





City of Farmersville

Adopted Budget for Fiscal Year 2021-2022



Strong Roots...Growing Possibilities

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City of Farmersville

City Council



Paul Boyer

Mayor



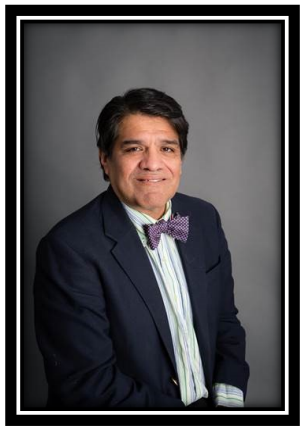
Tina Hernandez

Mayor Pro Tem



Greg Gomez

Councilmember



Ruben Macareno

Councilmember



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City of Farmersville

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City of Farmersville

Budget Message

Budget Message for Fiscal Year 2021-22

May 24, 2021

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"

2021-22 Budget Introduction

The annual budget is where the City "puts its money where its mouth is" by planning and paying for essential services and other work that follows the strategic direction of the City Council. It is an honor to again present the annual budget to the community of Farmersville and the City Council for consideration and adoption for Fiscal Year 2021-2022 (FY 2021-22) that is based upon the updated Strategic Plan for 2021-2023.

This balanced budget proposal represents the aggregate work of each department of the City to achieve the City's mission set forth by the updated 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 2021-22 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.**

This balanced budget incorporates many of the goals identified in the Strategic Plan in order to be in line with the overall mission. While our 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*
- **Community Engagement** – *effectively communicate with the community including bilingual information*
- **Financial Sustainability** – *maintain healthy finances*

By resolutely pursuing the Core Values of leadership, professionalism, stability, consistency, and efficiency again this year, it is our belief that the City will accomplish the Strategic Goals and therefore, fulfill its mission and commitment to the community. This year is dominated by another ambitious list of activities associated with each goal, which are achievable, but will require focus in order to stay the course. More on the mission, objectives, and specific actions directed by the City Council can be found in the next section of this report.

Therefore, the City's priorities for the year stem from these directives as illustrated in the Budget Assumptions, Major Capital Purchases and Projects, and the direction of the Changes to the Budget Over Prior Years sections in the proposed budget report below.

Priorities for the Coming Year

As in prior years, practically applying Core Values and Strategic Goals is where the rubber meets the road for local government departments and operations and City staff have been busy working on these efforts. 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* has been prioritized again this year by adding more plans for sidewalk improvements based on the data collected through the City-wide ADA transition plan of FY 2019-20. Additionally, a streetlight study is budgeted for this next year which should illuminate some of the areas needing the most improvements. The focus of "enhancing core services and addressing needs of the community" can easily and tangibly be seen through these plans. However, more obvious to the community at large will be the new additions to the Sports Park by way of awarded grants for the Freedom Field and Sequoia Gateway projects and major road repair on Farmersville Boulevard from Walnut Ave to the Highway 198 corridor

(roundabout area). This will be a massive improvement, creating safe turn pocket areas, bike lanes, sidewalks, and promoting growth and providing visual appeal in the area. Other *Quality of Life* developments include improvements to the utility billing process and expanding options to residents to make payments online, automatically, and in a more user-friendly method.

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. The City's partnership with Self Help Enterprises has continued through the initial phases of the planning of the Los Arroyos affordable housing complex at Walnut Avenue and Farmersville Boulevard (108 unit complex). The City also continues work with Tulare County Association of Governments (TCAG) to develop more transit options and create a more user-friendly system that is open for increased development. Interest by commercial and residential developers furthers the City's ability to achieve this goal.

Improving the service levels within *Public Safety* was met last year with a number of technology advances and the funding for two new police officer positions with non-General Fund money (Cannabis Business Tax and Supplemental Law Enforcement Services Fund or SLESF). This year continues that trend with the addition of another Police Officer position and a second Technical Services Clerk position. These new positions will allow for better coverage during times when staff is out by allowing more flexibility in shift schedules and depth in the front office administration functions. More technology updates are on the way again this year with additions to remain compatible with dispatch technology upgrades with Tulare County and app-based technology for State-mandated reporting by officers in the field.



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). Outreach will continue in the next year as well. 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. 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 nears completion, 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. Staff has nearly 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. The City responsibly reports all these revenues and expenses which has led to another successful "clean audit" year without any audit findings. Staff also increased oversight through the implementation of new internal reporting to increase transparency and accountability, thereby ensuring good audit results in the future.

Recently, the City secured a contract with a legislative advocacy group to help find more revenue and funding opportunities for the City. This is an important opportunity for the City to widen the net on funding opportunities and potentially free up other revenues for unfunded goals and projects. To ensure that the City continues to be successful in the long term also means that it must prepare for inevitable downturns. Thankfully, the City did not need to tap into its reserves during the pandemic, but did take action to remain vigilant and conservative by delaying spending temporarily. As the City continues to grow, it must remain committed to live within its own means, to build fund balance appropriately, and fully fund reserves to meet City policies.

The budget necessary to accomplish all these ongoing goals, however, must start with equipping our staff with the necessary resources. In order 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 April 12, 2021, for review and direction.



The Capital Budget for Fiscal Year 2021-22 has been integrated 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 and affordable financing options have and will continue to be used. The City is in the works to finance a new Fire Engine, but also recently hired Townsend Public Affairs to assist with acquiring State and Federal funding for this equipment potentially. With the Wastewater Treatment Plant project nearly complete, the City will need to enter into repayment portion of the project and bear the weight of the debt service for the next 40 years. Additionally, the purchasing program for police cruiser replacement continues in FY 2021-22. The City of Farmersville will leverage all of its resources to accomplish its mission and create the strong future full of possibilities that it desires for itself and all its residents.

This will prove to be another busy year for the City of Farmersville. This year's **Capital Budget is $15,741,876** (20% less from FY 2020-21) and includes 33 different projects, of which, 6 are over $1 million in total cost. Things are not slowing down on the operations side of the house either. When the capital budget is added to the **Operation Budget of $10,269,549** (less than 1% more from FY 2020-21), it brings the **total proposed budget to $26,011,425** for FY 2021-22 (13% less from FY 2020-21). While this does reflect a smaller budget this year than in the prior, it only points to the historic levels of work that have already been accomplished by dedicated City staff. The completion of the wastewater treatment plant

is imminent and its total cost to date of over $22 million makes it the largest single project ever taken on by the City.

The General Fund, the lifeblood of the City, is healthy as expenses for capital projects are now funded by the Cannabis Business Tax revenues, subsequently allowing operations to grow with other revenue that feeds the General Fund. This enormous boon to City operations and capital spending could also be its downfall if not properly managed though.

The City will continue to be successful by wisely tackling decades of deferred maintenance, purchase assets that had never been within its grasp before, pre-pay debt to save thousands of dollars, save for the future economic downturns, and make one-time payments to affect all kinds of good impacts on and for the community. However, if the City changes the use of this revenue to become part of ongoing operations support, and the Cannabis Dispensary income changes, it could have potentially catastrophic impacts on the City.

While the City is still 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.

Budget Assumptions

As with any budget, also known as a spending plan (or projection), there must be assumptions in play so that the spending is intentional and effective. Some of the ongoing assumptions for the City of Farmersville Budget are that its financial stability is rather precarious, the City strives to live within its means, revenue is projected conservatively, and that growth of the tax base is required in order to keep service levels steady. These factors have, of course, only become more important as the COVID-19 crisis wanes and the economic direction over the next year becomes clearer.

At this time last year, when the pandemic was hitting all time highs, the City was attempting to slow spending, while keeping employees unharmed, but remaining optimistic about the future. The goal was to remain strong until which time it was determined that the City had weathered the storm and could move on. In January of 2021, the City lifted the temporary freeze on capital spending to resume its full budgeted plan. Now, in retrospect one can see that the City not only fared well but did better than expected. As a result, the Council acted quickly to expand plans, reward employees financially, and resume the previous growth trend.

The City will resume normal operations for the FY 2021-22 but this comes with necessary self-imposed assumptions. 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 positive signs but not all of those will translate equally to Farmersville. 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.**

Cannabis Business Tax is a huge advantage to the City but, like sales tax revenues in the City, is primarily dependent upon only a small number of businesses – this small, focused tax base is highly susceptible to wild swings potentially by factors out of control of the Council, staff, or residents, and so the City must be conservative and prepare for the lean times in the good times.

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.



To stay financial sustainable, the City needs to get strategic. Recently, the City underwent an **ADA Study** to evaluate what ADA sidewalk needs exist and make a plan to resolve them. Additionally, the City conducted a **Pavement Management Study** for roadway repairs. Work is being done currently to **update the General Plan, create a Downtown Plan, and update a Zoning Ordinance**. Within weeks, the City Council will receive the **Cost of Services Study and Development Impact Study** which, together, will set the new comprehensive fee schedule of the City.

Now, the FY 2021-22 budget contains a **Strategic Fire Department Master Plan Study, and a Residential Streetlight Study.** In FY 2022-23 a **study to evaluate water, wastewater, and storm drain infrastructure status** is scheduled.

These plans will all take time to create. They will also take time to 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.

In order to think long-term, the City needs to keep watch on what it is successful at and what it is not. Ultimately, the City has to be prepared to weather uncertain times (like FY 2020-21), but then also act responsibly in the good times (like FY 2021-22 appears it will be). The City needs to consider consistently pre-paying debt, fully funding its reserves, and providing for its employees, improving services, and mitigating risks appropriately. It is a tall order to look at so many priorities simultaneously, but the baseline is strategically progressing with prudent fiscal management.

Policy, Economic, and Legislative Issues

External factors at the State and Federal levels plus social media influences will always play a part in budget formation and strategic policy. Therefore, it is important to consider them as the City plans for its future. More recent events with the COVID-19 pandemic crisis and the corresponding response from all levels of government are now the overriding external factors on the City for the next fiscal year. However, 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.

Effective January 2022, State law will require that any of the Farmersville Police Department contacts with residents be tracked with race and ethnicity data. While City officers already track information regarding interactions with all individuals this brings that task to a new level of complexity for each one of the thousands of interactions made annually. The department is responding with leveraging technology (app-based reporting by each officer) to ensure compliance. However, given the tone of the nationwide conversation about necessary changes in law enforcement, it will be critical that the City of Farmersville continues to emphasize and prioritize community conversations and positive interactions between the public and law enforcement while still meeting these mandates.

Additionally, land use and environmental impacts could also impact the City. While the bills have not been passed yet, there is work being done in response to the fire storms of recent years regarding sustainability of open land which could impact rate payers, like the City. Changes regarding permissible use of public right-of-way and land use are being made at the State-level and overriding local authority of Cities. Staff will monitor these and more changes throughout the year for potential impacts to the City.

Presumably, the last of the pandemic restrictive orders will cease on June 15, 2021 in the State of California, except for the most extreme circumstances, which are unlikely to impact Farmersville, and life will begin to return to normal. However, there is a cost to the action taken and there are consequences that will need to be dealt with in the aftermath. Life will be different, likely in ways that are not completely known at this time.



Initially, the Federal response to the pandemic was very swift and strong – The Federal Reserve had adopted a strategy of taking on massive amounts of securities to its balance sheet and thus injecting historic levels of cash and liquidity to keep markets functioning normally. Unemployment had skyrocketed to depression era levels, and aid packages directed specifically to the taxpayer with unprecedented scope were in full swing. The Federal Open Market Committee (FOMC) slashed rates to zero and remain there now.

The City will soon be receiving even more of this assistance from the Federal Government through the American Rescue Plan Act of 2021 to deal with the pandemic fallout. The American Rescue Plan is broad sweeping by including $350 billion in fiscal relief funding for States, territories, tribal governments, counties, cities, and small local governments, but it does not

cover everything. It will allow governments to support vital public health and economic responses to the pandemic, provide premium pay to essential workers, replace lost government revenue to prevent harmful cuts to government services, and make necessary investments in water, sewer, and broadband infrastructure. The City is scheduled to receive approximately $2 million from the Plan (the first half arriving in June 2021), but these funds are not included in the budget at this time. The City has some guidance from the U.S. Department of the Treasury, and it also has some idea on the dollar amount but not enough information for either to implement yet. The City has preliminary plans with how to allocate these restrictive resources. Once better information is available staff will provide recommendations to the City Council for consideration with a possible budget amendment.

What remains unmanaged from the pandemic is the uncollected utility payments of the City. 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. The City is still not able to collect what is owed as of the writing of this report, but must keep spending to provide services. At this point it is estimated that the City has lost over 7.5% of its annual revenue for its combined utility funds (over $210,000 in FY 2020-21). This is not a sustainable practice and ultimately the ratepayers that continue to pay their bills will end up bearing the cost of those that do not. The City utilities do not have extra revenue, only funds set aside to replace broken and worn-out assets, that are now being used up to supplement revenue losses.



To add to this utility-related challenge, the State appears to be headed into another drought. The Council has already taken action to slowdown water usage in the City starting in July 2021. There has been, and will continue to be, speculation about the frequency, duration, and severity of droughts in the future. The California water use issues of the future will be felt here and no matter how long the drought conditions persist, under the Sustainable Groundwater Management Act, the region's six Groundwater Sustainability Agencies (GSAs) are now established and are all working on developing the mandated Groundwater Sustainability Plans (GSPs). These changes will likely be significant to a small water utility operator like Farmersville. Navigating the complexity and the difficulties of legislation mandates handed down to the City will likely become more and more difficult. This could be the beginning of a consolidation phase of the market where providers must reduce costs to still meet customer needs. **The City of Farmersville may need to consider its options as the prospects of dealing with ongoing complexities and State mandates may be too much to be able to continue to remain affordable for the residents of Farmersville and fund future infrastructure needs.**

As mentioned previously, the future infrastructure needs of the City are still largely unknown, but the City must be strategic about this need and the cost. Evaluating the status of City assets and equipment to ultimately prepare and pay for their replacement, is critical. However,

ensuring that the City is properly paid for the current services is also necessary. If the City isn't assessing the right fees for the cost of the service provided, all that is left to subsidize this cost is the General Fund. If the General Fund does not get paid appropriately for all its costs, then there is no subsidy – there is insolvency. The City must chart a healthy path forward by charging the appropriate cost for the services it provides or find a different way to have the services provided to residents. To this end, **the updated fees calculated within the Cost of Services Study need to be implemented as suggested because it is of utmost importance to the *Financial Sustainability* of the City, its utilities, and all the services it provides**. The Cost of Services Study will be presented to City Council in summer of 2021.



Other infrastructure considerations for the City of Farmersville always include roadways and transit. While they go hand in hand, for years they have been at odds in Farmersville. The only source that the City could afford to pay for transit is the very source that it needed desperately for deferred road repairs. Transit costs continued to climb, and roads continued to crumble. Now, there may be a change – the newly minted Regional Transit JPA may change the service and the cost for the City of Farmersville transit. However, it is still early days, and the exact situation is still unknown but there is hope for future savings and service increases while maintaining road repair funding for the future.

Currently, the City of Farmersville is funding most of its capital costs borne by the General Fund with Cannabis Business Tax revenue. The new tax revenue has proven very helpful for the City. All General Fund revenues projected for FY 2021-22 total to $5,668,264 and Cannabis Business Tax is projected to bring in **an additional $1,450,000 in FY 2021-22** (the equivalent of 25% of all the General Fund revenues). This is why it was mentioned earlier that, **the General Fund, the lifeblood of the City, is healthy predominately because of the Cannabis Business Tax revenue coming to the City currently**. While there are only two dispensaries in Farmersville producing this revenue, it is consistent.

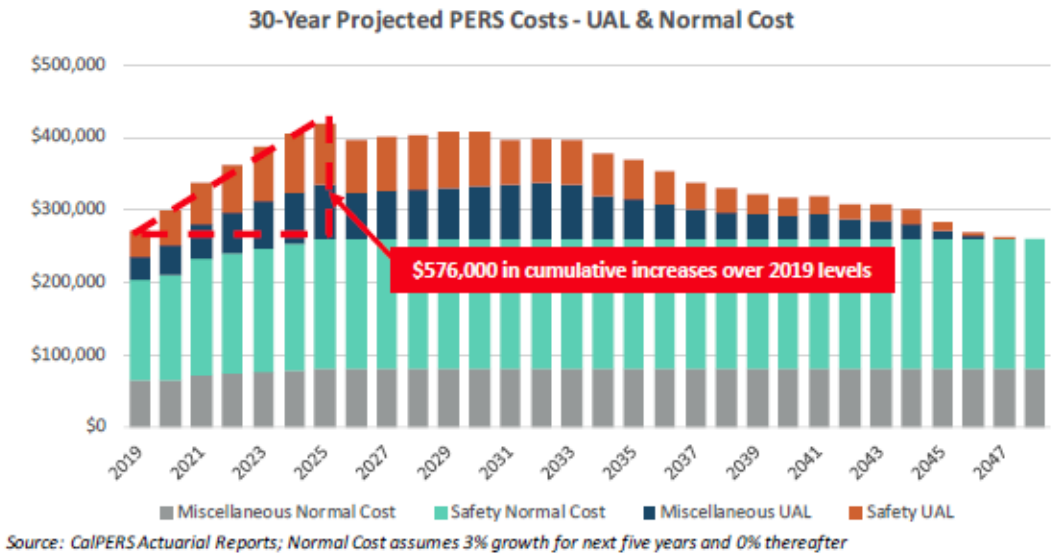
Essentially, since the City of Visalia does not currently allow commercial sales of Cannabis the City of Farmersville dispensaries are the closest venue for the entire Visalia metropolitan area, which is a population nearly 13 times that of Farmersville. If that market share relationship were to change, 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.**

In addition to the pure economics of the cannabis related to our neighboring city, the State has updated the law regarding cannabis taxation, regulation, tracking and reporting numerous times since Prop 64 was passed in 2016. There is no reason to suspect that changes will stop soon and that means that the industry, while highly regulated, is still highly volatile.

The City has other volatile situations to handle as well. Foremost on the minds of many in the nation is policing policies and police force reforms. While there are many opinions and changing levels of disagreement or acceptance of how these things should be handled, it is confirmed that going forward, there is an immediate impact on the City of Farmersville as an employer of police officers.

The ability to recruit and retain quality officers will become more difficult as these conflicts, both in thought and actual conflicts, persist. Police forces around the State are already feeling the pinch of smaller police academy graduating classes, the impact of police officers leaving the industry, and the call to de-fund, among other legislative challenges. As Farmersville continues to need new officers, finding them may not be easy, and if they can be found the City may lose them to larger agencies with the same needs but more resources. The future is unknown with the policing environment, and it will continue to remain so for the foreseeable future.

The City also continues to grapple with 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.

Comparatively, Farmersville is faring well with the amount of debt and the funding ratio of its pension but there are still major concerns with this amount of debt and the interest rate (7% generally) will have on the future of the City. While staff continues to examine the best ways to tackle this, there needs to be careful analysis on the trade-off between risk, flexibility, and financial savings.

However, 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:



This graphic shows that since 2015, 11% of the cost burden for the increasing size of the pension costs has been shifted to the City of Farmersville and much of it is debt that is accruing at a 7% interest rate (far more than what the City can offset with investment earnings). The City has no control over how these policies are made or managed, or how CalPERS makes investment choices. Clearly, this will take a sizable amount of the City's available cashflow, thus eliminating other potential uses for those funds and directly impacting residents of Farmersville.

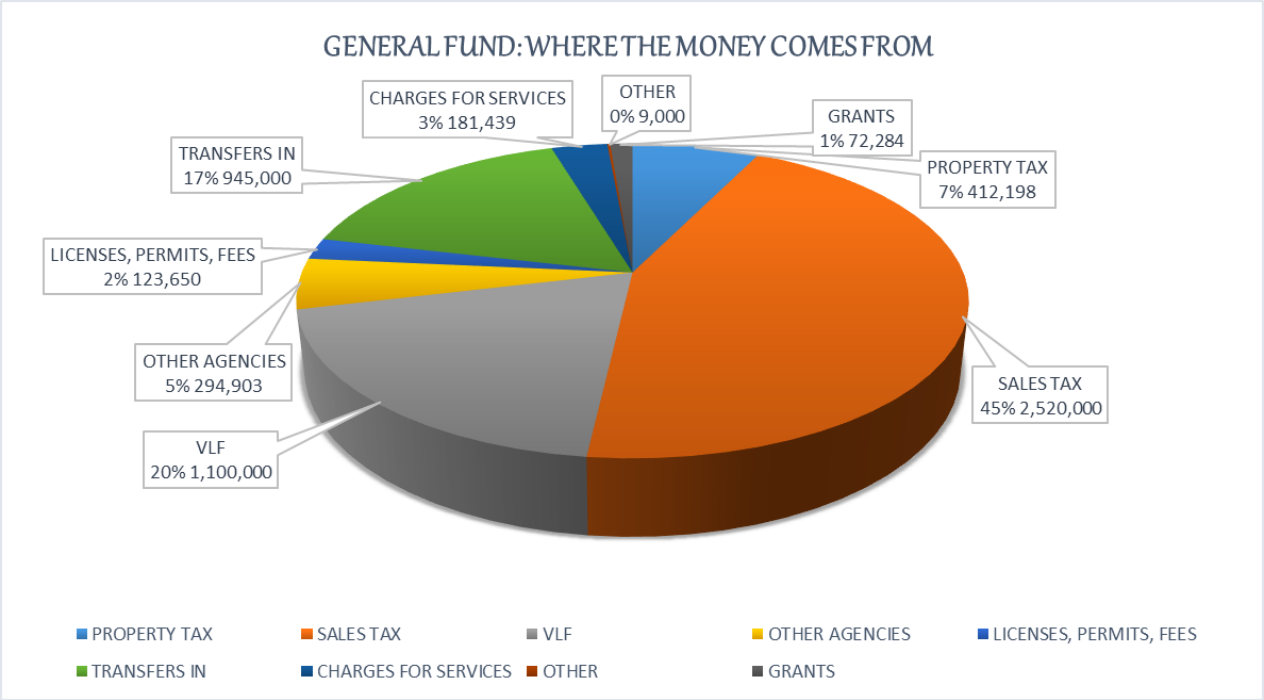
While the City budget is not free of issues, it is anticipated to not only support the existing service levels offered by the City currently, but also include more growth, as in past years.

Changes to the Budget over Prior Years

Given these external conditions, budget assumptions, 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 2021-22 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 the start of Cannabis dispensary businesses in Farmersville.

There is a known 8% drop in Sales Tax revenues for the next period (because the State allowed tax payments to be deferred temporarily from FY 2019-20 to FY 2020-21, causing an artificial increase) but this is anticipated to be offset by additional growth in FY 2021-22. Overall, revenue for the City is expected to increase about 5% compared to FY 2020-21 budgeted figures.



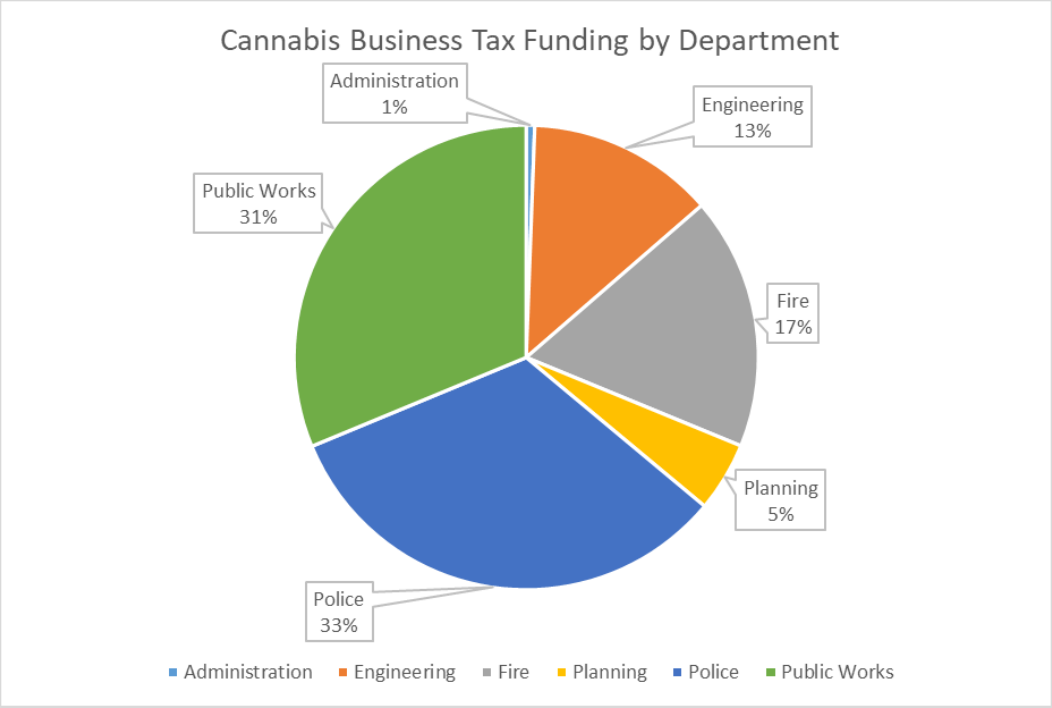
Expenses also continue to grow to support salary and benefit increases, capital projects, and incremental operational expense increases. Although labor negotiations are also still ongoing at the writing of this report, the City plans to offer a COLA increase and assumes an increase in cost for other benefits at 10% which have both been added in the budget.

The key elements of change within the operation budget is the update to the salary allocation for Public Works (and lesser so to administration staff) to reflect the changes in the workload of staff due to current priorities and the completion of the Wastewater Treatment Plant project. 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 (decrease in cost because the maintenance services were outsourced).

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. An HR Manager, Police Technical Services Clerk, and an additional Police Officer position will all add to the staff compliment and provide much needed depth, flexibility, and filling of compliance and administrative process gaps.

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.



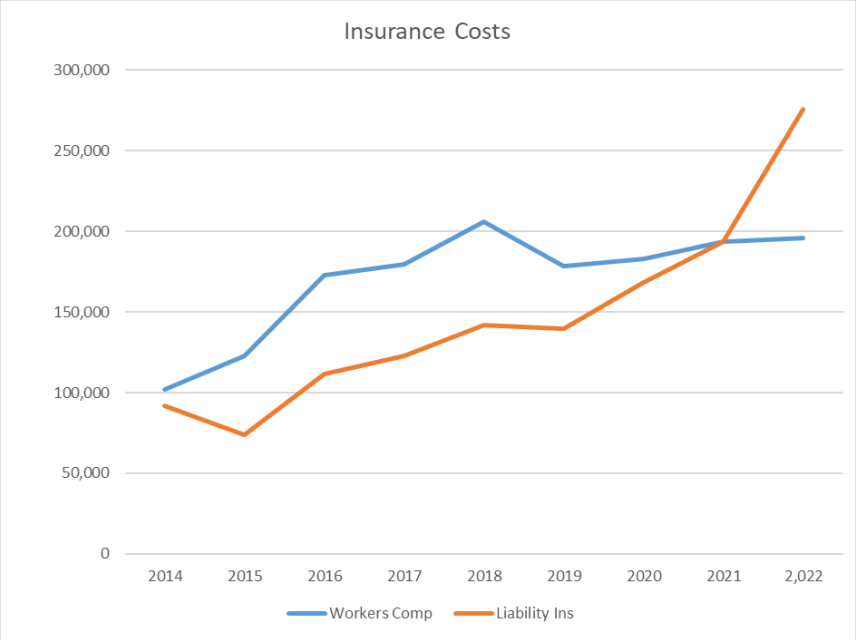
The Capital Budget cost in FY 2021-22 is $15,743,876 and $743,183 of that cost would have been borne by the General Fund but is instead offset by funds from the Cannabis Business Tax fund. More information about the use of Cannabis Business Tax Fund can be found later in this budget book.

There are still more challenges ahead that need to be addressed. The post-pandemic economy is roaring back to life, but there are questions locally regarding number of housing starts and future commercial development. The City has a weak tax base and cannot count on a State or National economy to translate into dollar-to-dollar increases for its local revenues.

New revenue sources need to be expanded through a diverse tax base, not just a handful of businesses. To this end, the City currently works with an economic development consultant but

has also hired a legislative advocacy group to help capture more opportunities for funding and this is budgeted for the next year as well.

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 liability, property, worker's compensation, high value auto and

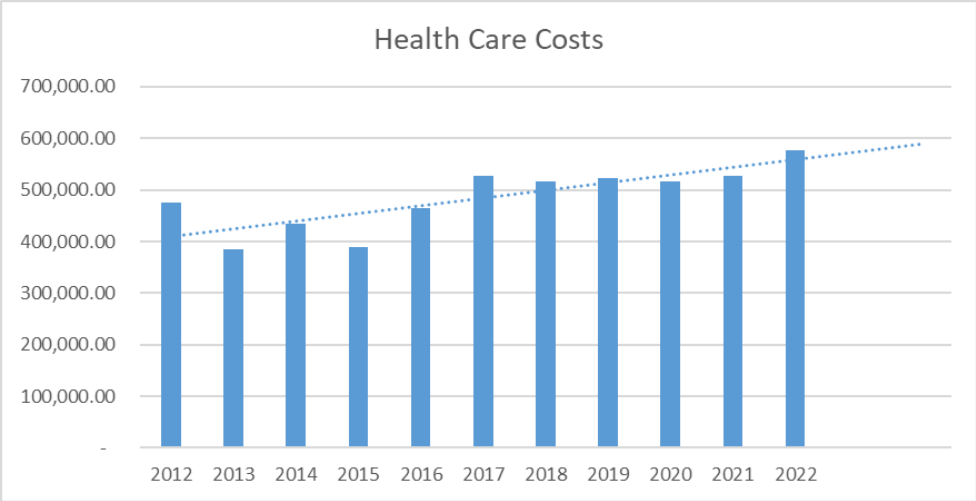


other program areas, which is a proven cost-effective approach as opposed to relying upon traditional insurance carriers for these essential coverages.

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 property insurance premium will nearly double next year.

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.



The City has had success in staving off some of these 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). This may change significantly this coming year with the hardening of markets and changes in the City claims history.

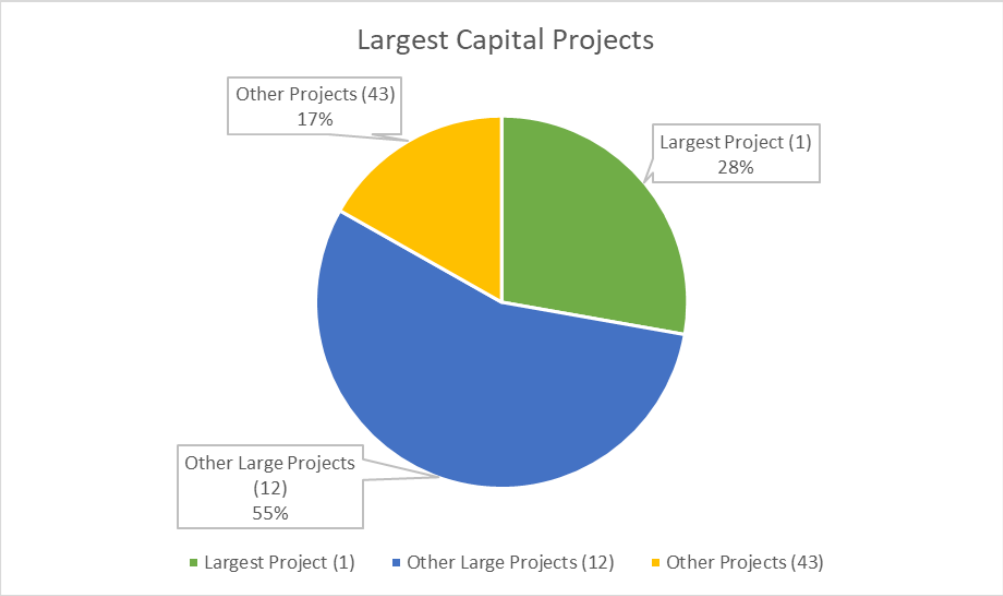
Major Capital Purchases and Projects

The capital budget remains largely unchanged from when it was first presented to Council on April 12, 2021 at $37,011,790 over the next five years and with $15,741,876 of that total budgeted in Fiscal Year 2022 alone. Of the $15,741,876 for this next year, $10,300,000 of that is for work to complete the widening and improvements of North Farmersville Blvd.

In the case of the proposed budget, there are currently 13 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).

LARGEST CAPITAL IMPROVEMENTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Fire Station			2,500,000			2,500,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Freedom Field	295,000	1,954,034				2,249,034
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	570,472				1,653,206
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)	61,250	1,019,000				1,080,250
New Corporation Yard		1,001,000				1,001,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
TOTAL	13,805,234	9,121,956	4,833,000	502,000	2,582,500	30,844,690

These projects are substantial in size and impact for the City and reflect the commitment to the Strategic Plan of the City. All 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 2021-22 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 budgets (and may drive revenue from future development as well).

Other Budget Impacts

Specific issues internal to Farmersville will have some of the most long-lasting impacts on the community at large. Cannabis tax, future development, and the status of the Utility Funds continue to be significant issues again this next budget year.



The Cannabis Business Tax is shaping up to be a windfall for the City of Farmersville with the revenue forecasted to increase from prior year by 42%. These funds 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 dependent upon it for objectives outside of one-time costs. The best course of action is to conservatively plan out its use primarily for large capital purchases and other deferred maintenance. This City has millions of dollars of potential expense in this category and will not run out of needs soon.

The Fiscal Year 2021-22 budget allocates about 8% of Cannabis Business Tax revenue to cover ongoing cannabis related expenses, 51% to cover capital costs that would have been applied against the General Fund, and almost 24% to cover projected General Fund initiatives and other one-time operation expenses. The remaining 17% of the estimated Cannabis Business Tax will be held in reserve for future capital expenditures, ongoing cannabis expenses, and future cashflow needs or budget amendments. Retaining this flexibility is important to successfully managing this funding source.

As discussed repeatedly, restraint and financial discipline needs to be exercised to not recognize this revenue as ongoing, but rather as one-time funds for several years to come. The industry, while highly regulated, is also still very new and uncertain and decisions about allowing dispensaries in neighboring cities could dramatically impact this revenue cash flow. In several years, the industry could be substantially different, as could the licenses holders within Farmersville.



TULARE COUNTY ECONOMIC DEVELOPMENT CORPORATION

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) with other City-led initiatives will drive up demand for more business within Farmersville.

Finally, the enterprise funds of the City – Water, Sewer, and Trash are all facing 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, which is scheduled to complete in FY 2022, dramatically changed the operations of this fund. The water system has one last rate increase scheduled for January 2022, which will complete the 5-year increase schedule. 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 nearly 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 and other cost changes that are not yet known because the plant is not fully operational yet. The future of this fund is very different from the history it has had so far.



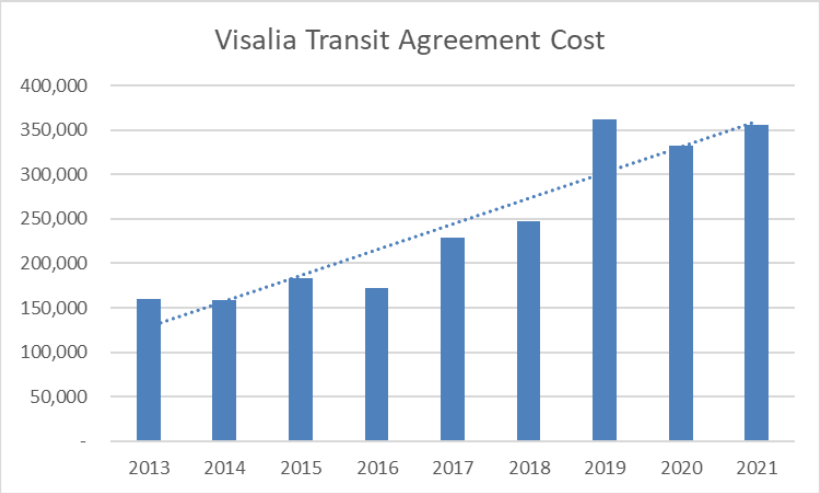


The trash system is undergoing changes as well due to changing State law. As a result, the first of five years of residential rate increases will begin in July 2021. These rate increases are designed specifically to offset the costs related to increased education and compliance work needed for compliance with SB 1383, organics recycling and composting enforced by CalRecycle.

Overarching all the utility funds is the impact of the Governor's executive order to not shut off any utility customers account due to non-payment while the state of emergency persists (Farmersville utility bills are composite, and therefore one can't elect to only pay less than all the utilities). As this has dragged on for the last year, the City is getting in a significantly worse financial situation because of it.

A new State program has the potential to help, as does the City's grant through CDBG for pandemic assistance to ratepayers. However, it is too early to say if it is enough. This will ultimately cause a cash flow crunch if things do not change and will threaten not only the operations of these funds, but potentially the debt covenants in place in the Sewer Utility fund, which are critical to the ongoing success of the Wastewater Treatment Plant Project. Ultimately, rates would need to be adjusted to correct for this inability to collect, thus causing some ratepayers to subsidize their neighbors who do not pay.

Even though funding for streets and transportation is forecast to increase this year, the transportation costs of the City continue to be of concern. Transportation is an important topic to the residents and City Council 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. 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.

FY 2020-21 was a major change to transit costs because CARES Act funding came directly to Visalia who applied the credits to its customers (Tulare County cities) proportionately. This credit for Farmersville was a total of $967,371 and was applied to the City expense for FY 2021 of $356,010. There is now a remaining credit toward transit for the City of Farmersville of $611,361 (likely enough to almost pay for 2 years' worth of transit costs).

In addition to this, however, the City has elected to transition to the new Tulare County transit 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. However, in the meantime, this CARES Act 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.

Summary

Fiscal Year 2021-22 will be another busy year of changes for the City of Farmersville. Essential services will be strengthened, and strategic projects will revitalize the City. This City Council has reaffirmed its commitment to long-term focus by creating an updated strategic plan that targets long-term health over short-term goals. The City must stay the course. 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 course is paramount, being disciplined to maintain the direction is critical, and being prepared for bumps along the way is key.

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

The City defines its success by following the Strategic Goals to achieve the City Mission by way of the organization's Core Values. As the City exits this time of pandemic uncertainty, it is committed to being patient and wise with how to manage new growth and opportunities and mitigate skepticism and negativity. There are exciting changes in the future! While this may be difficult to stay steady and grounded at times, the goal must remain long-term without distraction for the benefit of residents for generations to come.

Sincerely,





Jennifer Gomez, MPA
City Manager

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

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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 brings 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.

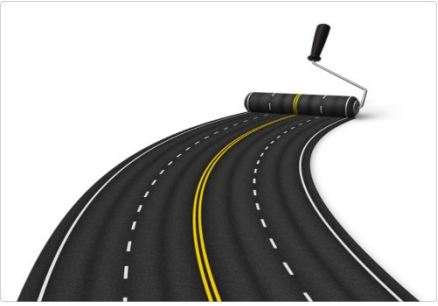


Future Grants for Prioritized Needs

- 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

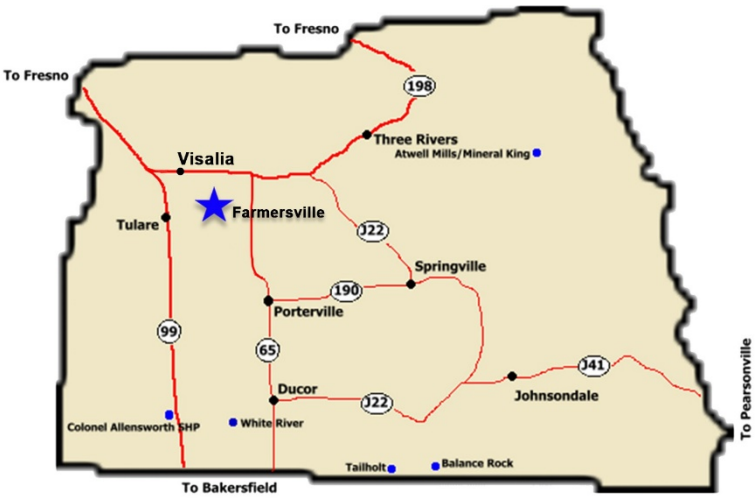
- Evaluate opportunities to increase lighting in older residential neighborhoods.

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Community

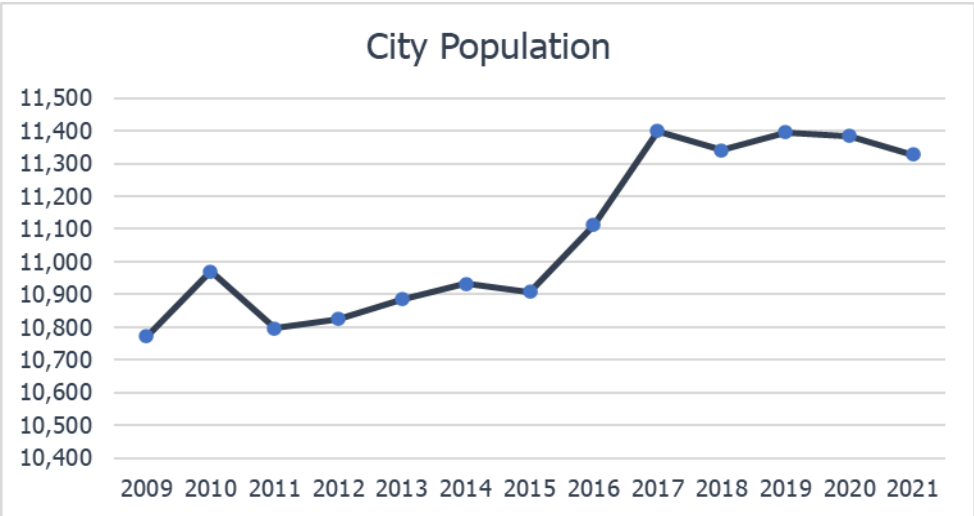
Demographics

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 Hwy 198 providing easy access to Visalia and Hwy 99 to the west of the Sequoia National Park in the Sierra Nevada Mountains to the east.



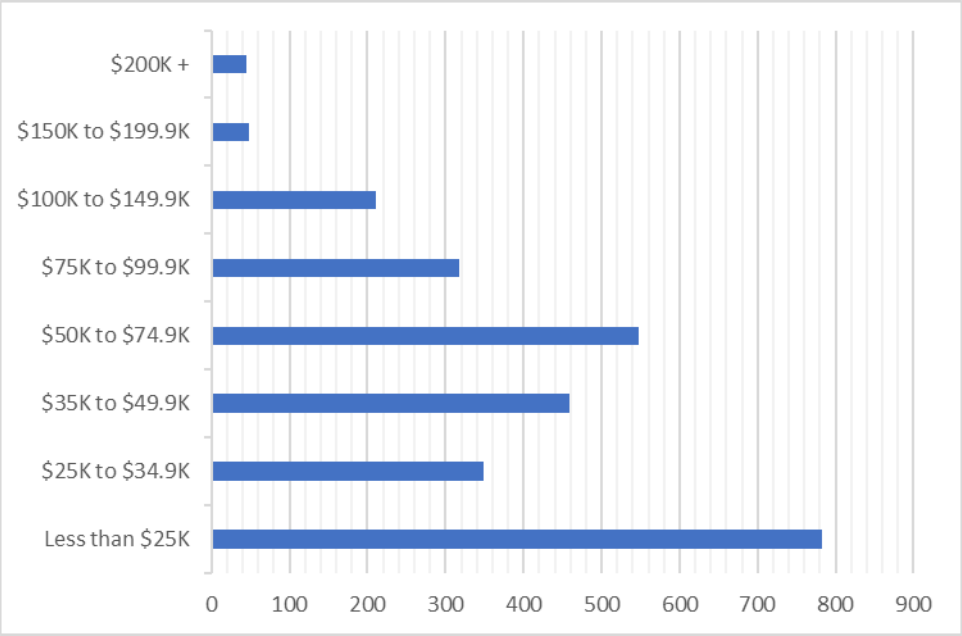
Farmersville is a community of just over 11,000 people and is devoted to preserving its rich history, creating opportunities for quality development, and carefully planning for its future through smart grown efforts. The city is ranked safest city in Tulare County and continues to thrive in the growing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

City Population



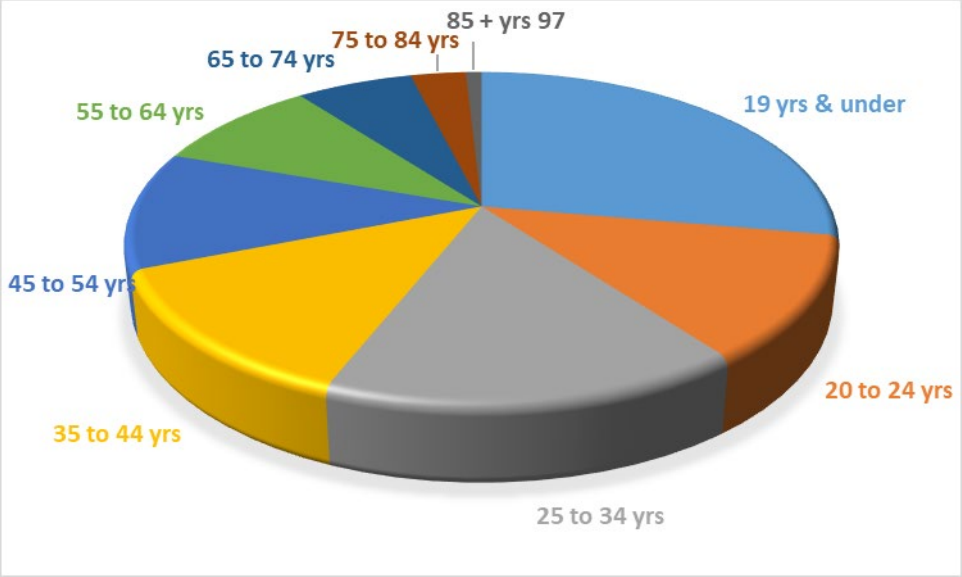
Source: CA Department of Finance

Household by Income



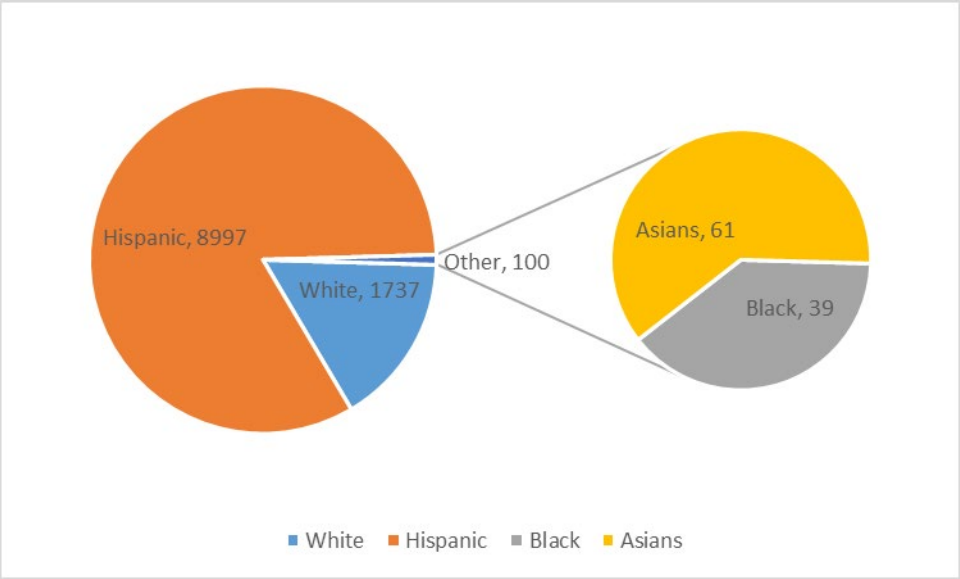
Source: Economic Development Corporation

Population by Age



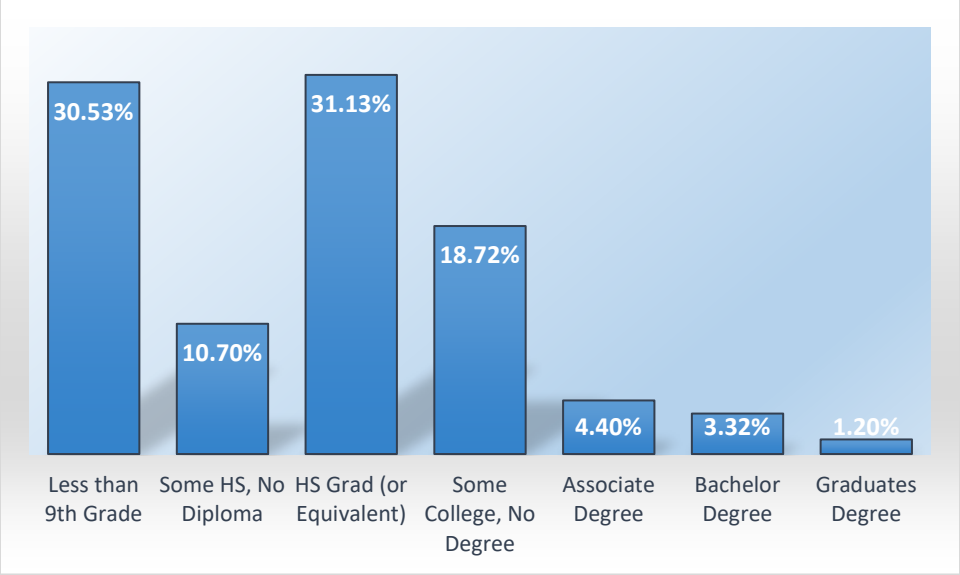
Source: ECONSolution by HDL

Population by Race



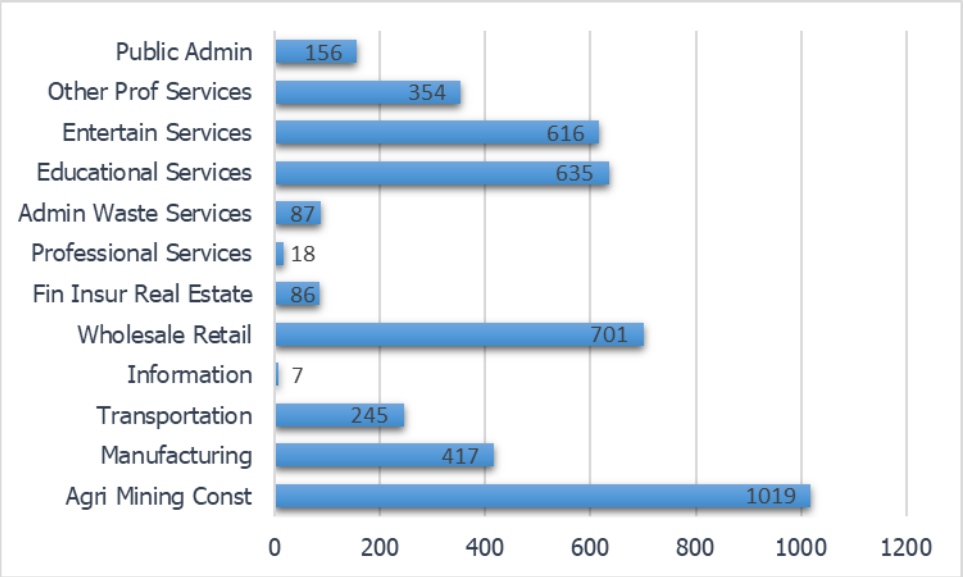
Source: ECONSolution by HDL

Education



Source: ECONSolution by HDL

Employment by Industry



Source: ECONSolution by HDL

Surrounding Municipalities

The following municipalities are also located within Tulare County:

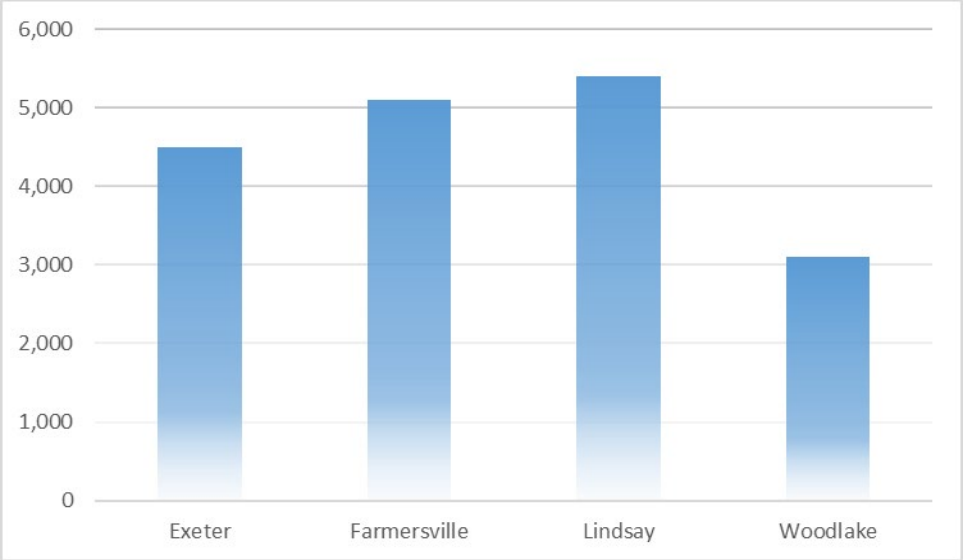
- Visalia, Exeter, Woodlake, Tulare, Dinuba, Porterville, and Lindsay.

Sales Tax Revenue Comparison



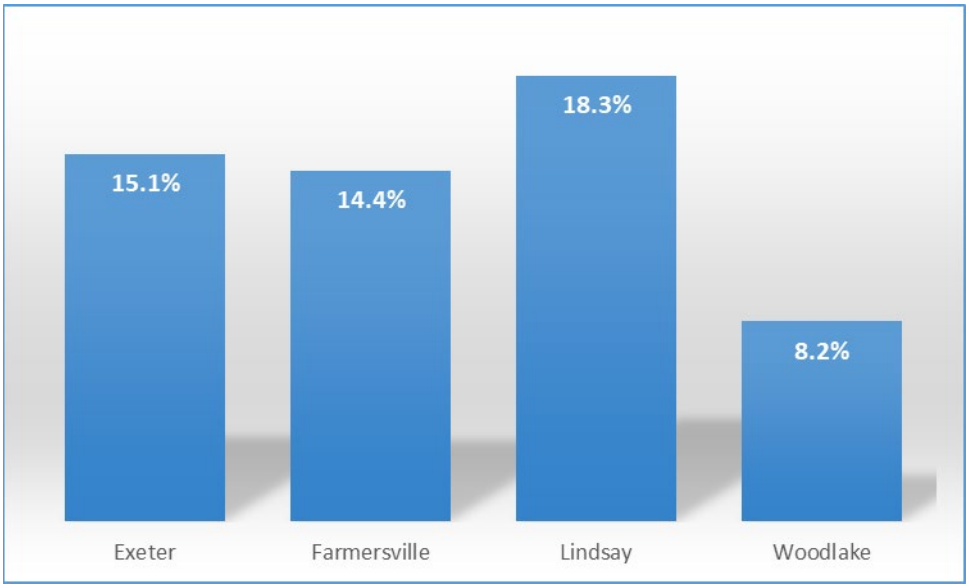
Excludes data from City of Visalia, City of Tulare, City of Porterville, City of Dinuba, and Tulare County – source HDL

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

Overview of Funds

Overview of Funds

The City's financial system utilizes fund accounting. There are over 30 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, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police 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, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police 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, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police Facilities and Equipment.

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. This measure was in response to California's significant funding shortfall to maintain the state's multimodal transportation network which is the backbone of the economy and critical to the quality of life in the State.

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
- SB 1 also adopted annual inflationary adjustments to all per-gallon motor vehicle fuel excise taxes including the rates allocated through the Highway Users Tax Account (HUTA)

Park Development Fund - 30

Funds 03, 05, 23, 30, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police Facilities and Equipment.

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 (ARP) 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.

Fire Development Fund - 71

Funds 03, 05, 23, 30, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police Facilities and Equipment.



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, 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 Facilities and Equipment; Fund 05 is for Sewer Facilities and Equipment; Fund 23 is for Storm Drain Facilities and Equipment; Fund 30 is for Park Development; Fund 71 is for Fire Facilities and Equipment; Fund 81 is for Police Facilities and Equipment.

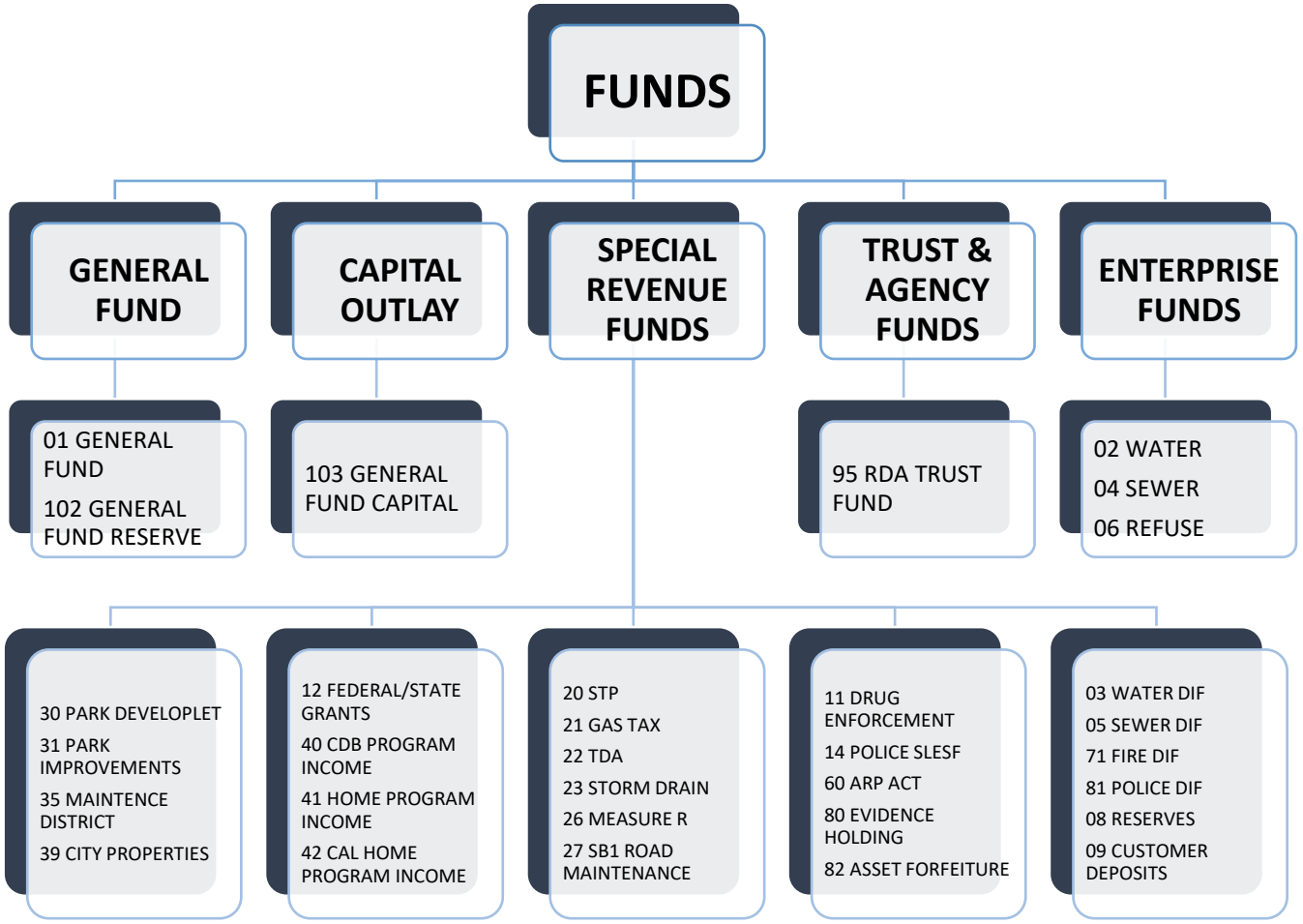
Federal Asset Forfeiture Fund - 82

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
SPECIAL REVENUE FUNDS
TRUST & AGENCY FUNDS
ENTERPRISE FUNDS
01 GENERAL FUND
102 GENERAL FUND RESERVE
103 GENERAL FUND CAPITAL
95 RDA TRUST FUND
02 WATER
04 SEWER
06 REFUSE
30 PARK DEVELOPLET
31 PARK IMPROVEMENTS
35 MAINTENCE DISTRICT
39 CITY PROPERTIES
12 FEDERAL/STATE GRANTS
40 CDB PROGRAM INCOME
41 HOME PROGRAM INCOME
42 CAL HOME PROGRAM INCOME
20 STP
21 GAS TAX
22 TDA
23 STORM DRAIN
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
71 FIRE DIF
81 POLICE DIF
08 RESERVES
09 CUSTOMER DEPOSITS

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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.

Street Mitigation Fund - 25

This fund held cash related to old allocations of State funding for repairs to streets in the City. These funds were used to defray the total cost of the West Walnut projects in FY 2020-21. The cost completely depleted these funds and since there is no more income directed into this fund, it has been closed as of the end of FY 2020-21.

American Rescue Plan (ARP) Revenue Fund - 60

This fund was created because of the passage of the American Rescue Plan Act of 2021. The fund exists to house the allocation of funds directed to the City through the State from the US Treasury. These are Federal funds that are restricted to specific uses identified in the bill language including but not limited to revenue loss during the COVID-19 pandemic, water infrastructure improvements, premium pay to essential workers, and other eligible costs incurred because of government work during the pandemic.

Live Scan Fund - 83

This is a special fund would house the revenue and expenses related to the Live Scan process performed by the Police Department. This is a small amount of cost and reimbursement and is therefore more appropriate as an individual account line within the Police Department, and not a separate fund. This is an important cleanup of the City chart of accounts to follow best practices in fund accounting.

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 7.5% 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.

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.

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 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 particular 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 as 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 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 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 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 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 assessment roll to the most recent assessment roll 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 nonresidential 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 entity of local government 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:

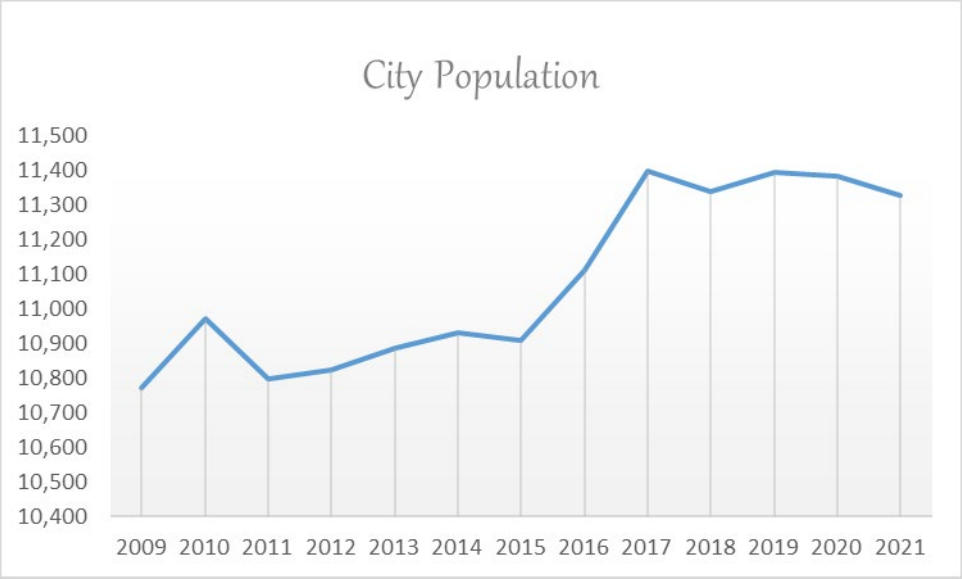
- An annual financial audit of the entity shall include a review of the adjustments made to the Appropriations Limit from the prior year.
- If the government entity alters or modifies its Appropriations Limit, the review will address those changes including any related revision of base year and intervening 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.

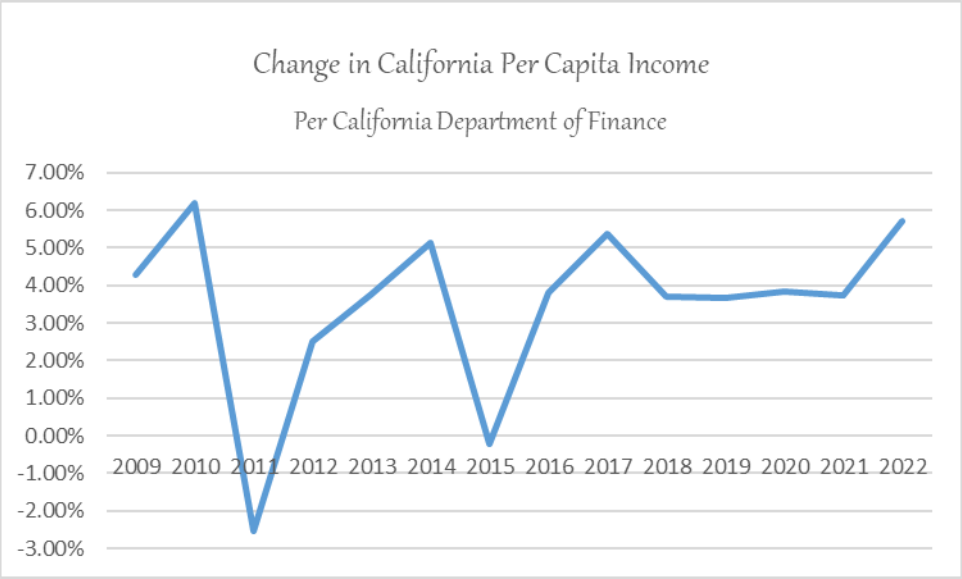
- A local government need not conduct an annual audit of its proceeds of taxes. The limit changes annually and is different for every city. Each year's limit is based on the amount of tax proceeds that were authorized to be spent in FY 1978-79 in each city, and modified for changes in inflation and population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

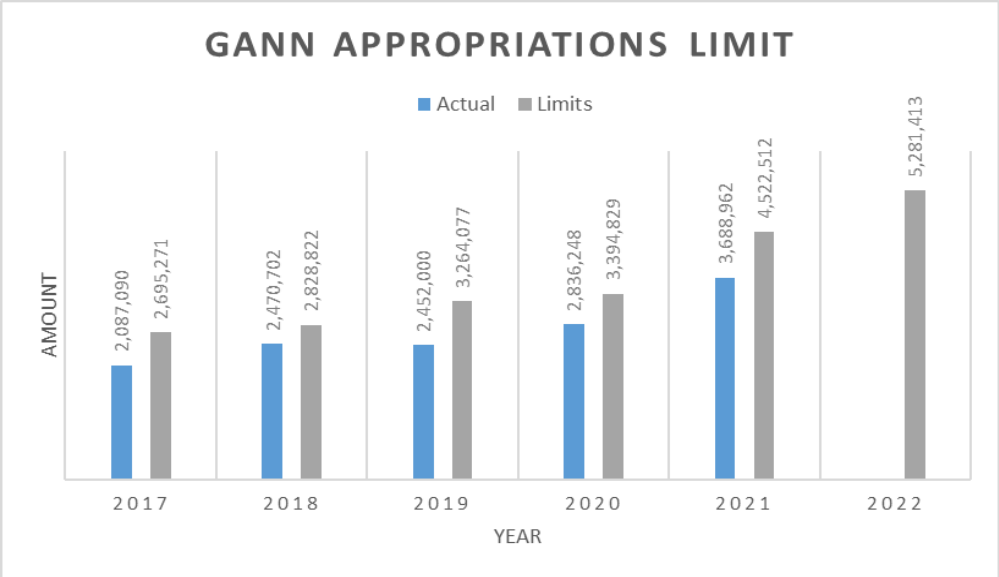
City of Farmersville Appropriations Limit

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 1st each year.







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.

City of Farmersville

Summary of Financial Statements

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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
Functional Revenues by Function
General Revenues

Note: These amounts were derived using Report (or Modified Accrual) balances plus any capital asset additions in the enterprise funds.

Description	Report 6/30/2017	Report 6/30/2018	Report 6/30/2019	Report 6/30/2020
City Council				
Expenses	15,756.00	2,744.00	11,113.00	7,962.00
	15,756.00	**2,744.00**	**11,113.00**	**7,962.00**
Administration				
Expenses	256,231.00	308,891.00	501,775.00	441,678.00
Charges for Services	(68,028.00)	(53,769.00)	(97,777.00)	(64,863.00)
	188,203.00	**255,122.00**	**403,998.00**	**376,815.00**
City Properties				
Expenses	34,111.00	34,176.00	70,782.00	60,866.00
	34,111.00	**34,176.00**	**70,782.00**	**60,866.00**
Law Enforcement				
Expenses	1,954,545.00	2,021,226.00	2,241,441.00	2,251,119.00
Charges for Services	(204,573.00)	(197,352.00)	(169,661.00)	(214,771.00)
Operating Grants and Contributions	(242,047.00)	(169,161.00)	(164,286.00)	(172,795.00)
Capital Grants and Contributions	(14,628.00)	(22,038.00)	(5,896.00)	(59,033.00)
	1,493,297.00	**1,632,675.00**	**1,901,598.00**	**1,804,520.00**
Fire Services				
Expenses	596,648.00	589,007.00	764,929.00	382,638.00
Charges for Services	(5,128.00)	(3,725.00)	(154,138.00)	(9,699.00)
Operating Grants and Contributions	(144,616.00)	(285,812.00)	(144,132.00)	0.00
Capital Grants and Contributions	(23,592.00)	(33,422.00)	(5,898.00)	(4,640.00)
	423,312.00	**266,048.00**	**460,761.00**	**368,299.00**
Animal Control				
Expenses	87,817.00	77,054.00	76,283.00	75,800.00
Charges for Services	(835.00)	(625.00)	(115.00)	(2,790.00)
	86,982.00	**76,429.00**	**76,168.00**	**73,010.00**
Building, Grounds & Parks				
Expenses	248,099.00	142,177.00	363,081.00	359,395.00
Charges for Services	(2,400.00)	(3,400.00)	(600.00)	(472.00)
Capital Grants & Contributions	(181,526.00)	(31,874.00)	(200,232.00)	(27,578.00)
	64,173.00	**106,903.00**	**162,249.00**	**331,345.00**
Street Construction & Maintenance				
Expenses	3,247,981.00	4,216,524.00	894,683.00	824,833.00
Charges for Services	0.00	(61,345.00)	(61,553.00)	(62,830.00)
Operating Grants & Contributions	(291,861.00)	(462,163.00)	(432,406.00)	(444,727.00)
Capital Grants & Contributions	(3,154,733.00)	(3,106,310.00)	(851,818.00)	(1,436,970.00)
	(198,613.00)	**586,706.00**	**(451,094.00)**	**(1,119,694.00)**

Community Development				
Expenses	1,143,009.00	596,908.00	632,756.00	484,901.00
Charges for Services	(20,522.00)	(19,652.00)	(47,108.00)	(31,838.00)
Operatin Grants & Contributions	(1,011,619.00)	(432,733.00)	(179,408.00)	(158,890.00)
	110,868.00	**144,523.00**	**406,240.00**	**294,173.00**
Interest and Fiscal Charges				
Expenses	132,782.55	46,028.00	46,028.00	2,063.00
	132,782.55	**46,028.00**	**46,028.00**	**2,063.00**
Water Fund				
Expenses	827,550.00	934,795.00	902,924.00	1,138,171.00
Charges for Services	(591,952.00)	(705,062.00)	(924,884.00)	(987,823.00)
Capital Grants and Contributions	(31,680.00)	(44,880.00)	(7,920.00)	(6,230.00)
	203,918.00	**184,853.00**	**(29,880.00)**	**144,118.00**
Refuse/Solid Waste Fund				
Expenses	726,742.00	762,875.00	803,383.00	870,420.00
Charges for Services	(786,474.00)	(823,563.00)	(834,527.00)	(851,545.00)
Operating Grants and Contributions	(10,000.00)	5,000.00	(10,000.00)	(624.00)
	(69,732.00)	**(55,688.00)**	**(41,144.00)**	**18,251.00**
Sewer Fund				
Expenses	978,503.00	991,033.00	999,771.00	1,181,472.00
Charges for Services	(1,834,679.00)	(1,965,208.00)	(1,981,879.00)	(1,973,337.00)
Capital Grants and Contributions	(46,536.00)	(67,081.00)	(5,263,673.00)	(9,552.00)
	(987,861.00)	**(1,041,256.00)**	**(6,245,781.00)**	**(801,417.00)**
Governmental - General Revenues				
Property Taxes	(1,317,085.00)	(1,321,805.00)	(1,369,636.00)	(1,434,714.00)
Sales Taxes	(819,790.00)	(1,127,213.00)	(1,522,607.00)	(1,774,721.00)
Franchise Taxes	(117,662.00)	(128,556.00)	(140,606.00)	(150,109.00)
Cannabis Taxes	0.00	0.00	0.00	(691,919.00)
Other Taxes	(9,753.00)	(9,999.00)	(8,332.00)	(7,019.00)
Motor Vehicle In-Lieu	(5,000.00)	0.00	0.00	0.00
Rental Income	(177,112.00)	(180,148.00)	(180,246.00)	(184,422.00)
Earnings on Investments	8,532.00	7,215.00	(188,628.00)	(298,387.00)
Gain on Sale of Capital Assets	0.00	0.00	0.00	16,044.00
Miscellaneous	(170,527.00)	(93,458.00)	(78,965.00)	(96,756.00)
Transfers	0.00	0.00	(138,013.00)	(68,000.00)
	(2,608,397.00)	**(2,853,964.00)**	**(3,627,033.00)**	**(4,690,003.00)**
Business - General Revenues				
Earnings on Investments	(25,647.00)	(50,879.00)	(94,765.00)	(107,249.00)
Miscellaneous	(50,082.00)	(478.00)	(368.00)	(870.00)
Transfers	0.00	0.00	138,013.00	68,000.00
	(75,729.00)	**(51,357.00)**	**42,880.00**	**(40,119.00)**
Government-Wide Grouping Codes	**(1,186,929.45)**	**(666,058.00)**	**(6,813,115.00)**	**(2,757,796.00)**
Net Income (Loss)	**1,186,929.45**	**666,058.00**	**6,813,115.00**	**2,757,796.00**
Total Revenue	**(11,435,451.00)**	**(13,321,168.00)**	**(15,896,707.00)**	**(11,806,618.00)**
Total Expense	**10,248,521.55**	**12,655,110.00**	**9,083,592.00**	**9,048,822.00**

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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.

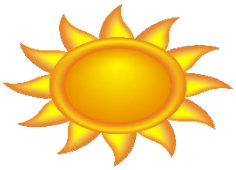
Special budget hearings are scheduled for mid to late May, where the proposed budget is rolled out by the City Manager and Director of Finance & Administration. Each City department is available to present or further explain their portion of the budget.

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.

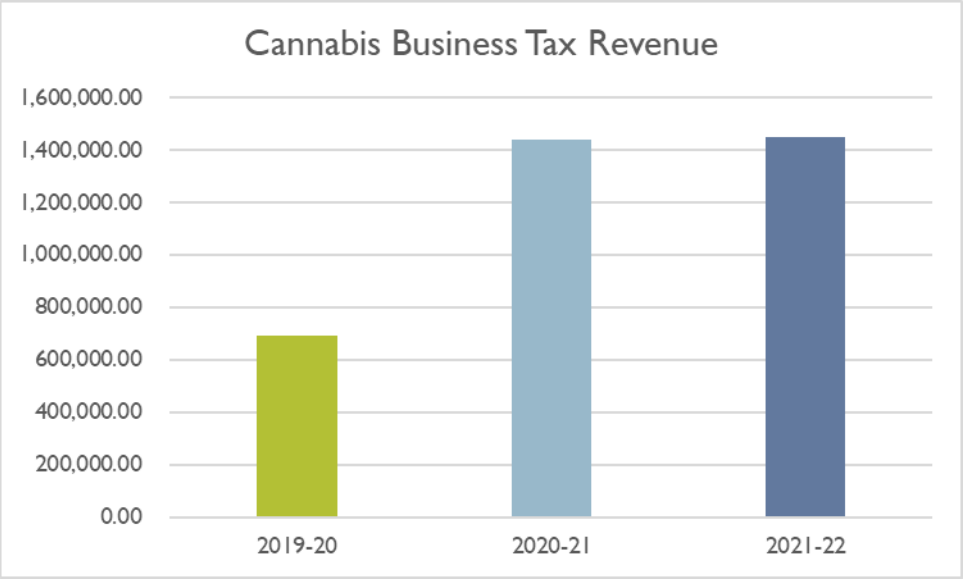
Finally, the market share is currently limited by the amount of permits allowed by the City Council but even more so by participation in surrounding jurisdictions. Currently, the City of Visalia does not allow commercial dispensaries and therefore Farmersville is the closest retail and delivery option 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.

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 for FY 2021-22

The City received $693,745.96 in FY 2019-20, the first year of operation of the new dispensaries in Farmersville.

The City anticipates that it will receive about $1,441,082 for FY 2020-21, exceeding budgeted figures.

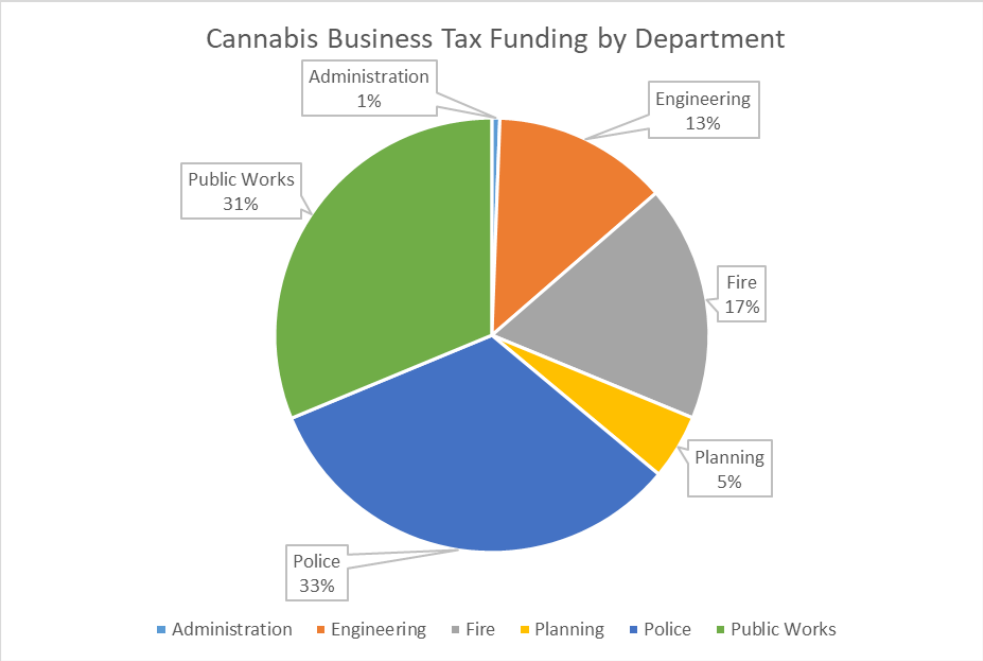


The City has projected that Measure Q revenue will be $1,450,000 for FY 2021-22. This is based on current performance, considering current market assumptions, and not accounting for any additional revenues from a third dispensary that may open sometime in FY 2021-22.

Measure Q Expense for FY 2021-22

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.

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).



For FY 2021-22, the City has $1,233,183 in expenses budgeted. Of that amount, $743,183 is going to support the capital costs of the General Fund in a variety of ways, detailed below.

GENERAL FUND CAPITAL PROJECTS PAID WITH CBT		AMOUNT
MUNIS System Upgrades (shared with enterprise funds)	$	4,380
City Hall Parking Lot (Phase 1)	$	22,000
Residential Streetlight Study	$	50,000
ADA Sidewalk Improvements	$	25,000
Fire Engine	$	115,567
Hand Held Radios (3)	$	15,000
Park Irrigation Upgrade	$	10,000
Sports Park Rehabilitation Project	$	17,000
Liberty Park Trail Lighting	$	114,000
Bobcat & Trailer ($113,411)	$	37,804
Civic Center HVAC ($85,219.71)	$	28,407
Museum & Event Center Exterior Painting	$	25,000
Downtown Specific Plan (SB2 Grant)	$	15,000
General Plan Update	$	21,000
Patrol Vehicle Replacement (FY20)	$	48,737
Patrol Vehicle Replacement (FY20)	$	2,390
Patrol Vehicle Replacement (FY22)	$	54,000
Patrol Vehicle Replacement (FY22)	$	2,900
Tablet and Modem Update (Dispatch Hardware)	$	60,000
Police Office Remodel (Phase 3)	$	75,000
TOTAL		743,183

The other $470,000 budgeted is being used to cover costs relative to ongoing Cannabis Business Tax operations (HDL and related costs), the one additional Police Officer position, and several one-time operational expenditures, also detailed below.

GENERAL FUND OPERATION COSTS PAID WITH CBT	AMOUNT
HDL Cannabis Compliance Services & Management	$ 30,000
Salary & Benefits of 1 additional police officer	$ 82,000
Additional officer supplies and equipment	$ 10,000
New City Logo Project	$ 5,000
Townsend Public Affairs contract	$ 60,000
Strategic Fire Department Study	$ 80,000
Additional Temporary Public Works staff	$ 103,000
Administrative Compliance Consulting & Gap fill	$ 100,000
TOTAL	470,000

For Fiscal Year 2021-22 forecasted revenues of $1,450,000 less budgeted expenditures of $1,213,183 leaves $236,817 in reserve to handle unexpected or unbudgeted expenses of the City or for future costs.

The ending available fund balance as of 6/30/2021 is approximately $1,654,793.

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 following:

- $255,000 grant match for expenses related to Sports Park development, if the new grant is awarded.

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 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021 (As of 04/30/20)
01 GENERAL FUND	1,548,446.59	(2,715.49)	434,595.70	968,446.73
102 GENERAL FUND RESERVE	-	1,670,709.50	1,439,868.82	1,439,868.82
103 GENERAL FUND CAPITAL	-	-	44,081.31	401,649.76
104 CANNABIS CAPITAL FUND	-	-	383,619.12	994,134.96
02 WATER UTILITY	721,361.69	850,005.45	899,441.67	1,140,767.42
03 WATER DEVELOPMENT	659,186.31	562,492.16	380,419.72	383,470.60
04 SEWER UTILITY	3,168,933.31	5,253,961.63	2,662,554.32	4,827,605.34
05 SEWER DEVELOPMENT	955,897.22	980,630.89	1,004,457.45	1,015,741.19
06 REFUSE	290,351.46	335,393.65	360,425.20	401,076.19
08 SELF INSURED RESERVE	182,000.00	-	-	-
09 CUSTOMER DEPOSITS	69,344.34	72,592.06	11,262.60	14,765.13
11 DRUG ENFORCEMENT	27,940.99	19,795.01	16,962.82	20,239.92
12 FEDERAL AND STATE GRANTS	(264,376.79)	(312,256.74)	(92,032.72)	(313,075.19)
14 POLICE DEPT SLESF	186,349.98	241,696.58	239,232.43	211,624.54
15 POLICE DEPT AB109	-	-	-	-
20 STP	1,019,393.46	1,033,306.84	1,048,578.10	1,048,578.10
21 GAS TAX	415,415.33	395,613.77	409,523.80	362,277.02
22 TDA	1,048,362.66	881,616.01	1,138,543.28	1,109,765.71
23 STORM DRAIN	143,910.12	148,616.72	152,931.22	153,226.57
25 STREET MITIGATION FUND	31,205.67	31,631.59	32,090.60	90.60
26 MEASURE R FUND	2,435,298.31	1,565,892.35	1,399,930.99	1,098,669.86
27 RMRA (SB1) FUND	(23,671.42)	125,209.15	256,830.88	(1,001,216.60)
30 PARK DEVELOPMENT	17,146.70	17,983.46	18,718.68	18,747.49
31 PARK IMPROVEMENTS	14,930.36	(140,334.93)	(11,515.72)	(95,047.11)
35 MAINTENANCE DISTRICT	96,078.17	80,023.45	20,312.60	(8,662.63)
39 CITY PROPERTY FUND	9,500.49	9,630.73	21,944.80	53,311.23
40 CDBG PROGRAM INCOME	16,156.67	29,772.39	3,527.14	54,191.14
41 HOME PROGRAM INCOME	74,730.25	9,907.21	36,383.73	65,983.73
42 CAL HOME PROGRAM INCOME	178,062.77	69,396.01	123,300.11	256,067.61
71 FIRE DEVELOPER FEES	147,907.34	155,850.91	162,774.50	155,364.28
80 EVIDENCE HOLDING	11,051.45	11,202.29	11,364.85	11,364.85
81 POLICE DEVELOPER FEES	206,683.33	210,972.36	151,768.42	17,389.44
82 ASSET FORFEITURE	6,342.52	2,727.61	2,767.19	2,274.84
83 LIVE SCAN	(2,261.00)	(3,229.00)	(3,765.00)	(4,344.00)
	13,391,678.28	14,308,093.62	12,760,898.61	14,804,347.54

Proposed Fiscal Year 2021-22 Budget by Fund

Fund	Personnel	Maintenance & Operation	Capital Outlay	Total Expenditure	Total Revenue
01 GENERAL FUND	3,143,124	2,425,421	-	5,568,545	(5,668,264)
102 GENERAL FUND RESERVE	-	-	-	-	-
103 GENERAL FUND CAPITAL	-	-	743,183	743,183	(743,183)
104 CANNABIS CAPITAL FUND	-	470,000	743,183	1,213,183	(1,453,673)
02 WATER UTILITY	489,283	415,450	303,460	1,208,193	(1,125,813)
03 WATER DEVELOPMENT	-	-	-	-	(17,960)
04 SEWER UTILITY	465,378	702,160	647,460	1,814,998	(2,006,100)
05 SEWER DEVELOPMENT	-	-	243,000	243,000	(28,879)
06 REFUSE	165,954	719,970	-	885,924	(890,361)
08 SELF INSURED RESERVE	-	-	-	-	-
09 CUSTOMER DEPOSITS	-	-	-	-	-
11 DRUG ENFORCEMENT	-	-	-	-	(97)
12 FEDERAL AND STATE GRANTS	-	793,703	793,000	1,586,703	(1,586,703)
14 POLICE DEPT SLESF	194,838	-	-	194,838	(151,328)
15 POLICE DEPT AB109	-	-	-	-	-
20 STP	-	-	-	-	(755,831)
21 GAS TAX	150,875	160,500	-	311,375	(278,688)
22 TDA	-	75,000	2,040,188	2,115,188	(656,292)
23 STORM DRAIN	-	154,000	-	154,000	(3,581)
25 STREET MITIGATION FUND	-	-	-	-	-
26 MEASURE R FUND	-	30,000	10,300,000	10,330,000	(10,109,771)
27 RMRA (SB1) FUND	-	-	-	-	(215,775)
30 PARK DEVELOPMENT	-	-	-	-	(1,304)
31 PARK IMPROVEMENTS	-	-	1,385,234	1,385,234	(1,377,734)
35 MAINTENANCE DISTRICT	15,995	46,764	-	62,759	(61,895)
39 CITY PROPERTY FUND	-	42,700	-	42,700	(85,826)
40 CDBG PROGRAM INCOME	-	-	-	-	(334,057)
41 HOME PROGRAM INCOME	-	-	-	-	(233)
42 CAL HOME PROGRAM INCOME	-	-	-	-	(1,044)
60 AMERICAN RESCUE PLAN	-	-	133,250	133,250	(1,000,000)
71 FIRE DEVELOPER FEES	-	-	18,350	18,350	(12,666)
80 EVIDENCE HOLDING	-	-	-	-	(21,271)
81 POLICE DEVELOPER FEES	-	-	-	-	(13)
82 ASSET FORFEITURE	-	-	-	-	-
	4,625,447	6,035,669	17,350,308	28,011,425	(28,588,343)

Summary of General Fund Expenditure By Department

General Fund	Fiscal Year 2020 Actuals				Fiscal Year 2021 Revised Budget				Fiscal Year 2022 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	-	-	-	-
401 CITY COUNCIL	-	7,962	-	7,962	-	15,000	-	15,000	-	41,000	-	41,000
404 ADMINISTRATION	166,866	76,641	-	243,507	176,426	150,500	-	326,926	283,943	276,500	-	560,443
405 MEMBERSHIPS LEGISLATIVE	-	19,230	-	19,230	-	18,000	-	18,000	-	20,500	-	20,500
406 ADMINISTRATION OVERHEAD	-	214,556	-	214,556	-	643,071	-	643,071	-	741,107	-	741,107
407 CITY SPONSORSHIPS	-	2,019	-	2,019	-	6,000	-	6,000	-	6,000	-	6,000
411 POLICE	1,759,767	445,504	-	2,205,271	2,014,153	346,150	-	2,360,303	2,221,833	382,550	-	2,604,383
414 COMMUNITY DEVELOPMENT	-	225,006	-	225,006	45,439	372,100	-	417,539	49,392	365,000	-	414,392
415 CODE ENFORCEMENT	57,741	16,033	-	73,774	86,876	18,650	-	105,526	92,569	25,750	-	118,319
420 FIRE DEPARTMENT	241,933	136,484	-	378,417	274,577	190,300	-	464,877	308,513	271,300	-	579,813
425 PUBLIC WORKS	113,888	125,422	-	239,311	111,150	212,005	-	323,155	186,874	221,850	-	408,724
426 ANIMAL CONTROL	-	75,093	-	75,093	-	73,865	-	73,865	-	73,865	-	73,865
	2,340,195	1,343,950	-	3,684,145	2,708,621	2,045,641	150,000	4,904,262	3,143,124	2,425,422	-	5,568,546

Estimated General Fund Net Position

		Beginning Balance	Expense	Revenue	Ending Balance
Beginning Balance as of 04/30/2020		2,408,316			
	Less: Fund Minimum Balance	1,035,806			
	Less: Budgeted Expense		5,568,545		
	Add: Budgeted Revenue			5,668,264	
Estimated Available Balance as of 06/30/2021					**1,472,228.55**

Summary of Revenues by Fund

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
01 GENERAL FUND	4,059,821	4,233,672	5,484,961	5,668,264
102 GENERAL FUND RESERVE	1,670,710	20,595	-	-
103 GENERAL FUND CAPITAL	-	339,436	422,422	743,183
104 CANNABIS CAPITAL FUND	-	693,746	1,021,817	1,453,673
02 WATER UTILITY	937,336	987,471	985,982	1,125,813
03 WATER DEVELOPMENT	15,673	13,764	19,320	17,960
04 SEWER UTILITY	7,291,137	2,039,115	9,500,643	2,006,100
05 SEWER DEVELOPMENT	24,734	23,827	29,056	28,879
06 REFUSE	849,141	857,594	848,829	890,361
08 SELF INSURED RESERVE	-	-	150,000	-
11 DRUG ENFORCEMENT	349	3,209	169	97
12 FEDERAL AND STATE GRANTS	697,314	468,273	1,521,229	1,586,703
14 POLICE DEPT SLESF	151,676	159,630	141,214	151,328
15 POLICE DEPT AB109	-	-	-	-
20 STP	13,913	15,271	756,173	755,831
21 GAS TAX	240,804	266,556	267,703	278,688
22 TDA	369,394	393,611	404,649	656,292
23 STORM DRAIN	4,707	4,315	3,601	3,581
25 STREET MITIGATION FUND	426	459	189	-
26 MEASURE R FUND	522,812	1,077,951	7,044,009	10,109,771
27 RMRA (SB1) FUND	210,787	199,701	202,965	215,775
30 PARK DEVELOPMENT	837	735	1,304	1,304
31 PARK IMPROVEMENTS	200,232	30,540	1,174,103	1,377,734
35 MAINTENANCE DISTRICT	62,617	63,291	61,798	61,895
39 CITY PROPERTY FUND	(120)	52,701	83,229	85,826
40 CDBG PROGRAM INCOME	151,580	17,525	334,470	334,057
41 HOME PROGRAM INCOME	136	40,361	61	233
42 CAL HOME PROGRAM INCOME	31,138	101,839	1,134	1,044
60 AMERICAN RESUE PLAN	-	-	-	1,000,000
71 FIRE DEVELOPER FEES	7,944	6,924	12,692	12,666
80 EVIDENCE HOLDING	151	163	-	-
81 POLICE DEVELOPER FEES	6,492	5,653	21,975	21,271
82 ASSET FORFEITURE	78	40	32	13
83 LIVE SCAN	1,806	1,085	-	-
	17,523,623	12,119,049	30,495,729	28,588,342

Summary of Expenditures by Fund

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
01 GENERAL FUND	4,129,627	3,684,145	4,904,262	5,568,545
102 GENERAL FUND RESERVE	-	251,436	-	-
103 GENERAL FUND CAPITAL	-	295,723	422,422	743,183
104 CANNABIS CAPITAL FUND	-	-	1,018,424	1,213,183
02 WATER UTILITY	928,569	960,967	1,058,646	1,208,193
03 WATER DEVELOPMENT	112,367	195,836	200,000	-
04 SEWER UTILITY	999,771	1,212,814	9,283,553	1,814,998
05 SEWER DEVELOPMENT	-	-	-	243,000
06 REFUSE	803,381	870,420	793,796	885,924
08 SELF INSURED RESERVE	-	-	-	-
11 DRUG ENFORCEMENT	8,495	19,879	-	-
12 FEDERAL AND STATE GRANTS	583,856	535,813	1,290,444	1,586,703
14 POLICE DEPT SLESF	100,944	164,943	179,247	194,838
15 POLICE DEPT AB109	-	-	-	-
20 STP	-	-	750,000	-
21 GAS TAX	267,224	253,165	355,617	311,375
22 TDA	129,700	49,699	192,000	2,115,188
23 STORM DRAIN	-	-	-	154,000
25 STREET MITIGATION FUND	-	-	32,000	-
26 MEASURE R FUND	372,643	862,084	6,980,000	10,330,000
27 RMRA (SB1) FUND	53,300	71,491	650,000	-
30 PARK DEVELOPMENT	-	-	-	-
31 PARK IMPROVEMENTS	208,036	64,655	1,190,103	1,385,234
35 MAINTENANCE DISTRICT	71,812	125,901	160,974	62,759
39 CITY PROPERTY FUND	-	41,659	49,200	42,700
40 CDBG PROGRAM INCOME	133,411	43,770	334,000	-
41 HOME PROGRAM INCOME	614	13,884	-	-
42 CAL HOME PROGRAM INCOME	141,424	46,316	-	-
60 AMERICAN RESCUE PLAN	-	-	-	133,250
71 FIRE DEVELOPER FEES	-	-	66,000	18,350
80 EVIDENCE HOLDING	-	-	-	-
81 POLICE DEVELOPER FEES	2,203	64,857	80,000	-
82 ASSET FORFEITURE	3,693	-	-	-
83 LIVE SCAN	2,948	1,474	-	-
	9,054,018	9,830,930	29,990,689	28,011,425

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
400 General	01 GENERAL FUND	1,658,330	-	150,000	-
	102 GENERAL FUND RESERVE	-	251,436	-	-
	104 CANNABIS CAPITAL FUND	-	-	1,018,424	1,213,183
	12 FEDERAL AND STATE GRANTS	583,856	535,813	1,290,444	1,586,703
General Total		2,242,186	787,249	2,458,868	2,799,886
401 City Council	01 GENERAL FUND	11,113	7,962	15,000	41,000
City Council Total		11,113	7,962	15,000	41,000
404 Administration	01 GENERAL FUND	233,140	243,507	326,926	560,443
	103 GENERAL FUND CAPITAL	-	111,702	6,280	4,380
	02 WATER UTILITY	213,788	267,072	260,783	313,198
	04 SEWER UTILITY	213,789	244,254	260,783	289,294
	06 REFUSE	72,055	73,414	60,996	70,269
	21 GAS TAX	-	8,871	17,986	20,479
	40 CDBG PROGRAM INCOME	133,411	43,770	334,000	-
	41 HOME PROGRAM INCOME	614	13,884	-	-
	42 CAL HOME PROGRAM INCOME	141,424	46,316	-	-
	60 AMERICAN RESCUE PLAN	-	-	-	133,250
Administrative Total		1,008,222	1,052,791	1,267,754	1,391,313

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
405 Membership Legislative	01 GENERAL FUND	22,604	19,230	18,000	20,500
Membership Legislative Total		22,604	19,230	18,000	20,500
406 Administration Overhead	01 GENERAL FUND	246,030	214,556	643,071	741,107
Administration Overhead Total		246,030	214,556	643,071	741,107
407 City Sponsorships	01 GENERAL FUND	5,324	2,019	6,000	6,000
City Sponsorships Total		5,324	2,019	6,000	6,000
409 City Properties	01 GENERAL FUND	70,781	-	-	-
City Properties Total		70,781	-	-	-
411 Police	01 GENERAL FUND	2,172,133	2,205,271	2,360,303	2,604,383
	103 GENERAL FUND CAPITAL	-	72,857	179,476	243,026
	11 DRUG ENFORCEMENT	8,495	19,879	-	-
	14 POLICE DEPT SLESF	100,944	164,943	179,247	194,838
	15 POLICE DEPT AB109	-	-	-	-
	81 POLICE DEVELOPER FEES	2,203	64,857	80,000	-
	82 ASSET FORFEITURE	3,693	-	-	-
	83 LIVE SCAN	2,948	1,474	-	-
Police Total		2,290,416	2,529,281	2,799,026	3,042,247

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
414 Community Development	01 GENERAL FUND	383,650	225,006	417,539	414,392
	103 GENERAL FUND CAPITAL	-	-	7,500	36,000
Community Development Total		383,650	225,006	425,039	450,392
415 Code Enforcement	01 GENERAL FUND	26,432	73,774	105,526	118,319
	103 GENERAL FUND CAPITAL	-	39,591	-	-
Code Enforcement Total		26,432	113,365	105,526	118,319
420 Fire	01 GENERAL FUND	732,417	378,417	464,877	579,813
	103 GENERAL FUND CAPITAL	-	-	145,734	130,567
	71 FIRE DEVELOPER FEES	-	-	66,000	18,350
Fire Total		732,417	378,417	676,611	728,730
425 Public Works	01 GENERAL FUND	149,721	239,311	323,155	408,724
	103 GENERAL FUND CAPITAL	-	71,574	83,432	329,210
	02 WATER UTILITY	712,127	693,895	797,863	894,995
	03 WATER DEVELOPMENT	112,367	195,836	200,000	-
	04 SEWER UTILITY	783,328	968,559	9,022,770	1,525,705
	05 SEWER DEVELOPMENT	-	-	-	243,000
	06 REFUSE	730,433	797,006	732,800	815,655
	20 STP	-	-	750,000	-
	21 GAS TAX	267,224	244,294	337,631	290,896
	22 TDA	129,700	49,699	192,000	2,115,188

Summary of Expenditures by Department

Department	Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
	23 STORM DRAIN	-	-	-	154,000
	25 STREET MITIGATION	-	-	32,000	-
	26 MEASURE R FUND	372,643	862,084	6,980,000	10,330,000
	27 SB1 Road Maintenance & Rehab	53,300	71,491	650,000	-
	31 PARK IMPROVEMENTS	208,036	64,655	1,190,103	1,385,234
	35 MAINTENANCE DISTRICT	71,812	125,901	160,974	62,759
	39 CITY PROPERTIES	-	41,659	49,200	42,700
Public Works Total		3,590,691	4,425,963	21,501,928	18,598,066
426 Animal Control	01 GENERAL FUND	76,283	75,093	73,865	73,865
Animal Control Total		76,283	75,093	73,865	73,865
Grand Total		10,706,147	9,830,930	29,990,688	28,011,425

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
400 General	CAPITAL OUTLAY	583,856	251,436	2,458,868	2,799,886
	OTHER	1,658,330	-	-	-
	PROFESSIONAL & CONTRACTUAL SRV	-	535,813	-	-
General Total		2,242,186	787,249	2,458,868	2,799,886
401 City Council	OPERATING SERVICES & SUPPLIES	6,409	6,187	1,000	6,000
	PROFESSIONAL & CONTRACTUAL SRV	4,704	1,775	14,000	35,000
City Council Total		11,113	7,962	15,000	41,000
404 Administration	CAPITAL OUTLAY	54,868	111,702	340,280	4,380
	OPERATING SERVICES & SUPPLIES	20,518	22,772	25,500	26,500
	OTHER	51,475	-	-	133,250
	PROFESSIONAL & CONTRACTUAL SRV	224,663	157,839	125,000	250,000
	SALARIES & BENEFITS	656,697	760,477	776,974	977,183
Administrative Total		1,008,222	1,052,791	1,267,754	1,391,313
405 Membership Legislative	PROFESSIONAL & CONTRACTUAL SRV	22,604	19,230	18,000	20,500
Membership Legislative Total		22,604	19,230	18,000	20,500
406 Administration Overhead	CAPITAL OUTLAY	105,650	-	-	-
	OPERATING SERVICES & SUPPLIES	151,712	204,897	236,571	334,607
	OTHER	(369,894)	(335,962)	-	-
	PROFESSIONAL & CONTRACTUAL SRV	315,537	305,558	360,000	360,000
	UTILITIES	43,024	40,063	46,500	46,500
Administration Overhead Total		246,030	214,556	643,071	741,107

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
407 City Sponsorships	PROFESSIONAL & CONTRACTUAL SRV	5,324	2,019	6,000	6,000
City Sponsorships Total		5,324	2,019	6,000	6,000
409 City Properties	PROFESSIONAL & CONTRACTUAL SRV	52,883	-	-	-
	UTILITIES	17,899	-	-	-
City Properties Total		70,781	-	-	-
411 Police	CAPITAL OUTLAY	86,363	72,857	259,476	243,026
	OPERATING SERVICES & SUPPLIES	124,966	455,916	170,650	177,150
	OTHER	-	-		
	PROFESSIONAL & CONTRACTUAL SRV	148,689	151,532	175,000	205,400
	SALARIES & BENEFITS	1,914,605	1,848,976	2,193,900	2,416,671
	UTILITIES	15,792	-	-	-
Police Total		2,290,416	2,529,281	2,799,026	3,042,247
414 Community Development	CAPITAL OUTLAY	-	-	7,500	36,000
	OTHER	224,927	615	18,100	15,000
	PROFESSIONAL & CONTRACTUAL SRV	158,722	209,030	354,000	350,000
	SALARIES & BENEFITS	-	15,361	45,439	49,392
Community Development Total		383,650	225,006	425,039	450,392
415 Code Enforcement	CAPITAL OUTLAY	-	39,591	-	-
	OPERATING SERVICES & SUPPLIES	4,016	3,133	8,150	8,750
	PROFESSIONAL & CONTRACTUAL SRV	477	6,258	2,500	10,000
	SALARIES & BENEFITS	20,347	57,741	86,876	92,569
	UTILITIES	1,591	6,642	8,000	7,000

Summary of Expenditures by Department & Type

Department	Category	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Code Enforcement Total		26,432	113,365	105,526	118,319
420 Fire	CAPITAL OUTLAY	13,670	-	211,734	148,917
	OPERATING SERVICES & SUPPLIES	37,494	48,760	75,000	125,000
	OTHER	-	-	-	-
	PROFESSIONAL & CONTRACTUAL SRV	116,978	76,755	102,000	130,000
	SALARIES & BENEFITS	558,576	241,933	274,577	308,513
	UTILITIES	5,698	10,969	13,300	16,300
Fire Total		732,417	378,417	676,611	728,730
425 Public Works	CAPITAL OUTLAY	922,627	71,574	18,111,758	14,170,342
	OPERATING SERVICES & SUPPLIES	587,188	2,050,322	905,651	1,490,849
	OTHER	138,013	177,081	100,000	234,560
	PROFESSIONAL & CONTRACTUAL SRV	963,651	1,019,219	1,248,964	1,429,732
	SALARIES & BENEFITS	743,837	791,724	806,091	791,119
	UTILITIES	235,375	316,044	329,464	481,464
Public Works Total		3,590,691	4,425,963	21,501,928	18,598,066
426 Animal Control	OPERATING SERVICES & SUPPLIES	1,743	-	-	-
	PROFESSIONAL & CONTRACTUAL SRV	64,315	75,093	73,865	73,865
	SALARIES & BENEFITS	9,796	-	-	-
	UTILITES	429	-	-	-
Animal Control Total		76,283	75,093	73,865	73,865
Grand Total		**10,706,146**	**9,830,930**	**29,990,688**	**28,011,425**

Summary of Restricted Funds

Fund	Fiscal Year 2021 (As of 04/30/21)	Fiscal Year 2022 Proposed Revenue	Fiscal Year 2022 Proposed Expense	Summary
02 WATER UTILITY	1,140,648.54	1,125,813.00	1,208,193.00	1,058,268.54
03 WATER DEVELOPMENT	383,470.60	17,960.00	-	401,430.60
04 SEWER UTILITY	4,827,690.27	2,006,100.00	1,814,998.00	5,018,792.27
05 SEWER DEVELOPMENT	1,015,741.19	28,879.00	243,000.00	801,620.19
06 REFUSE	401,110.14	890,361.00	885,924.00	405,547.14
11 DRUG ENFORCEMENT	20,239.92	97.00	-	20,336.92
12 FEDERAL AND STATE GRANTS	(313,075.19)	1,586,703.00	1,586,703.00	(313,075.19)
14 POLICE DEPT SLESF	211,624.54	151,328.00	194,838.00	168,114.54
20 STP	1,048,578.10	755,831.00	-	1,804,409.10
21 GAS TAX	362,277.02	278,688.00	311,375.00	329,590.02
22 TDA	1,109,765.71	656,292.00	115,188.00	1,650,869.71
23 STORM DRAIN	153,226.57	3,581.00	154,000.00	2,807.57
25 STREET MITIGATION FUND	90.60	-	-	90.60
26 MEASURE R FUND	1,098,669.86	10,109,771.00	10,330,000.00	878,440.86
27 RMRA (SB1) FUND	(1,001,216.60)	215,775.00	-	(785,441.60)
30 PARK DEVELOPMENT	18,747.49	1,304.00	-	20,051.49
31 PARK IMPROVEMENTS	(95,047.11)	1,377,734.00	1,385,234.00	(102,547.11)
35 MAINTENCE DISTRICT	(8,662.63)	61,895.00	62,759.00	(9,526.63)
40 CDBG PROGRAM INCOME	54,191.14	334,057.00	-	388,248.14
41 HOME PROGRAM INCOME	65,983.73	233.00	-	66,216.73
42 CAL HOME PROGRAM INCOME	256,067.61	1,044.00	-	257,111.61
71 FIRE DEVELOPER FEES	155,364.28	12,666.00	18,350.00	149,680.28
80 EVIDENCE HOLDING	11,364.85	-	-	11,364.85
81 POLICE DEVELOPER FEES	17,389.44	21,271.00	-	38,660.44
82 ASSET FORFEITURE	2,274.84	13.00	-	2,287.84
Grand Total	**10,936,514.91**	**19,637,396.00**	**18,310,562.00**	**12,263,348.91**

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	46,238	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	122,000	ANNUAL EXPENSE RELATIVE TO CANNABIS OPERATIONS
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	140,000	PROFESSIONAL CONSULTANTS CONTRACTS
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	100,000	REVENUE SHORT FALL GAP FILL, IF NEEDED
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	5,000	CITY LOGO PROJECT
	01-400-9000	GENERAL FUND TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	103,000	PUBLIC WORKS TEMP EMPLOYEES
GENERAL FUND TOTAL					1,014,488	
103 GENERAL FUND CAPITAL						
	103-400-9000	GENERAL FUND CAPITAL TRANSFER IN	104-400-9001	CANNABIS FUND TRANSFER OUT	743,183	COVER GENERAL FUND CAPITAL COSTS FOR FY 2022
GENERAL FUND CAPITAL TOTAL					743,183	Total
02 WATER UTILITY						
	02-400-9000	STATE AND FEDERAL GRANTS TRANSFER IN	60-404-9001	ARP REVENUE TRANSFER OUT	61,250	ARP TO FUND NEW WELL ENGINEERING COST
WATER UTILITY FUND TOTAL					61,250	Total
12 STATE AND FEDERAL GRANTS						
	12-400-9000	STATE AND FEDERAL GRANTS TRANSFER IN	60-404-9001	ARP REVENUE TRANSFER OUT	72,000	TO COVER EXCEEDING OES GRANT FOR BACK UP GENERATOR
STATE AND FEDERAL FUND TOTAL					72,000	Total
26 MEASURE R						
	26-425-9000	MEASURE R TRANSFER IN	05-425-9001	SEWER DEVELOPMENT	243,000	TO COVER INELIGIBLE EXPENSE WITH N. FARMERSVILLE BLVD PROJECT
	26-425-9000	MEASURE R TRANSFER IN	23-425-9001	STORM DRAIN DEVELOPMENT	154,000	TO COVER INELIGIBLE EXPENSE WITH N. FARMERSVILLE BLVD PROJECT
MEASURE R FUND TOTAL					397,000	Total
Grand Total					2,287,921.00	

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
01 GENERAL FUND					
400 GENERAL REVENUES					
01 -400-400 -4001 -	PROPERTY TAX	(282,240)	(307,000)	(286,083)	(307,000)
01 -400-400 -4002 -	SALES TAX (54058)	(682,000)	(1,000,000)	(805,698)	(1,100,000)
01 -400-400 -4003 -	SALES TAX-PROP 172	(15,000)	(20,000)	(12,422)	(20,000)
01 -400-400 -4004 -	FRANCHISE FEE	(127,000)	(150,000)	(79,799)	(162,939)
01 -400-400 -4005 -	PROPERTY TAX - VLF	(1,048,083)	(1,068,744)	(1,077,104)	(1,100,000)
01 -400-400 -4006 -	REAL PROP TRANSFER TAX	(2,500)	(2,500)	(4,577)	(2,500)
01 -400-400 -4007 -	PROPERTY TAX - PRIOR	(2,500)	(2,500)	-	(2,500)
01 -400-400 -4008 -	PROPERTY TAX - SUPPLEMENTAL CR	(2,500)	(2,500)	-	(2,500)
01 -400-400 -4009 -	PROPERTY TAX - SUPPLEMENTAL PR	(2,500)	(2,500)	-	(2,500)
01 -400-400 -4010 -	CASH OVER AND SHORT	-	-	(64)	-
01 -400-400 -4040 -	INVESTMENT EARNINGS	(8,450)	(8,450)	(116,643)	(9,790)
01 -400-400 -4051 -	M V IN-LIEU FEES	-	-	-	-
01 -400-400 -4055 -	PROPERTY TAX RELIEF	-	-	-	-
01 -400-400 -4059 -	NOTARY FEES	-	-	(120)	-
01 -400-400 -4077 -	PROPERTY TAX INCREMENTS	(75,000)	(95,198)	(47,599)	(95,198)
01 -400-400 -4080 -	MISC INCOME (ONE-TIME PAYMENTS)	(5,000)	(5,000)	(23,246)	(5,000)
01 -400-400 -4082 -CARES	CARES GRANTS	-	(140,745)	(140,745)	-
01 -400-400 -4105 -	SALES TAX - ADD ON (121)	(432,000)	(660,000)	(451,251)	(700,000)
01 -400-400 -4109 -	SALES TAX - ADD ON (628)	(432,000)	(660,000)	(453,101)	(700,000)
01 -400-400 -4996 -	GAIN/LOSS ON INVESTMENT	-	-	55,119	-
01 -400-00 -9000 -	OPERATING TRANFER IN	(415,217)	(465,217)	(227,217)	(470,000)
01 -400-00 -9001 -	TRANSFER OUT	150,000	150,000	150,000	-
	TOTAL GENERAL REVENUES	(3,381,990)	(4,440,354)	(3,520,549)	(4,679,927)
401 CITY COUNCIL					
01 -401-300-5202 -	OPERATING SUPPLIES	1,000	1,000	179	6,000
01 -401-300 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	6,000	6,000	2,404	27,000
01 -401-300 -5208 -	EMPLOYEE DEVELOPMENT	8,000	8,000	250	8,000
	TOTAL CITY COUNCIL	15,000	15,000	2,833	41,000
404 ADMINISTRATION					
01 -404-400 -4011 -	BUSINESS LICENSE	(50,000)	(50,000)	(32,069)	(33,000)
01 -404-400 -4012 -	RENTAL LICENSE	-	-	(23,944)	(24,000)
01 -404-400 -4022 -	GARAGE SALE PERMITS	(1,500)	(1,500)	(684)	(1,500)
01 -404-400 -4075 -	RENT	(135,250)	(135,250)	(123,738)	(137,680)
01 -404-000 -4080 -	MISC INCOME	-	-	-	-
01 -404-000 -4084 -	BUSINESS LICENSE PENALTY	-	-	(1,239)	(500)
01 -404-400 -4115 -	CANNABIS COMMERCIAL	(30,000)	(30,000)	(35,100)	(35,000)
01 -404-400 -4116 -	CANNABIS RESIDENTIAL	(40)	(40)	-	-
01 -404-400 -5101 -	SALARIES	130,668	128,069	107,341	204,879
01 -404-400 -5103 -	OVERTIME	200	200	18	200

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
01 -404-400 -5110 -	FICA	8,137	7,976	6,571	12,754
01 -404-400 -5111 -	MEDICARE	1,903	1,865	1,551	2,983
01 -404-400 -5112 -	PERS RETIREMENT	10,038	9,852	8,136	15,390
01 -404-400 -5116 -	LTD/LIFE INSURANCE	1,290	1,265	917	1,942
01 -404-400 -5117 -	WORKERS COMPENSATION	784	784	802	1,133
01 -404-400 -5118 -	CLEANING ALLOWANCE	338	338	338	488
01 -404-400 -5119 -	DEFERRED COMP	2,001	1,950	1,931	7,032
01 -404-400 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
01 -404-400 -5121 -	HEALTH/DENTAL/VISION	18,397	18,397	14,443	27,146
01 -404-400 -5122 -	PERS UAL PAYMENT	5,460	5,487	5,279	9,646
01 -404-400 -5124 -	HEALTHY LIVING	243	243	122	351
01 -404-400 -5202 -	OPERATING SUPPLIES	2,500	2,500	282	2,500
01 -404-400 -5204 -	REPAIRS & MAINENANCE SERVICES	-	-	-	-
01 -404-400 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	85,000	95,000	77,942	220,000
01 -404-400 -5205 - CNBIS	PROFESSIONAL & CONTRACTUAL SRV	30,000	30,000	7,721	30,000
01 -404-400 -5206 -	UTILITIES	-	-	-	-
01 -404-400 -5208 -	EMPLOYEE DEVELOPMENT	20,000	20,000	4,260	20,000
01 -404-400 -5211 -	PHONE/INTERNET	-	-	-	-
01 -404-400 -5255 -	FUEL	-	-	-	-
01 -404-400 -5504 -	EQUIPMENT	3,000	3,000	714	4,000
	TOTAL ADMINISTRATION	103,170	110,136	21,592	328,763
405 MEMBERSHIP LEGISLATION					
01 -405-300 -5205 -	MEMBERSHIPS LEGISLATIVE	18,000	18,000	15,179	20,500
406 ADMINISTRATIVE OVERHEAD					
01 -406-400 -5201 -	OFFICE SUPPLIES	5,000	5,000	2,518	5,000
01 -406-400 -5202 -	OPERATING SUPPLIES	6,000	6,000	129	6,000
01 -406-400 -5203 -	REPAIR & MAINTENANCE SUPPLIES	-	-	-	-
01 -406-400 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	360,000	360,000	191,457	360,000
01 -406-400 -5206 -	UTILITIES	46,500	46,500	23,962	46,500
01 -406-400 -5207 -	INSURANCE	195,571	195,571	192,778	293,357
01 -406-400 -5211 -	PHONE/INTERNET	17,500	17,500	18,824	26,000
01 -406-400 -5250 -	OVERHEAD	(375,000)	(375,000)	-	(475,000)
01 -406-400 -5255 -	FUEL	1,000	1,000	513	750
01 -406-400 -5504 -	EQUIPMENT	11,500	11,500	4,782	3,500
	TOTAL ADMINISTRATIVE OVERHEAD	268,071	268,071	434,962	266,107
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	3,217	6,000
	TOTAL CITY SPONSORSHIPS	6,000	6,000	3,217	6,000

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
411 POLICE					
01 -411-000 -4031 -	VEHICLE CODE FINES	-	-	-	-
01 -411-000 -4032 -	PARKING FINES	(3,000)	(3,000)	(775)	(1,000)
01 -411-100 -4034 -	FINES & FORFEITURES	(15,000)	(15,000)	(5,990)	(5,000)
01 -411-000 -4035 -	FORFEITURES	-	-	-	-
01 -411-100 -4054 -	VEHICLE THEFT	-	-	-	-
01 -411-100 -4063 -	POLICE SERVICES	(22,000)	(22,000)	(20,549)	(15,000)
01 -411-100 -4068 -	SCHOOL DISTRICT REIMBURSEMENT	(179,267)	(109,483)	(80,853)	(117,223)
01 -411-100 -4071 -	DUI REIMBURSEMENT	(2,500)	(2,500)	(8,178)	(2,500)
01 -411-100 -4072 -	POST REIMBURSEMENT	(10,000)	(10,000)	(1,563)	-
01 -411-100 -4080 -	MISC INCOME	(1,000)	(1,000)	-	-
01 -411-000 -4080 -DMV	DMV AUTO THEFT	-	-	-	-
01 -411-000 -4080 -LSCAN	LIVE SCAN REVENUE				(1,000)
01 -411-000 -4081 -PRP56	STATE GRANTS	-	(69,784)	(52,338)	(69,784)
01 -411-100 -4082 -VESTS	BULLETPROOF VESTS	(2,500)	(2,500)	(717)	(2,500)
01 -411-100 -4111 -	TRAFFIC SCHOOL REIMBURSEMENT	-	-	-	-
01 -411-100 -4113 -	RESTITUTION	-	-	-	-
01 -411-000 -9000 -	OPERATING TRANSFER IN	-	-	-	-
01 -411-100 -5101 -	SALARIES	1,153,239	1,167,914	955,550	1,416,119
01 -411-100 -5103 -	OVERTIME	70,000	70,000	74,816	70,000
01 -411-100 -5104 -	RESERVE OFFICER PAY	-	-	-	-
01 -411-100 -5110 -	FICA	72,418	73,417	61,419	88,832
01 -411-100 -5111 -	MEDICARE	16,937	17,170	14,908	20,775
01 -411-100 -5112 -	PERS RETIREMENT	124,334	124,291	100,451	149,155
01 -411-100 -5116 -	LTD/LIFE INSURANCE	11,716	11,793	8,628	13,807
01 -411-100 -5117 -	WORKERS COMPENSATION	79,177	79,177	75,262	85,372
01 -411-100 -5118 -	UNIFORM ALLOWANCE	12,100	12,100	6,050	13,600
01 -411-100 -5119 -	DEFERRED COMP	12,824	13,123	12,740	32,377
01 -411-100 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
01 -411-100 -5121 -	HEALTH/DENTAL/VISION	247,527	247,527	196,741	278,016
01 -411-100 -5122 -	PERS UAL PAYMENT	194,940	194,940	191,341	50,720
01 -411-100 -5124 -	HEALTHY LIVING	2,700	2,700	1,350	3,060
01 -411-100 -5201 -	OFFICE SUPPLIES	4,000	4,000	3,970	4,000
01 -411-100 -5202 -	OPERATING SUPPLIES	12,000	12,000	2,009	14,000
01 -411-100 -5203 -	REPAIR & MAINTENANCE SUPPLIES	2,000	2,000	(163)	-
01 -411-100 -5204 -	REPAIRS & MAINENANCE SERVICES	35,000	35,000	20,853	35,000
01 -411-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	175,500	175,500	145,878	205,400
01 -411-100 -5205 - LSCAN	LIVE SCAN EXPENSE				1,000
01 -411-100 -5208 -	EMPLOYEE DEVELOPMENT	30,000	30,000	10,828	30,000
01 -411-100 -5209 -	UNIFORM MAINTENANCE	2,400	2,400	2,093	2,400
01 -411-100 -5210 -	ADVERTISING	-	-	-	-
01 -411-100 -5211 -	PHONE/INTERNET	28,500	28,500	20,187	29,000

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
01 -411-100 -5255 -	FUEL	45,000	45,000	33,083	50,000
01 -411-100 -5504 -	EQUIPMENT	5,000	5,000	380	5,000
01 -411-100 -5504 -DMV	EQUIPMENT	20,000	-	-	-
01 -411-100 -5504 -VESTS	EQUIPMENT	6,750	6,750	1,436	6,750
01 -411-100 -5514 -	VEHICLES	-	-	-	-
01 -411-100 -5558 -	INTEREST EXPENSE	-	-	-	-
	TOTAL POLICE	2,128,795	2,125,035	1,768,846	2,390,376
414 COMMUNITY DEVELOPMENT					
01 -414-800 -4021 -	BUILDING PERMITS	(1,500)	(1,500)	(4,766)	(1,500)
01 -414-800 -4028 -	CONDITIONAL USE PERMITS	(3,000)	(3,000)	(3,000)	(3,000)
01 -414-000 -4080 -	MISC INCOME	(4,000)	(4,000)	-	(4,000)
01 -414-800 -4120 -	SIGN PERMIT	(1,500)	(1,500)	(100)	(1,500)
01 -414-800 -4121 -	EVENT PERMIT	(300)	(300)	(150)	(300)
01 -414-800 -4122 -	TEMPORARY USE PERMIT - BUSINES	(200)	(200)	(225)	(200)
01 -414-800 -4125 -	ADMINISTRATIVE FEES	(4,500)	(4,500)	(12,210)	(4,500)
01 -414-000 -4130 -	TENTATIVE PARCEL MAP	(1,200)	(1,200)	(2,400)	(1,200)
01 -414-800 -4131 -	FINAL PARCEL MAP	(500)	(500)	(500)	(500)
01 -414-000 -4132 -	ANNEXATION	(200)	(200)	-	(200)
01 -414-000 -4161 -	EIR FEE	(500)	(500)	-	(500)
01 -414-000 -4162 -	ZONE CHANGE	(2,000)	(2,000)	-	(2,000)
01 -414-000 -4163 -	GENERAL PLAN AMENDMENT	(1,350)	(1,350)	-	(1,350)
01 -414-000 -4165 -	ENCROACHMENT PERMIT		-	(370)	-
01 -414-800 -4710 -	SITE PLAN REVIEW FEE	(1,300)	(1,300)	-	(1,300)
01 -414-800 -4711 -	VARIANCE	-	-	(3,400)	-
01 -414-000 -4712 -	LOT LINE ADJUSTMENT	-	-	-	-
01 -414-800 -9000 -	TRANSFER-IN	-	-	-	-
01 -414-800 -5101 -	SALARIES	30,509	30,509	25,638	33,329
01 -414-800 -5110 -	FICA	1,905	1,905	1,600	2,080
01 -414-800 -5111 -	MEDICARE	445	445	374	486
01 -414-800 -5112 -	PERS RETIREMENT	2,349	2,349	1,941	2,567
01 -414-800 -5116 -	LTD/LIFE INSURANCE	365	365	246	361
01 -414-800 -5117 -	WORKERS COMPENSATION	291	291	297	291
01 -414-800 -5118 -	UNIFORM ALLOWANCE	125	125	125	125
01 -414-800 -5119 -	DEFERRED COMP	602	602	558	986
01 -414-800 -5121 -	HEALTH/DENTAL/VISION	7,449	7,449	5,809	7,469
01 -414-800 -5122 -	PERS UAL PAYMENT	1,278	1,309	1,235	1,609
01 -414-100 -5124 -	HEALTHY LIVING	90	90	45	90
01 -414-800 -5204 -	REPAIRS & MAINTENANCE SERVICES	-	-	-	-
01 -414-800 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	279,000	354,000	326,162	350,000
01 -414-800 -5205 - DEVLP	ECONOMIC DEVELOPMENT	18,100	18,100	14,579	15,000
01 -414-800 -5206 -	UTILITIES	-	-	15	-
01 -414-800 -5210 -	ADVERTISING	-	-	-	-

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL COMMUNITY DEVELOPMENT	320,458	395,489	351,504	392,342
415 CODE ENFORCEMENT					
01 -415-800 -4034 -	FINES & FORFEITURES	(500)	(500)	(4,977)	(1,000)
01 -415-800 -5101 -	SALARIES	50,893	50,893	36,674	53,225
01 -415-800 -5103 -	OVERTIME	500	500	-	500
01 -415-800 -5110 -	FICA	3,216	3,216	2,226	3,361
01 -415-800 -5111 -	MEDICARE	752	752	521	786
01 -415-800 -5112 -	PERS RETIREMENT	5,094	5,094	2,492	5,305
01 -415-800 -5116 -	LTD/LIFE INSURANCE	631	631	447	650
01 -415-800 -5117 -	WORKERS COMPENSATION	8,927	8,927	9,134	8,927
01 -415-800 -5118 -	UNIFORM ALLOWANCE	800	800	350	800
01 -415-800 -5119 -	DEFERRED COMP	1,007	1,007	810	1,574
01 -415-800 -5121 -	HEALTH/DENTAL/VISION	12,038	12,038	11,680	13,935
01 -415-800 -5122 -	PERS UAL PAYMENT	2,771	2,837	2,678	3,325
01 -415-100 -5124 -	HEALTHY LIVING	180	180	90	180
01 -415-100 -5201 -	OFFICE SUPPLIES	200	200	-	-
01 -415-800 -5202 -	OPERATING SUPPLIES	250	250	-	500
01 -415-800 -5203 -	REPAIR & MAINTENANCE SUPPLIES	200	200	3	-
01 -415-800 -5204 -	REPAIRS & MAINTENANCE SERVICES	2,500	2,500	-	3,000
01 -415-800 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	2,500	2,500	5,995	10,000
01 -415-800-5208	EMPLOYEE DEVELOPMENT	3,000	3,000	(131)	3,000
01 -415-800 -5211 -	PHONE/INTERNET	8,000	8,000	4,999	7,000
01 -415-800 -5255 -	FUEL	1,000	1,000	410	1,250
01 -415-800 -5504 -	EQUIPMENT	1,000	1,000	-	1,000
	TOTAL CODE ENFORCEMENT	104,960	105,026	73,400	117,319
420 FIRE DEPARTMENT					
01 -420-100 -4053 -	ABANDONED VEH ABATEMENT	(4,000)	(4,000)	(2,385)	(4,000)
01 -420-100 -4065 -	FIRE SERVICES - FINES & FEES	(500)	(500)	(220)	(100)
01 -420-100 -4067 -	REIMB OF COSTS - OES OUT OF COUNTY	(40,000)	(40,000)	(123,380)	(40,000)
01 -420-000 -4080 -	MISC INCOME	-	-	-	-
01 -420-100 -4081 -VFAG	VFA GRANT REIMB	-	-	-	-
01 -420-100 -5101 -	SALARIES	157,869	159,772	138,862	186,565
01 -420-100 -5103 -	SPECIAL PAY	28,000	28,000	34,214	30,000
01 -420-100 -5110 -	FICA	9,970	10,088	10,822	11,749
01 -420-100 -5111 -	MEDICARE	2,332	2,359	2,531	2,748
01 -420-100 -5112 -	PERS RETIREMENT	15,428	15,615	13,060	17,977
01 -420-100 -5116 -	LTD/LIFE INSURANCE	1,873	1,879	1,381	2,064
01 -420-100 -5117 -	WORKERS COMPENSATION	26,781	26,781	27,402	26,781
01 -420-100 -5118 -	UNIFORM ALLOWANCE	2,400	2,400	1,200	2,400
01 -420-100 -5119 -	DEFERRED COMP	1,890	1,870	1,481	1,702

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
01 -420-100 -5121 -	HEALTH/DENTAL/VISION	19,858	19,858	15,213	19,874
01 -420-100 -5122 -	PERS UAL PAYMENT	5,414	5,414	4,981	6,113
01 -420-100 -5124 -	HEALTHY LIVING	540	540	270	540
01 -420-100 -5201 -	OFFICE SUPPLIES	1,000	1,000	467	1,000
01 -420-100 -5202 -	OPERATING SUPPLIES	8,000	8,000	5,630	8,000
01 -420-100 -5202 -VFEXP	VOLUNTEER EQUIPMENT EXP	-	-	-	3,000
01 -420-100 -5203 -	REPAIR & MAINTENANCE SUPPLIES	4,000	4,000	6,173	5,000
01 -420-100 -5204 -	REPAIRS & MAINENANCE SERVICES	15,000	15,000	10,010	15,000
01 -420-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	102,000	102,000	85,065	130,000
01 -420-100 -5206 -	UTILITIES	1,300	1,300	823	1,300
01 -420-100 -5208 -	EMPLOYEE DEVELOPMENT	10,000	10,000	2,797	15,000
01 -420-100 -5211 -	PHONE/INTERNET	12,000	12,000	10,983	15,000
01 -420-100 -5255 -	FUEL	7,000	7,000	4,845	8,000
01 -420-100 -5504 -	EQUIPMENT	30,000	30,000	2,101	70,000
01 -420-100 -5504 -VFAG	VOL FIRE ASSIS GRANT	-	-	-	-
01 -420-100 -5514 -	VEHICLES	-	-	9,190	-
01 -420-100 -5505 -	VOLUNTEER PASS THRU PAY	-	-	-	-
01 -420-100 -9000 -	TRANSFER-IN	-	-	-	-
	TOTAL FIRE DEPARTMENT	418,155	420,377	263,513	535,713
425 PARKS, BUILDINGS & GROUNDS					
01 -425-600 -5101 -	SALARIES	62,079	62,079	57,296	105,326
01 -425-600 -5110 -	FICA	3,922	3,922	3,599	6,653
01 -425-600 -5111 -	MEDICARE	917	917	842	1,556
01 -425-600 -5112 -	PERS RETIREMENT	4,702	4,702	4,263	7,929
01 -425-600 -5116 -	LTD/LIFE INSURANCE	730	730	556	1,231
01 -425-600 -5117 -	WORKERS COMPENSATION	11,528	11,528	8,205	19,346
01 -425-600 -5118 -	UNIFORM ALLOWANCE	978	978	747	1,641
01 -425-600 -5119 -	DEFERRED COMP	976	976	1,156	3,042
01 -425-600 -5121 -	HEALTH/DENTAL/VISION	22,493	22,493	17,375	34,832
01 -425-600 -5122 -	PERS UAL PAYMENT	2,558	2,619	2,472	4,970
01 -425-600 -5124 -	HEALTHY LIVING	207	207	104	347
01 -425-600 -5202 -	OPERATING SUPPLIES	2,000	2,000	2,771	2,000
01 -425-600 -5203 -	REPAIR & MAINTENANCE SUPPLIES	44,500	44,500	19,514	20,000
01 -425-600 -5203 - PARKS	REPAIR & MAINTENANCE SUPPLIES	-	-	-	20,000
01 -425-600 -5203 - H20PK	H20PK R&M MAINT WATER PARK	1,500	1,500	-	1,500
01 -425-600 -5204 -	REPAIRS & MAINENANCE SERVICES	1,500	1,500	253	17,000
01 -425-600 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	18,905	18,905	10,657	10,000
01 -425-600 -5205 -TEMP	PROFESSIONAL & CONTRACTUAL SRV	100,000	100,000	144,733	103,000
01 -425-600 -5206 -	UTILITIES	33,000	33,000	21,268	34,000
01 -425-600 -5211 -	PHONE/INTERNET	7,000	7,000	6,805	10,000
01 -425-600 -5255 -	FUEL	2,000	2,000	1,676	2,750
01 -425-600 -5285 -	SMALL TOOLS	1,600	1,600	1,436	1,600

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL PARKS, BUILDINGS & GROUNDS	323,094	323,155	305,729	408,724
426 ANIMAL CONTROL					
01 -426-100 -4066 -	ANIMAL CONTROL FEES	(500)	(500)	-	(500)
01 -426-100 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	73,865	73,865	62,027	73,865
	TOTAL ANIMAL CONTROL	73,365	73,365	62,027	73,365
	TOTAL GENERAL FUND	397,078	(580,700)	(217,747)	(99,718)
	TOTAL REVENUES	(4,426,597)	(5,484,961)	(4,216,368)	(5,668,264)
	TOTAL EXPENSES	4,823,676	4,904,262	3,998,621	5,568,545
102 GENERAL FUND RESERVE					
102 -400-400 -4040 -	INVESTMENT EARNINGS	-	-	-	-
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	6,280	6,280	4,437	4,380
103 -404-000 -5514 -	VEHICLES	-	-	-	-
103 -411-000 -5504 -	EQUIPMENT	-	-	-	135,000
103 -411-000 -5514 -	VEHICLES	175,417	175,417	-	102,737
103 -411-000 -5558 -	INTEREST	4,059	4,059	4,059	5,290
103 -411-000 -5907 -	PRINCIPAL PORTION OF DEBT	-	-	47,067	-
103 -414-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	21,000
103 -414-000 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	7,500	7,500	-	15,000
103 -415-000 -5514 -	VEHICLES	-	-	-	-
103 -415-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
103 -420-000 -5504 -	EQUIPMENT	7,500	7,500	7,286	15,000
103 -420-000 -5514 -	VEHICLES	138,234	138,234	-	115,567
103 -425-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV				50,000
103 -425-000 -5205 -ADAFX	PROFESSIONAL & CONTRACTUAL SRV				25,000
103 -425-000 -5504 -	EQUIPMENT	66,726	66,726	1,636	232,210
103 -425-000 -5516 -	CONSTRUCTION IN PROCESS	16,706	16,706	-	22,000
103 -411-0000-4081 -	STATE GRANTS	-	-		-
103 -400-100 -9000 -	TRANSFER IN	(422,422)	(422,422)	(422,422)	(743,183)
	TOTAL GENERAL FUND CAPTIAL	0	0	(357,937)	0
	TOTAL REVENUES	(422,422)	(422,422)	(422,422)	(743,183)

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL EXPENSES	422,422	422,422	64,485	743,183
104 CANNABIS REVENUE					
104 -400-400 -4200 -	CANNABIS TAX REVENUE	(1,020,000)	(1,020,000)	(1,080,812)	(1,450,000)
104 -400-000 -4040 -	INVESTMENT EARNINGS	(1,817)	(1,817)		(3,673)
104 -400-00 -9001 -	TRANSFER OUT	968,424	1,018,424	780,423	1,213,183
	TOTAL CANNABIS TAX COLLECTION	(53,393)	(3,393)	(300,389)	(240,490)
	TOTAL REVENUES	(1,021,817)	(1,021,817)	(1,080,812)	(1,453,673)
	TOTAL EXPENSES	968,424	1,018,424	780,423	1,213,183
02 WATER UTILITY					
02 -404-00 -5101 -	SALARIES	187,046	185,746	156,790	221,735
02 -404-00 -5110 -	FICA	11,657	11,576	9,568	13,814
02 -404-00 -5111 -	MEDICARE	2,726	2,707	2,252	3,231
02 -404-00 -5112 -	PERS RETIREMENT	14,440	14,347	11,866	16,698
02 -404-00 -5116 -	LTD/LIFE INSURANCE	1,913	1,900	1,349	2,202
02 -404-00 -5117 -	WORKERS COMPENSATION	1,307	1,307	1,336	1,453
02 -404-00 -5118 -	UNIFORM ALLOWANCE	563	563	563	625
02 -404-00 -5119 -	DEFERRED COMP	2,445	2,419	2,377	6,946
02 -404-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
02 -404-00 -5121 -	HEALTH/DENTAL/VISION	31,822	31,822	25,048	35,579
02 -404-00 -5122 -	PERS UAL PAYMENT	7,854	7,991	7,593	10,466
02 -404-00 -5124 -	HEALTHY LIVING	405	405	203	450
02 -425-00 -5101 -	SALARIES	131,116	122,857	83,392	93,479
02 -425-600 -5103 -	OVERTIME	12,000	12,000	14,957	12,000
02 -425-00 -5110 -	FICA	8,273	7,761	6,126	5,892
02 -425-00 -5111 -	MEDICARE	1,935	1,815	1,433	1,378
02 -425-00 -5112 -	PERS RETIREMENT	9,975	9,238	5,996	7,127
02 -425-00 -5116 -	LTD/LIFE INSURANCE	1,514	1,444	923	1,043
02 -425-00 -5117 -	WORKERS COMPENSATION	22,654	22,654	21,642	15,036
02 -425-00 -5118 -	UNIFORM ALLOWANCE	1,921	1,921	933	1,275
02 -425-00 -5119 -	DEFERRED COMP	2,481	2,318	1,954	2,968
02 -425-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
02 -425-00 -5121 -	HEALTH/DENTAL/VISION	44,164	40,028	27,478	31,150
02 -425-00 -5122 -	PERS UAL PAYMENT	5,425	5,145	5,245	4,467
02 -425-00 -5124 -	HEALTHY LIVING	407	407	131	270
02 -425-00 -5201 -	OFFICE SUPPLIES	100	100	95	200
02 -425-00 -5202 -	OPERATING SUPPLIES	20,000	20,000	11,596	20,000
02 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	15,000	15,000	10,100	15,000
02 -425-00 -5204 -	REPAIRS & MAINENANCE SERVICES	1,500	1,500	325	1,500
02 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	99,000	111,528	59,625	126,000

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
02 -425-00 -5205 - SB2DT	PROFESSIONAL & CONTRACTUAL SRV	7,500	7,500	-	15,000
02 -425-00 -5206 -	UTILITIES	122,000	122,000	71,108	122,000
02 -425-00 -5208 -	EMPLOYEE DEVELOPMENT	2,000	2,000	-	2,000
02 -425-00 -5211 -	PHONE/INTERNET	2,500	2,500	1,647	2,500
02 -425-00 -5250 -	OVERHEAD	175,000	175,000	-	237,500
02 -425-00 -5255 -	FUEL	3,000	3,000	2,514	4,000
02 -425-00 -5404 -	FRANCHISE PAYMENT	10,750	10,750	-	10,750
02 -425-00 -5504 -	EQUIPMENT	82,689	82,689	9,181	162,460
02 -425-00 -5504 -WELL6	EQUIPMENT	-	-	-	-
02 -425-00 -5504 -WELL7	EQUIPMENT	-	-	-	-
02 -425-00 -5514 -	VEHICLES	16,706	16,706	-	-
02 -425-00 -5516 -BIRCH	CONSTRUCTION IN PROCESS	-	-	-	-
02 -425-000 -4014 -	WATER USER FEES	(970,607)	(970,607)	(849,873)	(1,033,262)
02 -425-000 -4015 -	RECONNECTION FEES	(10,000)	(10,000)	(480)	(10,000)
02 -425-000 -4040 -	INVESTMENT EARNINGS	(5,125)	(5,125)	-	(5,801)
02 -425-000 -4058 -	RETURNED CHECK FEE	(250)	(250)	(505)	(500)
02 -425-000 -4080 -	MISC INCOME	-	-	(223)	-
02 -425-00 -4081 - SB2DT	STATE GRANT - SB2	-	-	-	(15,000)
02 -425-00 -4082 -WELL6	EQUIPMENT	-	-	-	-
02 -425-000 -9000 -	TRANSFER-IN	-	-	-	(61,250)
02 -425-000 -9001 -	TRANSFER-OUT	-	-	-	-
	TOTAL WATER UTILITY	75,806	72,664	(295,733)	82,380
	TOTAL REVENUES	(985,982)	(985,982)	(851,081)	(1,125,813)
	TOTAL EXPENSES	1,061,788	1,058,646	555,348	1,208,193
03 WATER DEVELOPMENT					
03 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
03 -425-00 -5504 -	EQUIPMENT	200,000	200,000	1,932	-
03 -425-100 -5514	VEHICLES	-	-	-	-
03 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
03 -425-000 -4016 -	WATER DEVELOPMENT FEES	(15,840)	(15,840)	(4,983)	(15,840)
03 -425-000 -4040 -	INVESTMENT EARNINGS	(3,480)	(3,480)	-	(2,120)
03 -425-000 -9001	TRANSFER-OUT	-	-	-	-
	TOTAL WATER DEVELOPMENT	180,680	180,680	(3,051)	(17,960)
	TOTAL REVENUES	(19,320)	(19,320)	(4,983)	(17,960)
	TOTAL EXPENSES	200,000	200,000	1,932	-
04 SEWER UTILITY					
04 -404-00 -5101 -	SALARIES	187,046	185,746	156,790	204,553
04 -404-00 -5110 -	FICA	11,657	11,576	9,568	12,745
04 -404-00 -5111 -	MEDICARE	2,726	2,707	2,252	2,981

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
04 -404-00 -5112 -	PERS RETIREMENT	14,440	14,347	11,867	15,427
04 -404-00 -5116 -	LTD/LIFE INSURANCE	1,913	1,900	1,349	2,040
04 -404-00 -5117 -	WORKERS COMPENSATION	1,307	1,307	1,336	1,365
04 -404-00 -5118 -	UNIFORM ALLOWANCE	563	563	563	588
04 -404-00 -5119 -	DEFERRED COMP	2,445	2,419	2,377	6,290
04 -404-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
04 -404-00 -5121 -	HEALTH/DENTAL/VISION	31,822	31,822	25,048	33,214
04 -404-00 -5122 -	PERS UAL PAYMENT	7,854	7,991	7,593	9,669
04 -404-00 -5124 -	HEALTHY LIVING	405	405	203	423
04 -425-00 -5101 -	SALARIES	124,992	119,675	76,649	93,479
04 -425-600 -5103 -	OVERTIME	12,000	12,000	14,957	12,000
04 -425-00 -5110 -	FICA	7,886	7,556	5,702	5,892
04 -425-00 -5111 -	MEDICARE	1,844	1,767	1,334	1,378
04 -425-00 -5112 -	PERS RETIREMENT	9,539	8,803	5,412	7,127
04 -425-00 -5116 -	LTD/LIFE INSURANCE	1,437	1,367	851	1,043
04 -425-00 -5117 -	WORKERS COMPENSATION	21,351	21,351	21,026	15,036
04 -425-00 -5118 -	UNIFORM ALLOWANCE	1,811	1,811	825	1,275
04 -425-00 -5119 -	DEFERRED COMP	2,410	2,246	1,808	2,968
04 -425-00 -5120 -	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
04 -425-00 -5121 -	HEALTH/DENTAL/VISION	41,320	37,185	24,629	31,150
04 -425-00 -5122 -	PERS UAL PAYMENT	5,189	4,903	5,016	4,467
04 -425-00 -5124 -	HEALTHY LIVING	383	383	115	270
04 -425-00 -5201 -	OFFICE SUPPLIES	100	100	95	100
04 -425-00 -5202 -	OPERATING SUPPLIES	10,000	10,000	4,311	35,000
04 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	16,000	16,000	8,948	16,000
04 -425-00 -5204 -	REPAIRS & MAINENANCE SERVICES	-	-	5	20,000
04 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	200,000	287,728	116,357	390,000
04 -425-00 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	7,500	7,500	-	15,000
04 -425-00 -5205 -SD	STORM DRAIN PROF & CONT SRV	25,000	25,000	8,992	25,000
04 -425-00 -5205 -WWTP	WWTP CONSTRUCTION	-	-	31	-
04 -425-00 -5206 -	UTILITIES	49,000	49,000	71,156	200,000
04 -425-00 -5208 -	EMPLOYEE DEVELOPMENT	1,000	1,000	-	2,000
04 -425-00 -5211 -	PHONE/INTERNET	2,500	2,500	2,750	4,000
04 -425-00 -5250 -	OVERHEAD	175,000	175,000	-	237,500
04 -425-00 -5255 -	FUEL	7,000	7,000	5,866	8,500
04 -425-00 -5404 -	FRANCHISE PAYMENT	12,500	12,500	-	12,500
04 -425-00 -5503 -	CAPITAL IMPROVEMENTS	10,000	10,000	-	10,000
04 -425-00 -5504 -	EQUIPMENT	82,689	82,689	8,392	176,210
04 -425-00 -5504 -SWEEP	EQUIPMENT	15,000	15,000	-	-
04 -425-00 -5514 -	VEHICLES	16,706	16,706	-	-
04 -425-00 -5516 -PERCO	CONSTRUCTION IN PROGRESS	450,000	450,000	31,369	-
04 -425-00 -5516 -WWTP	CONSTRUCTION IN PROGRESS	7,500,000	7,500,000	3,641,607	-
04 -425-00 -5516 -SOLAR	CONSTRUCTION IN PROGRESS	-	-	-	66,250
04 -425-00 -5558 - WWTP	INTEREST EXPENSE	136,000	136,000	133,595	131,560

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
04 -425-000 -4017 -	SEWER USER FEES	(1,977,188)	(1,977,188)	(1,653,764)	(1,984,466)
04 -425-000 -4040 -	INVESTMENT EARNINGS	(23,455)	(23,455)	-	(21,634)
04 -425-000 -4080 -	STATE REVOLVING FUND	-	-	-	-
04 -425-000 -4081 - WWTP	STATE REVOLVING FUND	(7,500,000)	(7,500,000)	(10,275,302)	-
04 -425-000 -4081 -SWEEP	CMAQ GRANT - SWEEPER	-	-	-	-
04 -425-000 -4082 - WWTP	USDA	-	-	-	-
	TOTAL SEWER UTILITY	(292,308)	(217,090)	(7,518,321)	(191,102)
	TOTAL REVENUES	(9,500,643)	(9,500,643)	(11,929,066)	(2,006,100)
	TOTAL EXPENSES	9,208,335	9,283,553	4,410,744	1,814,998
05 SEWER DEVELOPMENT					
05 -425-000 -4018 -	WASTEWATER DEVELOPMENT FEES	(19,266)	(19,266)	(9,343)	(19,266)
05 -425-000 -4118 -	DEV FEES - SEWER COLLECTION	(4,002)	(4,002)	(1,941)	(4,002)
05 -425-000 -4040 -	INVESTMENT EARNINGS	(5,788)	(5,788)	-	(5,611)
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
	TOTAL SEWER DEVELOPMENT	(29,056)	(29,056)	(11,284)	214,121
	TOTAL REVENUES	(29,056)	(29,056)	(11,284)	(28,879)
	TOTAL EXPENSE	-	-	-	243,000
06 REFUSE					
06 -404-00 -5101 -	SALARIES	42,864	42,864	36,186	49,094
06 -404-00 -5110 -	FICA	2,672	2,672	2,253	3,060
06 -404-00 -5111 -	MEDICARE	625	625	532	716
06 -404-00 -5112 -	PERS RETIREMENT	3,264	3,264	2,705	3,620
06 -404-00 -5116 -	LTD/LIFE INSURANCE	445	445	323	505
06 -404-00 -5117 -	WORKERS COMPENSATION	320	320	327	349
06 -404-00 -5118 -	UNIFORM ALLOWANCE	138	138	163	150
06 -404-00 -5119 -	DEFERRED COMP	731	731	727	1,561
06 -404-00 -5121 -	HEALTH/DENTAL/VISION	8,021	8,021	6,281	8,838
06 -404-00 -5122 -	PERS UAL PAYMENT	1,775	1,818	1,716	2,269
06 -404-00 -5124 -	HEALTHY LIVING	99	99	59	108
06 -425-00 -5101 -	SALARIES	13,153	13,153	11,284	54,340
06 -425-00 -5110 -	FICA	828	828	707	3,425
06 -425-00 -5111 -	MEDICARE	194	194	165	801
06 -425-00 -5112 -	PERS RETIREMENT	1,030	1,030	855	4,161
06 -425-00 -5116 -	LTD/LIFE INSURANCE	143	143	116	617
06 -425-00 -5117 -	WORKERS COMPENSATION	1,905	1,905	1,744	8,721
06 -425-00 -5118 -	UNIFORM ALLOWANCE	162	162	171	740

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
06 -425-00 -5119 -	DEFERRED COMP	245	245	247	1,870
06 -425-00 -5121 -	HEALTH/DENTAL/VISION	4,162	4,162	3,250	18,246
06 -425-00 -5122 -	PERS UAL PAYMENT	560	574	542	2,608
06 -425-00 -5124 -	HEALTHY LIVING	34	34	17	157
06 -425-00 -5202 -	OPERATING SUPPLIES	500	500	405	500
06 -425-00 -5203 -STSWP	STREET SWEEPER EXPENSES				5,000
06 -425-00 -5204 -	REPAIRS & MAINENANCE SERVICES	10,000	10,000	-	-
06 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	653,803	653,803	513,204	660,732
06 -425-00 -5205 -RECYC	BEVERAGE RECYCLING	-	-	9,356	-
06 -425-00 -5211 -	PHONE/INTERNET	2,500	2,500	1,526	2,500
06 -425-00 -5250 -	OVERHEAD	-	-	-	-
06 -425-00 -5255 -STSWP	STREET SWEEPER FUEL	-	-	-	5,000
06 -425-00 -5404 -	FRANCHISE PAYMENT	43,569	43,569	-	46,238
06 -425-000 -4004 -	FRANCHISE FEE	(43,569)	(43,569)	(33,545)	(46,238)
06 -425-000 -4019 -	REFUSE FEES	(663,859)	(663,859)	(559,913)	(693,981)
06 -425-000 -4040 -	INVESTMENT EARNINGS	(1,981)	(1,981)	-	(2,181)
06 -425-000 -4080 -	MISC INCOME	-	-	-	-
06 -425-000 -4081 -RECYC	BEVERAGE RECYCLING	-	-	-	-
06 -425-000 -4092 -	ADMINISTRATIVE FEE	(60,996)	(60,996)	(46,963)	(64,733)
06 -425-000 -4093 -	ALLEY RECONSTRUCTION REPAIR	(34,855)	(34,855)	(26,836)	(36,990)
06 -425-000 -4094 -	STREET SWEEPING FEE	(43,569)	(43,569)	(33,545)	(46,238)
06 -400-100 -9001 -	TRANSFER OUT	-	100,000	-	-
	TOTAL REFUSE	(55,089)	44,967	(105,942)	(4,437)
	TOTAL REVENUES	(848,829)	(848,829)	(700,802)	(890,361)
	TOTAL EXPENSES	793,740	793,796	594,860	885,924
08 RESERVE					
08 -400-100 -9000 -	TRANSFER-IN	(150,000)	(150,000)	(150,000)	-
08 -400-100 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL RESERVE	(150,000)	(150,000)	(150,000)	-
	TOTAL REVENUES	(150,000)	(150,000)	(150,000)	-
	TOTAL EXPENSES	-	-	-	-
11 DRUG ENFORCEMENT					
11 -411-000 -4040 -	INVESTMENT EARNINGS	(169)	(169)	-	(97)
11 -411-000 -4067 -	REVENUES	-	-	-	-
11 -411-000 -4080 -	NARCOTICS REVENUE	-	-	3,514	-
11 -411-00 -5205 -	NARCOTICS EXPENSE	-	-	-	-
11 -411-00 -5504 -	EQUIPMENT	-	-	3,054	-
	TOTAL DRUG ENFORCEMENT	(169)	(169)	6,567	(97)

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL REVENUES	(169)	(169)	3,514	(97)
	TOTAL EXPENSES	-	-	3,054	-
12 FEDERAL AND STATE GRANTS					
12 -400-000 -4040	INVESTMENT EARNINGS	-	-	-	-
12 -400-000 -4082 -ALLEY	2020 CDBG ALLEY GRANT (12028)	(266,000)	(266,000)	-	(250,000)
12 -400-000 -4082 -12600	2018 HOME - 12600	(250,000)	(125,000)	-	(392,000)
12 -400-00 -4082 -12909	2018 CDBG - 12909 (Youth Svcs)	(250,000)	(116,279)	-	(232,558)
12 -400-00 -4082 -12910	2018 CDBG - 12910 (Senior Svcs)	-	(65,112)	(43,356)	(86,877)
12 -400-00 -4082 -00013	CDBG CV1 (00013)	-	(82,268)	-	(82,268)
12 -400-000 -4081 - SB2DT	SB2 DOWNTOWN	(42,500)	(42,500)	784	(80,000)
12 -400-000 -4081 - SB2ZO	SB2 ZONING UPDATE	(37,500)	(37,500)	-	(70,000)
12 -400-000 -4081 - USRP	URBAN STREAMS RESTORATION	(555,785)	(555,785)	86,823	-
12 -400-000 -4081 - LEAP	Update City Standards (LEAP Grant)	-	-	-	(65,000)
12 -400-000 -4081 - WLGEN	OES GRANT	-	-	(256,000)	(256,000)
12 -400-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-		-
12 -400-00 -5205 -12600	2018 HOME - 12600	-	125,000	4,689	392,000
12 -400-00 -5205 -12909	2018 CDBG - 12909 (Youth Svcs)	-	116,279	95,327	232,558
12 -400-00 -5205 -12910	2018 CDBG - 12910 (Senior Svcs)	-	65,112	34,092	86,877
12 -400-00 -5205 -00013	CDBG CV1 (00013)	-	82,268	-	82,268
12 -400-000 -5205 -LEAP	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	65,000
12 -400-000 -5205 -SB2DT	PROFESSIONAL & CONTRACTUAL SRV	42,500	42,500	3,433	80,000
12 -400-000 -5205 -SB2ZO	PROFESSIONAL & CONTRACTUAL SRV	37,500	37,500	3,550	70,000
12 -400-000 -5205 -USRP	URBAN STREAMS RESTORATION	555,785	555,785	475,840	-
12 -400-00 -5504 -WLGEN	EQUIPMENT	-	-	-	328,000
12 -400-00 -5516 -CBLVD	CONSTRUCTION IN PROCESS	-	-	-	-
12 -400-00 -5516 -ALLEY	CONSTRUCTION IN PROCESS	266,000	266,000	-	250,000
12 -400-000 -9000 -9900	OPERATING TRANFER IN	(130,785)	(230,785)	(130,784)	(72,000)
	TOTAL FEDERAL AND STATE GRANTS	(630,785)	(230,785)	274,398	-
	TOTAL REVENUES	(1,532,570)	(1,521,229)	(342,534)	(1,586,703)
	TOTAL EXPENSES	901,785	1,290,444	616,932	1,586,703
14 POLICE SLESF					
14 -411-00 -5101 -SLESF	SALARIES	113,193	114,289	88,444	127,933
14 -411-00 -5103 -SLESF	OVERTIME	5,000	5,000	7,631	5,000
14 -411-00 -5110 -SLESF	FICA	7,139	7,207	6,000	8,053
14 -411-00 -5111 -SLESF	MEDICARE	1,670	1,686	1,403	1,883
14 -411-00 -5112 -SLESF	PERS RETIREMENT	10,808	10,742	8,283	11,849
14 -411-00 -5116 -SLESF	LTD/LIFE INSURANCE	1,294	1,304	881	1,384
14 -411-00 -5117 -SLESF	WORKERS COMPENSATION	11,228	11,228	5,744	11,228
14 -411-00 -5118 -SLESF	UNIFORM ALLOWANCE	1,600	1,600	800	1,600
14 -411-00 -5119 -SLESF	DEFERRED COMP	1,171	1,171	888	-

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
14 -411-00 -5121 -SLESF	HEALTH/DENTAL/VISION	20,870	20,870	9,322	21,519
14 -411-00 -5122 -SLESF	PERS UAL PAYMENT	3,790	3,790	3,487	4,029
14 -411-00 -5124 -SLESF	HEALTHY LIVING	360	360	180	360
14 -411-00 -5205 -SLESF	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
14 -411-00 -5504 -SLESF	EQUIPMENT	-	-	-	-
14 -411-00 -5514 -SLESF	VEHICLES	-	-	-	-
14 -411-000 -4040 -SLESF	INVESTMENT EARNINGS	(1,214)	(1,214)	-	(1,328)
14 -411-000 -4045 -SLESF	POLICE GRANTS	(140,000)	(140,000)	(103,732)	(150,000)
14 -411-000 -4080 -	MISC INCOME	-	-	-	-
	TOTAL POLICE SLESF	36,909	38,033	29,330	43,511
	TOTAL REVENUES	(141,214)	(141,214)	(103,732)	(151,328)
	TOTAL EXPENSES	178,124	179,247	133,062	194,838
20 STP					
20 -425-00 -5202 -	OPERATING SUPPLIES	-	-	-	-
20 -425-00 -5516 - WWLNT	CONSTRUCTION IN PROCESS	750,000	750,000	-	-
20 -425-000 -4030 -	STP PROGRAM	-	-	-	-
20 -425-000 -4040 -	INVESTMENT EARNINGS	(6,173)	(6,173)	-	(5,831)
20 -425-000 -4082 -	FEDERAL FUNDING	(750,000)	(750,000)	-	(750,000)
	TOTAL STP	(6,173)	(6,173)	-	(755,831)
	TOTAL REVENUES	(756,173)	(756,173)	-	(755,831)
	TOTAL EXPENSES	750,000	750,000	-	-
21 GAS TAX					
21 -404-00 -5101 -	SALARIES	13,619	13,619	11,602	15,235
21 -404-00 -5110 -	FICA	847	847	665	947
21 -404-00 -5111 -	MEDICARE	198	198	156	222
21 -404-00 -5112 -	PERS RETIREMENT	1,099	1,099	909	1,231
21 -404-00 -5116 -	LTD/LIFE INSURANCE	119	119	80	128
21 -404-00 -5117 -	WORKERS COMPENSATION	58	58	59	58
21 -404-00 -5118 -	UNIFORM ALLOWANCE	25	25	-	25
21 -404-00 -5119 -	DEFERRED COMP	-	-	-	451
21 -404-00 -5121 -	HEALTH/DENTAL/VISION	1,391	1,391	1,129	1,393
21 -404-00 -5122 -	PERS UAL PAYMENT	598	612	578	772
21 -404-00 -5124 -	HEALTHY LIVING	18	18	-	18
21 -425-00 -5101 -	SALARIES	90,328	88,492	63,451	75,220
21 -425-00 -5110 -	FICA	5,699	5,586	3,960	4,734
21 -425-00 -5111 -	MEDICARE	1,333	1,306	926	1,107
21 -425-00 -5112 -	PERS RETIREMENT	6,857	6,694	4,636	5,796
21 -425-00 -5116 -	LTD/LIFE INSURANCE	1,040	1,025	627	812
21 -425-00 -5117 -	WORKERS COMPENSATION	15,537	15,537	15,385	11,026

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
21 -425-00 -5118 -	UNIFORM ALLOWANCE	1,318	1,318	777	935
21 -425-00 -5119 -	DEFERRED COMP	1,746	1,710	1,311	2,539
21 -425-00 -5121 -	HEALTH/DENTAL/VISION	31,194	30,274	19,044	24,397
21 -425-00 -5122 -	PERS UAL PAYMENT	3,730	3,728	3,606	3,633
21 -425-00 -5124 -	HEALTHY LIVING	279	279	108	198
21 -425-00 -5202 -	OPERATING SUPPLIES			10	-
21 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	5,000	5,000	28,180	30,000
21 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	40,000	40,000	32,490	40,000
21 -425-00 -5206 -	UTILITIES	72,000	72,000	44,947	70,000
21 -425-600 -5255 -	FUEL	7,000	7,000	5,866	8,500
21 -425-00 -5266 -	SIGNAGE	-	-	-	12,000
21 -425-600 -5504 -	EQUIPMENT	40,976	40,976	10,149	-
21 -425-600 -5514 -	VEHICLES	16,706	16,706	-	-
21 -425-000 -4035 -	STATE GAS TAX 2103	(95,966)	(87,897)	(64,611)	(87,841)
21 -425-000 -4036 -	STATE GAS TAX 2105	(60,204)	(60,584)	(48,123)	(64,529)
21 -425-000 -4037 -	STATE GAS TAX 2106	(37,118)	(36,926)	(30,250)	(39,083)
21 -425-000 -4038 -	STATE GAS TAX 2107	(72,426)	(76,900)	(64,688)	(82,068)
21 -425-000 -4039 -	STATE GAS TAX 2107.5	(3,000)	(3,000)	(3,000)	(3,000)
21 -425-000 -4040 -	INVESTMENT EARNINGS	(2,396)	(2,396)	-	(2,167)
21 -425-000 -4080 -	MISC INCOME	-	-	-	-
	TOTAL GAS TAX	87,605	87,914	39,983	32,687
	TOTAL REVENUES	(271,110)	(267,703)	(210,671)	(278,688)
	TOTAL EXPENSES	358,715	355,617	250,654	311,375
22 TDA					
22 -425-00 -5202 -	OPERATING SUPPLIES	-	-	-	-
22 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	20,000	20,000	3,969	-
22 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	75,000	75,000	10,510	75,000
22 -425-00 -5205 -COSNR	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
22 -425-00 -5205 -WWLNT	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
22 -425-00 -5266 -	SIGNAGE	12,000	12,000	-	-
22 -425-00 -5504 -	EQUIPMENT	-	-	-	40,188
22 -425-00 -5516 -	CONSTRUCTION IN PROCESS	-	-	-	-
22 -425-00 -5516 -XWALK	CONSTRUCTION IN PROCESS	85,000	85,000	92,880	-
22 -425-00 -5516 -PMP22	CONSTRUCTION IN PROCESS	-	-	-	2,000,000
22 -425-000 -4040 -	INVESTMENT EARNINGS	(4,649)	(4,649)	-	(6,292)
22 -425-000 -4041 -	LTF STREETS	(226,000)	(400,000)	-	(650,000)
22 -425-000 -4081 -SBLVD	STATE GRANTS	-	-	-	
	TOTAL TDA	(38,649)	(212,649)	107,358	1,458,896
	TOTAL REVENUES	(230,649)	(404,649)	-	(656,292)
	TOTAL EXPENSES	192,000	192,000	107,358	2,115,188

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
23 STORM DRAIN					
23 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
23 -425-00 -5503 -	CAPITAL IMPROVEMENTS	-	-	-	-
23 -425-000 -4040 -	INVESTMENT EARNINGS	(871)	(871)	-	(851)
23 -425-000 -4044 -	STORM DRAIN DEV FEES	(2,730)	(2,730)	(295)	(2,730)
23 -425-000-9001	OPERATING TRANSFER OUT				154,000
	TOTAL STORM DRAIN	(3,601)	(3,601)	(295)	150,419
	TOTAL REVENUES	(3,601)	(3,601)	(295)	(3,581)
	TOTAL EXPENSES	-	-	-	154,000
25 STREET MITIGATION					
25 -425-000 -4040 -	INVESTMENT EARNINGS	(189)	(189)	-	-
25 -425-000-9001	OPERATING TRANSFER OUT	32,000	32,000	32,000	
	TOTAL STREET MITIGATION	31,811	31,811	32,000	-
	TOTAL REVENUES	(189)	(189)	-	-
	TOTAL EXPENSES	32,000	32,000	32,000	-
26 MEASURE R					
26 -425-000 -4040 -	INVESTMENT EARNINGS	(17,009)	(17,009)	-	(6,771)
26 -425-000 -4080 -	MEASURE R REVENUE	(195,000)	(195,000)	(171,930)	(199,000)
26 -425-000 -4081 -EWLNT	STATE GRANTS	(520,000)	(520,000)	145,866	-
26 -425-000 -4081 -ENTRY	STATE GRANTS	(5,500,000)	(5,500,000)	(165,630)	(9,904,000)
26 -425-000 -4081 -LRSP	STATE GRANTS	(80,000)	(80,000)	1,518	-
26 -425-000 -4081 -CBLVD	STATE GRANTS	(150,000)	(150,000)	-	-
26 -425-000 -4081 -PMS20	STATE GRANTS	(25,000)	(50,000)	-	-
26 -425-000 -4081 -RRXNG	STATE GRANTS	(150,000)	(150,000)	-	-
26 -425-000 -4081 -TCNTR	STATE GRANTS	(150,000)	(150,000)	-	-
26 -425-000 -4081 -WLNT5	STATE GRANTS	(200,000)	(200,000)	-	-
26 -425-900 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	30,000	30,000	1,230	30,000
26 -425-900 -5205 -EWLNT	PROFESSIONAL & CONTRACTUAL SRV	520,000	520,000	(689)	-
26 -425-900 -5205 -LRSP	PROFESSIONAL & CONTRACTUAL SRV	80,000	80,000	44,538	-
26 -425-900 -5205 -WLNT5	PROFESSIONAL & CONTRACTUAL SRV	200,000	200,000	242,957	-
26 -425-900 -5205 -ENTRY	PROFESSIONAL & CONTRACTUAL SRV	5,500,000	5,500,000	-	10,300,000
26 -425-900 -5516 -ENTRY	CONSTRUCTION IN PROCESS	-	-	301,876	-
26 -425-900 -5516 -EWLNT	CONSTRUCTION IN PROCESS	-	-	377,456	-
26 -425-900 -5516 -LRSP	CONSTRUCTION IN PROCESS	-	-	-	-
26 -425-900 -5516 - CBLVD	CONSTRUCTION IN PROCESS	150,000	150,000	-	-
26 -425-900 -5516 - PMS20	CONSTRUCTION IN PROCESS	25,000	50,000	31,560	-
26 -425-900 -5516 - RRXNG	CONSTRUCTION IN PROCESS	150,000	150,000	-	-

City of Farmersville

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
26 -425-900 -5516 - TCNTR	CONSTRUCTION IN PROCESS	150,000	150,000	-	-
26 -425-900 -5516 - PMP23	CONSTRUCTION IN PROCESS	150,000	150,000	-	-
26 -425-900-9000 - WWLNT		(32,000)	(32,000)	(32,000)	-
26 -425-00 -9000	OPERATING TRANFER IN	-	-	-	(396,000)
	TOTAL MEASURE R	(64,009)	(64,009)	776,751	(175,771)
	TOTAL REVENUES	(7,019,009)	(7,044,009)	(222,176)	(10,109,771)
	TOTAL EXPENSES	6,805,000	6,980,000	998,927	10,330,000
27 SB1 ROAD MAINTENANCE & REHAB					
27 -425-00 -5516 -WWLNT	CONSTRUCTION IN PROCESS	650,000	650,000	1,426,192	-
27 -425-000 -4040 -	INVESTMENT EARNINGS	(270)	(270)	-	3,203
27 -425-000-4081	STATE GRANT	(195,206)	(202,695)	(139,109)	(218,978)
27 -425-00 -9000 - WWLNT	OPERATING TRANFER IN	-	-	-	-
	TOTAL SB1 RMRA	454,524	447,035	1,287,083	(215,775)
	TOTAL REVENUES	(195,476)	(202,965)	(139,109)	(215,775)
	TOTAL EXPENSES	650,000	650,000	1,426,192	-
30 PARK DEVELOPMENT					
30 -425-000 -4020 -	PARK DEVELOPMENT FEES	(1,200)	(1,200)	(29)	(1,200)
30 -425-000 -4040 -	INVESTMENT EARNINGS	(104)	(104)	-	(104)
	TOTAL PARK DEVELOPMENT	(1,304)	(1,304)	(29)	(1,304)
	TOTAL REVENUES	(1,304)	(1,304)	(29)	(1,304)
	TOTAL EXPENSES	-	-	-	-
31 PARK IMPROVEMENTS					
31 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
31 -425-00 -5205 -SKATE	PROFESSIONAL & CONTRACTUAL SRV	7,500	7,500	-	7,500
31 -425-00 -5504	EQUIPMENT	-	-	-	-
31 -425-00 -5516-CCNR	CONSTRUCTION IN PROCESS	964,103	964,103	163,750	1,082,734
31 -425-00 -5516-FREE	CONSTRUCTION IN PROCESS	-	-	-	295,000
31 -425-00 -5516-ROYPK	CONSTRUCTION IN PROCESS	218,500	218,500	-	-
31 -425-00 -5516-SPP	CONSTRUCTION IN PROCESS	-	-	-	-
31 -425-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
31 -425-000 -4081 -CCNR	STATE GRANTS	(964,103)	(964,103)	(80,907)	(1,082,734)
31 -425-000 -4081 -FREE	STATE GRANTS	-	-	-	(295,000)
31 -425-000 -4081 -ROYPK	STATE GRANTS	(210,000)	(210,000)	-	-
31 -425-000 -4081 -SPP	STATE GRANTS	-	-	-	-
	TOTAL PARK IMPROVEMENTS	16,000	16,000	82,843	7,500

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		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL REVENUES	(1,174,103)	(1,174,103)	(80,907)	(1,377,734)
	TOTAL EXPENSES	1,190,103	1,190,103	163,750	1,385,234
35 MAINTENANCE DISTRICTS					
35 -425-00 -5101 -	SALARIES	39,444	39,444	40,018	9,716
35 -425-00 -5110 -	FICA	2,492	2,492	2,511	609
35 -425-00 -5111 -	MEDICARE	583	583	587	142
35 -425-00 -5112 -	PERS RETIREMENT	3,017	3,017	3,003	785
35 -425-00 -5116 -	LTD/LIFE INSURANCE	451	451	391	94
35 -425-00 -5117 -	WORKERS COMPENSATION	7,217	7,217	3,795	1,002
35 -425-00 -5118 -	UNIFORM	612	612	489	85
35 -425-00 -5119 -	DEFERRED COMP	530	530	827	394
35 -425-00 -5121 -	HEALTH/DENTAL/VISION	13,773	13,773	11,649	2,658
35 -425-00 -5122 -	PERS UAL PAYMENT	1,641	1,680	1,586	492
35 -425-00 -5124 -	HEALTHY LIVING	130	130	65	18
35 -425-00 -5202 -	OPERATING SUPPLIES	1,500	1,500	151	500
35 -425-00 -5203 -	REPAIR & MAINTENANCE SUPPLIES	5,000	5,000	868	500
35 -425-00 -5204 -	REPAIRS & MAINENANCE SERVICES	-	-	-	-
35 -425-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	20,000	20,000	15,964	38,000
35 -425-00 -5206 -	UTILITIES	4,000	4,000	4,099	6,000
35 -425-00 -5211 -	PHONE/INTERNET	264	264	-	264
35 -425-00 -5255 -	FUEL	1,000	1,000	838	1,500
35 -425-00 -5285 -	SMALL TOOLS	1,600	1,600	-	-
35 -425-00 -5504	EQUIPMENT	40,976	40,976	-	-
35 -425-00 -5514	VEHICLES	16,706	16,706	-	-
35 -425-000 -4025 -	PROPERTY ASSESSMENTS	(61,345)	(61,345)	(62,500)	(61,955)
35 -425-000 -4040 -	INVESTMENT EARNINGS	(453)	(453)	-	60
	TOTAL MAINTENANCE DISTRICTS	99,137	99,176	24,343	864
	TOTAL REVENUES	(61,798)	(61,798)	(62,500)	(61,895)
	TOTAL EXPENSES	160,935	160,974	86,843	62,759
39 CITY PROPERTIES					
39 -425-000 -4040 -	INVESTMENT EARNINGS	(58)	(58)	-	(246)
39 -425-000 -4075 -	RENT	(52,830)	(83,171)	(70,497)	(85,580)
39 -425-000-4080	MISC REVENUE	-	-	-	-
39 -425-000 -5202 -	OPERATING SUPPLIES	1,500	1,500	71	500
39 -425-000 -5203 -	MAINTENANCE SUPPLIES	1,000	1,000	1,542	2,000
39 -425-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	12,000	12,000	17,977	10,000
39 -425-00 -5206 -	UTILITIES	-	-	5,000	-
39 -425-000 -5206 - CMCTR	COMM CENTER UTILITIES	28,000	28,000	8,345	24,000
39 -425-000 -5206 -HLTHY	UTILITIES - HEALTHY START	1,200	1,200	313	1,200
39 -425-000 -5207	INSURANCE	-	-	-	-

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
39 -425-000 -5211 -	PHONE/INTERNET	5,500	5,500	4,610	5,000
39 -425-000 -9000 -	TRANSFER OUT	-	-	-	-
	TOTAL CITY PROPERTIES	(3,688)	(34,029)	(32,639)	(43,126)
	TOTAL REVENUES	(52,888)	(83,229)	(70,497)	(85,826)
	TOTAL EXPENSES	49,200	49,200	37,858	42,700
40 CDBG PROGRAM INCOME					
40 -404-000 -4040 -	INVESTMENT EARNINGS	(470)	(470)	-	(57)
40 -404-000 -4081 -	STATE GRANTS	-	-	-	-
40 -404-000 -4081 -1983	STATE GRANTS	-	-	(750)	-
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)	-	(34,000)
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)	-	(75,000)
40 -404-000 -4081 -1994	STATE GRANTS	(75,000)	(75,000)	(8,250)	(75,000)
40 -404-000 -4081 -1996	STATE GRANTS	(75,000)	(75,000)	-	(75,000)
40 -404-000 -4081 -1997	STATE GRANTS			(45,981)	-
40 -404-000 -4081 -1999	STATE GRANTS			(875)	-
40 -404-000 -4081 -2000	STATE GRANTS			-	-
40 -404-000 -4081 -2001	2001 PROGRAM INCOME			-	-
40 -404-000 -4081 -2002	GRANT PI	-	-	(500)	-
40 -404-000 -4081 -2003	GRANT PI	-	-	-	-
40 -404-000 -4081 -2004	STATE GRANTS	-	-	-	-
40 -404-000 -4081 -2005	2005 CDBG Program Income	-	-	-	-
40 -404-000 -4081 -6713	STATE GRANTS	-	-	-	-
40 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	6,142	-
40 -404-00 -5205 -9900	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
40 -404-00 -5516- CDBG18	CONSTRUCTION IN PROCESS	334,000	334,000	-	-
40 -404-000 -9001	TRANSFER-OUT	-	-	-	-
	TOTAL CDBG PROGRAM INCOME	(470)	(470)	(50,664)	(334,057)
	TOTAL REVENUES	(334,470)	(334,470)	(56,806)	(334,057)
	TOTAL EXPENDITURES	334,000	334,000	6,142	-
41 HOME PROGRAM INCOME					
41 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	600	-
41 -404-00 -5205 -0895	PROFESSIONAL & CONTRACTUAL SRV	-	-	-	-
41 -404-000 -4040 -	INVESTMENT EARNINGS	(61)	(61)	-	(233)
41 -404-000 -4082 -12600	FEDERAL GRANTS	-	-	(30,000)	-
41 -404-000 -4081 -00HM	STATE GRANTS	-	-	(200)	-

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
41 -404-000 -4082 -0652	0652 FEDERAL	-	-	-	-
41 -404-000 -4082 -H6855	FEDERAL GRANTS	-	-	-	-
41 -404-000 -4082 -98HM	FEDERAL GRANTS	-	-	-	-
	TOTAL HOME PROGRAM INCOME	(61)	(61)	(29,600)	(233)
	TOTAL REVENUES	(61)	(61)	(30,200)	(233)
	TOTAL EXPENDITURES	-	-	600	-
42 CALHOME PROGRAM INCOME					
42 -404-000 -4040 -	INVESTMENT EARNINGS	(1,134)	(1,134)	-	(1,044)
42 -404-000 -4081 -CH05	STATE GRANTS	-	-	-	-
42 -404-000 -4081 -CH06	STATE GRANTS	-	-	-	-
42 -404-000 -4081 -08CH	STATE GRANTS	-	-	-	-
42 -404-000 -4081 -10CH	STATE GRANTS	-	-	(51,800)	-
42 -404-000 -4081 -12CH	STATE GRANTS	-	-	(78,303)	-
42 -404-000 -4081 -CH04	STATE GRANTS	-	-	(3,014)	-
42 -404-00 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	350	-
42 -404-00 -9001 -	TRANSFER OUT	-	-	-	-
	TOTAL CALHOME PROGRAM INCOME	(1,134)	(1,134)	(132,768)	(1,044)
	TOTAL REVENUES	(1,134)	(1,134)	(133,118)	(1,044)
	TOTAL EXPENDITURES	-	-	350	-
60 AMERICAN RESCUE PLAN (ARP) REVENUE					
60 -404-400 -4082 -	ARP TAX REVENUE	-	-	-	(1,000,000)
60 -404-000 -4040 -	INVESTMENT EARNINGS	-	-	-	-
60 -404-00 -9001 -	TRANSFER OUT	-	-	-	133,250
	TOTAL CANNABIS TAX COLLECTION	-	-	-	(866,750)
	TOTAL REVENUES	-	-	-	(1,000,000)
	TOTAL EXPENSES	-	-	-	133,250
71 FIRE DEVELOPER FEES					
71 -420-000 -5205 -	PROFESSIONAL & CONTRACTUAL	-	-		-
71 -420-000 -5504 -	EQUIPMENT	52,000	52,000	8,370	18,350
71 -420-000 -5514 -	VEHICLES	14,000	14,000	-	-
71 -420-100 -4112 -	PUBLIC SAFETY DEVELOPER FEES	(11,796)	(11,796)	(959)	(11,796)
71 -420-100 -4040 -	INVESTMENT EARNINGS	(896)	(896)	-	(870)
71 -420-000 -9001	TRANSFER-OUT	-	-	-	-
	TOTAL FIRE DEVELOPER FEES	53,308	53,308	7,410	5,684
	TOTAL REVENUES	(12,692)	(12,692)	(959)	(12,666)

City of Farmersville

Operational Budget for 12 Months Ending June 30, 2022

		2020-2021 BUDGET	2020-2021 AMENDMENT	2020-2021 ACTUAL AS OF 4/30/2021	2021-2022 PROPOSED BUDGET
	TOTAL EXPENSES	66,000	66,000	8,370	18,350
81 POLICE DEVELOPER FEES					
81 -411-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	136,720	-
81 -411-000 -5504 -	EQUIPMENT	80,000	80,000	-	-
81 -411-100 -4040 -	INVESTMENT EARNINGS	(1,252)	(1,252)	-	(548)
81 -411-100 -4112 -	PUBLIC SAFETY DEVELOPER FEES	(20,723)	(20,723)	(2,341)	(20,723)
	TOTAL POLICE DEVELOPER FEES	58,025	58,025	134,379	(21,271)
	TOTAL REVENUES	(21,975)	(21,975)	(2,341)	(21,271)
	TOTAL EXPENDITURES	80,000	80,000	136,720	-
82 STATE ASSET FORFEITURE					
82 -411-000 -5504 -	EQUIPMENT	-	-	492	-
82 -411-100 -4040 -	INVESTMENT EARNINGS	(38)	(38)	-	(13)
82 -411-100 -4035 -	FORFEITURES	-	-	-	-
	TOTAL STATE ASSET FORFEITURE	(38)	(38)	492	(13)
	TOTAL REVENUES	(38)	(38)	-	(13)
	TOTAL EXPENDITURES	-	-	492	-
83 LIVE SCAN					
83 -411-000 -5205 -	PROFESSIONAL & CONTRACTUAL SRV	-	-	631	-
83 -411-100 -4080 -	LIVE SCAN REVENUE	-	-	(145)	-
	TOTAL LIVE SCAN	-	-	486	-
	TOTAL REVENUES	-	-	(145)	-
	TOTAL EXPENDITURES	-	-	631	-
	GRAND TOTAL				
	TOTAL REVENUES	(29,215,287)	(30,495,733)	(20,819,322)	(28,588,343)
	TOTAL EXPENDITURES	29,226,245	29,990,689	14,416,346	28,011,425
	REVENUE (OVER) OR UNDER	10,958	(505,044)	(6,402,975)	(576,918)

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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 Fiscal Year 2021-22. 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.

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 FY 2022 Projection

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 Fiscal Year 2021-22 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.

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.

General Fund Revenue – Budget vs. Actual

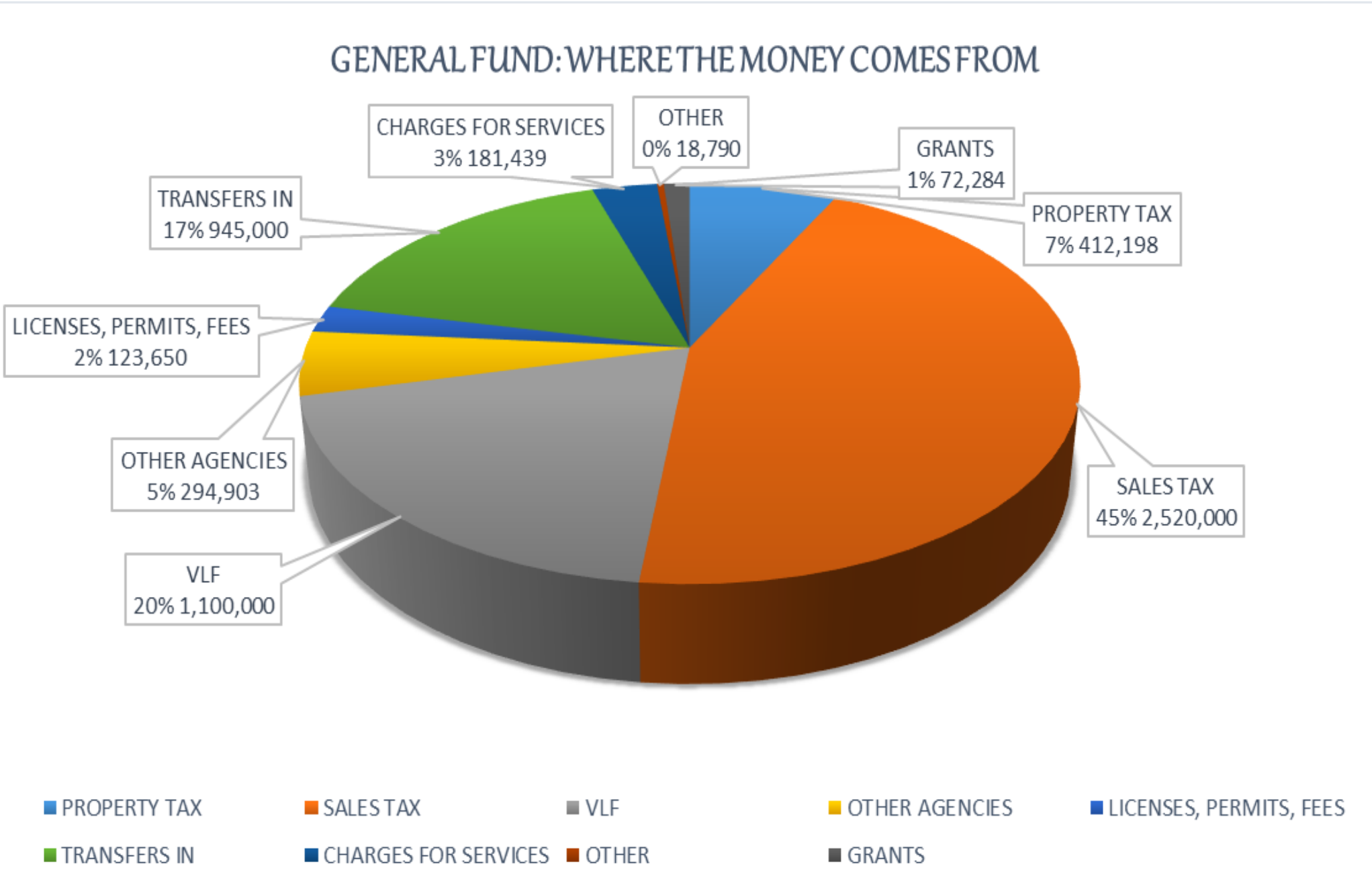
This provides the reader with a graphical breakdown of anticipated revenues compared to actual revenues by year. This allows a general conclusion of how well the budgetary forecasting of the City is working and the trend of revenues relative to the General Fund.

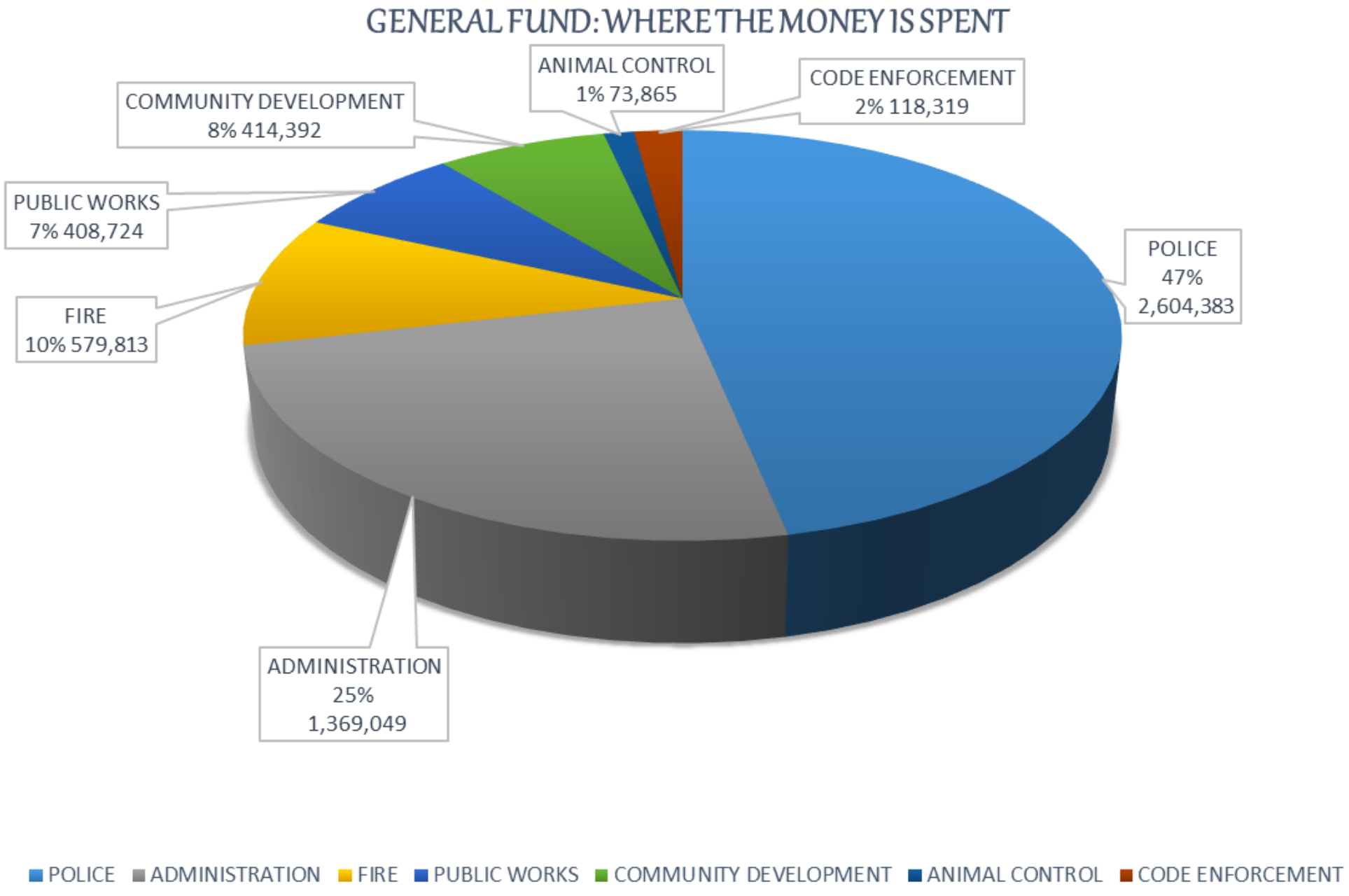
Historic Sales Tax Receipts & FY 2022 Budget

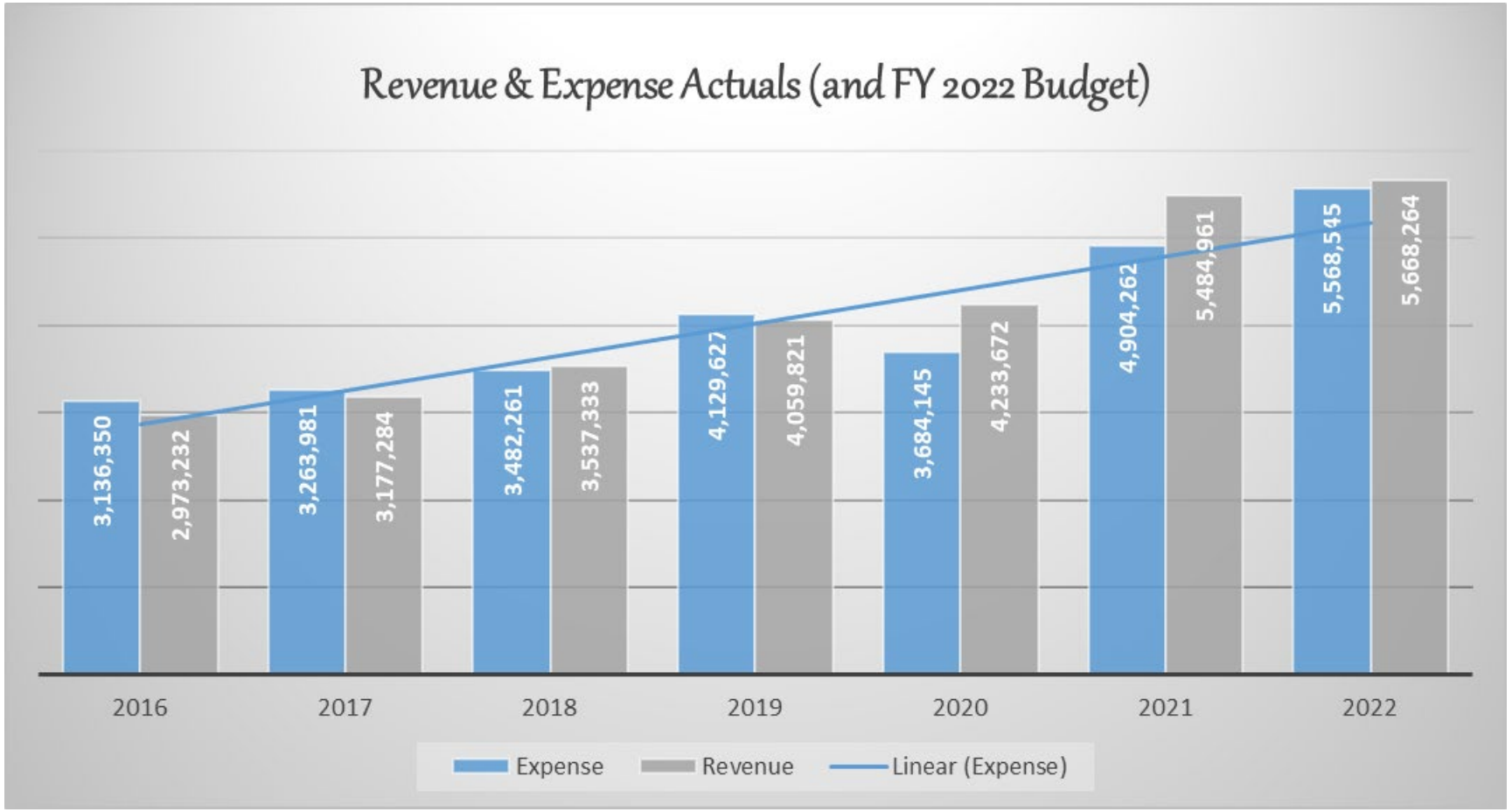
This schedule provides a brief graphical summary of the City's largest income generator, Sales Tax. A separate bar is assigned to the standard Bradley Burns Sales Tax and additional bars for local tax: Measure U and Measure P.

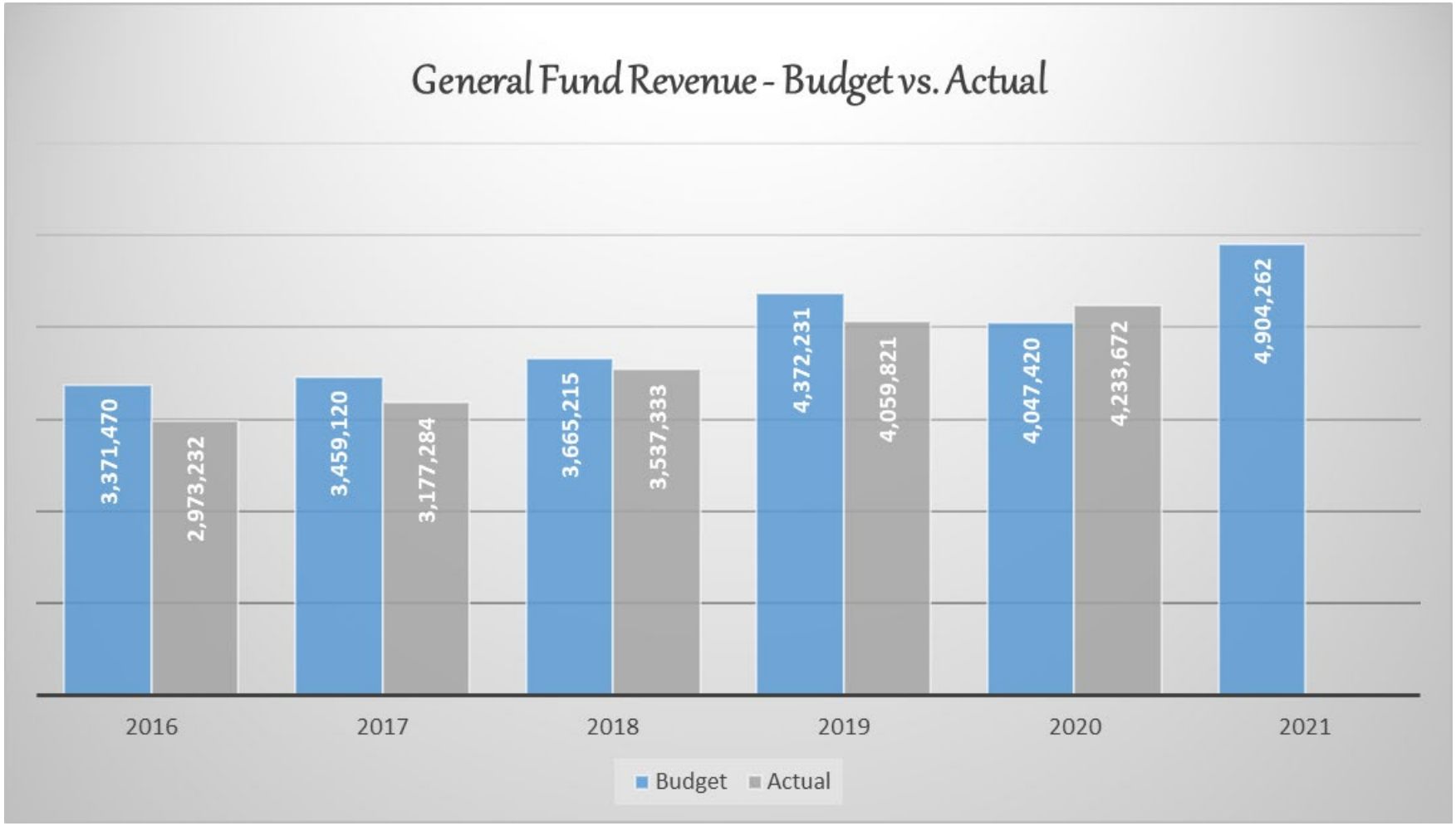
This chart is significant in that it shows the wide swings of this revenue source, even within a relatively short period of time. Currently, staff is anticipating volatility in Sales Tax for Fiscal Year 2021-22 and the budget reflects this change. The anticipated economic changes over the next twelve months will be difficult to predict but may have less impact on Farmersville than other surrounding Cities.

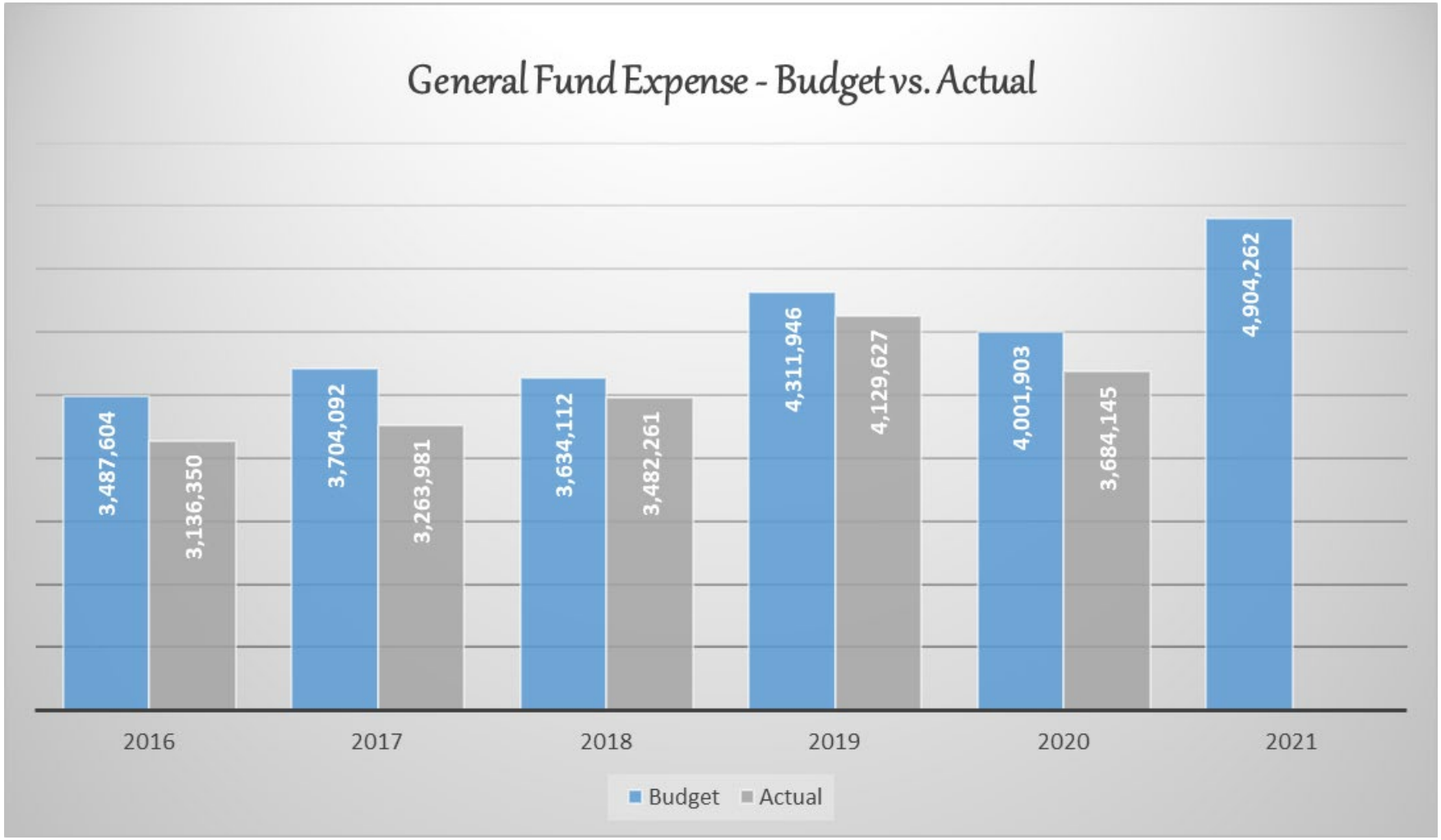


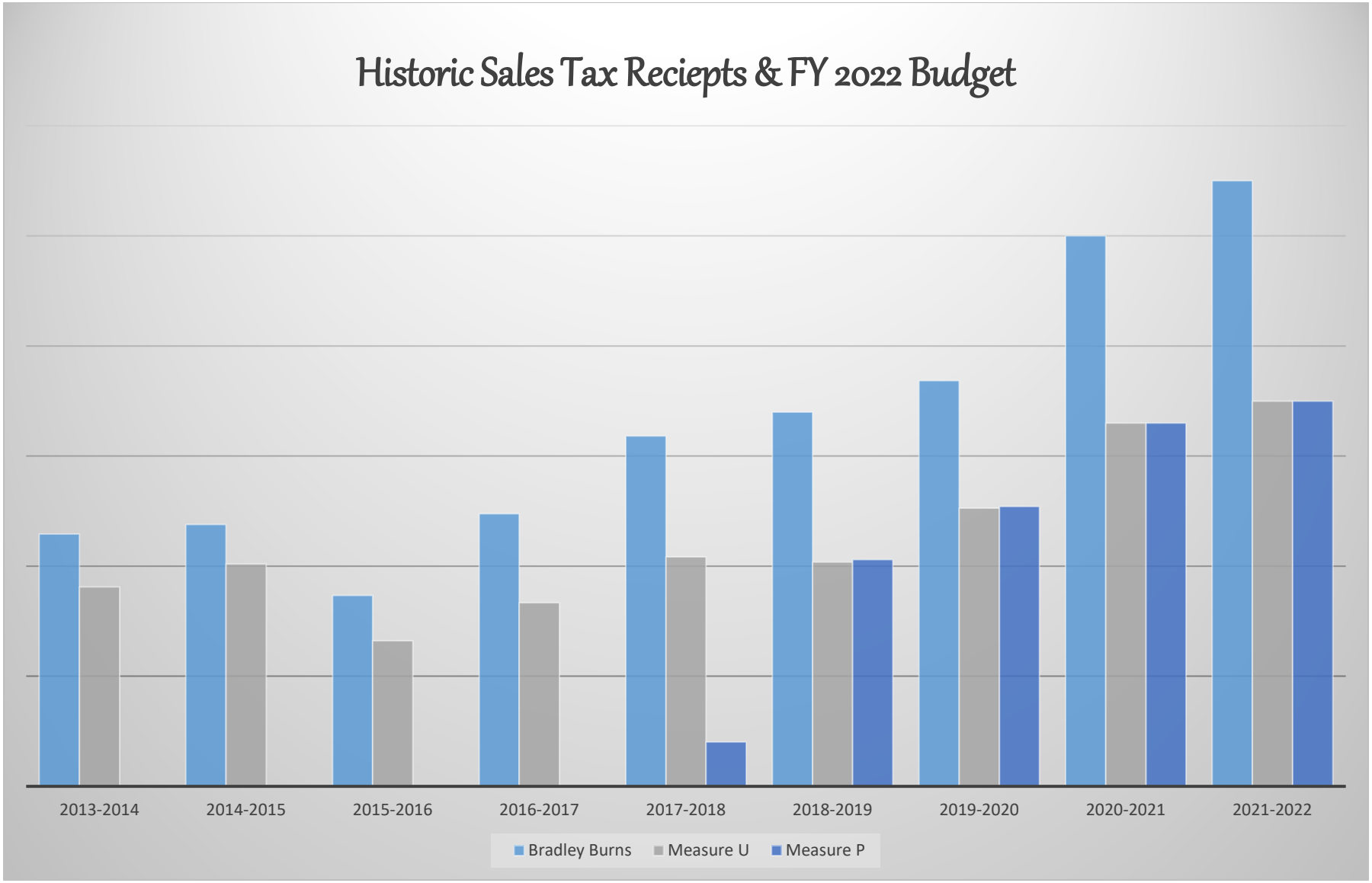

GENERAL FUND: WHERE THE MONEY COMES FROM
CHARGES FOR SERVICES 3% 181,439
OTHER 0% 18,790
GRANTS 1% 72,284
TRANSFERS IN 17% 945,000
PROPERTY TAX 7% 412,198
LICENSES, PERMITS, FEES 2% 123,650
OTHER AGENCIES 5% 294,903
SALES TAX 45% 2,520,000
VLF 20% 1,100,000
PROPERTY TAX
SALES TAX
VLF
OTHER AGENCIES
LICENSES, PERMITS, FEES
TRANSFERS IN
CHARGES FOR SERVICES
OTHER
GRANTS


GENERAL FUND: WHERE THE MONEY IS SPENT
ANIMAL CONTROL
1% 73,865
CODE ENFORCEMENT
2% 118,319
COMMUNITY DEVELOPMENT
8% 414,392
PUBLIC WORKS
7% 408,724
POLICE
47%
2,604,383
FIRE
10% 579,813
ADMINISTRATION
25%
1,369,049
POLICE
ADMINISTRATION
FIRE
PUBLIC WORKS
COMMUNITY DEVELOPMENT
ANIMAL CONTROL
CODE ENFORCEMENT


Revenue & Expense Actuals (and FY 2022 Budget)
3,136,350
2,973,232
3,263,981
3,177,284
3,482,261
3,537,333
4,129,627
4,059,821
3,684,145
4,233,672
4,904,262
5,484,961
5,568,545
5,668,264
2016
2017
2018
2019
2020
2021
2022
Expense
Revenue
Linear (Expense)


General Fund Revenue - Budget vs. Actual
3,371,470
2,973,232
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
2016
2017
2018
2019
2020
2021
Budget
Actual


General Fund Expense - Budget vs. Actual
3,487,604
3,136,350
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
2016
2017
2018
2019
2020
2021
Budget
Actual


Historic Sales Tax Reciepts & FY 2022 Budget
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
Bradley Burns
Measure U
Measure P

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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

The Fiscal Year 2021-22 Budget anticipates a seven-year funding package of $750,000 to finance the purchase of a new Fire Engine.



Separately, the Fiscal Year 2021-22 Budget anticipates a three-year funding package of $155,000 to finance the purchase three Police Department Dodge Charger Interceptors.

The Debt Service Schedules for these purchases are not yet available.

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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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		74,394.39	
7	10/30/2021	12,130.60	650.95	12,781.55		62,263.79	
8	1/30/2022	12,236.74	544.81	12,781.55		50,027.05	
9	4/30/2022	12,343.81	437.74	12,781.55		37,683.24	
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

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**

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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 2021-22) 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 2021-22

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 2021-22 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 2021-22. 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 for Fiscal Year 2020-21.

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 (6/30/2021):

CAPITAL PROJECTS ROLLED OVER FROM FY 2020-21	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
MUNIS System Upgrades (shared with enterprise)	$ 44,380					44,380
Admin Vehicle (Air Quality Grant)			$ 43,500			43,500
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Farmersville Blvd Repairs			150,000	1,342,500	1,292,500	2,785,000
Birch Water Line Relocation			35,000	326,000		361,000
Alley Improvement Design	250,000					250,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Transit Center Study		150,000				150,000
Central Fire Station			2,500,000			2,500,000
Fire Engine	115,567	115,567	115,567	115,567	115,567	577,834
SCBA Bottle Filling Station		60,000				60,000
Downtown Specific Plan	125,000					125,000
Zoning Ordinance Update	70,000					70,000
General Plan Update	63,000	126,000	63,000			252,000
Patrol Vehicle Replacement (FY20)	51,126	38,345				89,471
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)			60,900	60,900	60,900	182,700
Skate Park	7,500					7,500
Park Irrigation Upgrade	10,000					10,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	625,471				1,708,205
Well 7 Generator	128,000					128,000
New Corporation Yard		1,001,000				1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Liberty Park Trail Lighting	114,000					114,000
Roy's Park Improvement		196,500				196,500
Bobcat & Trailer	113,411					113,411
Civic Center HVAC System	85,220					85,220
Digital Sign			45,000			45,000
Well 5 Upgrade and Generator		200,000				200,000
Well 6 Upgrade and Generator	200,000					200,000
TOTAL	12,900,088	5,155,233	3,416,867	2,178,967	1,468,967	25,120,121

While the number of projects that need to be carried forward to Fiscal Year 2021-22 are many and represent about $25 million, there is good rationale for these changes. First, of the 31 projects to be carried forward, 12 are projects scheduled beyond Fiscal Year 2021-22 and are appropriate to carry forward as part of the natural planning process. Of the 19 projects that remain, 6 are multi-year projects or had timing such that they have expenses in both Fiscal Year 2020-21 and Fiscal Year 2021-22 (and maybe future years too).

Therefore, the 13 projects carried forward, that were both scheduled for FY 2021-22, and are not multi-year, are displayed in the table below. Of these 13 projects, seven of them were originally scheduled for Fiscal Year 2021-22 anyway (Alley improvement design, Solar Plant at the WWTP, General Plan Update, Patrol Vehicle replacement for FY 22, Well 7 Generator, Liberty Park Trail Lighting, Well 6 Upgrade and Generator) and so the last six projects are 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 2020-21	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Fire Engine	115,567	115,567	115,567	115,567	115,567	577,834
Skate Park	7,500					7,500
Park Irrigation Upgrade	10,000					10,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Bobcat & Trailer	113,411					113,411
Civic Center HVAC System	85,220					85,220
TOTAL	348,698	123,567	129,567	115,567	115,567	832,965

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 2021-22 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 6/30/21" is a reference to finance staff's understanding that all these projects will be complete for Fiscal Year 2020-21. 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 11 projects/purchases listed as Deleted but nine of them have an Asterix next to them. This is to indicate their special situation needing explanation rather than just simply deleted from the list.

PROJECTS REMOVED FROM THE CAPITAL PLAN	BUDGET	STATUS
Urban Streams Restoration	$ 425,000	COMPLETED
WasteWater Treatment Plant	$ 7,500,000	COMPLETED
West Walnut ATP project	$ 200,000	COMPLETED
East Walnut ATP project	$ 520,000	COMPLETED
Pavement Management System	$ 25,000	COMPLETED
Repairs prescribed by Pavement Management #1	$ 725,000	DELETED
Repairs prescribed by Pavement Management #2	$ 725,000	DELETED
ADA Transition Plan Implementation	$ 387,500	COMPLETED
West Walnut Full Depth Reconstruction	$ 1,400,000	COMPLETED
Crosswalk at Freedom Drive	$ 85,000	COMPLETED
Additional Railroad Crossing Study	$ 150,000	DELETED
Upgrade of Percolation System at Existing WWTP	$ 450,000	COMPLETED
Local Roadway Safety Plan	$ 80,000	COMPLETED
Radio Pagers (10 units)	$ 7,500	COMPLETED
Fire PPE SCBA units	$ 127,000	DELETED
Fire Command Vehicle	$ 68,000	COMPLETED
Fire Command Vehicle	$ 14,000	COMPLETED
Washer-Extractor	$ 7,000	COMPLETED
Well 3 Backup Generator	$ 100,000	DELETED
PICK UP CREWCAB	$ 30,132	COMPLETED
PICK UP - 2 F150	$ 53,398	COMPLETED
Police Dept Remodel	$ 80,000	COMPLETED
Police Admin Vehicle	$ 80,000	COMPLETED
New Officer Police Vehicle	$ 48,350	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
Repairs prescribed by Pavement Management #1	725,000	DELETED	Updated and combined with another CIP
Repairs prescribed by Pavement Management #2	725,000	DELETED	Updated and combined with another CIP
Transit Center Study	150,000	DELETED	Updated CIP
Additional Railroad Crossing Study	150,000	DELETED	Task taken on by TCAG
Fire PPE SCBA units	127,000	DELETED	Moved to Operations budget
Well 3 Backup Generator	100,000	DELETED	Well failed, project obsolete
TOTAL	1,977,000		

The next step of the Capital Budgeting process begins with the submission of requests from the separate departments within the City for Fiscal Year 2021-22 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 2022	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
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)	61,250	1,019,000				1,080,250
City Hall Parking Lot (Phase 1)	22,000	191,000				213,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Alley Improvement Construction (CDBG grant?)			875,000			875,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Hand Held Radios (3)	15,000					15,000
Radios for Command Vehicle	18,350					18,350
Battalion Chief Vehicle			90,000			90,000
Hand Held Radios (2)		17,000				17,000
Fire Patrol Vehicle					225,000	225,000
WWTP Loader	90,000					90,000
Downtown Streetlight Upgrade	40,188					40,188
Museum & Event Center Exterior Painting	25,000					25,000
Tablet and Modem Update (Dispatch Hardware)	60,000					60,000
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)					64,600	64,600
Freedom Field	295,000	1,954,034				2,249,034
TOTAL	2,546,788	3,619,500	3,150,500	211,700	1,529,600	11,058,088

Administration & Finance Department

The list Administration and Finance Departments capital projects and purchases has been reduced to only two for the next five years. This five-year projection contained seven 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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
MUNIS System Upgrades (shared with enterprise)	44,380					44,380
Admin Vehicle (Air Quality Grant)			43,500			43,500
TOTAL	44,380	-	43,500	-	-	87,880

There were no major changes from the prior year. The most critical of these projects, which continues from FY 2021, 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 2021-22. 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 19 projects with a total cost of about $25 million. Compared with this same five-year projection last year, the Year 1 total has stayed about the same but the content of the projects has changed significantly. The completion of the new wastewater treatment plant was long, expensive, and dominated the plan. However, now that it is complete, the next phase of projects will replace the expense and effort but in parks and road work.

ENGINEERING CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Farmersville Blvd Repairs				150,000	1,342,500	1,492,500
Birch Water Line Relocation			35,000	326,000		361,000
Alley Improvement Design	250,000					250,000
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)	61,250	1,019,000				1,080,250
City Hall Parking Lot (Phase 1)	22,000	191,000				213,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Alley Improvement Construction			875,000			875,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Transit Center Study		150,000				150,000
ADA Sidewalk Improvements	25,000	225,000				250,000
TOTAL	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150

The Engineering Department Capital Budget request includes only a few projects that are already underway. In fact, only three of the items listed in the table above are already underway but six of them are expected to be completed in Fiscal Year 2021-22. This is telling again of the transition year that the City is in after the completion of such a large project (Wastewater Treatment Plant). 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.

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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Central Fire Station			2,500,000			2,500,000
Fire Engine	115,567	115,567	115,567	115,567	115,567	577,834
SCBA Bottle Filling Station		60,000				60,000
Hand Held Radios (3)	15,000					15,000
Radios for Command Vehicle	18,350					18,350
Battalion Chief Vehicle			90,000			90,000
Hand Held Radios (2)		17,000				17,000
Fire Patrol Vehicle					225,000	225,000
TOTAL	148,917	192,567	2,705,567	115,567	340,567	3,503,184

The Fire Department request contains eight projects/equipment of which three are currently not funded. The Central Fire Station, the SCBA Bottle Filling Station, and the Fire Patrol vehicle do not have funding sources identified yet but are programmed for FY 2024, 2023, and 2026 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 or the Fire Department Developer Impact Fees, as appropriate. General Fund capital costs are being supported by Cannabis Business Tax currently.

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

1. Purchase of the radio pagers is completed.
2. The fire engine purchase was delayed due to manufacturing constraints relative to the COVID-19 pandemic and now is slated to be received in early FY 2022.
3. PPE SCBA units are not being programmed through routine operational budgets rather than capital planning.
4. More handheld radios were added to the plan.
5. The command vehicle purchase is anticipated to be completed by 6/30/21 but has additional radios added to the plan.

6. A battalion chief vehicle purchase has been added to the plan.
7. The purchase of a washer-extractor is complete.
8. A replacement of the Patrol fire vehicle has been added to the plan.

Because of the high dollar amount of the Central Fire Station and the Fire Engine, they will likely need to be financed or secure funding outside of the City revenue streams. Currently, the Fire Engine is listed with expense related to a proposed seven-year financing option through a bank. 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 is to begin in Fiscal Year 2020-21 for both the Downtown Specific Plan and the Zoning Ordinance update because of the grant funding.

PLANNING DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Downtown Specific Plan	125,000					125,000
Zoning Ordinance Update	70,000					70,000
General Plan Update	63,000	126,000	63,000			252,000
TOTAL	258,000	126,000	63,000	-	-	447,000

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.

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

Police Department

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

POLICE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Patrol Vehicle Replacement (FY20)	51,126	38,345				89,471
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)			60,900	60,900	60,900	182,700
Tablet and Modem Update (Dispatch Hardware)	60,000					60,000
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)					64,600	64,600
TOTAL	243,026	95,245	117,800	60,900	125,500	642,471

Previously listed items on the Police department Capital budget that were completed in Fiscal Year 2020-21 were the office remodel (phase 2), purchase of police admin vehicles, and a police vehicle to support the new position supported by Cannabis Business Tax and for response to the cannabis business operating in town.

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 another phase of the remodel of the police station to be paid for through Cannabis Business Taxes. This final portion would update and modernize the front office portion of the department.

Public Works Department

The Public Works Department has a request for 18 projects and purchases for a total of over $7 million. This is a decrease from the prior year five-year projection of 19 projects and over $8 million. However, many of these projects are related to ongoing projects or initiatives already underway.

Of the 25 new projects/purchases added to the total five-year capital improvement plan this year, only three of them are within the Public Works Department with a total projected expense of just over $2.3 million. The most impactful of these items is the grant awarded for the Freedom Field portion of the Sport park project. This is a grant for over $2.2 million and will significantly change the Sports park on the East side and expand its use for more purposes and people.

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, and Roy's Park improvements). Work has already been done to identify the most likely funding source for the Solar Project in a staff report and presentation to City Council in January 2020. Roy's Park

Improvements are likely to be funded by Prop 68 local allocation of park funding but this has not yet materialized. 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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Skate Park	7,500					7,500
Park Irrigation Upgrade	10,000					10,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	570,472				1,653,206
Well 7 Generator	128,000					128,000
New Corporation Yard		1,001,000				1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Liberty Park Trail Lighting	114,000					114,000
Roy's Park Improvement		196,500				196,500
Bobcat & Trailer	113,411					113,411
Civic Center HVAC System	85,220					85,220
Digital Sign			45,000			45,000
Well 5 Upgrade and Generator		200,000				200,000
Well 6 Upgrade and Generator	200,000					200,000
WWTP Loader	90,000					90,000
Downtown Streetlight Upgrade	40,188					40,188
Museum & Event Center Exterior Painting	25,000					25,000
Freedom Field	295,000	1,954,034				2,249,034
TOTAL	2,208,053	4,263,006	392,000	334,000	-	7,197,059

Summary of the Complete FY 2021-22 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 2021-22 is $15,741,876. Including the estimates through Fiscal Year 2025-26, it is a total of $37,079,744 over the five years.

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
02 WATER UTILITY	183,460	1,136,000	71,000	344,000	1,240,000	2,974,460
03 WATER DEVELOPMENT	-	366,500	14,400	193,700	-	574,600
04 SEWER UTILITY	278,460	2,361,450	36,000	-	-	2,675,910
05 SEWER DEVELOPMENT	-	166,500	-	-	-	166,500
12 FEDERAL AND STATE GRANTS	793,000	150,000	875,000	-	1,342,500	3,160,500
20 STP	-	-	640,000	-	-	640,000
22 TDA	2,040,188	-	645,000	-	-	2,685,188
26 MEASURE R FUND	10,300,000	2,000,000	-	-	-	12,300,000
27 RMRA (SB1) FUND	-	-	715,000	-		715,000
31 PARK IMPROVEMENTS	1,385,234	2,721,006	-	-	-	4,106,240
40 CDBG PROGRAM INCOME	-	333,000	333,000	334,000	-	1,000,000
71 FIRE DEVELOPER FEES	18,350	60,000	2,500,000	-	-	2,578,350
103 GENERAL FUND CAPITAL	743,183	1,379,311	587,967	326,467	466,067	3,502,995
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

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 13 of 56 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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Fire Station			2,500,000			2,500,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Freedom Field	295,000	1,954,034				2,249,034
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	570,472				1,653,206
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)	61,250	1,019,000				1,080,250
New Corporation Yard		1,001,000				1,001,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
TOTAL	13,805,234	9,121,956	4,833,000	502,000	2,582,500	30,844,690

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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	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
Central Fire Station			2,500,000			2,500,000
SCBA Bottle Filling Station		60,000				60,000
Fire Patrol Vehicle					225,000	225,000
New Corporation Yard for Public Works		1,001,000				1,001,000
Roy's Park Improvement		196,500				196,500
TOTAL	-	1,257,500	3,375,000	168,000	2,807,500	7,608,000

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.

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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
MUNIS System Upgrades (shared with enterprise)	44,380					44,380
Admin Vehicle (Air Quality Grant)			43,500			43,500
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Farmersville Blvd Repairs				150,000	1,342,500	1,492,500
Birch Water Line Relocation			35,000	326,000		361,000
Alley Improvement Design	250,000					250,000
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)	61,250	1,019,000				1,080,250
City Hall Parking Lot (Phase 1)	22,000	191,000				213,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Alley Improvement Construction			875,000			875,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Transit Center Study		150,000				150,000
ADA Sidewalk Improvements	25,000	225,000				250,000
Central Fire Station			2,500,000			2,500,000
Fire Engine	115,567	115,567	115,567	115,567	115,567	577,834
SCBA Bottle Filling Station		60,000				60,000
Hand Held Radios (3)	15,000					15,000
Radios for Command Vehicle	18,350					18,350
Battalion Chief Vehicle			90,000			90,000
Hand Held Radios (2)		17,000				17,000
Fire Patrol Vehicle					225,000	225,000
Downtown Specific Plan	125,000					125,000
Zoning Ordinance Update	70,000					70,000
General Plan Update	63,000	126,000	63,000			252,000
Patrol Vehicle Replacement (FY20)	51,126	38,345				89,471
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)			60,900	60,900	60,900	182,700
Tablet and Modem Update (Dispatch Hardware)	60,000					60,000
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)					64,600	64,600
Skate Park	7,500					7,500
Park Irrigation Upgrade	10,000					10,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	570,472				1,653,206
Well 7 Generator	128,000					128,000
New Corporation Yard		1,001,000				1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Liberty Park Trail Lighting	114,000					114,000
Roy's Park Improvement		196,500				196,500
Bobcat & Trailer	113,411					113,411
Civic Center HVAC System	85,220					85,220
Digital Sign			45,000			45,000
Well 5 Upgrade and Generator		200,000				200,000
Well 6 Upgrade and Generator	200,000					200,000
WWTP Loader	90,000					90,000
Downtown Streetlight Upgrade	40,188					40,188
Museum & Event Center Exterior Painting	25,000					25,000
Freedom Field	295,000	1,954,034				2,249,034
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN:

FISCAL YEAR 2021-2022 THROUGH FISCAL YEAR 2025-2026

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

CAPITAL PROJECTS BY FUND	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
02 WATER UTILITY	183,460	1,136,000	71,000	344,000	1,240,000	2,974,460
03 WATER DEVELOPMENT	-	366,500	14,400	193,700	-	574,600
04 SEWER UTILITY	278,460	2,361,450	36,000	-	-	2,675,910
05 SEWER DEVELOPMENT	-	166,500	-	-	-	166,500
12 FEDERAL AND STATE GRANTS	793,000	150,000	875,000	-	1,342,500	3,160,500
20 STP	-	-	640,000	-	-	640,000
22 TDA	2,040,188	-	645,000	-	-	2,685,188
26 MEASURE R FUND	10,300,000	2,000,000	-	-	-	12,300,000
27 RMRA (SB1) FUND	-	-	715,000	-		715,000
31 PARK IMPROVEMENTS	1,385,234	2,721,006	-	-	-	4,106,240
40 CDBG PROGRAM INCOME	-	333,000	333,000	334,000	-	1,000,000
71 FIRE DEVELOPER FEES	18,350	60,000	2,500,000	-	-	2,578,350
103 GENERAL FUND CAPITAL	743,183	1,379,311	587,967	326,467	466,067	3,502,995
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

ADMINISTRATION & FINANCE DEPARTMENTS

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

ADMINISTRATION & FINANCE CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
MUNIS System Upgrades (shared with enterprise)	44,380					44,380
Admin Vehicle (Air Quality Grant)			43,500			43,500
TOTAL	44,380	-	43,500	-	-	87,880

Project No.	ADM2020-02	**Capital Improvement Plan**	
Department:	**Administration**	**Project Request**	
Criteria:	**2**	Fiscal Year 2020 CIP	
Title:	**Software Upgrades and Additions (MUNIS)**	**REVISED**	

Project Description

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

1. The City currently uses MUNIS, an ERP product from Tyler Technologies, which is cloud-based and serves as the main component for accounting, financial statement preparation, project tracking, utility-billing, business licensing, cannabis taxation, revenue processing, fixed assets, payroll, and cashiering. The City is not able to perform most of its primary functions without it. In order to keep the current version up to date and expand to handle the expanding agenda of the City, this software will require updates from time to time and additions of new software modules to keep up with the demands from the residents and other departments. The current version will keep the City up-to-date through tax year 2020. At that point an upgrade to version 2018.1 or later will be required. In addition, there are a few additions to the software that are needed to make the interface more user-friendly for staff purposes (Dashboard) as well and upgrading the background system structures for utility billing and revenue processing (UBCIS).

2. Since the MUNIS software supports primarily general fund and enterprise fund work that is where the fees are charged currently. There are no other known funding sources at this time.

3. As indicated previously, this is a software as a service application that is accessed via the internet and data is stored in the cloud. Any changes to this would likely be in similar form. The targeting changes are estimated as the following:
   a. UBCIS: Implementation costs of $14,080, data conversion $4,000, and Migration services $1,000 for a total of $19,080 in one time fees.
   b. Dashboard Interface: Implementations costs of $3,825 (one-time fee), ongoing maintenance cost of $990 annually.
   c. Current contract renews automatically each year with a 3% increase on all reoccurring module costs.

4. Operations and Maintenance are included with the subscription cost and any initial training is also provided for with new module purchases (listed above). However, there may be need for additional training in future years in order to keep staff up to date with the new versions of the programs and changing compliance and regulatory requirements. This cost is estimated at about $3,000 per year or less in addition to the contract costs.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	44,380.00					44,380.00
Total	44,380.00	-	-	-	-	44,380.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		3,990.00	4,050.29	1,081.80	1,081.80	10,203.89
Total	-	3,990.00	4,050.29	1,081.80	1,081.80	10,203.89

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	20,000.00					20,000.00
Water Utility	20,000.00					20,000.00
General Fund	4,380.00	3,990.00	4,050.29	1,081.80	1,081.80	14,583.89
Other (specify)						-
Total Funding Sources	44,380.00	3,990.00	4,050.29	1,081.80	1,081.80	54,583.89
Total Funding Sources	44,380.00	3,990.00	4,050.29	1,081.80	1,081.80	54,583.89
Total Project Cost	44,380.00	3,990.00	4,050.29	1,081.80	1,081.80	54,583.89
Total Unfunded	-	-	-	(0.00)	(0.00)	(0.00)

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

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 11 years old in 2023 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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	500.00	1,500.00
Total	-	-	500.00	500.00	500.00	1,500.00

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund			23,500.00	500.00	500.00	24,500.00
Other (specify)			20,000.00			20,000.00
Total Funding Sources	-	-	43,500.00	500.00	500.00	44,500.00
Total Funding Sources	-	-	43,500.00	500.00	500.00	44,500.00
Total Project Cost	-	-	43,500.00	500.00	500.00	44,500.00
Total Unfunded	-	-	-	-	-	-

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

ENGINEERING DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

ENGINEERING CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Farmersville Blvd Repairs				150,000	1,342,500	1,492,500
Birch Water Line Relocation			35,000	326,000		361,000
Alley Improvement Design	250,000					250,000
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)	61,250	1,019,000				1,080,250
City Hall Parking Lot (Phase 1)	22,000	191,000				213,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Alley Improvement Construction			875,000			875,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Transit Center Study		150,000				150,000
ADA Sidewalk Improvements	25,000	225,000				250,000
TOTAL	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150

Project No.	ENG2020-02	**Capital Improvement Plan**	
Department:	**Engineering/Public Works**	**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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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/Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2020 CIP
Title:	**Birch Water Line Relocation**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	ENG2021-01	**Capital Improvement Plan**
	Department:	**Engineering**	**Project Request**
	Criteria:	**5**	Fiscal Year 2021 CIP
	Title:	**Alley Improvements (Design)**	**REVISED**

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 plan and design 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. Funding for design through 20-CDBG-12028.
3. Design and develop plans 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. Maintenance will be negligible for design phase.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	184,000.00					184,000.00
Acquisitions						-
Permits						-
Administration	45,000.00					45,000.00
Construction						-
Inspection						-
Contingency	21,000.00					21,000.00
Equip / Vehicle						-
Grand Opening						-
Total	250,000.00	-	-	-	-	250,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	250,000.00					250,000.00
Total Funding Sources	250,000.00	-	-	-	-	250,000.00
Total Funding Sources	250,000.00	-	-	-	-	250,000.00
Total Project Cost	250,000.00	-	-	-	-	250,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-01	**Capital Improvement Plan**	
Department:	**Engineering/ Public Works**	**Project Request**	
Criteria:	**5**	Fiscal Year 2022 CIP	
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	150,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	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.	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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/ Public Works**	**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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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/ Public Works**	**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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	18,000.00
Total Funding Sources	-	-	-	18,000.00	-	18,000.00
Total Project Cost	-	-	-	18,000.00	1,240,000.00	1,258,000.00
Total Unfunded	-	-	-	-	1,240,000.00	1,240,000.00

Project No.	ENG2022-05	**Capital Improvement Plan**
Department:	**Engineering/ Public Works**	**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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	48,750.00	15,000.00				63,750.00
Acquisitions						-
Permits						-
Administration	12,500.00	9,000.00				21,500.00
Construction		960,000.00				960,000.00
Inspection		35,000.00				35,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	61,250.00	1,019,000.00	-	-	-	1,080,250.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	61,250.00	1,019,000.00				1,080,250.00
Total Funding Sources	61,250.00	1,019,000.00	-	-	-	1,080,250.00
Total Funding Sources	61,250.00	1,019,000.00	-	-	-	1,080,250.00
Total Project Cost	61,250.00	1,019,000.00	-	-	-	1,080,250.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-06	**Capital Improvement Plan**
Department:	**Engineering/ Public Works**	**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.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	18,000.00					18,000.00
Acquisitions						-
Permits						-
Administration	4,000.00					4,000.00
Construction		181,000.00				181,000.00
Inspection		10,000.00				10,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	22,000.00	191,000.00	-	-	-	213,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	22,000.00	191,000.00				213,000.00
Other (specify)						-
Total Funding Sources	22,000.00	191,000.00	-	-	-	213,000.00
Total Funding Sources	22,000.00	191,000.00	-	-	-	213,000.00
Total Project Cost	22,000.00	191,000.00	-	-	-	213,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-07
Department:	**Engineering/ Public Works**
Criteria:	**5**
Title:	**City Hall Parking Lot (Phase 2)**

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. 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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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**
Department:	**Engineering/Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**2022 STREET PROJECT**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	2,000,000.00					2,000,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	2,000,000.00	-	-	-	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA	2,000,000.00					2,000,000.00
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	2,000,000.00	-	-	-	-	2,000,000.00
Total Funding Sources	2,000,000.00	-	-	-	-	2,000,000.00
Total Project Cost	2,000,000.00	-	-	-	-	2,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-10	**Capital Improvement Plan**
Department:	**Engineering/Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**2023 STREET PROJECT**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		2,000,000.00				2,000,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	2,000,000.00	-	-	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R		2,000,000.00				2,000,000.00
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	-	2,000,000.00	-	-	-	2,000,000.00
Total Funding Sources	-	2,000,000.00	-	-	-	2,000,000.00
Total Project Cost	-	2,000,000.00	-	-	-	2,000,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	ENG2022-11	**Capital Improvement Plan**
Department:	**Engineering/Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**2024 STREET PROJECT**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction			2,000,000.00			2,000,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	-	2,000,000.00	-	-	2,000,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA			645,000.00			645,000.00
RMRA (SB1)			715,000.00			715,000.00
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)			640,000.00			640,000.00
Total Funding Sources	-	-	2,000,000.00	-	-	2,000,000.00
Total Funding Sources	-	-	2,000,000.00	-	-	2,000,000.00
Total Project Cost	-	-	2,000,000.00	-	-	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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**	
Department:	**Engineering**	**Project Request**	
Criteria:	**4**	Fiscal Year 2022 CIP	
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	59,250.00	24,450.00				83,700.00
Acquisitions						-
Permits						-
Administration	7,000.00					7,000.00
Construction		2,200,000.00				2,200,000.00
Inspection		20,000.00				20,000.00
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	66,250.00	2,244,450.00	-	-	-	2,310,700.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	66,250.00					66,250.00
Other (specify)						-
Total Funding Sources	66,250.00	-	-	-	-	66,250.00
Total Funding Sources	66,250.00	-	-	-	-	66,250.00
Total Project Cost	66,250.00	2,244,450.00	-	-	-	2,310,700.00
Total Unfunded	-	2,244,450.00	-	-	-	2,244,450.00

Project No.	ENG2022-14	**Capital Improvement Plan**
Department:	**Engineering**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Transit Center 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 location and design of a Transit Center for the City of Farmersville.
   Phase 2: Construction of the Transit Center and equip the location to operate.

2. Phase 1: To be funded by Cannabis Revenue. Estimated cost is $150,000 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. There is a desire to centralize the transit system for the City and then evaluate the system that would be needed for the last mile service with the goal to provide better service and save on cost for the City.

4. There is no estimate for ongoing operations and maintenance cost at this point until the study is complete and design and operations can be estimated. The study cost should be a one-time cost.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration		150,000.00				150,000.00
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	150,000.00	-	-	-	150,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	150,000.00
Total Unfunded	-	-	-	-	-	-

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.

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	-	-	-

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

FIRE DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

FIRE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Central Fire Station			2,500,000			2,500,000
Fire Engine	115,567	115,567	115,567	115,567	115,567	577,834
SCBA Bottle Filling Station		60,000				60,000
Hand Held Radios (3)	15,000					15,000
Radios for Command Vehicle	18,350					18,350
Battalion Chief Vehicle			90,000			90,000
Hand Held Radios (2)		17,000				17,000
Fire Patrol Vehicle					225,000	225,000
TOTAL	148,917	192,567	2,705,567	115,567	340,567	3,503,184

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)			2,500,000.00			2,500,000.00
Total		-	2,500,000.00	-	-	2,500,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-					-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	2,500,000.00	-	-	2,500,000.00
Total Unfunded	-	-	2,500,000.00	-	-	2,500,000.00

Project No.	FRE2021-02	**Capital Improvement Plan**
Department:	**FIRE**	**Project Request**
Criteria:	**3**	Fiscal Year 2021 CIP
Title:	**Fire Engine**	

Project Description

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

1. Purchase of Fire Engine and related fire equipment. Estimated purchase price is $750,000. The current plan is to finance the purchase for a term of 7 years. This will result in additional interest charges above the purchase price of $750,000. There is an estimated additional $75,000.

2. The engine is for general City staff use and is a replacement of existing equipment and as such is not eligible DIF or any other restricted funds. Therefore, it will need to be paid for from the General Fund.

3. The Engine is needed in order to replace an existing piece of apparatus that is well beyond its serviceable lifespan. The City Manager has determined that the Engine is in line with the vision of the Council for the next 5 years.

4. The Engine must have regular ongoing maintenance throughout its serviceable lifespan. There is an estimated useful life of about 10 years as a frontline piece of apparatus and an additional 5 years as a backup.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Other (specify)						-
Total	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Other (specify)						-
Total Funding Sources	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Total Funding Sources	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Total Project Cost	115,566.83	115,566.83	115,566.83	115,566.83	115,566.83	577,834.15
Total Unfunded	-	-	-	-	-	-

Project No.	FRE2021-03	**Capital Improvement Plan**	
Department:	**FIRE**	**Project Request**	
Criteria:	**6**	Fiscal Year 2021 CIP	
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	FRE2022-01	**Capital Improvement Plan**
Department:	**Fire**	**Project Request**
Criteria:	**8**	Fiscal Year 2022 CIP
Title:	**Hand Held Radios (3)**	

Project Description

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

1. Purchase of 3 portable radios. The portable radios are for use by fire personnel and provide needed functionality during both local and out of county response to incidents. These radios offer digital encryption as well as being rated for use in high heat environments. They are also GPS capable providing an added layer of safety for personnel engaged in incidents. Estimated purchase price is $15,000.

2. The identified funding source for the project is Cannabis Tax. This project is consistent with the intent of the tax measure in supporting and enhancing public safety services in the City of Farmersville.

3. This project consists of the purchase of (3) three handheld radios for use by fire personnel. Itis in line with the Council's visions and goals to enhance public safety in the City of Farmersville. It is also in line with the stated uses for Cannabis retail tax passed by voters of the City of Farmersville.

4. There is an estimated useful life of about 10 years.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	15,000.00					15,000.00
Other (specify)						-
Total	15,000.00	-	-	-	-	15,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	15,000.00					15,000.00
Other (specify)						-
Total Funding Sources	15,000.00	-	-	-	-	15,000.00
Total Funding Sources	15,000.00	-	-	-	-	15,000.00
Total Project Cost	15,000.00	-	-	-	-	15,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	FRE2022-02	**Capital Improvement Plan**
Department:	**Fire**	**Project Request**
Criteria:	**8**	Fiscal Year 2022 CIP
Title:	**Radios for Command Vehicle**	

Project Description

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

1. Purchase of 3 mobile radios for completion of the Command Vehicle upfit. The purchase price for these three radios is $18,350.

2. DIF has been identified as a funding source for this project. These 3 mobile radios are for completion of the Command Vehicle project begun in the 2021 fiscal year and will enhance and expand capabilities of the fire department.

3. This project consists of the purchase and install of three additional radios for the completion of the Command Vehicle project begun in the 2021 fiscal year. This project is in line with the vision and Goals of the Council in supporting, expanding and enhancing public safety capabilities for the next 5 years.

4. There is an estimated useful life of about 10 years for this equipment.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	18,350.00					18,350.00
Other (specify)						-
Total	18,350.00	-	-	-	-	18,350.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF	18,350.00					18,350.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	18,350.00	-	-	-	-	18,350.00
Total Funding Sources	18,350.00	-	-	-	-	18,350.00
Total Project Cost	18,350.00	-	-	-	-	18,350.00
Total Unfunded	-	-	-	-	-	-

Project No.	FRE2022-03	**Capital Improvement Plan**
Department:	**Fire**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Battalion Chief Vehicle**	

Project Description

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

1. Purchase Battalion Chief Vehicle. The battalion chief vehicle is for use to response to incidents in town, during mutual aid around Tulare County and during out of county Mutual Aid responses which the City receives equipment reimbursement for. This will increase department capabilities and supports its mission well into the future. Estimated purchase price fully upfitted is $90,000.

2. Two potential funding sources have been identified for this purchase. DIF finds would be an acceptable funding source as this is a new vehicle adding new response capabilities to the fire department. Cannabis tax is also an acceptable source for this project as this is in line with the intent of the tax measure to support and enhance public safety in the City of Farmersville.

3. The battalion chief's response vehicle will be a quad cab 4X4 pickup with camper shell and all related response equipment. It will increase department capabilities during emergency responses that will ultimately improve staff safety and an increased level of service to the community. This project fits within the Councils vision of providing the best level of public safety the city has the ability to.

4. There is an estimated useful life of 10 to 12 years for this piece of equipment. The vehicle will require standard maintenance in order to keep it in operating condition.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle			90,000.00			90,000.00
Other (specify)						-
Total	-	-	90,000.00	-	-	90,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund			90,000.00			90,000.00
Other (specify)						-
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.	FRE2022-04	**Capital Improvement Plan**
Department:	**Fire**	**Project Request**
Criteria:	**8**	Fiscal Year 2022 CIP
Title:	**Handeld Radios (2)**	

Project Description

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

1. Purchase of 2 handheld portable radios. The portable radios are for command staff use and provide needed functionality during both local and out of county response to incidents. These radios offer digital encryption capability as well as being rated to work in high heat environments. They are also GPS capable providing an added layer of safety for personnel while engaged in incidents. Estimated purchase price is $17,000.

2. The identified funding source for the project is Cannabis Tax. This project is consistent with the intent of the tax measure in supporting and enhancing public safety services in the City of Farmersville.

3. This project consists of the purchase of (2) two handheld radios for use by fire command staff. It is in line with the Council's visions and goals to enhance public safety in the City of Farmersville. It is also in line with the stated uses for Cannabis retail tax passed by voters of the City of Farmersville.

4. There is an estimated useful life of about 10 years.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle		17,000.00				17,000.00
Other (specify)						-
Total	-	17,000.00	-	-	-	17,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		17,000.00				17,000.00
Other (specify)						-
Total Funding Sources	-	17,000.00	-	-	-	17,000.00
Total Funding Sources	-	17,000.00	-	-	-	17,000.00
Total Project Cost	-	17,000.00	-	-	-	17,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	FRE2022-05	**Capital Improvement Plan**
Department:	**Fire**	**Project Request**
Criteria:	**6**	Fiscal Year 2022 CIP
Title:	**Fire Patrol Vehicle**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	-	225,000.00	225,000.00
Total Unfunded	-	-	-	-		225,000.00

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

PLANNING DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

PLANNING DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Downtown Specific Plan	125,000					125,000
Zoning Ordinance Update	70,000					70,000
General Plan Update	63,000	126,000	63,000			252,000
TOTAL	258,000	126,000	63,000	-	-	447,000

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	125,000.00					125,000.00
Total	125,000.00	-	-	-	-	125,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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)	80,000.00					80,000.00
Total Funding Sources	125,000.00	-	-	-	-	125,000.00
Total Funding Sources	125,000.00	-	-	-	-	125,000.00
Total Project Cost	125,000.00	-	-	-	-	125,000.00
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)	70,000.00					70,000.00
Total	70,000.00	-	-	-	-	70,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	70,000.00					70,000.00
Total Funding Sources	70,000.00	-	-	-	-	70,000.00
Total Funding Sources	70,000.00	-	-	-	-	70,000.00
Total Project Cost	70,000.00	-	-	-	-	70,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PLN2020-03	**Capital Improvement Plan**
Department:	**Planning**	**Project Request**
Criteria:	**7**	Fiscal Year 2020 CIP
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 plans to apply for funding through the REAP grant offered by TCAG.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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	-	-	-	-	-	-

CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

POLICE DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

POLICE DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Patrol Vehicle Replacement (FY20)	51,126	38,345				89,471
Patrol Vehicle Replacement (FY22)	56,900	56,900	56,900			170,700
Patrol Vehicle Replacement (FY24)			60,900	60,900	60,900	182,700
Tablet and Modem Update (Dispatch Hardware)	60,000					60,000
Police Office Remodel (Phase 3)	75,000					75,000
Patrol Vehicle Replacement (FY26)					64,600	64,600
TOTAL	243,026	95,245	117,800	60,900	125,500	642,471

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	51,126.00	38,345.00				89,471.00
Other (specify)						-
Total	51,126.00	38,345.00	-	-	-	89,471.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	51,126.00	38,345.00				89,471.00
Other (specify)						-
Total Funding Sources	51,126.00	38,345.00	-	-	-	89,471.00
Total Funding Sources	51,126.00	38,345.00	-	-	-	89,471.00
Total Project Cost	51,126.00	38,345.00	-	-	-	89,471.00
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	POL2022-01	**Capital Improvement Plan**
Department:	**Police**	**Project Request**
Criteria:	**8**	Fiscal Year 2022 CIP
Title:	**Tablet and Modem Update**	

Project Description

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

1. Purchase of replacement tablets and modems for patrol vehicles. Estimated purchase price is $60,000.

2. The Tablet and Modem project is a must do project and is in conjunction with our contracted dispatch providers software transition to a new software vender. This project is in line with the intent of the Cannabis Tax Measure language in supporting and enhancing Public Safety service in the City of Farmersville.

3. The Tulare County Sheriff's Office will be upgrading its dispatch and records management software moving to a new vender in October of 2021. As a result, we must upgrade our tablets and modems for all patrol staff. The current tablets are Windows 7 based and are not capable of upgrade to the latest software due to hardware limitations. Our current modems in the patrol vehicles are no longer supported by the vender and are in need of replacement to be compatible with the new systems. This upgrade must take place if we are to remain fully capable of using these systems. The cost of these replacement is estimated at $60,000. Keeping patrol staff up to date with dispatch and records management software is in line with the Councils Vision and Goals of providing quality public safety services to the community. The City Manager has determined that this is in line with the vision of the Council for the next 5 years.

4. The tablets and modems have an estimated useful life of about 8 to 10 years.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	60,000.00					60,000.00
Other (specify)						-
Total Funding Sources	60,000.00	-	-	-	-	60,000.00
Total Funding Sources	60,000.00	-	-	-	-	60,000.00
Total Project Cost	60,000.00	-	-	-	-	60,000.00
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)**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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**
Department:	**Police**	**Project Request**
Criteria:	**8**	Fiscal Year 2022 CIP
Title:	**Vehicle Replacement Program for 2025/2026 Fiscal Yer**	

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle					64,600.00	64,600.00
Other (specify)						-
Total	-	-	-	-	64,600.00	64,600.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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
Other (specify)						-
Total Funding Sources	-	-	-	-	64,600.00	64,600.00
Total Funding Sources	-	-	-	-	64,600.00	64,600.00
Total Project Cost	-	-	-	-	64,600.00	64,600.00
Total Unfunded	-	-	-	-	-	-

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CITY OF FARMERSVILLE

PROPOSED FIVE YEAR CAPITAL BUDGET AND PROGRAM:

FISCAL YEAR 2021-2022

PUBLIC WORKS DEPARTMENT

SUMMARY OF CAPITAL IMPROVEMENT PLAN	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Administration	44,380	-	43,500	-	-	87,880
Engineering	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150
Fire	148,917	192,567	2,705,567	115,567	340,567	3,503,184
Planning	258,000	126,000	63,000	-	-	447,000
Police	243,026	95,245	117,800	60,900	125,500	642,471
Public Works	2,208,053	4,263,006	392,000	334,000	-	7,197,059
TOTAL	15,741,876	10,673,768	6,417,367	1,198,167	3,048,567	37,079,744

PUBLIC WORKS DEPARTMENT CAPITAL PROJECTS	YEAR 1 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
Skate Park	7,500					7,500
Park Irrigation Upgrade	10,000					10,000
CDBG 2018 Jennings Park		333,000	333,000	334,000		1,000,000
Sports Park Phase III - CNRA Prop 68	1,082,734	570,472				1,653,206
Well 7 Generator	128,000					128,000
New Corporation Yard		1,001,000				1,001,000
Sports Park Rehabilitation Project	17,000	8,000	14,000			39,000
Liberty Park Trail Lighting	114,000					114,000
Roy's Park Improvement		196,500				196,500
Bobcat & Trailer	113,411					113,411
Civic Center HVAC System	85,220					85,220
Digital Sign			45,000			45,000
Well 5 Upgrade and Generator		200,000				200,000
Well 6 Upgrade and Generator	200,000					200,000
WWTP Loader	90,000					90,000
Downtown Streetlight Upgrade	40,188					40,188
Museum & Event Center Exterior Painting	25,000					25,000
Freedom Field	295,000	1,954,034				2,249,034
TOTAL	2,208,053	4,263,006	392,000	334,000	-	7,197,059

Project No.	PBW2020-03	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2020 CIP
Title:	**PARK IRRIGATION UPGRADES**	REVISED

Project Description

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

1. Convert Armstrong and Liberty parks irrigation to a two wire enclosed system. Estimated cost for the conversion is $8,500.00 per park. Estimated cost to connect Veterans park to Sports Park irrigation controller is $1,500.00. The first year should be Armstrong & Veterans, then Liberty in the second year.

2. Park conversion is not eligible for DIF, but Fund 31 could be used as that is specific for parks, if funds are available. If there is not enough to cover all of the upgrades, then the balance will need to be paid for from the General Fund.

3. Irrigation conversion will correct deficiencies in the existing infrastructure. Currently irrigation wiring is direct buried which allows rodents to gnaw and damage the wiring. As a result irrigation valves fail to operate as intended, which also increases staff labor.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	10,000.00					10,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	10,000.00	-	-	-	-	10,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance		-				-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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)						-
Total Funding Sources	10,000.00	-	-	-	-	10,000.00
Total Funding Sources	10,000.00	-	-	-	-	10,000.00
Total Project Cost	10,000.00	-	-	-	-	10,000.00
Total Unfunded	-	-	-	-	-	-

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2020 CIP
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	248,772.00					248,772.00
Acquisitions						-
Permits						-
Administration						-
Construction	833,962.00	570,472.00				1,404,434.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	1,082,734.00	570,472.00	-	-	-	1,653,206.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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)	1,082,734.00	560,472.00				1,643,206.00
Total Funding Sources	1,082,734.00	570,472.00	-	-	-	1,653,206.00
Total Funding Sources	1,082,734.00	570,472.00	-	-	-	1,653,206.00
Total Project Cost	1,082,734.00	570,472.00	-	-	-	1,653,206.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2020-16	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**2**	Fiscal Year 2020 CIP
Title:	**WELL 7 GENERATOR**	REVISED

Project Description

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

The project will mitigate electrical failures at Groundwater Well 7, a potable groundwater well, by installing a 150-kilowatt (kW) generator and housing structure to supply back-up power in the event of citywide power loss. The diesel-powered generator will be designed to automatically turn on in the event of a power failure and will contain enough fuel to operate for up to 70 hours.

The proposed scope of work will be completed within 12 months.

Scope of Work Tasks:

Task 1. Planning & Design (1 month): City or consultant engineers will plan and develop the project design to include: property dimensions, project vicinity boundaries, and generator location.

Task 2. Contractor Procurement (1 month): The City will develop and advertise a request for proposals (RFP), using the design plans developed in Task 1, to publicly solicit a Construction Contractor through a sealed-bidding process. After careful review and evaluation of the RFPs, the contract will be awarded to the most qualified Contractor.

Task 3. Equipment & Service Procurement (1 month): The City will issue a RFP to obtain formalized bids for these items. Bids will be evaluated and selected vendors will be contracted to supply the necessary equipment and installation.

Task 4. Construction (4 months): Permits for electrical installation and inspection will be obtained. Installation of the generator and related equipment, wiring, and construction of the housing will take place based on the design plan.

Task 5. Project Close-Out (2 months): All project close-out activities will take place and at the conclusion of the project, a final project report will be submitted to CalOES. The report will include a chronological description of project activities, generator testing results, and post construction data analysis.

Task 6. Grant Close-Out (3 months): The final reimbursement request will take place and a final grant report will be developed and submitted to CalOES.

Federal Share: $128,000
Applicant Match: $0

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	128,000.00					128,000.00
Other (specify)						-
Total	128,000.00	-	-	-	-	128,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	128,000.00					128,000.00
Total Funding Sources	128,000.00	-	-	-	-	128,000.00
Total Funding Sources	128,000.00	-	-	-	-	128,000.00
Total Project Cost	128,000.00	-	-	-	-	128,000.00
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF		333,000.00				333,000.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		668,000.00				668,000.00
Other (specify)						-
Total Funding Sources	-	1,001,000.00	-	-	-	1,001,000.00
Total Funding Sources	-	1,001,000.00	-	-	-	1,001,000.00
Total Project Cost	-	1,001,000.00	-	-	-	1,001,000.00
Total Unfunded	-	-	-	-	-	-

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	PBW2020-25	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2020 CIP
Title:	**Liberty Park Trail Lighting**	REVISED

Project Description

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

1. Purchase 35 14' LITA 20 solar led trail lights from Greenshine (Lita Solar Lighting System - Greenshine New Energy (streetlight solar.com)). Estimated purchase price is $114,000 including sales tax, shipping, installation materials.

2. The LITA 20 solar lights will be for community use and not eligible DIF or any other restricted funds. Therefore, it will need to be paid for from the General Fund or cannabis revenue.

3. The solar lights will enhance the park, the community, and the atmosphere for the residents.

4. The batteries have a lifespan of 5-10 years and will cost $250 each to replace. The light fixtures have a 5 year warranty.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	114,000.00					114,000.00
Other (specify)						-
Total	114,000.00	-	-	-	-	114,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund	114,000.00					114,000.00
Other (specify)						-
Total Funding Sources	114,000.00	-	-	-	-	114,000.00
Total Funding Sources	114,000.00	-	-	-	-	114,000.00
Total Project Cost	114,000.00	-	-	-	-	114,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2021-02	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**8**	Fiscal Year 2021 CIP
Title:	**Roys Park Improvements**	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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:	**BOBCAT, ATTACHMENTS & TRAILER**	

Project Description

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

1. Purchase one Bobcat Skid-steer loader – S595 T4 $45,535.37.
2. Purchase Bobcat attachments $57,939.51
3. Purchase one Bigtex Dump Trailer - 14LX-14BK-P4 $9,935.84

TOTAL $113,410.72

4. The Bobcat is eligible to be paid for with multiple funds. Therefore it will not be paid solely from the General Fund.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	113,410.72					113,410.72
Other (specify)						-
Total	113,410.72	-	-	-	-	113,410.72
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	37,803.57					37,803.57
Water Utility	37,803.57					37,803.57
General Fund	37,803.57					37,803.57
Other (specify)						-
Total Funding Sources	113,410.72	-	-	-	-	113,410.72
Total Funding Sources	113,410.72	-	-	-	-	113,410.72
Total Project Cost	113,410.72	-	-	-	-	113,410.72
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2021-06	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**4**	Fiscal Year 2021 CIP
Title:	**CIVIC CENTER HVAC - REPLACEMENT**	

Project Description

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

Civic Center's roof top HVAC units are approximately thirty-three (33) years old. They have significantly operated beyond their rated lifespan. Replacement is strongly recommended.

A quote for replacement of the nine (9) units was obtained. The total cost of replacements is:

1. Nine (9) Daikin gas/electric HVAC units - $77,219.71
2. Installation at prevailing labor - $8,000.00

Total cost $85,219.71

The HVAC replacements are eligible to be paid for through multiple funds. Therefore, it will not be paid solely from the General Fund.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	85,219.71					85,219.71
Other (specify)						-
Total	85,219.71	-	-	-	-	85,219.71
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	28,406.57					28,406.57
Water Utility	28,406.57					28,406.57
General Fund	28,406.57					28,406.57
Other (specify)						-
Total Funding Sources	85,219.71	-	-	-	-	85,219.71
Total Funding Sources	85,219.71	-	-	-	-	85,219.71
Total Project Cost	85,219.71	-	-	-	-	85,219.71
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	PBW2021-08	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**2**	Fiscal Year 2021 CIP
Title:	**WATER WELL 5 UPGRADES**	

Project Description

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

1. Water well upgrades for Well 5.

2. Upgrade existing water wells to meet future demand. Each upgrade would be funded solely by the DIF fund. Upgrades would include conversion to water lube, new pump column and pump, installing a Variable Frequency Drive (VFD) to help equalize ground water pumping, maintain consistent system pressure and consistent system chlorination. Adding a back-up generator to maintain operation in the event of a power outage.

3. Benefits for upgrade. Reduce quality issues related to oil lubrication and potential state violations, ensure long-term water production by reducing well overdraft, reduce electrical expenses, reduce equipment wear, maintain consistent system wide pressure and maintain operation during a power outage.

4. The upgrades would extend the operable life of the system between 20-50 years and reduce the impact upon well 8A.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction		200,000.00				200,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	-	200,000.00	-	-	-	200,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF		200,000.00				200,000.00
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
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.	PBW2021-09	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**2**	Fiscal Year 2021 CIP
Title:	**WATER WELL 6 UPGRADES**	REVISED

Project Description

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

1. Water well upgrades for Well 6.

2. Upgrade existing water wells to meet future demand. Upgrades would include conversion to water lube, new pump column and pump, installing a Variable Frequency Drive (VFD) to help equalize ground water pumping, maintain consistent system pressure and consistent system chlorination. Adding a back-up generator to maintain operation in the event of a power outage. The upgrade to the well will be funded through American Rescue Plan funds and the generator will be funded through OES grant.

3. Benefits for upgrade. Reduce quality issues related to oil lubrication and potential state violations, ensure long-term water production by reducing well overdraft, reduce electrical expenses, reduce equipment wear, maintain consistent system wide pressure and maintain operation during a power outage.

4. The upgrades would extend the operable life of the system between 20-50 years and reduce the impact upon well 8A.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	200,000.00					200,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	200,000.00	-	-	-	-	200,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund						-
Other (specify)	200,000.00					200,000.00
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.	PBW2022-01
Department:	**PUBLIC WORKS**
Criteria:	**2**
Title:	**WWTP LOADER**

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 a 74-93hp tractor loader which will be dedicated to the WWTP for sludge processing, drying and removal.

2. Estimated purchase price is $90,000.00 including sales tax and delivery.
   The loader will be paid solely from the sewer fund.

3. Estimated annual operational cost of $500.00 for fuel and $1,200.00 for maintenance/repairs every two years.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction						-
Inspection						-
Contingency						-
Equip / Vehicle	90,000.00					90,000.00
Other (specify)						-
Total	90,000.00	-	-	-	-	90,000.00
Operations & Maint						
FTE Costs						-
Operations		500.00	500.00	500.00	500.00	2,000.00
Maintenance			1,200.00		1,200.00	2,400.00
Total	-	500.00	1,700.00	500.00	1,700.00	4,400.00

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility	90,000.00	500.00	1,700.00	500.00	1,700.00	94,400.00
Water Utility						-
General Fund						-
Other (specify)						-
Total Funding Sources	90,000.00	500.00	1,700.00	500.00	1,700.00	94,400.00
Total Funding Sources	90,000.00	500.00	1,700.00	500.00	1,700.00	94,400.00
Total Project Cost	90,000.00	500.00	1,700.00	500.00	1,700.00	94,400.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2022-02	**Capital Improvement Plan**
Department:	**PUBLIC WORKS**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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					
	2021-22	2022-23	2023-24	2024-25	2025-26	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.	PBW2022-03	**Capital Improvement Plan**	
Department:	**PUBLIC WORKS**	**Project Request**	
Criteria:	**4**	Fiscal Year 2022 CIP	
Title:	**MUSEUM & EVENT CENTER EXTERIOR PAINTING**		

Project Description

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

1. The exterior paint of the Museum and Events Center has deteriorated due to the variable weather conditions surrounding the facility. The south and west sides of the facility receive direct intense sunlight, while the northside experiences moist shade. All sides of the facility have deteriorated since it was last painted in approximately 2009.

2. An elastomeric paint has been chosen due to its durability and longevity. The paint project will cost $25,000.00 to complete and will impact the General Fund in its entirety.

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.						-
Acquisitions						-
Permits						-
Administration						-
Construction	25,000.00					25,000.00
Inspection						-
Contingency						-
Equip / Vehicle						-
Other (specify)						-
Total	25,000.00	-	-	-	-	25,000.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	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)						-
Total Funding Sources	25,000.00	-	-	-	-	25,000.00
Total Funding Sources	25,000.00	-	-	-	-	25,000.00
Total Project Cost	25,000.00	-	-	-	-	25,000.00
Total Unfunded	-	-	-	-	-	-

Project No.	PBW2022-04	**Capital Improvement Plan**
Department:	**Public Works**	**Project Request**
Criteria:	**5**	Fiscal Year 2022 CIP
Title:	**Freedom Field**	

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).

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					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Project Items						
Design/Eng.	193,000.00					193,000.00
Acquisitions						-
Permits	5,000.00					5,000.00
Administration	97,000.00					97,000.00
Construction		1,767,759.00				1,767,759.00
Inspection						-
Contingency		181,275.00				181,275.00
Equip / Vehicle						-
Other (Grand Opening)		5,000.00				5,000.00
Total	295,000.00	1,954,034.00	-	-	-	2,249,034.00
Operations & Maint						
FTE Costs						-
Operations						-
Maintenance						-
Total	-	-	-	-	-	-

	Fiscal Year					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Funding Sources						
DIF						-
SLESF						-
Measure R						-
LTF/ TDA						-
RMRA (SB1)						-
Gas Tax						-
Maint Districts						-
Sewer Utility						-
Water Utility						-
General Fund		255,000.00				255,000.00
Other (specify)	295,000.00	1,699,034.00				1,994,034.00
Total Funding Sources	295,000.00	1,954,034.00	-	-	-	2,249,034.00
Total Funding Sources	295,000.00	1,954,034.00	-	-	-	2,249,034.00
Total Project Cost	295,000.00	1,954,034.00	-	-	-	2,249,034.00
Total Unfunded	-	-	-	-	-	-

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 Fiscal Year 2021-22 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



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

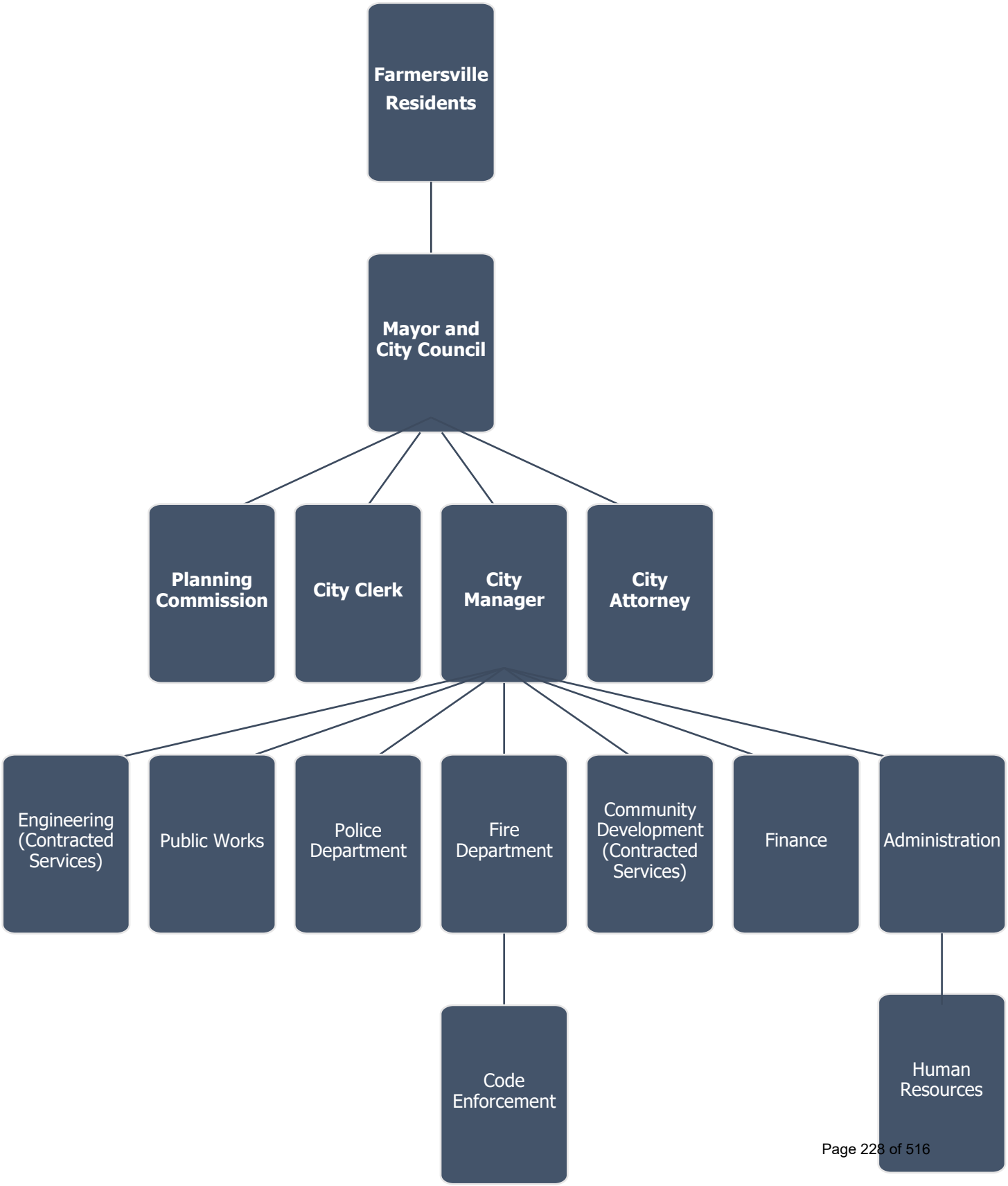
- Administration
  - Rules and Regulations
  - Policy and Procedures
  - Personnel
  - Recruiting and Hiring
  - Internal Affairs
  - Records
  - Dispatch
  - Training
  - Supplies and Services
- Operations
  - Patrol
  - Traffic Enforcement
  - Parking Enforcement
  - Field Training Officer Program
  - 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
- Treasury Management
- Contracting & Purchasing
- Grant Management & Reporting
- Financial Services
- 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 six full-time positions currently.

Department Accomplishments

Finance Department:

- Successfully received an unqualified audit opinion (best available) for the City and for the Fiscal year ended June 30, 2020.

- Completed all quarterly reporting to various agencies for more than a dozen different grant projects throughout the year.

- Staff began work to implement a utility billing upgrade which will allow residents further freedom and conveniences to pay their utility bills online and automatically.

- Staff continues to improve and add to the permitting portion of the MyGov software that was implemented by the City in FY 2020-21.



- Issued an RFP for Development Impact Fee and Comprehensive Fee Schedules. Both sets of documents are due to be completed in June 2021 and new fees implemented in FY 2021-22.

- Successfully administered a challenging time of nebulous rules and regulation changes regarding employment law relative to the COVID-19 pandemic.

- Received and managed the CARES Act funding for the City and helped administer the business grant program implemented as a result with the City Manager.

- 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 2021-22.

- Continued work with providers and grant administrators for HOME 2018, CDBG 2018 (both Senior & Youth services), 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).

- Staff attended the California Society of Municipal Finance Officers Annual Conference (virtually), 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.

- Staff attended the virtual Connect Conference (Tyler Technologies) to learn the latest regarding the MUNIS Enterprise Resource Program critical to all financial processes of the City.

Administration Department:



- Further expanded staff training opportunities to making education and job enrichment a priority through membership with CSJVRMA, LCW consortium, ERMA, and CPS HR.
- Continued work with providers and grant administrators for HOME 2018, CDBG 2018 (both Senior & Youth services), 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).
- Actively in process to implement the 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.

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.

- Complete a Development Impact Fee and Comprehensive Fee Schedules evaluation and update with the selected consultant. Both sets of documents are due for updates and will need professional assistance in order to accomplish something on this scale. This maintains good management of operations and accuracy in budgeting for services provided.

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.



- Complete the overhaul of the Employee Handbook and Personnel Policies.

- Complete the implement the Alternative Dispute Resolution program to expedite the Workers Compensation Program claims.

- Build a new HR department from the ground up. A new position is being added, the HR Manager, to improve and consolidate all HR processes and responsibilities.

-

Fiscal Year 2021-22 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 increases up from $543,000 to $595,000 in FY 2021-22 (10% increase). Most staff are "topped-out" in their position without any options for advancement. Costs will likely stay relatively flat going forward unless there is turn-over and a replacement is hired at a lower salary step.

- Only one capital item this year, which is the continuation of the upgrade of the utility billing software, online payment process, and document control system.

- 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.

- Responding to increase public and departmental demands and required will have unknown budget impacts.

Administration Department:

- Adding an HR Manager position to fill a large gap in critical administrative and strategic staff and support structure with a total cost in salaries and benefits from $254,000 to $397,000 For FY 2021-22 (56% increase). This cost includes the City Manager and the Administrative Analyst (City Clerk) as well.

- Additional costs related to equipment, services, and supplies for new HR Manager role will also be allocated across a number of different funding sources and funds for a total increase of about $35,000 (mostly one-time costs).

- Anticipating large increases in cost due to unprecedented hard insurance market – with increases possible in the 50% to 75% increase range.

- Additional studies and consultants to assist the City Manager's and City Clerk's efforts and new strategic initiatives are budgeted but offset by Cannabis Business Tax revenues.

- 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 should free up other staff from some HR tasks and give 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 short-comings 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 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Revenues by Fund				
01 GENERAL FUND	(3,504,261)	(3,768,243)	(4,657,144)	(4,911,607)
102 GENERAL FUND RESERVE	(1,670,710)	(20,595)	-	-
103 GENERAL FUND CAPITAL	-	(339,436)	(422,422)	(743,183)
104 CANNABIS CAPITAL FUND	-	(693,746)	(1,021,817)	(1,453,673)
12 FEDERAL AND STATE GRANTS	(697,314)	(468,273)	(1,521,229)	(1,586,703)
08 SELF INSURED RESERVE	-	-	(150,000)	-
40 CDBG PROGRAM INCOME	(151,580)	(17,525)	(334,470)	(334,057)
41 HOME PROGRAM INCOME	(136)	(40,361)	(61)	(233)
42 CAL HOME PROGRAM INCOME	(31,138)	(101,839)	(1,134)	(1,044)
60 AMERICAN RESCUE PLAN	-	-	-	(1,000,000)
Grand Total	**(6,055,139)**	**(5,450,017)**	**(8,108,277)**	**(9,030,500)**
Expenditures by Fund				
01 GENERAL FUND	1,891,470	243,507	476,926	560,443
102 GENERAL FUND RESERVE	-	251,436	-	-
103 GENERAL FUND CAPITAL	-	111,702	6,280	4,380
104 CANNABIS CAPITAL FUND	-	-	1,018,424	1,213,183
02 WATER UTILITY	213,788	267,072	260,783	313,198
04 SEWER UTILITY	213,789	244,254	260,783	289,294
06 REFUSE	72,055	73,414	60,996	70,269
12 FEDERAL AND STATE GRANTS	583,856	535,813	1,290,444	1,586,703
21 GAS TAX	-	8,871	17,986	20,479
40 CDBG PROGRAM INCOME	133,411	43,770	334,000	-
41 HOME PROGRAM INCOME	614	13,884	-	-
42 CAL HOME PROGRAM INCOME	141,424	46,316	-	-
60 AMERICAN RESCUE PLAN	-	-	-	133,250
Grand Total	**3,250,407**	**1,840,039**	**3,726,622**	**4,191,199**

Departmental Budget Summary - Administration & Finance

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Expenditures by Category				
CAPITAL OUTLAY	638,724	363,138	2,799,148	2,804,266
OPERATING SERVICES & SUPPLIES	20,518	22,772	25,500	26,500
OTHER	1,709,805	-	-	133,250
PROFESSIONAL & CONTRACTUAL SRV	224,663	693,652	125,000	250,000
SALARIES & BENEFITS	656,697	760,477	776,974	977,183
Grand Total	**3,250,407**	**1,840,039**	**3,726,622**	**4,191,199**

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**

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City of Farmersville

Community Development Department

Community Development Department

The Community Development Department is primarily out sourced 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.
- 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

- Added new 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 4 new grants totaling $2,332,320, managing 9 active grants, and successfully completed and closed out 5 grants.
- Scheduled new initiative for Hotel Tax (transient occupancy tax) to be prepared for future commercial development.

- Continued the Economic Development Incentive Program

- One (1) Homebuyer Assistance loan totaling over $112,000 in financing under the 2018 HOME Award.

- Two (2) Housing Rehabilitation loans totaling over $250,000 were approved under the 2018 HOME Award.

- There is currently one (1) Housing Rehabilitation loan pending and three (3) Homebuyer Assistance loans for over $130,000 pending that will be funded under the 2018 HOME Award.

- There is one (1) Housing Rehabilitation loan pending for over $150,000 with CalHome Reuse Funds and two Homebuyer Assistance loans for over $80,000 also using CalHome Reuse Funds.

- The City has also been providing financial support to CSET for Senior Services, of over $61,000 and the Boys and Girls Club for youth activities, of over $91,000 utilizing 2018 CDBG funds.

New Grant Application Awarded or in Development (B&A involvement):

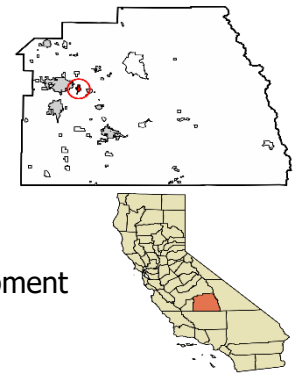
1) **California Natural Resources Agency** Urban Greening: Planning, design, and construction funds for the Freedom Field Phase of the Sports Park (turf field, landscaping, irrigation, picnic shelters, tables, benches, barbecue grills, two playgrounds, fencing, restroom, community place lighting, signage and ADA parking area).
   Award: $ 1,994,034 (city match for parking area: $255,000)
2) **Statewide Parks and Community Revitalization Round 2**: Sports Park Phase 4, (Park amenities include 2 baseball/softball fields, skate park, trails, a play structure, landscaping, adult exercise equipment, public art, irrigation.
   Request: $6,337,000
3) **CDBG Planning and Technical Assistance**: Farmersville is requesting funds for preliminary engineering, design, and CEQA for paving gravel alleys in residential areas adjacent to Farmersville Boulevard. Award: $250,000
4) **CDBG-CV (COVID)** Utility assistance Subsistence Payment Program:
   Award: $82,286
5) **CalOES Community Power Resiliency** Water Delivery Generators: electric design, purchase and installation for two generators at drinking water wells.
   Award: $256,000

Managed Active Grants and Loans:

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
   Grant: $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) SB2 Planning Grant: Zoning Update and Downtown Specific Plan.
   HCD Grant: $160,000

Department Goals

Specific Goals for the Departments in the coming year are:



- City Planning:
  - Preparing for upcoming zone changes related to Cannabis business
  - Launching updates to general plans, the zoning code, developing a downtown specific plan, and others
  - Preparing for working on Comprehensive Fee and Development Impact Fee studies
- 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
- Economic Development:
  - Enhance Marketing efforts to meet potential developers and retailers
  - Establish Transient Occupancy Tax (TOT)



- Grant Development and Management:
  - Successfully manage the 9 open grants (5 existing and 4 new grants)

    - Close out up to two of the existing grants in Fiscal Year 2020-21 including ATP East Walnut and Deep Creek Restoration.

- 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 2021-22 Budget Specifics

The highlights of the Fiscal Year 2021-22 budget for Community Development are:

- Continued investment of $15,000 appropriation to ongoing Economic Development Initiatives.

- Working with Self Help Enterprises to maximize program income for future uses aligned with City strategic goals.

- Appropriate expenses and fee revenue programmed for continued cannabis cultivation applications.

- Grant management will continue for several park, infrastructure, and housing projects in Fiscal Year 2021-22. 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 2021-22 related to park development, street improvements, and wastewater treatment improvements.

- Staff also anticipates the likely addition of at least two more grants to manage in Fiscal Year 2021-22.

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 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Community Development				
Revenues by Fund				
01 GENERAL FUND	(45,933)	(63,265)	(22,050)	(22,050)
Grand Total	**(45,933)**	**(63,265)**	**(22,050)**	**(22,050)**
Expenditures by Fund				
01 GENERAL FUND	383,650	225,006	417,539	414,392
103 GENERAL FUND CAPITAL	-	-	7,500	36,000
Grand Total	**383,650**	**225,006**	**425,039**	**450,392**
Expenditures by Category				
CAPITAL OUTLAY	-	-	7,500	36,000
OPERATING SERVICES & SUPPLIES	224,927	615	18,100	15,000
PROFESSIONAL & CONTRACTUAL SRV	158,722	209,030	354,000	350,000
SALARIES & BENEFITS	-	15,361	45,439	49,392
Grand Total	**383,650**	**225,006**	**425,039**	**450,392**
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 1,219 call 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), a 55 Ft. Aerial Ladder Truck (1500 GPM Pumper), and 2 Command/Utility Vehicles. The Department has ordered a new Engine with an anticipated delivery date of early FY 2021-22. This new engine will modernize the Fire Department as well as provide the ability to remove obsolete equipment from service.

Equipment includes the "Jaws of Life" Hydraulic Rescue tool used to free accident victims, 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.
- Designed and ordered a new Fire Engine that will allow the Department to surplus the aerial ladder truck.
- Participated in Regional Hazardous Materials Response Team planning process.
- Implemented (CDPH funded) "Naloxone" capability for opiate overdose patients.
- Provided over 400 hours of personnel training sessions including 2 state certified classes.
- Enhanced volunteer program personnel effectiveness: 7 new Firefighters, continued to develop 2 Engineers, and 1 Captain.
- Responded to 1219 emergency calls in 2020.
- Began the process to become accredited to deliver emergency medical care at the EMT level.

Fiscal Year 2021-22 Budget Specifics

Fire Service

The Fire Department budget for Fiscal Year 2021-22 is increasing from Fiscal Year 2020-21 by about $115,336 (over 27%) due to increases in cost in couple categories. Salaries and Benefits are increasing $33,936 (about 13%) due to adjustments to salaries, increases in benefit costs, and special pay for participation in mutual aid strike team response regionally and throughout California.

Other increases are related to adding specific funding for new equipment for volunteer firefighters, adding an online training subscription through target solutions, adding dispatch modems to each vehicle (to remain compatible with Tulare County dispatch software upgrades), and subscribing to Lexipol for policy and procedure updates and compliance.

Significantly, the department is also embarking on a new plan to purchase more sets of turnouts and self-contained breathing apparatus (SCBA) units in a routine manner to make sure that equipment is up-to-date and in good working order. This is costly but is a critical maintenance item to ensure officer safety and FY 2021-22 will be the first year the plan is implemented. All told, the increase in cost due to these changes is an increase of $81,000 or about 43% increase in operations and equipment budget category compared to the prior year.

Separately, in the Capital Budget, the Fire Department has budgeted projects of a new fire engine, three new handheld radios, and additional radios for the new command vehicle for a total cost of $148,917 for FY 2021-22.

Any revenues received are primarily related to fees for service or mutual aid reimbursement for participation in strike teams State-wide but are not expected to change substantially.

Code Enforcement

Although the code enforcement department changed significantly in the prior year by converting the one officer position to a full-time status, that position also became vacant in the same year. Recruitment is currently underway, and so it is likely that the position will be filled early on in FY 2021-22.

Training time could be significant to get the new recruit up to speed, and may incorporate more cost, but this could also be offset by salary savings compared to the prior year. The estimated cost of the department is $117,319 for all categories. Any revenues received through citation payments are minimal and will not offset a significant portion of this cost currently.

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 program needs to be implemented that 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 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

Fire & Code Enforcement

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Revenues by Fund				
01 GENERAL FUND	(323,270)	(17,275)	(44,500)	(44,100)
103 GENERAL FUND CAPITAL	-	-	-	-
71 FIRE DEVELOPER FEES	(7,944)	(6,924)	(12,692)	(12,666)
Grand Total	**(331,214)**	**(24,198)**	**(57,192)**	**(56,766)**
Expenditures by Fund				
01 GENERAL FUND	732,417	378,417	464,877	579,813
103 GENERAL FUND CAPITAL	-	-	145,734	130,567
71 FIRE DEVELOPER FEES	-	-	66,000	18,350
Grand Total	**732,417**	**378,417**	**676,611**	**728,730**
Expenditures by Category				
CAPITAL OUTLAY	39,433	-	211,734	148,917
OPERATING SERVICES & SUPPLIES	13,670	48,760	75,000	125,000
OTHER	-	-	-	-
PROFESSIONAL & CONTRACTUAL SRV	116,978	76,755	102,000	130,000
SALARIES & BENEFITS	558,576	241,933	274,577	308,513
UTILITIES	3,759	10,969	13,300	16,300
Grand Total	**732,417**	**378,417**	**676,611**	**728,730**
Full Time Personnel Count				
Fire Captain			-	1
Fire Lieutenant			3	2
Code Enforcement			1	1
Grand Total			**4**	**4**

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.

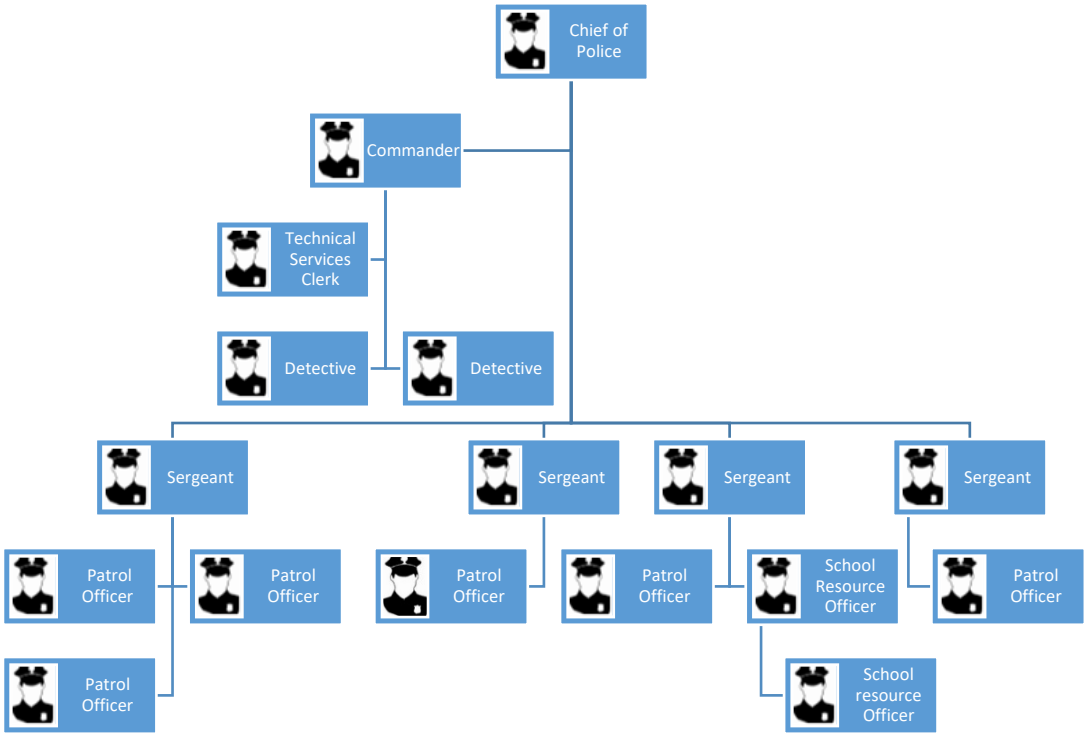
Department Structure

The Police Department has a current allocation of (16) sixteen sworn fulltime positions and (1) one 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. In addition, the Department is a partner along 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. One of our School Resource Officers was also sent to an Active Shooter Response Instructors Course to expand our ability to provide in-house training to the remainder of staff.

- The department has recruited, hired, and trained two (2) new officers over the past year increasing sworn staff to sixteen (16). However, the department 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.

- One Sergeant has attended and will have completed the Supervisory Leadership Institute by the end of the budget year. This is a yearlong program with monthly classroom sessions as well as a large volume of work that must be completed outside the classroom. This is part of the staff development efforts as well as department succession planning efforts to ensure leadership integrity far into the future. Training plans for next year include enrolling another Sergeant and complete this course in the coming fiscal year.

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.
- Reinstitute 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.
- 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 with a primary focus on adding a civilian clerk position and an additional sworn position.

Fiscal Year 2021-22 Budget Specifics

The FY 2021-22 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 two 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 2021-22 Budget Summary

The Budget for FY 2021-22 reflects a spending increase of over 12% ($280,932) for a total of $2,390,376 in the General Fund and $194,838 in the SLESF Fund with revenues about flat for the same period. 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 $30,000 in additional cost. The primary reason for the cost increase is caused by adjustments made to salary and benefit costs in order to be competitive with like agencies, the addition of another Police Officer position, and the addition of a second Technical Services Clerk, which will cost over $222,000. 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 $243,026. 100% of these capital costs are paid for with Cannabis Business Tax. 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 replace three (3) patrol vehicles in FY 2021-22 which is also funded with Cannabis Business Tax funds. In addition, the department will be upgrading its vehicle modems and tablets in order to prepare for, and accommodate, the implementation of the Sheriff's Office Dispatch Center's new software.

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 2024-25. At that point, additional funding will likely be needed to continue to support the second position.

One additional police officer position is currently supported by Cannabis Business Tax revenues and the City has budgeted for this position to continue in FY 2021-22. In the future, when additional Cannabis Business Tax 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 2021-22 General Fund budget supports the remaining twelve (12) sworn officers and two (2) civilian positions.

Continuing with staffing additions from the prior year, a new police officer position has been budgeted this year (funded by General Fund) on a temporary basis to help supplement shifts during this period with several staff out on extended leaves. This position will likely be eliminated by natural attrition in the department once the staffing is back to full complement of 16 positions and the staff leaves have been resolved.

The department has also budgeted for an additional Technical Services Clerk (TSC) to support the growing administrative burden and provide additional coverage in the police department front office.

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 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Police				
Revenues by Fund				
01 GENERAL FUND	(185,067)	(379,459)	(235,267)	(214,007)
103 GENERAL FUND CAPITAL	-	(20,000)	-	-
11 DRUG ENFORCEMENT	(349)	(3,209)	(169)	(97)
14 POLICE DEPT SLESF	(151,676)	(159,630)	(141,214)	(151,328)
15 POLICE DEPT AB109	-	-	-	-
80 EVIDENCE HOLDING	(151)	(163)	-	-
81 POLICE DEVELOPER FEES	(6,492)	(5,653)	(21,975)	(21,271)
82 ASSET FORFEITURE	(78)	(40)	(38)	(13)
83 LIVE SCAN	(1,806)	(1,085)	-	-
Grand Total	**(345,619)**	**(569,238)**	**(398,663)**	**(386,716)**
Expenditures by Fund				
01 GENERAL FUND	2,172,133	2,205,271	2,360,303	2,604,383
103 GENERAL FUND CAPITAL	-	72,857	179,476	243,026
11 DRUG ENFORCEMENT	8,495	19,879	-	-
14 POLICE DEPT SLESF	100,944	164,943	179,247	194,838
15 POLICE DEPT AB109	-	-	-	-
81 POLICE DEVELOPER FEES	2,203	64,857	80,000	-
82 ASSET FORFEITURE	3,693	-	-	-
83 LIVE SCAN	2,948	1,474	-	-
Grand Total	**2,290,416**	**2,529,281**	**2,799,026**	**3,042,247**
Expenditures by Category				
CAPITAL OUTLAY	86,363	373,769	259,476	243,026
OPERATING SERVICES & SUPPLIES	124,966	114,937	170,650	177,150
OTHER	-	-		
PROFESSIONAL & CONTRACTUAL SRV	148,689	168,202	175,000	205,400
SALARIES & BENEFITS	1,914,605	1,848,976	2,193,900	2,416,671
UTILITIES	15,792	23,397	-	-
Grand Total	**2,290,416**	**2,529,281**	**2,799,026**	**3,042,247**

Departmental Budget Summary - Police

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Full Time Personnel Count				
Police Chief			1	1
Police Commander			1	1
Police Sergeant			4	4
Police Officer			10	11
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, 150 Storm water manholes, 4 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 3A which included a VFD, water lube conversion, Pump Extension, motor, and flowmeter.
- Completed upgrade to Well 7A 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) and Mandatory Organics Recycling Plan (AB 1826) to 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.
- Construction completion of new Wastewater Treatment Plant construction.

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.
- Completion of East and West Walnut Avenue road projects.
- Removed graffiti from all City controlled or maintained property.

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.
- Re-routed irrigation, installed water spigots.
- Commenced the Armstrong Park renovation project.

Buildings & Grounds

- Completed work orders for maintenance or repairs at City Facilities.
- Commenced irrigation upgrade at Sports Park.
- Completed the City Hall remodel.
- Completed the Fire Department remodel.
- Commenced 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.
- Completion of North Farmersville Blvd.
- Water main upgrade on E. Birch from Costner to Magnolia.

Fiscal Year 2021-22 Budget Specifics

- Continue retrofit of City Wells to include VFD, water lube conversion, Pump Extension
- HVAC retrofit at Tulare County HHSA leased Facility (907 W. Visalia Rd.).
- 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).
- General Fund Cost budgeted at $408,724, up from $323,155 in FY 2020-21.

- Biennial street striping & stenciling is budgeted for FY 2021-22.

- 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 4 employees for 6 months (or equivalent). Cost is estimated at $103,000 and to be offset by Cannabis Business Tax revenue.

- Adding additional $20,000 in cost directly allocated to maintenance work related to City parks.

- The Capital Budget contains 11 different projects and a cost of $2,208,053 in FY 2021-22. 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
- Replace HVAC units at Civic Center
- 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 2021-22	YEAR 2 2022-23	YEAR 3 2023-24	YEAR 4 2024-25	YEAR 5 2025-26	TOTAL
North Farmersville Blvd Widening	10,300,000					10,300,000
Central Farmersville Blvd Repairs				150,000	1,342,500	1,492,500
Birch Water Line Relocation			35,000	326,000		361,000
Alley Improvement Design	250,000					250,000
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)	61,250	1,019,000				1,080,250
City Hall Parking Lot (Phase 1)	22,000	191,000				213,000
City Hall Parking Lot (Phase 2)		17,500	171,100			188,600
Residential Streetlight Study	50,000					50,000
Pavement Management Program: Street Repairs FY 2022	2,000,000					2,000,000
Pavement Management Program: Street Repairs FY 2023		2,000,000				2,000,000
Pavement Management Program: Street Repairs FY 2024			2,000,000			2,000,000
Alley Improvement Construction			875,000			875,000
Solar Plant located at new WWTP	66,250	2,244,450				2,310,700
Transit Center Study		150,000				150,000
ADA Sidewalk Improvements	25,000	225,000				250,000
TOTAL	12,839,500	5,996,950	3,095,500	687,700	2,582,500	25,202,150

Departmental Budget Summary - Public Works

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
Public Works				
Revenues by Fund				
02 WATER UTILITY	(937,336)	(987,471)	(985,982)	(1,125,813)
03 WATER DEVELOPMENT	(15,673)	(13,764)	(19,320)	(17,960)
04 SEWER UTILITY	(7,291,137)	(2,039,115)	(9,500,643)	(2,006,100)
05 SEWER DEVELOPMENT	(24,734)	(23,827)	(29,056)	(28,879)
06 REFUSE	(849,141)	(857,594)	(848,829)	(890,361)
20 STP	(13,913)	(15,271)	(756,173)	(755,831)
21 GAS TAX	(240,804)	(266,556)	(267,703)	(278,688)
22 TDA	(369,394)	(393,611)	(404,649)	(656,292)
23 STORM DRAIN	(4,707)	(4,315)	(3,601)	(3,581)
25 STREET MITIGATION FUND	(426)	(459)	(189)	-
26 MEASURE R FUND	(522,812)	(1,077,951)	(7,044,009)	(10,109,771)
27 RMRA (SB1) FUND	(210,787)	(199,701)	(202,965)	(215,775)
30 PARK DEVELOPMENT	(837)	(735)	(1,304)	(1,304)
31 PARK IMPROVEMENTS	(200,232)	(30,540)	(1,174,103)	(1,377,734)
35 MAINTENCE DISTRICT	(62,617)	(63,291)	(61,798)	(61,895)
39 MUSEUM FUND	120	(52,701)	(83,229)	(85,826)
Grand Total	**(10,744,428)**	**(6,026,901)**	**(21,383,553)**	**(17,615,810)**
Expenditures by Fund				
01 GENERAL FUND	149,721	239,311	323,155	408,724
103 GENERAL FUND CAPITAL	-	71,574	83,432	329,210
02 WATER UTILITY	712,127	693,895	797,863	894,995
03 WATER DEVELOPMENT	112,367	195,836	200,000	-
04 SEWER UTILITY	783,328	968,559	9,022,770	1,525,705
05 SEWER DEVELOPMENT	-	-	-	243,000
06 REFUSE	730,433	797,006	732,800	815,655
20 STP	-	-	750,000	-
21 GAS TAX	267,224	244,294	337,631	290,896
22 TDA	129,700	49,699	192,000	2,115,188
23 STORM DRAIN	-	-	-	154,000
25 STREET MITIGATION FUND	-	-	32,000	-
26 MEASURE R FUND	372,643	862,084	6,980,000	10,330,000

Departmental Budget Summary - Public Works

Fund	Fiscal Year 2019 Actual	Fiscal Year 2020 Actual	Fiscal Year 2021 Budget	Fiscal Year 2022 Proposed
27 SB1 Road Maintenance & Rehab	53,300	71,491	650,000	-
31 PARK IMPROVEMENTS	208,036	64,655	1,190,103	1,385,234
35 MAINTENANCE DISTRICT	71,812	125,901	160,974	62,759
39 CITY PROPERTY FUND	-	41,659	49,200	42,700
Grand Total	**3,590,691**	**4,425,963**	**21,501,928**	**18,598,066**

Expenditures by Category				
CAPITAL OUTLAY	922,627	71,574	18,111,758	14,170,342
OPERATING SERVICES & SUPPLIES	587,188	2,050,322	905,651	1,490,849
OTHER	138,013	177,081	100,000	234,560
PROFESSIONAL & CONTRACTUAL SRV	963,651	1,019,219	1,248,964	1,429,732
SALARIES & BENEFITS	743,837	791,724	806,091	791,119
UTILITIES	235,375	316,044	329,464	481,464
Grand Total	**3,590,691**	**4,425,963**	**21,501,928**	**18,598,066**

Full Time Personnel Count		
Public Works Director	1	1
Public Works Supervisor	1	1
Public Works Specialist	1	-
Maintenance Worker	5	4
Maintenance Worker II	-	1
Grand Total	**8**	**7**

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Positions, Salaries & Benefits

Positions, Salaries & Benefits

The City of Farmersville has four labor groups: Police Officer's Association (POA), International Brotherhood of Teamsters (Local517), 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 are set to expire on June 30, 2021. 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.

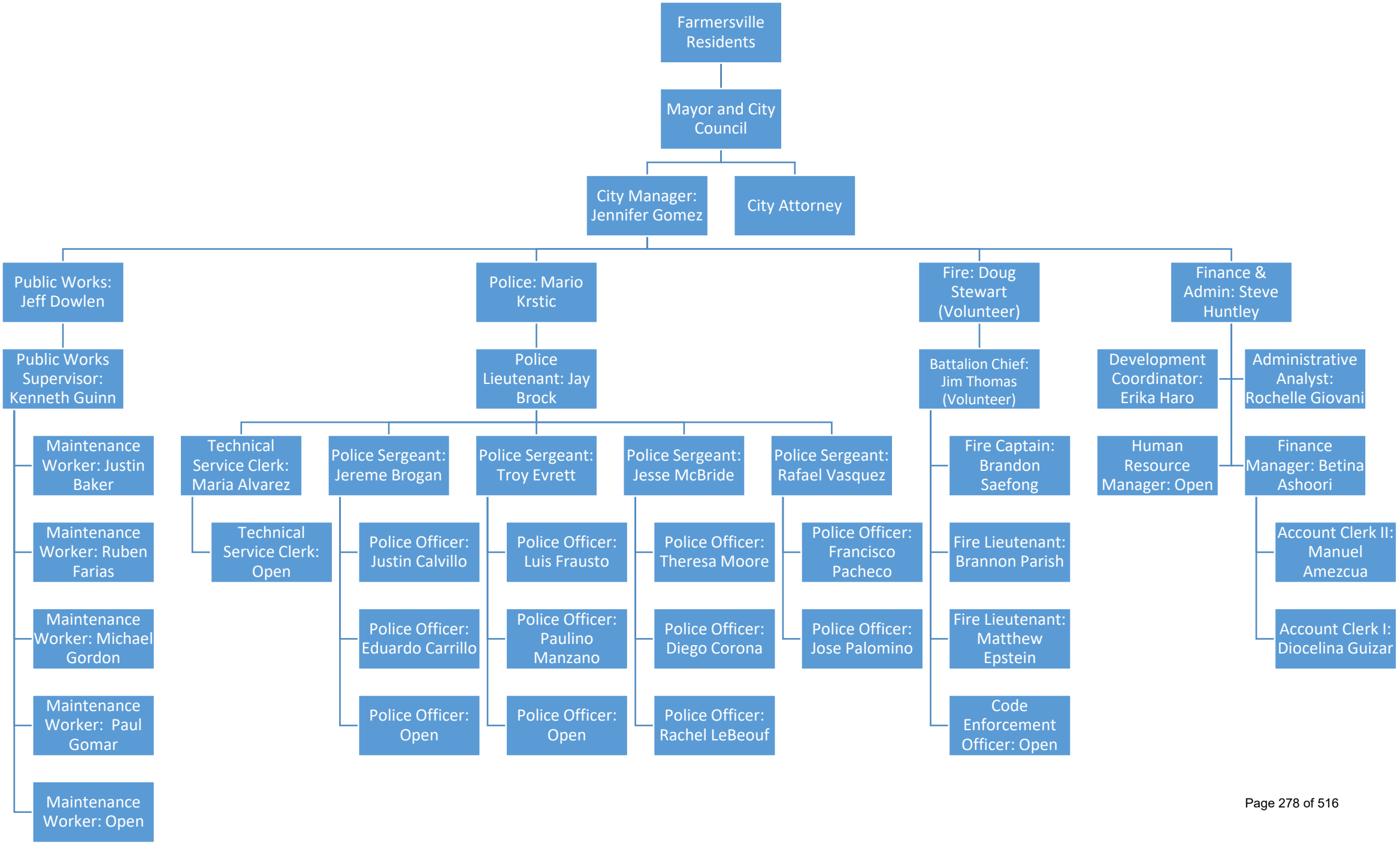
Historical Payroll & Benefit Cost by Fund



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: Open
Police: Mario Krstic
Police Lieutenant: Jay Brock
Technical Service Clerk: Maria Alvarez
Technical Service Clerk: Open
Police Sergeant: Jereme Brogan
Police Officer: Justin Calvillo
Police Officer: Eduardo Carrillo
Police Officer: Open
Police Sergeant: Troy Evrett
Police Officer: Luis Frausto
Police Officer: Paulino Manzano
Police Officer: Open
Police Sergeant: Jesse McBride
Police Officer: Theresa Moore
Police Officer: Diego Corona
Police Officer: Rachel LeBeouf
Police Sergeant: Rafael Vasquez
Police Officer: Francisco Pacheco
Police Officer: Jose Palomino
Fire: Doug Stewart (Volunteer)
Battalion Chief: Jim Thomas (Volunteer)
Fire Captain: Brandon Saefong
Fire Lieutenant: Brannon Parish
Fire Lieutenant: Matthew Epstein
Code Enforcement Officer: Open
Finance & Admin: Steve Huntley
Development Coordinator: Erika Haro
Human Resource Manager: Open
Administrative Analyst: Rochelle Giovani
Finance Manager: Betina Ashoori
Account Clerk II: Manuel Amezcua
Account Clerk I: Diocelina Guizar

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	4
Public Works	Maintenance Worker II	1
	Departmental Subtotal	**7**
Fire	Fire Captain	1
Fire	Fire Lieutenant	2
	Departmental Subtotal	**3**
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	4
Police	Police Officer	11
Police	Technical Service Clerk	2
	Departmental Subtotal	**19**
	Total Authorized Full-Time Positions	**38**

Time & Cost Allocation for Full-Time Positions 2021-2022

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	35%
Human Resources Manager	Administration	02	404	30%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
Human Resources Manager	Administration	04	404	25%
Human Resources Manager	Administration	06	404	10%
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%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
Account Clerk II	Administration	06	404	15%
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	15%
Public Works Supervisor	Public Works	02	425	25%
Public Works Supervisor	Public Works	04	425	25%
Public Works Supervisor	Public Works	06	425	5%
Public Works Supervisor	Public Works	21	425	25%
Public Works Supervisor	Public Works	35	425	5%
Public Works Supervisor	Public Works			100%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
Maintenance Worker	Public Works	01	425	45%
Maintenance Worker	Public Works	02	425	20%
Maintenance Worker	Public Works	04	425	20%
Maintenance Worker	Public Works	06	425	5%
Maintenance Worker	Public Works	21	425	10%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	45%
Maintenance Worker	Public Works	02	425	20%
Maintenance Worker	Public Works	04	425	20%
Maintenance Worker	Public Works	06	425	5%
Maintenance Worker	Public Works	21	425	10%
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	15%
Maintenance Worker	Public Works	02	425	15%
Maintenance Worker	Public Works	04	425	15%
Maintenance Worker	Public Works	06	425	50%
Maintenance Worker	Public Works	21	425	5%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
Maintenance Worker	Public Works			100%
Maintenance Worker	Public Works	01	425	45%
Maintenance Worker	Public Works	02	425	20%
Maintenance Worker	Public Works	04	425	20%
Maintenance Worker	Public Works	06	425	5%
Maintenance Worker	Public Works	21	425	10%
Maintenance Worker	Public Works			100%
Maintenance Worker II	Public Works	01	425	8%
Maintenance Worker II	Public Works	02	425	30%
Maintenance Worker II	Public Works	04	425	30%
Maintenance Worker II	Public Works	06	425	2%
Maintenance Worker II	Public Works	21	425	30%
Maintenance Worker II	Public Works			100%
Fire Captain	Fire	01	420	100%
Fire Captain	Fire			100%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
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%
Police Commander	Police	01	411	100%
Police Commander	Police			100%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
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 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%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
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%
Police Officer	Police	01	411	100%

Time & Cost Allocation for Full-Time Positions 2021-2022

Position	Department	Fund	Department	Time & Cost Allocation
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			38

Historical Payroll & Benefit Cost by Fund & Department

Fund	Department	FY 19 Actuals	FY 20 Actuals	FY 21 Budget	FY 22 Proposed
01-General Fund	404-Administration	$157,065	$166,866	$176,426	$283,943
02-Water	404-Administration	$213,788	$267,072	$260,783	$313,198
04-Sewer	404-Administration	$213,789	$244,254	$260,783	$313,198
06-Refuse	404-Administration	$72,055	$73,414	$60,996	$70,269
21-Gas Tax	404-Administration	$0	$8,871	$17,986	$20,479
01-General Fund	411-Police	$1,828,214	$1,759,767	$2,014,153	$2,221,833
01-General Fund	414-Community Development	$0	$15,361	$45,439	$49,392
01-General Fund	415-Code Enforcement	$20,347	$57,741	$86,876	$92,569
01-General Fund	420-Fire	$558,576	$241,933	$274,577	$308,513
01-General Fund	425-Public Works	$80,721	$113,888	$111,150	$186,874
01-General Fund	426-Animal Control	$9,796	$0	$0	$0
02-Water	425-Public Works	$144,693	$250,947	$227,589	$176,084
04-Sewer	425-Public Works	$267,721	$196,308	$219,046	$176,084
06-Refuse	425-Public Works	$16,470	$28,448	$22,428	$95,685
14-Police SLESF	411-Police	$86,391	$89,209	$179,247	$194,838
21-Gas Tax	425-Public Works	$200,243	$125,805	$155,949	$130,396
35-Maintence District	425-Public Works	$40,190	$76,327	$69,928	$15,995
	Total	**$3,910,060**	**$3,716,211**	**$4,183,356**	**$4,649,350**

Salary Schedule Fiscal Year 2022

Tier 1

Position	Range	A	B	C	D	E	F
Administrative Analyst	8©	$56,649	$59,481	$62,455	$65,578	$68,857	$72,300
Development Coordinator	8©	$53,574	$56,253	$59,066	$62,019	$65,120	$68,376
Human Resources Manager	8©	$72,816	$76,457	$80,279	$84,293	$88,508	$92,934
Director of Finance & Administration	19	$103,524	$108,700	$114,135	$119,842	$125,834	$132,126
Finance Director	18	$89,411	$93,881	$98,575	$103,504	$108,679	$114,113
Finance Manager	17	$72,816	$76,457	$80,279	$84,293	$88,508	$92,934
Account Clerk I	1(b)	$32,894	$34,538	$36,265	$38,078	$39,982	$41,982
Account Clerk II	2(a)	$44,081	$46,285	$48,599	$51,029	$53,580	$56,259
Technical Service Clerk	1(a)	$38,289	$40,204	$42,214	$44,324	$46,541	$48,868
Police Officer	5(b)	$48,703	$51,138	$53,695	$56,380	$59,199	$62,159
Corporal	7	$51,150	$53,708	$56,393	$59,213	$62,173	$65,282
Police Sergeant	8(a)	$65,271	$68,534	$71,961	$75,559	$79,337	$83,304
Police Commander	9(b)	$89,226	$93,687	$98,372	$103,290	$108,455	$113,878
Police Chief	17	$112,519	$118,145	$124,052	$130,255	$136,767	$143,606
Code Enforcement Officer	5(a)	$45,436	$47,708	$50,093	$52,598	$55,228	$57,989
Fire Chief	20	$106,944	$112,291	$117,906	$123,801	$129,991	$136,491
Fire Lieutenant	5(a)	$44,936	$47,182	$49,541	$52,018	$54,619	$57,350
Fire Captain	8(b)	$60,218	$63,229	$66,390	$69,710	$73,195	$76,855
Maintenance Worker I	2(b)	$34,029	$35,731	$37,517	$39,393	$41,363	$43,431
Maintenance Worker II	3	$45,602	$47,882	$50,277	$52,790	$55,430	$58,201
Public Works Supervisor	9(a)	$62,332	$65,449	$68,722	$72,158	$75,765	$79,554
Public Works Director	19	$83,523	$87,699	$92,084	$96,688	$101,523	$106,599

Salary Schedule Fiscal Year 2022

Tier 2

Position	Range	A	B	C	D	E	F	G	H	I
Administrative Analyst	8©	56,649	58,419	60,245	62,128	64,069	66,071	68,136	70,265	72,461
Development Coordinator	8©	53,574	55,249	56,975	58,756	60,592	62,485	64,438	66,452	68,528
Human Resources Manager	8©	72,816	75,091	77,438	79,858	82,353	84,927	87,581	90,318	93,140
Director of Finance & Administration	19	103,524	106,759	110,095	113,536	117,084	120,742	124,516	128,407	132,420
Finance Director	18	89,411	92,205	95,086	98,058	101,122	104,282	107,541	110,901	114,367
Finance Manager	17	72,816	75,091	77,438	79,858	82,353	84,927	87,581	90,318	93,140
Account Clerk I	1(b)	32,894	33,922	34,982	36,075	37,202	38,365	39,564	40,800	42,075
Account Clerk II	2(a)	44,179	45,559	46,983	48,451	49,965	51,527	53,137	54,797	56,510
Technical Service Clerk	1(a)	38,289	39,486	40,720	41,992	43,304	44,658	46,053	47,492	48,976
Police Officer	5(b)	48,703	50,225	51,795	53,413	55,083	56,804	58,579	60,410	62,297
Corporal	7	51,150	52,748	54,397	56,097	57,850	59,658	61,522	63,444	65,427
Police Sergeant	8(a)	65,271	67,310	69,414	71,583	73,820	76,127	78,506	80,959	83,489
Police Commander	9(b)	89,226	92,014	94,890	97,855	100,913	104,067	107,319	110,672	114,131
Police Chief	17	112,519	116,035	119,661	123,401	127,257	131,234	135,335	139,564	143,925
Code Enforcement Officer	5(a)	45,436	46,856	48,320	49,830	51,388	52,993	54,649	56,357	58,118
Fire Chief	20	106,944	110,286	113,733	117,287	120,952	124,732	128,630	132,649	136,795
Fire Lieutenant	5(a)	44,936	46,340	47,788	49,281	50,821	52,409	54,047	55,736	57,478
Fire Captain	8(b)	60,352	62,238	64,183	66,189	68,257	70,390	72,590	74,858	77,197
Maintenance Worker I	2(b)	34,029	35,093	36,189	37,320	38,486	39,689	40,929	42,208	43,527
Maintenance Worker II	3	45,704	47,132	48,605	50,124	51,690	53,305	54,971	56,689	58,461
Public Works Supervisor	9(a)	62,332	64,280	66,289	68,361	70,497	72,700	74,972	77,315	79,731
Public Works Director	19	83,523	86,133	88,825	91,600	94,463	97,415	100,459	103,598	106,836

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Resolutions

RESOLUTION 2021-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ESTABLISHING FISCAL YEAR 2021-22 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 2021-22; and

WHEREAS, the Appropriations Limit computation for Fiscal Year 2021-22 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 2021-22 is the sum of $5,281,413.09 as detailed in Schedule "A" attached hereto and by this reference incorporated herein.

PASSED, ADOPTED AND APPROVED this 28th day of June, 2021 by the following vote:

Motion to Approve Gomez; **Second** Valdovinos

AYES: Boyer, Hernandez, Gomez, Valdovinos

NOES: 0

ABSTAIN: 0

ABSENT: Macareno

Paul Boyer
PAUL BOYER
MAYOR of the City of Farmersville

Attest:

ROCHELLE GIOVANI
CITY CLERK

RESOLUTION 2021-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ESTABLISHING A REVISED SALARY SCHEDULE FOR ALL PERSONNEL FOR FISCAL YEAR 2021-22

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 2021-22 as detailed in Schedule "A" attached hereto and by this reference incorporated herein.

PASSED, ADOPTED AND APPROVED this 14th day of June, 2021 by the following vote:

AYES: Boyer, Hernandez, Gomez, Macareno, Valdovinos

NOES: 0

ABSTAIN: 0

ABSENT: 0

Paul Boyer

PAUL BOYER
MAYOR of the City of Farmersville

Attest:

Rochelle Giovani

ROCHELLE GIOVANI
CITY CLERK

RESOLUTION 2021-021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERVILLE ADOPTING A BUDGET FOR THE CITY OF FARMERSVILLE FOR THE FISCAL YEAR 2021-2022

WHEREAS, the City Council of the City of Farmersville is desirous of establishing an annual Budget and Spending Plan for the Fiscal Year 2021-22, and

WHEREAS, the Farmersville City Council has reviewed and considered the draft budget documents and has received input from the public on May 24, 2021, and

WHEREAS, the Budget Book for the twelve months ending June 30, 2022 document attached hereto and made a part of this Resolution, reflects the Fiscal Year 2021-22 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 2021-22 Budget for the City of Farmersville, as outlined in the attached Budget Book for the twelve months ending June 30, 2022.
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 14th day of June, 2021 by the following vote:

Motion to Approve Hernandez ; **Second** Gomez

AYES: Boyer, Hernandez, Gomez, Valdovinos

NOES: Macareno

ABSTAIN: 0

ABSENT: 0

Paul Boyer
PAUL BOYER
MAYOR of the City of Farmersville

Attest:
Rochelle Giovani
ROCHELLE GIOVANI
CITY CLERK

RESOLUTION 2021-020

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 2021-2022 AND FIVE-YEAR PROJECTION THROUGH FISCAL YEAR 2025-2026

WHEREAS, the City Council of the City of Farmersville is desirous of establishing an annual Capital Budget and Five-Year Capital Improvement Plan per State law, and

WHEREAS, the Farmersville City Council has reviewed and considered the draft Capital Budget and Capital Improvement Plan documents on both April 12, 2021 and May 24, 2021, and

WHEREAS, the Proposed Budget for the twelve months ending June 30, 2022 document has assimilated the revised Capital Budget and Five-Year Capital Improvement Plan and was reviewed on May 24, 2021;

WHEREAS, attached hereto the Proposed Budget for Fiscal Year 2021-22 and made a part of this Resolution, reflects both the Fiscal Year 2021-22 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 2021-22 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, 2022.
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 14th day of June, 2021 by the following vote:

AYES: Boyer, Hernandez, Gomez, Valdovinos

NOES: Macareno

ABSTAIN: 0

ABSENT: 0

Paul Boyer
PAUL BOYER
MAYOR of the City of Farmersville

Attest:
ROCHELLE GIOVANI
CITY CLERK

INCORPORATED CITY OF Farmersville OCTOBER 5, 1889

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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

Debt Administration – Investments, Use of Proceeds and Tax Compliance

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, 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

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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, Soyer, 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:

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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

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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, whether or not the contract requires the vendor to enter City property.

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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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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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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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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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:

SAMPLE

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:

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)

CHAPTER 7 IDENTIFICATION, RATE DEVELOPMENT, AND ALLOCATION OF OVERHEAD

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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

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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