided for replacement value on an "all-risk" basis, including earthquake and flood. The City shall be named as Loss Payee on the policy and there shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures, and all other properties constituting a part of the project; (2) “Installation Floater” coverage with limits sufficient to insure the full replacement value of any property or equipment stored either on or off the project site. Such insurance shall be on a form acceptable to City to ensure adequacy of terms and limits. Contractor shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City.

   c. Cyber Liability Insurance

      i. Cyber Liability Insurance with limits not less than $1,000,000 per claim.

      ii. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

iii. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

d. Pollution Liability Insurance

i. Pollution Coverage shall be provided for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than two million dollars ($2,000,000) per claim. All activities contemplated in this agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

ii. The policy shall be endorsed to include the City, its officers, employees, and agents as insureds.

e. Professional Liability Insurance

i. Contractor shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars ($2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Contractor agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Appendix B:

Approval Memo

PURCHASE APPROVAL MEMO

TO:

FROM:

DATE:

SUBJECT: REQUEST FOR PURCHASE APPROVAL

Please accept this memo for formal approval for purchase of the following item(s):

Description	
Vendor	
Capital Budget ID#	
Budgeted Amount	
Total Cost	
Account Code	

REQUEST STATUS:	APPROVED **( )**	DENIED **( )**
SIGNED:		
DATE:		
FINANCE CHECK:		

This memo to be attached to Accounts Payable back-up for each payment.

Appendix C:

Purchase Order

PURCHASE ORDER

DATE:	
P.O. #	

909 WEST VISALIA ROAD
FARMERSVILLE, CA 93223
Phone: 559-747-0458

VENDOR

SHIP TO

DATE ORDERED	VENDOR NUMBER	DATE REQUIRED	SHIPPING TERMS

ITEM #	DESCRIPTION	QTY	UNIT PRICE	TOTAL
			SUBTOTAL	
			TAX	
			S & H	
			OTHER	
			TOTAL	

Other Comments or Special Instructions

Authorized by Date

Appendix D:

CUCCAC Manual

State of California

Cost Accounting Policies and Procedures Manual

2019 Edition

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FOREWORD

The Uniform Public Construction Cost Accounting Act (Act), enacted in 1983 under Public Contract Code section 22000 et seq., allows local agencies to perform public project work of up to $60,000 with their own workforces if the agencies elect to follow the cost accounting procedures set forth in the *Cost Accounting Policies and Procedures Manual* by the California Uniform Construction Cost Accounting Commission.

Every five years, the California Uniform Construction Cost Accounting Commission reviews the informal bid limits for inflation and other factors to determine whether adjustments should be made. If an adjustment is made, the State Controller notifies the affected public agencies. The adjustment may become effective before it appears as a formal change in the Public Contract Code pursuant to Public Contract Code section 22020. The most recently posted bid limits can be found at www.sco.ca.gov/ard_cuccac.html titled under New Informal Bid Limit Increase (Pursuant to PCC 22032)

Any local agency can voluntarily elect to become a participating agency of the Act. Local agencies include cities, counties, redevelopment agencies, special districts, school districts, and community college districts. Participating agencies benefit from the raised force account limit and the informal bidding procedures. More projects are completed in a timely manner as a result of the streamlines awards process and the reduction in paperwork related to advertising and report filing.

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California Uniform Construction Cost Accounting Commission

Cost Accounting Policies and Procedures Manual

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CHAPTER 1 Information for Adoption and Implementation of the California Uniform Public Construction Cost Accounting Act

Instructions for Adoption and Implementation of the Uniform Construction Cost Accounting Procedures

1.01 Instructions for Adoption and Implementation of the Uniform Public Construction Cost Accounting Act (ACT) by Local Agencies

1) The Governing Board must elect by resolution to become subject to the uniform construction cost accounting procedures promulgated by the State Controller pursuant to the Public Contract Code section 22019. The resolution shall specify that the local agency will meet the requirements prescribed in the California Uniform Construction Cost Accounting Commission's *Cost Accounting Policies and Procedures Manual* and state the effective date the agency will implement the accounting and bidding procedures.

2) The local agency must notify the State Controller in writing of the election to become subject to the uniform construction cost accounting procedures along with a copy of the resolution mailed to the following address:

   Office of the State Controller
   Local Government Programs and Services Division
   Local Government Policy Section
   P.O. Box 942850
   Sacramento CA 94250

3) When a local agency elects to become subject to the uniform construction cost accounting procedures, the entire entity is considered subject to the Act and no departments will be exempt. However, Special Districts which are governed by a board of supervisors or city council are subject only if a separate election is made.

4) An informal bidding ordinance, or a board adopted policy equivalent to such as required by the participating agency, shall be enacted pursuant to Public Contract Code section 22034.

5) Once opting into the Act, participating agencies must always adhere to the terms of the Act until such time the agency formally opts out by resolution of its governing board. Having opted in, selective adherence to the terms of the Act is a violation.

6) The governing board may discontinue the agency's participation under the uniform public construction cost accounting procedures by adopting a resolution stating this fact. A copy of the resolution shall be filed with the State Controller.

7) The State Controller shall notify the California Uniform Construction Cost Accounting Commission (Commission) of all local agencies electing to become subject to the uniform public construction cost accounting procedures. In addition, the Commission shall also be notified of local agencies electing to discontinue participation under these procedures.

1.02 Sample Election Resolution – Model

This sample *Election Resolution* may be used by any public agency's governing body.

RESOLUTION OF THE _____, STATE OF CALIFORNIA IN THE MATTER OF
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

Resolution No. _____

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code section 22000 et seq., the Uniform Public Construction Cost Accounting Act, establishes such a uniform cost accounting standard;

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects; and

NOW, THEREFORE, BE IT RESOLVED that the _____ of _____, California, hereby elects under Public Contract Code section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the _____- notify the State Controller forthwith of this election.

SAMPLE

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this ____ day of _____, _____ by the following vote;

AYES:
NOES:
ABSENT:

Insert Seal if Applicable

_____, _____
Signature Title

City of _____ County of _____

1.03 Sample Informal Bidding Ordinance

(This SAMPLE INFORMAL BIDDING ORDINANCE or POLICY indicates action by a county board of supervisors. However, the sample format shall be modified to conform to your governing agency's rules).

ORDINANCE NO. _____
AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF _____
ADDING SECTION _____ TO THE ORDINANCE CODE OF THE COUNTY OF _____
TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC
CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

The Board of Supervisors of the County of _____do ordain as follows:

SECTION 1
Section _____ is hereby added to the County Code of the County of_____ to provide as follows:

Section _____. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section _____. Contractors List. The agency shall comply with the requirements of Public Contract Code Section 22034.

Section _____. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be circulated using one or both of the following alternatives:
1. Notices inviting informal bids may be mailed, faxes, or emailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section_____,
2. Notices inviting informal bids may be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids, provided however:

(1) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Section _____. Award of Contracts

The County Purchasing Agent and the Director of Public Works are each authorized to award informal contracts pursuant to this Section.

SECTION 2
This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Supervisors voting for and against the same in the _____, a newspaper of general circulation published in the County of _____.

PASSED, APPROVED and ADOPTED by the Board of Supervisors of the County of _____, State of California, this____ day of _____,_____, by the following vote:

AYES:
NOES:
ABSENT:

SAMPLE

Procedure for Establishment and Maintenance of List of Registered Contractors

1.04 Procedure for Establishment and Maintenance of List of Registered Contractors Per Section 22034 of the Public Contract Code

Section 22034 of the Public Contract Code specifies the requirements for mailing, faxing, or emailing notices to contractors for work to be bid under the Act. As specified therein, an agency shall provide notices by electing a), b) or both methods listed as follows:

a) In lieu of a contractors list, mailing, faxing, or emailing notices to all construction trade journals specified in section 22036

b) Mailing, faxing, or emailing notices to all contractors on the list established by the agency for the work being paid

c) Both (a) and (b) pursuant to section 22034(a)(1)

In the event an agency elects to provide notice by mailing, faxing, or emailing notices to all contractors on the list established by the agency for the work being bid, the agency shall utilize the following procedure to establish and maintain the list of registered contractors outlined in section 22034 (a)(1):

a) Notice to contractors shall be provided in accordance with either paragraph (1) or (2), or both.

   1) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors pursuant to this subdivision shall be completed not less than 10 calendar days before bids are due.

   2) The public agency may elect to mail, fax, or email a notice inviting informal bids to all construction trade journals specified in section 22036.

b) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

c) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

d) If all bids received are in excess of two hundred thousand dollars ($200,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand, five hundred dollars ($212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

(Amended by Stats. 2015, Ch. 269, Sec. 29. Effective January 1, 2016.)

1.04.01 Minimum Criteria for Development and Maintenance of the Contractors List Determined by the Commission, pursuant to Public Contract Code section 22034(a)(1)

1. At least once per calendar year, each public agency that has elected to become subject to the Uniform Public Construction Cost Accounting Act and intends to utilize the notice provisions outlined in section 22034(a) shall establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals

designated for that Agency under Section 22036. The notice shall invite all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders.

2. The notice shall require that the contractor provide:

    - The name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed;
    - A phone number at which the contractor may be reached;
    - The type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.);
    - The class of contractor's license(s) held; and
    - The contractor license number(s).

3. Agencies may include any contractor names they so desire on the lists, but lists must include, at minimum, all contractors who have properly provided the Agencies with the information required under #2 above in response to the written notice.

    The Commission recommends that Agencies automatically include in their contractors lists the names of all contractors who submitted one or more valid bids to the Agencies.

4. A contractor may have his or her firm added to an Agency's contractors list at any time by providing the required information.

1.05 County-by-County List of Construction Trade Journals

The Commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed, faxed, or emailed notice of all informal and formal construction contracts being bid for work within the specified county per section 22036 of the Public Contract Code.

Per Public Contract Code section 22037, notices inviting formal bids must be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency. In addition, the Commission has determined that all public agencies that adopt and contract under the Act shall be required to mail, email, or fax a notice to the following specified construction trade publications of all formal construction contracts being bid and all invitations to join an agency's qualified bidders list (i.e. the informal bidding list) within the specified county (as provided in sections 22034 and 22037 of the Public Contract Code). The numbers following the name of each county refer to the corresponding numbered trade journals listed starting on page 14.

Users will note that the notification of the trade journals listed in Column B for their county is required. Additionally, the user will have to notify at least two of the trade journals listed in Column C, unless there is only one listed, in which case notification of that trade journal is sufficient. The Commission urges each public agency to select additional publications from its geographical area and include them on its list of publications to be notified. Sample information to be included in the mailed notice to trade journals is listed on page 13.

Note: Users are not required to mail a notice to a trade journal if the trade journal listed under their county is now charging for its services, or is out of business. Instead, the Commission requests that users find some other method of notifying potential contractors of published jobs and how to be added to their informal bidding lists (e.g. internet – county's web page).

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
ALAMEDA	2, 3	8, 11, 14, 15, 16, 17, 18, 19
ALPINE	2, 3	11
AMADOR	2, 3	11, 13, 20
BUTTE	2, 3	5, 6, 11, 12
CALAVERAS	2, 3	11, 19, 20, 23
COLUSA	2, 3	5, 6, 11
CONTRA COSTA	2, 3	8, 11, 15, 16, 17, 19
DEL NORTE	2, 3	4, 5, 11
EL DORADO	2, 3	10, 11, 12, 13, 16
FRESNO	2, 3	11, 19, 21, 23, 24, 25
GLENN	2, 3	5, 6, 11, 12
HUMBOLDT	2, 3	4, 5, 11
IMPERIAL	2, 3	29, 31
INYO	2, 3	25
KERN	2, 3	21, 23, 24, 25, 26, 31
KINGS	2, 3	21, 23, 24, 25
LAKE	2, 3	4, 5, 7, 8, 11, 16
LASSEN	2, 3	5, 11, 12
LOS ANGELES	2, 3	8, 29, 31, 36
MADERA	2, 3	11, 19, 21, 23
MARIN	2, 3	7, 8
MARIPOSA	2, 3	11, 21, 23
MENDOCINO	2, 3	4, 7, 8, 11, 16
MERCED	2, 3	11, 19, 20, 21, 23
MODOC	2, 3	5, 11
MONO	2, 3	11
MONTEREY	2, 3	11, 18, 22, 26
NAPA	2, 3	7, 8, 9, 11, 16
NEVADA	2, 3	10, 11, 12, 13
ORANGE	2, 3	29, 31, 35
PLACER	2, 3	10, 11, 12, 13, 16
PLUMAS	2, 3	5, 6, 11, 12
RIVERSIDE	2, 3	29, 31, 35
SACRAMENTO	2, 3	5, 8, 10, 11, 12, 13, 16, 19
SAN BENITO	2, 3	11, 22
SAN BERNARDINO	2, 3	29, 31, 35
SAN DIEGO	2, 3	29, 31, 35
SAN FRANCISCO	2, 3	8, 11, 14, 15, 16, 17, 18
SAN JOAQUIN	2, 3	8, 11, 19, 20, 21, 23
SAN LUIS OBISPO	2, 3	22, 25, 26, 27, 31, 36, 37
SAN MATEO	2, 3	8, 14, 15, 17, 18
SANTA BARBARA	2, 3	26, 27, 28, 31, 36, 37
SANTA CLARA	2, 3	8, 11, 14, 15, 16, 17, 18

COUNTY NAME (A)	TRADE JOURNALS REQUIRED TO BE NOTIFIED (B)	NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW (C)
SANTA CRUZ	2, 3	18, 22
SHASTA	2, 3	4, 5, 11
SIERRA	2, 3	11, 12
SISKIYOU	2, 3	5, 11
SOLANO	2, 3	8, 9, 10, 11, 16, 19
SONOMA	2, 3	7, 8, 11, 16
STANISLAUS	2, 3	11, 19, 20, 21, 23
SUTTER	2, 3	6, 10, 11, 12
TEHAMA	2, 3	5, 11, 12
TRINITY	2, 3	4, 5, 11
TULARE	2, 3	23, 24, 25
TUOLUMNE	2, 3	11, 20, 23
VENTURA	2, 3	27, 31, 36, 37
YOLO	2, 3	8, 10, 11, 13
YUBA	2, 3	6, 10, 11, 12

1.06 Sample Information for Mailed Notice

Following provides the type of information that could be included in the mailed notice to the construction trade journals. This list should be used only as a guide.

- Project title and contract number, if any
- Cost range
- Site location
- Who is taking bids/date and time due
- Owner's address and phone number
- Architect's address and phone number
- Brief description of work to be done
- Where plans may be obtained/deposit required/whether or not refundable
- Percentage of bid bond/percentage of performance bond/percentage of payment bond

1.07 List of Construction Trade Journals

The following organizations have indicated to the Commission that they:

a) Publish a newsletter or trade journal, on a weekly or more frequent basis, that contains a section listing projects being bid; or provide a telephone notice service to their members.

b) Do not charge for publishing or otherwise disseminating a Notice to Contractors.

These organizations have indicated to the Commission that they serve subscribers or members in the counties listed to the right of each organization.

Organizations that meet criteria (a) and (b) above may be added to the list, or changes or corrections can be made to the list by contacting:

Office of the State Controller
Local Government Programs and Services Division
Local Government Policy Section
P. O. Box 942850
Sacramento, CA 94250

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
1	CMD (Construction Market Data) Document Processing Center 30 Technology Parkway South, Suite 100 Norcross, GA 30092-2912 Phone: 800-424-3996 Email: customercare@cmdgroup.com Website www.cmdgroup.com	California
2	Construction Bidboard (Ebidboard) 11622 El Camino Real, #100 San Diego, CA 92130 Phone: 800-479-5314 Email: support@ebidboard.com Website: www.ebidboard.com	California
3	Dodge Data & Analytics 830 Third Avenue, 6th Floor New York, NY 10022 Phone: 877-784-9556 Email: support@construction.com Website: www.construction.com	California
4	Humboldt Builders' Exchange, Inc. 1213 5th Street Eureka, California 95501 Phone: 707-442-3708 Website: www.humbx.com	Del Norte, Humboldt, Lake, Mendocino, Shasta, and Trinity
5	Shasta Builders' Exchange 5800 Airport Road Redding, CA 96002 Phone: 530-221-5556 Email: info@shastabe.com Website: www.shastabe.com	Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Plumas, Sacramento, Shasta, Siskiyou, Tehama, and Trinity

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
6	Valley Contractors Exchange, Inc. 951 East Eighth Street Chico, CA 95928 Phone: 530-343-1981 Email: info@vceonline.com Website: www.vceonline.com	Butte, Colusa, Glenn, Plumas, Sutter, and Yuba
7	North Coast Builders Exchange 1030 Apollo Way Santa Rosa, CA 95407 Phone: 707-542-9502 Fax: 707-542-2027 Website: www.ncbeonline.com	Lake, Marin, Mendocino, Napa, and Sonoma
8	Marin Builders Association 660 Las Gallinas Avenue San Rafael, CA 94903 Phone: 415-462-1220 Fax: 415-462-1225 Email: mba@marinbuilders.org Website: www.marinba.org	Alameda, Contra Costa, Lake, Los Angeles, Marin, Mendocino, Napa, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, and Yolo
9	Solano-Napa Builders Exchange 135 Camino Dorado Napa, CA 94558 Phone: 707-255-2515 Fax: 707-255-2749 Email: membership@snbe.com Website: http://snbe.org	Napa and Solano
10	Sacramento Regional Builders' Exchange 1331 T Street Sacramento, CA 95811 Phone: 916-442-8991 Fax: 916-446-3117 Email: tbrennan@srbx.org Website: www.srbx.org	El Dorado, Nevada, Placer, Sacramento, Solano, Sutter, Yolo, and Yuba
11	Placer County Contractors Association & Builders Exchange 10656 Industrial Avenue, Suite 160 Roseville, CA 95678 Phone: 916-771-7229 Fax: 916-771-0556 Website: www.pccamembers.com	Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, Santa Clara,

ORGANIZATION		AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
		Shasta, Sierra, Siskiyou, Stanislaus, Solano, Sonoma, Sutter, Tehama, Trinity, Tuolumne, Yolo, and Yuba
12	Nevada County Contractors' Association 149 Crown Point Court Grass Valley, CA 95945 Phone: 530-274-1919 Email: nccaexec@pacbell.net Website: www.nccabuildingpros.com	Butte, El Dorado, Glenn, Lassen, Nevada, Placer, Plumas, Sacramento, Sierra, Sutter, Tehama, and Yuba
13	El Dorado Builders' Exchange 3430 Robin Lane, Suite 7 Shingle Springs, CA 95682 Phone: 530-672-2955	Amador, El Dorado, Nevada, Placer, Sacramento, and Yolo
14	The San Francisco Builders Exchange 850 South Van Ness Avenue San Francisco, CA 94110-1911 Phone: 415-282-8220 Email: deanna@bxofsf.com Website: www.bxofsf.com	Alameda, San Francisco, San Mateo, and Santa Clara
15	Bay Area Builders Exchange 3055 Alvarado Street San Leandro, CA 94577 Phone: 510-483-8880 Email: info@bayareabx.com Website: www.bayareabx.com	Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara
16	Bay Area Builders Exchange 2440 Stanwell Drive, Suite B Concord, CA 94520 Phone: 925-685-8630 Website: www.bayareabx.com	Alameda, Contra Costa, El Dorado, Lake, Mendocino, Napa, Placer, Sacramento, San Francisco, Santa Clara, Solano, and Sonoma
17	Peninsula Builders Exchange 735 Industrial Road San Carlos, CA 94070 Phone: 650-591-4486 Website: www.safetystar.org/safetystar	Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
18	Builders' Exchange of Santa Clara County 400 Reed Street Santa Clara, CA 95050 Phone: 408-727-4000 Fax: 408-727-2779 Website: www.bxscco.com	Alameda, Monterey, San Francisco, San Mateo, Santa Clara, and Santa Cruz
19	Builders' Exchange of Stockton 7500 West Lane Stockton, CA 95210 Phone: 209-478-1000 Email: crobinson@besonline.com Website: www.besonline.com	Alameda, Calaveras, Contra Costa, Fresno, Madera, Merced, Sacramento, San Joaquin, Solano, and Stanislaus
20	Valley Builders Exchange, Inc. 1118 Kansas Avenue Modesto, CA 95351 Phone: 209-522-9031 Email: info@valleybx.com Website: www.valleybx.com	Amador, Calaveras, Merced, San Joaquin, Stanislaus, and Tuolumne
21	Builders Exchange of Merced & Mariposa 646 CA-HWY 59 Merced, CA 95341 Phone: 209-722-3612 Website: www.bxmm.org	Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, and Stanislaus
22	Central Coast Builders Association 242 East Romie Lane Salinas, CA 93907 Phone: 831-758-1624 Email: staff@ccbabuilds.com Website: www.ccbabuilds.com	Monterey, San Benito, San Luis Obispo, and Santa Cruz
23	Central California Builders Exchange 1244 N. Mariposa Street Fresno, CA 93703 Phone: 559-237-1831 Email: info@cencalbx.com Website: http://cencalbx.com/	Calaveras, Fresno, Kern, Kings, Madera, Mariposa, Merced, San Joaquin, Stanislaus, Tulare, and Tuolumne

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
24	Tulare & Kings Counties Builders Exchange 1223 S. Lovers Lane Visalia, CA 93292 Phone: 559-732-4568 Email: info@tkcbe.com Website: www.tkcbe.com	Fresno, Kern, Kings, and Tulare
25	Kern County Builders' Exchange, Inc. 4310 Ardmore Avenue, Ste. 100 Bakersfield, CA 93309 Phone: 661-324-4921 Website: www.kcbex.com	Kern
26	San Luis Obispo County Builders Exchange 153 Cross Street, #130 San Luis Obispo, CA 93401 Phone: 805-543-7330 Email: info@slocbe.com Website: www.slocbe.com	Kern, Monterey, San Luis Obispo, and Santa Barbara
28	Ventura County Contractors Association 1830 Lockwood Street, No. 110 Oxnard, CA 93036 Phone: 805-981-8088 Email: vcca@vccainc.com Website: www.vccainc.com	Santa Barbara and Ventura
29	Southern California Builders Association 732 N. Diamond Bar Blvd. #224 Diamond Bar, CA 91765 Phone: 909-396-1451 Email: scba@socalbuilders.org Website: www.socalbuilders.org	Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego
30	Construction Data Company 2001 9th Avenue, 2nd Floor Vero Beach, FL 32960 Phone: 800-800-652-0008 Email: service@cdcnews.com Website: www.cdcnews.com	Southern California-Imperial, Kern , Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, and Ventura
31	BidAmerica 41085 Elm Street Murrieta, CA 92562 Phone: 951-677-4819 Email: planroom@bidamerica.com Website: www.BidAmerica.com	California

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
32	Construction Bid Source Interactive 6265 HWY 9 Felton, CA 95018 Phone: 888-786-9450 Website: www.constructionbidsource.com	California
33	Demandstar – Onvia Supplier Services 509 Olive Way, Suite 400 Seattle, WA 98101 Phone: 800-575-1736 Website: www.demandstar.com or Website: www.onvia.com	California
34	Challenge News 1276 Lincoln Avenue, Suite 203 San Jose, CA 95125 Phone: 408-998-2534 Email: challengenews@yahoo.com	California
35	Associated General Contractors of America San Diego Chapter, Inc. 6212 Ferris Square San Diego, CA 92121 Phone: 858-558-7444 Email: planroom@agcsd.org Website: www.agcsd.org	Orange, Riverside, San Bernardino, and San Diego
36	Builders Notebook P.O. Box 4883 Santa Barbara, CA 93140 Phone: 877-776-5436 Email: planroom@buildersnotebook.com Website: www.buildersnotebook.com	Los Angeles, San Luis Obispo, Santa Barbara, and Ventura
37	Tri-Co Reprographics 513 Laguna Street Santa Barbara, CA 93101 Phone: 805-966-1701 Email: sbplots@tricoblue.com Website: www.tricoblue.com	Santa Barbara, Ventura, and San Luis Obispo

Accounting Procedures Review Process

1.08 Accounting Procedures Review

A. Pursuant to the provisions of Public Contract Code (PCC) §22042, the Commission has adopted the following procedures for conducting an Accounting Procedures Review, where an interested party presents evidence that work undertaken by a public agency falls within any of the following categories:

1. It was performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
2. It exceeded the force account limit.
3. It was improperly classified as maintenance.

B. As used in the Accounting Procedures Review, "interested party" shall mean: a licensed contractor eligible to bid on the public project involved in the review; a labor organization whose members would be eligible to perform work on the public project if it were performed under contract; an association of licensed contractors and/or labor organizations; or a taxpayer of the public agency cited in the account review request.

C. Request for Accounting Procedures Review

1. Pursuant to PCC §22043(a)(b), in those circumstances as set forth in PCC §22042(a)(b)(c), a request for Commission review shall be in writing. The request shall be sent via certified or registered postal mail, and received by the Commission and/or State Controller's Office (SCO) staff. It should be postmarked no later than eight business days from the date on which the public agency rejected all bids (PCC §22042(a)) or from the date on which an interested party formally complains in writing to the public agency (PCC §22042(b)(c)).
2. The address for purposes of requesting Commission review is:

CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING COMMISSION
Office of the State Controller
Local Government Programs and Services Division
Local Government Policy Section
P.O. Box 942850
Sacramento, CA 94250

3. Such written notice from an interested party shall include the following information:
   (a) The name, address, phone number, and contact person for the interested party.
   (b) An indication that work undertaken by the public agency falls within one of the following categories:
      (i) It was performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
      (ii) It exceeded the force account limits.
      (iii) It was improperly classified as maintenance.
   (c) The name, address, and phone number of the public agency involved.
   (d) The project name and location, and/or project identification number.
   (e) The bid date and rejection date, if applicable.
   (f) The low bid dollar amount, if applicable.
   (g) The agency estimate, if available.
   (h) Other documentation supporting the request. If the requestor is unable to obtain information from the participating agency, the request should note the fact and include an explanation of the circumstances.
4. When the request is transmitted to the Commission for review, the interested party shall mail a copy of the request by first class mail, postage prepaid, to the public agency involved.

D. The Commission shall approve and designate in writing the consultants available to perform the Accounting Procedures Review, if needed. Such consultants shall be prequalified as follows:

1. They shall submit resumes including experience to the Commission for prequalification.
2. Each applicant shall have at least five years' experience with, and be knowledgeable of, public works construction or accounting under contracts let by public agencies.
3. They shall submit their schedule of fees required to perform such service.

E. Immediately upon receipt of a request for Accounting Procedures Review, SCO staff will forward all documentation to the Chairperson. The Chairperson shall assign the request to a working group consisting of two or more Commissioners, not to constitute a quorum. Each working group must have both private and public representations. Any correspondence received by SCO staff during the review will be immediately forwarded to the Chairperson and the members of the working group.

1. The working group may contact either the interested party or the signatory agency involved for additional information. They may also request a statement of the public agency's position regarding the claim being set forth. Participating agencies are required to cooperate with any account reviews pursuant to this Act. Agencies failing to cooperate fully, through either unwillingness or inability, may be found to be non-compliant.
2. If the work group deems it necessary, it may use SCO Audit Division staff or a consultant deemed qualified for the purpose of this review. The auditor or consultant will conduct a thorough review of the facts surrounding the claim. This review may include any fieldwork deemed necessary by the auditor or consultant. The auditor or consultant shall interview the public agency involved, and submit as a part of the findings a complete statement of the public agency's position regarding the review being conducted.
3. The auditor or consultant, if involved, shall prepare written findings and a recommended decision within the timeframes established in PCC §22043.
4. The statutory limit to complete the account review begins on the day that the request is received by SCO. Incomplete review requests may affect the ability of the Commission to render a timely decision. Pursuant to PCC §22043(c), the commission review shall commence immediately and conclude within the following number of days from the receipt of the request for commission review:

   (a) Forty-five days for a review that falls within subdivision (a) of §22042; and

   (b) Ninety days for a review that falls within subdivision (b) or (c) of §22042.

   During the review of a project that falls within PCC §22042(a), the agency shall not proceed with the project until the final decision is received by the Commission.

F. The review will be added as an agenda item to be discussed by the Commission at a public meeting held within the timeframe established in PCC §22043. All documentation and correspondence received related to the review will be included. Any documentation and correspondence received after the agenda has been posted to the SCO website will immediately be forwarded to each Commission member and available for public review at the meeting.

G. The Commission shall review the findings of the work group and, if applicable, the auditor or consultant's report, and render its final decision within the timeframes established in PCC §22043. Within the timeframes established in PCC §22044, a copy of the decision shall be mailed by first class mail, postage prepaid, by SCO staff to the interested party and the public agency involved. A copy shall also be provided to each Commission member and included for information as part of the subsequent Commission meeting agenda.

H. Decisions on Accounting Procedures Reviews shall be collected and maintained by SCO staff, and shall be available for public inspection during regular working hours. Such decisions may be cited and relied upon by interested parties and public agencies in subsequent reviews.

I. If the Commission makes findings in accordance with PCC §22043, that the work undertaken by a public agency falls within any of the categories described in §22042, on three separate occasions within a 10-year term, the Commission shall notify the public agency of those findings in writing by certified mail. Public agencies that receive notice of findings on three separate occasions within a 10-year term shall not use the bidding procedures provided by this article for five years from the date of the Commission's findings contained in the third notice within a 10-year term. For the purposes of these review procedures, one investigation resulting in a finding or findings shall equate to one occasion. These review procedures are based on current statutory law.

J. Changes to statutory law shall be reviewed and automatically adopted into these procedures as deemed appropriate.

Uniform Public Construction Cost Accounting Act

1.09 California Public Contract Code

Chapter 2 Bidding on Public Contracts (The following statute is current as of January 1, 2017)

Article 1. Legislative Intent and Definitions.

Code	Statute
22000 Name of the Act	This chapter shall be known and may be cited as the "Uniform Public Construction Cost Accounting Act."
22001 Legislative Findings and Declaration	The Legislature finds and declares that there is a statewide need to promote uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state. This chapter provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities.
22001.5 Notice describing chapter provisions to public agencies	On or before January 1, 2009, the State Controller shall send a notice to all public agencies describing the provisions of this chapter and the benefits of using its provisions. This notice shall also be included in any notification issued by the State Controller pursuant to Section 22020.
22002 Definitions	a) "Public agency" for purposes of this chapter, means a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Public agency" also includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency. b) "Representatives of the construction industry" for purposes of this chapter, means a general contractor, subcontractor, or labor representative with experience in the field of public works construction. c) "Public project" means any of the following: 1) Construction reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. 2) Painting or repainting of any publicly owned, leased, or operated facility. 3) In the case of a publicly owned utility system, “public project” shall include only the construction erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher. d) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following: 1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes. 2) Minor repainting.

Code	Statute
	3) Resurfacing of streets and highways at less than one inch. 4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems. 5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher. e) For purposes of this chapter, “facility” means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.
22003 Public Agency Subject to Uniform Cost Accounting Procedures, Bidding Procedures	A public agency which has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010), may utilize the bidding procedures set forth in Article 3 (commencing with Section 22030) when contracting for "maintenance work," as defined in Section 22002, or when contracting for any other work which does not fall within the definition of "public project," as defined in Section 22002.

Article 2. California Uniform Construction Cost Accounting Commission

Code	Statute
22010 Creation; Membership; Appointment	There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members. a) Thirteen of the members shall be appointed by the State Controller as follows: 1) Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California. 2) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California. 3) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California. 4) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two members representing school districts, and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

Code	Statute
	b) The member of the Contractors' State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member. *(Amended by Stats. 2015, Ch. 269, Sec. 24. Effective January 1, 2016.)*
22011 Appointment Recommendations	The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.
22012 Members; Accounting Experience	At least one commission member of the seven representing the construction industry and at least one of the seven representing public agencies shall have previous accounting experience.
22013 Chairperson; Term	The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of two years from the date of selection. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.
22014 Members; Term; Vacancies	a) The members of the commission shall hold office for terms of three years, and until their successors are appointed. b) Members may be reappointed, by the Controller, for subsequent terms of three years. c) The Controller may appoint a successor for any commissioner after his or her three-year term expires. d) The Controller shall, within 120 days, appoint a replacement to fill any vacancy on the commission. *(Amended by Stats. 2015, Ch. 269, Sec. 25. Effective January 1, 2016.)*
22015 Staff; Members' Compensation; Grants	a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties. Reimbursement rates shall conform to the Controller's travel guideline rates. c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this chapter. *(Amended by Stats. 2015, Ch. 269, Sec. 26. Effective January 1, 2016.)*
22016 Meetings	The commission shall meet not less than once each year, at a time and place chosen by its membership.

Code	Statute
22017 The Commission's Four Principle Duties	The commission shall do all of the following: a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies that elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of the Office of Management and Budget Circular A-76, as periodically revised. b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 75,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all cities under 75,000 population which elect to utilize the uniform procedures. For the purpose of these cost accounting procedures, the following shall apply: 1) Cities with a population of less than 75,000 shall assume an overhead rate equal to 20 percent of the total costs of a public project, including the costs of material, equipment, and labor. 2) Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate equal to 30 percent of the total costs of a public project, including the costs of material, equipment, and labor. c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032. d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary. *(Amended by Stats. 2015, Ch. 269, Sec. 27. Effective January 1, 2016.)*
22018 Recommended Procedure; Controller's Review	The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.
22019 Adoption; Promulgation of Uniform Procedure	Upon determining that the recommended uniform construction cost accounting procedures will serve the best interest of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

Code	Statute
22020 Five Year Consideration; Material Changes; Adjustments	In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars ($15,000). The Controller shall notify all participating public agencies of the adjustment prior to the effective date. That notification shall also describe the provisions of this chapter and the benefits of using its provisions.

Article 3. Public Projects; Alternative Procedures

Code	Statute
22030 Application of Article	a) This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller. b) A county, whether general law or charter, containing a population of less than 500,000 may award individual annual contracts as provided in Section 20128.5. *(Amended by Stats. 2015, Ch. 269, Sec 28. Effective January 1, 2016)*
22031 Alternative Procedures	a) Prior to January 1, 2013, this article shall not prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1. b) On or after January 1, 2013, this article shall not prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1 for both of the following: 1) Maintenance and emergency work. 2) New road construction and road reconstruction as long as the total value of the new road construction and the road reconstruction performed under the procedures set forth in subdivision (c) of Section 20395 during a fiscal year does not exceed 30 percent of the total value of all work performed by force account other than maintenance as reported in the Controller's Streets and Roads Annual Report as of March 1 of each year prior to the fiscal year. c) The value of force account work necessary to facilitate capital projects for the purpose of contracting to the private sector, including design, engineering, inspection, testing, and other force account work necessary to administer private contracts, shall be excluded from the 30-percent limit in subdivision (b).

Code	Statute
	d) The value of force account work necessary to facilitate projects performed by county employees, including design, engineering, inspection, testing, and other force account work necessary to administer work performed under subdivision (b), shall apply to the 30-percent limit in subdivision (b). e) On or after January 1, 2013, for a county with a population of less than 50,000, this article shall not prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1. f) The requirements set forth in Section 22038 shall apply to any county subject to this section. g) Any county board of supervisors or county road commissioner acting pursuant to the authority granted in paragraph (2) of subdivision (b) shall publicly declare its intention to use this authority prior to commencing work. The public declaration may be on a project-by-project basis, via a list of anticipated projects for the fiscal year, or via a list that may be included in the county's annual budget. *(Amended by Stats. 2014, Ch. 345, Sec. 3. Effective January 1, 2015.)*
22032 Contracting Procedures; Dollar Amount Limitations	a) Public projects of sixty thousand dollars ($60,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. b) Public projects of two hundred thousand dollars ($200,000) or less may be let to contract by informal procedures as set forth in this article. c) Public projects of more than two hundred thousand dollars ($200,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure. *76 Op. Atty. Gen. 126,7-14-93 = Job order contracts - General law county or general law city may not enter into a "job order contract" in excess of $50,000 for the performance of public projects involving minor construction, and the renovation, alteration, painting, and repair of existing facilities, except under narrowly defined statutory conditions applicable only to counties.*
22033 Separation of Work orders of Projects; Evasion of Provision of Article	It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.
22034 Informal Bidding Ordinance	Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following: a) Notice to contractors shall be provided in accordance with either paragraph (1) or (2), or both.

Code	Statute
	1) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors pursuant to this subdivision shall be completed not less than 10 calendar days before bids are due. 2) The public agency may elect to mail, fax, or email a notice inviting informal bids to all construction trade journals specified in Section 22036. b) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids. c) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person. d) If all bids received are in excess of two hundred thousand dollars ($200,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand, five hundred dollars ($212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable. *(Amended by Stats. 2015, Ch. 269, Sec. 29. Effective January 1, 2016.)*
22035 Emergencies	a) In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two. b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).
22035.5 Overcrowded Justice Facilities; Court Ordered Relief; Application of Section 22034	In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts issued under this chapter.
22036 Determination of Construction Trade Journals to Receive Notice of Informal and Formal	The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed, faxed, or emailed notice of all informal and formal construction contracts being bid for work within the specified county.

Code	Statute
Construction Contracts	*(Amended by Stats. 2015, Ch. 269, Sec. 30. Effective January 1, 2016.)*
22037 Notice Inviting Formal Bids; Information; Publication	Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals specified in Section 22036. The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.
22038 Rejection of Bids; Failure to Receive Bids; Options	a) In its discretion, the public agency may reject any bids presented, if the agency prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation for bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following: 1) Abandoning the project or readvertising for bids in the manner described by this article. 2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article. b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses. c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article. *(Amended by Stats. 2003, Ch. 296, Sec. 29. Effective January 1, 2004.)*

Code	Statute
22039 Adoption of Plans, Specifications, and Working Detail	The governing body of the participating public agency or its designated representative shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032. *(Amended by Stats. 2015, Ch. 269, Sec. 31. Effective January 1, 2016.)*
22040 Plans, Specifications of Working Details; Examination	Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.
22041 Exemptions	This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 3 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.
22042 Accounting Procedures Review	The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories: a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency. b) Exceeded the force account limits. c) Has been improperly classified as maintenance.
22042.5 Informal Bidding Procedures Review	The commission shall review practices of any participating public agency where an interested party presents evidence that the public agency is not in compliance with Section 22034. *(Added by Stats. 2015, Ch. 269, Sec. 32. Effective January 1, 2016.)*
22043 Work Done by Public Agency; Commission Review Request	a) In those circumstances set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than eight business days from the date the public agency has rejected all bids. b) In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than eight days from the date an interested party formally complains to the public agency. c) The commission review shall commence immediately and conclude within the following number of days from the receipt of the request for commission review: 1) Forty-five days for a review that falls within subdivision (a) of Section 22042. 2) Ninety days for a review that falls within subdivision (b) or (c) of Section 22042.

Code	Statute
	d) During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission. e) A request for commission review pursuant to Section 22042.5 shall be in writing, sent by certified or registered mail, and received by the commission no later than eight days from the day an interested party formally complains to the public agency. The commission review shall commence immediately and conclude within 90 days from the receipt of the request for commission review. *(Amended by Stats. 2015, Ch. 269, Sec. 33. Effective January 1, 2016.)*
22044 Written Findings; Failure to Comply with Chapter; Action	The commission shall prepare written findings, which shall be presented to the public agency within 30 calendar days of formal commission review. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency: a) On those projects set forth in subdivision (a) of section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder. b) On those projects set forth in subdivision (b) or (c) of section 22042, the public agency shall present the commission's findings to its governing body within 30 calendar days of receipt of written notice of the findings and that governing body shall conduct a public hearing with regard to the commission's findings within 60 calendar days of receipt of the findings. c) 1) On findings of noncompliance pursuant to section 22042.5, the public agency shall notify its governing body of the commissioner's findings within 60 calendar days of receipt of written notice of the findings from the commission. 2) The public agency shall notify the commission in writing, within 90 days of receipt of written notice of the findings, of the public agency' best efforts to comply. *(Amended by Stats. 2015, Ch. 269, Sec. 34. Effective January 1, 2016.)*
22044.5 Compliance; Removal from Act	If the commission makes a finding, in accordance with section 22043, on three separate occasions within a 10-year period, that the work undertaken by a public agency falls within any of the categories described in section 22042, the commission shall notify the public agency of that finding in writing by certified mail and the public agency shall not use the bidding procedures provided by this article for five years from the date of the commission's findings. *(Amended by Stats. 2015, Ch. 269, Sec. 34. Effective January 1, 2016.)*
22045 Implementation of Procedures	a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.

Code	Statute
Review: Commission Recommendations	b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.

Chapter 2.5 Emergency Contracting Procedures

Code	Statute
22050 Contract Without Bids; Procedures	a) 1) In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts. 2) Before a governing body takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency. b) 1) The governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action pursuant to paragraph (1) of subdivision (a). 2) If the public agency has no county administrative officer, city manager, chief engineer, or other nonelected agency officer, the governing body, by a four-fifths vote, may delegate to an elected officer the authority to order any action specified in paragraph (1) of subdivision (a). 3) If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the governing body, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency. c) 1) If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action. If the governing body meets weekly, it may review the emergency action in accordance with this paragraph every 14 days. 2) If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action, and at least at every regularly scheduled meeting

Code	Statute
	thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days. 3) When the governing body reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts. d) As used in this section, “public agency” has the same meaning as defined in Section 22002. e) A three-member governing body may take actions pursuant to subdivision (a), (b), or (c) by a two-thirds vote. f) This section applies only to emergency action taken pursuant to Sections 20133, 20134, 20168, 20193, 20205.1, 20213, 20223, 20233, 20253, 20273, 20283, 20293, 20303, 20313, 20331, 20567, 20586, 20604, 20635, 20645, 20685, 20736, 20751.1, 20806, 20812, 20914, 20918, 20926, 20931, 20941, 20961, 20991, 21020.2, 21024, 21031, 21043, 21061, 21072, 21081, 21091, 21101, 21111, 21121, 21131, 21141, 21151, 21161, 21171, 21181, 21191, 21196, 21203, 21212, 21221, 21231, 21241, 21251, 21261, 21271, 21290, 21311, 21321, 21331, 21341, 21351, 21361, 21371, 21381, 21391, 21401, 21411, 21421, 21431, 21441, 21451, 21461, 21472, 21482, 21491, 21501, 21511, 21521, 21531, 21541, 21552, 21567, 21572, 21581, 21591, 21601, 21618, 21624, 21631, 21641, and 22035.

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CHAPTER 2 THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

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CHAPTER 2 THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

Uniform Public Construction Cost Accounting Act

2.01 The Uniform Public Construction Cost Accounting Act

As specified in the State of California Public Contract Code, all governmental jurisdictions are limited to the dollar amount of public project work that can be performed using internal resources. The jurisdictions are further required to follow various bidding procedures in undertaking construction work performed or contracted in the jurisdiction. The passage of Chapter 1054, Statues of 1983, Uniform Public Construction Cost Accounting Act (Act), and subsequent amendments provides for alternative bidding procedures by public agencies in undertaking public project work, provided they subscribe to uniform construction cost accounting policies and procedures developed in accordance with the law.

The purpose of this document is to give public agencies those construction cost accounting policies and procedures required in accordance with this above-mentioned legislation. To assist in understanding these policies and procedures, we have provided examples throughout the manual. These examples are for illustrative purposes only and, although they may be used, should not be considered required formats for public agencies operating under this program.

2.02 Public Agency

Public Contract Code section 22002(a) provides the definition of a public agency for the purposes of the Act. Public agencies are cities, counties, a city and county, chartered cities and chartered counties, any special district and any other agency of the state responsible for the local performance of governmental or proprietary functions within limited boundaries. Public agency includes a nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

2.03 Public Project

As defined in Public Contract Code section 22002(c), all public projects performed by public agencies may include:

- Construction, reconstruction, erection, alteration, renovation, improvement, demolition and repair work involving any publicly owned, leased or operated facility.
- Painting or repainting of any publicly owned, leased or operated facility.
- In the case of publicly owned utility system, construction, erection, improvement or repair of dams, reservoirs, power plants and electrical transmission lines of 230,000 volts and higher.

2.04 Exemptions

Construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches or homes, is exempt from the provisions of the Act.

In addition, in cases of great emergency, as determined by the governing body of the public agency, including, but not limited to, states of emergency defined in Government Code section 8558. When repair or replacements are necessary to permit the continued conduct of the operation or services of a public agency or to avoid danger to life or property. The governing body by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by

contract, or by a combination of the two. The governing body, by majority vote, may delegate to the appropriate county administrative officer or city manager the power to declare a public emergency subject to confirmation by the governing body, by a four-fifths vote, at its next meeting.

2.05 Bid Limitations

For those agencies whose governing board has by resolution elected to become subject to the uniform construction cost accounting policies and procedures and which have notified the State Controller of that election, the following bid limitations will be in effect pursuant to Public Contract Code section 22032 and 22034(d):

- Public projects of $60,000 or less may be performed by the employees of a public agency by force account (for definition see page 39 section 2.2), by negotiated contract, or by purchase order.
- Public projects of $200,000 or less may be let to contract by informal procedures as set forth in this legislation.
- Public projects of more than $200,000 shall, except as otherwise provided in this legislation, be let to contract by formal bidding procedures.
- If all bids received are in excess of $200,000, the governing body of the public agency may by adoption of a resolution by a four-fifths vote, award the contract, at $212,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

2.06 Award of Bid

Public Contract Code section 22038 allows the public agency in its discretion to reject any bids presented. If the agency prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency provides a written notice to an apparent low bidder that:

- Informs the lowest responsible bidder of the agency's intention to reject the bid.
- Is mailed to at least two business days prior to the hearing at which the agency intends to reject the bid.

If after opening bids all bids are rejected, the public agency shall have the option, after reevaluating its cost estimates of the project, of one of the following:

- The public agency may abandon the project or re-advertise for bids in the manner described by this legislation; or
- By passage of a resolution by a four-fifths majority of its governing body declaring that its employees can perform the project more economically, the public agency may have the project done by force account without further complying with this legislation.

If a contract is awarded, it shall be awarded to the lowest bidder. If two or more bids are the same as the lowest, the public agency may accept the one it chooses.

If no bids are received, the project may be performed by employees of the public agency by force account or by informal bidding procedures set forth in section 22034 of the Public Contract Code.

California Uniform Construction Cost Accounting Commission

2.07 California Uniform Construction Cost Accounting Commission

Chapter 1054, Statutes of 1983, created the California Uniform Construction Cost Accounting Commission (CUCCAC or the Commission). The Commission is comprised of 14 members, 13 members are appointed by the State Controller and one member of the Contractors' State License Board pursuant to section 22010 of the Public Contract Code.

a) Thirteen of the members shall be appointed by the Controller as follows:

   1) Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.

   2) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.

   3) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.

   4) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two members representing school districts, and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

b) The member of the Contractors' State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member.

2.08 Implementation

The public agency must perform several administrative steps to comply and elect into the law. The major steps include:

- Adopting a resolution electing to become subject to the Act.
- Adopting ordinances or regulations providing informal bidding procedures as required by the law.
- Notifying the State Controller of the election.
- Complying with the cost accounting construction policies and procedures presented in this manual.

The Commission shall review the accounting procedures of any participating agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories stated in Public Contract Code section 22042:

- Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
- Exceeded the force account limits.
- Has been improperly classified as maintenance.

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CHAPTER 3 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING POLICIES AND PROCEDURES

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CHAPTER 3 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING POLICIES AND PROCEDURES

Uniform Public Construction Cost Accounting Policies and Procedures

The California Uniform Construction Cost Accounting Commission (CUCCAC) is responsible for reviewing and developing uniform public construction cost accounting policies and procedures to be followed by public agencies electing to participate in the program. This section of the manual discusses the Commission's basic philosophy and intent in developing these cost accounting policies and procedures, the range of public construction projects that may be undertaken by public agencies using these cost accounting policies and procedures, and the support systems deemed necessary to comply with this program.

Inquiries regarding the program and/or the policies and procedures may be sent to the State Controller's Office (SCO) Local Government Policy Section at LocalGovPolicy@sco.ca.gov. Once an inquiry is received by SCO staff, it will be reviewed and a draft response will be sent to the Chair of the Commission. The Chair may appoint one or more Commissioners, not to constitute a quorum, from the public and/or private sectors to assist with responding to the inquiry in a timely manner. The Chair will provide feedback as necessary, and SCO staff will reply to the inquirer in a timely manner. A summary of inquiries is to be reviewed by the Commissioners at the next CUCCAC meeting, for incorporation into the Frequently Asked Questions as appropriate.

3.01 CUCCAC Philosophy

The policies and procedures, as dictated by Public Contract Code section 22017, shall, to the extent deemed feasible and practicable, incorporate or be consistent with construction cost accounting guidelines and standards and reporting requirements utilized by state and federal agencies on public projects and be uniformly applicable to all public agencies which elect to utilize the policies and procedures. The Commission recognizes the wide divergence in the size, capabilities and scope of operations of various public agencies operating under this legislation. Therefore, in developing this manual, the Commission wishes to present policies and procedures that are reasonable and do not demand extensive tracking of detail. The Commission feels that all cost elements, including personnel, materials, supplies and subcontracts, equipment, and overhead, associated with a project must be recorded and reported at the project level. Each of the cost elements is to be expressed in the initial bid/estimate process, captured and recorded during the construction period and compared to the initial estimate at the conclusion of the public project. This shall require the existence of a project tracking system, as discussed later in this section. The Commission refrains from dictating a specific system but requires a system to estimate for bidding purposes, and to capture the actual costs in a manner consistent with the bid estimate. In this manner, the policies and procedures are results-oriented. The Commission has determined that the Standardized Account Code Structures meets the requirements of the Act.

3.02 Applicable Projects

In keeping with the Commission's objective of providing cost accounting policies and procedures that are specific in concept yet broad enough to encompass all public agencies, regardless of size and scope of services, these policies and procedures should enable the public agencies to track all applicable construction-oriented public projects.

While allowing for the divergence of activities performed, these policies and procedures should parallel construction cost accounting practices as much as possible to allow for a comparability of private and public estimates and actual costs incurred in constructing public projects.

3.03 Definitions

The definitions listed below will assist users of the manual in interpreting and understanding the policies and procedures as stated in this manual. It is important to note that these definitions pertain only to the contents of this manual.

Cost Finding. A less formal method than project accounting of cost determination or estimation on an irregular basis. There may be no formal accounting entries during the year to record costs incurred in specific cost accounts. Instead, cost finding usually involves taking available fund financial accounting data and recording it and adjusting it to devise the cost data or estimate needed. This approach will be used in selected instances as defined in this manual.

Direct Costs. Direct costs represent economic resources that can be specifically identified with a particular construction activity or function. To the extent possible, such costs should be charged directly to the project for purposes of cost determination rather than being subjected to allocation procedures.

End Cost Objective. An end cost objective is a cost center or activity established for the accumulation of the direct costs of performing government services. All costs should be considered to indirectly support the performance of these services.

Equipment Usage Tracking System. An equipment usage tracking system allows for the identification, recording, accumulation and reporting of usage of a specific piece of equipment or type of equipment and the unit of usage, e.g., hours, days, mileage, to a particular activity.

Force Account. A force account accurate for work performed on public projects using internal resources, including but not limited to labor, equipment, materials, supplies, and subcontracts of the public agency.

Government-Wide Overhead. Government-wide overhead is defined to include all costs of a public agency not associated with organizational units performing services which support all end cost objectives of the government entity.

Materiality. It is the Commission's position that, if the value of those goods obtained from inventory is material, the cost must be recorded to the public project code as a direct cost item. Materiality is defined for purposes of this manual to be any item that has a unit or aggregate value of $25 or more.

Materials, Supplies, and Subcontracts Tracking System. A materials, supplies, and subcontracts tracking system allows for the identification, recording, accumulation, and reporting of materials, supplies, and subcontracts used on a particular activity.

Object Cost. A cost center or activity (account code assigned to a department or project) established for the accumulation of the direct and indirect cost to arrive at a total cost of performing government services.

Overhead Costs. Overhead costs represent economic resources that are employed for common or joint purposes benefiting several projects or functions. As such, overhead costs are not as readily chargeable to individual projects and, therefore, generally require allocation based upon statistical relationships.

Personnel Tracking System. A personnel tracking system allows for the identification, recording, accumulation, and reporting of personnel working on a particular activity.

Project Accounting. Project accounting is the continuous process of analyzing, classifying, recording, and summarizing cost data within the confines and controls of a formal project accounting system and reporting them to users on a regular basis.

Project Tracking System. A project tracking system allows for the identification and establishment of cost (account) codes to particular activities. The system would be used to record, accumulate, and report personnel costs; equipment costs; material, supplies, and subcontracts costs; and allocated overhead to activities identified.

Public Project Unit. A public project unit (e.g. public works department) is an identifiable organizational unit of any size within a public agency whose primary goals include the undertaking and completion of public projects as defined in Public Contract Code section 22002. The Commission would, in general, consider a unit to be a public project unit when over 25% of the total unit's annual budget is expended on public projects. It is more common to have these organizational units in the larger public agencies - urban counties, cities, and school districts.

Subcontract. A subcontract provides for the use of an outside contractor with specialized skills and/or equipment needed to complete an element of work on the public project.

Unit Overhead. Unit overhead is defined as all costs incurred by an organizational unit, such as a public project unit, department, division or section, that are not directly attributable to any end cost objective, whether it be a public project or not. These costs include personnel costs, materials, supplies and subcontracts, and equipment costs not directly attributable to any end cost objective.

Work Order. A work order is written authorization for the performance of a particular project. It contains a description and location of the project and specifications for the work to be performed. Work orders are assigned an identification code and are used to record all costs both direct and indirect incurred in completing the project.

3.04 Public Agency Organization Structure

In general, public agencies will contract out design-and-build and heavy construction projects and perform only general building projects and specialty construction projects with internal resources. Frequently, this decision to undertake general building and specialty construction projects is made based on the agency's organization structure, current workload requirements, and available staffing resources.

Often, in large organizations, due to the ongoing workload, there are organizational units whose stated objective is to undertake and complete on an as-needed basis general building and specialty construction projects. These organizational units are project-oriented. Their end cost objectives primarily consists of the performance of public projects. Costs specifically incurred in connection with individual end cost objectives are considered to be direct costs. Costs not specifically incurred to support individual and cost objectives are considered to be overhead costs associated with the organizational units taken as a whole. To recognize all the costs associated with an end cost objective, these overhead costs must be allocated back to this end cost objective. Examples of end cost objectives include public projects, such as the construction of a warehouse, renovation of a lunch room, or street reconstruction and resurfacing over 1 inch. Smaller public agencies, which comprise the majority of public agencies in the state, usually do not have organizational units whose annual budgets represent more than 25% of public project work. Frequently, these employees perform general maintenance duties in addition to working on public projects. The public project costs incurred by these employees are more difficult to identify yet equally important.

3.05 Classification of Costs

It is the stated objective of the law and the Commission to have public agencies estimate the cost of public projects and track these project costs in a manner similar to private industry. Essential to achieving this

objective is the understanding and agreement by both parties as to the components of costs that are included in public projects.

The major classification of cost components for construction projects includes: direct, indirect, and overhead costs.

3.06 Direct Costs

Direct costs generally include these categories of costs: labor, bonds, permits, licensing fees (if any), equipment, permanent materials and supplies, subcontracts, nonpermanent materials and supplies. Components of each of these direct project cost categories are shown below and include costs applicable to the construction industry.

Labor

Hourly Pay/Salary
Payroll Taxes (Employer Contribution)
Worker's Compensation Insurance (Allocation of Self Insurance)
Group Health Insurance
Group Life Insurance
Retirement Plan (Employer Contribution)
Holiday Leave
Vacation
Sick Leave
Unassigned Time
Disability Insurance
Unemployment Insurance
Military Leave
Jury Duty Leave
Management Leave/Compensatory Leave
Uniform/Uniform Allowance
Tuition Reimbursement
Union Time Off
Time Off for Illness or Death of Family Member
Personal Liability Insurance
Administration/Employer Contribution of Deferred Compensation Program/401K
Overtime Premium

Use employee's productive hourly rate to calculate direct labor costs.

Equipment

Internal Equipment Rate

Depreciation
Insurance (Allocation of Self Insurance)
Initial Assembling and Dismantling Costs
Maintenance Costs
Repair Costs
Provision for Major Overhauls
Unassigned Time
Maintenance and Storage Yard Facilities Costs

Fuel and Oil
Tires and Grease

Or Use:
Caltrans Equipment Rental Rates and Labor Surcharge Book:
http://www.dot.ca.gov/hq/construc/equipmnt.html

External Equipment Rate (Leased or Rented from Commercial Dealer) which includes, if charged by the Lessor or are the responsibility of the agency, the following costs:

Rental Rate
Maintenance Costs
Assembling and Dismantling Costs
Insurance Costs
Fuel and Oil
Tires and Grease

Permanent Materials and Supplies

Cost of Permanent Materials and Supplies-Charged Directly to Job

Permanent Materials and Supplies Cost
Sales/Use Tax
Freight
Discounts Taken

Cost of Permanent Materials and Supplies Costs

Substantiated by most recent Invoice
Handling
Warehouse and Transportation Costs

Subcontracts

Payments made to Subcontractors

Nonpermanent Materials and Supplies/Miscellaneous Costs

Permits
Fees
Performance Bonds
Licenses

3.07 Indirect Costs

Indirect costs can be identified with a project but not with a specific job or unit of production within the project.

Indirect costs generally include two categories of costs: labor and other miscellaneous project site expenses. Components of each of these indirect cost categories are shown below.

Labor

Quality Control and Inspection
Field Supervisors
Security Guards
Superintendent
Job Secretary

Other Project Expenses

Mobilization, Assembly, Move-Out Costs
Yarding and Hauling
Trailer
Utilities
Telephone
Warehouse Costs
Spoilage, Loss and Theft
Other Costs

3.08 Overhead Costs

Simplified Overhead Rate

Prior to January 1, 2004, the Commission allowed all agencies to use a 20% overhead rate applied to all direct costs in lieu of calculating their overhead rates. An amendment to Public Contract Code section 22017 provides that cities with a population of less than 75,000 can assume the 20% rate. Cities with a population of 75,000 or over can either assume a 30% overhead rate or calculate an actual overhead rate.

Calculated Overhead Rate

The Commission determined that counties, special districts, and school districts can use a 30% rate or calculate an actual overhead rate, which is the same rule that applies to cities with a population of over 75,000.

Agencies may elect to calculate their overhead rates by one of the three following methods:

1) Appendix A describes the federal government's method of calculating overhead (2 CFR Part 220).

2) Appendix B describes a method of calculating overhead by allocating overhead costs as a percentage of direct labor costs.

3) Any method of calculating overhead is satisfactory with the Commission, provided that acceptable accounting procedures are used and all administrative costs are included.

Overhead costs should be applied on total project costs, including costs of material, equipment, and labor.

Overhead costs cannot be identified with or charged to jobs or units of production unless some more or less arbitrary allocation basis is used.

Components of overhead are shown below and include costs applicable to the construction industry, public agencies or both, e.g., public agencies do not have to pay surety bond premiums as does the construction industry to perform construction work, but both have costs incurred due to the processing of payroll.

Payroll
Personnel
Purchasing/Procurement
Bid/Estimate Expense
Advertising Expense
Legal Costs
General Government
General Accounting/Finance
Departmental Accounting/Finance
Facilities
Data Processing
Top Management
Management Expenses

Typically public agencies recognize only two classifications of costs: direct and overhead.

It is important to note that this does not suggest that public agencies exclude indirect costs but rather that they classify a majority of them as direct costs. For example, in the construction industry a foreman supervising employees working at the job site would have his personnel costs pooled and allocated to a job or unit of production. In a public agency, the foreman's labor cost would be charged directly to the appropriate public projects.

Regardless of the differences in how the various costs are classified, both the construction industry and public agencies recognize that the significant cost elements of any construction project include:

- Personnel
- Materials, supplies and subcontracts
- Equipment
- Overhead

3.09 Project Identification

Public projects, as defined in section 2.03, shall be identified and given specific project codes. These codes are generally referred to as project or work order numbers. These codes shall enable the public agency to segregate the cost elements discussed above, thereby allowing for the proper estimation, tracking, and comparison of estimated vs. actual cost elements incurred at the completion of a public project.

3.10 Project Tracking

The public agency shall have a manual or automated system that records, accumulates, and periodically reports the cost elements - personnel; materials, supplies and subcontracts; equipment; and overhead - incurred in completing all public projects. The public agency shall be required to account for the costs of the public project in a manner consistent with the way in which the project was bid/estimated. An audit trail of the accumulation of these cost elements shall be maintained. Source documents shall be retained identifying costs incurred on the project. These documents may include timesheets, equipment tracking records, requisitions of materials

and supplies used at the project site, and the documentation of the development of overhead rates. The project tracking system does not have to be a part of the public agency's fiscal system but should capture the major cost elements and comply with the other requirements stated in this manual. This may require the agency to establish a project tracking system or alter an existing cost accounting system.

Project Tracking Systems

Project tracking refers to the management of projects which includes but is not limited to measuring and reporting the status of milestones, tasks and activities required in achieving the pre-defined project results. Project tracking can also refer to project management software which automates the tracking of tasks, assignments, event and activities related to the project.

Most counties and larger school districts, cities, and special districts have established automated cost accounting systems that can track all identified public projects. Other project tracking systems include work order systems and project ledger card systems.

Work orders are written authorizations for the performance of a particular project. They contain a description and location of the project and the specifications for the work to be performed. These authorizations, used extensively by public agencies, are assigned an identification code and are used to accumulate and report labor, materials and supplies, and other costs associated with the project. Work orders can be used to cost public project work, as well as maintenance work and other types of end cost objective work.

A project ledger card system establishes a single ledger card to be used in recording, in summary, all cost elements associated with a particular public project.

Discussion of Example

An excel spreadsheet, is listed as a template named *Sample Estimating Form* and is available online at http://www.sco.ca.gov/ard_cuccac.html

The sample project ledger card has been established by the school district's accounting area to estimate the costs of remodeling the Main Street School. This sample can be used for estimating a project. The following data elements are included on the ledger card to establish the public project:

- Project code
- Start date
- End date
- Person responsible for work
- Name of project

Chapter 4 IDENTIFICATION, REPORTING, AND COMPUTATION OF PERSONNEL COSTS

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CHAPTER 4 IDENTIFICATION, REPORTING, AND COMPUTATION OF PERSONNEL COSTS

Identification, Reporting, and Computation of Personnel Costs

The accurate estimating, tracking and costing of personnel costs is imperative to ensure accurate reporting and future estimating of these costs. Personnel costs are those costs associated with employing public agency personnel in the performance of a specific job. They include three elements:

1) Annual salary or wage paid by the public agency.
2) Benefits received by employees such as a public agency's contribution to employee retirement programs, group health plans, and unemployment insurance.
3) Benefits paid to employee such as salaries or wages paid to employees who are on holidays, vacation leave, and sick leave.

This section of the manual describes the systems and methods used to track personnel time, determine the costs associated with personnel, and record these costs to a project tracking system.

Tracking Personnel Time

Critical to the public agency's determination of personnel costs is the ability to identify time spent by employees performing work on all public projects.

4.01 Timekeeping System

A public agency shall have a timekeeping system that accumulates hours worked by employees and assigns these hours to all public project codes. Typically, this project code is assigned by the agency's accounting department and conveyed to the person responsible for the public project, generally the foreman or equivalent position. This system shall enable the agency to track hours worked on public projects to allow for the subsequent distribution of the appropriate personnel costs.

4.02 Examples of Timekeeping Systems

The simplest of timekeeping records is a foreman's time book. These books usually have 50 pages and the foreman records on a daily or weekly basis the employee and his daily time spent on a particular project. These books have heavy tagboard covers so they can remain at the job site and be carried in a foreman's pocket. Typically, at the week's end, the foreman's time book is copied onto timesheets or timecards. This may be done at the central office by the foreman, timekeeper, payroll clerk or bookkeeper. This timekeeping system has the advantage of actual timekeeping being performed at the job site; but if the book is lost, the entire project's time record is lost.

Weekly timesheets or timecards and electronic timekeeping systems can also be used to record time. These documents should be completed by employees no later than at the end of the week showing the hours worked on each public project. For the employees to complete the cards or sheets, they must be informed of the appropriate project code to charge. This appears to be an insignificant issue; but without the establishment of a project code and the conveyance of that information to personnel working on the public project, the costs may never get recorded accurately. This decentralization of timekeeping presents the opportunity for possible inaccuracies in the recording of time spent on public projects. Therefore, this system may warrant additional review by management.

Work orders can be used to record time by the appropriate employee. As discussed in the project tracking requirements, work orders are written authorization for the performance of a particular job containing a project code, a description and location of the job, and specifications for the work to be performed. Work orders are the most frequent public project timekeeping systems used by public agencies. These are generally completed by the supervisor of the public project who records the employees' time spent on a public project.
It is important to note that work performed on public projects, unlike timekeeping in the construction industry, requires close supervision by management to ensure that hours worked on end cost objectives as defined by this manual are recorded properly.

4.03 Application of Timekeeping Systems

As discussed earlier, there are two types of organizational units within public agencies that may perform public project work. These are (1) public project units and (2) other organizations that may, in addition to their primary duties, work on public projects.

Public Project Unit

A public project unit is an identifiable organizational unit of any size whose primary goals include the undertaking and completion of public projects. Typically, these units perform construction, reconstruction, erection, alteration, renovation, improvement, demolition, repair work, and painting of any publicly owned, leased, or operated facility. For example, a public works department may have a division/section comprised of employees who as defined by this bill are dedicated to the undertaking and completion of public projects such as road resurfacing, painting, landscaping and building/remodeling. The Commission would, in general, consider a unit to be a public project unit when over 25% of the total unit's annual budget is expended on public projects. It is more common to have these organizational units in the larger public agencies--urban counties, cities and school projects.

Timekeeping Requirements

Employees who generally are considered direct labor and are assigned to a public project unit shall record their time on an hourly basis and record all hours of a full work day. This includes time spent on public projects as well as time spent on projects excluded from this program. Unassigned time by these employees will also be recorded and charged to an appropriate code.

Employees not performing labor on public projects, but who provide administrative support services to the employees of the public project unit, shall also record their time on an hourly basis and record all hours of a full work day. This time will be charged to an appropriate overhead account and will be used in the development of the organizational unit's overhead rate as discussed in Chapter 7.

Other Organizational Units Performing Work on Public Projects

There are other organizational units that have employees who perform work on public projects but whose primary goal is the performance of routine maintenance work and/or other general government services. Typically, these organizational units include: parks and recreation departments; divisions of public works agencies that have not been identified specifically as public project units, such as engineering; water and sewer; street maintenance; and routine maintenance.

a. Timekeeping Requirements
   Employees of these organizational units shall report time worked on public projects. Although the Commission strongly believes that it is advisable for employees to record an eight-hour day to various end cost objectives, work performed outside of public projects is excluded from the scope of the program and is not required to be reported. All time worked on public projects by a public agency employee shall be posted to a project tracking system on a timely basis with an adequate audit trail maintained.

b. Discussion of Example
   An employee of an organizational unit who performs work on a public project, but whose organization is not identified as a public project unit, must report his time. The employee has recorded only the time worked on a public project. Unit management, employees performing maintenance work, and unassigned employees need not record their time as do similar employees in a public project unit.

4.04 Recording Time to Public Projects

A public project's direct labor time shall be recorded to a project code under the following circumstances:

- The employee worked on a public project.
- The employees were in transit to or from a project site.
- The employee performed clean-up work on a public project, e.g., the employee returned to central headquarters to complete paperwork attributable to a public project.
- The employee was assigned to work on a public project but was unable to work due to unforeseen circumstances, e.g., equipment breakdown or inclement weather, and was therefore idle.

Computing Personnel Costs

In determining personnel costs, three different rates must be determined and applied: the employee's productive hourly rate, the department's overhead rate, and the general government overhead rate.

4.05 Productive Hourly Rate

Personnel costs in many public projects represent the single largest cost of a public project. In calculating these costs it is important to include the three components of personnel costs:

1) Annual salary/wages
2) Benefits received
3) Benefits paid

The calculation of an hourly rate integrating these three costs components is commonly called a "productive hourly rate."

A productive hourly rate shall be used to cost time reported to public projects. A productive hourly rate determines the full costs per hour of employing public agency personnel on a public project. A productive hourly rate is calculated by dividing annual personnel costs by an employee's available hours for work assignment.

Annual Personnel Cost

The annual personnel costs of an employee or class of employees shall be determined by the public agency. These costs shall include annual salary/wages and fringe benefits paid by the public agency.

Fringe benefits are generally calculated as a percentage of annual salary/wages or as an annual cost per employee.

If the productive hourly rate is calculated by employee class, members of each class should have reasonably comparable fringe benefits. Otherwise, further division of the employee class should be performed.

Fringe benefit calculations shall take into consideration, but not be limited to, the employer contribution portion of the following costs:

- Disability insurance
- Life insurance
- Retirement plan
- Unemployment insurance
- Worker's compensation insurance
- Personal liability insurance

The fringe benefits calculation is not required to include accrued benefits, such as sick leave or vacation earned but not taken, as a component of personnel costs. It is recognized that these accrued benefits represent a significant future cost to the public agency. Yet, many public agencies do not account for these costs and would have difficulty in developing accurate figures. If further pronouncements concerning accrued benefits of public agencies are issued, the Commission will determine whether inclusions of these costs are appropriate.

Productive Hours

The public agency shall start with the assumption of 2,080 productive hours in a year if a 40-hour work week is the standard for the public agency. If a 40-hour work week is not the standard, the appropriate number of annual productive hours must be determined by the agency. The public agency shall then determine average annual nonproductive time either by employee, class of employee, or agency-wide. Nonproductive time is time when the employee is not available to work or assignment to work and includes but is not limited to:

- Vacation
- Sick leave
- Holidays
- Military leave
- Jury duty
- Training

4.06 Unit Overhead Rate

Public Project Unit

A unit overhead rate shall be developed for each public project unit. This unit overhead rate shall include all public project costs that are not direct costs. The overhead rate shall be developed and added to the productive hourly rate.

Organizational Unit Performing Public Project Work

A unit overhead rate shall be developed for each organizational unit performing work on public projects in addition to its primary duties. This unit overhead rate shall include all of the organizational unit's costs that are not direct costs. The overhead rate should be developed and applied to the employee's productive hourly rate.

4.07 Government-Wide Overhead Rate

A government-wide overhead rate shall be developed to include all costs of a public agency not associated with organizational units performing services that support all end cost objectives of the government entity. The government-wide rate shall be developed and applied to the productive hourly rate after unit overhead has been applied.

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CHAPTER 5 IDENTIFICATION, REPORTING, AND COSTING OF MATERIALS, SUPPLIES, AND SUBCONTRACTS

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CHAPTER 5 IDENTIFICATION, REPORTING, AND COSTING MATERIALS, SUPPLIES, AND SUBCONTRACTS

Identification, Reporting, and Costing of Materials, Supplies, and Subcontracts

Materials, supplies, and subcontracts used on public projects are considered a cost element by the Commission and include such items as lumber, bricks, cement, doors, paint, asphalt, wire, sand, gravel, pipe, and work performed under a subcontract. Materials and supplies used on public projects shall be tracked and charged to project codes as discussed in Chapter 2 and can be accounted for either as direct purchase or inventory.

This section of the manual describes the systems and methods used to track materials, supplies, and subcontracts; determine their value, as well as the other costs associated with providing materials and supplies; and record these costs to a project tracking system.

Materials and Supplies

Critical to the public agency's determination of personnel costs is the ability to identify time spent by employees performing work on all public projects.

5.01 Tracking Materials and Supplies

The Commission wishes to provide policies and procedures so that public agencies account for public projects in a manner similar to the construction industry. The nature of governmental procurement and inventory practices presents challenges to the public agency's ability to meet the Commission's objective of effectively measuring material and supply costs for public projects.

Direct Purchases

Materials and supplies are often purchased directly for use on a public project. The public agency can thus identify the associated dollar value of items purchased to the public project code, which should be identified on the purchase order when the procurement is initiated.

Inventory

It is more difficult to identify the associated costs of items obtained from the public agency's inventory of materials and supplies, generally maintained at a warehouse or stockroom. The major challenge is identifying and recording the costs of material and supplies utilized for the public project which are obtained from the public agency's inventory. It is the Commission's position that, if the value of these goods obtained from inventory is material, the cost must be recorded to the public project code as a direct cost item. Materiality is defined for purposes of this manual to be any item that has a unit or aggregate value of $25 or more.

Items purchased and placed into inventory that would subsequently be used on public projects and which may exceed the $25 limit shall be issued to projects in a manner consistent with good accounting controls.

5.02 Costing Materials and Supplies

Direct Purchase

The total material and supplies costs are the invoiced amount. This amount should be posted to the project tracking system for direct purchases on a timely basis. This recorded amount should include the cost of the materials and supplies, freight, sales tax, use tax and any other appropriate costs.

Inventory

The public agency shall have a method to provide for the valuation of the inventory it releases to public projects. Acceptable methods include:

First-In, First-Out (FIFO) – The earliest acquired stock is assumed to be used first, the latest acquired stock is assumed to be still on hand. Therefore, when inventory is issued, it is valued at the cost of the earliest acquired stock.

Last-In, First-Out (LIFO) – The earliest acquired stock is assumed to be still on hand, the latest acquired stock is assumed to have been used immediately. Therefore, when inventory is issued, it is valued at the cost of the most recently (latest) acquired stock.

Weighted Average – In this type of inventory valuation system, each purchase of stock is aggregated with the former inventory balances so that a new average unit price is used to price the subsequent issues of inventory.

Recent Costs – The most recent unit costs is applied to units consumed to yield total cost.

5.03 Handling/Carrying Cost

Personnel, equipment and facilities costs are incurred by the public agency to store and transport inventoried items. This is separate and distinct from the cost of procurement that is considered to be recaptured through general government overhead, as discussed in Chapter 4. (If warehousing and transportation costs are not provided by a central organization, it is assumed that these costs are recovered through the government-wide overhead rate).

5.04 Subcontracts

A public agency may wish to complete work on a public project by subcontracting, i.e., hiring an outside contractor to perform a portion of the work.

Subcontractors shall be accounted for in a manner similar to a direct purchase of materials and supplies. Contracts or purchase orders should be coded with the appropriate project code and the subcontract costs recorded onto the project tracking system in a timely manner. The handling/carrying overhead rate shall be calculated to recover:

- Warehouse/storeroom personnel costs
- Facility costs of storeroom/warehouse
    - Utilities
    - Rent
    - Insurance
- Transportation costs associated with the receipt/delivery of materials and supplies.

CHAPTER 6 IDENTIFICATION, REPORTING, AND COSTING EQUIPMENT

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CHAPTER 6 IDENTIFICATION, REPORTING, AND COSTING EQUIPMENT

Identification, Reporting, and Costing Equipment

Usage of equipment on public projects is a cost element of performing those public projects. Equipment usage, excluding passenger riding sedans, must be tracked when a piece of equipment is assigned to a public project. Equipment used on public projects shall be charged to a project cost code. This section describes the systems and methods used to track equipment usage, determine equipment costs, and record the costs to a projects tracking system.

6.01 Equipment Tracking Systems

The public agency shall have a manual or automated system that tracks the appropriate equipment by time, mileage or other usage factor to a public project. The system shall have the capability to track equipment usage to a public project:

- When it is in motion to/from a project site;
- When at a public project site (whether in use or not), if time is the means of equipment tracking and
- When at public project site and in use, if mileage or some other mechanism is the means of equipment tracking.

Examples of Tracking Systems

One of the simplest forms for tracking equipment is a weekly timesheet for each piece of equipment that has been assigned to the public project and the time or mileage incurred by the public project. These sheets should be submitted weekly with labor timesheets or cards. They should then be sent to the accounting area and charged to a project tracking system.

6.02 Equipment Tracking of Agency Owned/Operated Equipment

As will be seen in this chapter heading Equipment Usage Rates on page 68, the public agency can cost out equipment it owns and operates in one of two ways. The public agency can either utilize internally developed equipment rates or rates from industry equipment rate books.

Internal Rates

When an agency develops internal equipment rates for certain or all types of equipment, that agency must track the time that equipment was used on end cost objectives such as public projects, maintenance work, and unassigned time. This enables the public agency to determine what the equipment's history of productive hours has been. This enables a better forecast of projected productive hours to be made for rate development purposes.

Equipment Rate Book Rates

When an agency utilizes the calculated equipment rate from rate books, it must record the time or mileage the equipment is used on public projects. Since these equipment rates generally factor in idle time, a full tracking of the equipment as performed for "internal rate" equipment is not mandated.

Equipment Usage Rates

There are three acceptable means of determining equipment rates. They include rates developed internally for public agency owned and operated equipment, equipment rate books used by the construction industry and rental or lease rates charged by commercial vendors. Each of these methods attempts to recapture the costs associated with the equipment's purchase and operations, such as depreciation, fuel, maintenance, repair and insurance.

6.03 Internal Rates (Equipment Owned by Public Agency)

Public agencies shall utilize internally developed equipment usage rates that reflect the full cost of owning, operating and maintaining types of equipment. Rates should be developed for classes of equipment and should comply with the following guidelines:

- The internal equipment rate methodology shall be documented and an adequate audit trail provided.
- The costs of depreciation, fuel and oil, equipment storage, and income are to be included in the internally developed rates.

Depreciation

Depreciation is the method used to spread the cost of equipment, capital lease, or replacement value less residual value, over a piece of equipment's useful life. The public agency's capitalization policy should be used to determine whether a piece of equipment should be depreciated. Generally, equipment that costs more than $1,000 and has a useful life of more than one year should be depreciated.

Depreciation should be calculated as follows:

1) Useful Life
   Depreciation should be based on the average useful life for the piece of equipment in a particular operation. Determination of useful life should be based on actual or planned retirement and replacement practices.

2) Residual Value
   Residual value is the value at disposition (less costs of disposal) estimated at the time of acquisition. In many cases, the estimated residual value is so small and occurs so far in the future that it has no significant impact. As well, residual value may be almost or completely offset by removal and dismantling costs. Normally, public agency equipment will be used through the end of its estimated useful life and the residual value may be carried at zero. In the event that it is known at the time of acquisition that the capital equipment will not be used for at least 75% of its scheduled useful life, residual value should be estimated.

3) Capital Improvements
   Capital improvements are the costs of major overhauls and modifications that add value and prolong the life of a piece of equipment. These costs should be treated as capital expenditures and depreciated over the extended or remaining useful life of either the asset or improvement, whichever is less.

4) Straight Line Depreciation Method
   The straight-line depreciation method charges an equal amount for each period of useful life (generally a year). This method is considered the most practical and reasonable method for determining equipment usage costs.

5) Calculation of Depreciation Method

For annual depreciation for capitalized equipment will be estimated as follows:

A. Start with the acquisition cost (purchase price) plus capital improvements, plus all other costs incurred to place the equipment in usage, e.g., transportation, installation. The public agency may choose to utilize replacement value for this calculation.

B. Determine the useful life of the equipment, utilizing applicable guides such as the IRS guide.

C. Compute annual depreciation by dividing the depreciable basis (acquisition cost plus capital improvements less residual value) by the useful life.

D. Maintenance and Repairs
These are costs (labor and parts) that are incurred for maintenance repairs to keep the equipment in normal operating condition. These costs do not include capital improvements that add value to equipment and are accounted for under depreciation. Tires and grease are included in this classification of cost. Typically, a ledger card for each piece of equipment will be necessary to record these costs.

E. Fuel and Oil
These costs include the labor and fuel costs of supplying the equipment with fuel of any type and oil.

F. Equipment Storage Costs
Equipment storage costs include the cost of facilities associated with the use of equipment. These costs include equipment yards, warehouse facilities, and the cost of guards and other security measures.

G. Insurance
These costs include the premiums paid by the public agency (whether self-insured or paid to an outside agency) for equipment insurance.

A good discussion of the calculation of internal equipment rates can be found in State Controller's Office website, http://www.sco.ca.gov/pubs_guides.html *Accounting Standards and Procedures for Counties* in the Road Fund Accounting section.

6.04 Equipment Rate Books (Equipment Owned by Public Agency)

Public agencies that own equipment used on public projects but do not calculate internal equipment rates shall utilize appropriate private industry equipment rate books. It is understood that industrial rates may include certain costs that are not incurred by public agencies, such as personal property taxes paid on the assessed value of the equipment and interest charges. However, these equipment usage rates in some cases do not include: the cost of fuel or other energy costs to operate a particular piece of equipment; the cost of preparatory work performed before a piece of equipment can be made operative; the costs of dies, blades or welding rods that are normally consumed in the operation of a piece of equipment; or the costs of extraordinary wear and tear. Therefore, the use of industrial rates is assumed to provide a reasonable approximation of internal rates.

Equipment rate books that are acceptable to the commission for use in lieu of internal rates include:

- *Caltrans Labor Surcharge and Equipment Rental Rates*
  http://www.dot.ca.gov/hq/construc/equipmnt.html
- *Mechanical Contractors Association Tool and Equipment Rental Guide*
- *National Electrical Contractors Association Tool and Equipment Rental Schedule*

Use of other guides must first be reviewed and approved by the Commission.

These guides are maintained and updated on a periodic basis by the appropriate agency or association to accurately reflect current costs associated with equipment usage. If a piece of equipment or comparable piece of equipment is not included in an established guide, an internal rate shall be developed or a documented quote from an equipment leasing or rental agency may be utilized.

6.05 Rental or Lease Rates

Rented or leased equipment to be used partially or completely on public projects shall be tracked and have the appropriate amount charged to the public project. Additional costs associated with the leasing or renting of equipment used partially on a public project shall be charged on a pro rata basis, if appropriate to that project. Costs related to renting or leasing equipment generally include, but are not limited to:

- Rates
- Moving, loading, and assembly costs
- Maintenance and repairs
- Insurance
- Fuel (under some rate schedules)

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CHAPTER 7 IDENTIFICATION, RATE DEVELOPMENT, AND ALLOCATION OF OVERHEAD

Identification, Rate Development, and Allocation of Overhead

7.01 Commission Adopted Simplified Overhead Rate

Prior to January 1, 2004, the Commission allowed all agencies to use a 20% overhead rate applied to all direct costs in lieu of calculating their overhead rates. Amendments to Public Contract Code section 22017 provides that cities with a population of less than 75,000 can assume the 20% rate. Cities with a population of 75,000 or over can either assume a 30% overhead rate or calculate an actual overhead rate.

The Commission determined that counties, special districts, and school districts can use a 30% rate or calculate an actual overhead rate, which is the same rule that applies to cities with a population of over 75,000.

Agencies may elect to calculate their overhead rates by one of three following methods:

1) Appendix A describes the federal government's method of calculating overhead (2CFR Part 200).
2) Appendix B describes a method of calculating overhead by allocating overhead costs as a percentage of direct labor costs.
3) Any method of calculating overhead is satisfactory with the Commission, provided that acceptable accounting procedures are used and all administrative costs are included.

Chapter 3, Definitions, lists items that define overhead.

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APPENDIX A COST PRINCIPLES FOR STATE, LOCAL AND INDIAN TRIBAL GOVERNMENTS

2 CFR Part 200
(OMB Circular A-87)
Please refer to:

www.ecfr.gov

Browse: Title 2 – Grants and Agreements
Volume 1, Chapter II, Part 200

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APPENDIX B OVERHEAD DETERMINATION AND ALLOCATION PERCENTAGE OF DIRECT LABOR COSTS METHOD

Identification, Rate Development, and Allocation of Overhead

B.01 Identification, Rate Development, and Allocation of Overhead

Overhead is the one cost element most frequently misunderstood and absent from public agency costs. This section defines overhead costs and the various methods used to identify, track, and allocate these costs. The Commission believes that overhead is a significant factor and that it is essential that public agencies record and allocate their costs to fairly reflect the total cost of performing public projects. It is not intended that public agencies be required to recover all their overhead costs but that overhead costs reasonably borne by public projects be allocated to these projects.

Overhead includes all costs except:

- Labor performed at the site and directly charged to any end costs objective (including other than public projects) including a pro rata share of payroll taxes and related employee benefits, such as workers' compensation, group insurance, holiday and sick leave, and similar "fringe benefits." As discussed previously, an end cost objective is a pool, center, or activity established for the accumulation of the direct cost of performing fundamental government services. Labor charged to an end cost objective should be traceable to the finished goods or services performed.
- Materials, supplies, and subcontracts actually consumed on and directly charged to any end cost objective, including related freight, sales or use tax, and handling/carrying charges if appropriate. Materials and supplies charged to an end cost objective should be traceable to the finished goods or services provided.
- Equipment costs directly charged to any end cost objective. Equipment costs charged to an end cost objective should be traceable to the finished goods or services provided.

Overhead costs represent economic resources that are employed for common or joint purposes benefiting several end cost objectives and are not identifiable to an individual end cost objective. The challenge is to achieve an equitable allocation of overhead costs to these various end cost objectives of the public agency.

Public agencies shall calculate two overhead rates or use the simplified overhead rates noted in Chapter 7:

- Unit overhead rate
- Government-wide overhead rate

Unit overhead is defined as all costs incurred by an organizational unit, such as a public project unit, department, division or section, which are not directly attributable to any end cost objective whether it be a public project or not. These costs include personnel costs, materials, supplies and subcontracts and equipment costs not directly attributable to any end cost objective. As was discussed in Chapter 4, unit overhead must be developed for public project units and organization units performing public project work.

Government-wide overhead is defined to include all costs of a public agency not associated with organizational units performing services which support all end cost objectives of the government entity.

The unit and government-wide overhead rates must be developed on an annual basis. These rates should be developed prior to the fiscal year and applied to the productive hourly rate as discussed in Chapter 4.

B.02 Unit Overhead

Unit overhead is made up of personnel costs, materials, supplies and subcontracts, equipment usage and facilities costs that are not identified as direct costs. As was stated in Chapter 4, unit overhead rates shall be developed for public project units and any other organizational units whose employees may perform work on public projects.

Cost Components

Components which shall be included in the calculation of unit overhead include, but are not limited to, costs incurred within the organizational unit related to:

- Administration
- Accounting/finance
- Clerical assistance
- Facilities
  - Rental costs (Depreciation of facilities purchased or constructed by a public agency is not required by the Commission).
  - Utilities
  - Insurance
- Data processing
- Direct labor not charged to direct activities
- Materials and supplies not charged to direct activities
- Under-realization of labor and equipment rates

Unit overhead components shall not be included in the government-wide overhead.

Tracking of Unit Overhead

The tracking of overhead costs can be performed in two ways. Overhead can be determined through the utilization of a formal cost accounting system. This system allows for the identification of such costs as salaries and indirect materials and supplies as overhead costs, and records these costs to management overhead codes. Alternatively, cost-finding studies can be performed. A cost finding study, a less precise method of overhead determination, is usually performed on an annual basis and generally involves taking available financial accounting data and determining the value of overhead pools through various estimation techniques.

a. Public Project Unit
   As discussed in Chapter 4, a public project unit's personnel shall record and account for a full workday. This enables the public project unit to track and record time spent on overhead activities and unassigned time on an actual basis. As well, the public project shall record equipment usage costs, subcontractor costs, materials, supplies and subcontracts, and facilities costs to overhead codes when not identifiable to a specific project. Thus, the public project unit accounts for all of its costs, whether they are direct costs or overhead. The public project unit will use the resulting data to develop its unit overhead rate.

b. Organizational Unit Performing Public Project Work
Personnel working for an organizational unit whose primary goals include the performance of routine maintenance work and/or other general government work are not required to account for a full workday. However, these employees must record all hours of work performed on public projects. This organizational unit shall develop a unit overhead rate through an annual cost finding study which distinguishes direct costs for end cost objectives from indirect (overhead) costs.

B.03 Government-Wide Overhead

Government-wide overhead represents costs incurred by the support functions of the governmental entity, which are not associated with an organizational unit performing end cost objectives. As was stated in Chapter 4, government-wide overhead rates shall be determined by each public agency.

Internally Developed Government-Wide Overhead Rate

Public agencies shall utilize an internally developed government-wide overhead rate. The rate methodology shall be documented and an adequate audit trail provided.

a. Cost Components
The government-wide overhead rate shall include but not be limited to costs associated with the functions shown below to the extent that they are not included in specific unit overhead rates:

- Payroll department
- Procurement/purchasing department
- Legal function
- Central administrative function
- Accounting/finance budget function
- Data processing
- Insurance (whether self-insured or premiums are paid to an agency)
- Public Relations
- Vehicle Pool

The government-wide overhead rate may exclude the costs associated with the legislative and judicial branches of the public agency.

b. Rate Development
The public agency shall develop the government-wide overhead rate of the public agency using direct labor dollars to allocate these government-wide overhead costs in a manner similar to the allocation of unit overhead.

Government-Wide Overhead

Where a government-wide cost allocation plan has been prepared under the auspices of 2 CFR Part 200 or other government-wide rate methodologies, the public agency may utilize the overhead costs or rates developed in lieu of an internally developed government-wide overhead rate, as described in this manual. The Commission recognizes that public agencies may consider these rates imprecise or inappropriate. It is acknowledged that, in developing these rates, some costs are not included because they are considered "not allowable." Thus, the rate may not recover all costs associated with the program. In contrast, an argument could be made that the

rates are calculated to recover the costs of government-wide overhead, which would occur whether or not the specially funded program was undertaken. In this instance, the rate would be considered too high.
In acknowledging these arguments, the Commission wishes to identify the issues but still allow the use of these rates as a reasonable alternative for the calculation of government-wide overhead.

Overhead Allocation

The government-wide overhead rate shall be applied to the appropriate productive hourly rate after the unit overhead has been applied. See Chapter 4 for a more detailed discussion.

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State Controller's Office
Local Government Programs and Services Division
Local Government Policy Section
www.sco.ca.gov

If you have any questions contact:
LocalGovPolicy@sco.ca.gov

For additional copies:
http://www.sco.ca.gov/ard_cuccac.html

Appendix E:

Purchasing Threshold Matrixes

City of Farmersville Purchasing Threshold Matrixes

Commodities (Materials & Equipment)

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $10,000	Administrative Process	Department Head	Capital Assets must be listed on Approved Capital Budget
$10,001 - $25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	Capital Assets must be listed on Approved Capital Budget
$25,001 - $75,000	Competitive bidding required: informal written quotes	Purchasing Agent	Capital Assets must be listed on Approved Capital Budget
Over $75,000	Competitive bidding required: **formal** RFP or IFB with approval from City Council	Purchasing Agent with Council Approval	Capital Assets must be listed on Approved Capital Budget

Outside Legal Services

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $50,000	Written approval from City Attorney	Purchasing Agent	PA signs contract
Over $50,000		City Council	Mayor signs contract

Settlements & Other Agreements

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $25,000		City Manager	City Manager signs agreement
Over $25,000	Outside of CSJVRMA MOC coverage	City Council	Mayor signs agreement

Services (Non-Construction)

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $10,000	Administrative Process	Department Head	
$10,001 - $25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	
$25,001 - $50,000	Competitive bidding required: informal written quotes	Department Head with Purchasing Agent Approval	Three bids preferred
Over $50,000	Competitive bidding required: **formal** RFP or IFB	Purchasing Agent	Three bids preferred & Contract required; PA signs contract
Over $100,000	Competitive bidding required: formal RFP or IFB with approval from City Council	City Council	Three bids preferred & Contract required; Mayor signs contract

Services (Construction)

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $10,000	Administrative Process	Department Head	
$10,001 - $25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	
$25,001 - $60,000	Competitive bidding required: informal written quotes	Department Head with Purchasing Agent Approval	Three bids preferred
$60,001 - $200,000	Competitive bidding required: **informal bids comply with CUPCCAP**	City Council	Three bids preferred
Over $200,000	Competitive bidding required: **formal** RFP or IFB with approval from City Council	City Council	Three bids preferred & Contract required; Mayor signs contract

All dollar amounts are rounded to the nearest dollar to fit into threshold ranges (i.e. total cost of $10,000.50 would fit into $10,001 - $25,000 range).

Federally Funded Projects / Grants Procurement

Amount	*Conditions*	*Authorized Buyer*	*Notes*
$1 - $10,000 (Micro Purchases)	Administrative Process	Department Head	
$10,001 - $250,000 (Small Purchases)	Competitive bidding required: informal written quotes	Purchasing Agent	More than one bid required
Over $250,000	Competitive bidding required: Formal process 1. Sealed Bids (if feasible) 2. Competitive Proposals (if feasible) 3. Sole Source (if only option)	Purchasing Agent	More than one bid required

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
FINANCIAL MANAGEMENT

June 20, 2018

M-18-18

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS AND HEADS OF SMALL EXECUTIVE AGENCIES

FROM: Tim Soltis

Deputy Controller, Office of Federal Financial Management

SUBJECT: Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance

In accordance with recent statutory changes set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018, this memorandum raises the threshold for micro-purchases under Federal financial assistance awards to $10,000, and raises the threshold for simplified acquisitions to $250,000 for all recipients. Further, it implements an approval process for certain institutions that want to request micro-purchase thresholds higher than $10,000. Agencies are required to implement these changes in the terms and conditions of their awards, and recipients of existing Federal financial assistance awards may implement them in their internal controls.

Background

This memorandum applies to all Federal agencies, as defined at 5 U.S.C. § 551(1), that award grants or cooperative agreements. It implements changes to the micro-purchase and simplified acquisition thresholds for financial assistance under the NDAAs for Fiscal Year (FY) 2017 and FY2018. The micro-purchase threshold refers to purchases of supplies or services using simplified acquisition procedures, not to exceed an established amount pursuant to the Office of Management and Budget (OMB) Governmentwide Guidance for Grants and Agreements ("Uniform Guidance") at 2 C.F.R. § 200.67 (Micro-purchase). The simplified acquisition threshold refers to purchases of property or services using small purchase methods not to exceed an established amount pursuant to 2 C.F.R. § 200.88 (Simplified acquisition threshold). For Federal financial assistance awards, these purchases are acquired for use by a Federal program. The NDAA for FY2017 increased the micro-purchase threshold from $3,500 to $10,000 for institutions of higher education, or related or affiliated nonprofit entities, nonprofit research organizations or independent research institutes (41 U.S.C. § 1908). The NDAA for FY2018 increases the micro-purchase threshold to $10,000 for all recipients and also increases the simplified acquisition threshold from $100,000 to $250,000 for all recipients.

Implementing the NDAA for FY2017

Section 217(b) of the NDAA for FY2017 raises the micro-purchase threshold to $10,000 for procurements under grants and cooperative agreements for institutions of higher education, or related or affiliated nonprofit entities, nonprofit research organizations or independent research institutes. [1]

[1] Pub. L. No. 114-328 (codified at 41 U.S.C. § 1902(a)(2)).

The NDAA for FY2017 also establishes an interim uniform process by which these recipients can request and Federal agencies can approve requests to apply a higher micro-purchase threshold. Specifically, the 2017 NDAA allows a threshold above $10,000 if approved by the head of the relevant executive agency. For purposes of this approval, the institution's cognizant Federal agency for indirect cost rates will be the relevant executive agency as defined in 2 C.F.R. § 200.19 (Cognizant agency for indirect costs). To receive a higher threshold, the institution must either have "clean single audit findings" (*i.e.*, in accordance with 2 C.F.R. § 200.520 - Criteria for a low-risk auditee), have an acceptable internal institutional risk assessment, or the higher threshold must be consistent with State law for public institutions.

Agencies should reflect this change through policy or terms and conditions in awards for those institutions. The effective date for this change was when the NDAA for FY2017 was signed into law on December 23, 2016. OMB intends to revise the Uniform Guidance to conform with the law. [2]

Process for Requesting a Higher Threshold Under the NDAA for FY2017

Requests for approval should be submitted to the institution's cognizant Federal agency for indirect cost rates; however, institutions should contact the agency before sending the request to determine the correct point of contact. The cognizant Federal agency will assign review of the request to the appropriate office within the agency to determine whether to approve, and will maintain records and justification of all approvals. The request should include the threshold level being requested and the justification(s) for it based on the criteria above per Section 217(b) of the NDAA for FY2017.

Implementing the NDAA for FY2018

This memorandum also implements provisions of the NDAA for FY 2018, Pub. L. No. 115-91, which became law on December 12, 2017. Specifically, section 806 raised the micro-purchase threshold from $3,500 to $10,000, and section 805 raised the simplified acquisition threshold from $100,000 to $250,000. Pursuant to 2 C.F.R. § 200.67 (Micro-purchase) and 2 C.F.R. § 200.88 (Simplified acquisition threshold), these higher thresholds are not effective until implemented in the Federal Acquisition Regulation (FAR) at 48 C.F.R. Subpart 2.1 (Definitions). [3]

In order to allow maximum flexibility for grant recipients in light of the changes to the NDAA for FY2018, OMB is granting an exception allowing recipients to use the higher threshold of $10,000 for micro-purchases and $250,000 for simplified acquisitions in advance of revisions to the FAR at 48 C.F.R. Subpart 2.1 and the Uniform Guidance. Pursuant to 2 C.F.R. § 200.102 (Exceptions), OMB may allow exceptions to the Uniform Guidance when exceptions are not prohibited by statute. The exception takes effect upon the date of issuance of this memo. Agencies should apply this exception to all recipients. Recipients should document any change based on this exception in accordance with 2 C.F.R. § 200.318 (General procurement standards).

If you have any questions regarding this memorandum, please contact Mary Tutman at Mary.E.Tutman@omb.eop.gov or Gil Tran at Hai_M._Tran@omb.eop.gov.

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[2] The American Innovation and Competitiveness Act, Pub. L. No. 114-329, § 207(b) (2017) states that the Uniform Guidance shall be revised to conform with the requirements concerning the micro-purchase threshold.

[3] Codified at 41 U.S.C. § 1902(f).

BETTY T. YEE

California State Controller

November 1, 2018

City Manager
City of Farmersville
909 W. Visalia Rd.
Farmersville, CA 93223

SUBJECT: Notification Letter-Assembly Bill 2249 (Chaptered 169, Statutes of 2018)

To Whom It May Concern:

The California Uniform Construction Cost Accounting Commission (CUCCAC) in agreement with the State Controller's Office (SCO) recommended an increase to the bid limit threshold prescribed in Public Contract Code (PCC) 22032, which was signed into law. Pursuant to PCC 22020, and on behalf of the State Controller Betty T. Yee, the SCO would like to inform on the following changes effective as of **January 1, 2019**:

a) The change would allow projects costing $60,000 or less to be performed by employees of a public agency by force account, by negotiated contract, or by purchase order;

b) The change would allow projects costing up to $200,000 to be contracted by informal bidding procedures; and projects costing over $200,000 are subject to the formal bidding process.

The noted increases are pursuant to the provisions and benefits found in the Uniform Public Construction Cost Accounting Act (Act), which provides public agencies economic benefits and greater freedom to expedite public works projects. Agencies which elect to follow the cost accounting procedures set forth by the CUCCAC in its *Cost Accounting Policies and Procedures Manual*, will benefit from these increased limits by expediting delivery of public work projects and reduced bid processing costs. A new resolution adopting the change in legislation is not required if your agency is currently subject to the Act.

We encourage participating agencies to sign up on the SCO website for CUCCAC's email subscription service to receive important information concerning CUCCAC updates and legislative changes via e-mail. For more details or to sign up for the email subscription services, please contact the Local Government Programs Services Division at LocalGovPolicy@sco.ca.gov or visit our website at https://www.sco.ca.gov/ard_cuccac.html.

Sincerely,

Sandeep Singh

Sandeep Singh
Manager, Local Government Policy

Local Government Programs and Services Division
MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250
3301 C Street, Suite 700, Sacramento, CA 95816

City of Farmersville

Glossary

Accounting Standards – Generally accepted accounting principles (see GAAP) published by the Governmental Accounting Standards Board (GASB) that guide local and state agencies' recording and reporting of financial information. The standards establish such guidelines as when transactions are recognized and annual financial report content.

Accounting System - The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

Accrual Accounting Method - An accounting method that recognizes economic events regardless of when cash transactions occur.

Ad Valorem Tax – A tax assessed based on the dollar value of an item or activity. Typical examples are property and sales taxes. Ad valorem taxes contrast with per-unit taxes, such as alcoholic beverage and cigarette taxes, which are assessed at a fixed dollar per unit purchased.

Adopted Budget - The budget document formally approved by the City Council.

Adverse Opinion – A finding issued by an independent auditor as part of the annual single audit requirement. This opinion finds that the auditee is not in compliance with all material aspects.

Allocated Costs – A method for allocating overhead time and other expenses to activities that provide direct services.

Allotments - Management allocation of appropriated funds subject to legal constraints.

Appropriation – A legal authorization granted by the City Council to make expenditures and to incur obligations for specific purposes. An appropriation is usually for a fixed amount and time limited and must be expended before the deadline.

Appropriation Spending Limitation (Gann Limit) – Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the City is allowed to expend in one fiscal year. The amounts of appropriations subject to the limit are budgeted proceeds of taxes. The total of these budgeted revenues cannot exceed the total appropriations limit. Annually, local governments may increase the appropriate limit by a factor comprised of the change in population combined with the California inflation rate as determined by the State Finance Department.

Arbitrage – A technique used to take advantage or price differences in separate markets. This is accomplished by either selling debt instruments at a low interest rate and investing the proceeds at a higher rate, or by purchasing securities, negotiable instruments or currencies in one market for immediate sale in another market a better price.

Assessed Valuation - A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes.

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.

Authorized Positions - Positions approved by the City Council which may or may not have funding (see Budgeted Positions).

Asset Forfeiture Fund - This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activities. Asset Forfeiture funds are used for law enforcement purposes.

Audit - an official inspection of an individual's or organization's accounts, typically by an independent body.

Balanced Budget - (particularly that of a government) is a budget in which revenues are equal to expenditures. Thus, neither a budget deficit nor a budget surplus exists (the accounts "balance"). More generally, it is a budget that has no budget deficit, but could possibly have a budget surplus.

Base Budget – Those resources necessary to meet an established and existing service level.

Basis of Budgeting - Basis of budgeting refers to the method used for recognizing revenues and expenditures in budget. The City uses the modified accrual basis of accounting for budgetary purposes, which is in compliance with Generally Accepted Accounting Principles.

Beginning Fund Balance – The available fund balance in a fund from the end of the prior year for use in the following year.

Benefit Assessment – Charges levied on parcels to pay for public improvements or services provided within a pre-determined district or area according to the benefit the parcel receives from the improvement or services.

Benefit Assessment Act of 1982 – The 1982 Act lets cities, counties and special districts finance a variety of improvements. The Act requires majority voter approval if the proposed assessment area has 12 or more registered voters. If less than 12, the owners of at least 60% of the land in the assessment area must give written consent to the assessment.

Bond - A City may raise capital funds by issuing a written promise to pay a specified sum of money, called the face value or principal amount; at a specified date or dates in the future, together with the periodic interest at a specified rate.

Bond Interest and Redemption - Payment of interest and principal on an obligation resulting from the issuance of bonds.

Budget - A planning and controlling document for financial operation with estimates of proposed expenditures and revenues for a given period, usually one year. A plan or action expressed in figures.

Budget Amendment – A request for an increase or decrease in an existing service level (over and above the base budget).

Budget Calendar - The schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

Budget Document - The official written statement prepared by the budget office and supporting staff.

Budget Message - A general written description summarizing the proposed budget. The budget message explains principal budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

Budget Modification – A change of expenditure levels and corresponding resources needed to accomplish an existing service level or unanticipated service. All budget modifications are reflected in the current year budget and are approved by the City Council and/or City Manager as authorized by the Annual Budget Adoption Resolution.

Budgeted Positions - The number of full-time equivalent positions to be funded in the budget. Example: Funding of two half-time positions would equal one full-time equivalent position.

Business Improvement District - A public-private partnership in which businesses in a defined area pay special taxes, fees and/or assessments to fund public facility improvements and programs in the area.

Business License Tax - A type of excise tax imposed on businesses for the privilege of conducting business within the city. The tax is most commonly based on gross receipts or levied at a flat rate.

California State Board of Equalization (BOE) – California state agency responsible for the collection and administration of the state's sales and use, alcohol, tobacco, and other taxes. In addition, the BOE determines the assessed value of certain properties and oversees property tax assessment practices of county assessors.

California State Controller – The Controller is the Chief Fiscal Officer of the state and is elected every four years. The Controller is responsible to: account and disburse all state funds; determine the legality and accuracy of claims against the state; pay the state's bills; audit and process all personnel and state payroll transactions; audit various state and local government programs; administer the Unclaimed Property Law; and inform the public of financial transactions of city, county and district governments.

Capital Improvement Plan - A plan for capital expenditures and the means of financing them, to be incurred each year over a fixed period of years, to meet capital needs arising from long-term work program. Included are expenditures made for land, building, permanent public works projects, major reconstruction or renovation of structures, and major landscaping or park improvements.

Capital Outlay - Expenditures for the acquisition of capital assets.

Carry-Over Balance - Balance of funds brought forward from prior years.

Cash Basis Accounting - An accounting method that recognizes revenues and expenses at the time physical cash is actually received or paid out.

Central San Joaquin Valley Risk Management Authority (CSJVMRA) – The Central San Joaquin Valley Risk Management Authority is a joint powers authority of 54 cities, providing quality, cost-effective risk financing and risk control services. The City of Reedley is a member and participates in the self-funded programs for general liability, employment practices liability, property damage, and workers' compensation coverage.

Certificates of Participation (C.O.P.) – Debt instrument, commonly called C.O.P., that provides long-term financing through a lease (with an option to purchase) or through an installment agreement.

Charter City – Charter cities have authority over "municipal affairs," trumping state law governing the same topic. In contrast, general law city is a city that has not adopted a charter and is therefore bound by the state's general laws, even with respect to municipal affairs. The City of Farmersville is a general law city.

Congestion Mitigation and Air Quality Improvement Program (CMAQ) - Jointly administered by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), the CMAQ program was reauthorized under the Transportation Equity Act for the 21st Century (TEA-21) in 1998. The CMAQ program was implemented to support surface transportation projects and other related efforts that contribute air quality improvements and provide congestion relief.

Community Development Block Grant (CDBG) - The Community Development Block Grant is a federal program for the development of housing and community projects within a pre-approved functional area. Funds are awarded to agencies on an annual basis to carry out these activities

Comprehensive Annual Financial Report (CAFR) - A set of government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

Contingency - Funds appropriated by the City Council for unforeseen needs.

Consultants - Fees paid to outside individuals who provide advice or services.

Citizens Option for Public Safety (COPS) – A state subvention for local law enforcement initiated in 1996.

Community Facilities District (CFD) – See Mello-Roos Community Facilities District.

Construction / Development Tax – Excise tax imposed on the privilege or activity of development and/or the availability or use of municipal services.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

County Assessor – An elected official whose main duty is to set values on real property for the purpose of taxation within the county. The Assessor is responsible for the creation and maintenance of assessor parcels from final

subdivisions, parcel maps, lot line adjustments, record of survey, deeds and miscellaneous documents.

County Auditor-Controller – The chief accounting officer of the county established to provide various accounting and property tax administration services to the county and other local governments within the county. The Auditor Controller is responsible for budget control, disbursements and receipts, financial reporting, and for audits of certain agencies within the county. Auditor-Controllers are nonpartisan elected officials serving four-year terms, except in four counties with appointed officers: San Francisco, Santa Clara, Los Angeles, and San Diego.

County Treasurer-Tax Collector – Administers the billing, collection, and reporting of property tax revenues and conducts Tax Defaulted Property Sales for real property tax delinquencies remaining after five years. Treasurer-Tax Collectors are nonpartisan elected officials serving four-year terms except in three counties with appointed officers: Los Angeles, Sacramento, and Santa Clara.

Countywide/Statewide Pools – A system used to allocate local sales and use tax payments that cannot be identified with a specific place of sale or use in California. Local tax reported to the pools is distributed to the local jurisdictions in proportion to taxable sales.

Current Refunding – When restructuring or retiring outstanding bonds, if bonds are paid off within 90 days of depositing either cash on hand or refunding bond proceeds, the refunding is a "current refunding".

Debt Financing – Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Instrument – Written pledge to repay debt such as bills, notes and bonds.

Debt Service – Payment of principal and interest on long-term indebtedness such as bond maturities, loans and revenue anticipation notes.

Defeasance - A provision that voids a bond or loan when the borrower sets aside cash or bonds sufficient to service the borrower's debt.

Deficit - The amount by which government spending exceeds government revenues. (Also see: structural deficit)

Department - An organizational unit comprised of divisions or programs. It is possible for a department to be comprised of only one division.

Department Activity - A unit of budgetary accountability and control that encompasses specific and distinguishable lines of work performance for the purpose of accomplishing a function for which the City is responsible.

Description - Contains a list of the typical activities of programs.

Development Impact Fees (DIF) – Fees placed on the development of land or conditions required for the approval of a development project such as the dedication of certain lands to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

Discretionary Revenue - Money that the City Council has the authority to allocate for any purpose. Often refers to the General Fund, as opposed to Special Funds.

Disclaimer of Opinion – A finding issued by an independent auditor as part of the annual single audit requirement. This means that the scope of the auditor's work is insufficient to express any opinion on the auditee's compliance.

D.I.V.C.A. – The Digital Infrastructure and Video Competition Act of 2006 effectively replaced locally issued franchise agreements for video service with a system of state-issued franchises subject to certain limited locally imposed conditions and requiring franchise fees to be paid to local agencies where services are provided.

Division - A functional grouping of related activities within a department. There are usually several activities within a division.

Earmarked Funds – Funds that have been tagged or "earmarked" for a specific purpose.

Employee (Fringe) Benefits - The cost to the City for contribution to employee retirement, social security, health and

workers' compensation programs.

Encumbrance - Funds not yet expended but which are delegated or set aside in anticipation of an expenditure in the form of a purchase order, contract, or other commitment, chargeable to an appropriation. These funds cease to be an encumbrance when paid.

Enterprise Fund - Established to finance and account for the operation and maintenance of facilities and services which are predominately self-supporting by user charges.

ERAF: Educational Revenue Augmentation Fund – Accounts established by the state Legislature to receive shifts of property tax revenues from cities, counties, special districts and redevelopment agencies. The additional ERAF property tax revenues to schools enable the state general fund to reduce support from the state general fund.

Excise Tax – Tax placed on a person for a voluntary act, making the tax avoidable. Includes sales and use tax, business license tax, transient occupancy tax, utility users' tax, etc. Phrase "excise tax" is most commonly used to refer to a parcel tax.

Exemption – The exclusion from the tax base of certain types of transactions or objects. For example, federally owned land is exempted from property tax.

Expenditure – The actual payment for goods and services. A decrease in payee resources.

Fair Market Value - The value of a piece of real estate in the open market. Used to determine the assessed value of property for taxing purposes.

Fee – A charge to the consumer for the cost of providing a particular service. California government fees may not exceed the estimated reasonable cost of providing the service of facility for which the fee is charged, plus overhead.

Fiduciary Fund - Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. Resources held in trust for the benefit of the agency's own programs.

Fines, Forfeitures and Penalties – Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

Fiscal Year – The period designated by the City for the beginning and ending of financial transactions. The City of Reedley's fiscal years begin on July 1 and end on June 30 of the following year.

Fiscal Year End (FYE) – This term means as of June 30th (end of the fiscal year).

Fiscal Year to Date (FYTD) – This term means as of a specific period, year-to-date, regarding the fiscal year ending June 30th.

Fixed Asset – A tangible item of a long-term character such as land, buildings, furniture, and other equipment with a unit cost in excess of $10,000.

Franchises – Fee paid to a municipality from a franchisee for "rental" or "toll" for the use of city streets and rights-of-way.

Fringe Benefits - Benefits to City employees, in addition to salaries, paid by the City. These benefits include social security, pensions, workers' compensation, unemployment compensation, life and health insurance.

Full Time Equivalency (FTE) - One employee position totals one full year of service or approximately 2080 hours a year. FTE are allocated to Department Expenditures based upon the work within that unit. As an example, the City Clerk Department may have 50% with the remaining 50% expensed out to the Administration Department, thus equaling 1 FTE Position.

Functional Revenue – Revenues that can be associated with and allocated to one or more expenditure function and which meet one of the following criteria: (1) the revenue is generated from direct services, such as revenues from fees or charges; (2) the revenue is associated with specific service by external requirements, such as grant conditions, bond sale agreements, or statutory or charter requirements.

Full Faith and Credit – Pledge by issuer of general obligation bonds to bondholders that issuer guarantees "all available funds" be used to pay bondholders should the project go into default.

Full-Service City – A city that is financially responsible for the major categories of municipal services including police, fire, planning, parks, water, sewer and solid waste services.

Fund – Accounting entity with a set of self-balancing revenue and expenditure accounts used to record the financial affairs of a governmental organization.

Fund Accounting - A accounting system used by non-profit organizations and governments. In this system, a fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

Fund Balance – Difference between the assets (revenues and other resources) and liabilities (expenditures incurred or committed to) of a particular fund.

Funding Source – Identifies fund(s) that will provide resources for City expenditures.

General Fund - The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use.

General Law City – A city that has not adopted a charter and is therefore bound by the state's general laws, even with respect to municipal affairs. In contrast, charter cities have authority over "municipal affairs", trumping state law governing the same topic. The City of Farmersville is a general law city.
General Obligation Bond – 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.

General Plan – The General Plan is a long-range planning document that provides the City a framework for action and the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its community.

General Revenue – Those revenues that cannot be associated with a specific expenditure, such as property taxes (other than voter approved indebtedness), sales tax, and business license tax.

General Tax – A tax imposed for general governmental purposes, the proceeds of which are deposited into the general fund. A majority vote of the electorate is required to impose, extend or increase any general tax.

Generally Accepted Accounting Principles (GAAP) - A combination of authoritative standards (set by policy boards) and simply the commonly accepted ways of recording and reporting accounting information.

Governmental Accounting Standards Board (GASB) – The body that sets accounting standards for governmental entities at the state and local levels.

Governmental Funds - A government fund is a grouping used in accounting for tax-supported governmental activities. Its opposite is a proprietary fund, which accounts for business-like activities conducted by the government. There are several government fund types, each of which maintains a balance sheet.

Grant - A contribution from one government unit to another, usually made for a specific purpose and time period.

Highway Safety Improvement Program (HSIP) – The HSIP went into effect on October 1, 2012 and is a Federal-Aid program that focuses on significant reduction in traffic fatalities and serious injuries on all public roads. The HSIP requires a data-driven, strategic approach to improving highway safety on all public roads.

Homeowner's Property Tax Relief – Revenue from the state to offset city loss of property tax for state-imposed $7,000 per dwelling homeowner exemption.

Improvement Bond Act of 1915 – Act which lets cities, counties and "public districts" issue assessment bonds and bond anticipation notes. The 1915 Act does not authorize assessments.

Inter-Fund Transfers - Monies appropriated from one fund to another fund. This is done to reimburse the fund for expenses or to finance the operation of the other fund.

Intermodal Surface Transportation Efficiency Act (ISTEA) – Adopted as part of the Moving Ahead for Progress in the 21st Century Act in 2012, ISTEA is a Federal-aid program for transportation planning and the funding of non-motorized commuter trails.

Investment Earnings – Revenue earned from the investment of idle public funds.

Joint Powers Authority (JPA) – The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities ("JPAs") for purpose of jointly receiving or providing specific services.

Local Agency Investment Fund (LAIF) – A special fund in the state treasury. Local governments may deposit in this fund through the state treasurer for investment purposes.

Landscaping and Lighting Act of 1972 - The 1972 Act lets cities, counties and special districts levy assessments for land purchase and the construction, operation, and maintenance of parks, landscaping, lighting, traffic signals and graffiti abatement.

Lease Revenue Bonds – Bonds similar to certificates of participation and used for the same types of projects with main exceptions that: (1) lessor must be either a governmental entity with the power to issue revenue bonds or a nonprofit corporation that issues bonds on behalf of a political subdivision; and (2) the bonds constitute a direct debt of the lessor.

Levy – (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities; (noun) the total amount of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

Licenses and Permits – Charge designed to reimburse city for costs of regulating activities being licensed, such as licensing of animals, bicycles, yard sale permits, etc.

Lien – A claim on assets, especially property, for the payment of taxes or utility service charges.

Limited Obligation Bonds – Similar to general obligation bonds except that security for the issuance is limited exactly to the revenues pledged in the bond statement and not to the full faith and credit of the city.

Line-Item Budgeting – The most widely used of all budgeting systems. A line item budget lists each of the revenue sources and expenditures.

Liquidity – The ability to convert a security into cash promptly with minimum risk of principal.

Local Agency Investment Fund (LAIF) – A special fund in the state treasury. Local governments may deposit in this fund through the state treasurer for investment purposes.

Major Funds - Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds.

Maintenance of Effort (MOE) – A requirement, often as a condition of an intergovernmental subvention or supplemental tax, to maintain a level of spending at a certain level. Maintenance of Effort requirements are intended to prevent or limit the use of the additional revenues to supplant existing revenues such that the new revenues result in an increase in the level of program spending and services.

Mandate (Mandated Services) – A legal requirement, usually imposed by State or Federal law. This term is used to refer to City services, which are provided to comply with State or Federal laws.

Materials, Supplies and Services - Expenditures for materials, supplies and related services which are ordinarily consumed within a fiscal year and which are not included in department inventories.

Measure P – A tax imposed on the total retail price of any tangible personal property purchased within the City at a rate of ½ of 1%. The Measure was passed by nearly 61% of the voting residents of Farmersville on November 7, 2017.

There is no sunset clause.

Measure U – A tax imposed on the total retail price of any tangible personal property purchased within the City at a rate of ½ of 1%. The Measure was passed by nearly 65% of the voting residents of Farmersville on November 2, 2004. There is no sunset clause.

Mello-Roos Community Facilities District – A destine entity of government for the purpose of imposing and collecting the Mello-Roos Community Facilities Tax. The governing body and the boundaries of the district may be the same as for the City.

Mello-Roos Community Facilities District Tax – Special non ad valorem tax imposed to finance public capital facilities and services in connection with new development.

Mello-Roos Bonds – Bonds allowing cities, counties, school districts and special districts to finance certain public capital facilities and services, especially in developing areas and areas undergoing rehabilitation. Property owners in the Mello-Roos district pay an annual special tax which is included on the property tax bill.

Modified Accrual Accounting Method - An accounting method commonly used by government agencies that combines accrual-basis accounting with cash-basis accounting. Modified accrual accounting recognizes revenues when they become available and measurable and, with a few exceptions, recognizes expenditures when liabilities are incurred.

Motor Vehicle Fuel Tax –A per gallon tax on fuel used to propel a motor vehicle or aircraft. Use of tax is limited to research, planning, construction, improvement, maintenance and operation of public stress and highways or public mass transit guideways. Also called Highway Users Tax, Gas Tax and Motor Vehicle Fuel Tax.

Motor Vehicle License Fee (VLF) – VLF is fee for privilege of operating a vehicle on public streets. VLF is levied annually at 2% of the market value of motor vehicles and is imposed by the state "in lieu" of local property taxes. VLF is also called Motor Vehicle in-Lieu Tax.

Municipal Code - A book that contains City Council approved ordinances presently in effect. The Code defines City policies in various categories.

Nexus – In general, a minimum threshold of connection necessary within a taxing jurisdiction to allow taxing authority over out-of-state individuals or businesses. Requirement of Government Code Sections 66000 et seq. that there be a reasonable connection ("nexus") between required development impact fees and the development project in question.

Objectives - Identifies the desired results of the activities of a program.

Operating Budget – A programmatic, financial, and organizational plan for furthering the goals of the City Council through departments of the City, which does not include capital improvement projects.

Operating Expenses – Expenses incurred as a result of day-to-day operations.

Ordinance - A formal legislative enactment by the City Council. It has the full force and effect of law within the City boundaries unless it conflicts with any higher form of law, such as a State statute or constitutional provision. An ordinance has higher legal standing than a resolution. A law set forth by a government authority, specifically, a municipal regulation.

Other Post-Employment Benefits (OPEB) – A pension is a form of "post-employment benefit" that an employee receives after their service to the agency ends. Other forms of such benefits can include health insurance and other health-related benefits provided to former employees.

Parcel Tax – Special non ad valorem tax on parcels of property generally based on either a flat per- parcel rate or a variable rate depending on the size, use and/or number of units on the parcel.

Pay as You Use – Concept that debt financing enables the public entity to spread the cost of a capital project over time, as the project is being utilized.

Pay as You Go – Concept of paying for capital projects when the initial cost is incurred, rather than over time using debt financing.

Performance Budget – Same as a program budget, except that an additional component – performance – is included to tie expenditures for each program to specific goals established for that program.

Performance Indicator – A performance indicator is a measurement designed by a reasoning process to determine whether a service objective has been met. It measures the effectiveness of achieving the objective or how well the objective has been accomplished.

PERS (CalPERS) - Public Employees Retirement System. A pension plan administered by the State of California for government agencies.

Personnel Expenditures – Salaries, wages and fringe benefits paid to and on behalf of employees.

Police and Fire Special Tax – Special tax on parcels of property in support of police and/or fire protection services.

Portfolio – The collection of securities held by an individual or institution.

Possessory Interest – Taxable private ownership of interests in tax-exempt public property.

Prevailing Wage – The basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification, or type of work within the locality and in the nearest labor market area. Prevailing wage laws require all bidders to use the same wage rates when bidding on a public works project.

Program Budget – A program budget displays a series of 'mini-budgets' which show the cost of each activity that city departments perform.

Program Revenues – Revenues received by a department as a result of the services or operations of that department (such as user fees), which are used to finance the related services or programs. Program Revenue is not discretionary (general-purpose) revenue.

Property Related Fee – A levy imposed on a parcel or upon a person as an incident of property ownership for property-related service.

Property Tax – California State Constitution Article XIII A provide that the combined maximum property tax rate on any given property equal 1% of its assessed value unless an additional amount has been approved by voters for special taxes or general obligation bonds. The County assesses properties, bills and collects these property taxes. The County remits the City's share.

Property Tax In Lieu of VLF – Property tax shares and revenues allocated to cities and counties beginning in FY04-05 as compensation for Vehicle License Fee (VLF) revenues previously allocated to cities and counties by the State.

Proposed Budget - The working document for the fiscal year under discussion.

Proposition 1A (2004) – Voter approved state constitutional amendment protecting most major city county and special district revenues from reduction or shifting by the state Legislature.

Proposition 1A (2006) – Voter approved constitutional amendment protecting the local allocation of state transportation sales tax revenues under Proposition 42 from reduction or shifting by the state Legislature.

Proposition 4 (1979) – Also called the Gann Initiative, this initiative, now Article XIIIB of the State Constitution, was drafted to be a companion measure to Proposition 13, Article XIIIA of the Constitution. Article XIIIB limits growth in the government spending to changes in population and inflation.

Proposition 8 (1978) – As amendment to Proposition 13, passed in November 1978 to allow Assessors to recognize declines in value for property tax purposes. Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value as of January 1st, whichever is less.

Proposition 13 (1978) – Article XIIIA of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

Proposition 42 (2002) – Voter approved measure that directs the Legislature to allocate revenues derived from the

taxable sales of gasoline to certain transportation programs including to cities and counties.

Proposition 111 (1994) – Voter approved measure that increased the state Motor Vehicle Fuel Tax by $0.09 per gallon and made certain adjustments to the spending limits under Proposition 4 (1979).

Proposition 172 (1993) – A 1993 measure which places a one-half cent sales tax for local public safety in the constitution effective January 1, 1994. The tax is imposed by the state and distributed to cities and counties.

Proposition 218 (1996) – A voter approved state Constitutional amendment, self-titled "Right to Vote on Taxes Act" expanded restrictions on local government revenue-raising, allowing the voters to repeal or reduce taxes, assessments, fees, and charges through the initiative process; reiterating the requirement for voter approval for both "special taxes" and "general taxes", and imposing procedural and substantive limitations on assessments of real property and on certain types of fees.

Proprietary Funds - in governmental accounting, is a business-like fund of a state or local government. Examples of proprietary funds include enterprise funds and internal service funds. Enterprise funds provide goods or services to the general public for a fee.

Principal – "Face" or "par value" of an instrument. It does not include accrued interest.

Purchase Order - Authorizes the delivery of specific goods or services, and incurrence of debt for them.

Purpose/Goal - This element explains the need for the activity and the reason for its existence.

Qualified Opinion – A finding issued by an independent auditor as part of the annual single audit requirement. This opinion finds that the auditee is mostly in compliance with all material aspects. Some instance of material noncompliance was noted during the scope of the audit.

Rating – The designation used by investors' services to rate the quality of a security's creditworthiness.

Rating Agencies – Firms that evaluate the likelihood bonds or debts will be repaid by assigning rates to those bonds or debts. A bond rating is often the single most important factor affecting the interest cost on bonds. There are three major rating agencies for municipal bonds: Moody's Investors Service, Standard & Poor's, and Fitch Ratings.

Real Property – Land and permanently attached improvements.

Real Property Transfer Tax – Tax imposed on the transfer of ownership in real estate. Typically imposed instead of a Documentary Transfer Tax.

Realignment – Actions taken by the State of California in 1991 and 2011 to restructure the state-county fiscal relationship by making certain health, social service, criminal justice, and mental health service programs county responsibilities, and providing some funding to help pay for the new responsibilities.

Regional Surface Transportation Program (RSTP) – The RSTP was established by California State Statute utilizing Surface Transportation Program Funds that are identified in Section 133 of Title 23 of the United States Code. Funds are typically eligible for construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvement on Federal-aid highways.

Reimbursement for State Mandated Costs – Article XIIIB, Section 6 of the California Constitution which requires the state to reimburse local agencies for the cost of the state-imposed programs. Process is commonly called "SB90" after its original 1972 legislation.

Regulatory Fee – A charge imposed on a regulated action to pay for the cost of public programs or facilities necessary to regulate a business or other activity or mitigate the impacts of the fee payer on the community. A regulatory fee does not include a charge on a property or a property owner solely due to property ownership.

Repairs and Maintenance - Expenditures for repairs and maintenance of all equipment and supplies, buildings, structures and grounds.

Reserve - An account used to earmark a portion of the fund balance as legally segregated for a specific use.

Resolution - A special or temporary order of the City Council that requires less legal formality than an ordinance in terms of public notice and the number of public readings prior to approval.

Restricted Use Funds – Funds designated for use for a specific purpose.

Revenue - Annual income received by the city.

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.

Salary Savings - That percentage or dollar amount of salaries which can be expected to be unspent during the fiscal year due to vacancies and employees receiving less than the top-step pay of the classification.

Sales Tax – A tax imposed on the total retail price of any tangible personal property. The City's general fund receives .95% percent of the 8.75% of taxes assessed on retail sales or leases of tangible personal property in the City.

SB1977 – 1992 bill (Government Code, Section 54945.6 as amended) requiring local officials to mail notice of new and increased benefit assessments and to hold public hearings prior to imposing benefit assessments.

SB90 – Reimbursement process for state mandated costs, named after its original 1972 legislation.

Secured Property – As the property tax is guaranteed by placing a lien on the real property, secured property is that real property in which the value of the lien on the real property and personal property located thereon is sufficient to assure payment of the tax.

Secured Property Taxes - Taxes levied on secured property in the City.

Secured Roll – That property tax list containing all assessed property secured by land subject to local taxation.

Securities – Investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

Service Charges – Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

Service Level – Indicates a project's effect on existing levels of service provision or identifies a new service to be provided to the public.

Short-Term Financing Methods - Techniques used for many purposes, such as meeting anticipated cash flow deficits, interim financing of a project, and project implementation. Using these techniques involves issuance of short-term notes. Voter approval is not required.

Single Audit - An annual examination by an independent auditor of a governmental agency's financial records, financial statements, federal award transactions and expenditures, general management of its operations, internal control systems, and federal assistance. The final independent audit report must be presented in conformity with Generally Accepted Accounting Principles. It must include a report on the status of internal controls relative to the financial statements and major programs. The auditor must also issue an opinion on the degree to which the recipient has complied with laws, regulations, and the terms and conditions of the federal assistance awards. If the Single Audit produced audit findings, the auditor must prepare a Schedule of Findings and Questioned Costs. See Unqualified Opinion, Qualified Opinion, Adverse Opinion and Disclaimer of Opinion.

Special Assessment Fund - A fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied.

Special District - Independent unit of local government generally organized to perform a single function.

Specialized Services - Services that are not otherwise categorized, such as title searches, police work for private parties, consultant fees, library materials, fringe benefits and loans.

Special Tax – A tax that is collected and earmarked for a special purpose and deposited into a separate account. A two-thirds vote of the electorate is required to impose, extend or increase any special tax.

Street Lighting Act of 1919 – Act authorizing cities to fund the maintenance and operation of street lighting.

Structural Deficit - The amount by which a government's spending is more than it receives in taxes in a particular period, whether the economy is performing well or not. Structural deficit issues can only be addressed by explicit and direct government policies: reducing spending, increasing the tax base, and/or increasing tax rates. It can be described as more "chronic" or long-term in nature hence needing government action to remove it.

Subvention – Subsidy or financial support received from county, state or federal government. The state and county currently levy certain taxes that are "subvented" to cities, including motor vehicle license fees, state mandated costs and motor vehicle fuel tax.

Sunset Clause - In public policy, a sunset provision or clause is a measure within a statute, regulation or other law that provides that the law shall cease to have effect after a specific date, unless further legislative action is taken to extend the law.

Supplemental Property Tax – In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

Tangible Personal Property – Movable property.

Tax – Compulsory charge levied by a government for the purpose of financing services performed for the common benefit.

Tax Allocation Bonds – Bonds that were issued by redevelopment agencies to revitalize blighted and economically depressed areas of the community and to promote economic growth.

Tax and Revenue Anticipation Notes (TRANs) – TRANs are short-term borrowings by a public entity to meet cash flow needs in the general fund and other unrestricted funds of a public entity. TRANs are issued before expected receipt of taxes and other revenues during the same fiscal year.

Tax Base – The objects or transactions to which a tax is applied (e.g. parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

Tax Rate - The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

Transactions and Use Tax – Also known as an "add-on local sales tax", a tax imposed on the total retail price of any tangible personal property and the use or storage of such property when sales tax is not paid.

Transient Occupancy Tax (TOT) - Tax levied by cities on persons staying 30 days or less in a room(s) in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Also called Transient Lodging Tax or Hotel Tax. The City of Reedley's TOT rate is 8% is applicable only at the Edgewater Motel.

Teeter Plan – Enacted in 1949, an alternative method for allocating delinquent property tax revenues, authorized by Revenue and Taxation Code section 401, in which the County Auditor allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The county government then collects and keeps the delinquency, penalty and interest payments.

Triple Flip – A mechanism used to repay state fiscal recovery bonds pursuant to Proposition 57 of 2004. Under the Triple Flip, the local sales and use tax rate is reduced from 1.00% to .75% with the 0.25% diverted to repay state fiscal recovery bonds. Cities and counties are reimbursed for the lost revenue from a shift of property tax revenue.

Tulare County Association of Governments (TCAG) – This body was formed by a joint powers agreement in 1971. The eight incorporated cities and the County of Tulare executed the agreement. The purpose of this formation was to assist local jurisdictions in obtaining federal assistance by providing advice, counsel, and professional direction; review and coordinate applications for programs utilizing federal funding; and provide a clearinghouse for the coordination and review of all state funded projects. In 1982, TCAG was designated the Metropolitan Planning Organization for Tulare County. This, along with responsibilities as Tulare County's Council of Governments, Transportation Authority, and the Regional Transportation Planning Agency, provides TCAG with a unique opportunity to represent the region in many different forums.

Unqualified Opinion – A finding issued by an independent auditor as part of the annual single audit requirement. This opinion finds that the auditee is in compliance with all material aspects.

Unsecured Property – As the property tax is guaranteed by placing a lien on the real property, unsecured property is that real property in which the value of the lien is not sufficient to assure payment of the property tax.

Use Tax – A tax imposed on the use or storage of the tangible personal property when sales tax is not paid.

User Fee – Fees charged for the use of a public service or program such as for recreation programs or public document retrieval. User fees for property-related services are referred to as property-related fees.

Utility Connection Fee – Utility connection fees or capacity fees are imposed based on a voluntary decision to connect to a utility system or to acquire the right to use additional capacity.

Utility Rate – A category of user fee paid by the user of utility services.

Utility Users Tax (UUT) – Tax imposed on the consumer (residential and/or commercial) of any combination of electric, gas, cable, television, water, and telephone services. The City of Reedley does not have any Utility Users Tax.

VLF – Property Tax Swap – The trade of most city and county Vehicle License Fee revenue for additional property tax share and revenue.

Voter Approved Property Tax for Indebtedness – Includes ad valorem property taxes levied in addition to the 1 percent rate for voter approved debt, approved prior to July 1, 1978 or after July 1, 1986.

Williamson Act and Open Space Subvention – State subvention to foster preservation of open-space by lowering cost of property tax.

WWTP – Wastewater Treatment Plant.

Year-End – This term means as of June 30th (end of the fiscal year).

Yield – The total amount of revenue a government expects to receive from a tax, determined by multiplying the tax rate by the tax base. Also, the annual rate of return on an investment, expressed as a percentage of the investment.

Zero-Based Budget – Zero-based budgeting is a system that requires all departments to defend their programs and justify their continuation each year. The department(s) must show the various levels of service that could be provided with different levels of funding, including zero funding.

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