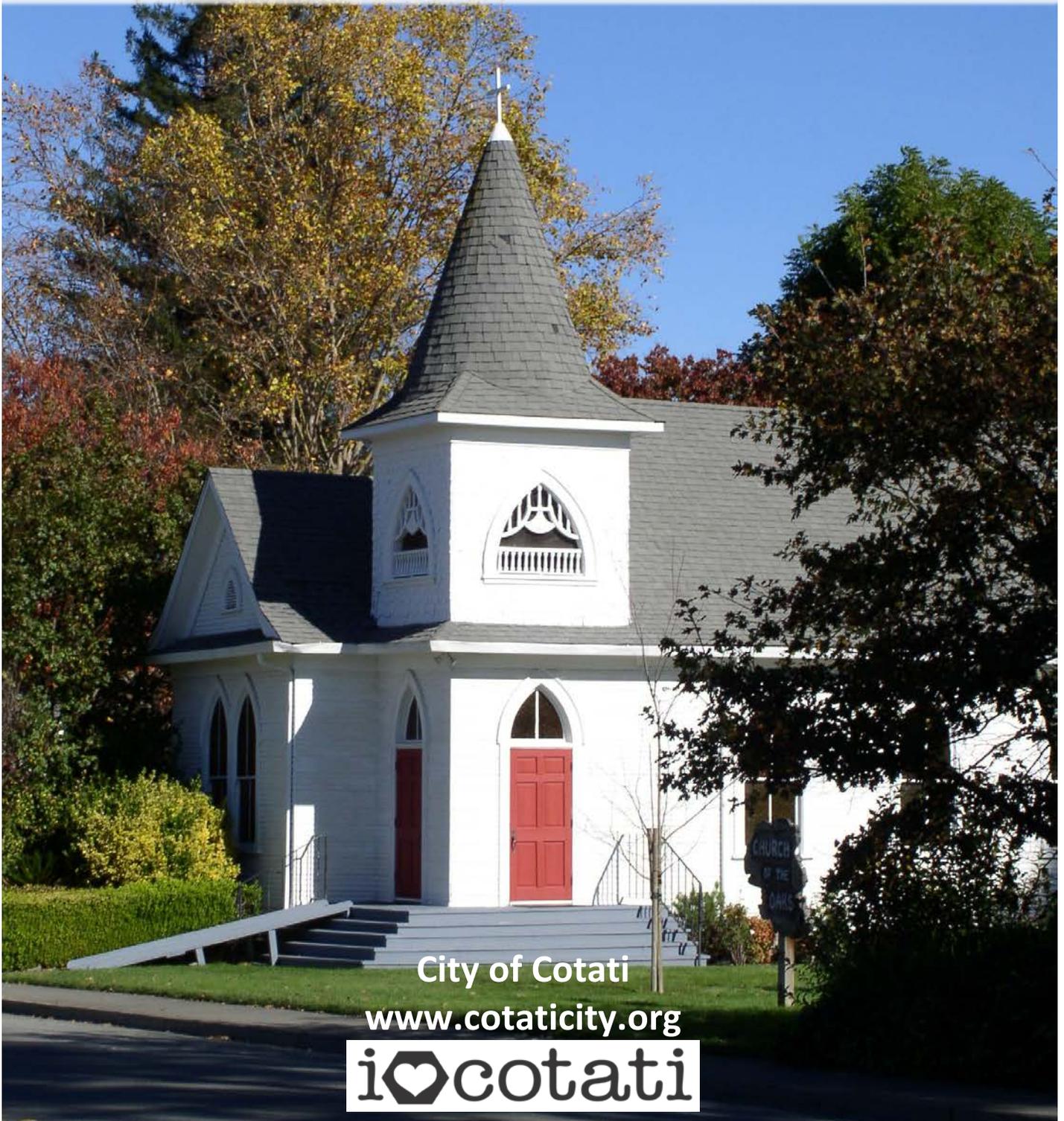


# City of Cotati

Adopted City Wide Budget

FISCAL YEAR 2017-2018



City of Cotati

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

i♥cotati

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# MEET THE COTATI CITY COUNCIL



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**Other Commissions or Committees:**

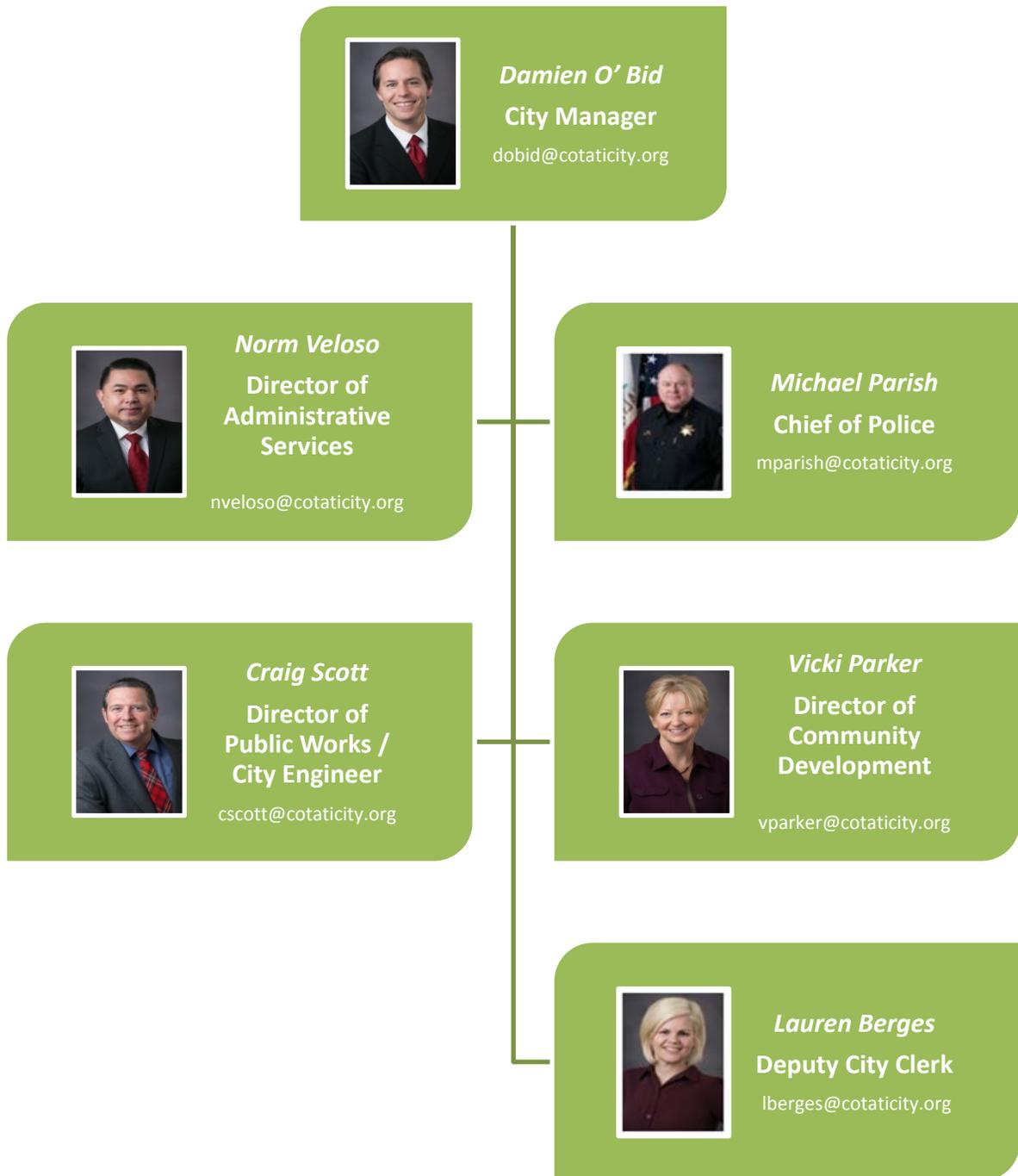
- Planning Commission
- Design Review Committee
- Measure G Citizen Oversight Committee

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# MEET THE COTATI CITY STAFF



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**City of Cotati**  
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Cotati, California 94931

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# SECTION A

INTRODUCTION AND OVERVIEW



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# City of Cotati

Sonoma County, California



## City Manager's Message

August 4, 2017

Mayor, Councilmembers, Residents, Community Organizations and Business Owners,

Attached is the City of Cotati's fiscal year 2017-18 adopted budget. The budget is the primary policy document adopted by the City Council each year. This budget is developed in accordance with the City's financial management policies and guidelines and reflects the City Council's goals and objectives and how resources are allocated to achieve these goals. In addition, the budget serves as the annual financial plan, an operational guide and a communication tool. Although adjustments are expected as needs arise, the budget ultimately maps out the City's activities over the course of the next fiscal year. Overall guiding principles were utilized to develop this budget including ensuring the City operates within its means while allowing for the continuation of existing services, enhanced service delivery, and fostering transparency.

The adopted fiscal year 2017-18 general fund budgets were prepared using a conservative approach. Although revenue estimates show increases in resources, City staff continues to be cautious and responsible in developing a budget that maintains service levels, while continuing to fund new projects to maintain and improve the economic vitality of Cotati. In preparing departmental budgets for the new fiscal year, department directors were instructed to once again analyze their department expenditures for potential savings. Each department went through a detailed budget review focusing on the Council's goals and priorities and evaluated departmental need assessments. This budget recognizes the need for a conservative approach for managing expenditures while providing a balance to maintaining existing high-quality programs, services and infrastructure, and funding enhancements and new initiatives to best meet the goals and priorities of the City and residents. Highlights of the FY 2017-18 budgets include:

- Maintenance of existing programs/operations for core services, while continuing to operate within our means
- Funding of routine departmental needs to maintain the core services
- Continuing to meet General Fund reserves at Council policy of 25% or more
- Department consolidation for budgeting efficiencies and cost savings
- Funding of Capital Improvement Projects including major utilities projects, park/building updates and road improvements

We present a balanced budget in conformance with California State legislation (California Constitution Section 18 of Article XVI) that requires anticipated revenues plus any use of fund balance do not exceed appropriations for expenditures. As an integral part of the annual budget development process, the City Management performs an annual assessment of long-term financing issues. The longer-term vision assists in providing year-to-year financial stability for the City's core programs.

The goals, objectives, long-term planning and departmental needs have guided the City staff in their recommendations for the FY 17-18 budget. The discussion of significant revenues and expenditure items that informed this year's plan is as follows:

# Strategic Goals and Strategies

Objective of Vision Defined Action Task Under Vision		Fiscal Year to Accomplish					Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21		
<b>VISION 1 - QUALITY OF LIFE</b>								
<i>To preserve Cotati's rural heritage and small town atmosphere while ensuring new development reinforce both the quality and economic vitality of the community. To maintain Cotati's urban growth boundaries.</i>								
<b>1.1 Create Economic, Cultural and Recreational Opportunities to Maintain the Small Town Character of Cotati</b>								
1.1.1	Foster a Sense of Community by Providing and Encouraging Community Events, Volunteering, and working with Non Profits to Support Local Events					All Departments	On going	
<b>VISION 2 - ECONOMIC DEVELOPMENT</b>								
<i>To provide a climate that promotes existing business and encourages new businesses to locate in our community.</i>								
<b>2.1 Promote existing business growth and engagement</b>								
2.1.1	Continue partnership with Chamber of Commerce to support advertisement and promotion of existing business					All Departments	On going	
<b>2.2 Encourages new appropriate businesses choose join our community</b>								
2.2.1	Pursue opportunities to develop and revitalize areas along HWY 116.					Economic Development	On going	
2.2.2	Evaluate methods to increase the tax basis as well as develop new and differentiated tax bases.					Economic Development	On going	
2.2.3	Develop clear and concise cannabis regulations.		X			Community Development	On going	
<b>VISION 3 - FINANCIAL STABILITY</b>								
<i>To become a self-reliant community with a sound economic base. To have a balanced city budget that prudently manages the city's financial resources and provides for appropriate reserves.</i>								
<b>3.1 Develop and Implement Sound Financial Management Policies</b>								
3.1.1	Review the City Council Financial Polices to ensure they meet the needs of the City		X			Administrative Services Department	On going - presented revised City Financial Policies including Investment	
3.1.2	Evaluate methods to ensure City revenues meets current and future revenue needs to provide core services	X				All Departments	Completed evaluations of all departments in 2016/2017. Will continue as an on going review to identify additional sources or revisions that should be made to revenues.	
<b>3.2 Provide high quality financial reports to Council and Citizens</b>								
3.2.1	Provide timely financial reports that are clear and concise		X			Administrative Services Department	On going	
3.2.2	Apply for GFOA award for budgeting		X			Administrative Services Department	On going	
3.2.3	Generate 10 year financial projections		X			Administrative Services Department	On going	
3.2.4	Evaluation of impacts on Measure G sunset and CalPERS unfunded liability.		X			Administrative Services Department	On going	
<b>VISION 4 - COMMUNITY SAFETY</b>								
<i>To protect the health and well-being of the community by partnering with our citizens to provide a safe and secure environment.</i>								
<b>4.1 Create a Safe, Healthy Environment for Residents and Visitors</b>								
4.1.1	Evaluate staffing needs within police department.					Police Department	On Going	
4.1.2	Improve pedestrian and bike safety by improving walkways, lanes, landscaping and lighting in both parks and general community areas.					Public Works Department	On going	
4.1.3	Reinvest as needed in replacement police vehicles and technological upgrades.	X	X			Police Department	2016-17 -purchased new police vehicle as well as upgrades to technology for police dispatch. For 2017-18 we have budgeted for an additional replacement vehicle as well as new technology to be added to all vehicles. We will continue to evaluate needs on an on going basis.	

# Strategic Goals and Strategies continued:

Objective of Vision Defined Action Task Under Vision		Fiscal Year to Accomplish					Responsible Department	Milestones Progress Comments
		2016-17	2017-18	2018-19	2019-20	2020-21		
<b>Vision 5 - INFRASTRUCTURE</b>								
<i>To provide adequate streets, sidewalks, sewer and water systems, parks, bike paths, and public buildings and ensure they are maintained at the highest possible level.</i>								
<b>5.1 Infrastructure</b>								
5.1.1	Pursue other financial participation from Federal, State and Local agencies such as grants or matching programs.	X	X				All Departments	On going
5.1.2	Review the City's Pavement Management Plan and develop long term rehabilitation plans based on expected funded levels.			X			Public Works Department	On going
5.1.3	Develop building maintenance plans for each City Building		X				Public Works Department	Ongoing - Items scheduled for various components of the plan such as roof replacements, and exterior and interior painting.
5.1.4	Identify initial funding sources to enable a phase implementation of the bike/pedestrian (wayfinding) plan.	X					Community Development	Ongoing
<b>Vision 6 - CITY BEAUTIFICATION</b>								
<i>To enhance City Gateways and remove blighted conditions. To encourage development which reflects the city's commitment to quality design, preservation of trees and generous use of landscaping.</i>								
<b>6.1 Create an Attractive Environment for Residents and Visitors</b>								
6.1.1	Improve and beautify the downtown plaza to create a people centric space for community events and gatherings						Public Works Department	On going
6.1.2	Evaluate public parks and land and identify opportunities to enhance benefits to the community						Public Works Department	
6.1.3	Implementation of the Way Finding Sign Program		X				Community Development	
<b>Vision 7 - ENVIRONMENTAL CONCERNS</b>								
<i>To work with developers and citizens to incorporate environmentally "friendly" materials and "green" building techniques in all new construction as well as renovation projects. To continue to encourage the community to reduce, reuse and recycle.</i>								
<b>7.1 Create a Safe, Healthy Environment for Residents and Visitors</b>								
7.1.1	Continue to provide safe quality water to the public						Water	On going
7.1.2	Promote use of leak alerts through the water smart systems.						Administrative Services and Water	On going
7.1.3	Protect the community water system by following required testing and reporting of backflow devices within city limits.						Administrative Services and Water	On going
7.1.4	Eliminate and replace damaged or diseased trees that pose a threat to the community or environment.						Public Works	On going
7.1.5	Revise investment policy to guide financial decisions to include environmental impacts into considerations when investing in the open market.						Administrative Services	Completed investment policy July 2017. Will review on an on-going basis as needed.
<b>Vision 8 - CITIZEN PARTICIPATION</b>								
<i>To encourage citizens to become actively involved in the decision making process and serve on city boards and commissions. To include the participation of volunteers in our community festivals and events.</i>								
<b>8.1 Expand and Encourage Community Involvement in the Government Process by Increasing the Public's Understanding of local Government Operations</b>								
8.1.1	Continued enhancement of the City Website that encourages communication with the City in a user friendly format, and include potential additional on-line services		X				All Departments	On Going
8.1.2	Create easy to read documents that educate the public and community on City Finances, operations, and projects.	X	X				All Departments	On going.
8.1.3	Conduct Town Hall Meetings on Matters of Interest to the Community as needed.						City Council	On going
<b>8.2 Develop and Implement a Program to evaluate delivery of City Services to Community</b>								
8.2.1	Evaluate internal process and procedures to analyze for areas of efficiencies to deliver the best possible results for community satisfaction.						All Departments	On going
8.2.2	Encourage and increase public awareness of City Policies, decisions, programs and all public processes and meetings, by investigating effective methods of communication and obtaining feedback from the community.						All Departments	On going

# **Economic Outlook and Intergovernmental Considerations**

The national economy continues to grow, but at a slow pace. Given certain global economic concerns that may affect the national economy, some economists are suggesting that in the next two years the national economy will grow at 2.5% annually, after which it may slow.

Like the national economy, the State economy is expected to show modest improvement over the next few years. In December 2016, California's unemployment rate was 5.2% compared to national unemployment rate of 4.7% (California unemployment rate in 2010 peaked at 12.4%). California's unemployment rate is projected to drop below 5% by the end of 2017. Comparatively, the unemployment rate for Sonoma County as of December 31, 2016 was estimated at 3.7%, which is significantly lower than its height in January 2010 when it was estimated at 11.5%.

Consumer demand for food/drugs, fuel/service stations as well as restaurant receipts exhibited steady and consistent gains but are expected to generate minimal growth in the next year. The acceleration in online shopping for merchandise has also impacted the City's sales tax receipts, although likely less than other jurisdictions that are more reliant on the same of consumer goods. Receipts from State and County pools are allocated by ratio of sales rather than to the point of sale.

Housing sales and median prices as well as portions of the commercial real estate market remain strong and are expected to continue the recent trend over the next few years. Overall, in the real estate trend, home sales continue to rebound in many parts of the State but at a slower pace than last year. The slower pace is mainly due to inventory and affordability constraints in California.

## **Short-term City-Wide Factors Influencing Decisions**

Although revenue estimates show slight increases, all City staff continue to be cautious and responsible in developing a budget that strives to improve service levels, while continuing to fund new projects to continue the economic evolution of this City. In preparing departmental budgets for the new fiscal year, department directors are instructed to analyze their department goals and their correlating expenditures. This process includes an evaluation of each department for possible cost savings, cost sharing, or possibilities for grants/donations. The Administrative Services Department assisted each department with calculations for key factors that were assumed to affect each individual department's budget including but not limited to:

- Human Resources adjustments due to MOU negotiations, pension payments, employee turnover due to retirements and growth in employment opportunities.
- Application of allocations for contract services expenditures using an FTE methodology when previously all expenditures were reported as non-departmental expenditures.
- Debt and investment payments.

The 2017/2018 City budget recognizes the need for a conservative approach to managing expenditures while providing a balance to maintaining existing high-quality programs, services and infrastructure, to best meet the goals and priorities of the City and its residents.

# Priorities and Issues

The City continues to meet the goal of City Council which calls for an unassigned fund balance within the range of not less than 25% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unassigned fund balance level. The adopted budget calls for a reserve level that exceeds the minimum goal set by City Council Although the City has met the City Council reserve policy and shows adequate reserve funds, the City still faces some primary concerns that need to be addressed such as:

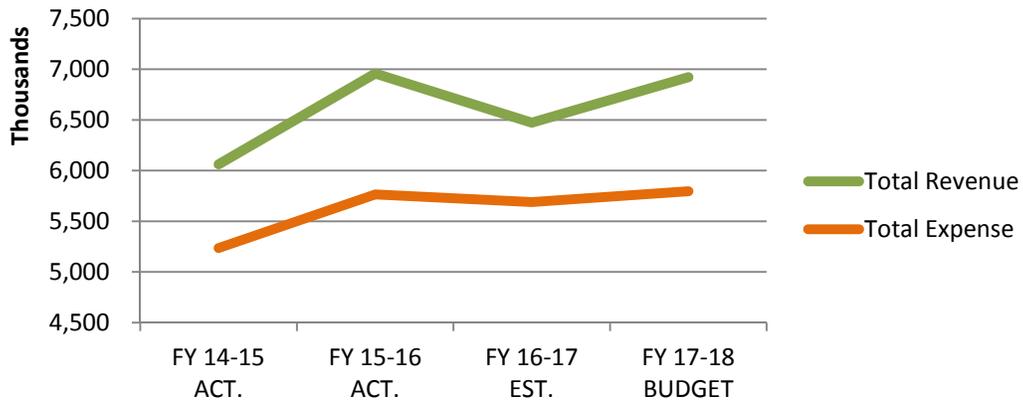
- **Promoting Economic Development** to deepen, broaden and diversify sources of revenue to provide a more stable and resilient general fund. In addition to economic development, the General Fund Reserve category is the primary category recommended for additions to fund balance. General fund budgetary reserves provide financial stability, and demonstrate the City of Cotati's ability to respond to changes in revenue projections, expenditure needs, and unforeseen fiscal threats and opportunities.
- **Measure G** (1 cent Sales Tax) is set to sunset in March 2023. While this sales tax revenue is currently a stable source of revenue, it's important to recognize that this area would face vulnerability in an economic downturn as sales tax is a highly volatile funding source. The City must begin planning for the sunset of Measure G to develop contingency plans.
- **CalPERS unfunded liability** pension continues to be a potential issue for the City as CalPERS modifies its discount rate. Unfunded liability simply is a mismatch between a pension plan's estimated obligations and assets. Defined benefit pension plans such as CalPERS is pre-funded, meaning regular contributions for each worker are made into the retirement fund during the course of the worker's career. When investment markets drop or its benefits are improved, many pensions find themselves facing the funding gap, or unfunded liability, because the benefits owed to current and future retirees exceed the amount of money the plan has stocked away to meet the obligations. Staff is working with CalPERS and outside experts to further study and address the City's portion of unfunded liability.
- **Open government and transparency** - The City of Cotati continues its tradition of communicating regularly with our constituents about City government and will continue the City's goal of providing Open and Responsive Municipal Government Leadership. Currently the City utilizes multiple sources for communication including inserts within the utility billings, Facebook posts, Nixle alerts, Nextdoor posts, and updates to the City's website. The City also live streams the regularly scheduled City Council meetings. The City will continue to explore methods to make it even easier for residents and the business community to communicate and interact with the City of Cotati City government through various social media outlets.

# Budget Overview

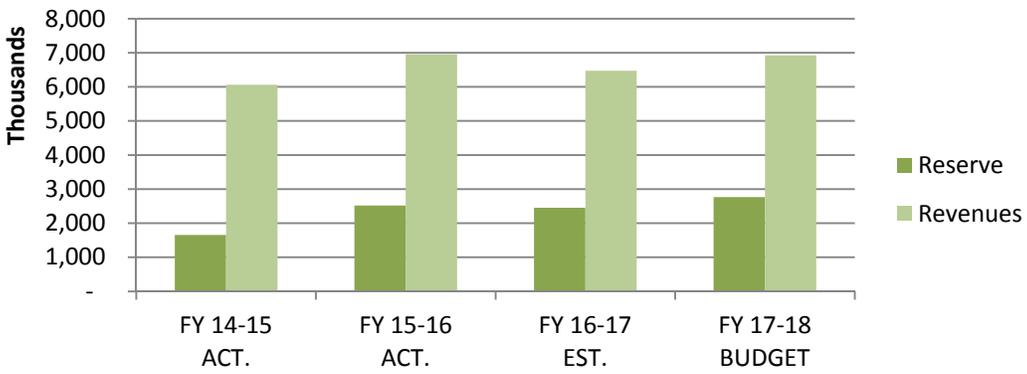
## General Fund Highlights and Trends

- Total Operating Revenues estimated at \$6.9 M a 6.1% Increase over prior years \$6.5 M
- Total Operating Expenses estimated at \$5.8 M a 1.9% increase over prior years \$5.6M
- Estimated revenues exceed proposed expenditures which is consistent with current 16/17 and prior 15/16 fiscal years
- Estimated Net Operating Surplus of \$1.13 M represents an increase of 8.7% or \$340K. This is on trend based on prior years reserve actuals exceeding requirements by 33%.
- Estimated Ending General Fund Balance of \$4.2 M or 73% of total operating expenditures. This estimated reserve far exceeds the required budgetary 25% reserve. This increase is primarily due to the City's ability to efficiently manage costs while continue to improve the services provided to citizens.

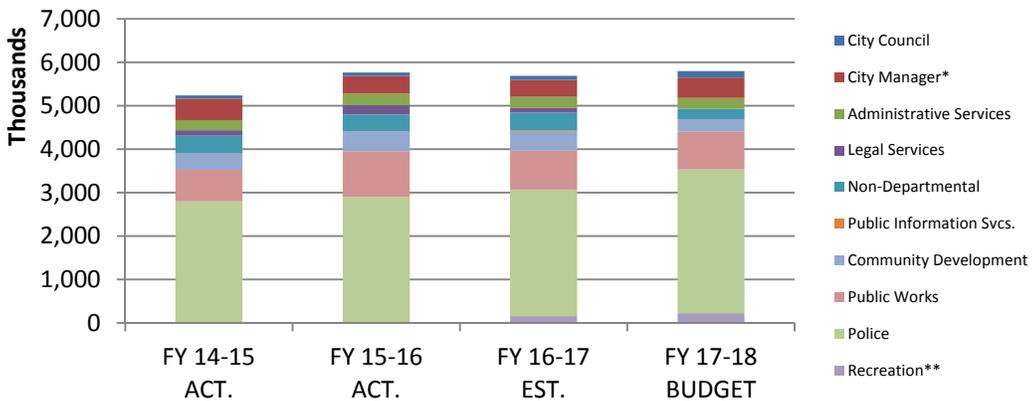
## General Fund Trends Total Revenues and Expenses



## General Fund Trends Actual & Budgeted - 25% Reserve



## General Fund Trends Expenditures By Department



### **General Fund Departments Highlights**

- City Manager includes the following changes:
  - Inclusion of the Economic Development and Public Information Services under the City Manager Department
  - Other increases primarily due to allocation of shared indirect costs.
- Park Recreation Department was previously reported under Fund 207, however as there are no restricted funds associated with this program it was reclassified as a department under the General Fund. Change in expenditure is primarily due to program expansion and personnel changes.
- The City implemented a Cost Allocation Method on shared indirect costs
  - It is vital for the financial health of the City to determine and consider all expenses incurred to provide general services and support.
- Allocation was applied using an FTE-based methodology.
- The citywide allocated contract service expenses include various administrative overhead costs including auditing, financial reporting, legal and general counsel, insurance, citywide technology and data management.
- Legal Services department was eliminated due to the implemented allocation of normal legal costs directly to the operating departments.
- Non-Departmental expenses decrease due to allocation of expenses formerly charged directly as non-departmental. This department now only reflects the amounts budgeted for operating and legal contingencies.

### **Service Level & Other Personnel Cost Changes**

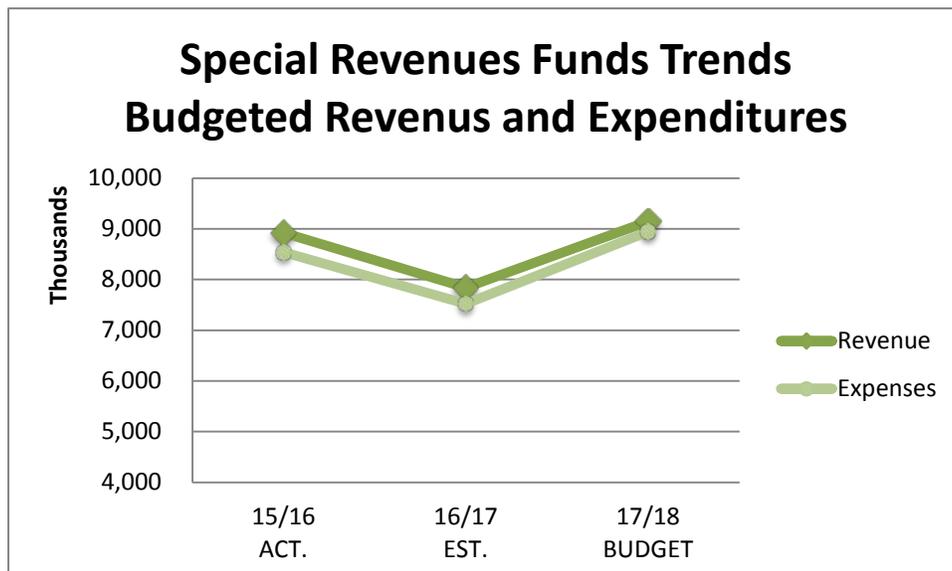
- *COLA in FY 17-18 for CPOA, CPMA, CEA and Non-Rep.*
- *Police Department includes a proposed additional Police Officer*
- *Reclassification of part-time positions.*

### **Capital Project Highlights**

- Grant Funded Project Summary
  - School Street Pathway
  - Cator Field Access Improvements
  - Wayfinding Program Signage
  - OBAG Street Paving Project Design
- Equipment Summary:
  - 1 Police Vehicle Purchased through Vehicle Replacement Fund
  - 1 Administration Vehicle Purchased through Capital Projects and Enterprise Funds
- Capital Project Summary:
  - Sunflower Park Tennis Courts
  - Veronda/Falletti Building Improvements
  - Park Planning/Playground Equipment
  - Road Paving/Maintenance/Repair
  - City-wide Traffic Safety Improvements
  - La Plaza/School Street Tunnel/Mcginnis Bridge Lighting
  - Community Development/Engineering Remodel
  - Civic Center Roof Replacement/Repairs

**Special Revenue Fund Highlights and Trends**

- CDBG
  - New Projects include the School Street Pathway and Cator Field Access Improvement.
  - Estimated Project Cost of \$246K of which \$146k is funded through CDBG and remainder to be funded by General Fund.
- Gas Tax
  - New tax introduced by Governor Brown is estimated to bring in an additional \$41K.
  - \$200K to be transferred to Fund 605 for Street Construction & Improvements Projects
- MTC Street
  - Estimated revenue the same as 16/17
  - Transfer of \$150K to Fund 605 for Street Construction & Improvements Projects
- Traffic Mitigation
  - Increase in estimated impact fee revenues of approximately \$700K due to new developments.
  - Transfer of \$27K to Fund 605 for Citywide Traffic Safety Improvements
- Park-In Lieu
  - Increase in estimated impact fee revenues over prior years of approximately \$100K due to new development
  - \$215K to be transferred to Fund 605 for the following park projects:
    - Sunflower Park
    - Kotate Park
    - Falletti Building
    - Lighting Project
- Public Safety
  - Major change in fund is due to reclassification of PSAF PROP 172 from General Fund.
- Inclusionary Housing
  - Revenues considered consistent with prior year’s budget
  - Expenditure increase of approximately \$20K for new Housing Subsidy Costs.
- Excess Bond Proceeds Fund
  - Consistent with prior year’s budget.

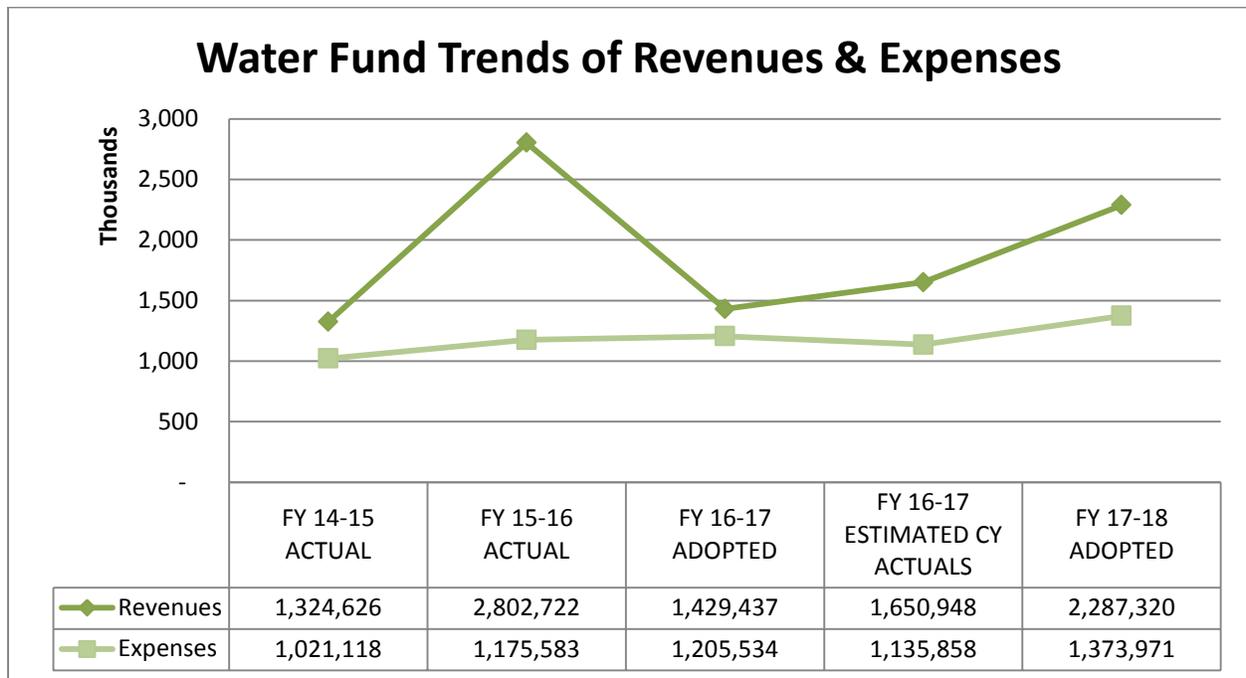


**Internal Service Fund Highlights**

- Vehicle Replacement Fund
  - Purchase a Police Vehicle for 16/17
  - Purchase additional Police Vehicle in 17/18
  - Receive General Fund Transfer of \$150K

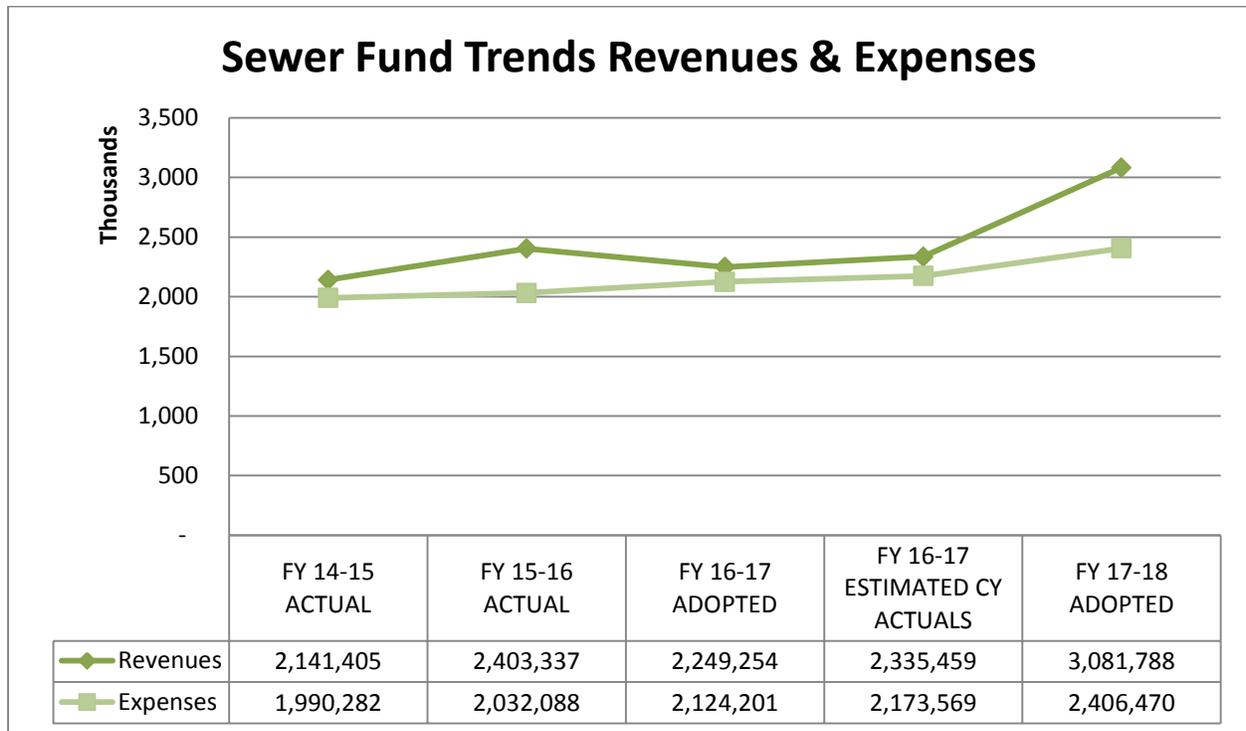
**Enterprise Funds Highlights and Trends**

- Water Fund
  - Proposed water rate adjustment in FY 17-18, consistent with draft rate study
  - Proposed Capital Project Improvements:
    - WELL 1A TANK - \$85,000
    - WATER OP SCADA SYSTEM IMPLEMENTATION - \$40,000
  - Fund consolidation
    - Closed out of Recycled Water Fund 403 and include recycled water projects in overall CIP planning
    - Moving existing fund balance of \$710,488 to Fund 401 (Water Operations)
  - Increase in Operating Expense due to the indirect cost allocation charges



- Sewer Fund

- No Sewer rate adjustment included in proposed FY 17-18 budget
- Proposed Capital Improvement Projects:
  - Sewer Op SCADA System - \$20,000
  - Laguna Sewer Bypass - \$2,900,000
  - Sewer Billing Meter - \$40,000
  - St Joseph Way Main Replacement \$100,000
  - Manhole Lateral Repair/Improvement \$50,000
- Increase in Operating Expense due to the indirect cost allocation charge



Overview of funds with Fund Balance Changes greater than 10%

- Gas Tax Fund 203 is anticipated to change approximately 15% due to new state transportation taxes in the 17/18 fiscal year.
- MTC Street Fund 204 is anticipated to decrease approximately 76% as the funds are transferred over to support capital streets projects.
- Traffic Mitigation Fund 205 is anticipated to increase approximately 584% as we are anticipating significant funding in traffic mitigation which is not scheduled for use at the current time.
- Park-In-Lieu Fund 206 is anticipated to decrease 30% due to required transfers of funds to capital projects scheduled at City parks.
- PEG Grant Fund 208 is anticipated to increase 31% primarily due to continued franchise fees receipts exceeding expenditures.
- K-9 Program Fund 212 is anticipated to decrease with the use of the fund balance with incoming receipts received based on fundraising efforts of the police department.

## Fiscal Year Comparisons

For fiscal year 2016/17 the short term goals of the City were focused on improving its operations and transparencies through a host of initiatives that the community will immediately notice, including a new budget format, the webcast of city meetings and an updated website. The City Council also focused on improving its services to the community by hiring a new police officer, a new public works field worker, and bringing back recreation services. Budget year 2016/17 was focused on improving the city infrastructure by completing the Gateway improvement on Old Redwood Highway setting the stage for the economic development of Cotati's Northern Gateway while continuing to increase the level of funding to support basic maintenance of streets, parks, and civic buildings.

For the fiscal year 2017/18 the City is continuing to focus on the core 8 goals to continue to support a beautiful, safe, and stable City with a transparent and stable city government with a focus on economic development.

## Conclusion

Though the City will continue to study the potential impacts of the lowered CalPERS discount rates and the impact on the unfunded liability, the FY 2017-18 budgets is a responsible financial plan that will enable the City to continue to provide the community with a full scope of high quality municipal services, programs, and special events that enhance the quality of life of all residents. We are committed to finding creative and impactful solutions to improve services to our residents and businesses and encourage economic growth in the City. This adopted budget is a reflection of the City of Cotati's commitment to continue to meet our fiscal challenges, while maintaining responsive service levels. I would like to take this opportunity to recognize all of the City's employees for their hard work and continued efforts, which allows Cotati to move into a positive direction for continued growth. This budget is a true reflection of what is possible when dedicated people and ideas come together for the benefit of the residents and businesses of Cotati. The dedication and efforts are visible and make our City a better place to work and live.

Sincerely,



Damien O'Bid

City Manager

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# SECTION B

FINANCIAL STRUCTURE, POLICY AND PROCESS

i♥cotati

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**RESOLUTION NO. 2017 - 28**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ADOPTING**  
**THE FISCAL YEAR 2017-18 BUDGET**

**WHEREAS**, on June 13, 2017 the City Manager and the Director of Administrative Services presented the attached proposed budget for Fiscal Year 2017-18, including estimated revenues and recommended appropriations for operations, special programs, capital improvements and reserves; and

**WHEREAS**, the City Council had previously held duly noticed study sessions on May 16th and May 30th, 2017 and provided the opportunity for and received public comments on the Fiscal Year 2017-18 Proposed Budget; and

**WHEREAS**, adoption of a budget prior to the beginning of the new fiscal year is required to insure the uninterrupted operation necessary for City services.

**NOW, THEREFORE**, the Cotati City Council hereby resolves that:

1. The attached proposed budget for Fiscal Year 2017-18 is hereby approved and adopted effective July 1, 2017.
2. The City Manager is authorized to make expenditures and enter into agreements conforming to this Budget and to make adjustments between various accounts within each budget department and fund, limited to the total amount budgeted for said department and/or fund.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 13th day of June, 2017, by the following vote, to wit:

**RESULT: ADOPTED [UNANIMOUS]**

**MOVER:** John A. Dell'Osso, Council Member

**SECONDER:** John C. Moore, Council Member

**AYES:** John C. Moore, John A. Dell'Osso, Susan Harvey, Mark Landman

**ABSENT:** Wendy Skillman

Approved: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Lauren Berges, Deputy City Clerk

Approved as to form:

\_\_\_\_\_  
Robin Paige Donoghue

City Attorney

Attachments:

Combined Budget Book 17-18 (PDF)

# APPROPRIATIONS LIMIT

## What is it?

Proposition 4 approved by the voters in November 1979 added California Constitution, Article XIII B. Article XIII B limits the level of most appropriations from tax sources that the state and most local government entities are permitted to make in any given year. The limit for each year is equal to the limit for the prior year, adjusted for changes in the cost-of-living and population plus other various adjustments as required. The first year in which appropriations limits applied to state and local governments in California was fiscal year (FY) 1980-81.

## Calculation for City of Cotati

Per Capita Personal Income	
Fiscal Year	Percentage Change over Prior Year (1)
<b>2017-18</b>	<b>3.69</b>

Population Change-County of Sonoma	
Fiscal Year	Percentage Change over Prior Year (1)
<b>2017-18</b>	<b>0.50</b>

(1) Source: Department of Finance-Budgeting Resource-Price and Population Factors Used for Appropriations Limit

$$\text{Per Capita Cost of Living Converted to Ratio: } \frac{3.69+100}{100} = \mathbf{1.0369}$$

$$\text{Population Converted to Ratio } \frac{.50+100}{100} = \mathbf{1.0050}$$

$$\text{Calculation Factor for FY 2016-17 } 1.0369 \times 1.0050 = \mathbf{1.0421}$$

Fiscal Year 2016-17 Appropriations Limit	\$ 14,501,625
Fiscal Year 2017-18 Factor	1.0421
Fiscal Year 2017-18 Appropriations Limit	<u>\$ 15,111,919</u>

**It should be noted that Appropriations Limit applies only to proceeds of taxes, as defined by the law and statewide reporting guidelines.**

Current Year Appropriations Subject to Limit	\$ 5,578,250
Fiscal Year 2017-18 Appropriations Limit	15,111,919
<b>Over/(Under) Appropriations Limit</b>	<u>\$ (9,533,669)</u>
<b>Percentage Over/(Under) Limit</b>	-63%

# Financial Policies and Procedures

Financial policies are essential and central to a strategic, long-term approach to financial management of the City by the elected officials and staff. Financial policies also create and define a shared understanding of how the City will develop its financial practices and manage its resources to provide the best value to the community and provide structure, boundaries and limits on the actions City staff may take. The formal adoption of financial principles and policies promote public confidence, enhance transparency and provide continuity over time.

The financial policies provide a structured, central repository for a variety of fiscal policies and organized into the following categories including General Financial Principles, Annual Operating Budget Policy, Capital Improvement Program, Revenues, Expenditures, Cash Management, Debt Management, Fund Balances, Financial Reporting, and Review and Updates.

Additional financial policies that are approved separately from the financial policies include the Reserve Policy, Investment Policy, Purchasing Policy and Capital Asset Policy.

One key financial policy related to the budgetary process is the City Council reserve policy for the General Fund to ensure there are funds available for significant unanticipated events. These reserve funds can only be used with a majority vote of the City Council, and for specific circumstances.

The Government Finance Officers Association (GFOA) recommends that city governments maintain an unrestricted general fund balance of no less than 2 months of regular General Fund operating revenues or regular General Fund operating expenditures. This amounts to 16.7% of either General Fund operating revenues or regular general fund operating expenditures. The reserve policy adopted by the Cotati City Council maintains a minimum of 25% of the annual operating expenses which exceeds the GFOA recommendations.

The Investment Policy of the City guides investment of public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City while conforming to all state and local statutes governing the investment of public funds.

The City Purchasing Policy outlines the purchasing procedures that apply to all City purchases including proper procurement, competitive bidding, contract services, recycled products and local vendor preference, credit card management, and emergency exemptions.

Capital Asset Policy conveys the proper and approved financial treatment of expenditures for assets, and establishes thresholds in financial reporting. In addition, the asset policy defines specific controls over the safeguarding and maintenance of all assets in order to reduce the risks of loss through theft or mismanagement.

These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. A fiscal policy supports long-term planning and enhances the City's effectiveness in implementing long-term strategies to deliver efficient services to the public. See the attached Appendix A for copies of the adopted financial policies and procedures in place for the City of Cotati as of June 13, 2017.

# Fund Descriptions and Fund Structure

## General Fund

One of the most commonly heard terms in municipal budget discussions is the General Fund. The General Fund is the largest fund that the City of Cotati maintains. The two major revenue sources for the General Fund are Property Tax and Sales Tax. These revenue sources are dependent on the economic environment and can fluctuate from year to year.

Cities and counties administered local sales tax ordinances with varying tax rates and exemptions until 1955 when the California Legislature passed the Bradley-Burns Uniform Local Sales and Use Tax Law. This law laid the groundwork for a sales tax system that authorizes the State Board of Equalization to collect all sales and use taxes and distribute the 1% local share to cities and counties.

Cotati voters also approved Measure G, a temporary 1% transactions and use tax, for nine years that will expire in 2023. With Measure G, the total sales tax rate in the city of Cotati is 9.125%. The city receives 2% of the 9.125% in sales tax, with Bradley Burns and Measure G.

State statutes provide that the property tax rate be limited generally to 1% of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Sonoma collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

Other General Fund revenue sources are impacted by the economic environment, but not to the same degree as sales, property, and transaction and use taxes. These other sources include Business License Tax, Permits and Franchises; Rents; Revenue from Other Agencies; Charges for Services; Transfers from Other Funds; and Other Revenues.

## Enterprise Funds

Enterprise Funds are for specific services that are funded directly through user fees. As the second largest fund type in the City, the Enterprise Funds are fully self-supporting and are not subsidized by tax money from the General Fund. Cotati's Enterprise Funds include Water Operating and Capital Funds (401 & 402) and Sewer Operating and Capital funds (404 & 405).

## Special Revenue Funds

Special revenues are monies received for a specifically identified purpose. Examples Community Development Block Grants (202), Gas Tax funds (203), and MTC Streets funds (204)

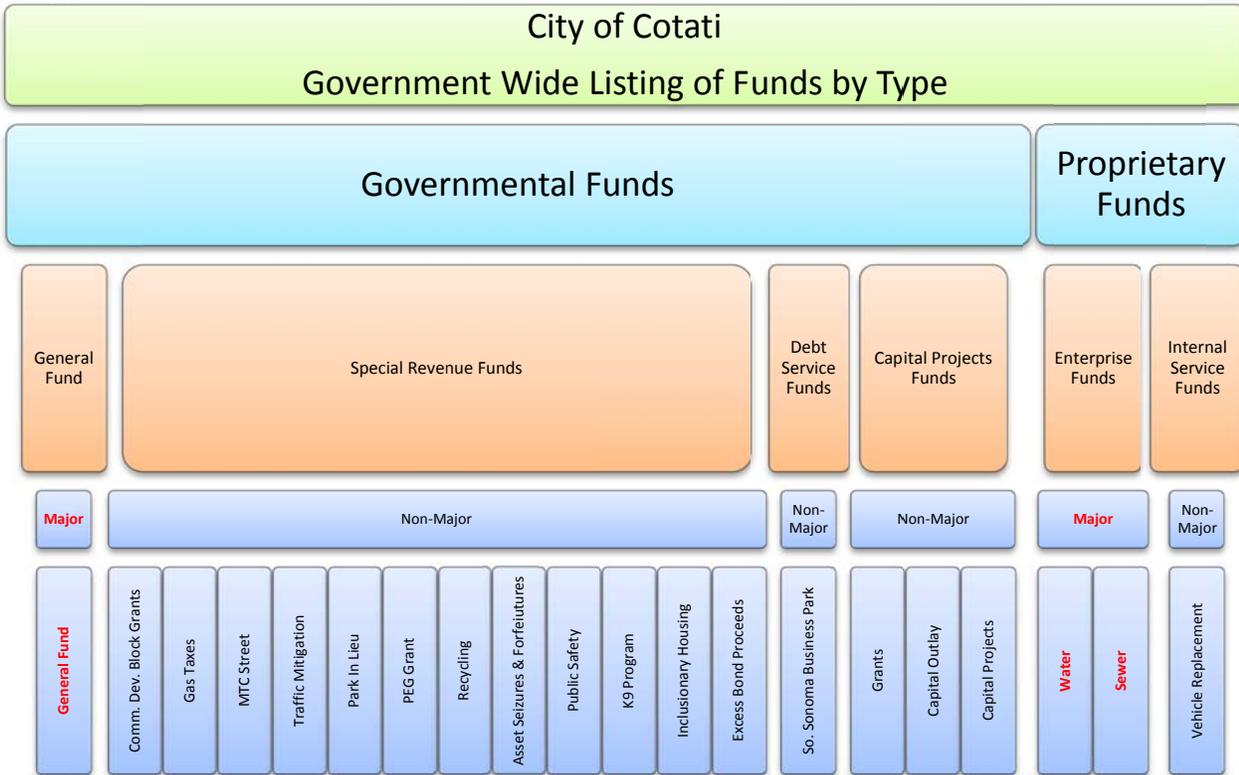
## Capital Projects and Internal Service Funds

A capital project fund are financial accounts that are used to track the building, renovating, or purchase of s equipment, property, facilities, including buildings, parks, and other infrastructure or information technology systems which are to be used as a public asset or to benefit the public. Examples of these funds for the City are Grants Fund (201), Capital Outlay (604), and Capital Projects (605)

Internal Service Funds account for activities that provide goods and services to other departments or agencies on a cost-reimbursement basis.



# Organization Chart of Governments Funds



## Method of Accounting

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the costs of providing services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following **major** governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following **major** proprietary funds:

The **Water Fund** accounts for the operations of the City's water treatment and distribution system.

The **Sewer Fund** accounts for the operation of the City's wastewater collection activities.

# Basis of Budgeting

The basis of budgeting for each fund is estimated prior to the FY utilizing the same basis of accounting that is used for the same fund within the final audited financial statements once the FY is closed. For the identified major funds they are budgets as follows:

- General Fund – Modified Accrual Basis
- Water and Sewer - Accrual

## WHAT IS A MUNICIPAL BUDGET?

A municipal budget is a legally required management and planning tool to forecast expenditures and revenues the City will incur in the upcoming fiscal year. It is neither actual revenue or actual expenditures, but a tool to plan for the desired level of expenditures with the expected level of revenue. The budget is constantly monitored throughout the year to make adjustments so that at the end of the year the budget is in balance.

## WHO DEVELOPS THE CITY BUDGET?

Each year the City Council and City staff work together to develop an Annual Budget with public input through a series of public strategic planning and budget workshops in the spring/early summer. While the Budget is being created, all parties must make decisions on how to utilize the finite amount of revenues that the City receives in order to produce the greatest benefits for the citizens.

## WHAT DOES THE CITY BUDGET DO?

The Budget serves as a guide and an outline for how the funds should be spent to provide, maintain and improve services to the City. The City Council, City staff, and public all serve as participants in its creation and execution.

Because the City is limited by the amount of resources available, the Budget aids officials in determining which objectives have the highest priority and will produce the greatest positive impact in the community. Budgets are also created for linking near-term goals with available resources, while keeping in mind long-term goals and resources.

## HOW IS THE BUDGET CREATED?

The budget is created by first establishing the goals and priorities for the City as determined by the Council during annual strategic planning meetings with City staff and the public. Once these goals are determined, a draft is created to accomplish those goals and priorities. Actual expenses and revenues from past years are also analyzed and reviewed to aid in forecasting expenses and revenues. The draft Budget is then discussed in a series of public workshops to receive additional input by the City Council and the public. The Budget must be formally adopted by the City Council by July 1st each year. Once the City's budget is adopted by the Council, the budget becomes an essential oversight tool in the city's operations

## WHAT IS A CAPITAL IMPROVEMENT PLAN?

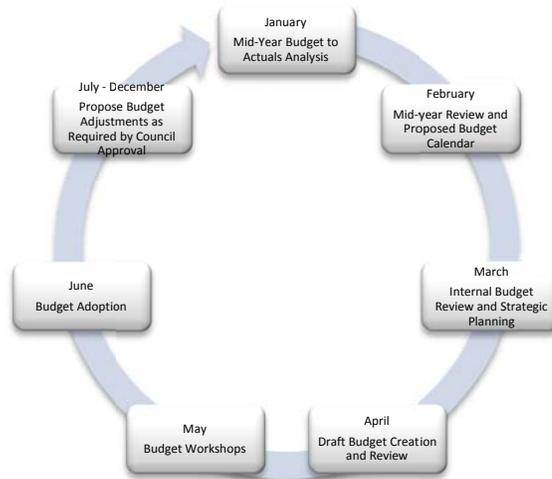
The capital improvement plan is a plan created by the City to identify needed construction projects and equipment purchases. This plan provides a planning schedule and plan for potential funding for city projects such as park improvements, street pavement maintenance, sewer and water system improvements, traffic signal and street lighting installations, and City facility construction or improvement.



# Budget Process

## The Budget Development Process

The budget development process is the formal method through which the City establishes its program priorities, goals and service levels for the upcoming fiscal year. Through the budget development process, programs are established, service levels are expressed, performance measures are articulated, and resources are identified. The budget development process is summarized below.



January						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

- 10 - City Council Meeting

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- 24 - City Council Meeting - Measure G Report Presentation

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- 25 - Oversight Board to Successor Agency of Former Redev. Agency

February						
S	M	T	W	T	F	S
				1	2	3
				4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 14 - City Council Meeting

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- 28 - City Council Meeting - Mid Year Budget Review & Public Comment

March						
S	M	T	W	T	F	S
				1	2	3
				4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 14 - City Council Meeting

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- 17 - City Management Strategic Planning - Departmental Analysis

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- 28 - City Council Meeting

April						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

- 4 - City Council Strategic Planning Special Workshop

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- 11 - City Council Meeting

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- 18 - Strategic Planning Workshop

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- 25 - City Council Meeting

May						
S	M	T	W	T	F	S
		1	2	3	4	5
		6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- 16 - City Council Meeting - Discuss Preliminary Budget- General Funds

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- 30 - City Council Meeting - Discuss Preliminary Budget - Enterprise Funds

June						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

- 13 - City Council Meeting - Budget Approval

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- 27 - City Council Meeting

- City Hall Holiday
- City Council Meetings
- City Management Meetings

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# SECTION C

## FINANCIAL SUMMARIES



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# Consolidated Financial Schedules

## Budget Summary by Fund

Fund	No	Projected Beginning Balance 7/01/2017	Fiscal Year 17-18							Projected Ending Balance 6/30/2018
			Estimated Revenue	% of Total Rev.	Appropriations			Operating Transfers		
					Operating Expense	Other (Sources) / Uses	Capital Imp.	In	Out	
<b>General Fund *</b>	<b>101</b>	<b>\$ 3,872,974</b>	<b>\$ 6,922,245</b>	<b>48%</b>	<b>\$ 5,796,691</b>	<b>\$ 23,000</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ (927,400)</b>	<b>\$ 4,208,128</b>
<b>Governmental Funds</b>										
<b>Capital Projects Funds</b>										
<i>Grants</i>	201	-	90,000	1%	-	-	177,500	87,500	-	-
<i>General Capital Outlay</i>	604	<b>393,896</b>	152,240	1%	-	-	-	-	(150,000)	<b>396,136</b>
<i>Capital Projects Fund</i>	605	-	-	0%	-	-	1,413,480	1,413,480	-	-
<b>Special Revenue &amp; Other Funds</b>										
<i>Comm. Dev. Block Grants</i>	202	-	146,365	1%	-	-	246,365	100,000	-	-
<i>Gas Taxes</i>	203	<b>26,682</b>	208,374	1%	4,500	-	-	-	(200,000)	<b>30,556</b>
<i>MTC Street</i>	204	<b>123,821</b>	55,300	0%	-	-	-	-	(150,000)	<b>29,121</b>
<i>Traffic Mitigation</i>	205	<b>130,916</b>	790,902	5%	-	-	-	-	(27,000)	<b>894,818</b>
<i>Park In Lieu</i>	206	<b>313,223</b>	119,929	1%	-	-	-	-	(215,240)	<b>217,912</b>
<i>PEG Grant</i>	208	<b>15,982</b>	19,000	0%	14,000	-	-	-	-	<b>20,982</b>
<i>Recycling</i>	209	<b>5,283</b>	-	0%	-	-	-	-	-	<b>5,283</b>
<i>Asset Seizures &amp; Forfeitures</i>	210	<b>60,258</b>	5,700	0%	-	-	-	-	-	<b>65,958</b>
<i>Public Safety</i>	211	<b>48,560</b>	160,000	1%	-	-	-	-	(160,000)	<b>48,560</b>
<i>K9 Program</i>	212	<b>10,440</b>	4,050	0%	5,500	-	-	-	-	<b>8,990</b>
<i>So. Sonoma Business Park</i>	215	<b>278,049</b>	461,000	3%	461,387	-	-	-	-	<b>277,662</b>
<i>Inclusionary Housing</i>	216	<b>3,128,640</b>	15,000	0%	105,000	-	-	-	-	<b>3,038,640</b>
<i>Excess Bond Proceeds</i>	219	<b>701,184</b>	-	0%	701,184	-	-	-	-	<b>-</b>
<b>Total Governmental Funds</b>		<b>9,109,909</b>	<b>9,150,105</b>	<b>63%</b>	<b>7,088,262</b>	<b>23,000</b>	<b>1,837,345</b>	<b>1,760,980</b>	<b>(1,829,640)</b>	<b>9,242,747</b>
<b>Proprietary</b>										
<b>Internal Service Funds</b>										
<i>Vehicle Replacement</i>	501	<b>4,500</b>	-	0%	-	45,000	-	150,000	-	<b>109,500</b>
<b>Subtotal Internal Service Fund</b>		<b>4,500</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>45,000</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>109,500</b>
<b>Enterprise Funds</b>										
<b>Water Funds</b>										
<i>Water Operating</i>	401	<b>1,152,077</b>	<b>1,535,220</b>	<b>11%</b>	<b>1,370,721</b>	<b>101,469</b>	<b>-</b>	<b>-</b>	<b>(174,420)</b>	<b>1,040,687</b>
<i>Water Capital</i>	402	<b>369,882</b>	752,100	5%	3,250	(1,000)	133,750	174,420	(40,670)	<b>1,119,732</b>
<i>Recycled Water Line</i>	403	-	-	0%	-	-	-	-	-	-
<b>Subtotal Water Fund</b>		<b>1,521,959</b>	<b>2,287,320</b>	<b>16%</b>	<b>1,373,971</b>	<b>100,469</b>	<b>133,750</b>	<b>174,420</b>	<b>(215,090)</b>	<b>2,160,419</b>
<b>Sewer Funds</b>										
<i>Sewer Operating</i>	404	<b>2,868,047</b>	<b>2,048,013</b>	<b>14%</b>	<b>2,406,470</b>	<b>(15,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,524,591</b>
<i>Sewer Capital</i>	405	<b>3,572,958</b>	1,033,775	7%	-	(20,000)	3,118,750	-	(40,670)	<b>1,467,313</b>
<b>Subtotal Sewer Fund</b>		<b>6,441,005</b>	<b>3,081,788</b>	<b>21%</b>	<b>2,406,470</b>	<b>(35,000)</b>	<b>3,118,750</b>	<b>-</b>	<b>(40,670)</b>	<b>3,991,903</b>
<b>Total Enterprise Funds</b>		<b>7,967,463</b>	<b>5,369,108</b>	<b>37%</b>	<b>3,780,440</b>	<b>110,469</b>	<b>3,252,500</b>	<b>324,420</b>	<b>(255,760)</b>	<b>6,261,822</b>
<b>Total City Funds</b>		<b>\$ 17,077,372</b>	<b>14,519,213</b>	<b>100%</b>	<b>10,868,702</b>	<b>133,469</b>	<b>5,089,845</b>	<b>2,085,400</b>	<b>(2,085,400)</b>	<b>\$ 15,504,569</b>

\* Includes Former Fund 207 Recreation

Major Funds are included in Bold with percents of revenue in red.

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# GENERAL FUND



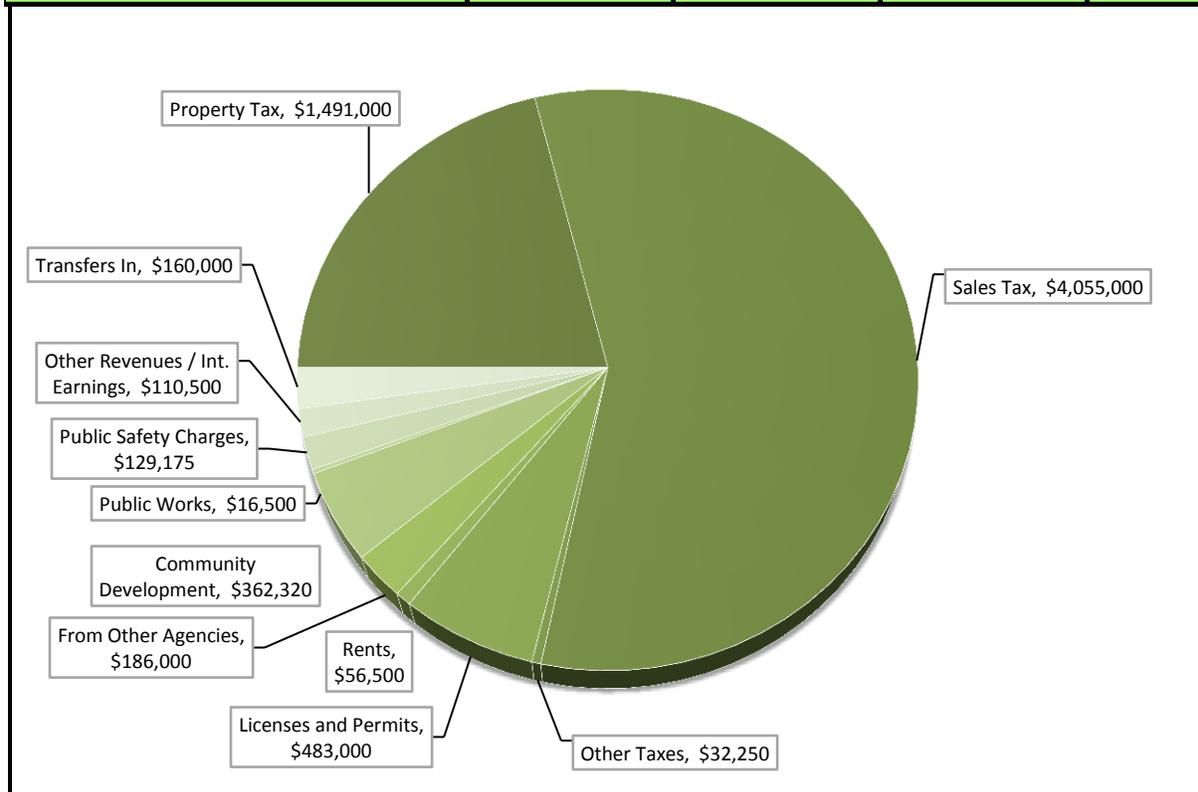
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# General Fund Overview

## Budget at a Glance

Where does the City's General Fund Money Come From?

Revenue Summary	2016/2017 Estimated Actual	2017/2018 Adopted Budget	Increase/ (Decrease)	% Change
Property Tax	1,451,548	1,491,000	39,452	2.7%
Sales Tax	3,961,000	4,055,000	94,000	2.4%
Other Taxes	31,900	32,250	350	1.1%
Licenses and Permits	468,800	483,000	14,200	3.0%
Rents	36,861	56,500	19,639	53.3%
From Other Agencies	8,209	186,000	177,791	2165.9%
Community Development	269,674	362,320	92,646	34.4%
Public Works	23,713	16,500	(7,213)	-30.4%
Public Safety Charges	114,797	129,175	14,378	12.5%
Other Revenues / Int. Earnings	106,669	110,500	3,831	3.6%
Transfers In	155,000	160,000	5,000	3.2%
<b>Total Revenues</b>	<b>6,628,170</b>	<b>7,082,245</b>	<b>454,075</b>	<b>6.9%</b>

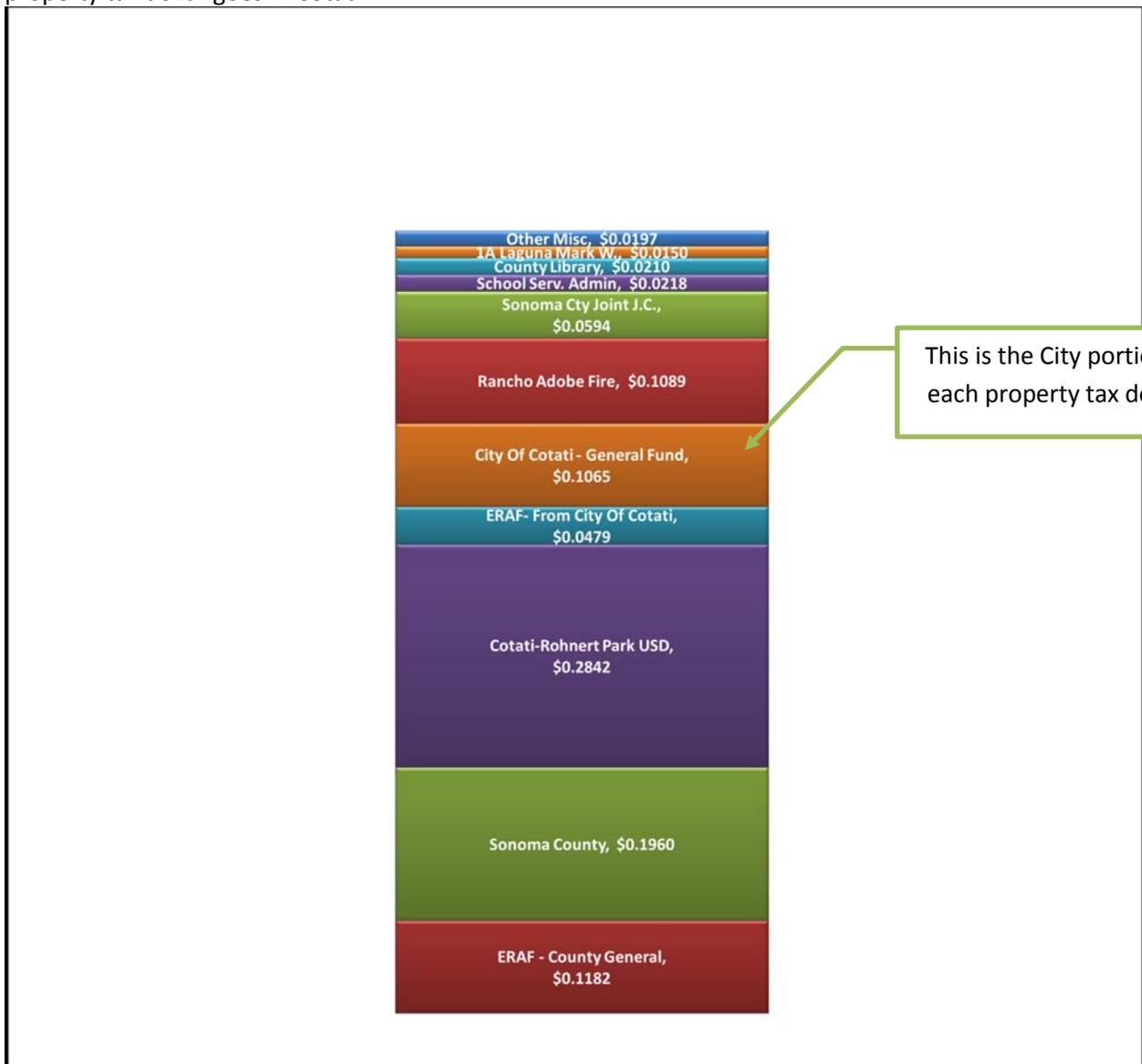


# Property Tax Dollar Distribution

A property tax is a levy on the assessed value of a property. The general property tax is levied by the county, equal to 1% of the assessed value, often called the 1 percent general tax levy or countywide rate. Under Proposition 13, a law approved by California voters in 1978, general property taxes (not including those collected for special purposes) are limited to 1% of a property's market value and restrict increases in assessed value to 2% per year.

For example, for a home with an assessed value of \$500,000 the property owner would be assessed approximately \$5,000 a year in property taxes (1% of assessed value). Of the \$5,000, the city would only receive a total of \$532.50 (10.65% of the 1% assessed value) from the County.

California property taxes are collected by the County Tax Collector and are then transferred to the County Auditor for distribution to the local multiple governments. The graph below shows where each property tax dollar goes in Cotati:

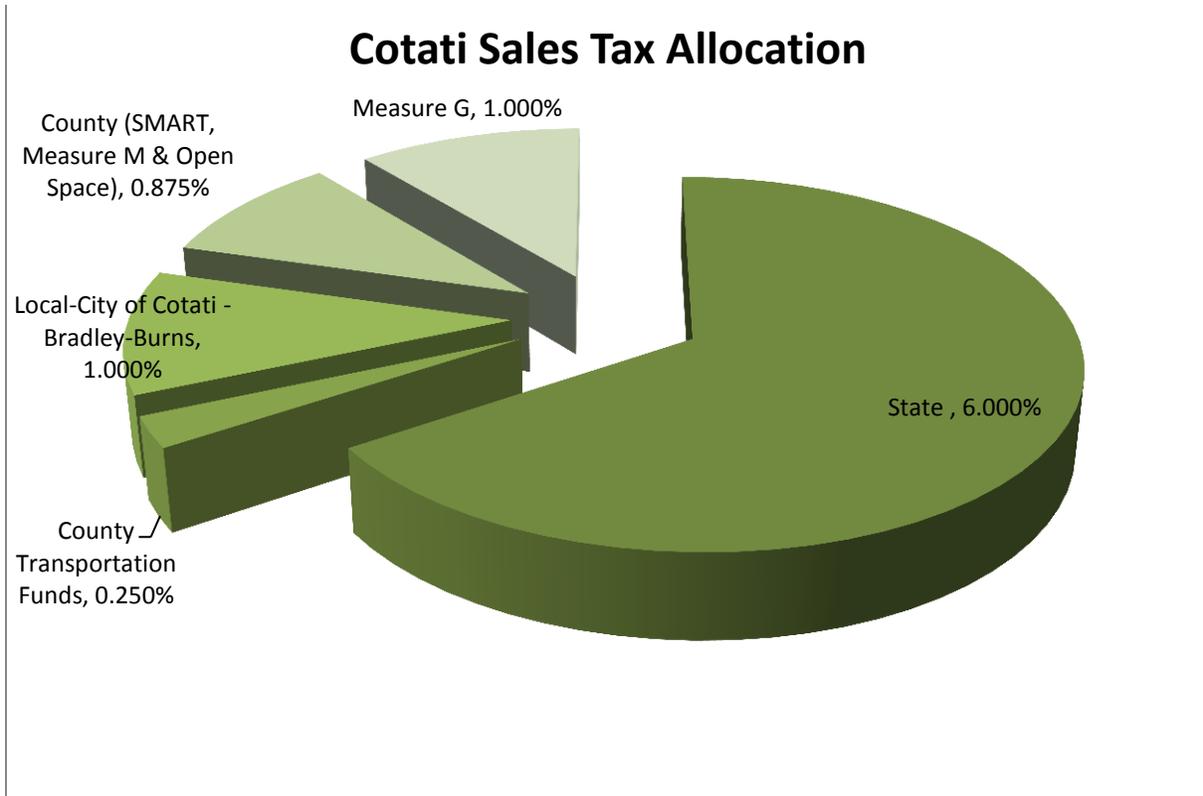


# Sales Tax Dollar Distribution

Sales tax is a tax paid on the sales of certain goods and services. Currently, the total sales tax rate in the city of Cotati is 9.125%. The city receives 2% in sales tax, with 1% Bradley-Burns and 1% Measure G.

Sales tax from the Bradley-Burns levy is allocated back to the City where the sale was negotiated or the order was taken. On the other hand, the transactions and use tax, or Measure G, is allocated to the City where the goods are delivered or placed into use. The graph below shows the breakdown of the city's sales tax:

California Sales and Use Tax Rates	
State	6.000%
County Transportation Funds	0.250%
Local-City of Cotati (Bradley Burns)	1.000%
<b>Total State-Wide Sales and Use Tax Rate</b>	<b>7.250%</b>
County (SMART, Measure M & Open Space)	0.875%
Measure G	1.000%
<b>Total Sales Tax Rate in Cotati</b>	<b>9.125%</b>



# Other Revenues

Other revenues contribute approximately 10% of the total General Fund revenues available to the City and are made up of the following:

## Other Taxes

Transfer tax is a transaction fee imposed on the transfer of land or real property from one person (or entity) to another. The total transfer tax for the County and City is \$1.10 (\$0.55 County / \$0.55 City) per \$1,000 of property value, minus any loans assumed in the sale.

## Licenses, Permits and Franchises

A business license is a tax payment to the city for doing business in that city. Cities collect fees from the business license applicants and place the majority of the fees into its general fund for the administration of city services, such as police, road work, parks and recreation and other community services that benefit citizens and businesses.

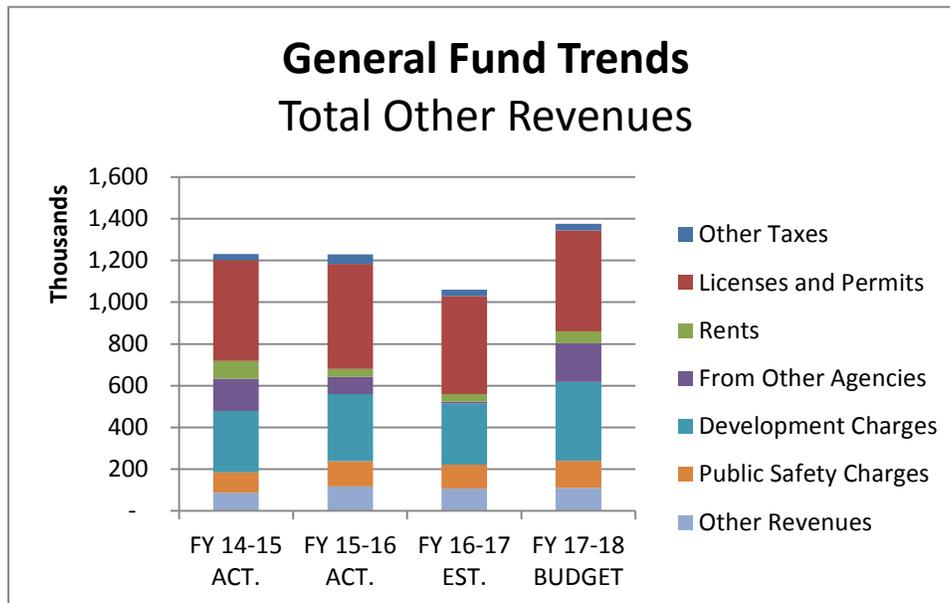
A utility franchise is a contract between a city and a utility or garbage company that outlines certain requirements for the utility to use the city’s public rights of way and for the garbage company to have exclusive rights to provide garbage service. The establishment of franchise agreements between cities and utilities or garbage companies is a customary business practice and legal process outlined by the state constitution.

## Rent

Revenue received from the rental of city owned facilities.

## Revenue from Other Agencies

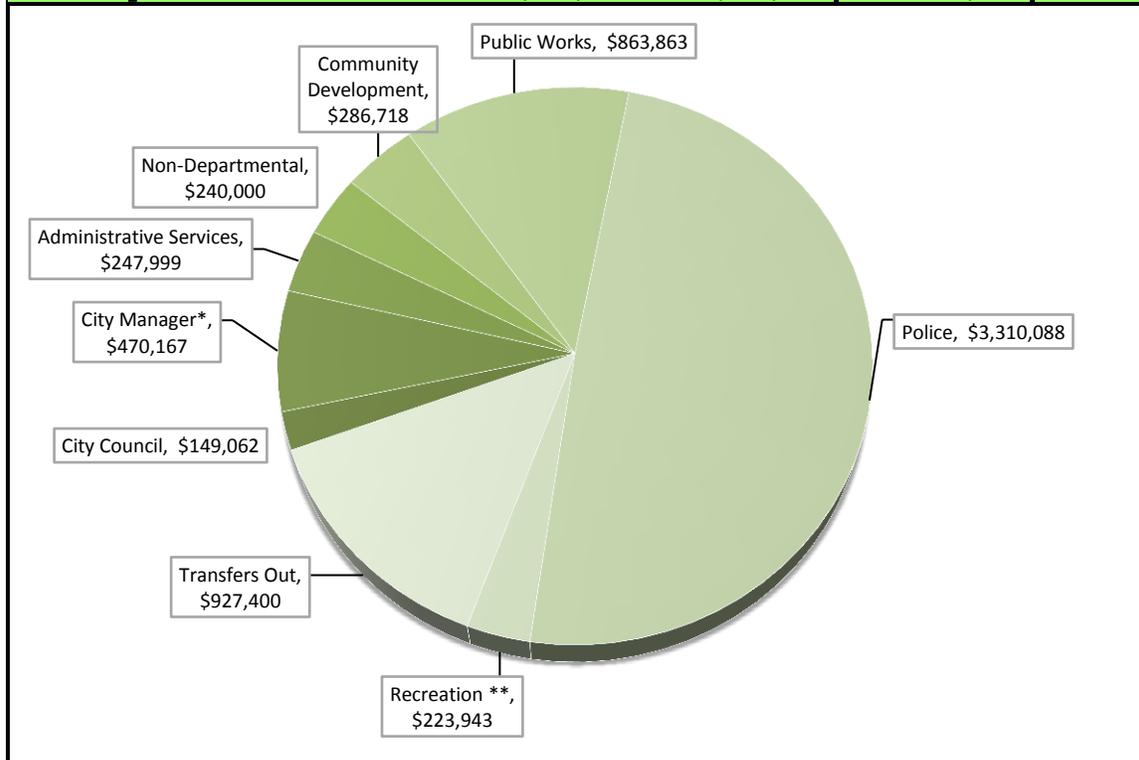
These revenues are amounts received from other local and state agencies.



# General Fund Expenditures

## How Does the City Utilize the Money It Receives?

Expenditure Summary	2016/2017 Estimated Actual	2017/2018 Adopted Budget	Increase/ (Decrease)	% Change
City Council	95,520	149,062	53,542	56%
City Manager*	389,560	470,768	81,209	21%
Administrative Services	250,677	248,600	(2,077)	-1%
Legal Services	109,599	-	(109,599)	-100%
Non-Departmental	417,230	240,000	(177,230)	-42%
Public Information Svcs.	29,000	-	(29,000)	-100%
Community Development	425,139	287,319	(137,820)	-32%
Public Works	902,424	865,551	(36,872)	-4%
Police	2,910,348	3,310,847	400,498	14%
Recreation **	159,474	224,544	65,070	41%
Transfers Out	1,001,725	927,400	(74,325)	-7%
<b>Total Expenditures</b>	<b>6,690,696</b>	<b>6,724,091</b>	<b>33,396</b>	<b>0%</b>



### Notes:

\*City Manager's Office now includes budget items previously associated with Economic Development.

\*\*Recreation was previously reported under Fund 207, however as there are no restricted funds associated with this program it has been proposed for reclassification as a department under the General Fund.

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# General Fund - Consolidated Financial Schedule

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED BUDGET	ESTIMATED CY ACTUAL	ADOPTED BUDGET
<b>OPERATING REVENUES SUMMARY</b>					
Property Tax	\$ 1,266,680	\$ 1,652,877	\$ 1,278,375	\$ 1,451,548	\$ 1,491,000
Sales Tax	3,563,878	4,075,204	3,976,935	3,961,000	4,055,000
Other Taxes	29,087	46,314	26,000	31,900	32,250
Licenses and Permits	483,408	502,033	464,000	468,800	483,000
Rents	85,218	38,653	53,319	36,861	56,500
From Other Agencies	154,781	82,680	52,500	8,209	186,000
Development Charges	294,160	320,953	246,845	293,387	378,820
Public Safety Charges	96,741	121,093	111,375	114,797	129,175
Other Revenues	87,704	117,517	64,308	106,669	110,500
<b>Total Revenue</b>	<b>6,061,658</b>	<b>6,957,325</b>	<b>6,273,657</b>	<b>6,473,170</b>	<b>6,922,245</b>
<b>OPERATING EXPENDITURES SUMMARY</b>					
City Council	73,058	78,575	97,417	95,520	149,062
City Manager*	495,044	410,772	515,654	389,560	470,768
Administrative Services	231,896	260,803	298,977	250,677	248,600
Legal Services	127,086	216,983	150,000	109,599	-
Non-Departmental	398,282	385,252	498,060	417,230	240,000
Public Information Svcs.	240	1,200	29,000	29,000	-
Community Development	386,518	458,672	413,210	425,139	287,319
Public Works	726,285	1,056,584	909,787	902,424	865,551
Police	2,797,905	2,896,268	2,897,848	2,910,348	3,310,847
Recreation**	-	-	-	159,474	224,544
<b>Total Expense</b>	<b>5,236,284</b>	<b>5,765,109</b>	<b>5,809,953</b>	<b>5,688,970</b>	<b>5,796,691</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>					
	<b>825,374</b>	<b>1,192,216</b>	<b>463,704</b>	<b>784,200</b>	<b>1,125,554</b>
	86%	83%	93%	88%	84%
<b>OTHER SOURCES AND (USES)</b>	<b>(867,133)</b>	<b>(66,066)</b>	<b>(23,000)</b>	<b>(23,000)</b>	<b>(23,000)</b>
<b>TRANSFERS FROM/(TO) OTHER FUNDS</b>					
Transfers In	566,975	318,000	100,000	155,000	160,000
Transfers Out	(652,493)	(449,839)	(484,067)	(1,001,725)	(927,400)
<b>Net All Transfers</b>	<b>(85,518)</b>	<b>(131,839)</b>	<b>(384,067)</b>	<b>(846,725)</b>	<b>(767,400)</b>
<b>NET FUND SURPLUS</b>	<b>(127,277)</b>	<b>994,311</b>	<b>56,637</b>	<b>(85,526)</b>	<b>335,154</b>
<b>BEG. FUND BALANCE</b>	<b>3,091,465</b>	<b>2,964,188</b>	<b>1,782,730</b>	<b>3,958,499</b>	<b>3,872,974</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 2,964,188</b>	<b>\$ 3,958,499</b>	<b>\$ 1,839,366</b>	<b>\$ 3,872,974</b>	<b>\$ 4,208,128</b>
<b>FUND BALANCE ALLOCATION TO RESERVES AND OTHER DESIGNATIONS</b>					
General Operating Contingenc:	1,309,071	1,441,277	1,452,488	1,422,243	1,449,173
Reserve	1,655,117	2,517,222	386,878	2,450,731	2,758,955
<b>Total Reserves</b>	<b>\$ 2,964,188</b>	<b>\$ 3,958,499</b>	<b>\$ 1,839,366</b>	<b>\$ 3,872,974</b>	<b>\$ 4,208,128</b>
<b>REQUIRED RESERVE</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
<b>RESERVE</b>	<b>57%</b>	<b>69%</b>	<b>32%</b>	<b>68%</b>	<b>73%</b>
NOTE:					
* Economic Development has been included within the City Managers office for budgetary reasons.					
** Recreation was previously reported under Fund 207, however as there are no restricted funds associated with this program it has been proposed for reclassification as a department under the General Fund.					

# Detail of Budget Sources

				ACTUAL	ACTUAL	ADOPTED BUDGET	ESTIMATED CY ACTUAL	ADOPTED BUDGET
				FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
<b>PROPERTY TAX</b>								
101 00	60100	000000	PROPERTY TAXES	\$ 735,931	\$ 1,094,408	\$ 703,432	\$ 857,915	\$ 870,000
101 00	60105	000000	IN-LIEU OF VLF	530,750	558,469	574,944	593,633	621,000
				<b>1,266,680</b>	<b>1,652,877</b>	<b>1,278,375</b>	<b>1,451,548</b>	<b>1,491,000</b>
<b>SALES TAX</b>								
101 00	60300	000000	SALES TAX	1,397,945	1,713,182	1,978,935	1,983,000	2,020,000
101 00	60302	000000	SALES TAX IN-LIEU	556,060	347,864	-	-	-
101 00	60304	000000	MEASURE A -TRANS. & USE TAX	269,929	32,873	-	-	-
101 00	60306	000000	MEASURE G - TRANS. & USE TAX	1,339,944	1,981,285	1,998,000	1,978,000	2,035,000
				<b>3,563,878</b>	<b>4,075,204</b>	<b>3,976,935</b>	<b>3,961,000</b>	<b>4,055,000</b>
<b>OTHER TAX</b>								
101 00	60400	000000	TRANSIENT OCCUPANCY TAX	284	227	-	1,900	250
101 00	60402	000000	TRANSFER TAX	28,804	46,087	26,000	30,000	32,000
				<b>29,087</b>	<b>46,314</b>	<b>26,000</b>	<b>31,900</b>	<b>32,250</b>
<b>LICENSES, PERMITS &amp; FRANCHISES</b>								
101 00	60600	000000	BUSINESS LICENSE	78,795	75,393	81,000	75,000	75,000
101 00	60602	000000	BUSINESS LICENSE LATE CHARGES	2,462	2,247	2,500	2,200	2,000
101 00	60640	000000	ELECTRIC FRANCHISE	53,974	45,739	55,000	61,000	55,000
101 00	60641	000000	GAS FRANCHISE	14,104	22,966	14,500	16,600	15,000
101 00	60642	000000	CABLE TV FRANCHISE	88,294	93,240	88,000	95,000	90,000
101 00	60643	000000	VIDEO SERVICE FRANCHISE	18,033	16,969	18,000	14,000	16,000
101 00	60644	000000	GARBAGE FRANCHISE	227,746	245,478	205,000	205,000	230,000
				<b>483,408</b>	<b>502,033</b>	<b>464,000</b>	<b>468,800</b>	<b>483,000</b>
<b>RENTS</b>								
101 00	60700	000000	GEN'L FACILITIES ROOM RENT	14,148	14,521	13,319	12,000	12,500
101 00	60704	000000	RENTS - OTHER	71,070	24,132	40,000	24,861	24,000
101 00	60705	000000	SMART TRAIN RENT	-	-	-	3,333	20,000
				<b>85,218</b>	<b>38,653</b>	<b>53,319</b>	<b>36,861</b>	<b>56,500</b>
<b>OTHER AGENCIES</b>								
101 00	60800	000000	DEPT OF TRANS HIGHWAY RENTAL	1,980	2,069	6,500	3,285	3,000
101 00	60802	000000	PSAF PROP. 172	51,854	52,481	43,000	-	-
101 00	60804	000000	MOTOR VEHICLE IN-LIEU	3,088	2,964	3,000	4,882	3,000
101 00	60806	000000	STATE MANDATED COSTS SB90	97,859	25,166	-	42	-
101 00	60807	000000	SSU SAFETY CONTRACT SVCS.	-	-	-	-	180,000
				<b>154,781</b>	<b>82,680</b>	<b>52,500</b>	<b>8,209</b>	<b>186,000</b>
<b>COMMUNITY DEVELOPMENT CHARGES</b>								
101 17	62001	000000	BLUEPRINT / MAP REPRODUCTION	201	-	200	1.24	200
101 17	62004	000000	BUILDING INSPECTION	58,015	83,188	201,780	141,535.00	195,000
101 17	62005	000000	BUILDING PLAN CHECK	28,105	23,882	25,000	6,189.17	115,000
101 17	62006	000000	BUS LIC-CASP-CERT AC	508	584	-	571.00	250
101 17	62007	000000	CBSC BUILDING STDS SB 147	146	269	100	300.00	100
101 17	62009	000000	CITY COUNCIL APPEAL PROC.	300	3,294	300	-	-
101 17	62012	000000	ENERGY / TITLE 24 FEE	2,077	-	1,000	12,315.00	12,000
101 17	62020	000000	GROWTH MANAGEMENT REVIEW	878	575	400	175.00	150
101 17	62022	000000	INCREMENTAL FEE	2,753	3,871	2,500	7,392.00	10,000
101 17	62026	000000	MISCELLANEOUS FEES	250	75	250	1,040.11	75
101 17	62029	000000	OUTSIDE PLAN REVIEW	300	1,110	-	2,495.00	-
101 17	62032	000000	PRE/FINAL DESIGN REVIEW	2,890	2,074	1,000	1,088.41	-
101 17	62035	000000	SIGN PERMIT	365	100	120	140.00	100
101 17	62037	000000	STRONG MOTION FEE	(211)	(156)	-	600.00	200
101 17	62038	000000	TECHNOLOGY FEE	2,823	3,613	2,200	7,170.00	8,000
101 17	62042	000000	TIME EXTENSION REVIEW	695	675	-	1,390.00	695
101 17	62043	000000	TREE REPLACEMENT FEE	900	270	850	520.00	250
101 17	62049	000000	ZONING RESEARCH LETTER	290	-	300	160.00	300
101 17	62999	9999RV	REIMB-ADMIN COSTS	157,603	169,253	-	86,592.00	20,000
				<b>258,886</b>	<b>292,676</b>	<b>236,000</b>	<b>269,673.93</b>	<b>362,320</b>

## Detail of Budget Sources, continued:

			ACTUAL	ACTUAL	ADOPTED BUDGET	ESTIMATED CY ACTUAL	ADOPTED BUDGET	
			FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18	
<b>PUBLIC WORKS</b>								
101 18	63001	000000	ENG PLN CHK - BLDG PERMIT	\$ -	\$ 1,566	\$ 1,050	\$ -	\$ -
101 18	63004	000000	FINAL MINOR SUB IMP REVIEW	-	-	-	1,745	-
101 18	63999	9999RV	REIMB - ADMIN COSTS	28,344	2,577	-	3,441	-
101 19	63009	000000	MAJOR ENCROACHMENT PERMIT	-	-	1,595	-	-
101 19	63010	000000	MINOR ENC - NON-CONST.	6,930	20,790	3,750	9,227	10,000
101 19	63011	000000	MINOR ENC - CONST.	-	1,595	3,850	7,700	5,000
101 19	63800	0000AD	REIMB - ADMIN COSTS	-	1,750	600	1,600	1,500
			<b>35,274</b>	<b>28,277</b>	<b>10,845</b>	<b>23,713</b>	<b>16,500</b>	
<b>PUBLIC SAFETY CHARGES</b>								
101 23	64012	000000	POST REIMBURSEMENT	3,705	3,001	5,000	1,482	1,500
101 23	64020	000000	ALARM PERMIT	2,640	2,610	3,150	3,030	3,000
101 23	64021	000000	CONCEALED WEAPON PERMIT	-	25	25	25	25
101 23	64022	000000	PERMIT OTHER	1,180	300	-	668	500
101 23	64030	000000	ANIMAL CONTROL REGISTRATION	6,945	6,165	7,000	5,070	5,500
101 23	64040	000000	IMPOUND / ABATEMENT/RELEASE	5,951	8,228	7,000	7,485	7,500
101 23	64050	000000	REPOSSESSION FEE	90	180	150	135	150
101 23	64051	000000	SUBPOENA FEES	45	180	1,000	825	1,000
101 23	64062	000000	DOC RETRIEVAL / REPRODUCTION	4,072	4,810	4,000	6,098	5,000
101 23	64063	000000	FINGERPRINT REQUEST	-	-	-	-	-
101 23	64070	000000	PARKING ENFORCEMENT	11,251	15,159	12,000	20,700	30,000
101 23	64071	000000	NOISE DISTURBANCE	-	1,100	1,500	2,550	5,000
101 23	64073	000000	TRAFFIC / CRIMINAL CODE FINES	60,847	79,320	70,000	66,730	70,000
101 23	64080	000000	OTHER FINES & FORFEITURES	-	-	500	-	-
101 23	64074	000000	VIN VERIFICATION	15	15	50	-	-
			<b>96,741</b>	<b>121,093</b>	<b>111,375</b>	<b>114,797</b>	<b>129,175</b>	
<b>OTHER REVENUES</b>								
101 00	60900	000000	MISC REVENUE	(23)	4	-	-	-
101 00	60910	000000	REIMB	8,117	5,548	-	-	-
101 00	60910	0000AD	REIMB - ADMIN COSTS	58	-	-	-	-
101 00	60910	0000NS	REIMB - RETURNED CHECK	100	25	-	50	-
101 00	60910	00REMI	REIMB - REMIF	-	3,010	-	-	-
101 00	60920	000000	OTHER REVENUES	6,029	2,889	1,000	1,686	-
101 00	60922	000000	BAD DEBT RECOVERY	-	390	-	-	-
101 00	60924	000000	DAMAGE TO CITY PROPERTY	3,374	6,434	3,500	5,059	-
101 00	60925	000000	DOC RETRIEVAL / REPRODUCTION	44	164	-	82	-
101 00	60928	000000	PUBLIC SERVICE FEE - DIS	37,500	30,000	30,000	30,000	30,000
101 00	60932	000000	GRATON MITIGATION	16,010	12,808	12,808	12,808	12,000
101 00	60929	000000	SALE OF FIXED ASSETS	-	13,935	-	-	-
101 00	60934	000000	REV. OTHER - REBATE	-	17,850	-	-	-
101 14	60910	0000AD	REIMBURSMTS - ADMIN	7,869	-	-	-	-
101 17	60910	0000AD	REIMBURSMTS - ADMIN	-	150	-	-	-
101 17	61302	000000	LCL-COUNTY - GRNHSE RED IMPL	-	4,138	-	730	-
101 23	60910	0000AD	REIMBURSMTS - ADMIN	-	200	-	150	-
101 24	MISC	MISC	RECREATION	-	-	-	43,864	53,500
			<b>79,077</b>	<b>97,545</b>	<b>47,308</b>	<b>94,429</b>	<b>95,500</b>	
<b>INVESTMENT EARNINGS</b>								
101 00	65010	000000	INVESTMENT EARNINGS	10,462	13,223	8,500	12,240	15,000
101 00	65010	999999	INVESTMENT EARNINGS-FMV	(2,849)	6,739	-	-	-
101 00	65100	000000	OTHER INTEREST	-	-	-	-	-
			<b>7,613</b>	<b>19,962</b>	<b>8,500</b>	<b>12,240</b>	<b>15,000</b>	
<b>CONTRIBUTIONS</b>								
101 00	66010	000000	CONTRIBUTIONS	1,013	10	8,500	-	-
			<b>1,013</b>	<b>10</b>	<b>8,500</b>	<b>-</b>	<b>-</b>	
<b>TOTAL GENERAL FUND OPERATING REVENUES</b>			<b>\$ 6,061,658</b>	<b>\$ 6,957,325</b>	<b>\$ 6,273,657</b>	<b>\$ 6,473,170</b>	<b>\$ 6,922,245</b>	

# General Fund Departmental Financial Schedules

## City Council (Department 10)



### Purpose

The City Council is the five member policy and legislative body of the City. The City Council of Cotati operates under the Council-Manager form of government, with five Council members elected at-large for staggered four year terms. The City Council, through the administrative authority of the City Manager, is responsible for the operation of the City, by setting policies and adopting City-wide goals and priorities. The City Council formulates policies in the form of motions, resolutions, and ordinances, which reflect the best interests, needs, and priorities for the citizens and businesses of Cotati, as well as the visitors to the City of Cotati. The City Council budget reflects the costs associated with supporting the Council’s activities and providing for the operations of the City. The City Council appoints the City Manager, and the City Attorney, who report directly to the City Council. The City Council also appoints the members of the City’s advisory commissions and committees. The City Council meets twice a month in regular session, conducts special meetings and study sessions as needed, and attends regional coordination meetings with other local government agencies.

## City Council, continued:

### Goals and Objectives

GOALS			
1 Ensure long-term vitality for the City.	2 Provide core services consistent with standard community service levels.	3 Pursue opportunities to increase efficiencies of City operations.	4 Community Engagement
OBJECTIVES			
- Fiscal Sustainability Strategy to promote a balanced budget that meets the community vision for City services.	- Ensure community safety and quality (Police, Planning, Building, Public Works and Code Enforcement).	- Continue to seek joint procurement and resource sharing opportunities with other local jurisdictions and entities.	- Develop programs, projects & processes in order to increase and enhance community engagement.
- Facilitate new development and infrastructure consistent with vision and goals of the General Plan and EIR.	- Update City regulations to respond to applicable legislative and legal changes.	- Develop systems, policies and procedures in order to streamline processes and expand capabilities of staff.	
- Actively pursue all feasible grant opportunities to implement identified projects.	- Provide convenient and reliable zoning, permitting, and development services.	- Identify and leverage staffing resources (internal and external).	
- Preserve City infrastructure to meet community needs.	- Represent City's interest by participation in region-wide issues.	- Maintain and upgrade information technology systems.	
- Economic development and revenue enhancement.	- Maintain core day-to-day services in all departments.		
	- Maintain emergency preparedness.		

### Departmental Expenditures

EXPENDITURE BY TYPE	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ 12,600	\$ 12,600	\$ 12,596	\$ 12,600	\$ 12,600
Benefits	32,506	39,458	44,622	41,165	39,229
<b>Total</b>	45,106	52,058	57,217	53,765	51,829
MATERIALS AND SUPPLIES	609	480	400	400	400
CONTRACT SVCS. - ALLOCATED		-	-	-	42,603
CONTRACT SVCS. - NON-ALLOCATED		-	-	-	-
UTILITIES	308	1,836	2,100	1,854	16,530
INFO. TECHNOLOGY	115	-	-	179	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OTHER EXPENSES	11,920	9,201	11,700	13,322	11,700
CAPITAL OUTLAY	-	-	1,000	1,000	1,000
CONTRIBUTIONS	15,000	15,000	25,000	25,000	25,000
FISCAL FEES	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 73,058</b>	<b>\$ 78,575</b>	<b>\$ 97,417</b>	<b>\$ 95,520</b>	<b>\$ 149,062</b>

## City Manager's Office (Department 11)



Brittany Bober, Lauren Berges, and Katie Duran

### Purpose

The City Manager / City Clerk Office provides for the efficient and effective administration of the affairs of the City of Cotati, provides support to the City Council, implements and enforces the policies of the City Council, supervises all City Departments, manages human resources, maintains official City files including records of Council proceedings, disseminates public information, conducts municipal elections in accordance with California State Government Codes, negotiates and manages franchise agreements, administers the City's mobile home rent stabilization ordinance, and oversees Economic Development, Recreation and Successor Agency functions.

### Fiscal Year 2016/2017 Accomplishments

- Elections (Nov. 2016)
- City Wide Labor Negotiations
- Operational Financial Reporting/Systems
- Record Information & Management System
- Develop fee deferral program
- Sustainable Groundwater Management Plan
- Website development
- Safe Parking Program
- 1st Annual Breakfast with Santa
- Marijuana Urgency Ordinance
- Redwood Empire Disposal Rate Study
- Establishment of Administrative Appeal Process
- Train Depot Lease Agreement
- Corporation Yard Property Dev't Evaluation
- Development of Recreation Guide

## City Manager's Office, continued:

### Fiscal Year 2017/2018 Objectives

#### *Vision 1 Quality of Life*

- Veronda-Falletti Ranch Work Plan Implementation
- Kotate Park Master Plan / Park Equipment / Dog Park
- Focus on Public Information Improvements and Community Art

#### *Vision 2 – Economic Development*

- Develop cannabis licensing/taxation program; potential ballot measure
- Develop financing mechanism for Hwy 116 improvements
- RFP for Partner - DDA for Train Depot Property
- Develop CEQA thresholds and process guidance for property owners (CTS)

#### *Vision 3 Financial Stability*

- Internal Financial Reporting Improvements
- Implementing Comprehensive Annual Financial Report (CAFR)
- Personnel Rules Update
- PERS and Investment Planning
- Corporation Yard Development

#### *Vision 5 Infrastructure*

- Community Center Refurbishment

#### *Vision 7 Environmental Concerns*

- Extended Producer Liability (Pharma)

### Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 213,396	\$ 180,819	\$ 189,783	\$ 174,019	\$ 218,454
Benefits	100,528	113,455	95,709	71,518	85,263
<b>Total</b>	<b>313,924</b>	<b>294,274</b>	<b>285,493</b>	<b>245,537</b>	<b>303,717</b>
PAYOUT	-	4,942	-	-	-
MATERIALS AND SUPPLIES	4,284	1,625	2,000	2,000	4,500
CONTRACT SVCS. - ALLOCATED		-	-	-	31,647
<b>CONTRACT SVCS. - NON-ALLOCATED</b>					
Professional Services		-	-	-	8,250
Special Project Consultants		-	-	-	34,000
General Services	5,351	-	6,000	1,378	10,000
<b>Total</b>	<b>5,351</b>	<b>-</b>	<b>6,000</b>	<b>1,378</b>	<b>52,250</b>
UTILITIES	1,999	2,408	-	2,180	13,429
INFO. TECHNOLOGY	4,062	-	-	817	-
REPAIRS & MAINTENANCE	636	11	1,000	1,000	1,065
OTHER EXPENSES	36,221	27,099	37,000	36,677	63,160
CAPITAL OUTLAY	-	-	1,000	-	1,000
CONTRIBUTIONS	-	-	-	-	-
FISCAL FEES	-	-	-	-	-
ECON. DEVELOPMENT*	128,567	80,412	183,161	99,971	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 495,044</b>	<b>\$ 410,772</b>	<b>\$ 515,654</b>	<b>\$ 389,560</b>	<b>\$ 470,768</b>

\*Economic development was previously budgeted under a separate department, however in fiscal year 17/18; these activities are accounted for under the City Manager's Office Department as this more closely represents the primary source of these activities.

## Administrative Services (Department 12)



Angela Courter, Giovanna Arguelles, Angela Schoenthal, and Neil Tomlinson

### Purpose

The Administrative Services Department serves to support the financial management and reporting of the City, including: collection and disbursement of all City funds; processing payroll disbursements as well as related reporting, withholding and payroll benefits management; accounts payable processing; billing and collection of water, sewer, business license, and developmental user fees; maintenance of general ledgers and journals; investments of the City's idle funds; purchasing; information systems oversight and support; development and maintenance of long term economic impact analyses; budget preparation and administration; financial reporting; audit liaison and coordination, and oversight of the City Risk Management Program.

### Fiscal Year 2016/2017 Accomplishments

- Evaluating Need of Purchase Requisition Module
- Economic Development
- Prepared Required Financial Reports
- City Wide Fixed Asset Capitalization Policy.
- PERS Analysis Required Adjusted Discount Rate to be Implemented FY 17/18
- Maintained Grants Expenditures
- Formalize the Soft Close for all Accounting Records
- Streamline City's Technology Infrastructure
- Utilities Rate Adjustment Implementations.
- Supported Labor and Payroll Activities
- Analyzed Revenue Potential for the City

## Administrative Services, continued

### Fiscal Year 2017/2018 Objectives

#### Vision 3 Financial Stability

- Implement Purchase Order Requisition Module
- Implementing Project Reporting Module
- Implementing CAFR
- Financing Support (EIFD, Sewer P-1, Corp Yard)
- PERS And Investment Planning
- Develop Interface Between Software Systems

#### Vision 7 Environmental Concerns

- Paperless Billing

#### Vision 8 Citizen Participation

- Business License Form Online

### Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ 71,753	\$ 111,898	\$ 150,460	\$ 137,312	\$ 128,291
Benefits	42,874	64,437	42,787	38,825	26,691
Total	114,627	176,335	193,247	176,137	154,982
PAYOUTS	-	660	-	-	-
BUDGET BENEFITS	-	2,044	-	-	-
MATERIALS AND SUPPLIES	1,615	1,624	1,200	2,000	4,000
CONTRACT SVCS. - ALLOCATED		-	-	-	20,698
CONTRACT SVCS. - NON-ALLOCATED					
Professional Services	82,434	59,310	80,930	48,880	12,200
Special Project Consultants		-	-	-	20,000
Total	82,434	41,310	80,930	48,880	32,200
UTILITIES	13,582	494	600	922	8,670
INFO. TECHNOLOGY	13,433	3,825	4,000	2,240	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OTHER EXPENSES	6,205	16,512	19,000	20,498	28,050
CAPITAL OUTLAY	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-
FISCAL FEES	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 231,896</b>	<b>\$ 260,803</b>	<b>\$ 298,977</b>	<b>\$ 250,677</b>	<b>\$ 248,600</b>

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## ALLOCATED DEPARTMENTAL EXPENDITURES:

These department expenses were previously reported within these departments within the general fund, however as these services are utilized by all departments the costs in the current year have been reallocated to all other departments using a reasonable basis. Allocated departmental expenses include legal services, public information and non-departmental. The non-departmental department is used exclusively for general contingency funding for 17-18.

### Legal Services (Department 13)

This department maintains the total legal fees associated with two external legal counsel firms utilized by the City. The law offices of Meyers Nave, an outside contractor of the City of Cotati, provide usual and customary legal services to the City Council, City Manager, City departments, and the City Redevelopment Successor Agency. Liebert Cassidy Whitmore, an outside contractor of the City of Cotati, provides employment law services.

#### Legal Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
MATERIALS AND SUPPLIES	-	-	-	-	-
CONTRACTUAL SERVICES	127,086	216,983	150,000	109,599	-
UTILITIES	-	-	-	-	-
INFO. TECHNOLOGY	-	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-
FISCAL FEES	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 127,086</b>	<b>\$ 216,983</b>	<b>\$ 150,000</b>	<b>\$ 109,599</b>	<b>\$ -</b>

# Non- Departmental (Department 14)

## Purpose

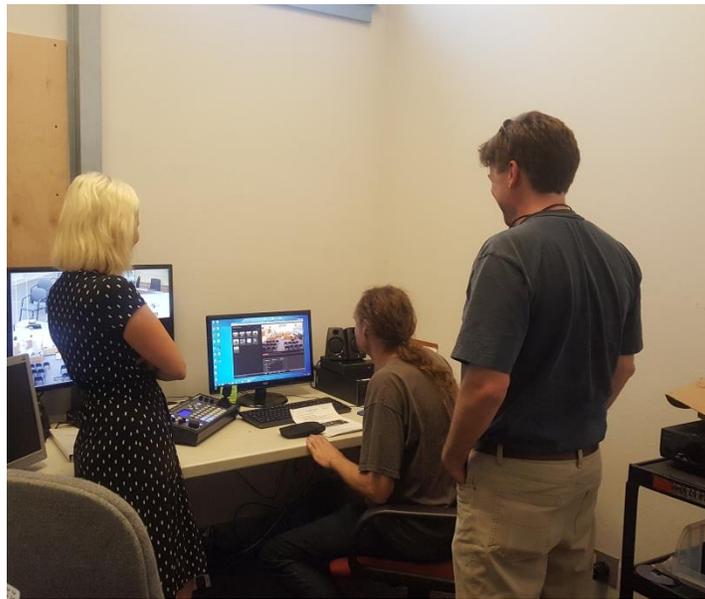
Provides costs for services that may benefit all City departments or are incurred during City programs which are general in nature and cannot be reasonably assigned to particular department(s), including insurance premiums and contingency, citywide IT services, records management and phone system. These expenditures are allocated to each department using a reasonable basis.

## Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	16,433	12,427	-	12,507	-
<b>Total</b>	16,433	12,427	-	12,507	-
MATERIALS AND SUPPLIES	713	3,855	2,000	2,002	-
CONTRACTUAL SERVICES	158,912	34,665	127,432	127,432	-
UTILITIES	-	2,467	2,600	2,767	-
INFO. TECHNOLOGY	48,561	125,096	5,000	14,922	-
REPAIRS & MAINTENANCE	-	-	-	37	-
OTHER EXPENSES	103,109	134,416	361,028	219,127	240,000
CAPITAL OUTLAY	33,929	7,304	-	-	-
CONTRIBUTIONS	(1,500)	-	-	-	-
FISCAL FEES	38,095	49,547	-	34,489	-
MISC. PAYROLL	-	7,901	-	-	-
DEBT SERVICE	-	7,575	-	3,948	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 398,252</b>	<b>\$ 385,252</b>	<b>\$ 498,060</b>	<b>\$ 417,230</b>	<b>\$ 240,000</b>



## Public Information (Department 15)



Deputy City Clerk – Lauren Berges with Petaluma Community Access

### Purpose

Public Information Services provides programs that enhance communication with the community through the City Web page, and the use of local media. These expenditures are allocated to each department using a reasonable basis.

### Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
MATERIALS AND SUPPLIES	-	-	-	-	-
CONTRACTUAL SERVICES	-	1,200	25,000	25,000	-
UTILITIES	-	-	-	-	-
INFO. TECHNOLOGY	240	-	-	-	-
REPAIRS & MAINTENANCE	-	-	-	-	-
OTHER EXPENSES	-	-	4,000	4,000	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 240</b>	<b>\$ 1,200</b>	<b>\$ 29,000</b>	<b>\$ 29,000</b>	<b>\$ -</b>

# Community Development (Department 17)



Allen Martin, Jennifer O’Hagan, Keri Pajon, and Jon-Paul Harries

## Purpose

The Community Development Department is a combination of two divisions, the Planning Division and Building Division. The Planning division provides staff and technical support toward developing and implementing land-use, planning and zoning policies and programs that guide the growth of the City of Cotati. The Building division provides for public health and safety, promotes and improves the community environment through building inspection and code enforcement.

## Fiscal Year 2016/2017 Accomplishments

- Regional Business/Talent Attraction and Tourism
- Develop Fee Deferral Program
- Wayfinding Program
- Tobacco Retailer Licensing Program
- Support Hazard Mitigation Plan Development
- Completion of 18 Entitlement Projects
- Processing of 20 Tree Removal Permits
- Processing of Over 200 Building Permits
- Veronda - Falletti Ranch Pathway & Picnic Area
- Marijuana Re-Affirmation of Uses
- El Rancho Public Nuisance Abatement
- Adoption of Building & Fire Codes
- Cotati – RP Bicycle Advisory Committee

## Fiscal Year 2017/2018 Objectives

### *Vision 1 – Quality of Life*

- Develop Cannabis Licensing\Taxation Program; Potential Ballot Measure, LUC Amendments

### *Vision 2 Economic Development*

- Develop Cotati Presence in Regional Business\Talent Attraction & Tourism
- Develop Implementation Plan for ED Strategy
- RFP for Development Agreement on Train Depot property

### *Vision 5 Infrastructure*

- Develop Financing Mechanism for Hwy 116 Improvements

### *Vision 6 City Beautification*

- Wayfinding Program Design Development, Public Process

### *Vision 7 Environmental Concerns*

- LUC Amendments for GPU And CAP
- Develop CEQA thresholds and process guidance for property owners (CTS)

### *Vision 8 Citizen Participation*

- Santero Way Specific Plan Amendment

## Community Development, Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
PERSONNEL SERVICES					
Salaries	\$ 126,121	\$ 215,419	\$ 299,028	\$ 293,269	\$ 169,843
Benefits	90,946	134,795	87,382	105,555	32,283
<b>Total</b>	<b>217,067</b>	<b>350,215</b>	<b>386,410</b>	<b>398,824</b>	<b>202,126</b>
PAYOUTS	-	275	-	-	-
MATERIALS AND SUPPLIES	1,120	2,140	2,000	1,364	2,000
CONTRACT SVCS. - ALLOCATED		-	-	-	40,173
CONTRACT SVCS. - NON-ALLOCATED					
Professional Services		-	-	-	3,000
Special Project Consultants		-	-	-	10,000
Gen. Contract Service	135,339	(5,422)	2,500	(234)	-
<b>Total</b>	<b>135,339</b>	<b>(5,422)</b>	<b>2,500</b>	<b>(234)</b>	<b>13,000</b>
UTILITIES	1,050	1,600	1,500	2,125	9,720
INFO. TECHNOLOGY	4,052	1,055	500	2,486	-
REPAIRS & MAINTENANCE	-	441	500	55	500
OTHER EXPENSES	27,793	108,368	19,800	20,519	19,800
CAPITAL OUTLAY	-	-	-	-	-
CONTRIBUTIONS	97	-	-	-	-
FISCAL FEES	-	-	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 386,518</b>	<b>\$ 458,672</b>	<b>\$ 413,210</b>	<b>\$ 425,139</b>	<b>\$ 287,319</b>



La Plaza Park - Cotati

## Public Works (Departments 18-22)



Jennifer O'Hagan, Allan Martinoni, Thomas Sonnichsen, Grant Comini, Susan Wise, Ralph Beltz, Scott Gibbe, and Craig Scott

### Purpose

The Public Works department provides engineering, street, storm drains, parks and building operations maintenance services. Engineering provides technical support to the various City departments, responds to citizens' inquiries and requests regarding public infrastructure, performs development review and plan check under cost recovery, performs engineering and construction management of capital improvement projects and provides mapping and engineering records support.

### Fiscal Year 2016/2017 Accomplishments

- Old Redwood Highway South Preservation
- Pavement Management Plan Update
- Water & Sewer Rate Study Update
- School Street Pathway (2016/17 CDBG)
- Economic Development Support
- Sunflower Park Rehab
- LLMD – Park Meadows and Myrtle Ave. Projects

### Fiscal Year 2017/2018 Objectives

#### *Vision 4 Community Safety*

- Falletti Ranch Building Safety Improvements
- Lighting (La Plaza Park), Re-Planting, & Painting.

#### *Vision 5 Infrastructure*

- Cator Field ADA (2015 / 16 CDBG)
- Kotate Park Master Plan / Park Equipment / Dog Park
- 2017 / 18 Pavement Preservation Program
- CD/Engineering Office Remodel
- Community Center Refurbishment
- Start-up of Santa Rosa Plain GSA
- P-1 Sewer (Laguna Bypass Sewer, Phase 1)
- Water & Sewer Rate Study Update
- Park and Ride In-Lieu Replacement and Design

**Public Works, Continued:**

**Departmental Expenditures**

<b>Expenditure by Type</b>	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 16-17</b>	<b>FY 17-18</b>
	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ADOPTED</b>	<b>ESTIMATED CY ACTUALS</b>	<b>ADOPTED</b>
PERSONNEL SERVICES					
Salaries	\$ 135,056	\$ 215,041	\$ 306,900	\$ 317,255	\$ 280,245
Benefits	115,313	132,407	146,111	\$ 151,440	109,416
<b>Total</b>	<b>250,369</b>	<b>347,448</b>	<b>453,011</b>	<b>468,695</b>	<b>389,661</b>
PAYOUTS	-	10,012	-	-	-
MATERIALS AND SUPPLIES	6,327	16,842	10,600	21,039	22,065
CONTRACT SVCS. - ALLOCATED					41,390
CONTRACT SVCS. - NON-ALLOCATED					
Professional Services		-	-	-	47,000
Special Project Consultants		-	-	-	50,000
General Engineering		-	-	-	5,000
General Streets		-	-	-	100,000
General Storm Water Mgmt.		-	-	-	8,000
General Govt. Bldg.		-	-	-	8,000
General Parks		-	-	-	2,000
General Contracts	229,231	98,647	43,000	54,538	-
<b>Total</b>	<b>229,231</b>	<b>98,647</b>	<b>43,000</b>	<b>54,538</b>	<b>220,000</b>
UTILITIES	124,862	154,492	152,145	155,702	104,325
INFO. TECHNOLOGY	2,585	1,426	2,800	1,312	-
REPAIRS & MAINTENANCE	13,261	60,769	171,350	153,678	19,765
OTHER EXPENSES	79,120	107,236	73,831	45,409	-
CAPITAL OUTLAY	20,530	15,652	1,000	-	67,345
CONTRIBUTIONS	-	-	-	-	1,000
INTERGOV. PROJECTS	-	244,060	-	-	-
FISCAL FEES	-	-	-	-	-
DEBT SERVICE	-	-	2,050	2,050	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 726,285</b>	<b>\$ 1,056,584</b>	<b>\$ 909,787</b>	<b>\$ 902,424</b>	<b>\$ 865,551</b>

## Police (Department 23)



**Top Row:** Cristina Montoya, Renee Harris, Christopher Kaupe, Baudelia Gallo Macias, Bennet Knight, Carrie Peoples, Tyler Wardle, Brandon Mitchell, Kimberly Petersen, Katie Huldermann, and Kirsten Ott.

**Bottom Row:** Sgt. Craig Guydan, Lt. Bill French, Chief Michael Parish, Cpl. Paul Goodin, Brian Deaton, and K9 Remo.

### Purpose

The Police Department provides around the clock law enforcement services to the community 365 days a year. The Department is committed to the protection of life and property and to the prevention of criminal activity. To accomplish this, the Department strives to have a highly visible police presence while vigorously enforcing State laws and local ordinances. Police Officers are Peace Officers, working to maintain the public peace and to provide safety and security to the community. The Police Department is dedicated to maintaining a viable, proactive operation that recognizes and effectively responds to community needs and makes maximum use of available resources, personnel and technology.

### Fiscal Year 2016/2017 Accomplishments

- 911 Phones and Police Dispatch Center Upgrade
- Office of Traffic Safety Grant
- Electronic Surveillance (GPS Tracking)
- Updated Emergency Operations Plan
- Emergency Operations Training x 2
- Inverter Replacement
- Received New K9 From Sean Walsh Foundation Grant
- Motor Replacement (Harley Davidson Motorcycle and Equipment)

## Police Department, Continued

### Fiscal Year 2017/2018 Objectives

#### Vision 1 Quality of Life

- Seek Technology To Solve Crime

#### Vision 2 Economic Development

- Develop Potential Cannabis Licensing\Taxation Program; Potential Ballot Measure

#### Vision 8 Citizen Participation

- Community Outreach: NNO, Coffee With A Cop, Parent Project, Thomas Page, Social Media

#### Vision 4 Community Safety

- Emergency Operation Plan/Hazard Mitigation Update
- Continue Emergency Preparedness/Response Training
- Continue And Enhance Traffic/Pedestrian Safety Bicycle Patrol
- Increase Reserve Police Officers-Volunteers-Cadets (Strengthen Relationship With SRJC)
- Updated Bail Schedule (Fines Associated with Municipal Codes)
- Exploring Shared Services
- Seek Grant Opportunities: Office Of Traffic Safety

### Departmental Expenditures

Expenditure by Type	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>PERSONNEL SERVICES</b>					
Salaries	\$ 1,241,012	\$ 1,154,832	\$ 1,677,120	\$ 1,490,275	\$ 1,683,385
Benefits	1,226,895	1,275,612	908,228	1,001,691	\$ 978,508
<b>Total</b>	<b>2,467,907</b>	<b>2,430,444</b>	<b>2,585,348</b>	<b>2,491,966</b>	<b>2,661,893</b>
PAYOUTS	-	69,997	-	-	-
BUDGET BENEFITS	-	16,536	-	-	-
MATERIALS AND SUPPLIES	14,252	15,066	10,000	10,000	10,650
CONTRACT SVCS. - ALLOCATED					243,465
<b>CONTRACT SVCS. - NON-ALLOCATED</b>					
Professional Services		-	-	-	33,400
Tech. & Data Management		-	-	-	132,880
Gen. Contract Service	82,864	85,518	70,000	41,564	16,000
<b>Total</b>	<b>82,864</b>	<b>85,518</b>	<b>70,000</b>	<b>41,564</b>	<b>182,280</b>
UTILITIES	44,489	39,233	39,000	50,716	53,264
INFO. TECHNOLOGY	68,811	65,683	80,000	117,923	-
REPAIRS & MAINTENANCE	31,112	48,962	45,000	55,420	56,000
OTHER EXPENSES	88,470	76,317	68,500	97,760	103,295
CAPITAL OUTLAY	-	44,023	-	45,000	-
CONTRIBUTIONS	-	-	-	-	-
FISCAL FEES	-	4,489	-	-	-
<b>DEPARTMENT TOTAL</b>	<b>\$ 2,797,905</b>	<b>\$ 2,896,268</b>	<b>\$ 2,897,848</b>	<b>\$ 2,910,348</b>	<b>\$ 3,310,847</b>

# Recreation (Department 24)



Christian Delagnes and Ashley Wilson

### Purpose

Previously reported under Fund 207 this department is used for recreation activities including but not limited to, year around classes and programs, camps, trips and tours and special events.

### Departmental Expenditures

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>PERSONNEL SERVICES</b>					
Salaries	\$ -	\$ -	\$ -	\$ 58,921	\$ 115,766
Benefits	-	-	-	10,659	10,359
<b>Total</b>	-	-	-	69,580	126,125
<b>MATERIALS AND SUPPLIES</b>				8,250	4,000
<b>CONTRACT SVCS. - ALLOCATED</b>				-	27,509
<b>CONTRACT SVCS. - NON-ALLOCATED</b>					
Gen. Contract Services		-	-	58,367	29,030
<b>Total</b>				58,367	56,539
<b>UTILITIES</b>	-	-	-	592	11,730
<b>INFO. TECHNOLOGY</b>	-	-	-	1,000	1,000
<b>REPAIRS &amp; MAINTENANCE</b>	-	-	-	50	250
<b>OTHER EXPENSES</b>	-	-	-	19,635	24,900
<b>CAPITAL OUTLAY</b>	-	-	-	2,000	-
<b>DEPARTMENT TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159,474</b>	<b>\$ 224,544</b>

# GENERAL FUND TRANSFERS DETAIL

There are various types of transfers related to revenues and sources of funds, e.g. reallocating or transferring revenue actuals and budgets, intrafund transfers within the same reporting fund, interfund transfers between reporting funds, and contribution or subsidy transfers from the City's General Fund to Enterprise Funds. The basis for intrafund transfers is the level of reporting in the financial statements, which is at the fund level. In reporting operation transfers in the financial statements, intrafund transfers are eliminated.

			FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
			ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>TRANSFERS IN FROM OTHER FUNDS</b>							
Public Safety Fund	211	\$	100,000	\$ 100,000	\$ 100,000	\$ 155,000	\$ 160,000
Gas Tax	203		210,000	108,000	-	-	-
MTC Streets	204		190,125	-	-	-	-
Other funds			66,850	110,000	-	-	-
<b>Subtotal Transfer In</b>			566,975	318,000	100,000	155,000	160,000
<b>TRANSFERS OUT TO OTHER FUNDS</b>							
Recreation	207	\$	-	\$ -	\$ (80,458)	\$ -	\$ -
Grants Fund	201		(559,250)	(379,553)	(112,609)	(591,516)	(87,500)
Capital Projects Fun	605		-	(6,770)	(291,000)	(262,032)	(589,900)
CDBG	202		(3,343)	(63,515)	-	(25,121)	(100,000)
Vehicle Replaceme:	501		(133,400)	-	-	-	(150,000)
Permit Fee Reclassification			-	-	-	(23,057)	-
Other Funds			43,500	-	-	(100,000)	-
<b>Subtotal Transfer Out</b>			(652,493)	(449,839)	(484,067)	(1,001,725)	(927,400)
<b>Net All Transfers</b>		\$	<b>(85,518)</b>	\$ <b>(131,839)</b>	\$ <b>(384,067)</b>	\$ <b>(846,725)</b>	\$ <b>(767,400)</b>

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# SPECIAL REVENUE FUNDS



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# Special Revenue Funds

An account established by a government to ensure that certain revenue sources are used or earmarked for a specific purpose. This Special Revenue Fund type may be used to account for the proceeds of specific revenue sources that are legally restricted or restricted by City Council policy for a specified purpose.

## **CDBG - Fund 202**

### **Purpose**

Community Development Block Grant funds are administered by the County and may be used for projects that benefit low and moderate income residents or increase accessibility. The funding is used to improve accessibility or remove barriers to accessibility in public facilities, streets, and parks.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
CDBG Grant	\$ -	\$ 285,420	\$ 182,000	\$ 33,312	\$ 146,365
<b>Total Revenues</b>	<b>-</b>	<b>\$ 285,420</b>	<b>\$ 182,000</b>	<b>\$ 33,312</b>	<b>\$ 146,365</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
SchoolSt / Richardson Ln	\$ 1,840	\$ 42,381	\$ -	\$ 10,484	\$ -
SchoolSt Pathway	-	-	120,000	-	113,000
La Plaza North Sidewalk	-	159,022	-	11,959	-
ADA Sidewalk Impr.	-	147,866	-	8,388	-
Cator Field Access Impr.	-	1,170	62,000	27,602	133,365
<b>Total Capital Improvement</b>	<b>\$ 1,840</b>	<b>\$ 350,438</b>	<b>\$ 182,000</b>	<b>\$ 58,433</b>	<b>\$ 246,365</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,840)</b>	<b>(65,018)</b>	<b>-</b>	<b>(25,121)</b>	<b>(100,000)</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	3,343	63,515	-	25,121	100,000
Other Funds	-	-	-	-	-
<b>Net All Transfers</b>	<b>\$ 3,343</b>	<b>\$ 63,515</b>	<b>\$ -</b>	<b>\$ 25,121</b>	<b>\$ 100,000</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ 1,503</b>	<b>\$ (1,503)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>BEG. FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 1,503</b>	<b>\$ 1,503</b>	<b>\$ -</b>	<b>\$ -</b>
<b>END. FUND BALANCE</b>	<b>\$ 1,503</b>	<b>\$ -</b>	<b>\$ 1,503</b>	<b>\$ -</b>	<b>\$ -</b>

# Gas Taxes - Fund 203

## Purpose

Funds are received from City of Cotati's share of the Highway User Tax collected by the State from gasoline sales. The Highway Users Tax is also known as the "Motor Vehicle Fuel Tax" and "Gasoline Excise Tax". Proceeds are restricted to the operation and maintenance of city streets.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
2103 Gas Tax	\$ 69,753	\$ 37,736	\$ 38,000	\$ 17,746	\$ 29,087
2105 Gas Tax	40,814	41,244	41,000	43,228	42,226
2106 Gas Tax	31,627	31,452	31,000	30,906	30,303
2107 Gas Tax	52,235	53,705	54,000	55,838	54,550
2107.5 Gas Tax	2,000	2,000	2,000	2,000	2,000
Loan Repayment	-	-	-	-	8,313
Road Maintenance & Rehab Acct 2017 Act	-	-	-	-	41,895
Interest	67	231	-	-	-
<b>Total Revenues</b>	<b>\$ 196,496</b>	<b>\$ 166,368</b>	<b>\$ 166,000</b>	<b>\$ 149,718</b>	<b>\$ 208,374</b>
<b>EXPENDITURES</b>					
SCTA- Contributions	-	-	4,000	4,429	4,500
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>	<b>\$ 4,429</b>	<b>\$ 4,500</b>
<b>NET SURPLUS/(DEFICIT)</b>	196,496	166,368	162,000	145,289	203,874
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	(210,000)	(108,000)	-	-	-
Grants Fund 201	-	(30,000)	(210,000)	(172,000)	-
Capital Projects 605	-	-	-	-	(200,000)
<b>Net All Transfers</b>	<b>\$ (210,000)</b>	<b>\$ (138,000)</b>	<b>\$ (210,000)</b>	<b>\$ (172,000)</b>	<b>\$ (200,000)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ (13,504)</b>	<b>\$ 28,368</b>	<b>\$ (48,000)</b>	<b>\$ (26,711)</b>	<b>\$ 3,874</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 38,529</b>	<b>\$ 25,025</b>	<b>\$ 48,551</b>	<b>\$ 53,393</b>	<b>\$ 26,682</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 25,025</b>	<b>\$ 53,393</b>	<b>\$ 551</b>	<b>\$ 26,682</b>	<b>\$ 30,556</b>

# MTC Street - Fund 204

## Purpose

This fund is utilized for revenues received for transportation and streets programs and funded by the Metropolitan Transportation Commission (MTC) or the Sonoma County Transportation Authority (SCTA). The MTC is the transportation planning, financing and coordinating agency for the nine-county San Francisco Bay Area. In November of 2004, Sonoma County passed the Traffic Relief Act (Measure M) which provides 0.25% sales tax that is used to maintain local streets, accelerate the widening of Hwy 101, , restore and enhance transit services, support the development of passenger rail service and build safe bicycle and pedestrian routes. The Sonoma County Transportation Authority (SCTA) administers the sales tax receipts and distributions of the Sonoma County Measure M revenues.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Sales Tax - Measure M	\$ 51,530	\$ 53,296	\$ 55,000	\$ 57,170	\$ 55,000
Investment Earnings	1	224	-	450	300
<b>Total Revenues</b>	<b>\$ 51,531</b>	<b>\$ 53,519</b>	<b>\$ 55,000</b>	<b>\$ 57,620</b>	<b>\$ 55,300</b>
<b>EXPENDITURES</b>					
Program Expense	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>51,531</b>	<b>53,519</b>	<b>55,000</b>	<b>57,620</b>	<b>55,300</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	(190,125)	-	-	-	-
Traffic Mitigation 205	-	-	-	-	-
Capital Projects 605	-	-	-	-	(150,000)
<b>Net All Transfers</b>	<b>\$ (190,125)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (150,000)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ (138,594)</b>	<b>\$ 53,519</b>	<b>\$ 55,000</b>	<b>\$ 57,620</b>	<b>\$ (94,700)</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 151,276</b>	<b>\$ 12,682</b>	<b>\$ 67,314</b>	<b>\$ 66,201</b>	<b>\$ 123,821</b>
<b>END. FUND BALANCE</b>	<b>\$ 12,682</b>	<b>\$ 66,201</b>	<b>\$ 122,314</b>	<b>\$ 123,821</b>	<b>\$ 29,121</b>
<b>Reserve for Measure M Undesignated - Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	12,682	66,201	122,314	123,821	29,121
	<b>12,682</b>	<b>66,201</b>	<b>122,314</b>	<b>123,821</b>	<b>29,121</b>

# Traffic Mitigation - Fund 205

## Purpose

Funds are received from development and used for street improvements as specified in the fee program.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Traffic Mitigation	\$ 1,250	\$ 19,219	\$ 1,000	\$ 86,096	\$ 789,902
Investment Earnings	459	659	-	675	1,000
<b>Other Revenues</b>	<b>\$ 1,709</b>	<b>\$ 19,878</b>	<b>\$ 1,000</b>	<b>\$ 86,771</b>	<b>\$ 790,902</b>
<b>EXPENDITURES</b>					
Contract Services	3,573	3,830	7,500		
<b>Total Expenditures</b>	<b>\$ 3,573</b>	<b>\$ 3,830</b>	<b>\$ 7,500</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	(1,864)	16,048	(6,500)	86,771	790,902
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	-	-	-	-	-
Grants Fund 201	-	(140,000)	-	-	-
Capital Projects 605	-	-	-	-	(27,000)
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ (140,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (27,000)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	\$ (1,864)	\$ (123,952)	\$ (6,500)	\$ 86,771	\$ 763,902
<b>BEG. FUND BALANCE</b>	<b>\$ 169,961</b>	<b>\$ 168,097</b>	<b>\$ 21,597</b>	<b>\$ 44,145</b>	<b>\$ 130,916</b>
<b>END. FUND BALANCE</b>	<b>\$ 168,097</b>	<b>\$ 44,145</b>	<b>\$ 15,097</b>	<b>\$ 130,916</b>	<b>\$ 894,818</b>

# Park In-Lieu - Fund 206

## Purpose

Funds are received from development and used for park development and improvements as specified in the fee program.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Park In-Lieu	\$ 59,826	\$ 69,940	\$ 50,000	\$ 15,689	\$ 72,879
Bed Tax - Parks	-	-	-	10,300	47,050
Investment Earnings	1,745	2,861	-	1,508	-
Other Revenues	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 61,571</b>	<b>\$ 72,802</b>	<b>\$ 50,000</b>	<b>\$ 27,497</b>	<b>\$ 119,929</b>
<b>EXPENDITURES</b>					
Project Expenses	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>61,571</b>	<b>72,802</b>	<b>50,000</b>	<b>27,497</b>	<b>119,929</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Total</b>	<b>\$ (58,790)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
Capital Projects 605	\$ -	\$ (269,156)	\$ (245,000)	\$ (154,176)	\$ (215,240)
Recreation 207	-	-	-	-	-
General Fund 101	-	-	-	-	-
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ (269,156)</b>	<b>\$ (245,000)</b>	<b>\$ (154,176)</b>	<b>\$ (215,240)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ 2,781</b>	<b>\$ (196,355)</b>	<b>\$ (195,000)</b>	<b>\$ (126,679)</b>	<b>\$ (95,311)</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 633,476</b>	<b>\$ 636,257</b>	<b>\$ 195,258</b>	<b>\$ 439,902</b>	<b>\$ 313,223</b>
<b>END. FUND BALANCE</b>	<b>\$ 636,257</b>	<b>\$ 439,902</b>	<b>\$ 258</b>	<b>\$ 313,223</b>	<b>\$ 217,912</b>

# Public Safety - Fund 211

## Purpose

The Citizens Option for Public Safety (COPS) program provides funding to local agencies for the purpose of public safety. The funds are to supplement and not supplant existing funding for front line services. This fund also includes other Public Safety related grants.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
PSAF Prop 172	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
State COPS Grant - SLESA	108,561	103,280	100,000	100,000	100,000
ABC Partner Grant	1,042	-	-	-	-
Avoid the 13 Grant	3,220	8,782	5,000	-	-
Other Revenues	-	-	-	-	-
BSCC Operations Grant	5,324	-	-	10,000	15,000
Investment Earnings	-	109	-	-	-
<b>Total Revenues</b>	<b>\$ 118,147</b>	<b>\$ 112,170</b>	<b>\$ 105,000</b>	<b>\$ 155,000</b>	<b>\$ 160,000</b>
<b>EXPENDITURES</b>					
Program Expense	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>118,147</b>	<b>112,170</b>	<b>105,000</b>	<b>155,000</b>	<b>160,000</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	(100,000)	(100,000)	(100,000)	(155,000)	(160,000)
<b>Net All Transfers</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ (155,000)</b>	<b>\$ (160,000)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ 18,147</b>	<b>\$ 12,170</b>	<b>\$ 5,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 18,243</b>	<b>\$ 36,390</b>	<b>\$ 45,167</b>	<b>\$ 48,560</b>	<b>\$ 48,560</b>
<b>END. FUND BALANCE</b>	<b>\$ 36,390</b>	<b>\$ 48,560</b>	<b>\$ 50,167</b>	<b>\$ 48,560</b>	<b>\$ 48,560</b>

# Inclusionary Housing - Fund 216

## Purpose

Funds are received from development and used for providing affordable housing.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Investment Earnings	\$ 8,660	\$ 15,661	\$ 5,000	\$ 17,000	\$ 15,000
Inclusionary Housing Fees	-	-	-	108,000	-
Linkage Fee	1,165	-	-	-	-
<b>Other Revenues</b>	<b>9,825</b>	<b>15,661</b>	<b>5,000</b>	<b>125,000</b>	<b>15,000</b>
<b>EXPENDITURES</b>					
Legal Fees	1,425	1,001	2,000	2,000	5,000
Housing Element 2014-2022	38,000	-	-	-	-
Housing Subsidy Costs	165,986	165,986	83,000	83,000	100,000
Contract Services	-	-	20,000	-	-
<b>Total Expenditures</b>	<b>\$ 205,411</b>	<b>\$ 166,987</b>	<b>\$ 105,000</b>	<b>\$ 85,000</b>	<b>\$ 105,000</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$ (195,586)</b>	<b>\$ (151,326)</b>	<b>\$ (100,000)</b>	<b>\$ 40,000</b>	<b>\$ (90,000)</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 3,435,552</b>	<b>\$ 3,239,966</b>	<b>\$ 3,078,603</b>	<b>\$ 3,088,640</b>	<b>\$ 3,128,640</b>
<b>END. FUND BALANCE</b>	<b>\$ 3,239,966</b>	<b>\$ 3,088,640</b>	<b>\$ 2,978,603</b>	<b>\$ 3,128,640</b>	<b>\$ 3,038,640</b>

# Excess Bond Proceeds Fund – Fund 219

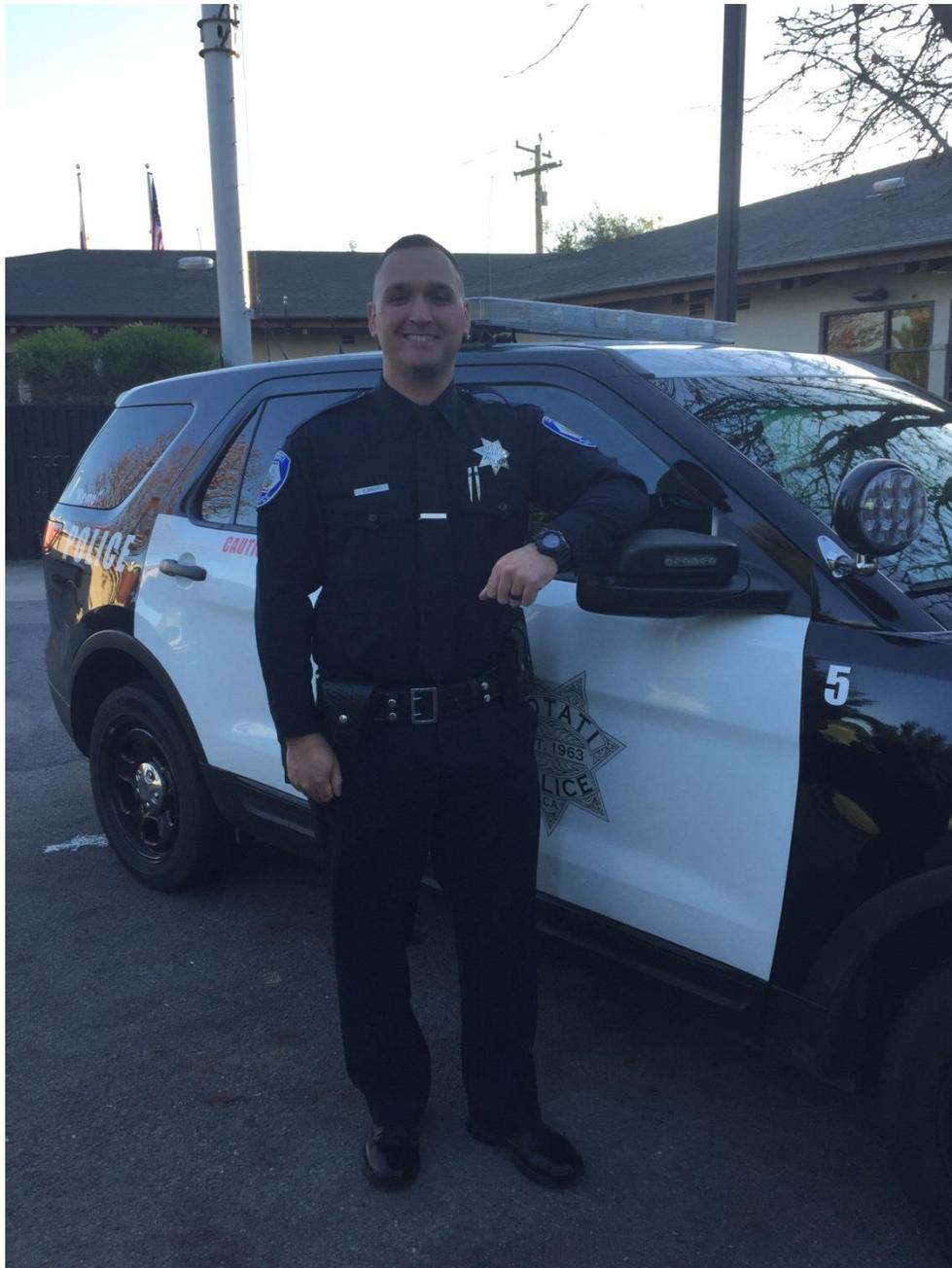
## Purpose

To account for various internally-funded capital projects in the City.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Strategic Investment Exp.	-	-	701,184	-	701,184
Other Expenses	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ -</b>	<b>\$ 701,184</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>-</b>	<b>-</b>	<b>(701,184)</b>	<b>-</b>	<b>(701,184)</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
Successor Agency 301	-	701,184	-	-	-
Transfers Out	-	-	-	-	-
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ (701,184)</b>	<b>\$ -</b>	<b>\$ (701,184)</b>
<b>BEG. FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ 701,184</b>	<b>\$ 701,184</b>
<b>END. FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ -</b>	<b>\$ 701,184</b>	<b>\$ -</b>

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# Internal Service Fund Vehicle Replacement



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# Internal Service Fund

According to the GFOA, an internal service fund is any fund that is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis. Currently the City utilizes a Vehicle Replacement Fund for these purposes.

## Purpose

This is a City established fund to provide an ongoing funding source for scheduled replacement of City vehicles. It is funded from transfers from funds responsible for contributing.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOP TED	ESTIMATED CY ACTUALS	ADOP TED
<b>REVENUES</b>					
Investment Earnings	\$ 227	\$ 240	\$ -	\$ 338	\$ -
<b>Other Revenues</b>	<b>\$ 227</b>	<b>\$ 240</b>	<b>\$ -</b>	<b>\$ 338</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Vehicle & Equipment Replacement	153,261	8,379	-	-	-
Police Vehicle	-	-	-	43,409	45,000
<b>Total Expenditures</b>	<b>\$ 153,261</b>	<b>\$ 8,379</b>	<b>\$ -</b>	<b>\$ 43,409</b>	<b>\$ 45,000</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>(153,034)</b>	<b>(8,139)</b>	<b>-</b>	<b>(43,070)</b>	<b>(45,000)</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	133,400	-	-	-	150,000
Capital Projects 605	-	-	-	-	-
<b>Net All Transfers</b>	<b>\$ 133,400</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>\$ (19,634)</b>	<b>\$ (8,139)</b>	<b>\$ -</b>	<b>\$ (43,070)</b>	<b>\$ 105,000</b>
<b>BEG. FUND BALANCE</b>	<b>\$ 75,343</b>	<b>\$ 55,709</b>	<b>\$ 47,209</b>	<b>\$ 47,570</b>	<b>\$ 4,500</b>
<b>END. FUND BALANCE</b>	<b>\$ 55,709</b>	<b>\$ 47,570</b>	<b>\$ 47,209</b>	<b>\$ 4,500</b>	<b>\$ 109,500</b>

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# ENTERPRISE FUNDS WATER AND SEWER



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# ENTERPRISE FUNDS

## Purpose

These funds are used for operations that are financed and operated in a manner similar to private business enterprises, where the intent 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.

For the City of Cotati, these funds establish a separate account and financial reporting mechanism for municipal services (Water and Sewer) for which a fee is charged in exchange for goods or services.

The Water and Sewer Enterprise funds are wholly supported by customer rates and new connection fees.

## Water Combined Reporting (Funds 401-403)

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Charges for Services	\$ 1,278,627	\$ 1,363,731	\$ 1,395,437	\$ 1,507,643	\$ 1,870,020
Connection Fees	30,585	38,075	25,000	134,800	415,800
Other Reimbursements	15,169	-	7,500	-	-
Other Revenues	245	1,400,916	1,500	8,505	1,500
<b>Total Revenues</b>	<b>\$ 1,324,626</b>	<b>\$ 2,802,722</b>	<b>\$ 1,429,437</b>	<b>\$ 1,650,948</b>	<b>\$ 2,287,320</b>
<b>OPERATING EXPENSES</b>					
Operations Fund 401	1,018,868	1,173,333	1,203,284	1,132,621	1,370,721
Capital Fund 402	2,250	2,250	2,250	3,237	3,250
Recycle Fund 403	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 1,021,118</b>	<b>\$ 1,175,583</b>	<b>\$ 1,205,534</b>	<b>\$ 1,135,858</b>	<b>\$ 1,373,971</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>					
	303,508	1,627,139	223,903	515,090	913,349
<b>OTHER SOURCES</b>					
Interest Earnings	4,833	8,129	2,000	9,890	4,000
<b>Total Other Sources</b>	<b>4,833</b>	<b>8,129</b>	<b>2,000</b>	<b>9,890</b>	<b>4,000</b>
<b>OTHER USES</b>					
Equipment	-	-	(27,000)	(27,000)	(8,750)
Capital Improvements	(223,376)	(1,910,450)	(675,800)	(592,000)	(125,000)
Special Capital Projects	-	-	-	(8,995)	-
Debt Payments	(2,633)	(62,085)	(104,469)	(108,417)	(104,469)
Misc. Other Uses	-	-	(14,029)	-	-
<b>Total Other Uses</b>	<b>(226,009)</b>	<b>(1,972,535)</b>	<b>(807,269)</b>	<b>(736,412)</b>	<b>(238,219)</b>
<b>TOTAL OTHER SOURCES / (USES)</b>					
	<b>\$ (221,176)</b>	<b>\$ (1,964,406)</b>	<b>\$ (819,298)</b>	<b>\$ (726,522)</b>	<b>\$ (234,219)</b>
<b>NET TRANSFERS</b>					
	(37,500)	-	(20,000)	332,500	(40,670)
<b>NET SURPLUS / (DEFICIT)</b>					
	\$ 44,832	\$ (337,267)	\$ (615,395)	\$ 121,068	\$ 638,460
<b>BEG. WORKING CAPITAL</b>					
	<b>\$ 1,693,325</b>	<b>\$ 1,738,157</b>	<b>\$ 1,760,864</b>	<b>\$ 1,400,890</b>	<b>\$ 1,521,959</b>
<b>END. WORKING CAPITAL</b>					
	<b>\$ 1,738,157</b>	<b>\$ 1,400,890</b>	<b>\$ 1,145,469</b>	<b>\$ 1,521,959</b>	<b>\$ 2,160,419</b>

# Sewer Combined Reporting - (Funds 404-405)

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Charges for Services	\$ 2,047,681	\$ 1,982,263	\$ 1,995,000	\$ 1,922,000	\$ 1,825,650
Connection Fee	59,872	397,974	90,000	301,693	929,306
Connection Fee-Subregional		-	-	-	220,363
Sewer Application Fee	-	-	-	1,296	-
Special Assessment Fee	3,318	-	2,000	2,000	2,000
Debt & Lease Proceeds	-	23,100	125,687	108,417	104,469
Other Reimbursements	30,534	-	36,567	-	-
Other Revenues	-	-	-	53	-
<b>Total Revenues</b>	<b>\$ 2,141,405</b>	<b>\$ 2,403,337</b>	<b>\$ 2,249,254</b>	<b>\$ 2,335,459</b>	<b>\$ 3,081,788</b>
<b>OPERATING EXPENSES</b>					
City Sewer Operations	\$ 465,016	\$ 430,517	\$ 555,552	\$ 604,920	\$ 724,821
Wastewater Treatment					
Operations	1,096,591	1,198,930	798,100	798,100	907,699
Capital-Subregional	428,675	402,641	770,549	770,549	773,950
<b>Total Expenses</b>	<b>\$ 1,990,282</b>	<b>\$ 2,032,088</b>	<b>\$ 2,124,201</b>	<b>\$ 2,173,569</b>	<b>\$ 2,406,470</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>					
	151,123	371,249	125,053	161,890	675,319
<b>OTHER SOURCES AND (USES)</b>					
Interest Earnings	20,216	32,406	20,000	48,465	35,000
<b>Total Other Sources</b>	<b>20,216</b>	<b>32,406</b>	<b>20,000</b>	<b>48,465</b>	<b>35,000</b>
<b>OTHER SOURCES USES</b>					
Equipment	-	-	(27,000)	(27,000)	(8,750)
Capital Improvements	(925)	(29,556)	(262,500)	(146,225)	(3,110,000)
Special Capital Projects	-	-	-	(8,995)	-
Debt Payments	(1,959)	-	-	-	-
<b>Total Other Uses</b>	<b>(2,884)</b>	<b>(29,556)</b>	<b>(289,500)</b>	<b>(182,220)</b>	<b>(3,118,750)</b>
<b>TOTAL OTHER SOURCES / (USES)</b>					
	<b>\$ 17,332</b>	<b>\$ 2,850</b>	<b>\$ (269,500)</b>	<b>\$ (133,755)</b>	<b>\$ (3,083,750)</b>
<b>NET TRANSFERS</b>					
	(53,000)	(1,400,916)	(20,000)	(332,500)	(40,670)
<b>NET SURPLUS / (DEFICIT)</b>					
	\$ 115,455	\$ (1,026,817)	\$ (164,447)	\$ (304,365)	\$ (2,449,101)
<b>BEG. WORKING CAPITAL</b>	<b>\$ 7,656,732</b>	<b>\$ 7,772,187</b>	<b>\$ 6,098,914</b>	<b>\$ 6,745,370</b>	<b>\$ 6,441,005</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 7,772,187</b>	<b>\$ 6,745,370</b>	<b>\$ 5,934,467</b>	<b>\$ 6,441,005</b>	<b>\$ 3,991,903</b>

# Water & Sewer Capital Projects - (Funds 402 & 405)

CAPITAL PROJECTS BUDGET WORKSHEET - FUNDS 402 AND 405								
	ACTUALS	ACTUALS	APPROVED BUDGET	ESTIMATED CY ACTUALS	ADOPTED	WATER FUND #402	SEWER FUND #405	TOTAL FY
CAPITAL PROJECT	2014-2015	2015-2016	2016-2017	2016-2017	2017-2018	FROM		2017-2018
<b>WATER FUND 402</b>								
CIP - WATER OPERATING	\$ 100,521	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WELL 1A TANK	-	-	45,800	52,000	85,000	85,000	-	85,000
WELL 1A VFD	-	-	80,000	-	-	-	-	-
CIP-WATER OP CYPRESS TANK	14,639	53,659	-	-	-	-	-	-
CIP - SHOPPING CENTER METER	2,800	280	-	-	-	-	-	-
CIP - WATER OP SCADA SYSTEM	59,162	15,095	40,000	40,000	40,000	40,000	-	40,000
W SIERRA TANK EXT. COATING	11,175	95,638	-	-	-	-	-	-
CIP-WATER OP AMR METER UPGRADE	-	1,738,218	-	-	-	-	-	-
CIP-WATER OP W. COTATI MAIN LINE	6,538	7,561	490,000	500,000	-	-	-	-
<b>TOTAL WATER FUND</b>	<b>\$ 194,835</b>	<b>\$ 1,910,450</b>	<b>\$ 655,800</b>	<b>\$ 592,000</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$ -</b>	<b>\$ 125,000</b>
<b>SEWER FUND 405</b>								
ST. JOSEPH WAY SEWER LINE (P-9)	\$ -	-	\$ 240,000	\$ 7,975	\$ -	\$ -	\$ -	\$ -
SEWER CCTV INSPECTION PROJECT	26	-	-	-	-	-	-	-
CIP - SEWER OP SCADA SYSTEM	8,521	-	20,000	2,350	20,000	-	20,000	20,000
CIP - ST JOSEPH WAY MAIN REPLACEMENT	-	-	-	-	100,000	-	100,000	100,000
CIP - MANHOLE LATERAL REPAIR/IMPVMNT	-	-	-	-	50,000	-	50,000	50,000
CIP - FLOW MONITORING	-	-	-	-	-	-	-	-
CIP - LAGUNA SEWER BYPASS	-	-	-	129,000	2,900,000	-	2,900,000	2,900,000
SEWER BILLING METER	-	-	-	-	40,000	-	40,000	40,000
<b>TOTAL SEWER FUND</b>	<b>\$ 8,547</b>	<b>\$ -</b>	<b>\$ 260,000</b>	<b>\$ 139,325</b>	<b>\$ 3,110,000</b>	<b>\$ -</b>	<b>\$ 3,110,000</b>	<b>\$ 3,110,000</b>

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# Water Funds

## 401-403



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# Water Operating Fund 401

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>OPERATING REVENUES</b>					
Charges for Services					
Sale of Water - Usage	\$ 648,299	\$ 680,041	\$ 695,944	\$ 746,800	\$ 825,000
Sale of Water - Fixed	547,452	634,367	605,164	603,800	667,199
Customer Fees	46,150	-	45,300	38,520	38,520
Other Reimbursements	15,169	475	7,500	-	1
Spcl. Assessment Backflow	626	819	1,000	9,500	3,000
Charges for Services	<b>1,257,696</b>	<b>1,315,702</b>	<b>1,354,908</b>	<b>1,398,620</b>	<b>1,533,720</b>
Other Revenues	245	-	1,500	8,505	1,500
<b>Total Operating Revenues</b>	<b>\$ 1,257,941</b>	<b>\$ 1,315,702</b>	<b>\$ 1,356,408</b>	<b>\$ 1,407,125</b>	<b>\$ 1,535,220</b>
<b>OPERATING EXPENSES</b>					
<b>Water Operations</b>					
Personnel Services	362,935	526,785	518,850	471,806	557,022
Services & Supplies	239,998	267,729	309,434	281,331	431,699
Purchased Water	415,935	378,820	375,000	379,484	382,000
<b>Total Operating Expenses</b>	<b>\$ 1,018,868</b>	<b>\$ 1,173,333</b>	<b>\$ 1,203,284</b>	<b>\$ 1,132,621</b>	<b>\$ 1,370,721</b>
<b>NET OPERATING SURPLUS</b>	239,073	142,369	153,124	274,504	164,499
<b>OTHER SOURCES</b>					
Grants from Other Agencies	-	-	-	-	-
Loan from Sewer	-	1,400,916	-	-	-
Interest Earnings	4,833	4,115	2,000	3,035	3,000
<b>Total Other Sources</b>	4,833	1,405,031	2,000	3,035	3,000
<b>OTHER USES</b>					
Capital Improvements	(222,301)	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	(43,927)	(84,874)	(84,874)	(86,154)
Interest	(2,633)	(18,158)	(19,595)	(23,543)	(18,315)
<b>Total Other Uses</b>	<b>(224,934)</b>	<b>(62,085)</b>	<b>(104,469)</b>	<b>(108,417)</b>	<b>(104,469)</b>
<b>Net Other Sources/(Uses)</b>	<b>\$ (220,101)</b>	<b>\$ 1,342,946</b>	<b>\$ (102,469)</b>	<b>\$ (105,381)</b>	<b>\$ (101,469)</b>
<b>NET OTHER ADJUSTMENTS / TRANSFERS</b>					
Water Recycling	-	-	-	710,488	-
Sewer Capital Fund	-	-	-	332,500	-
Water Capital Fund	-	(1,910,450)	(622,800)	(627,995)	(174,420)
General Fund	(24,000)	-	-	-	-
<b>Net All Transfers</b>	<b>\$ (24,000)</b>	<b>\$ (1,910,450)</b>	<b>\$ (622,800)</b>	<b>\$ 414,993</b>	<b>\$ (174,420)</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$ (5,028)</b>	<b>\$ (425,135)</b>	<b>\$ (572,145)</b>	<b>\$ 584,116</b>	<b>\$ (111,390)</b>
<b>BEG. WORKING CAPITAL</b>	<b>\$ 998,124</b>	<b>\$ 993,096</b>	<b>\$ 931,730</b>	<b>\$ 567,961</b>	<b>\$ 1,152,077</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 993,096</b>	<b>\$ 567,961</b>	<b>\$ 359,585</b>	<b>\$ 1,152,077</b>	<b>\$ 1,040,687</b>

# Water Capital Fund 402

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>OPERATING REVENUES</b>					
Charges for Service					
Collection System	8,750	10,500	12,000	24,500	75,600
Meter	1,840	1,815	2,000	13,095	40,400
Fire Sprinklers	25,510	35,714	20,000	71,428	220,300
Charges for Service	<b>36,100</b>	<b>48,029</b>	<b>34,000</b>	<b>109,023</b>	<b>336,300</b>
Connection Fees	30,585	38,075	25,000	134,800	415,800
<b>Operating Revenues</b>	<b>\$ 66,685</b>	<b>\$ 86,104</b>	<b>\$ 59,000</b>	<b>243,823</b>	<b>\$ 752,100</b>
<b>OPERATING EXPENSES</b>					
Water Capital					
Engineering Fee	-	-	-	-	-
Other Contract Service	-	-	-	-	-
Water Capital	-	-	-	-	-
Other Expenses	2,250	2,250	2,250	3,237	3,250
<b>Operating Expenses</b>	<b>\$ 2,250</b>	<b>\$ 2,250</b>	<b>\$ 2,250</b>	<b>3,237</b>	<b>\$ 3,250</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	64,435	83,854	56,750	240,586	748,850
<b>OTHER SOURCES</b>					
Interest Earnings	-	439	-	1,835	1,000
<b>Total Other Sources</b>	-	439	-	1,835	1,000
<b>OTHER USES</b>					
Equipment	-	-	(27,000)	(27,000)	(8,750)
Capital Improvements	(1,075)	(1,910,450)	(675,800)	(592,000)	(125,000)
Special Capital Projects	-	-	-	(8,995)	-
<b>Total Other Uses</b>	<b>(1,075)</b>	<b>(1,910,450)</b>	<b>(702,800)</b>	<b>(627,995)</b>	<b>(133,750)</b>
<b>Net Other (Uses)</b>	<b>\$ (1,075)</b>	<b>\$ (1,910,011)</b>	<b>\$ (702,800)</b>	<b>(626,160)</b>	<b>\$ (132,750)</b>
<b>NET OTHER ADJUSTMENTS / TRANSFERS</b>					
Exp. Reimb. Fund 605	(13,500)	-	(20,000)	-	(40,670)
Water Operating 401	-	1,910,450	622,800	627,995	174,420
<b>Net All Transfers</b>	<b>\$ (13,500)</b>	<b>\$ 1,910,450</b>	<b>\$ 602,800</b>	<b>627,995</b>	<b>\$ 133,750</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$ 49,860</b>	<b>\$ 84,293</b>	<b>\$ (43,250)</b>	<b>242,422</b>	<b>\$ 749,850</b>
<b>BEG. WORKING CAPITAL</b>	<b>\$ (6,693)</b>	<b>\$ 43,167</b>	<b>\$ 127,240</b>	<b>127,460</b>	<b>\$ 369,882</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 43,167</b>	<b>\$ 127,460</b>	<b>\$ 83,990</b>	<b>369,882</b>	<b>\$ 1,119,732</b>

# Water Recycle Fund 403

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>OPERATING REVENUES</b>					
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	3,575	-	5,019	-
Other Revenues	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ 3,575</b>	<b>\$ -</b>	<b>\$ 5,019</b>	<b>\$ -</b>
<b>OPERATING EXPENSES</b>					
Water Recycle	-	-	-	-	-
Special Engineering Sv	-	-	-	-	-
Water Recycle	-	-	-	-	-
Other Expenses	-	-	-	-	-
<b>Total Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>NET OPERATING SURPLU</b>	<b>-</b>	<b>3,575</b>	<b>-</b>	<b>5,019</b>	<b>-</b>
<b>OTHER SOURCES AND (USES)</b>					
Interest Earnings	-	-	-	-	-
Equipment	-	-	-	-	-
Capital Improvements	-	-	-	-	-
<b>Net Other Sources / (Use</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET OTHER ADJUSTMENTS/TRANSFERS</b>					
To Water Operations	-	-	-	(710,488)	-
From Wastewater Capi	-	-	-	-	-
From Water Operations	-	-	-	-	-
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (710,488)</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 3,575</b>	<b>\$ -</b>	<b>\$ (705,469)</b>	<b>\$ -</b>
<b>BEG. WORKING CAPITAL</b>	<b>\$ 701,894</b>	<b>\$ 701,894</b>	<b>\$ 701,894</b>	<b>\$ 705,469</b>	<b>\$ -</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 701,894</b>	<b>\$ 705,469</b>	<b>\$ 701,894</b>	<b>\$ -</b>	<b>\$ -</b>

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# Sewer Funds

## 404-405



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# Sewer Operations Fund 404

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>OPERATING REVENUES</b>					
Charges for Services					
Usage	\$ 1,082,979	\$ 1,014,622	\$ 1,030,000	\$ 964,000	\$ 867,650
Base	964,702	965,518	965,000	958,000	958,000
Reimbursements	-	332	-	-	-
Special Assessment		1,791	-	-	-
Charges for Services	<b>2,047,681</b>	<b>1,982,263</b>	<b>1,995,000</b>	<b>1,922,000</b>	<b>1,825,650</b>
Connection Fee-Subregional Debt Svc		-	-	-	220,363
Special Assessment - Sewer	3,318	-	2,000	2,000	2,000
Other Reimbursements	30,534	-	36,567	-	-
Other	-	-	-	53	-
<b>Total Operating Revenues</b>	<b>\$ 2,081,533</b>	<b>\$ 1,982,263</b>	<b>\$ 2,033,567</b>	<b>\$ 1,924,053</b>	<b>\$ 2,048,013</b>
<b>OPERATING EXPENSES</b>					
Sewer Operations					
Personnel Services	311,816	358,124	424,243	471,806	537,414
Services & Supplies	153,200	72,393	131,309	133,114	187,407
Total City Sewer Operation	<b>465,016</b>	<b>430,517</b>	<b>555,552</b>	<b>604,920</b>	<b>724,821</b>
Wastewater Treatment					
Capital-Subregional Debt Svc		-	-	-	773,950
Operations	1,096,591	1,198,930	798,100	798,100	907,699
<b>Operating Expenses</b>	<b>\$ 1,561,607</b>	<b>\$ 1,629,447</b>	<b>\$ 1,353,652</b>	<b>\$ 1,403,020</b>	<b>\$ 2,406,470</b>
<b>NET OPERATING SURPLUS</b>	<b>519,926</b>	<b>352,816</b>	<b>679,915</b>	<b>521,033</b>	<b>(358,456)</b>
<b>OTHER SOURCES</b>					
Interest Earnings	20,216	13,887	5,000	21,965	15,000
<b>Total Other Sources</b>	<b>20,216</b>	<b>13,887</b>	<b>5,000</b>	<b>21,965</b>	<b>15,000</b>
<b>OTHER USES</b>					
Equipment	(925)	-	-	-	-
Capital Projects	(1,959)	-	(2,500)	-	-
<b>Total Other Uses</b>	<b>(2,884)</b>	<b>-</b>	<b>(2,500)</b>	<b>-</b>	<b>-</b>
<b>Net Other Sources</b>	<b>\$ 17,332</b>	<b>\$ 13,887</b>	<b>\$ 2,500</b>	<b>\$ 21,965</b>	<b>\$ 15,000</b>
<b>NET OTHER ADJUSTMENTS / TRANSFERS</b>					
Sewer Capital 405	-	(5,581)	(67,000)	(399,500)	-
Exp. Reimb Fund 101	(24,000)	-	-	-	-
<b>Net Transfers</b>	<b>\$ (24,000)</b>	<b>\$ (5,581)</b>	<b>\$ (67,000)</b>	<b>\$ (399,500)</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$ 513,258</b>	<b>\$ 361,122</b>	<b>\$ 615,415</b>	<b>\$ 143,499</b>	<b>\$ (343,456)</b>
<b>BEG. WORKING CAPITAL</b>	<b>\$ 1,850,168</b>	<b>\$ 2,363,426</b>	<b>\$ 2,734,420</b>	<b>\$ 2,724,548</b>	<b>\$ 2,868,047</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 2,363,426</b>	<b>\$ 2,724,548</b>	<b>\$ 3,349,835</b>	<b>\$ 2,868,047</b>	<b>\$ 2,524,591</b>

# Sewer Capital Fund 405

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>OPERATING REVENUES</b>					
Collection Sys. Charges	\$ -	\$ 323,134	\$ -	\$ 36,567	\$ -
Sewer Connection Fees	59,872	74,840	90,000	265,126	929,306
Sewer Application Fee	-	-	-	1,296	-
Other Reimbursements	-	-	-	-	-
Loan Repayments	-	-	125,687	-	-
Principal	-	23,100	-	84,874	86,154
Interest	-	-	-	23,543	18,315
<b>Total Operating Revenues</b>	<b>\$ 59,872</b>	<b>\$ 421,074</b>	<b>\$ 215,687</b>	<b>\$ 411,406</b>	<b>\$ 1,033,775</b>
<b>OPERATING EXPENSES</b>					
Wastewater Treatment					
Capital	428,675	402,641	770,549	770,549	-
<b>Total Operating Expenses</b>	<b>\$ 428,675</b>	<b>\$ 402,641</b>	<b>\$ 770,549</b>	<b>\$ 770,549</b>	<b>\$ -</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>(368,803)</b>	<b>18,433</b>	<b>(554,862)</b>	<b>(359,143)</b>	<b>1,033,775</b>
<b>OTHER SOURCES</b>					
Interest Earnings	-	18,519	15,000	26,499	20,000
<b>Total Other Sources</b>	<b>-</b>	<b>18,519</b>	<b>15,000</b>	<b>26,499</b>	<b>20,000</b>
Equipment	-	-	(27,000)	(27,000)	(8,750)
Towable Air Compressor	-	-	(10,000)	(10,000)	-
Utility Truck	-	-	(15,000)	(15,000)	-
Safety Equipment	-	-	(2,000)	(2,000)	-
City Hall Vehicle	-	-	-	-	(8,750)
Capital Improvements	-	(29,556)	(260,000)	(146,225)	(3,110,000)
St Joseph	-	(29,556)	(240,000)	(7,975)	-
Scada Phase	-	-	(20,000)	(2,350)	(20,000)
Sewer Billing Meter	-	-	-	-	(40,000)
St Joseph Way Main Replacement	-	-	-	-	(100,000)
Manhole Lateral Repair/Impvmnt	-	-	-	-	(50,000)
Laguna Sewer Bypass	-	-	-	(135,900)	(2,900,000)
Special Capital Projects	-	-	-	(8,995)	-
Total Other Uses	-	(29,556)	(287,000)	(182,220)	(3,118,750)
<b>Net Other Sources / (Uses)</b>	<b>\$ -</b>	<b>\$ (11,037)</b>	<b>\$ (272,000)</b>	<b>\$ (155,721)</b>	<b>\$ (3,098,750)</b>
<b>NET OTHER ADJUSTMENTS / TRANSFERS</b>					
Water Loan	-	(1,400,916)	-	-	-
Sewer Operating	-	5,581	67,000	399,500	-
Sewer's Cost Portion- AM	(29,000)	-	-	-	-
Water Operating	-	-	-	(332,500)	-
Capital Projects Expense Reimbursements	-	-	(20,000)	-	(40,670)
<b>Net All Transfers</b>	<b>\$ (29,000)</b>	<b>\$ (1,395,335)</b>	<b>\$ 47,000</b>	<b>\$ 67,000</b>	<b>\$ (40,670)</b>
<b>NET SURPLUS / (DEFICIT)</b>	<b>\$ (397,803)</b>	<b>\$ (1,387,939)</b>	<b>\$ (779,862)</b>	<b>\$ (447,864)</b>	<b>\$ (2,105,645)</b>
<b>BEG. WORKING CAPITAL</b>	<b>\$ 5,806,564</b>	<b>\$ 5,408,761</b>	<b>\$ 3,364,494</b>	<b>\$ 4,020,822</b>	<b>\$ 3,572,958</b>
<b>END. WORKING CAPITAL</b>	<b>\$ 5,408,761</b>	<b>\$ 4,020,822</b>	<b>\$ 2,584,632</b>	<b>\$ 3,572,958</b>	<b>\$ 1,467,313</b>



# SECTION D

CAPITAL AND DEBT



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# **CAPITAL PROJECTS FUNDS**

Capital Project Funds are established by a government to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds.) Not all government’s capital acquisitions need to be accounted for in that fund, such as police vehicles or copiers.

## **Impact of Capital Investments on Operating Budget**

The City reviews possible capital projects and the cost and benefit of each in order to identify which projects to pursue and which should be held off for future years. During this process specific significant financial and non-financial impacts to both current and future years are also identified. Some examples of significant financial impacts are those which require new revenue streams, would result in a reduction in spending elsewhere in the budget, or would require additional staffing.

For the capital projects included in the current year budget no significant financial impacts were identified. Significant non-financial impacts include items such as improved safety, upgraded accessibility, beautification of core business/community centers, or correcting deferred maintenance. Each project was identified as meeting key criteria of these non-financial impacts and City-Wide goals. See below the detail on the list of projects and their budgeted corresponding expenditures.



# Grants – Fund 201

## Purpose

City staff applies for and receives competitive funding grants for various city projects that meet specific criteria. Grants fund is used to construct capital projects that utilize federal, state, regional and local grants funds other than CDBG.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Fed Downtown Spec Plan	\$ 804	\$ 677,649	\$ -	\$ 421,487	\$ -
Fed ORH Rehab South	30,986	-	245,000	260,705	-
Fed - CMAQ - Intermodal	104,710	(1,251)	-	-	-
TDA Article 3	-	-	-	-	90,000
Regional SR 116	-	22,648	-	27,352	-
Investment Earnings	-	1,973	-	-	-
<b>Total Revenues</b>	<b>\$ 136,500</b>	<b>\$ 701,020</b>	<b>\$ 245,000</b>	<b>\$ 709,544</b>	<b>\$ 90,000</b>
<b>EXPENDITURES</b>					
Other Expenses	-	-	-	-	-
Total Expenditures	-	-	-	-	-
<b>NET SURPLUS/(DEFICIT)</b>	<b>\$ 136,500</b>	<b>\$ 701,020</b>	<b>\$ 245,000</b>	<b>\$ 709,544</b>	<b>\$ 90,000</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
Intermodal Transit Facility	(130,887)	(2,077)	-	-	-
ORH Rehab South	(33,588)	(11,365)	-	-	-
Downtown Specific Plan	(122,188)	(1,619,509)	-	(1,379,269)	-
ORH S Preservation E14-02	-	-	(757,609)	(633,677)	-
SR 116 Landscaping	-	(22,648)	-	(37,566)	-
E. Cotati Ave Paving-One Bay Area Grant	-	-	-	-	(87,500)
Wayfinding Signage Program TDA Art 3	-	-	-	-	(90,000)
<b>Net Other Sources/(Uses)</b>	<b>\$ (286,663)</b>	<b>\$ (1,655,600)</b>	<b>\$ (757,609)</b>	<b>\$ (2,050,512)</b>	<b>\$ (177,500)</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund 101	559,250	379,553	112,609	591,516	87,500
Gas Tax Fund 203	-	30,000	210,000	172,000	-
Traffic Mitigation 205	-	140,000	-	-	-
Genl Cap Outlay 604	-	407,000	190,000	190,000	-
<b>Net All Transfers</b>	<b>\$ 559,250</b>	<b>\$ 956,553</b>	<b>\$ 512,609</b>	<b>\$ 953,516</b>	<b>\$ 87,500</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	<b>409,087</b>	<b>1,973</b>	<b>-</b>	<b>(387,452)</b>	<b>-</b>
<b>BEG. FUND BALANCE</b>	<b>\$ (23,567)</b>	<b>\$ 385,520</b>	<b>\$ 385,520</b>	<b>\$ 387,493</b>	<b>\$ -</b>
<b>END. FUND BALANCE</b>	<b>\$ 385,520</b>	<b>\$ 387,493</b>	<b>\$ 385,520</b>	<b>\$ -</b>	<b>\$ -</b>

# Capital Outlay – Fund 604

## Purpose

This fund is used to account for the funding of certain capital improvement projects.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOP TED	ESTIMATED CY ACTUALS	ADOP TED
<b>REVENUES</b>					
Road Impact Fee-Garbage	\$ 150,240	\$ 150,240	\$ 150,240	\$ 150,240	\$ 150,240
Investment Earnings	-	2,991	-	2,000	2,000
<b>Other Revenues</b>	<b>\$ 150,240</b>	<b>\$ 153,231</b>	<b>\$ 150,240</b>	<b>\$ 152,240</b>	<b>\$ 152,240</b>
<b>EXPENDITURES</b>					
Materials and Supplies	-	-	-	-	-
Other Expenses	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS / (DEFICIT)</b>	150,240	153,231	150,240	152,240	152,240
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
Capital Projects 605	-	-	-	-	(150,000)
Grants Fund 201	-	(407,000)	(190,000)	(190,000)	-
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ (407,000)</b>	<b>\$ (190,000)</b>	<b>\$ (190,000)</b>	<b>\$ (150,000)</b>
<b>NET FUND SURPLUS / (DEFICIT)</b>	\$ 150,240	\$ (253,769)	\$ (39,760)	\$ (37,760)	\$ 2,240
<b>BEGINNING FUND BALANCE</b>	<b>\$ 535,185</b>	<b>\$ 685,425</b>	<b>\$ 346,496</b>	<b>\$ 431,656</b>	<b>\$ 393,896</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 685,425</b>	<b>\$ 431,656</b>	<b>\$ 306,736</b>	<b>\$ 393,896</b>	<b>\$ 396,136</b>
<b>Designated Funds</b>					
Gravens tein Hwy Impr.	\$ 196,788	\$ 196,788	\$ 196,788	\$ 196,788	\$ -
E Cotati Storm Drain	107,254	107,254	107,254	107,254	-
Street Maintenance	148,500	42,454	2,694	0	-
Undesignated	232,883	85,160	-	89,854	396,136
	<b>\$ 685,425</b>	<b>\$ 431,656</b>	<b>\$ 306,736</b>	<b>\$ 393,896</b>	<b>\$ 396,136</b>

# Capital Projects – Fund 605

## Purpose

The Capital Projects fund consists of various types of financial resources that are utilized to build, renovate or purchase equipment, property, or facilities, including buildings, parks, and non-water/sewer infrastructure and information technology systems which are to be used to benefit the public.

	FY 14-15	FY 15-16	FY 16-17	FY 16-17	FY 17-18
	ACTUALS	ACTUALS	ADOPTED	ESTIMATED CY ACTUALS	ADOPTED
<b>REVENUES</b>					
Investment Earnings	\$ -	\$ 264	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-
<b>Other Revenues</b>	<b>\$ -</b>	<b>\$ 264</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>					
Contract Services	-	-	-	-	-
Other Expenses	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>-</b>	<b>264</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
Remodel Planning / Eng.	-	-	(60,000)	(17,990)	(91,200)
Lighting Project	-	(5,850)	(100,000)	(20,000)	(180,000)
La Plaza Park Improvements	-	-	-	-	-
Sunflower Park	-	(2,593)	(40,000)	(24,176)	(52,240)
Falletti Path Build. Improvements	-	(251,288)	(200,000)	(167,269)	-
Falletti Build. Imp.	-	-	-	-	(235,040)
Street Construction & Improvements	-	-	-	-	(600,000)
Traffic Safety	-	-	(25,000)	(25,000)	(30,000)
Gateway Plaza Mosaic	-	-	(37,000)	(82,800)	-
Train Depot Fencing	-	-	-	(45,785)	-
Myrtle Ave Landscape	-	-	(30,000)	(30,000)	-
Pocket Park Path	-	-	(12,000)	-	-
Cator Basketball Resurfacing	-	(16,197)	-	-	-
Kotate Park Master Plan	-	-	-	-	(60,000)
Civic Center Roof & Refurb.	-	-	-	-	(130,000)
SCEF Energy EH-08	-	-	-	-	-
Capital Equipment	-	-	(126,000)	(66,451)	(35,000)
<b>Total</b>	<b>\$ -</b>	<b>\$ (275,926)</b>	<b>\$ (630,000)</b>	<b>\$ (479,471)</b>	<b>\$ (1,413,480)</b>
<b>TRANSFERS FROM OR (TO) OTHER FUNDS</b>					
General Fund - 101	-	6,770	291,000	262,032	589,900
Gas Tax Fund - 203	-	-	-	-	200,000
Park In-Lieu Fund - 206	-	269,156	245,000	154,176	215,240
MTC Street Fund - 204	-	-	-	-	150,000
Traffic Mitigation Fund - 205	-	-	-	-	27,000
Capital Outlay Fund - 604	-	-	-	-	150,000
Enterprise Funds	-	-	94,000	71,990	81,340
Transfers Out	-	-	-	(8,991)	-
<b>Net All Transfers</b>	<b>\$ -</b>	<b>\$ 275,926</b>	<b>\$ 630,000</b>	<b>\$ 479,207</b>	<b>\$ 1,413,480</b>
<b>NET FUND SURPLUS/ (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 264</b>	<b>\$ -</b>	<b>\$ (264)</b>	<b>\$ -</b>
<b>BEG. FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 264</b>	<b>\$ -</b>
<b>END. FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 264</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CAPITAL PROJECTS BUDGET WORKSHEET - FUND 605

DESCRIPTION	ACTUALS	ACTUALS	ACTUALS	APPROVED BUDGET	ESTIMATED CY ACTUALS	ADOPTED	FUNDING RECEIVED FROM									TOTAL FY 2017-18
	2013-2014	2014-2015	2015-2016	2016 - 2017	2016-2017	2017-2018	GENERAL FUND #101	PARK IN-LIEU FUND #206	GAS TAX FUND #203	MTC STREET FUND #204	TRAFFIC/RD. MITIGATION FUND #205	CAPITAL OUTLAY FUND #604	WATER FUND #402	SEWER FUND #405		
<b>EQUIPMENT</b>																
TOWABLE AIR COMPRESSOR	-	\$ -	\$ -	\$ 25,000	\$ 21,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
POLICE VEHICLE	-	-	-	55,000	-	-	-	-	-	-	-	-	-	-	-	-
UTILITY TRUCK	-	-	-	40,000	39,000	-	-	-	-	-	-	-	-	-	-	-
SAFETY EQUIPMENT	-	-	-	6,000	6,000	-	-	-	-	-	-	-	-	-	-	-
CITY HALL ADMIN VEHICLE	-	-	-	-	-	35,000	17,500	-	-	-	-	-	8,750	8,750	-	35,000
<b>TOTAL EQUIPMENT</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 126,000</b>	<b>\$ 66,451</b>	<b>\$ 35,000</b>	<b>\$ 17,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,750</b>	<b>\$ 8,750</b>	<b>\$ -</b>	<b>\$ 35,000</b>
<b>IMPROVEMENTS</b>																
<b>PARKS</b>																
LA PLAZA PARK IMPROVEMENTS	-	\$ -	\$ 5,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUNFLOWER PARK	-	-	2,593	40,000	24,176	52,240	2,000	50,240	-	-	-	-	-	-	-	52,240
FALLETTI PATH / BUILDING IMPROVEMENTS	-	-	251,288	200,000	167,269	-	-	-	-	-	-	-	-	-	-	-
FALLETTI BUILDING IMPROVEMENTS	-	-	-	-	-	235,040	160,040	75,000	-	-	-	-	-	-	-	235,040
POCKET (MINI) PARK PATH	-	-	-	12,000	-	-	-	-	-	-	-	-	-	-	-	-
CATOR BASKETBALL RESURFACING	-	-	16,197	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC. PARK IMPROVEMENTS - PARK EQUIPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KOTATE PARK MASTER PLAN/PARK EQUIPMENT/DOG PARK	-	-	-	-	-	60,000	40,000	20,000	-	-	-	-	-	-	-	-
<b>STREETS</b>																
STREET CONSTRUCTION & IMPROVEMENTS	-	-	-	-	-	600,000	100,000	-	200,000	150,000	-	150,000	-	-	-	600,000
CITYWIDE TRAFFIC SAFETY IMPROVEMENTS	-	-	-	25,000	25,000	30,000	3,000	-	-	-	27,000	-	-	-	-	30,000
TRAIN DEPOT FENCING	-	-	-	-	45,785	-	-	-	-	-	-	-	-	-	-	-
<b>LANDSCAPING &amp; LIGHTING</b>																
LIGHTING PROJECT	-	-	-	100,000	20,000	180,000	110,000	70,000	-	-	-	-	-	-	-	180,000
MYRTLE AVE LANDSCAPE	-	-	-	30,000	30,000	-	-	-	-	-	-	-	-	-	-	-
GATEWAY PLAZA MOSAIC	-	-	-	37,000	82,800	-	-	-	-	-	-	-	-	-	-	-
<b>BUILDINGS</b>																
REMODEL PLANNING/ENGINEERING	-	-	-	60,000	17,990	91,200	27,360	-	-	-	-	-	31,920	31,920	-	91,200
CIVIC CENTER ROOF & MISC. REFURBISHMENTS	-	-	-	-	-	130,000	130,000	-	-	-	-	-	-	-	-	130,000
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 275,926</b>	<b>\$ 504,000</b>	<b>\$ 413,020</b>	<b>\$ 1,378,480</b>	<b>\$ 572,400</b>	<b>\$ 215,240</b>	<b>\$ 200,000</b>	<b>\$ 150,000</b>	<b>\$ 27,000</b>	<b>\$ 150,000</b>	<b>\$ 31,920</b>	<b>\$ 31,920</b>	<b>\$ -</b>	<b>\$ 1,318,480</b>
<b>COMBINED TOTAL EQUIPMENT AND PROJECTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 275,926</b>	<b>\$ 630,000</b>	<b>\$ 479,471</b>	<b>\$ 1,413,480</b>	<b>\$ 589,900</b>	<b>\$ 215,240</b>	<b>\$ 200,000</b>	<b>\$ 150,000</b>	<b>\$ 27,000</b>	<b>\$ 150,000</b>	<b>\$ 40,670</b>	<b>\$ 40,670</b>	<b>\$ -</b>	<b>\$ 1,353,480</b>

## CAPITAL PROJECTS BUDGET WORKSHEET - FUND 201

DESCRIPTION	ACTUALS			APPROVED BUDGET	ESTIMATED CY ACTUALS	ADOPTED	FUNDING RECEIVED FROM								TOTAL FY 2017-18
	2013-2014	2014-2015	2015-2016	2016-2017	2016-2017	2017-2018	GENERAL FUND #101	PARK IN-LIEU FUND #206	GAS TAX FUND #203	MTC STREET FUND #204	TRAFFIC/RD. MITIGATION FUND #205	CAPITAL OUTLAY FUND #604	WATER FUND #402	SEWER FUND #405	
<b>GRANTS</b>															
DOWNTOWN SPECIFIC PLAN AREA REVITALIZATION	\$ 30,778	\$ 122,188	\$1,619,509	\$ -	\$1,379,269	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OLD REDWOOD HWY S PRESERVATION E14-02	-	33,588	11,365	757,609	633,677	-	-	-	-	-	-	-	-	-	-
SR 116 LANDSCAPING	-	-	22,648	-	37,566	-	-	-	-	-	-	-	-	-	-
INTERMODAL TRANSIT PROJECT	1,982,560	130,887	2,077	-	-	-	-	-	-	-	-	-	-	-	-
E. COTATI AVE. PAVING - ONE BAY AREA GRANT	-	-	-	-	-	87,500	87,500	-	-	-	-	-	-	-	87,500
WAYFINDING SIGNAGE PROGRAM - TDA ARTICLE 3	-	-	-	-	-	90,000	-	-	-	-	-	-	-	-	90,000
<b>TOTAL GRANTS FUND</b>	<b>\$ 2,013,338</b>	<b>\$ 286,663</b>	<b>\$ 1,655,600</b>	<b>\$ 757,609</b>	<b>\$ 2,050,512</b>	<b>\$ 177,500</b>	<b>\$ 87,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,500</b>

## **Debt Service**

The City records and disburses monies used to repay annual principal and interest, fees, anticipated new debt, and administrative fees on city issued debt through debt service types of funds. The General Long Term Debt accounts for the payment of debt service on the City's General Obligation. The Utility Funds accounts for all debt associated with the Water and Sewer utilities activity. These debts account for the accumulation of resources and payment of general long-term debt principal.

### **Debt Limits**

The City Council has approved a debt policy contained in the appendix of the City's adopted budget, which includes parameters for entering into debt obligations. State law sets the bonded debt limit for General Obligation bonds at 15% of the total assessed valuation of all the real and personal property within the City. As of June 30, 2016, the City's total debt limit capacity was \$1.8 billion, of which the City's has no General Obligation Bonds.

### **Long-term Obligations**

#### **Special Assessment Bonds with Governmental Commitment - South Sonoma Business Park**

The special assessment bonds were issued in an original amount of \$5,875,000 for the purpose of facilitating a wetlands mitigation project. The bonds are secured solely by assessments levied against property owners within the assessment district and from monies on deposit in a reserve fund. The City has no obligation to advance funds for payment of bond debt service.

The City may at its own option and in its sole discretion elect to advance funds to pay bond debt service to the extent of delinquencies. The bonds consist of 6.50 percent term bonds due September 2, 2033. The term bonds are subject to mandatory redemption prior to maturity commencing September 2, 2004.

### **Future Debt Service Schedule**

	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
<b>2017</b>	\$ 145,000	\$ 300,138	\$ 445,138
<b>2018</b>	155,000	292,699	447,699
<b>2019</b>	165,000	279,988	444,988
<b>2020</b>	175,000	268,938	443,938
<b>2021</b>	185,000	257,238	442,238
<b>2022-2026</b>	1,130,000	1,081,600	2,211,600
<b>2027-2031</b>	1,550,000	650,005	2,200,005
<b>2032-2034</b>	1,185,000	118,788	1,303,788
<b>TOTAL</b>	\$ 4,690,000	\$ 3,249,394	\$ 7,939,394

Other Significant Debt Obligations

**Compensated Absences**

As of June 30, 2016, approximately \$380,000 was owed to government employees for vacation leave and other compensated absences. These benefits are recorded as a liability to the City as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. For the 2017-2018 fiscal years the City anticipates consistent draw downs and additions as incurred during the 2016-2017 fiscal year which created a net decrease in liability of approximately \$10,000. Payouts are to be made when time is used, as such this liability is considered short term.

**Net Pension Liability**

GASB Statement No. 68 significantly revamped the accounting and financial reporting for government employers that provide pension benefits and requiring a "net pension liability" on the statement of net position. A net pension liability of \$8.4 million is reported as of June 30, 2016.

Schedule of Pension Contributions

<b>Contributions for the fiscal year ending</b>	<b>2015</b>	<b>2016</b>	<b>EST. 2017</b>
<b>Contractually required contribution</b>	\$771,201	\$ 1,004,742	<b>\$830,504</b>
<b>Contributions in relation to the contractually required contribution</b>	(771,201)	(1,004,742)	<b>(830,504)</b>
<b>Contribution deficiency (excess)</b>	\$ - .	\$ - .	\$ - .
<b>City's covered employee payroll City fiscal year</b>	\$2,789,822	\$ 2,935,345	<b>\$2,942,337</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>27.64 %</b>	<b>34.23%</b>	<b>28.22%</b>

**Inter-Government Loans**

As of October 2014 the City initiated an inter-fund loan between the General Fund and the Sewer Capital Fund to Finance the Phase 1 of the Clean Energy Performance contract with Siemens Industry Inc. to upgrade to efficient lighting throughout the city. The total outstanding balance due as of June 30, 2017 is approximately \$276,000 and bears an annual interest at a rate of 1.5%. Principal and interest payment budgeted for payments during the 2017/2018 year are approximately \$22,000.

Additionally there is an outstanding loan from the Sewer fund to the Water fund which was used to finance the Phase 2 meter replacement project. The total outstanding balance due as of June 30, 2017 is approximately \$1,253,000 and bears an annual interest at a rate of 1.5%. Principal and interest payment budgeted for payments during the 2017/2018 year are approximately \$104,000.



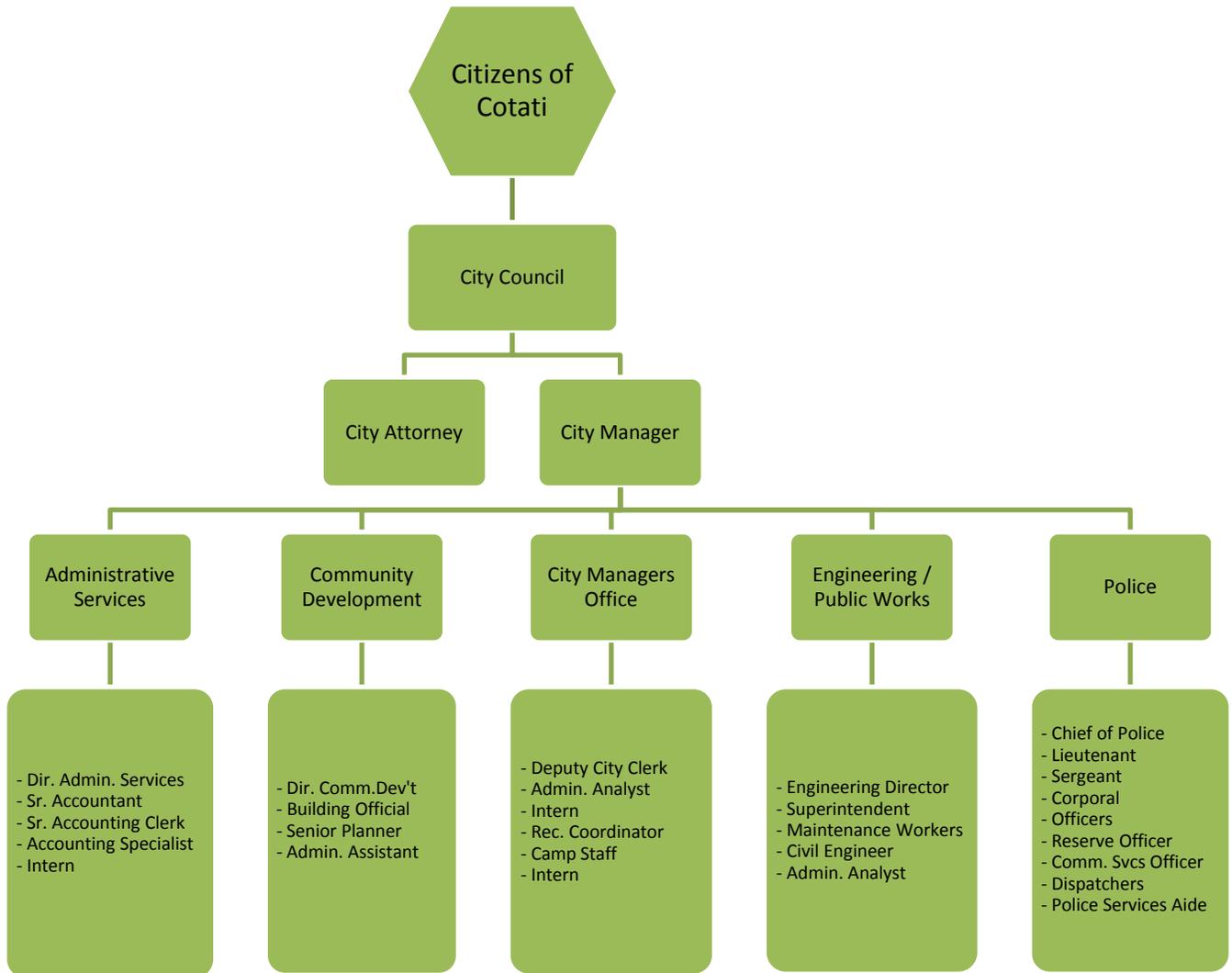
# SECTION E

## CABINET LEVEL INFORMATION



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# Organizational Chart



# Position Summary Schedule

## Allocation by Percentage and Department

	SUMMARY OF DEPARTMENTAL ALLOCATION FOR 2017-18																		TOTAL
	FY 2015-16	FY 2016-17	FY 2017-18	City Council	CMO & Econ. Develop.	Admin Services	Comm Dev.	Building Inspection	Engineering	Streets	Storm Water Mgmt	Govt Buildings	Park Maint.	Police	Recreation	Water	Sewer	Suc. Agency	
Department Number	FTE	FTE	FTE	10	11	12	17	17	18	19	20	21	22	23	24	401	404	301	
<b>POSITIONS</b>																			
<b>ELECTED POSITIONS</b>																			
Councilmember	5	5	5	3.50	-	-	-	-	-	-	-	-	-	-	-	0.50	0.50	0.50	5.0
<b>Total Elected Positions</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>3.50</b>												<b>0.50</b>	<b>0.50</b>	<b>0.50</b>	<b>5.0</b>
<b>FULL TIME POSITIONS</b>																			
Admin Analyst (CM)	1	1	1	-	0.50	-	-	-	-	-	-	-	-	-	-	0.25	0.25	-	1.0
Deputy City Clerk (Former City Clerk)	1	1	1	-	0.50	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.20	1.0
Facility/Recreation	1	1	1	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.0
City Manager	1	1	1	-	0.50	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.20	1.0
Accounting Clerk-Senior	1	1	1	-	-	0.20	-	-	-	-	-	-	-	-	-	0.35	0.35	0.10	1.0
Accounting Specialist	1	1	1	-	-	0.30	-	-	-	-	-	-	-	-	-	0.30	0.30	0.10	1.0
Senior Accountant (Former Supervisor)	1	1	1	-	-	0.35	-	-	-	-	-	-	-	-	-	0.20	0.20	0.25	1.0
Administrative Services Director	1	1	1	-	-	0.35	-	-	-	-	-	-	-	-	-	0.20	0.20	0.25	1.0
Administrative Assistant	1	1	1	-	-	-	0.15	0.65	-	-	-	-	-	-	-	0.10	0.10	-	1.0
Associate Planner	1	1	1	-	-	-	0.90	-	-	-	-	-	-	-	-	-	-	0.10	1.0
Building Official	1	1	1	-	-	-	-	1.00	-	-	-	-	-	-	-	-	-	-	1.0
Community Development Director	1	1	1	-	0.40	-	0.40	0.10	-	-	-	-	-	-	-	-	-	0.10	1.0
Administrative Analyst (PW/CD)	1	1	1	-	0.20	-	0.10	-	0.10	0.10	0.10	-	-	-	-	0.15	0.15	-	1.0
Civil Engineer (Former Engineering Tech)	1	1	1	-	-	-	-	-	0.20	-	0.10	-	-	-	-	0.40	0.30	-	1.0
Field Maintenance Superintendent	1	1	1	-	-	-	-	-	-	0.10	0.05	0.05	0.10	-	-	0.35	0.35	-	1.0
Maintenance Worker I	1	2	3	-	-	-	-	-	-	0.75	-	0.20	0.45	-	-	0.85	0.75	-	3.0
Maintenance Worker II	4	3	2	-	-	-	-	-	-	0.30	-	0.10	0.20	-	-	0.70	0.70	-	2.0
Public Works-Director	1	1	1	-	-	-	-	-	0.20	0.05	0.05	0.05	0.05	-	-	0.30	0.30	-	1.0
Community Services Officer	1	1	1	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.0
Police Chief	1	1	1	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.0
Police Dispatcher/Clerk	5	5	5	-	-	-	-	-	-	-	-	-	-	5.00	-	-	-	-	5.0
Police Lieutenant	1	1	1	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.0
Police Sergeant	2	2	2	-	-	-	-	-	-	-	-	-	-	2.00	-	-	-	-	2.0
Police Corporal	2	0	1	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	-	1.0
Police Officer	5	7	7	-	-	-	-	-	-	-	-	-	-	7.00	-	-	-	-	7.0
<b>Total All Regular Positions</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>0.00</b>	<b>2.10</b>	<b>1.20</b>	<b>1.55</b>	<b>1.75</b>	<b>0.50</b>	<b>1.30</b>	<b>0.30</b>	<b>0.50</b>	<b>0.80</b>	<b>18.00</b>	<b>1.00</b>	<b>4.45</b>	<b>4.25</b>	<b>1.30</b>	<b>39.0</b>
<b>PART-TIME POSITIONS</b>																			
Intern - City Manager	0.5	0.5	0.5	-	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	0.5
Part Time Assistant Recreation	0.5	0.6	0.5	-	-	-	-	-	-	-	-	-	-	-	0.50	-	-	-	0.5
Camp Director	0.0	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	0.22	-	-	-	0.2
Assistant Camp Director	0.0	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	0.22	-	-	-	0.2
Camp Staff	0.0	0.5	0.3	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	0.3
Intern - Finance	0.5	0.5	0.5	-	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-	0.5
Police Service Aide	0.5	0.5	0.5	-	-	-	-	-	-	-	-	-	-	0.50	-	-	-	-	0.5
Reserve Officer I	1.5	1.5	1.5	-	-	-	-	-	-	-	-	-	-	1.50	-	-	-	-	1.5
<b>Total Part Time Positions</b>	<b>3.5</b>	<b>4.5</b>	<b>4.3</b>	<b>0.00</b>	<b>0.50</b>	<b>0.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>1.26</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4.3</b>
<b>Total All Positions</b>	<b>46.5</b>	<b>47.5</b>	<b>48.3</b>	<b>3.50</b>	<b>2.60</b>	<b>1.70</b>	<b>1.55</b>	<b>1.75</b>	<b>0.50</b>	<b>1.30</b>	<b>0.30</b>	<b>0.50</b>	<b>0.80</b>	<b>20.00</b>	<b>2.26</b>	<b>4.95</b>	<b>4.75</b>	<b>1.80</b>	<b>48.3</b>

Increase in the total full time equivalent over the over prior year is primarily due to the introduction of a Corporal back into our Police force.



# SECTION F

## DOCUMENT WIDE CRITERIA



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# Cotati at a Glance

## Statistical Demographic and Economic Characteristics

### Date of Incorporation - July 16, 1963

Form of Government  
General Law - Council-Manager

### Employee Count

Total Employees	45
Interns	3
Seasonal	<u>3</u>
Full-Time	39

### Population:

Population	7,153
Median Age	34.5 yrs
Median household income	\$64,076
Registered Voters	4,327
Area in Square Miles	1.883

### Miles of Streets:

Lane Miles (2014)	22.52
Pavement Condition Index (2013)	64
	["Fair" rating]

### Fire Protection:

Rancho–Adobe Fire Department - Station No.1

### Police Protection:

Number of Vehicles	14
Number of Sworn Personnel	10

### Public Education:

Cotati-Rohnert Park Unified School District  
Thomas Page Elementary

### Transportation:

Train Stations (S.M.A.R.T.)  
Bus Stops  
    Golden Gate Transit  
    Sonoma County Transit  
Bike Lane Miles  
    Laguna 1.6 Miles (Class 1) Path  
    City Streets 4.5 Miles (Class 2) Shoulder

### Museum & Landmarks:

Cotati Historical Society  
Cotati Downtown Plaza (Hexagonal Town Plan)

### Parks:

Park Sites	12
Park Acreage	20.06
Open Space Acreage	5.30
Trail Miles/Walking Path Miles	1.60

### Community Facilities:

City Hall Conference Room	1
Cotati Room	1
Classrooms	5
<i>Mountain Room</i>	
<i>Willow Room</i>	
<i>Stony Point Room</i>	
<i>Copeland Room</i>	
Dance/Exercise Studio	
<i>Eagle Room</i>	
Community Room in the Police Facility	

### City Hosted Events:

Farmers Market	June - August
Cotati Jazz Festival	Mid - June
Cotati Earth Day	End of June
Kids Day Parade and Festival	Mid - June
Accordion Festival	Mid - August
Oktober Festival	Oct Every Year
Holiday Tree Lighting	December



# Glossary of Budget Terms

ACCOUNT - A record of additions, deletions, and balances of individual assets, liabilities, equity, revenues, and expenses.

ACCOUNTING SYSTEM - The set of records and procedures that are used to record, classify, and report information on the financial status and operations of an entity.

ADOPTED BUDGET - The City Council approved annual budget establishing the legal authority of the expenditure of funds as set forth in the adopting Council budget resolution.

APPROPRIATION - A legal authorization to incur obligations and to make expenditures for specific purposes.

AUDIT - An annual examination and evaluation, done by an independent Certified Public Accountant (CPA), of the City's accounting system to ensure conformity with generally accepted accounting principles. In conjunction with performing an audit, independent auditors normally issue a Management Letter stating the adequacy of the City's internal controls as well as recommending improvements to the City's financial management practices.

BALANCED BUDGET - The amount of budgeted expenditures is equal to or less than the amount of budgeted revenues plus other available sources.

BUDGET - Proposed plan of expenditure and revenue over a given period of time.

BASIS OF ACCOUNTING & BUDGETING - A method used to determine when revenues, expenditures, transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The three bases of accounting for governmental agencies are (1) Cash Basis - when cash is received or paid; (2) Accrual Basis - when the underlying transaction or event takes place; (3) Modified Accrual Basis - revenues are recognized in the accounting period in which they become available and expenditures are recognized in the accounting period in which the fund liability occurred. The City of Cotati uses a modified accrual basis for our governmental funds and an accrual basis for our enterprise funds.

BUDGET & FISCAL POLICIES - General and specific guidelines adopted by the City Council that govern budget preparation and fiscal administration.

CAPITAL EXPENDITURES: An expenditure which either creates an asset or causes a reduction in the liabilities of the government.

CHARGES FOR SERVICE - Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

CONSUMER PRICE INDEX (CPI) - A measure of inflation of the price of consumer goods and services.

DEFICIT - An excess of expenditures or expenses over revenues or resources during an accounting period.

DEPARTMENT - An organizational unit of the City government responsible for carrying out specific functions. In the City's structure, certain "departments" are actually divisions of a multipurpose, such as the Streets or Parks Department within the General Fund.

ENCUMBRANCES - Commitments against an approved budget to pay funds in the future for a service or item. They cease to be encumbrances when the obligations are paid or terminated. The use of encumbrances prevents overspending and provides budgetary control to the organization.

EXPENDITURE - The actual spending or accrual of funds set aside by an appropriation for goods and services obtained.

FISCAL YEAR - A 12 month period to which the annual budget applies, and financial transactions are recorded. The City of Cotati fiscal year begins July 1st and ends June 30th.

FULL-TIME EQUIVALENT (FTE) - The amount of time a position has been budgeted for in terms of the amount of time a regular, full-time employee normally works in a year. Full-time employees are paid for 2,080 hours in a year equating 1.0 FTE. A part-time employee who worked 1,040 hours would equate to 0.5 FTE. Elected positions are budgeted but not included in FTE totals.

FUND - A fiscal and accounting entity with a self-balancing set of accounts to record revenue and expenditures.

FUND BALANCE - The excess of a fund's assets over its liabilities.

GANN APPROPRIATIONS LIMIT - Article XIII-B of the California State Constitution provides limits regarding the total amount of appropriations in any fiscal year from tax proceeds.

GENERAL FUND - The City's main operating fund that pays for basic City services that use most of the City's sales and property tax revenue. The General Fund is also supported by fees from licenses and permits, fines, and investment earnings.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) - Ultimate authoritative accounting and financial reporting standard-setting body for state and local governments.

MUNICIPAL CODE - A document that codifies the City Council approved ordinances currently in effect. The Code defines City laws with respect to areas of municipal jurisdiction and administration.

OPERATING BUDGET - Authorized expenditures for ongoing municipal services (In the general fund this includes operations of the police and fire, street maintenance, parks, and city buildings).

ORDINANCE - A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution and is typically codified in the City's Municipal Code.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Post-employment benefits other than pension benefits. The City's OPEB includes post-employment healthcare benefits for employees that meet the vesting requirements.

PROPOSED BUDGET - The recommendation for the City's financial operations, which includes an estimate of proposed expenditures and revenues for a given fiscal year.

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) - State of California's (CalPERS) public pension system that can provide contract retirement and health benefits to government agencies.

RESERVE - An account which the City uses to either set aside funds that it does not need to spend in the current fiscal year or to earmark revenues for a specific future purpose.

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

REVENUES - Income received by the City during the fiscal year. Some examples of revenue include taxes, fees, charges for services and grants.

SCHEDULES - Provide a summary of revenues, expenditures, and positions for operating budgets of all departments and funds and reflect the funding sources and spending areas of the Capital Improvements Program.

SPECIAL REVENUE FUNDS - A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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**APPENDICES TO THE  
CITY OF COTATI BUDGET  
FOR FISCAL YEAR 2017-18**

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# APPENDIX A

CITY OF COTATI  
FINANCIAL POLICIES



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**RESOLUTION NO. 2017 - 36**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI RESCINDING**  
**RESOLUTION 2008-20 AND ESTABLISHING FINANCIAL PRINCIPLES AND**  
**POLICIES**

**WHEREAS**, the City of Cotati desires to establish a Financial Principles and Policies document (the "Document") to guide prudent financial reporting and budgeting for financial stability; and

**WHEREAS**, such Document will establish guiding principles, policies and procedures of the City's overall financial management, budget development, and fiscal administration for the City of Cotati, specifically in regard to Annual Operating Budget Policy, Capital Improvement Program, Revenues, Expenditures, Investment Management, Debt Management, Fund Balances, and Financial Reporting; and

**WHEREAS**, on May 14, 2008, the City Council and the Board of Directors of the Cotati Community Redevelopment Agency adopted Resolution 2008-20 approving and adopting an Investment Policy for idle funds; and

**WHEREAS**, the City has conducted a review of the Investment Policy and found it to be outdated; and

**WHEREAS**, included in the Appendix B of the Document is an updated City Investment Policy; and

**WHEREAS**, the Document will be updated periodically, but is designed with a long-term perspective and provides the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter, as well as support long-term planning and enhance the City's effectiveness in implementing long-term strategies to deliver efficient services to the public; and

**WHEREAS**, the action of adopting Financial Principles and Policies does not constitute a project as defined by California Environmental Quality Act ("CEQA") and CEQA Guidelines Section 15378; therefore, no further environmental review is required.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cotati hereby rescinds Resolution 2008-20 and that the Financial Principles and Policies, including the updated Investment Policy, attached as Exhibit A to this resolution and incorporated herein by reference, is hereby approved and adopted.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the 27th day of June, 2017, by the following vote, to wit:

**RESULT:** ADOPTED [UNANIMOUS]

**MOVER:** John C. Moore, Council Member

**SECONDER:** Mark Landman, Vice Mayor

**AYES:** Skillman, Moore, Dell'Osso, Harvey, Landman

Approved: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
Lauren Berges, Deputy City Clerk

Approved as to form:

  
City Attorney

Attachments:

City Financial Principals and Policies (DOCX)

APX A Reserve Policy Appendix for City Financial Principals & Policies (PDF)

APX B - Investment Policy (PDF)

APX C Purchasing Policy Appendix for City Financial Principals & Policies (PDF)

APX D Capitalization Policy Appendix for City Financial Principals & Policies (PDF)

# CITY OF COTATI

## Financial Principles and Policies

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**A Summary of the City's Financial Mission  
Statements and Guiding Principles**



**Administrative Services Department**

201 West Sierra Avenue, Cotati, CA 94931-4217 □ TELEPHONE 707□792□4600 □ FAX 795□7067

## **OVERVIEW**

This document establishes policies of overall financial management, budget development, and fiscal administration for the City of Cotati. Included herein are statements and principles designed to guide the City in maintaining its financial stability and delivering high-quality services to the public.

Formally adopted financial policies assist elected officials and city staff in the development of fiscal management practices, save time and provide structure for financial decisions, promote public confidence, enhance transparency and provide continuity over time. These policies will be updated periodically, but are designed with a long-term perspective and provide the basic framework and road map for addressing a wide variety of financial and economic conditions that the City will encounter. Fiscal policies support long-term planning and enhance the City's effectiveness in implementing long-term strategies to deliver efficient services to the public.

This document provides a structured, central repository for a variety of fiscal policies and organized into the following categories

- I. Guiding Financial Principles
- II. Annual Operating Budget Policy
- III. Capital Improvement Policy
- IV. Revenues Policies
- V. Expenditures Policies
- VI. Investment Management Policies
- VII. Debt Management Policies
- VIII. Fund Balances Policies
- IX. Financial Reporting
- X. Review and Update

## **I. GUIDING FINANCIAL PRINCIPLES**

The following are the guiding principles to be adhered to and used as a conceptual framework for the City of Cotati:

1. Manage financial resources in a responsible and prudent manner.
2. Provide financial information in a relevant, thorough and timely manner, and in a format that effectively communicates financial status to the Council, citizens and City employees.
3. Establish and maintain prudent fund balance levels as required under Resolution 2009-50 Appendix A.
4. Maintain financial reporting in compliance with current governmental accounting standards.
5. Promote and implement a relevant and strong system of internal financial controls to manage significant risks and monitor the reliability and integrity of financial and operating reporting.
6. Promote constructive and proactive financial decision making that includes and is responsive to citizens input and guidance.
7. Integrate long-term operating and capital resources planning into the budget process.
8. Allow for uncertainties and maintain a posture of financial flexibility.
9. Develop programs in a manner that supports the City's long-term ability to cover costs and provide the level and quality of service required by its citizens.
10. Manage debt responsibly.
11. Uphold investment policies in accordance with the City code and State law Appendix B.

## **GENERAL FINANCIAL POLICIES**

Below are the formal financial policies to be followed by City Council, Management, and Staff.

## **II. ANNUAL OPERATING BUDGET POLICY**

### **II.A. BUDGET PROPOSAL AND ADOPTION**

1. An annual operating budget will be adopted by the City Council no later than June 30 of each fiscal year. The budget will include appropriations that provide expenditure authority to public officials responsible for operating their respective departments to fulfill obligations to provide public services as delegated by the City Council.
2. Funds may not be expended for a new fiscal year until the budget for that fiscal year has been adopted by the City Council.
3. The City Management will develop and present a draft annual budget for consideration by the full City Council and public.
4. Total projected expenditures should not exceed total estimated revenues. In specific situations, such as with significant one-time capital expenditures, the City Council may approve a planned use of accumulated fund balances in prior years for inclusion in the budget.
5. One-time revenue sources are not to be relied upon to fund on-going operations.

### **II.B. CONTROLLING AND ADJUSTING THE ANNUAL BUDGET:**

1. The City structures and controls its budget by use of funds:
  - a) The general fund is the primary operating fund of the City. It accounts for the receipt of property tax, general sales tax, and other general revenues available to finance city

operations. The general fund accounts for revenues and expenditures that do not fit the criteria to be accounted for in other funds with external restrictions imposed by their respective financing sources.

- b) Special revenue funds account for resources restricted for use by state law or their respective funding sources, such as grant programs financed by the state and federal governments, or impact fees collected to mitigate development impacts.
  - c) Enterprise funds account may be used for fee-based programs if the intention is to recoup almost all city costs through fees or other user charges. Enterprise funds for the city of Cotati consist of water and waste water utilities.
  - d) Internal Service funds account for centralized service costs (i.e. vehicle replacement fund). Charges from the internal service funds appear as expenditures in the user department, and as revenue in the central service department.
2. The City's budget is controlled at the fund level by the City Council.
    - a) The City Council, as representatives of the public, is the sole authority for creating or increasing expenditure appropriations of a general fund department (cost center) or a fund, as approved in the final adopted budget.
  3. Department Heads are held responsible and accountable for their respective budgets as originally adopted by the City Council or as thereafter revised in accordance with this policy. The level of expenditure control for departments is at the fund and department level, as approved in the final adopted budget.
  4. Departments that operate programs among different departments or funds are limited to the appropriation levels within any department or fund, as approved in the final adopted budget.

**II.C. TRANSFERS/REVISIONS TO THE ADOPTED BUDGET - REQUIRED APPROVAL LEVEL:**

**1. *The City Council approves:***

- a) All increases in appropriations of a department or fund, as approved in the final adopted budget.
- b) All transfers of appropriations between funds.
- c) All decreases in appropriations, with the exception that the City Manager may direct Department Heads to suspend expenditures pending Council consideration of decreases in appropriations, needed to respond to fiscal emergency.

**2. *The City Manager approves:***

- a) Transfers of appropriations between expenditure line items within departments or project budgets, up to \$25,000.
- b) The City Manager may make budget transfers between departments, or projects as long as those changes do not increase overall appropriations within any one department or fund. Transfers between funds, overall increases in department or fund appropriations, and overall increases in project budgets can only be made through City Council action. Transfers between departments should be reported to the City Council as part of the budget amendment process, either at mid-year or during budget adoption for the new fiscal year.

**3. *Administrative Services Department:***

- a) The Administrative Services Department is responsible for providing forms and instructions for requesting appropriation adjustments, and for analyzing and

recommending adjustments to the City Manager. The Administrative Services Department will record approved budgets and adjustments into the City's accounting systems.

- b) The Administrative Services Department will ensure that the City's Annual Financial Statements include a comparison of actual expenditures against the final budget, as amended and adjusted under the authorities of this policy.

#### **II.D. EXPENDITURE APPROPRIATIONS BUDGETARY CARRYOVER:**

1. Operating expenditure appropriations not spent during the fiscal year lapse at year-end, except for:
  - a) Encumbrances or commitments, as in the form of finalized purchase orders or agreements, made during the fiscal year that have not been completed at year-end.
  - b) Appropriations for capital improvement projects and ongoing grants with a life cycle beyond one year.

#### **II.E. METHOD OF ACCOUNTING AND APPROPRIATIONS LIMIT COMPLIANCE**

1. Governmental funds (e.g. General Fund) use the modified accrual basis of accounting while proprietary (e.g. Water, Sewer, or Internal Service Funds) and fiduciary fund types (e.g. Successor Agency) are budgeted on a full accrual basis of accounting. The Annual Financial Statements presents City's finances on a Generally Accepted Accounting Principles (GAAP) basis and the City's budget is prepared in conformance with these standards.
2. City budget must comply with the annual determination of the City's appropriations limit calculated in accordance with Article XIIB of the Constitution of the State of California and adopt an annual resolution to this effect.

### **III. CAPITAL IMPROVEMENT POLICIES**

1. The City will develop and maintain a capital improvement program (CIP) to be updated annually in conjunction with the operating budget. The CIP should reflect the current and changing needs of the community as well as enhance the community's quality of life.
2. All projects within the CIP are to be tracked systematically and timely allowing clear display of budget-to-actual performance by project.
3. Capital improvements that specifically benefit a select group of users and/or are fee-for-service based are to be financed through user fees, service charges, special assessments and taxes, or development impact fees.
4. Capital improvements that specifically benefit a fee-for-service enterprise operation (such as Water or Sewer) are to be financed through the service fees generated within that operation and fund. Such fees should be supported by periodic updates to the related utility master plan and associated rate studies.
5. Transfers of resources into the CIP fund will be evaluated on an annual basis dependent upon the existence of available funds.
6. The City should strive to maximize the use of capital grants, state subventions, and other sources of available revenue in funding capital improvements before tapping general revenue sources.

### **IV. REVENUES POLICIES**

1. The City will strive to maintain a diversified and stable revenue base to minimize the impact of economic fluctuation.
2. The City will seek out, apply for, and effectively administer federal, state, and other grants that address the City's current operating and capital priorities.
3. The City will pursue revenue collection and auditing to assure that funds due to the City are accurately received in a timely manner.
4. The City will seek reimbursements for State mandated costs whenever possible.
5. The City will adopt user fees with appropriate levels of cost recovery.
6. User-fee studies should be performed and updated to ensure the proper balance of costs and service charges. The City should strive to cover the full cost of providing non-tax and discretionary fee-based service operations except to the extent that City Council approves defined subsidy levels by program area.
7. Operating departments are to review public services to identify and determine those appropriate for fee collection. Recommendations for new fees are to be presented to the City Council as fees are updated to ensure they reflect all direct and reasonable indirect costs of providing such services.
8. Enterprise operations will be self-supporting and shall reimburse the General Fund for all materials and services provided on their behalf.

**V. EXPENDITURES POLICIES:**

1. Expenditures are to be budgeted and controlled to not exceed estimated revenues and the approved and planned use of fund balances accumulated in prior years.
2. The City will conduct a mid-year financial status review to determine if projected revenues and expenditures meet target levels. If an operating deficit is projected, the City should evaluate the need for immediate corrective and/or mitigating actions, including operating or capital expenditure reductions and/or activate the use of established contingency balances. The deferral of essential and scheduled operational expenditures into the following fiscal year or the use of short-term loans and transfers to balance the budget should be avoided.
3. The City implements a formal purchasing procedure to ensure that expenditure levels are kept in check during the course of any fiscal year (Resolution 08-70 Appendix C).

**VI. INVESTMENT MANAGEMENT POLICIES: (See Appendix B)**

1. The Director of Administrative Services and City Manager will review the City's investment policy periodically and make recommendations to the City Council when appropriate.
2. The responsibility of investing City funds rests with the Director of Administrative Services who is to exercise due diligence to adhere to the investment policy. The Director of Administrative Services will present to the City Council periodic reports presenting a summary of the portfolio status and compliance with the conditions set forth in the investment policy .

**VII. DEBT MANAGEMENT POLICIES:**

1. The City should plan the use of debt in a manner that sustains financing payments at manageable levels.
2. The City will seek to maintain a high credit rating through sound financial practices as a basis for minimizing borrowing costs.
3. The City will make every effort to use pay-as-you-go financing for capital improvement projects. Debt financing for a project can be used if the overall project cost exceeds anticipated available resources and/or if the cost of financing is favorable as compared to the use of City investment holdings over the financing term.
4. The City will monitor all forms of debt annually in conjunction with the budget preparation process and report concerns and remedies, if necessary, to City Council. The City will diligently monitor its compliance with bond covenants.
5. The City will not issue long-term debt to finance current operations. Debt financing should only be used for long-term capital improvement projects with a useful life exceeding the term of the financing and for which the project revenues or specific identified revenue sources are sufficient to service the long-term debt.
6. The City should use a lease-purchase method of financing for equipment if the lease rates are more favorable than the City's expected overall investment rate of return.
7. The City will not incur general obligation indebtedness for public improvements, which exceed in aggregate 15% of the assessed value of all real and personal property of the City as specified in the California Government Code Section 43605.

## **VIII. FUND BALANCES POLICIES:**

### **VIII.A. GOVERNMENTAL FUND TYPE DEFINITIONS**

Governmental fund types include the general fund, special revenue funds, capital projects funds, and debt service funds. GASB has defined these funds and the GFOA has further summarized these funds as follows:

#### **1. General Fund**

This is the chief operating fund of a local government. GASB Codification Section 1300.104 states that the general fund is used “to account for all financial resources except those required to be accounted for in another fund.” In other words, all of a government’s financial activities should be accounted for in the general fund unless there is a compelling reason to report them in some other fund type. Government may never report more than one general fund per Codification, Section 1300.106. In practice, typically the general fund is of chief interest to financial statement users.

#### **2. Special Revenue Funds**

Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources (investment earnings and transfers from other funds, for example) also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund. Governments should discontinue reporting a special revenue fund, and instead report the fund's remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources.

#### **3. Capital Projects Funds**

As local governments often undertake significant capital acquisitions and construction projects, they often account for the activities separately from their other general operations. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments.

#### **4. Debt Service Funds**

Governments set aside monies to meet current and future debt service requirements on general government debt. As such, these funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt service funds should be used to report resources if legally mandated.

### VIII.B. FUND BALANCE CLASSIFICATIONS

Fund balance is defined as the difference between assets and liabilities. Governmental Accounting Standards Board Statement (GASB) No. 54 classified fund balances into the following categories:

1. **Non-spendable:** This is a portion of fund balance not available for appropriations by its nature or external restriction. Examples are inventories and donations that require intact principal values.
2. **Spendable:** Restricted: The restricted portion of fund balance is subject to externally enforceable legal restrictions. Examples are Gas Tax revenues and grant proceeds.
3. **Committed:** The committed portion of fund balance is constrained by the limitations imposed through formal City Council action. Only formal City Council action can remove or modify a previously committed amount.
4. **Assigned:** The Assigned portion of fund balance is established for intended use by either the City Council or its designee, such as the City Manager. No formal City Council action is needed to remove the intended use.
5. **Unassigned:** The Unassigned portion of fund balance is that remaining after the non-spendable, the restricted, the committed, and the assigned fund balances are identified and recorded.

The City of Cotati will use GASB's definitions of fund balance for the annual financial reports (audits) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance not available for appropriation will be identified as follows.

The City shall strive to use the most restricted fund balances prior to utilizing those that are less restricted. The following order of use reflects this guideline:

- i. Non-spendable (if funds become spendable)
- ii. Restricted
- iii. Committed
- iv. Assigned
- v. Unassigned

### VIII.C. FUND BALANCE POLICY LEVELS

#### 1. Purpose

Per Resolution 2009-50 (Appendix A), the City of Cotati has enacted the Fund Balance policies in an effort to ensure financial security through the maintenance of a healthy fund contingency balance that guides the creation, maintenance, and use of resources for financial stabilization purposes. The City's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The City also seeks to maintain the highest possible credit ratings, which are dependent, in part, on the City's maintenance of a healthy fund balance.

**VIII.C. FUND BALANCE POLICY LEVELS, CONTINUED:**

**2. General Fund**

The City's fiscal goal is to maintain annual expenditure increases at a sustainable growth rate by limiting expenditure growth to the anticipated revenue growth in order to maintain a balanced budget. In line with the recommendations by the Government Finance Officers Association (GFOA), the Council directed target is to maintain an unrestricted fund balance of 25% or no less than two months of regular general fund operations.

- i) To provide minimum funding to cover approximately three (3) months of operating expenses.
- ii) To provide the liquidity to respond to contingent liabilities.

**3. Contingency Reserve**

These balances are hereby defined as assigned by the City Council to allow the City to weather unpredicted cyclical and rapid downturns in the economy. These funds would be available for use in such conditions to mitigate negative economic fiscal impacts or State takeaways and can be activated within any one-budget cycle through Council action. An economic downturn would entail a projected and/or sudden drop in core revenues (major tax and service revenue loss) of equal to or greater than 10% (including the impact of inflation) and/or a change in economic parameters (such as interest rates, debt service rates, pension and health rates) that cause a material change in expenditures of 10% or more, or the occurrence of a local natural disaster or unexpected financial claim requiring the immediate use of cash balances.

**4. Water and Sewer Fund Balances**

The City should maintain the balances in the Water and Sewer Funds at a level sufficient to accommodate operating and capital needs. This reserve is recommended at 33% of annual expenditures, including estimated capital improvements. Multi-year fee studies for these funds should be updated periodically as a basis for defining the revenue sources necessary to maintain system infrastructure and required services levels.

**5. Workers' Compensation and Liability Insurance Funding**

Periodic actuarial studies of self-insured workers' compensation and general liabilities will be conducted to ensure that proper levels of liabilities are accrued for claims and that rates charged to operating departments are appropriate. Currently Redwood Empire Municipal Insurance Fund (REMIF) provides this service to the city.

**6. Infrastructure / Equipment Replacement Funding**

Building and equipment replacement fund should be established and maintained to provide for the timely replacement of vehicles and other operating capital equipment. This fund is to be reviewed on an annual basis and rates charged to the using departments based on the depreciation guidelines.

**IX. FINANCIAL REPORTING POLICIES:**

1. The City's accounting and financial reports are to be maintained in conformance with GAAP.
2. An annual financial audit will be performed by an independent public accounting firm familiar with municipal government activities. The independent auditor will issue an audit opinion to be included in the City's Annual Financial Statements Report. Additionally, the Director of Administrative Services will present the Audited Financial Statements and the Auditors Letter to the City Council, including any audit findings.
3. Internal financial status reports are to be issued on a periodic and timely basis, as needed.
4. The City is to record the depreciation of equipment, buildings and facilities, and infrastructure as follows and in line with internally established capitalization guidelines included within Resolution 2016-76 Appendix D

**X. REVIEW AND UPDATE**

This financial policy will be reviewed periodically and updated, if necessary, to reflect any changing requirements.

City of Cotati

City Reserve Policy

Resolution 2009-50

**RESOLUTION NO. 2009-50**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI  
ESTABLISHING A GENERAL FUND RESERVE**

**RECITALS**

**WHEREAS**, City staff has advised the City Council and the Cotati community that the City's General Fund has been, and is projected to be, significantly out of balance. An unprecedented combination of circumstances has resulted in projected deficits far beyond the City's capacity to absorb them; and

**WHEREAS**, the City has drawn down all of the existing General Fund fund balance and is projecting that the General Fund will run out of money prior to the end of Fiscal Year 09-10; and

**WHEREAS**, the City Council held a noticed public hearing on July 22, 2009 to consider calling a special election to seek voter approval of a proposed general transactions and use tax (or "sales tax"), as authorized by Revenue and Taxation Code section 7285.9; and

**WHEREAS**, at the conclusion of that hearing, the City Council concluded that all of the information presented indicated that an emergency existed in the City, and that the Council should call an election as soon as possible to ask the voters of the City to approve a 5-year increase in the local transactions and use tax ("sales tax"), the revenue from which could be used to support general municipal services. The next regularly scheduled election at which voters could consider a proposed tax is November 3, 2009; and

**WHEREAS**, in connection with asking the City's voters to increase the sales tax temporarily and to further the goal of restoring and maintaining the City's financial stability, the City Council desires to establish a general fund reserve that would provide a source of funding in the event of future emergencies and reduce the possibility of asking the voters to approve additional tax increases; and,

**WHEREAS**, the City Council desires to build a General Fund operating contingency reserve equal to not less than twenty five percent (25%) of the total General Fund operating budget (expenditures) by the beginning of FY 2014-2015.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cotati that the foregoing Recitals are true and correct and are hereby adopted by the City Council. Based on those Recitals, the Council finds and declares as follows:

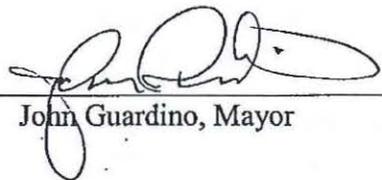
1. The City hereby establishes a General Fund operating contingency reserve. The reserve shall be determined to be fully funded when an amount not less than 25% of the General Fund operating budget (total current expenditures) is designated as reserved in the City's general fund financial statements. Until such time, the following amounts shall be set aside by the City each fiscal year as part of the annual budget adoption process:
  - a. If a general transactions and use tax is approved by the voters of the City of Cotati on November 3, 2009:  
Thirty percent (30%) of the general transactions and use tax.

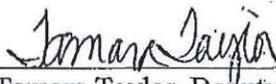
The amount to be reserved will be estimated for FY 09-10. The amount to be reserved for FY 10-11 will be based on the tax revenue received in FY 09-10 adjusted to reflect a full year of revenue. Subsequent years amounts will be based on the prior year's tax revenue.

- b. If a General transactions and use tax is not approved by or presented to the voters of the City of Cotati:  
Seven percent (7%) of the total revenues (excluding operating transfers) received by the City in the previous fiscal year.
- 2. At such time as the general operating reserve is determined to be fully funded, the City Council will determine the amount of reserve contribution for subsequent fiscal years as part of the annual budget process. The reserve amount for the following fiscal year shall be set no later than May 31 of each year.
- 3. Funds designated in the general operating reserve shall not be drawn on except in the face of a major economic crisis of calamitous dimension which threatens the City's financial stability. In such a case, the Council will take formal action by resolution determining that multiple adverse factors exist that warrant the use of the reserve funds and establishing a plan for restoring the reserve fund balance.

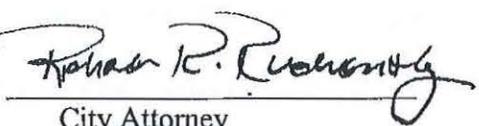
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a regular meeting of the City Council of the City of Cotati held on the 22nd day of July by the following vote, to wit:

GUARDINO	<u>Yes</u>
COLEMAN-SENGHOR	<u>Yes</u>
BARICH	<u>Yes</u>
GILARDI	<u>Yes</u>
ORCHARD	<u>Yes</u>

Approved:   
John Guardino, Mayor

Attest:   
Tamara Taylor, Deputy City Clerk



Approved as to form:  
  
City Attorney

# City of Cotati Investment Policy

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## **I. POLICY**

It is the policy of the City of Cotati to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City of Cotati and conforming to all state and local statutes governing the investment of public funds.

The City of Cotati shall strive to maintain the level of investment of all idle funds as near 100 percent as possible, through daily and projected cash flow determinations. Idle cash management and investment transactions are the responsibility of the Administrative Services Director or his/her designee.

## **II. SCOPE**

The City of Cotati pools all cash for investment purposes and this policy is applicable to all current City funds or any new funds created. These funds include: the General Fund, capital projects funds, special revenue funds, enterprise funds, fiduciary funds.

Exceptions to pooling of investments are bond fund reserves. Bond fund reserves have conditions imposed by bond indentures which require a segregation of funds. Bond fund reserves accrue investment earnings directly to the reserved funds as required by the bond prospectus. For bond fund reserves, the investment policy is stipulated by the bond indenture.

## **III. PRUDENCE**

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

The City Manager, the Administrative Services Director and other individuals assigned to manage the investment portfolio, acting within the intent and scope of the investment policy and other written procedures 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 manner and appropriate action is taken to control adverse developments.

## **IV. OBJECTIVES**

### **1. Safety of Principal**

Safety of principal is the foremost objective of the City's investment policy. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by: (1) limiting the average maturity of the City's investment portfolio to three years, (2) limiting the maximum maturity of any one security to five years, and (3) structuring the portfolio based on historic and current cash flow analysis. This policy eliminates the need to sell securities prior to maturity and avoids the purchase of securities for the sole purpose of short-term speculation. It is recognized, however, that in a diversified investment portfolio, occasional measured losses are inevitable and must be considered within the context of the overall investment return and current economic circumstances.

## 2. Liquidity

The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements reasonably anticipated. Historical and current cash flow needs are analyzed continually.

## 3. Return on Investment

The City's investment portfolio shall be designed to attain a market-average rate of return through economic cycles.

## 4. Social and Political Considerations

In addition, the City recognizes that it shall strive to be aware of the social, political and environmental impacts of its investments, and subsequently to act responsibly in making its financial decisions.

The City shall not knowingly make any investments in any institution, company, corporation, subsidiary or affiliate that practices or supports directly or indirectly through its actions discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference or physical disability.

The City shall strive to make investments that benefit the local area and are consistent with the City's plans and policies. Priority shall be given to investments that promote community economic development, for example, by doing business with local banks provided that the criteria for safety, liquidity and yield are met.

## **V. DELEGATION OF AUTHORITY**

The City Council, by Resolution, assigned the responsibility of investing idle funds to the Administrative Services Director. The Administrative Services Director, or his/her designee, shall have day to day responsibility of the investment program and shall establish procedures for routine operations consistent with this investment policy. In accordance with California Government Code Section 53646, the treasurer or chief fiscal officer of a local agency may file reports on the status of their investment portfolios with their respective legislative body, internal

auditor, and chief executive officer. These reports generally are intended to provide the legislative body the ability to meet its fiduciary obligations as a trustee and to increase the disclosure of the agency’s investment activities to those outside the agency. As such the Administrative Services Director shall provide the required investment reports to the City Manager on a requested basis as well as directly to the City Council on a periodic basis.

**VI. ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or that impairs their ability to make impartial investment decisions. Employees and investment officials shall disclose any material financial interest that could be related to the performance of the City's investment portfolio.

**VII. SAFEKEEPING OF SECURITIES**

The City's account with its broker-dealer is insured for \$500,000 by the Security Investor Protection Corporation (SIPC), and for an additional \$9.5 million under a policy maintained by the broker-dealer. This policy picks up where SIPC coverage ends, protecting the City account from loss due to failure of the broker-dealer. The policy provides up to \$9.5 million in coverage per customer.

**VIII. Permitted Investments**

The City is authorized by State law to invest in the following types of securities. The following tables include the maximum maturities for and maximum percentage or dollar amounts that may be invested in specific investment types:

Investment Type	Maximum % or \$	Maximum Maturity	Minimum Required Rating
<b>Bank/Time Deposits</b>	None	5 years	N/A
<b>U.S. Treasuries</b>	None	5 years	N/A
<b>U.S. Agencies</b>	75% (25% for one issuer)	5 years	N/A
<b>Money Market Funds</b>	20% (10% with one mutual fund)	N/A	N/A
<b>Bankers Acceptances</b>	30% (5% with one bank)	180 days	A1/P1
<b>Commercial Paper</b>	25% (5% with one firm)	270 days	A1/P1
<b>Negotiable CDs</b>	30% (5% with one bank)	5 years	A < 1 year
<b>LAIF</b>	Per State Statute	N/A	N/A
<b>CAMP/Caltrust</b>	None	N/A	N/A
<b>County Pooled Investment Funds</b>	None	None	None
<b>CDs Non-Negotiable/ CDARS</b>	30% (5% with one bank)	3 years	N/A
<b>Municipal Obligations</b>	5% with one agency	5 years	A
<b>Medium Term Notes</b>	30%	5 years	A
<b>Supranational</b>	2%	5 years	AAA

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.

## IX. Permitted Investments, Continued

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):

- 1) Bank/Time Deposits – Deposits in banks or other depository institutions that may be in the form of demand accounts (checking) or investments in accounts that have a fixed term and negotiated rate of interest.
- 2) U.S. Government Treasury Bills and Notes – Debt obligations of the U.S. Government sold by the Treasury Department in the forms of bills, notes, and bonds. 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 10 years or more.
- 3) U.S. Agencies – represents two types of bonds: (1) bonds issued or guaranteed by U.S. federal government agencies; and (2) bonds issued by government-sponsored enterprises (GSEs) corporations created by Congress to foster a public purpose, such as affordable housing.
- 4) 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:
  - i) U.S. Government or federal agency securities and repurchase agreements,
  - ii) Tax exempt obligations or other investment instruments specifically included in the local investment policy
- 5) Bankers Acceptances (BA) – A draft or bill of exchange accepted by a bank or trust company. The accepting institution, as well as the issuer, guarantees payment of the bill. We will only invest in these when there is an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
- 6) 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.
- 7) 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.
- 8) State of California Local Agency Investment Fund (LAIF) - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.
- 9) CalTrust / California Asset Management Program (CAMP) – A form of Joint Powers Authority Pool or Local Government Investment Pool. These funds are not subject to the same SEC rules applicable to money market mutual funds.
- 10) County Pooled Investment Funds - The aggregate of all funds from public agencies placed in the custody of the county treasurer or chief finance officer for investment and reinvestment.

## Permitted Investments, Continued

11) 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.

12) 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:

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.

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.

13) Medium Term 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.

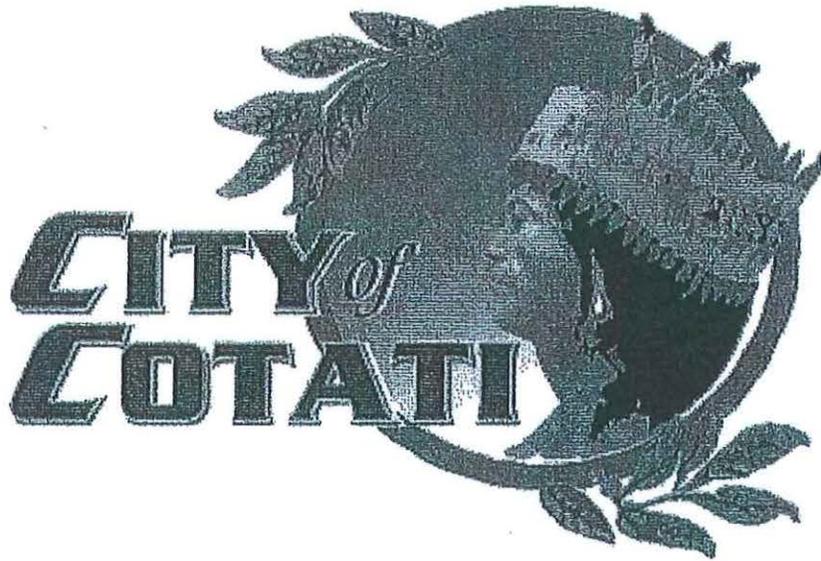
If a corporate note owned by the City is downgraded by either Moody’s or S&P to a level below the quality required by this Investment Policy, it shall be the City’s policy to review the credit situation and make a determination as to whether to sell or retain such a corporate note in the portfolio.

- i) If a security is downgraded two grades below the level required by the City, the security shall be sold immediately.
- ii) 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 Director of Administrative Services 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 to the City Council.

14) Supranational - Must be rated “AAA” or better by a nationally recognized rating 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.

## X. POLICY REVIEW

The City's investment policy shall be reviewed periodically to ensure its consistency with the overall objectives and preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any State of California legislative action that further restricts allowable maturities or percentage allocations will be incorporated into the City's investment policy and supersede any and all previous applicable language. Amendments to the policy shall be forwarded to the City Council for approval.



# Purchasing Policy

Resolution 08-70 and CRA -207

## I. PURPOSE AND SCOPE

This policy provides purchasing guidelines and applies to all City purchases.

## II. POLICY STATEMENT

In accordance with the policy framework set forth in Chapter 3.36 of the municipal code, City purchases and contracts (including rentals and leases) will be made pursuant to these guidelines.

## III. DEFINITIONS

A. "Professional services" means services such as, but not limited to, the services of attorneys, physicians, architects, engineers and other consultants or individuals or organizations possessing a high degree of technical skill.

B. "Public works project" shall be defined in accordance with the Uniform Public Construction Cost Accounting Act (Public Contract Code §22002).

C. "Responsible bidder" means a person or entity who has the capability in all respects to fulfill the contract requirements.

D. "Services" means any and all work performed or service rendered by independent contractors, with or without the furnishing of material, excluding contracts for public works projects or professional services.

E. "Supplies", "materials", and "equipment" mean any and all articles or things which shall be furnished to or used by any department of the City, including those items purchased by the City and furnished to contractors for use in public works projects.

## IV. PROVISIONS / PROCEDURES

### A. GENERAL PURCHASING PROCEDURES

#### 1) Petty Cash

Petty Cash Funds, in an amount not to exceed \$800, will be maintained at City Hall. Petty Cash claims must be approved by the appropriate department head and accompanied by supporting documentation. The maximum amount that can be expended on a petty cash receipt is \$50.00. Petty Cash funds are to be used for reimbursement only.

#### 2) Credit Card

Administrative Services may issue City credit cards as directed by the City Manager only. Issued cards shall be used in accordance with the Policies and Procedures for Use of City Credit Cards (Exhibit 'A' attached). City Of Cotati

credit cards should never be used to circumvent established competitive purchasing procedures.

### 3) Due Diligence

Any official of the City authorized to make purchases shall, before making same, secure accurate and comparative cost information concerning the articles to be purchased, and shall act to procure for the City the needed quality and quantity of supplies, materials and equipment at the least expense to the City.

## B. COMPETITIVE BIDDING GUIDELINES FOR THE PURCHASE OF INVENTORY MATERIALS, SUPPLIES, EQUIPMENT, AND SERVICES

The following guidelines shall be utilized for the purchase of inventory materials, supplies, equipment and services:

- 1) Purchases of five thousand (\$5,000.00) dollars or less may be authorized by the City Manager or designee(s) and may be made based on informal quotes, either in writing or taken verbally.
- 2) Purchases greater than five thousand (\$5,000.01) dollars up to twenty-five thousand (\$25,000.00) dollars shall be made based on written quotations from vendors provided a budget appropriation for the purchase has been approved by the City Council. If a budget appropriation for the purchase has not been approved, or if the dollar amount is greater than the approved budget, then the purchase shall require City Council approval.
- 3) For purchases greater than twenty-five thousand (\$25,000.01) dollars, the purchase shall be approved by the City Council through a sealed competitive bid process as outlined below:
  - (a) Notice inviting bids shall include a general description of the services and/or articles to be purchased or sold, where bid documents may be obtained (if applicable), the time and place for bid openings, and whether a bid deposit or bond will be required.
  - (b) Notice inviting bids shall be advertised in a newspaper of general circulation in the City.
  - (c) The City Manager or designee(s) shall also directly solicit sealed bids from known responsible prospective suppliers and may advertise the notice inviting bids in applicable publications.
  - (d) When deemed necessary by the City Manager or City Council, any bidder may be required to submit a bid deposit or bond in an amount determined by the City Manager or City Council. Bidders shall be entitled to return of bid security provided that a successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the City is responsible for the delay. The City Council may, on refusal or failure of the successful bidder to execute the contract, award

it to the next lowest bidder. If the City Council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the City to the difference between the low bid and the second lowest bid, the surplus, if any, shall be returned to the lowest bidder.

(e) When deemed necessary by the City Manager or City Council, any person or entity entering into a contract with the City may be required to furnish a faithful performance deposit bond in an amount determined by the City Manager or City Council.

(f) Sealed bids shall be submitted to the City Clerk and shall be identified as bids on the envelope. Bids shall be opened in public at the time and place stated in the public notices.

(g) At its discretion, the City Council may reject all bids presented and re-advertise for bids.

(h) Contracts shall be awarded by the City Council to the lowest responsible bidder, except as otherwise provided herein.

(i) If two (2) or more bids received from responsible bidders are for the same total amount or unit price, quality and service being equal, preference shall be given to the local vendor, or the City Council may accept the lowest bid made by negotiation with the bidders and the City Manager or designee(s) at the time of bid opening.

#### 4) GUIDELINES FOR EVALUATING BIDS SHALL INCLUDE:

(a) The ability, capacity and skill of the bidder to perform the contract or provide the service required.

(b) The ability of the bidder to perform the contract or provide the service promptly, or within the time specified, without delay or interference.

(c) The reputation and experience of the bidder, including the City's previous experience with the bidder.

(d) The quality, availability and adaptability of the supplies, materials or contractual services to the particular use required.

(e) The ability and availability of the bidder to provide future maintenance and service for the use of the subject of the contract.

(f) The conditions attached to the bid by the bidder.

#### C. REQUESTS FOR QUOTATION, REQUESTS FOR PROPOSAL, AND AGREEMENTS FOR PROFESSIONAL SERVICES

Request for Quotations or Proposals and Agreements for Professional Services will be awarded pursuant to the following guidelines:

1) Agreements for Professional Services estimated to cost less than twenty-five thousand dollars (up to \$24,999.99) may be awarded by the City Manager provided a budget appropriation for the service has been approved by the City Council. Although no specific purchasing requirements are established for this level of contract, three proposals should be solicited whenever practical.

2) Requests for Quotation (RFQ) or Requests for Proposal (RFP) for professional services estimated to be twenty five thousand (\$25,000.00) dollars or greater may be issued by the City Manager provided a budget appropriation for the service has been approved by the City Council. If no RFP is issued, three proposals shall be solicited. The award of the contract shall be approved by the City Council.

3) Contracts for Professional Services estimated to cost more than twenty five thousand (\$25,000.00) dollars will generally be awarded pursuant to the following guidelines; however it is recognized that the City's need for consultant services will vary from situation to situation, and accordingly, flexibility will be provided in determining the appropriate evaluation and selection process to be used in each specific circumstance.

4) Cost shall not be the sole criteria in selecting the successful bidder. Consultant proposals will be evaluated based on a combination of factors that result in the best value to the City, including but not limited to:

- (a) Understanding of the work required by the City.
- (b) Quality and responsiveness of the proposal.
- (c) Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the City.
- (d) Recent experience in successfully performing similar services.
- (e) Proposed methodology for completing the work.
- (f) References.
- (g) Background and related experience of the specific individuals to be assigned to the project.
- (h) Proposed compensation.

#### D. SERVICE CONTRACTS

1) For services which are purchased repeatedly throughout a year, the bidding procedures used shall be consistent with the estimated cumulative expenditures during a twelve (12) month period. All contracted services shall be formalized in a contract, signed by the City Manager or designee(s).

2) For the purchase of contracted services, the City's Competitive Bidding Guidelines (Section B above) are applicable and shall be followed.

#### E. SOLE SOURCE PURCHASES

Commodities and services, which can only be obtained from one vendor, are exempt from competitive bidding. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area, or a certain product has been proven to be the only product that is acceptable. All sole source purchases shall be supported by written documentation signed by the City Manager or designee(s). An example of sole source is where equipment, supplies or materials are required in order to be compatible with existing equipment or to perform a complex or unique function. Final determination that an item is a valid sole source purchase will be made by the City Manager. Final determination shall not be delegated.

#### G. STATE COOPERATIVE PURCHASING

The City will endeavor to utilize the State Cooperative Purchasing; the League of California Purchasing Pool; and other public agencies operating local pools or allowing piggyback purchasing. When utilizing such pools, bidding requirements set forth herein shall be deemed to be met.

#### H. RECYCLED PRODUCTS

The City Council adopted a Source Reduction and Recycling Procurement Policy on September 9, 1992 which is attached as Exhibit "B".

#### I. LOCAL VENDOR PREFERENCE

In order to promote local business activity which may result in increased jobs and increased revenue, a 5% (five percent) preference shall be granted to local vendors in those City purchases requiring competitive bidding. To qualify for this preference, local vendors must have their principal place of business within the City of Cotati and must have a current City business license.

Guidelines for determination are as follows:

- 1) A five percent (5%) preference to local vendors.
- 2) The total preference amount granted shall not exceed \$5,000 (i.e. 5% of \$100,000). Preferences only apply to the procurement of material, equipment, supplies, and services as set forth in this policy. They do not apply to purchases procured under Federal or State requirements, State Cooperative Purchasing, cooperative purchases with other agencies, or Public Works projects subject to Public Contract Code. For professional services, vendor selection is based primarily on qualifications and project schedule, with cost a secondary concern. Nonetheless, the local preference will be taken into account in reaching a final consultant selection decision.

- 2) Local preference provisions may be waived by the City Manager when the conditions of Federal, State, or private grant monies prohibit such preference or otherwise conflict with this policy.
- 4) Local bidders must bid with same or comparable specifications as required of non-local bidders.
- 5) To qualify for the preference, local bidders must submit proof of the address of their principal place of business and a copy of their current City Business License.

#### J. EMERGENCY EXEMPTION

The City Manager exclusively shall have authority to dispense with the requirements of subsection (B) (1) and (2) of this section if emergency conditions are deemed to exist. An emergency shall be deemed to exist if:

1. There is a great public calamity such as a flood, fire or earthquake;
2. There is an immediate need to prepare for national or local defense;
3. There is a breakdown in machinery or an essential service which requires the immediate purchase of supplies and equipment to provide essential city services;
4. An essential departmental operation affecting the public health, welfare or safety would be greatly hampered if the prescribed purchasing procedure would cause an undue delay in procurement of the needed item.

#### K. PUBLIC PROJECT CONTRACTS

See Cotati Municipal Code Chapter 3.4

#### V. RESPONSIBILITIES AND REVIEW

A. *Responsibility for Review:* Director of Administrative Services

B. *Review Period:* 5 Years

**CITY OF COTATI  
POLICIES AND PROCEDURES  
FOR USE OF CITY CREDIT CARDS**

**Purpose of City Credit Card.** A City credit card shall be issued to employees for the purpose of making small-dollar purchases, securing reservations, paying travel expenses, placing phone orders, and doing City business in the most efficient manner. The City credit card is intended to replace the use of petty cash and small open purchase orders. Use of the City credit card is not intended to replace effective procurement planning.

**Acknowledgement and Receipt of Credit Card.** When a City credit card is issued, the Finance Department shall ask the employee to sign a form acknowledging his/her understanding of the policies and procedures for the use of the City credit card and acknowledging the receipt of the credit card.

**Cardholder and Approving Official.** The Cardholder is the employee whose name is on the City credit card. Each Cardholder is assigned to an Approving Official, who is generally a City department head or his/her designee.

The Approving Official authorizes employees to be Cardholders, establishes additional restrictions if any on the use of the City credit card, approves Cardholder purchases, verifies that purchases comply with City policies and include proper documentation, and authorizes payment.

**Restricted Use of City Credit Card.** The following restrictions are placed on all City credit cards:

- a. Credit cards are issued to City employees for the sole purpose of conducting official business of the City. Improper use of a City credit card will be treated as misuse of public funds and will subject the Cardholder to disciplinary action up to and including termination and prosecution.
- b. The City credit card is for the Cardholder's use only.
- c. Cardholders must ensure that sufficient funds are available prior to making purchases. The Approving Official or the Finance Department can assist the Cardholder with the budget review.
- d. Purchases cannot exceed the single transaction limit or the 30-day limit established for the City credit card. Purchases must not be split to circumvent purchasing policies.
- e. Additional restrictions or prohibited uses of the City credit card may be required by the Approving Official.

**Prohibited Uses.** The City credit card shall not be used for the following:

- a. Any personal items and personal services, including massage parlors and escort services.
- b. Cash advances, wire transfers, money orders, etc.
- c. Betting, casino gaming, or related activities.
- d. Political or religious organizations.
- e. Court costs, fines, bail or bonds.

## Exhibit "A"

- f. Rental or lease payments, except for small pieces of equipment to be used for less than a week in duration.
- g. Purchases of items for which the City has purchase discount agreements, unless it is an emergency situation and approved by the Approving Official.
- h. Purchase of telephone services including pagers and calling cards, except for telephone calls charged to a hotel/motel room.
- i. Alcoholic beverages.
- j. Other prohibited/restricted uses required by the Approving Official.

**Safekeeping of City Credit Card.** The Cardholder is responsible for the security of the City credit card. If the City credit card is used infrequently, the Finance Department shall store the credit card while it is not in use. The Finance Department shall maintain a sign in/out sheet for stored credit cards.

**Credit Card Purchase and Statement Procedure.** Cardholders shall complete the following steps with each purchase:

- a. Require the vendor to provide the following information on the sales draft:
  - 1. Imprint of City credit card.
  - 2. Imprint of vendor name and identification.
  - 3. Date of purchase.
  - 4. Amount of sales tax and amount of total purchase.
  - 5. Brief but specific description of items being purchased.
- b. Retain the sales draft with accompanying receipt/invoice.
- c. For telephone orders, record order on a Log of Telephone Credit Card Orders form.
- d. For mail orders, maintain a copy of the order form.

Cardholders shall complete the following steps upon receipt of the credit card statement, which is sent to the Cardholder in care of City Hall at the end of the billing cycle:

- a. Balance all sales drafts, logs and order forms to the statement, which will show all transactions made during the billing cycle. All items must be accounted for on the statement with a supporting sales draft, receipt/invoice, log entry and order form. If the Cardholder had no purchases during the billing cycle, no statement will be generated.
- b. Indicate the account number to be charged for each item by writing it on the statement.
- c. Within three (3) days of receipt of the credit card statement, submit the balanced statement with attached sales drafts, receipts/invoices, logs and order forms to the Approving Official for approval and payment processing.

**Billing Errors and Returned Items.** If a purchased item is billed incorrectly, the Cardholder is responsible for contacting the vendor within ten (10) days after the date of the purchase on items in dispute which appear as transactions on the statement. The Cardholder shall cross out the transaction on the statement, indicating "questioned item", and provide a brief written explanation.

If a purchased item is returned, the Cardholder is responsible for contacting the vendor and requesting a credit transaction. The Cardholder shall cross out the transaction on the statement, indicating "pending credit".

Exhibit "A"

**Replacement of Worn Out/Defective Card.** If a City credit card needs to be replaced, the Cardholder shall notify the Approving Officer who will forward the worn out/defective card to the Finance Department for replacement.

**Lost or Stolen Credit Card.** Should a Cardholder lose or have his/her City credit card stolen, it is his/her responsibility to contact the bank immediately at (800) 227-6736. Within one (1) working day, the Cardholder shall also notify the Approving Official and provide the following information: Cardholder's complete name; City credit card number; date reported to police, if stolen; date the bank was notified, and; any purchase(s) made on the day the card was lost or stolen. The Approving Official will forward the information to the Finance Department. A new City credit card will be mailed to the Cardholder within one week from the time the loss or theft is reported to the bank by the Cardholder.

**Cardholder Changes.** Changes to a Cardholder's name or address shall be reported immediately to the Approving Official who will forward the information to the Finance Department. Upon leaving the City or transferring to another City department, the Cardholder shall return the City credit card to the Approving Official who will forward the card to the Finance Department.

Exhibit B

CITY OF COTATI

Source Reduction and Recycling Procurement Policy

PURPOSE

To increase the recycled-content products purchased and used by the City of Cotati, its contractors, and its grantees.

To provide guidance to the City staff in evaluating the purchase of products for City uses.

To reduce the amount of solid waste the City generates into local landfills.

To develop a market for the purchasing of recycled-content products.

DEFINITIONS

Recovered material: Waste material and by-products that have been recovered or diverted from solid products generated from and commonly reused within an original manufacturing process.

Post-consumer recovered material: Paper, paperboard and fibrous wastes from retail stores, office buildings, homes, etc. after they have passed through their end usage as a consumer item. Items such as, but not limited to used corrugated boxes, old newspapers, mixed waste paper.

Pre-consumer recovered material: Material or by-products generated during and after manufacturing of a product is completed, but before the product reaches the end use consumer. Examples include, but are not limited to, obsolete inventory of finished goods, rejected unused stock, and other paper waste generated during printing, cutting and other converting operations.

Recycled product: Any product that is at least partially composed of secondary waste. California Public Contracts Code, Section 12200 states that a recycled product shall have "...no less than 50 percent of its weight of which consists of secondary and post-consumer waste with not less than 10 percent of its total weight consisting of post-consumer waste. A recycled product shall include any product which could have been disposed of as solid waste having completed its life cycle as a consumer item, but otherwise is refurbished for reuse without substantial alteration of its form."

## BACKGROUND

The California Integrated Waste Act of 1989, AB 939 (Chapter 1095, Stats. 1989), requires cities and counties to divert 25 percent of solid waste from landfills through source reduction, recycling and composting by January 1, 1995. By January 1, 2000, a 50 percent diversion is mandated. To reach these goals, the City of Cotati is committed to continue reducing solid waste and to promote recycling programs through example. The City offices have been recycling paper, and purchasing recyclable materials such as paper cups for 5 years. A City Ordinance #515 was passed on 07-25-89 which banned the use of polystyrene products. For the past two years the City has also purchased Christmas cards on recycled paper.

It doesn't matter how much used paper is collected, or how many bottles and cans are diverted from the garbage truck. A recycling program will fail unless someone is willing to convert those materials to new productive uses and someone is willing to purchase recycled products.

The purchasing of recycled-content products is necessary to close the recycling loop. City leadership in this area is considered essential to promoting such purchasing among private businesses and the general public, and reflects the City's recycling philosophy and commitment of creating markets for recycled products. Not only will this lead to reduction of solid waste into landfills but will also reduce demands on natural resources.

## POLICY

### A. Recycled Content Preference

It is the policy of the City of Cotati to purchase functional products which contain, in order of preference:

- 1) the highest percentage of post-consumer recovered material available in the marketplace; and
- 2) the highest percentage of pre-consumer recovered material available in the marketplace.

### B. Recyclability and Waste Reduction

In addition to the recovered material content of a product (or service, as appropriate) important criteria in selecting products shall also include:

- 1) the ability of the product and its packaging to be reused, reconditioned for use, or recycled through existing collection programs; and

- 2) the volume and toxicity of waste and by-product a given product and its packaging generate in their production, use, recycling and disposal. Products and packaging designed to minimize waste and toxic by-products in their production, use, recycling and disposal shall be selected.

C. Equipment Capability

Equipment purchased or rented by the City shall be compatible with the use of recycled-content products. If deemed impracticable, a specific reason for such a finding must be included in the purchasing record.

D. Purchasing, Specifications and Bid Solicitations

Several items containing recycled materials include paper and paper products, lubricating oils, retread tires, building products, compost, cement and concrete. Guides will be kept on file at City Hall for reference to recycled-content product and vendor listing.

Product specifications and purchasing for products shall conform to the following guidelines:

- 1) specifications and purchasing shall not require the use of products made from virgin materials, nor specifically exclude the use of recycled-content products;
- 2) performance standards must be reasonable and related to function, and shall not be designed to exclude the purchase of recycled-content products;
- 3) the City Manager has the authority to specify a minimum recycled-content standard in bid solicitations to accomplish the purposes of this policy;
- 4) all contractors for the City will recycle all recyclable materials from the job site. Items include wood scraps, compostable materials, etc.
- 5) a 10% price preference may be given to recycled products, reusable products offered or alternatives to disposable products and products designed to be recycled where they are offered as alternatives to non-recycled products. The preference percentage shall be based on the best quality/lowest bid or price quoted by the supplier(s) offering non-recycled products.

E. Promotion

All current and future City vendors and service providers shall be apprised of this policy at the time competitive bids or proposals are solicited and at other appropriate opportunities.

When recycled products are used, reasonable efforts shall be undertaken to label the products to indicate that they contain recycled materials. This includes mast-head stationery and envelopes used by the City.

F. Certification

All product providers shall be required to certify the minimum, if not exact, percentage of post-consumer recovered material and total recovered material contained in products purchased by the City. If no recovered material has been used, then a provider would certify zero recycled-content.

G. Implementation

Implementation will begin on (DATE) or ninety days after the adoption of the policy.

H. Waivers and Exceptions

In the instances where procurement of recycled items is impracticable, or where barriers exist in the procurement of recycled items, a specific justification for waiving this policy shall be included in the Monitoring and Annual Accountability Report.

I. Monitoring and Annual Accountability Report

An annual status report to the City Council and the Environmental Advisory Commission will be prepared and presented by staff on the implementation of this policy. Each department shall submit an annual report of accessibility of recycled products, which products are now purchased, who the vendors are, and the areas for which they need vendor lists. The report shall also identify and discuss:

- 1) instances where this policy is waived or its requirements found impracticable; and
- 2) barriers to the procurement of recycled-content products; and
- 3) the name of the vendor and/or contractor who did not comply with specifications in a contract or agreement, including, but not limited to, those who do not recycle recyclable materials from a job site.

RESOLUTION NO. 92-69

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI  
ADOPTING A SOURCE REDUCTION AND RECYCLING PROCUREMENT POLICY

WHEREAS, the volume of material disposed of at the county landfill has been increasing annually, and

WHEREAS, sanitary landfill space is at a premium and it is becoming increasingly difficult to site new landfills, and

WHEREAS, much of the material that enters the waste stream can be recycled, reused or incorporated in the manufacture of new products, and

WHEREAS, city participation in and promotion of recycling programs can significantly reduce the volume of material entering the waste stream thereby extending county landfill life expectancy and reducing expenses, and

WHEREAS, for recycling programs to be effective, markets must be developed for products that incorporate post-consumer materials in their manufacture, are reusable or are designed to be recycled, and

WHEREAS, California State Law requires that local agencies buy recycled and recyclable products if fitness, quality and price are equal to non-recycled products and allows local agencies to adopt purchasing preferences for these products.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cotati does hereby adopt a source reduction and recycling procurement policy in accordance with the State mandated requirements of AB 939 attached and incorporated by reference.

\* \* \* \* \*

IT IS HEREBY CERTIFIED that the foregoing resolution was duly passed at a regular meeting held on the 9th day of September, 1992, by the following vote to wit:

ELLES:	<u>Yes</u>
CULLINEN:	<u>Yes</u>
BERKEMEIER:	<u>Yes</u>
MILLER:	<u>Yes</u>
WIRT:	<u>Yes</u>

Approved: *William J. Kelly*  
Mayor

Attest: *David L. ...*  
Deputy City Clerk

**RESOLUTION NO. 08-70 AND CRA-207**

**A RESOLUTION OF THE CITY COUNCIL AND THE BOARD OF  
DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY OF  
THE CITY OF COTATI,  
ESTABLISHING A PURCHASING POLICY**

WHEREAS, on September 23<sup>rd</sup>, 1992 the City Council of the City of Cotati Adopted Ordinance No. 575 Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and,

WHEREAS, on January 13<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance 584 Amending Section 3.40.010 of the Cotati Municipal Code for the Purpose of Defining "Public Project"; and,

WHEREAS, on May 26<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance No. 602 Amending Section 3.36.090 and Adding Section 3.40.070 to the Cotati Municipal Code with Respect to Purchasing Procedures and,

WHEREAS, the City has determined that Ordinance Nos. 575 and 602 are outdated and require revision and expansion to clarify and re-establish the City's purchasing procedures; and,

WHEREAS, the City has determined that Chapter 3.40 of the Cotati Municipal Code should be replaced in its entirety, thereby eliminating the need for Ordinance No. 584; and

WHEREAS, the City has adopted an Ordinance Superseding Ordinance Nos. 575, 584, and 602 Amending the City of Cotati Municipal Code Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and

WHEREAS, the Ordinance requires that the City adopt a purchasing policy by Resolution; and

WHEREAS, said policy is attached to this resolution as Exhibit "A"

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COTATI DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

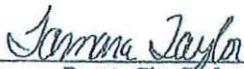
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a joint meeting of the City Council of the City of Cotati and

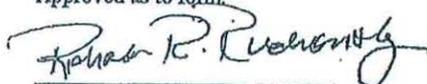
**FILE COPY**

the Board of Directors of the Cotati Community Redevelopment Agency held on the 24th day of September, 2008, by the following vote, to wit:

GILARDI	<u>Yes</u>
GUARDINO	<u>Yes</u>
FOX	<u>Yes</u>
MINNIS	<u>Yes</u>
ORCHARD	<u>Yes</u>

Approved:   
Mayor

Attest:   
Deputy City Clerk

Approved as to form:  
  
City Attorney

ORDINANCE NO. 816

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COTATI,  
SUPERSEDING ORDINANCE NOS. 575, NO. 584 AND NO. 602, AMENDING THE  
CITY OF COTATI MUNICIPAL CODE ESTABLISHING A CITY PURCHASING  
PROCEDURE AND AN ALTERNATIVE PROCEDURE FOR PUBLIC PROJECTS**

WHEREAS, on September 23<sup>rd</sup>, 1992 the City Council of the City of Cotati Adopted Ordinance No. 575 Establishing a City Purchasing Procedure and an Alternative Procedure for Public Projects; and,

WHEREAS, on January 13<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance 584 Amending Section 3.40.010 of the Cotati Municipal Code for the Purpose of Defining "Public Project"; and,

WHEREAS, on May 26<sup>th</sup>, 1993 the City Council of the City of Cotati Adopted Ordinance No. 602 Amending Section 3.36.090 and Adding Section 3.40.070 to the Cotati Municipal Code with Respect to Purchasing Procedures and,

WHEREAS, the City feels that Ordinance Nos. 575 and 602 are outdated and should be revised and expanded to clarify and re-establish the City's purchasing procedures; and,

WHEREAS, the City feels that Chapter 3.40 of the Cotati Municipal Code should be replaced in its entirety, thereby eliminating the need for Ordinance No. 584;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COTATI DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

The City Council of the City of Cotati, State of California, does ordain as follows:

**Section 1.**

Chapters 3.36 and 3.40 of the Cotati Municipal Code are hereby amended to read as follows:

**CITY PURCHASING PROCEDURE**

**Sections:**

3.36.010 Expenditures – Compliance Required

3.36.020 Delegated Authority to Purchase

**3.36.010 Expenditures - - Compliance Required.**

All expenditures of City funds in connection with purchases must be made strictly in accordance with the duly adopted budget, and in order that budgetary control may be effectively exercised,

must be made in conformance with the City of Cotati purchasing policy. This policy will be adopted by City Council Resolution.

3.36.020 Delegated Authority to Purchase.

- A. The City Manager or designee(s) shall be granted authority to purchase. The City Manager or designee(s) shall develop and maintain a current purchasing policy for all City purchases in accordance with this chapter and any other applicable rules and regulations prescribed by the City Council.
- B. The City Manager or designee(s) shall have the authority to purchase or contract for supplies and equipment required by any department in accordance with:
  - 1. Amounts specified in the currently adopted City budget.
  - 2. City of Cotati purchasing policy.
  - 3. Other rules and regulations as prescribed by the City Council or state law.

**PUBLIC PROJECT CONTRACTS**

Sections:

- 3.40.010. Definition
- 3.40.020. Intent – Compliance with State Policy
- 3.40.030. Force Account and Informal Bidding – When Allowed
- 3.40.040. Formal Bidding – When Required
- 3.40.050. List of Qualified Contractors
- 3.40.060. Informal Bid Invitation
- 3.40.070. Council Approval for Exceptions to Informal and Formal Bidding Procedures

3.40.010 Definition.

"Public project" within the meaning of the ordinance codified in this chapter shall be defined by reference to the Uniform Public Construction Cost Accounting Act (Public Contract Code §22002). All Public Contract Code sections referenced in this section in effect at time of Ordinance adoption are included as Exhibit "A" for referenced only. The PCC section language in effect at the time of bid shall take precedence.

3.40.020 Intent - - Compliance with State Policy.

It is intended by the ordinance codified in this chapter to maintain the City's compliance with the Uniform Public Construction Cost Accounting Act, contained in the Public Contract Code, Section 22010 et seq., and to provide for the letting of all public project contracts in this City subject to, and in accordance with, the act as in effect at the date the project is bid. The City shall comply in all respects with the Public Construction Cost Accounting Policies and procedures as promulgated by the State Controller and shall cooperate with the California

Uniform Construction Cost Accounting Commission in any review of the City's accounting procedures conducted by the commission.

3.40.030 Force Account and Informal Bidding - - When Allowed.

- A. Public projects in the amount specified in Public Contract Code (PCC) section 22032 (a) or less may be performed by City employees by force account or negotiated contract.
- B. Public projects in the amount specified in PCC section 22032 (b) or less may be let to contract by informal procedures as set forth in Article 3 of Chapter 2 of the Public Contract Code commencing with Section 22030.

3.40.040 Formal Bidding - - When Required.

Public projects of more than the amount specified in PCC section 22032 (c) may be let to contract by formal bidding procedures as set forth in the PCC commencing Section 22030, particularly Section 22037.

3.40.050 List of Qualified Contractors.

A list of qualified contractors shall be maintained as per PCC Section 22034 (a)

3.40.060 Informal Bid Invitation.

Shall be in compliance with requirements of the PCC Section 22034 in effect the date the project is bid.

3.40.070 Council Approval for Exceptions.

Informal and Formal Bidding Procedures will be allowed only in accordance with PCC section 22050 in effect at the time.

**Section 2. Severability.** If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance.

The City Council hereby declares that it would have passed this and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared unconstitutional on their face or as applied.

**Section 3. Effective Date.** This ordinance shall become effective 30 days after the date of adoption.

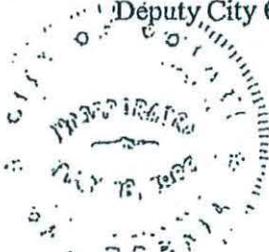
Section 4. Posting. The City Clerk shall cause this ordinance to be published and/or posted within 15 days after its adoption.

**IT IS HEREBY CERTIFIED** that the foregoing ordinance was duly adopted on the 24th day of September, 2008 at a regular meeting of the Cotati City Council by the following vote, to wit:

GILARDI	<u>Yes</u>
GUARDINO	<u>Yes</u>
FOX	<u>Yes</u>
MINNIS	<u>Yes</u>
ORCHARD	<u>Yes</u>

Approved: *Pat Milich*  
Mayor

Attest: *Samana Taylor*  
Deputy City Clerk



Approved as to form:

*Richard R. Richardson*  
City Attorney

22002. (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.

(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.

CALIFORNIA CODES  
PUBLIC CONTRACT CODE  
SECTION 22010-22020

22010. 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 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 representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance under 25,000), 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.

22011. 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. 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. The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of one year from the date of selection or February 1, whichever comes first. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.

22014. (a) The members of the commission shall hold office for

terms of three years, and until their successors are appointed, except as otherwise provided for in this section.

(b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.

(c) Members may be reappointed for subsequent terms of three years.

(d) The Controller shall, within 45 days after the expiration of any term, appoint a replacement to fill the vacancy on the commission.

22015. (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.

(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.

22016. The commission shall meet not less than once each year, at a time and place chosen by its membership.

22017. 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 which elect to utilize the uniform procedures.

As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(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 purposes 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.

22018. 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. Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests 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.

22020. 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). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to all public agencies of the adjustment. That notification shall also describe the provisions of this chapter and the benefits of using its provisions.

**RESOLUTION NO. 2016 - 76**  
**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ESTABLISHING**  
**A CAPITALIZATION POLICY**

WHEREAS, the City of Cotati desires to establish a written policy for capital assets and depreciation; and

WHEREAS, such policy will establish standard procedures for capitalizing fixed assets to facilitate the identification, reporting, safeguarding of the city assets in compliance with generally accepted financial reporting requirements; and

WHEREAS, such policy will include capitalization thresholds and methods used for estimating historical cost or fair value; and

WHEREAS, such policy strikes an appropriate balance between ensuring that all material capital assets, collectively, are capitalized and the cost of record keeping for capital assets are minimized.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cotati that the Capitalization Policy attached as Exhibit A is hereby adopted.

**IT IS HEREBY CERTIFIED** that the foregoing resolution was duly adopted at a regular joint meeting of the City Council of the City of Cotati and the Successor Agency to the Former Cotati Community Redevelopment Agency held on the 9th day of November, 2016, by the following vote, to wit:

**RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]**

**MOVER:** Susan Harvey, Vice Mayor

**SECONDER:** Wendy Skillman, Councilmember

**AYES:** Skillman, Moore, Dell'Osso, Harvey, Landman

Approved: \_\_\_\_\_

Mayor/Chair

Attest: \_\_\_\_\_

Lauren Berges, Deputy City Clerk

Approved as to form:

\_\_\_\_\_  
Robin Baird Donoghue

City Attorney

Attachments:

Exhibit A: Proposed Asset Capitalization Policy (PDF)

**City of Cotati**  
**Capital Asset Policy**

**Administrative Services Department**

201 W. Sierra Ave.

Cotati, California 94931

Effective July 1, 2016

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## 1. GENERAL INFORMATION

### Introduction

The City of Cotati's policies for the acquisition, valuation, and disposition of capital assets are contained within this document. These policies are designed to aid City departments, offices, and institutions under the control of the Board of Supervisors by clarifying the City's definition of capital assets. Relevant State Government Codes and Accounting Standards are incorporated within the policies. Proper capital asset accounting provides the City with the data necessary to:

1. Prepare financial reports.
2. Safeguard sizable investments.
3. Identify custodial responsibility.
4. Assist with risk management/insurance activities.
5. Formulate future asset acquisition and retirement policies.
6. Recover costs from Federal and State programs or fee reimbursement programs.

In order to set a the highest possible standard we will continue to compare the asset policy as described herein against the recommended Government Finance Officers Association (GFOA) Best Practices Guide on Capital Asset Procedures. Current recommendations included within the GFOA guide that are included herein include the following:

- Potentially capitalizable items should only be capitalized only if they have an estimated useful life of at least two years following the date of acquisition;
- Capitalization thresholds are best applied to individual items rather than to groups of similar items (e.g., desks and tables), unless the effect of doing so would be to eliminate a significant portion of total capital assets (e.g., books of a library district);
- In no case should a government establish a capitalization threshold of less than \$5,000 for any individual item;
- In establishing capitalization thresholds, governments that are recipients of federal awards should be aware of federal requirements that prevent the use of capitalization thresholds in excess of certain specified maximum amounts (i.e., currently \$5,000) for purposes of federal reimbursement; and
- Governments should exercise control over potentially capitalizable items that fall under the operative capitalization threshold.

### Administration Services Responsibility

It is the responsibility of the Administrative Services Department to ensure capital assets are properly accounted for by fund and asset category on the Capital Asset List.

### Departmental Responsibility

Departments are responsible for protecting and controlling the use of City assets assigned to their department. Each department shall appoint a representative to work with the Administrative Services Department to maintain accurate and up-to-date capital asset accounting records. This representative will be required to validate their departments fixed asset listing for its accuracy and completeness on a regular basis.

In addition, an annual year-end inventory is required to be completed by July 10 for each fiscal year ended June 30. To facilitate the fulfillment of the requirements of this section and

City of Cotati  
Capital Asset Policy

in order to prepare accurate financial reports, Departments are also responsible for safeguarding assets that are not defined as capital assets by the Policy Guidelines.

**2. OVERVIEW**

Capital assets are broadly defined as financial resources that are tangible or intangible in nature and have a useful life greater than two (2) years. Examples of capital asset categories are Land, Land Improvements, Buildings, Building Improvements, Infrastructure, and Equipment. The Capital Asset Policy defines capital assets under each classification, addresses useful life ranges, sets minimum capitalization thresholds, and gives examples of costs to include in the value of the capital asset. Additionally, the policy discusses the treatment of unique items such as Computer Software, Capital Leases, Self-Constructed Assets, Works of Art, Donated Assets, Construction in Progress, Costs incurred Subsequent to Acquisition, and Transfers of Assets between Funds.

Capital assets are to be accounted for at historical cost, or if cost is not practically determinable, at estimated fair market value at the time acquired or placed into service. Generally, cost includes all expenses associated with the acquisition, construction, and installation of a capital asset. If appropriate, salvage/residual values should be determined prior to recording an asset.

If the funding source of an asset is a grant, or the asset is acquired by gift or donation, the source or donor should be identified. If multiple funding sources apply, all sources should be identified.

For historical assets, if the funding source cannot be determined, the asset shall be recorded under the general fund.

Summary of Capitalization Thresholds

Although the service life of certain buildings, improvements, and equipment, may extend beyond two (2) years, the City has established minimum capitalization thresholds for administrative purposes. All purchases below the applicable class threshold are to be expensed in the current period.

TABLE 3A

Class Capitalization Threshold

Land	\$ 0
Land Improvements	\$100,000
Buildings	\$100,000
Building Improvements	\$ 25,000
Infrastructure	\$ 25,000
Equipment, Furniture, & Vehicles	\$ 5,000
Intangible Assets	\$ 5,000
Capital Leases	\$ 5,000
Leasehold Improvements	\$ 25,000
Works of Art / Historical Treasures	\$ 5,000
Construction in Progress for Year End Reporting Projects expected to exceed \$ 100,000 at completion	

The classes above are further defined below in Section 4.

**3. USEFUL LIFE RANGES**

City of Cotati  
Capital Asset Policy

Useful lives are determined by suggested useful life tables and professional judgment, since similar capital assets may have different useful lives depending on how and where they are used. Questions about the useful life of a specific asset should be decided upon jointly by department personnel and the Administration Services Department. Items that have useful lives of less than two (2) years are not to be capitalized.

TABLE 3B

Overview of Standard Useful Lives by Asset Type:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Public Domain Infrastructure	50
System Infrastructure	10 – 40
Vehicles and Equipment	5 – 10
Other Assets	2+

Budgetary Control

Annually, the City Council considers capital asset acquisitions as part of the budget process. Please refer to the budgetary policy for further understanding of the procedures performed.

TABLE 3C

Capital Accounts – Governmental Activities

Land	Vehicles
Construction in Progress	Improvements
Buildings	Other Assets
Infrastructure	Intangibles
Machinery and Equipment	Capital Leases

Capital Accounts – Business-Type Activities

Land	Pipelines and Collection
Construction in Progress	Systems
Water wells	Machinery and Equipment
Reservoirs	Other Assets
Buildings and Improvements	Intangibles
	Capital Leases

**4. ACQUISITION OF CAPITAL ASSETS**

Definitions:

*Land and Land Improvements*

**Land** includes all investments in real property other than structures and land improvements.

**Land Improvements** are non-building assets that enhance the quality or facilitate the use of land.

Examples of depreciable land improvements include parking lots, driveways, sidewalks, retaining walls, fencing, outdoor lighting, landscaping, irrigation systems,

City of Cotati  
Capital Asset Policy

recreation areas, athletic fields and courts, and fountains. Land improvements such as fill, grading, and excavation that provide permanent benefits and incur limited deterioration with use or the passage of time are to be classified with land as non-depreciable.

**Capitalization:** All Land is to be capitalized. Land Improvements valued at or over the threshold defined in Table 3A above will be capitalized.

**Valuation:** The cost of land includes all expenditures in connection with acquisition and preparation for use such as, but not limited to: Purchase Price Appraisal and negotiation fees Title search and filing/recording fees Relocation costs, costs of consents Clearing, filling, and grading land for use, condemnation costs, demolishing or removing structures, surveying fees, hazardous waste clean-up. (Receipts from the sales of salvage should be credited against the land cost.)

In the case of land and buildings acquired as a single parcel, the value of the land and buildings should be determined individually and recorded separately into their respective capital accounts.

*Construction in Progress*

**Construction in Progress** includes new construction or improvements to land, buildings, or infrastructure that have not been physically completed or have not had all project costs processed by fiscal year-end and the final cost of which is expected to exceed the threshold defined in Table 3A above. Construction in Progress expenditures shall be reported to the Administration Services at the end of each fiscal year as the sum of the expenditures to date by project, to be classified under Construction in Progress account.

*Infrastructure*

**Infrastructure** is categorized as community service assets that are long-lived, generally stationary in nature, and normally preserved for a significantly greater number of years than most capital assets. Examples are pavements, curbs, gutters, and sidewalks associated with roadways, bridges, sewer systems, water distribution systems, and water drainage systems.

**Expansions and Improvements** to infrastructure are those capital outlays that increase the asset's capacity or level of service, such as adding lanes to a road.

**Capitalization:** Infrastructure and infrastructure improvements valued at or over the threshold defined in Table 3A above will be capitalized. Refer to "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information.

**Valuation:** The cost of Infrastructure includes the purchase price, contract prices, internal costs (see Self-Constructed Assets paragraph), and any other expenditures necessary to put the infrastructure into its intended state of operation. Refer to the Buildings paragraph for examples of costs to include.

Land purchased for infrastructure projects shall be capitalized into the Land account.

Preservation costs that significantly extend the useful life of an asset beyond its original estimated useful life, but do not increase the capacity of the asset, are generally capitalized. Examples are seismic retrofitting bridges and reconstructing, recycling, or overlaying pavement.

Maintenance costs allow an infrastructure asset to continue to operate at its intended level of service during its originally established useful life and are not to be capitalized.

*Buildings and Building Improvements*

**Buildings** are structures that are physical property of a permanent nature that enclose people, equipment, services, or functions. Buildings may include major high cost components such as boilers, elevators, HVAC systems, and roofs. If practical, these components should be recorded separately in the capital asset system to simplify future replacement transactions and because their useful lives can differ from buildings.

**Building Improvements** are additions or improvements to buildings that increase the value or extend the useful life of a building. Refer to "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information. Examples include replacing major building components, structural additions to a building, major energy conservation projects, installation of upgraded plumbing or electrical systems, and major renovations of exterior structural deterioration.

Capitalization: Buildings and Building Improvements valued at or over the threshold defined in Table 3A above will be capitalized.

Valuation: The cost of Buildings and Building Improvements includes all expenditures in connection with acquisition or construction, such as:

Purchase price or construction costs, fixtures attached to the structure, filing and other closing costs, inspections and tests, architects' fees, payment of damages, cost of permits and licenses, accident or injury costs, insurance during construction.

The cost shall be reduced for Sale of salvage from materials charged against the construction, discounts, allowances and rebates secured, amounts recovered through surrender of liability and casualty insurance.

For Proprietary Funds only, the actual or imputed interest costs associated with the construction, period shall be capitalized in accordance with Financial Accounting Standards Board (FASB), Statement No. 34, FASB Statement No. 62, and supplemental updates.

*Equipment*

**Equipment** includes physical moveable personal property such as machines, tools, furniture, vehicles, aircraft, mobile home/office trailers, and computer servers. Equipment does not include major systems integrated into a building or structure such as elevators, boilers, roofs, or HVAC. Software capital assets are managed within the Equipment capital account (see Computer Software paragraph).

Capitalization: Individual units valued at or over the threshold defined in Table 3A above .

The group method for capitalization may apply in limited circumstances for equipment. Grouping includes a number of different units purchased at the same time whose defined purpose is to work in conjunction with one another, their independent operation is not feasible, and replacement of which is intended as a whole. Purchase of multiple identical units (e.g. 4 printers @ \$1,850 ea.) rarely represents valid grouping. Examples of valid grouping are:

- Computer systems comprised of hardware and software components designed to work exclusively with one another
- Unique multi-device systems for communications or vehicles

Valuation: The cost of equipment includes all costs necessary to acquire and place the equipment into service, such as:

City of Cotati  
Capital Asset Policy

Purchase or construction price, less discounts, Installation Costs, Freight or other carriage charges Initial operational training, Sale, use, or transportation taxes

The cost of new equipment should not be reduced by the value of trade-ins. Trade-ins shall be retired from the capital asset and financial systems, and any resultant gain or loss for the asset being traded-in should be recognized on its disposition for Proprietary Funds.

*Intangible Assets*

**Intangible assets** are financial assets that lack physical substance. Common examples of intangible assets are easements, rights-of-way, and computer software.

**Software Capitalization:** An individual software application or license purchased for City use shall be capitalized if it meets the criteria for capitalization at Section 2. **Software Valuation:** Software purchased as a component of a system designed to work exclusively with specific hardware shall be capitalized with the hardware using the group method as noted in the equipment paragraph above. Computer software developed or obtained for internal use shall follow the capital asset guidance provided in the AICPA SOP 98-1. Vendor modifications, such as patches and version upgrades, used to keep software in a usable state as opposed to adding significant new capabilities, should be charged as maintenance expense.

*Capital Leases*

**Capital lease** is a lease that transfers substantially all the benefits and risks of ownership of property to the City at the end of the lease term. If the cost of the property exceeds its class's capitalization threshold and the lease meets one of the four requirements listed below, as defined by Financial Accounting Standards Board (FASB) Statement 13, then it shall be considered a capital lease and accounted for as a capital asset:

1. The lease transfers ownership of the property to the City by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term equals 75% or more of the estimated economic useful life of the leased property.
4. The present value of the minimum lease payments exceeds 90% or more of the fair market value of the lease property at the date of the lease agreement.

(The last two criteria do not apply when the asset is already in the last quarter of its economic life, which includes the asset's economic life prior to the lease.)

For Proprietary Funds only, the actual or imputed interest costs associated with capital leases shall also be capitalized in accordance with FASB Statement No. 34, FASB Statement No. 62, and supplemental updates.

*Leasehold Improvements*

Leasehold Improvements are improvements to buildings or structures that the City leases to be used during the term of that lease. Leasehold improvements are permanent in nature in that they involve physical modifications to a leased property. As such, moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement.

City of Cotati  
Capital Asset Policy

Leasehold improvements do not have a residual value as they revert to the lessor at the expiration of the lease.

Leasehold improvements are capitalized by the City and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent shall not be capitalized. If the lease contains an option to renew and the likelihood of renewal is uncertain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement, whichever is shorter.

*Eminent Domain*

**Eminent Domain** is the acquisition of private property for public use. The value of a capital asset obtained through eminent domain shall include all direct costs included in reaching a settlement with the seller.

*Works of Art and Historical Treasures*

Works of Art and City Historical Treasures are defined as collections of works of art, historical treasures, and similar assets as one or more items which are considered inexhaustible and held for public exhibition, educational purposes, or research in enhancement of public service instead of financial gain.

These types of assets shall be capitalized and recorded at historical cost and are not to be depreciated. Items that require major renovations exceeding the thresholds established in this policy should be depreciated.

*Donated Assets*

**Donated Assets** to the City are to be recorded at their fair market value as of the date of acceptance by the City Council plus any ancillary costs necessary to place those assets into service. The department receiving the donation is responsible for obtaining and providing written information required to create a Capital Asset record. Surplus property purchased at nominal prices far below actual value are in part a donation and shall be valued at the estimated fair market value at the time of acquisition.

**5. ADDITIONAL CAPITAL ASSET ISSUES**

**Treatment of Costs Subsequent to Acquisition**

Major expenditures that increase future benefits from an existing capital asset beyond its previously assessed standard of performance shall be capitalized. After a capital asset has been placed into service, subsequent expenditures are capitalized if they meet the asset's class threshold and:

1. Extend the estimated life or increase the value of the asset as per established thresholds defined in this document, or
2. Increase the future service potential, (capacity, or efficiency) of the asset, or
3. Are for a new major fixture of a building (e.g. elevator, boiler, HVAC, roof), or
4. For depreciated roads, the 'base' has been impacted by a recycle, reconstruction, overlay or other maintenance treatments that extend the life of the asset as per established threshold defined in Table 3A under Infrastructure .

The determination as to whether expenditures meet any of these factors shall be made by an evaluation of engineering design, physical condition, cost, and other relevant factors.

City of Cotati  
Capital Asset Policy

Alteration or remodeling of buildings, costs to change the physical structure or arrangement of capital assets that do not extend the building's useful life shall not be capitalized.

*Repairs and Maintenance*

**Repairs and Maintenance** are defined as expenditures, which neither materially add to the value of property nor prolong its life, but merely maintain its original level of service or condition. Maintenance costs are not to be capitalized.

*Depreciation*

**Depreciation** is the process of allocating the cost of depreciable capital assets over a period of time, rather than incurring the entire cost as an expense in the year of acquisition. This process recognizes an asset's periodic cost of use and declining usefulness over time. Land, certain land improvements, and certain works of art and historical treasures are inexhaustible and are therefore not depreciated.

As a matter of policy, the City has elected to adopt the straight-line method of depreciation, unless there is clear evidence indicating that the expected consumption of an asset will significantly change as the asset ages.

The calculation of depreciation expense for assets with a straight-line life is as follows:

$$\frac{\text{Asset Cost} - \text{Residual Value}}{\text{Estimated Useful Life in Years}} = \text{Annual Depreciation Expense}$$

**Residual value** is the amount that can be anticipated to be recovered when the asset is no longer useful for its intended purpose. Useful life should approximate the time an asset will provide service to the City.

Capital assets that become fully depreciated and are still in use must remain in the financial capital accounts and identified within a capital asset system until they are disposed of.

*Asset Dispositions, Transfers, and Sales*

Surplus items are those that are no longer required by the asset's custodial department. These assets may be traded in for new assets, transferred to other departments, or transferred to Public Works for classification as surplus and for subsequent redistribution to other departments, sale, or disposal. Any sale, transfer, donation, disposal, or dismantling of a capital asset must receive approval from the City Manager.

All transfers and sales require an update in the capital asset system. This includes transfers and sales between funds, transfers between departments, and site location changes. In addition to a capital asset system update, a financial transaction is necessary for the transfer or sale between funds.

A transfer would remove the asset from the giving fund and record it in the receiving fund at the original acquisition cost with depreciation incurred to date.

A sale would remove the asset from the giving fund and record it in the receiving fund at the agreed upon amount.

Stolen or missing assets must be reported to the Administration Services Department immediately.

*Controlled Capital-Type Assets*

**Capital-Type Assets** are those assets that individually do not meet the capitalization threshold as discussed above, however they meet one of the requirements below and as such require special attention and management oversight.

1. Items that require special attention to ensure legal compliance. Legal or contractual provisions may require a higher than ordinary level of accountability over certain capital-type items (e.g., items acquired through grant contracts);
2. Items that require special attention to protect public safety and avoid potential liability. Some capital-type items by their very nature pose a risk to public safety and could be the source of potential liability (e.g., police weapons);
3. Items that require special attention to compensate for a heightened risk of theft (‘‘walk away’’ items). Some capital-type items are both easily transportable and readily marketable or easily diverted to personal use (e.g., sound equipment, tablet or laptop computers, Cell Phones, etc.).

Each department is required to maintain their own listing of their specific types of Capital Type Assets and maintain custody over the assets. The individuals responsible for controlled capital-type items for each department should prepare and maintain a complete list of those items each year within the department. At the close of each fiscal year, every individual assigned responsibility for controlled capital-type items should prepare a report (to be maintained within the department) that provides a complete list of those items, along with an explanation of changes from the previous year.

Departments shall provide each year by June 30 an updated list of controlled Capital Type Assets to Administrative Services. The Administrative Services Department should periodically verify the data on controlled capital-type items in each department. No less than once every five years on a rotating basis (more frequently for particularly sensitive items), Administrative Services should verify the reliability and completeness of the data on file in each department concerning controlled capital-type items.



## APPENDIX B

### CITY OF COTATI STATISTICAL SUPPLEMENTAL INFORMATION



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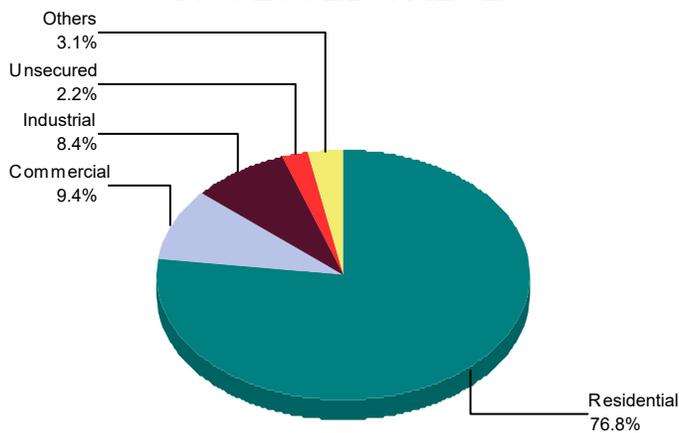
# THE CITY OF COTATI

## 2016/17 USE CATEGORY SUMMARY

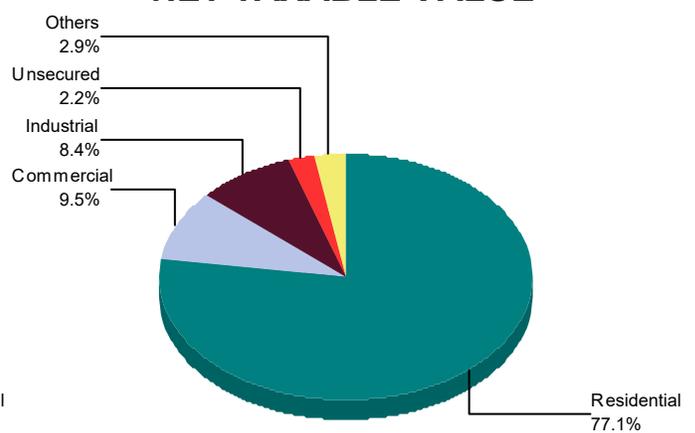
### BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,382	\$776,951,928 (76.8%)	\$767,060,996 (77.1%)
Commercial	81	\$95,296,482 (9.4%)	\$94,066,325 (9.5%)
Industrial	86	\$85,322,990 (8.4%)	\$83,370,408 (8.4%)
Govt. Owned	79	\$0 (0.0%)	\$0 (0.0%)
Institutional	15	\$4,556,402 (0.5%)	\$1,734,254 (0.2%)
Miscellaneous	10	\$559,341 (0.1%)	\$558,841 (0.1%)
Recreational	1	\$3,047,819 (0.3%)	\$3,047,819 (0.3%)
Vacant	129	\$20,879,293 (2.1%)	\$20,714,229 (2.1%)
Cross Reference	[70]	\$2,625,900 (0.3%)	\$2,521,139 (0.3%)
Unsecured	[459]	\$21,925,440 (2.2%)	\$21,771,776 (2.2%)
<b>TOTALS</b>	<b>2,783</b>	<b>\$1,011,165,595</b>	<b>\$994,845,787</b>

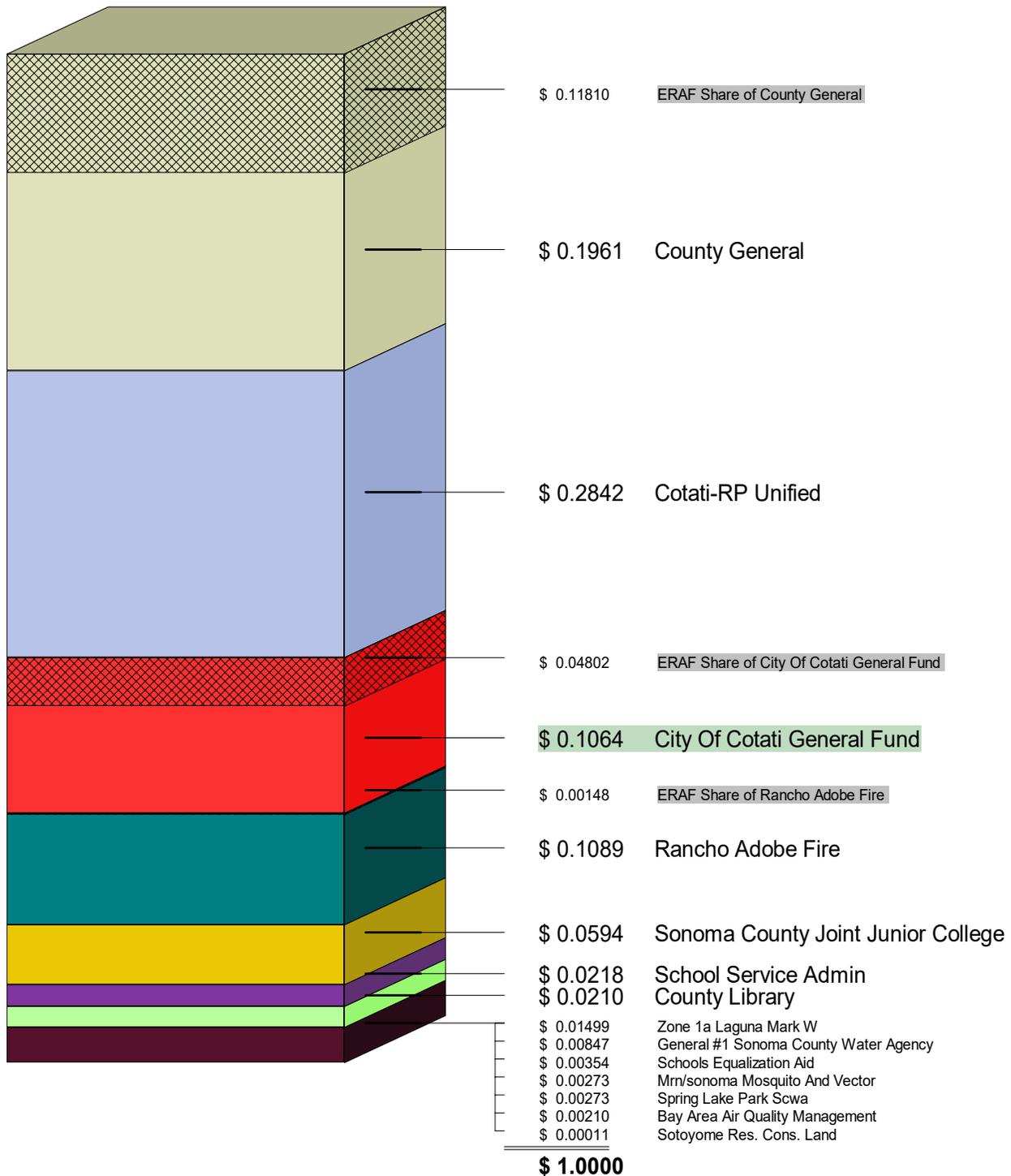
**ASSESSED VALUE**



**NET TAXABLE VALUE**



# THE CITY OF COTATI PROPERTY TAX DOLLAR BREAKDOWN



**ATI (Annual Tax Increment) Ratios for Tax Rate Area 008-002, Excluding Redevelopment Factors & Additional Debt Service**

Data Source: Sonoma County Assessor 2016/17 Annual Tax Increment Tables

Prepared On 8/16/2017 By MV

*This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone*

# THE CITY OF COTATI

## 2016/17 ROLL SUMMARY

### Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,783	0	459
TRAs	14	0	14
<b>Values</b>			
Land	381,785,479	0	142,558
Improvements	602,452,874	0	10
Personal Property	3,724,727	0	14,786,871
Fixtures	1,277,075	0	6,996,001
Aircraft	0	0	0
<b>Total Value</b>	<b>\$989,240,155</b>	<b>\$0</b>	<b>\$21,925,440</b>
<b>Exemptions</b>			
Real Estate	15,827,077	0	14
Personal Property	335,737	0	150,339
Fixtures	3,330	0	3,311
Aircraft	0	0	0
Homeowners*	9,031,400	0	0
<b>Total Exemptions*</b>	<b>\$16,166,144</b>	<b>\$0</b>	<b>\$153,664</b>
<b>Total Net Value</b>	<b>\$973,074,011</b>	<b>\$0</b>	<b>\$21,771,776</b>

Combined Values	Total
<b>Total Values</b>	<b>\$1,011,165,595</b>
<b>Total Exemptions</b>	<b>\$16,319,808</b>
<b>Net Total Values</b>	<b>\$994,845,787</b>
<b>Net Aircraft Values</b>	<b>\$0</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not Include Aircraft Values or Exemptions

**Data Source: Sonoma County Assessor 2016/17 Combined Tax Rolls**  
 This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

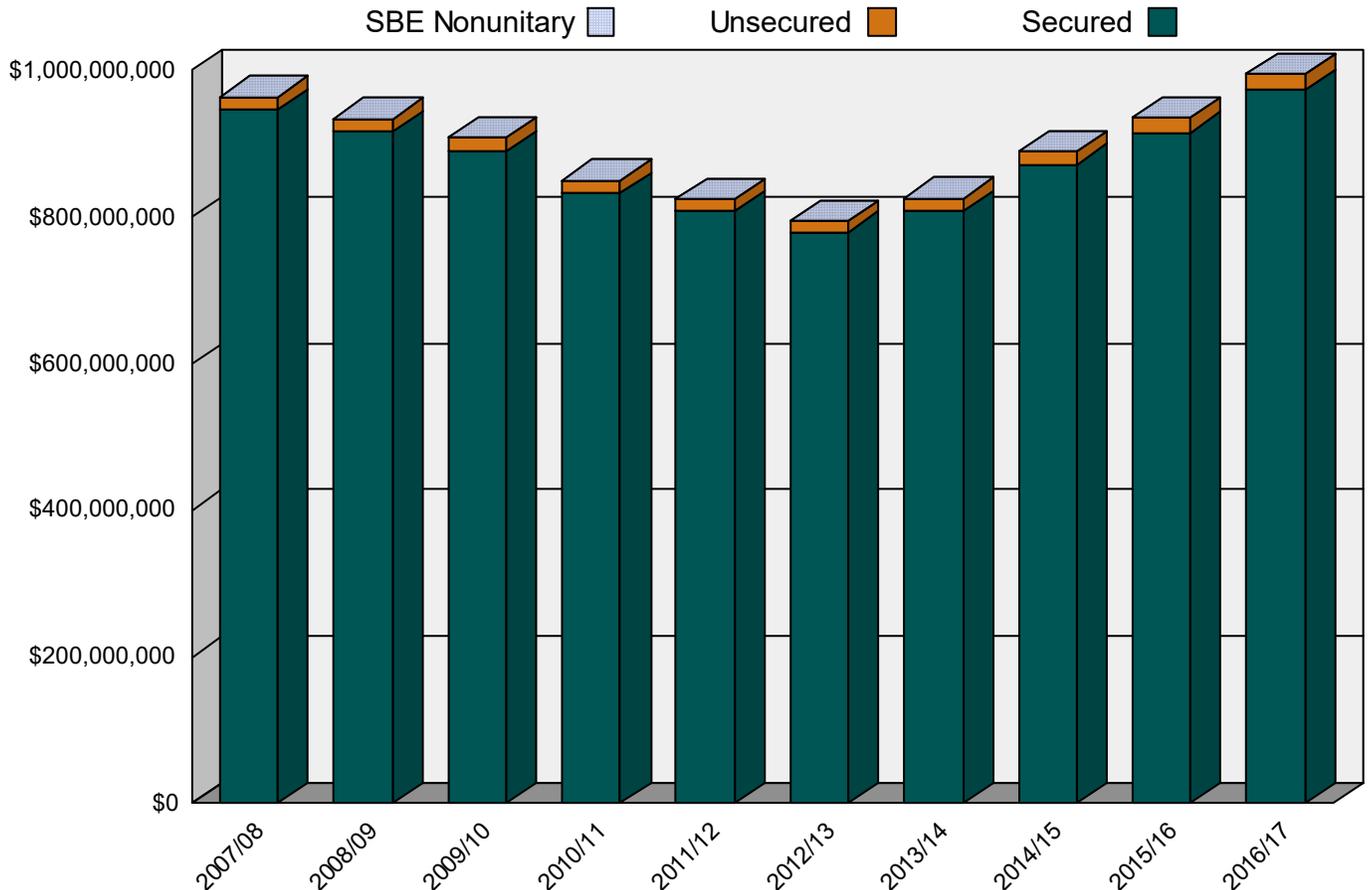
Prepared On 7/25/2017 By MV

# THE CITY OF COTATI

## NET TAXABLE ASSESSED VALUE HISTORY

2007/08 - 2016/17 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2007/08	\$945,787,436	\$18,524,631	\$0	964,312,067	
2008/09	\$916,320,734	\$17,903,697	\$0	934,224,431	-3.12%
2009/10	\$889,906,830	\$18,192,462	\$0	908,099,292	-2.80%
2010/11	\$832,214,435	\$18,050,668	\$0	850,265,103	-6.37%
2011/12	\$808,720,683	\$16,491,973	\$0	825,212,656	-2.95%
2012/13	\$779,578,530	\$15,774,279	\$0	795,352,809	-3.62%
2013/14	\$807,650,224	\$17,650,144	\$0	825,300,368	3.77%
2014/15	\$871,460,968	\$17,928,404	\$0	889,389,372	7.77%
2015/16	\$915,555,387	\$19,759,670	\$0	935,315,057	5.16%
2016/17	\$973,074,011	\$21,771,776	\$0	994,845,787	6.36%



# THE CITY OF COTATI

## ASSESSED VALUE OF TAXABLE PROPERTY

2007/08 - 2016/17 Taxable Property Values

Category	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Residential	741,156,802	702,897,577	670,820,088	621,648,644	603,464,386	584,373,933	615,360,303	678,311,562	715,961,764	767,060,996
Commercial	92,736,962	94,964,160	97,869,602	101,572,492	99,453,354	89,147,937	88,689,049	87,654,176	90,746,880	94,066,325
Industrial	75,305,860	81,584,333	83,825,217	77,432,405	77,116,354	78,086,904	76,498,597	78,236,635	81,062,360	83,370,408
Dry Farm	259,887	265,084								
Govt. Owned					0	0	0	0	0	0
Institutional	1,580,792	1,289,174	1,336,295	1,329,256	1,230,011	1,624,224	1,660,963	1,665,414	1,713,465	1,734,254
Miscellaneous	800,817	766,699	782,029	780,174	786,045	801,764	490,255	539,897	550,450	558,841
Recreational	2,692,964	2,746,822	2,801,757	2,795,116	2,816,162	2,872,484	2,929,933	2,943,234	3,002,039	3,047,819
Vacant	28,595,458	28,924,764	29,672,661	23,963,378	21,320,141	20,285,031	19,793,035	19,926,704	20,298,185	20,714,229
SBE Nonunitary	0	0								
Cross Reference	2,657,894	2,882,121	2,799,181	2,692,970	2,534,230	2,386,253	2,228,089	2,183,346	2,220,244	2,521,139
Unsecured	18,524,631	17,903,697	18,192,462	18,050,668	16,491,973	15,774,279	17,650,144	17,928,404	19,759,670	21,771,776
Exempt	[0]	[0]	[0]	[0]	[0]					
TOTALS	964,312,067	934,224,431	908,099,292	850,265,103	825,212,656	795,352,809	825,300,368	889,389,372	935,315,057	994,845,787
Total Direct Rate	0.52534	0.51481	0.52149	0.51600	0.50608	0.50168	0.10152	0.10156	0.10120	0.10108

**Notes:**

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

# THE CITY OF COTATI

## 2016/17 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value % of Net AV	Parcels	Value % of Net AV	Value % of Net AV	% of Net AV	
1) LOWES HIW INC	1	\$16,000,000 1.64%	1	\$1,839,840 8.45%	\$17,839,840	1.79%	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$7,857,434 0.81%			\$7,857,434	0.79%	Commercial Successor Agency
3) GTY-PACIFIC LEASING LLC	2	\$6,555,000 0.67%			\$6,555,000	0.66%	Commercial Successor Agency
4) VINEYARD MEADOWS APARTMENTS LP	3	\$4,896,638 0.50%			\$4,896,638	0.49%	Residential City of Cotati General Fund
5) COTATI COMMONS MARKETPLACE LLC	4	\$4,785,000 0.49%			\$4,785,000	0.48%	Vacant Successor Agency
6) REDWOOD SELF STORAGE LLC	1	\$4,774,618 0.49%			\$4,774,618	0.48%	Industrial Successor Agency
7) EMC PROPERTY COMPANY LLC	1	\$4,470,903 0.46%			\$4,470,903	0.45%	Industrial Successor Agency
8) STEVE R ORTH TRUST	1	\$4,082,560 0.42%	1	\$8,190 0.04%	\$4,090,750	0.41%	Commercial Successor Agency
9) FRANKLIN ARDEN LLC ET AL	2	\$3,945,533 0.41%			\$3,945,533	0.40%	Commercial Successor Agency
10) SHAMI APPLE VALLEY LLC	1	\$3,705,662 0.38%			\$3,705,662	0.37%	Commercial Successor Agency
<b>Top Ten Total</b>	18	\$61,073,348 6.27%	2	\$1,848,030 8.49%	\$62,921,378	6.32%	
<b>City Total</b>		\$973,870,941		\$21,771,776	\$995,642,717*		*Value includes Outer TRAs

Top Owners last edited on 7/25/17 by MaheaV using sales through 06/30/17 (Version R.1)

Data Source: Sonoma County Assessor 2016/17 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 7/25/2017 By MW

# THE CITY OF COTATI

## 2007/08 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values

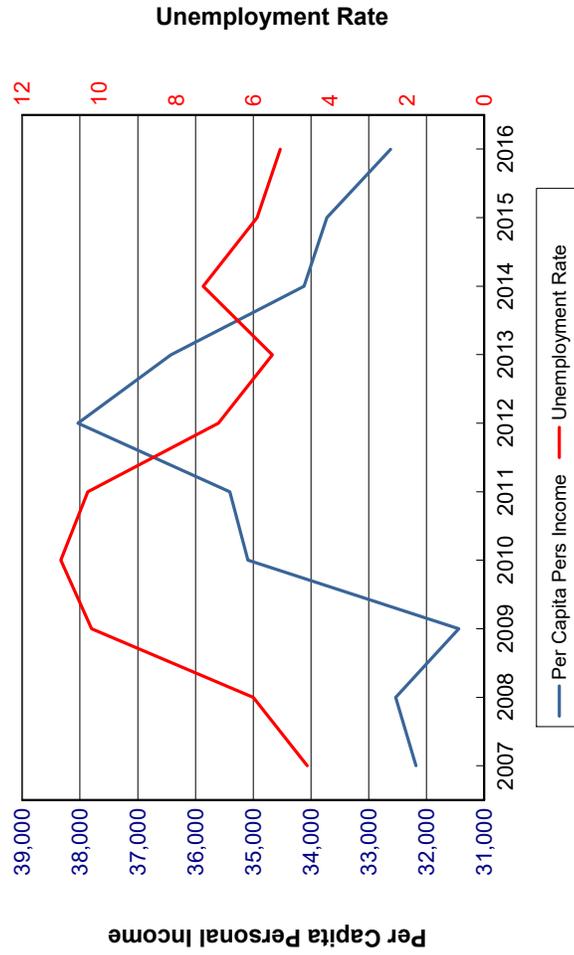
Owner	Secured		Unsecured		Combined		Primary Use & Primary Agency
	Parcels	Value % of Net AV	Parcels	Value % of Net AV	Value % of Net AV	% of Net AV	
1) LOWES HIW INC	1	\$25,167,199 2.66%			\$25,167,199 2.61%	2.61%	Commercial Successor Agency
2) RANCHO COTATI LLC	2	\$6,723,721 0.71%			\$6,723,721 0.70%	0.70%	Commercial Successor Agency
3) ROBERT J AND CORINNA C NEVE	3	\$6,571,430 0.69%			\$6,571,430 0.68%	0.68%	Industrial Successor Agency
4) COLVIN GROUP FUND LP	19	\$5,377,101 0.57%			\$5,377,101 0.56%	0.56%	Industrial Successor Agency
5) STANDARD PACIFIC CORPORATION	2	\$5,349,840 0.57%			\$5,349,840 0.55%	0.55%	Vacant Successor Agency
6) NEWMAN DEV GROUP OF COTATI	4	\$5,101,116 0.54%			\$5,101,116 0.53%	0.53%	Vacant Successor Agency
7) SCOTT P TRUST AND MARION J WILSON TRUST	1	\$4,629,780 0.49%			\$4,629,780 0.48%	0.48%	Commercial Successor Agency
8) VINEYARD MEADOWS APARTMENTS LP	3	\$4,329,003 0.46%			\$4,329,003 0.45%	0.45%	Residential City of Cotati General Fund
9) MILAN MILTON HOLDORF TRUST	1	\$4,307,763 0.45%	1	\$13,537 0.07%	\$4,321,300 0.45%	0.45%	Industrial Successor Agency
10) MICHAELA AND CHARLEEN L KENNEY	1	\$3,980,586 0.42%			\$3,980,586 0.41%	0.41%	Industrial Successor Agency
<b>Top Ten Total</b>	37	\$71,537,539 7.56%	1	\$13,537 0.07%	\$71,551,076 7.41%	7.41%	
<b>City Total</b>		\$946,860,564		\$18,524,631	\$965,385,195*		*Value includes Outer TRAs

# THE CITY OF COTATI

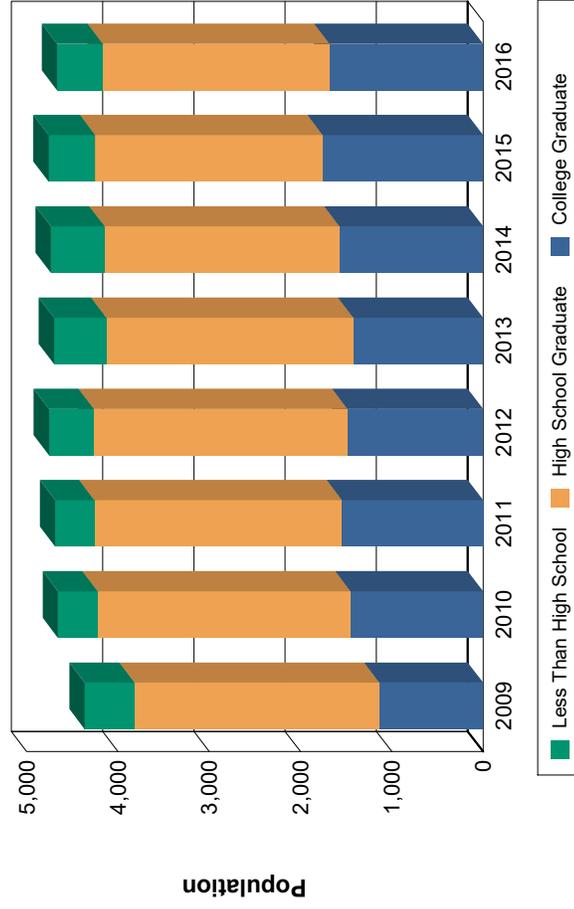
## DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2007	7,375	\$237,352	\$32,183	4.6%			
2008	7,388	\$240,341	\$32,531	6.0%	35.8	87.5%	26.1%
2009	7,418	\$233,229	\$31,441	10.2%	34.6	90.7%	31.2%
2010	7,476	\$262,355	\$35,093	11.0%	36.5	90.9%	33.0%
2011	7,276	\$257,614	\$35,406	10.3%	36.2	89.7%	31.3%
2012	7,310	\$278,021	\$38,033	6.9%	35.1	87.8%	30.3%
2013	7,288	\$265,458	\$36,424	5.5%	36.0	87.6%	33.3%
2014	7,302	\$249,130	\$33,724	5.9%	36.1	89.3%	37.0%
2015	7,153	\$241,231	\$32,622	5.3%	34.2	89.3%	36.1%
2016	7,272	\$237,228					

### Personal Income and Unemployment



### Education Level Attained for Population 25 and Over



#### Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department 2000-2009 Income, Age, and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

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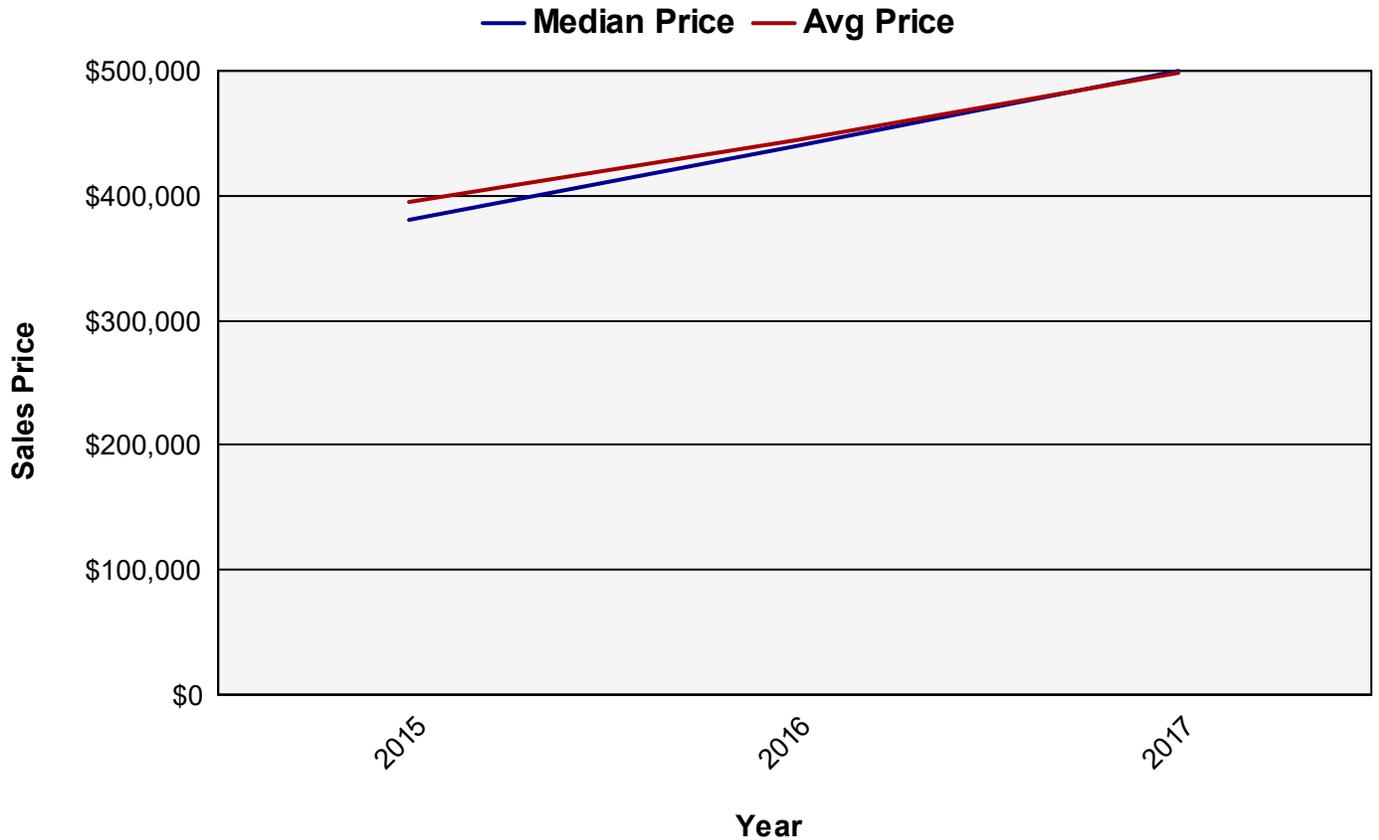
Prepared On 7/25/2017 By MV

# THE CITY OF COTATI

## SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2015 - 6/30/2017)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2015	95	\$394,344	\$380,000	
2016	121	\$444,464	\$439,000	15.53%
2017	45	\$498,867	\$500,000	13.90%



\*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: Sonoma County Recorder

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**CITY OF COTATI**  
**TOP 25 SALES TAX PRODUCERS**  
**FOR FISCAL YEAR 2016-17**

<b>Business Name</b>	<b>Business Category</b>
76/Circle K	Service Stations
B2 Enterprises	Sporting Goods/Bike Stores
Chouinard & Myhre	Business Services
Cotati Chevron	Service Stations
Cotati Chevron	Service Stations
Cotati Gas & Food Mart	Service Stations
Cotati Gas Mart	Service Stations
Instrument Technology	Contractors
Jaded Toad BBQ & Grill	Casual Dining
Lowe's	Building Materials
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Marijuana Related
Mi Pueblo	Casual Dining
Mi Ranchito Restaurant	Casual Dining
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering Co	Leisure/Entertainment
Redwood Cafe	Casual Dining
San FranStitchco	Textiles/Furnishings
Santa Rosa Hardware	Building Materials
Shamrock Materials	Contractors
Sonoma County Harley Davidson	Boats/Motorcycles
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 78.44%

\* Firms Listed Alphabetically  
 Period: April 2016 Thru March 2017

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 07/07/2017

**CITY OF COTATI**  
**TOP 25 SALES TAX PRODUCERS**  
**FOR FISCAL YEAR 2007-08**

<b>Business Name</b>	<b>Business Category</b>
Archs Glass	Paint/Glass/Wallpaper
Backdoor Disc & Tape	Music Stores
Biotherm Hydronic	Contractors
Chouinard & Myhre	Business Services
Circle K	Service Stations
Cotati Chevron	Service Stations
Cotati Gas & Food Mart	Service Stations
Door Tech	Building Materials
Dunn Edwards Paint	Paint/Glass/Wallpaper
Furniture 101	Home Furnishings
Gilmore Chevron	Service Stations
Hahns Window Center	Building Materials
Lowe's	Building Materials
McLea's Tire Service	Automotive Supply Stores
McPhail Fuel	Fuel/Ice Dealers
Michaels Harley Davidson	Boats/Motorcycles
Olivers Market	Grocery Stores
Park Avenue Catering Co	Leisure/Entertainment
Redwood Reliance Sales	Trailers/Auto Parts
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores
Zone Music	Music Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 83.68%

\* Firms Listed Alphabetically  
 Period: April 2007 Thru March 2008

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 07/07/2017

City of Cotati  
 Taxable Sales by Category  
 Last Ten Calendar Years  
 (in thousands of dollars)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 1,023	\$ 1,097	\$ 1,052	\$ 988	\$ 962	\$ 887	\$ 1,015	\$ 964	\$ 1,126	\$ 764
Eating and Drinking Places	11,340	10,783	9,538	9,756	9,744	11,703	12,020	12,212	13,784	17,682
Auto Dealers and Supplies	2,388	2,334	1,956	1,635	1,774	2,270	2,557	3,594	4,134	3,445
Service Stations	28,837	31,224	33,329	26,305	32,347	36,077	37,711	36,395	29,608	28,634
Other Retail Stores	95,646	80,024	74,019	76,457	80,621	80,843	86,727	93,023	97,285	104,360
All Other Outlets	84,876	56,535	36,131	33,356	39,297	36,955	45,791	47,613	45,836	46,205
Total	\$ 224,110	\$ 181,996	\$ 156,025	\$ 148,496	\$ 164,746	\$ 168,735	\$ 185,822	\$ 193,801	\$ 191,774	\$ 201,090

Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

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Cotati, California 94931  
[www.cotaticity.org](http://www.cotaticity.org)