



CITY OF COTATI

Fiscal Year 2020/2021

Adopted Budget



Infrastructure



Economic Development



Community Engagement

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MEET THE COTATI CITY COUNCIL



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July 1, 2019

Christopher P. Morill

Executive Director

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*Operating Budget Excellence Award
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Presented to the

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January 31, 2020



Steve Heide

*Steve Heide
CSMFO President*

Yolanda Rodriguez

*Yolanda Rodriguez, Chair
Recognition Committee*

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ORGANIZATIONAL CHART

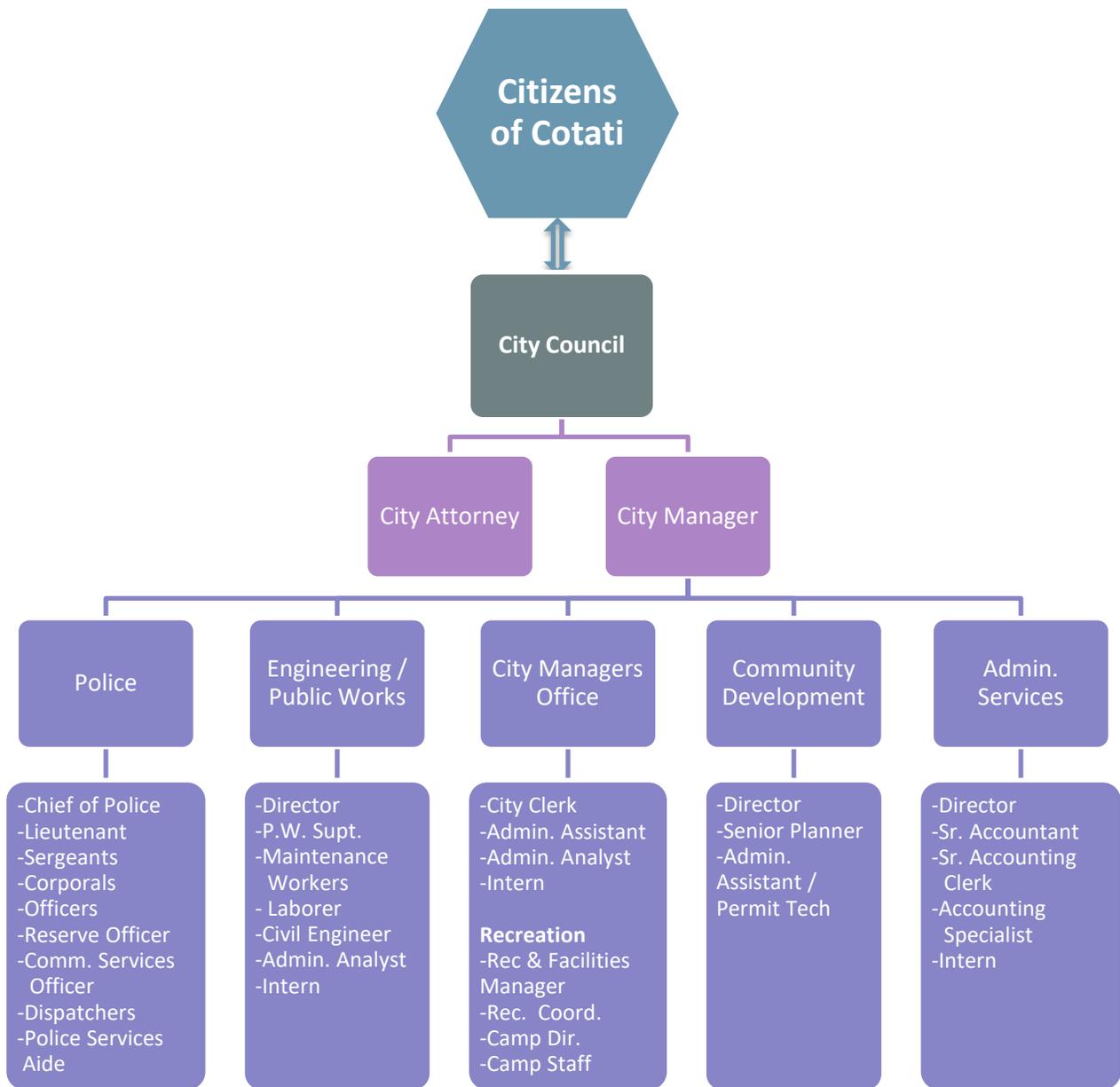


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INTRODUCTION AND OVERVIEW



i♥cotati



CITY MANAGER'S MESSAGE

Sonoma County, California

June 23, 2020

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

Attached is the City of Cotati's fiscal year 2020/21 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.

The adopted fiscal year 2020/21 General Fund budget was prepared using a conservative approach. City staff continues to be cautious and responsible in developing a budget that maintains service levels, while continuing to strategically fund projects focused on the maintenance or improved economic vitality of Cotati.

In preparing departmental budgets for the new fiscal year, department directors were instructed to analyze their department expenditures for potential savings with the goal of keeping the operational expenses flat. Each department went through a detailed budget review focusing on the Council's goals and priorities and evaluated departmental need assessments.

The COVID-19 pandemic will negatively impact our revenues, so we need to stay cognizant of those trends, remain nimble, and make pragmatic decisions accordingly as the actual impacts become known, while remaining fiscally prudent and maintaining core services. While we are focused on keeping our community safe and continuing our essential municipal services during this time; we are also focused on the future with this budget, looking toward a robust recovery plan for our City and continuing to move forward on City Council priorities. One of the primary examples of this is the A/B capital program for fiscal year 2020/21, due to the uncertainty around future revenues. The City Council has clearly communicated the need to continue the infrastructure investments. The initial "A" group of projects are a combination of projects that are critical, have substantial grant funding, or are high benefit for relatively low cost. The "B" group of projects are also important but will be re-assessed once more is known about the actual revenue impacts of the pandemic. If the revenue actuals allow, the City Council will review the projects and potentially allow one or more to move forward this fiscal year.

Highlights of the fiscal year 2020/21 budget include:

- Strategic focus on economic development to ensure the long-term vitality of the City.
- Maintenance of core services while trying to improve efficiencies and community service.
- Meeting or exceeding General Fund reserve policy target of 25%.
- Meeting or exceeding Enterprise Fund (Water & Sewer) reserve policy target of 33%.
- Due to the pandemic and associated revenue loss, creation of an A/B capital project program, which will postpone some non-grant funded capital projects, until actual revenues allow one or more to proceed.

We have presented 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. The goals, objectives, long-term planning, and departmental needs have guided the City staff in their recommendations for the fiscal year 2020/21 budget. The discussion of significant revenues and expenditure items that informed this year's plan is as follows:

Executive Summary

Economic Outlook & Intergovernmental Considerations

Since the recovery from the recession, we have benefitted from a healthy and strong-performing economy. We have seen increases in our revenues, specifically sales and property taxes, impact fees on new development, and permit fees for new construction. However, today, the exact impacts of COVID-19 are difficult to quantify due to the evolving scope, unknown duration of the pandemic, and the trailing nature of revenue actuals. Businesses, large and small, have had to close or significantly reduce service during the shelter in place. Many of these businesses provide sales tax that support the City's General Fund, which is the primary revenue source for numerous City services. Recreation services revenues is expected to be one of the hardest hit categories due to the closure of facilities during the shelter-in-place order.

While it is still early to tally the total financial costs of the shelter-in-place order on the City's General Fund, we can expect the City's finances to incur a significant reduction due to reduced sales tax and charges for services. Some economists have compared the current crisis with those of the Great Recession, or worse, the Great Depression. The Great Recession, which was triggered by the subprime mortgage crisis, started at the end of 2007 lasted about 18 months. Using the Great Recession might not be a perfect comparison, as the financial impacts of the COVID-19 shelter-in-place could be different depending on the duration as well as the level of severity of the immediate impacts.

The national economy is volatile and the chief economist at Manulife investment management put it this way, "the global macroeconomic outlook is facing unprecedented levels of uncertainty. Economies are responding to a substantial supply - and demand-side shock of a scale—and kind—of which we have precious little experience with. Markets are behaving in ways they have, quite literally, never before. Likewise, central banks worldwide are responding with tools and actions the size and scope that dwarf even the global financial crisis. Forecasting in this environment is a near-futile exercise: Macroeconomic data significantly lags real-time developments and the parameters by which we're able to contextualize them meaningfully change on an almost hourly basis." Economists often focus on gross domestic product (GDP) as a key indicator look at to assess the health of an economy. GDP measures the nation's production output. The US economy shrank by an annualized 4.8% in the first quarter of 2020, ending the longest period of expansion in the country's history. In the long-term, the United States GDP Growth Rate is projected to trend around 1.70 percent in 2021 and 1.90 percent in 2022, according to federal reporting econometric models.

The California economy is expected to remain just as volatile as the national economy, where California is projected to see 18.8% unemployment during May 2020 because of the Covid-19 pandemic. COVID-19 ended the longest recovery period in the state's history. The recession that is following has caused massive job losses, precipitous drops in family and business income, and is exacerbating inequality. Overall, the state is forecasting a peak unemployment rate of 24.5% to hit during the second quarter of 2020. Additionally, they are estimating an overall decline in personal income of nearly 9% for the remaining 2020 year.

For Sonoma County, the rise in unemployment rates is a consistent issue with that of the state. The unemployment rate in the Sonoma County was 15.2% in April 2020 and is projected to see a 19% unemployment rate in May 2020 because of the Covid-19 pandemic. These unemployment rates are significantly up from a revised 3.7 % in March 2020, and above the year-ago estimate of 2.5%. Not only is the unemployment rate causing a significant impact to the local economy, but the closing of all non -essential business limited the ability to locally purchase goods and services , and shut down most of tourism and entertainment industries, which are a large part of the economy in Sonoma County. This in turn has accelerated trends to shop and do business online, which can also impact the long-term viability of local businesses.

While Cotati is not unaffected by the significant impacts due to Covid-19, due to the specific mix of the revenues for the City, we are currently estimating only a 4% decrease on overall City revenues compared to the adopted budget for Fiscal Year 2019/20. Approximately 80 percent of the current revenue for general funds is dependent on property taxes and sales tax, with 30 percent of this combined total from the voter-approved Measure G sales tax (approximately 50% of all sales tax revenue). However, inflationary costs, turmoil in the insurance markets, and other factors continue to increase operational expenses. Therefore, the City remains focused maintaining sufficient operating reserves, while securing and diversifying revenues to ensure revenue stability through the current downturn and to provide long term funding for priority community services and infrastructure. With a continued strategy of economic development, the City is (1) supporting hotel development in order to create meaningful Transient Occupancy Taxes (TOT) income and bring visitors into local Cotati businesses to support our existing business community, (2) supporting the development of the cannabis industry in Cotati, which will provide new revenue through the local cannabis business tax, and (3) focusing on economic development in key areas of the City to support existing businesses and promote new development in the Northern Gateway and Highway 116. Development of these areas will provide new services to residents and further shore up the economic foundation of Cotati. With this economic strategy in place, the City will be able to better serve its residents and the diversify the revenue to provide more revenue stability into the future.

Short-term City-Wide Factors Influencing Decisions

City staff continue to be cautious and responsible in developing a budget that strives to improve service levels, while developing a phased capital project plan to preserve operating reserves that allows the City to continually reassess revenue actuals and “turn on” projects as revenue certainty becomes available. 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 of key factors that were assumed to affect each individual department’s budget, including but not limited to:

- Assist in revenue estimations based on known or anticipated developments and economic factors
- Human Resources adjustments due to labor agreements, pension payments, employee turnover due to retirements and internal position changes.
- Determining if new or on-going contract services will have City wide benefit, and therefore be allocated using a reasonable basis, or if the service is exclusively for a certain department and will therefore be charged directly to the lead department.
- Estimating unknown expenditures for utilities, general insurance, or legal counsel.
- Debt and investment payments.

The 2020/21 City budget recognizes the need for a conservative approach to managing expenditures while providing a balance of maintaining existing high-quality programs, services and infrastructure, to best meet the goals and priorities of the City and its residents.

Priorities & Issues

The budget continues to meet the prudent financial reserve goals of City Council, which calls for a General Fund operating contingency reserve of not less than 25% of the total General Fund operating budget for the fiscal year (Resolution 2009-50). The adopted budget includes a reserve level that continues to exceed this goal set by City Council. Although the current year budget continues to meet the City Council reserve policy, the City still faces some medium and longer term challenges:

- **Economic Development:** Due to anticipated growth slowdown for Property Taxes due to the Proposition 8 recapture and insufficient diversification of revenue, the City is focused on diversifying the current sources of revenue to provide a more stable and resilient general fund. Economic development also continues to grow the local economy, adds new goods and services locally, creates new jobs and contributes taxes to support services for our community. This is complimented by General Fund reserves, which provide financial stability and allows the City to respond to changes in revenue projections, expenditure needs, and unforeseen economic erosion or expansion.
- **Measure G Expiration** (1 cent Sales Tax). Voter approved Measure G locally controlled funding is set to expire in March 2023. The City must begin planning for the expiration of Measure G to ensure continued fiscal stability to support core services to our residents at levels expected, including public safety.
- **CalPERS unfunded liability:** the CalPERS pension program continues to be an area of attention for the City. CalPERS continued the modification of their discount rate, which affects unfunded liability projections, and is expected to peak in 2025. Unfunded liability is simply a mismatch between a pension plan's estimated obligations and assets. Defined benefit pension plans such as CalPERS are 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 employee retirement benefits are improved, the pension system can find themselves facing a funding gap, or unfunded liability. In short, the benefits owed to current and future retirees exceed the amount of money the plan has, and is projected to have, to meet the future obligations. Staff is working with CalPERS and outside experts to further study and address the City's portion of unfunded liability.

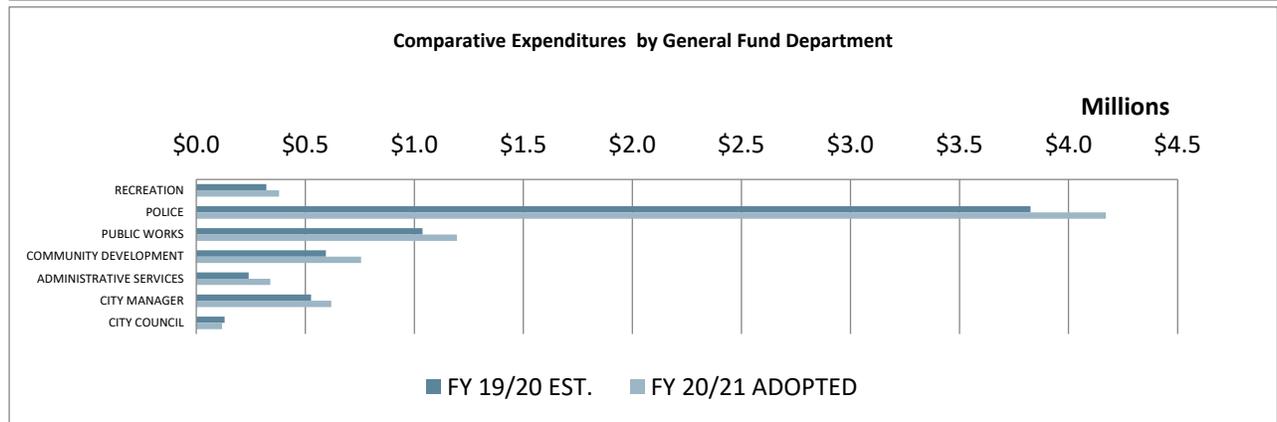
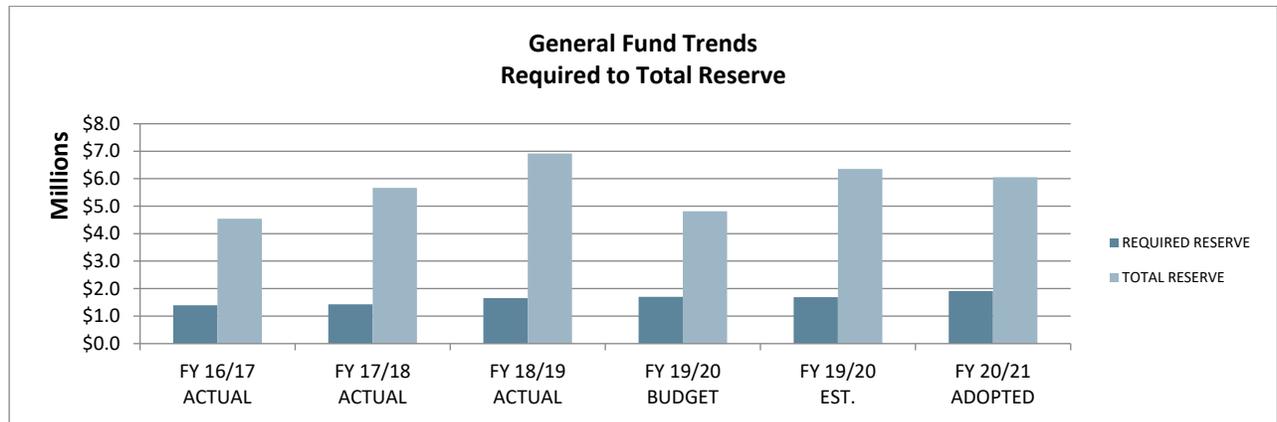
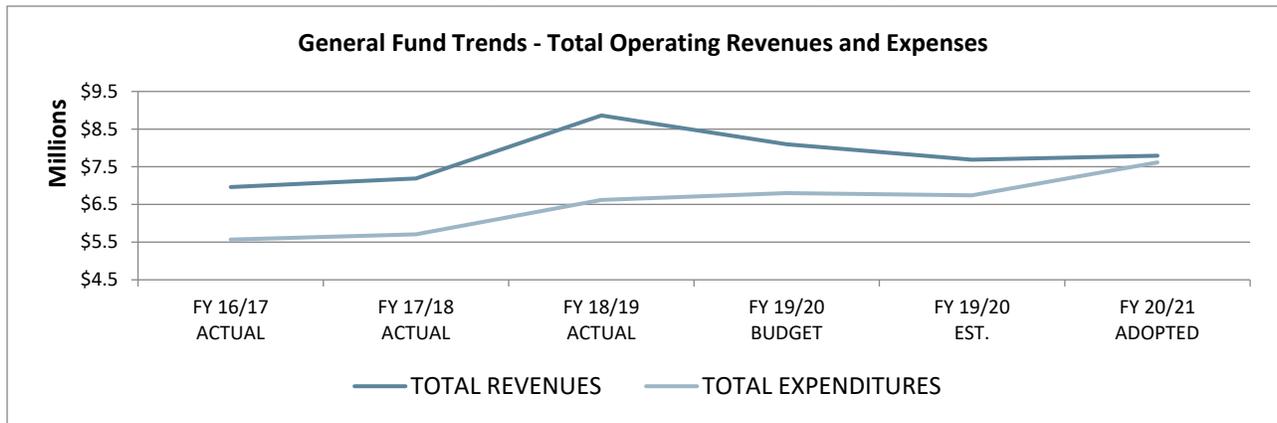
To keep residents apprised about general City news, as well as issues and priorities, the City of Cotati continues to utilize multiple sources for communication, including inserts within the utility billings, community meetings, Facebook posts, Nixle alerts, Nextdoor posts, and updates to the City's website. The City also live streams City Council and Planning Commission meetings on the City website on local cable channel 28. Recorded meetings are also posted to YouTube. The City continually is exploring new methods to provide residents with City information in the way they prefer to receive it, and make it easier for residents and the business community to communicate and interact with the Cotati City government, so that we can best respond to their needs.

Budget Overview

General Fund Highlights and Trends

- Total Operating Revenues for fiscal year 20/21 are budgeted at \$7.8M; a 3.8% decrease over fiscal year 2019/20 adopted budget and a 1.3% increase over the estimated fiscal year 2019/20 actuals. We will continue to monitor these changes, as we are still uncertain as to the full impacts of shelter-in-place and business restrictions on our Sales Taxes.

- Total Operating Expenses for fiscal year 20/21 are budgeted at \$7.6M, a 12.4% increase over fiscal year 2019/20 adopted budget and a 8.6% increase over estimated actuals. These increased costs are primarily due to increased Staffing costs such as workers comp insurance, health benefits, and pensions as well as the increase in liability insurance due to large catastrophic claims hitting the global insurance market.



City Wide Service Level & Other Personnel Cost Changes for fiscal year 20/21

- For fiscal year 2020/21 we have budgeted MOU changes for all labor groups.
- Hiring of outstanding positions of a clerk in the administrative services department, a laborer in the public works department as well as sessional staff to support recreation classes and event.
- Insurance and retirement benefits adjustments using supporting adjustments and expected increases as provided by REMIF and CalPERS.

General Fund Department Summary of Expenditure Changes for fiscal year 20/21

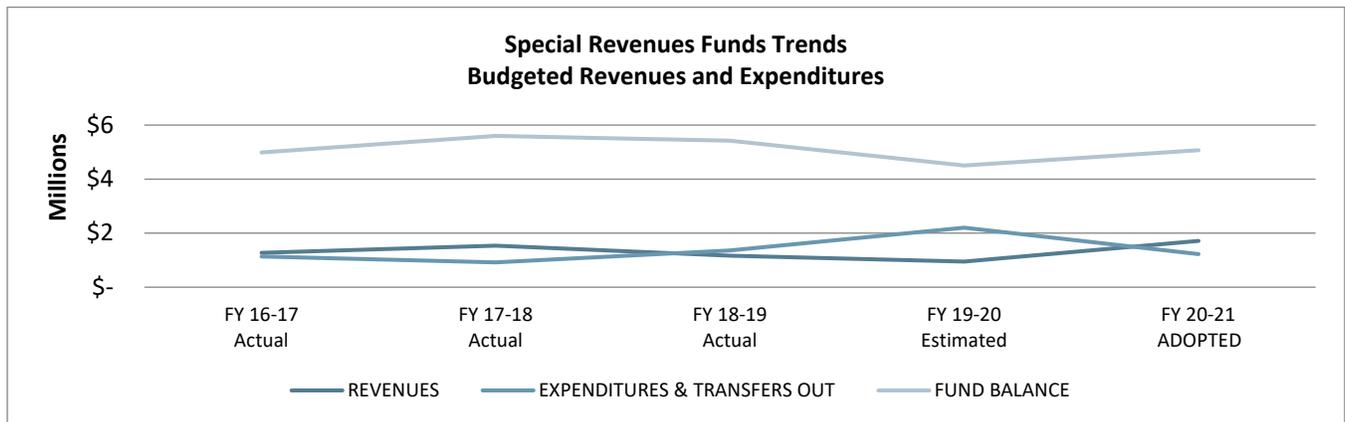
- Recreation Department – Change in expenditure is in line with the prior year adopted budget. Increases from the estimate for FY 19/20 are primarily due to annual software renewals and increased allocated insurance and banking fees.
- Police Department – Primary increase is due to allocation of shared indirect costs as well as budgeted new technology and services for body cameras to support community safety.
- Public Works Department – Primary increases in budget are due to budgeted full staffing, allocation of shared indirect costs, and increased utilities costs from PG&E.
- Community Development Department – Primary increase is due to adjustments for personnel and contract services to meet both the community development and building inspection services, which the department supports.
- Administrative Services Department – Expenditures have remained consistent with prior year’s budget with a slight increase due to allocated contract services as well as the reclassification of fiscal fees incurred on all major general fund revenue streams.
- City Manager Department – Expenditures are reflective of continued Economic Development and Public Information Services Initiatives and other increases primarily due election costs for 2020 and allocation of shared indirect costs.
- City Council – Expenditures have remained consistent with prior year’s budget with a slight change due to realignment of the FTE between the General Fund and other funds served.

Capital Project Highlights for fiscal year 20/21

- Over \$1M in anticipated Federal, State and Local Grants made possible with matching funds from Cotati’s Local Sales tax, Measure G.
- Over \$2.2M planned projects that will continue moving forward under budget including approximately \$1.3M in combined safety improvements, building improvements, and grant related streets and park projects, and \$0.8M in Water and Sewer Enterprise projects.
- Over \$3.3M in projects related to streets and parks improvements have been postponed pending re-evaluation once sufficient revenue actual information is available to make clear decisions about the full revenue impact of the shelter in place order.
- Initiating Civic Center re-roofing and general improvements.

Special Revenue Fund Highlights and Trends in fiscal year 20-21

- CDBG - Completion of School Street Pathway project with estimated cost of approximately \$311K.
- Gas Tax - Estimated revenue is expected to decrease due to COVID-19 from a reduction in vehicle fuel usage.
- MTC Street – Estimated reduction in Measure M sales tax revenues due to COVID-19, with \$25K to be utilized for the street’s improvement program.
- Traffic Mitigation - Impact fee revenues of approximately \$248K due to new development
- Park In-Lieu - Estimated impact fee revenues have remained constant, in line with the new development currently in construction.
- PEG Grant - Consistent revenues and expenditures
- Public Safety - Decreased revenues and expenditures from prior year with transfers estimated at \$156,000 to fund General Fund for Police Services expenditures.
- Inclusionary Housing – There are no anticipated revenues or expenditures, but this fund will be receiving approximately \$67.5K in Interfund Loan Payments.
- Excess Bond Proceeds Fund – Expenditure for the Park and Ride Replacement Project is anticipated to be approximately \$239K.
- Road Maintenance and Rehabilitation Account (RMRA) Fund – Budgeted expenditures are based on City Council adopted projects and approved by the state.



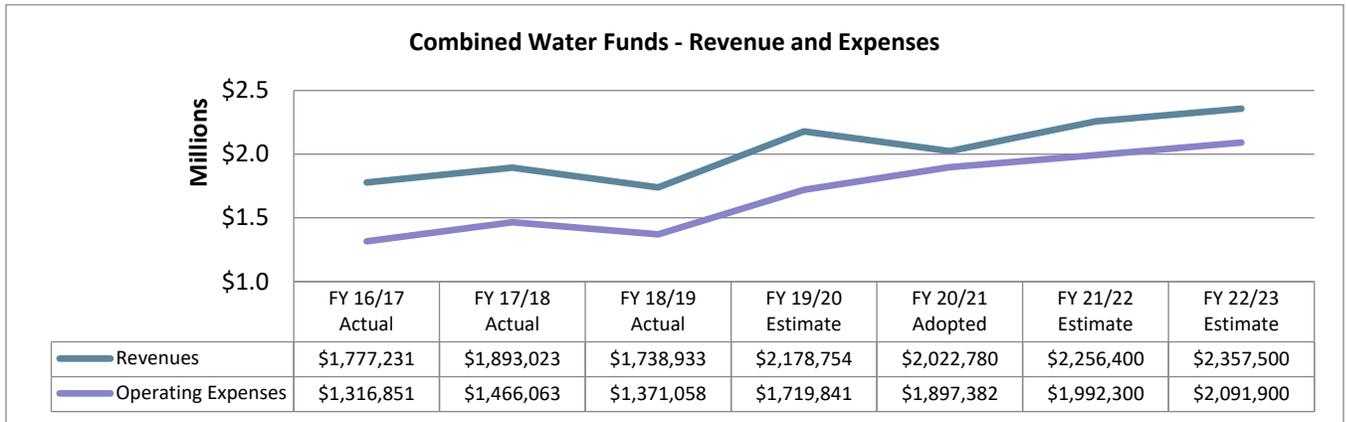
Internal Service Fund Highlights for fiscal year 20/21

- Vehicle Replacement Fund - For budget year 2020/21, the vehicle replacement fund is implementing a use fee billing schedule to other funds to pay for maintenance costs as well as fleet replacement. This is calculated per a vehicle replacement schedule.
- Compensated Absences Fund – This fund was established for budget year 2019/20 to fund the payouts for compensated absences (primarily accrued employee leave bank and vacation time). For budget year 2020/21 we are continuing to use this fund to reduce outstanding deferred compensation unfunded liability, as well as removing this episodic expense from the annual operating budgets.

Enterprise Funds Highlights and Trends for fiscal year 20/21

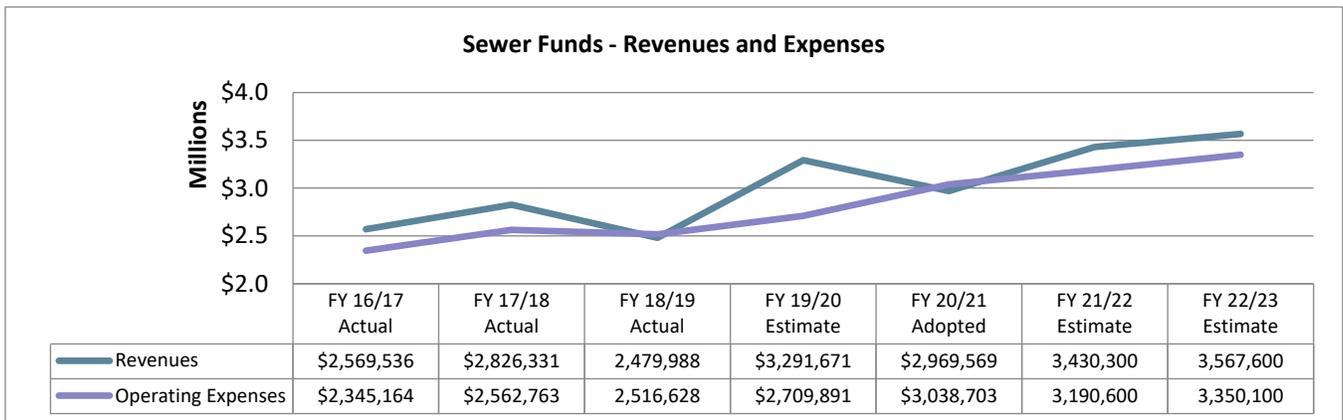
Water Fund

- Revenues are decreased compared to the prior year with changes mainly due to decreased connection fees as new developments are completed.
- Proposed Capital Project Improvements are budgeted as follows:
 - Portal, Mercantile, & Aaron Main Replacement - \$139,000
 - Design for Well 1A and 3 filter media replacement - \$106,000
 - Scada Server Replacement and Relocation - \$22,500
 - AMI Connector Replacement in “L” Section: - \$30,000
- Increase in Operating Expense due to increased charges for purchased water, full employment budgeting, and increased indirect cost allocation.



Sewer Fund

- Revenues are decreased compared to the prior year with changes mainly due to decreased connection fees as new developments are completed.
- Proposed Capital Project Improvements are budgeted as follows:
 - Manhole Lateral Repair and Improvements - \$150,000
 - William/Olof Sewer Replacement - \$355,000
 - Equipment Replacement - \$112,500
- Increase in Operating Expense due to increased charges for wastewater treatment, full employment budgeting, and increased indirect cost allocation charges.



Overview of funds with Fund Balance Changes greater than 10% or \$20,000 in fiscal year 20/21

- The following funds are anticipated to have a fund balance change for 2020/21.
 - General Fund balance has a decrease of approximately \$300K or 5%, primarily due to decreased anticipated sales tax revenues of \$350K, increased operating expenses of \$818K, which are partially offset by decreases in transfers out of approximately \$1.2M.
 - General Capital Outlay Fund balance (Fund 604) is anticipated to increase approximately \$153K or 25%. This fund exclusively funds project work, and therefore routinely has large swings in fund balance as projects occur.
 - Gas Tax Fund balance (Fund 203) is anticipated to increase approximately \$180K or 681%. This fund exclusively funds streets work, and therefore will be used as streets projects become reprogrammed in future periods.
 - MTC Street Fund balance (Fund 204) is anticipated to increase approximately \$25K or 600%. This fund exclusively funds streets work, and therefore will be used as streets projects become reprogrammed in future periods.
 - Traffic Mitigation Fund balance (Fund 205) is anticipated to increase approximately \$63K or 12%, with the collection of development impact fees and the postponement of the traffic mitigation capital/streets improvements.
- Park In-Lieu Fund balance (Fund 206) is anticipated to decrease \$94K or 66% due to required transfers of funds to capital projects scheduled at City parks.
- In-Lieu Inclusionary Housing balance (Fund 216) is anticipated to decrease \$35K or 2% based on anticipated contract services to support the inclusionary housing development proposed for Ryan/Jamie Lane.
- Excess Bond Proceeds balance (Fund 219) is anticipated to decrease \$466K or 87%, based on usage for strategic investments and the Park and Ride Lot Replacement Project.
- Bed Tax balance (Fund 222) is anticipated to increase \$4K or 38% based on the proposed development at 100 Valparaiso/Kessing Ranch.
- Special Fund balance (Fund 250) is anticipated to increase \$2K or 34% based on receipts for Business License Fees for CASp Certification during the fiscal year.
- Vehicle Replacement Fund balance (Fund 501) is anticipated to decrease by \$66K or 54% with the replacement of aged equipment.
- Water Funds 401-403 balances are anticipated to have a net decrease of approximately \$317K or 16% over the prior year. This is primarily due to the increased cost of operations and lower anticipated connection fees to be received from development projects.
- Sewer Funds 404-405 balances are anticipated to have a net decrease of approximately \$891K or 35%. This is primarily due to no additional anticipated connection fees to be received from development projects as well as increased sewer treatment cost.

FISCAL YEAR COMPARISONS

For fiscal year 2019/20, the short term goals of the City were focused on improving its operations and transparencies through a host of initiatives for the community, including a popular annual financial statement (PAFR), the cable broadcasting of City meetings, and neighborhood police beats. The City Council also focused on improving its services by investing in technology like the Incode Water and Sewer billing Notifications systems, as well as other professional services contracts to create efficient building inspections and permit checks. A significant effort was also placed on improvement of vital City infrastructure with an estimated \$4.3M in capital improvement projects including \$3.6M in Street Construction & Improvements. This was all while maneuvering through multiple significant emergencies including the PG&E Power Outrages in October of 2019 which had the City's power out for more than 5 days during the Kincadee fire, and now the continuing emergency of Covid-19.

For the budget year 2020/21 we will continue to focus on strategic improvements to City services to reach the community where they are and be able to continue to assist during these times of extreme uncertainty. We will continue to look for ways to strategically invest in infrastructure all while focusing on a first tier of projects that have grant matching programs, improve safety, or are relatively low cost with high benefit. As we continue to analyze the actual revenue impacts related to the shelter-in-place restrictions as sales tax actuals are received, we will bring back to the City Council and Citizens a status report on the overall health of the City. Once the City's revenue picture becomes clear, the goal is to move forward on some or all the additional listed capital projects to continue the investments in improved infrastructure.

For fiscal year 2020/21, the City is going to continue focusing on the strategic objectives as set out by the City Council to support a beautiful, safe, and stable City with a transparent government.

CONCLUSION

The fiscal year 2020/21 budget is a balanced budget with a responsible financial plan that will enable the City to continue to provide the community with a full scope of high-quality municipal services that enhance our quality of life. We are committed to finding creative and impactful solutions to improve services to our residents and businesses and encourage economic growth in the City, as well as actively diversifying revenue to sustainably provide services and infrastructure in the future. In addition, the City will continue to study and propose solutions to mitigate the potential impacts of unfunded pension liability.

This adopted budget reflects the City of Cotati's commitment to meet our fiscal challenges while maintaining excellent service to our residents and customers.

I would like to take this opportunity to recognize all the City's employees for their hard work, which allows Cotati to move in a positive direction for continued growth. Also, special thanks and acknowledgement to the Administrative Services Department for their extraordinary work on this budget. 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

STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year				Responsible Department	Milestones Progress Comments
	2018-19	2019-20	2020-21	2021-22		

Vision 1 - QUALITY OF LIFE

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.

1.1 Create Economic, Cultural and Recreational Opportunities to Maintain the Small Town Character of Cotati						
1.1.1	Foster a sense of community by providing and encouraging community events, volunteering, and working with non-profits to support local events	X	X	X	X	All Departments Ongoing
1.1.2	Initiate and finalize appropriate housing developments.	X	X	X	X	Community Development Ongoing - Part of every housing development projects is the inclusion of low and moderate income housing programs.

Vision 2 - ECONOMIC DEVELOPMENT

To provide a climate that promotes existing business and encourages new businesses to locate in our community.

2.1 Promote existing business growth and engagement						
2.1.1	Continue partnership with Chamber of Commerce to support advertisement and promotion of existing business.	X	X	X	X	All Departments Ongoing
2.1.2	Secure various economic development opportunities with new businesses included, but not limited to, retail, hospitality, and cannabis.	X	X	X	X	All Departments Ongoing
2.2 Encourage new appropriate businesses to join our community						
2.2.1	Pursue opportunities to develop and revitalize areas along HWY 116.		X	X	X	Economic Development Ongoing
2.2.2	Evaluate methods to increase the tax basis as well as develop new and differentiated tax bases.	X	X	X	X	Economic Development Ongoing - Current initiative is to continue improvements and development on the downtown specific plan area as well as develop transient occupancy tax with the development of a local hotel.
2.2.3	Develop clear and concise cannabis regulations.	X	X	X	X	Community Development Regulations went to Council and were fully implemented by the City during fiscal year 2017/2018, however as this is a new area of regulation, it is subject to ongoing evaluation and revisions in the future.

Vision 3 - FINANCIAL STABILITY

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.

3.1 Develop and Implement Sound Financial Management Policies						
3.1.1	Review and update as needed the City Council Financial Policies to ensure they meet the needs of the City.	X	X	X	X	Administrative Services/City Managers Office Ongoing - City Financial Policies including Investments were revised in fiscal year 17-18. For Fiscal year 18-19 and 19-20 the City concluded updates for the City Procurement Policy. Other policies will continue to be evaluated and updated as needed each fiscal year.
3.1.2	Evaluate methods to ensure City revenues meets current and future revenue needs to provide core services.	X	X	X	X	All Departments Ongoing - Will continue as an ongoing review to identify additional sources or revisions that should be made to revenues.
3.2 Provide high quality financial reports to Council and Citizens						
3.2.1	Provide timely financial reports that are clear and concise.		X	X	X	Administrative Services Ongoing
3.2.2	Apply for GFOA award for budgeting.	X	X	X	X	Administrative Services Ongoing - The City was the proud recipient of a GFOA Budget award for the last three consecutive years and will continue to apply for this award and improve reporting into the future. Currently we are looking into providing better access to the budget with better cloud based tools.
3.2.3	Generate 10 year financial projections.		X	X	X	Administrative Services Ongoing
3.2.4	Evaluation of impacts on Measure G sunset and CalPERS unfunded liability.		X	X	X	Administrative Services Ongoing- significant analysis still pending due to continued emergency operations.

STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year				Responsible Department	Milestones Progress Comments
	2018-19	2019-20	2020-21	2021-22		

Vision 4 - COMMUNITY SAFETY

To protect the health and well-being of the community by partnering with our citizens to provide a safe and secure environment.

4.1 Create a Safe, Healthy Environment for Residents and Visitors						
4.1.1	Evaluate staffing needs within police department.	X	X	X	X	Police Department Ongoing
4.1.2	Improve pedestrian and bike safety by improving walkways, lanes, landscaping and lighting in both parks and general community areas.			X	X	Public Works Department & Community Development Ongoing - The City is completing the grants funds from the Metropolitan Transportation Commission (MTC) for a bicycle and pedestrian wayfinding program. We will continue to invest in these key measures leveraging Measure G sales tax receipts.
4.1.3	Reinvest as needed in replacement police vehicles and technological upgrades.	X	X	X	X	Police Department Ongoing - We continue to replace aging vehicles as well as support the up fit of new technology for all vehicles. We will continue to evaluate needs on an ongoing basis for future years.
4.1.4	Partner with Sonoma State University to fulfill their dispatching needs.	X	X	X	X	Police Department Ongoing - Completed transition in June 2018 and continue to evolve to meet both the City and Sonoma State needs as required and under the indefinite contract.
4.1.5	Initiate continuing community policing improvements.	X	X	X	X	Police Department During fiscal year 2018/19 the City implemented the police beats program and rolled out community/district meetings. This will continue to be promoted within the City so local residents can become more connected to their local safety officers.

Vision 5 - INFRASTRUCTURE

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.

5.1 Infrastructure						
5.1.1	Pursue other financial participation from Federal, State and Local agencies such as grants or matching programs.	X	X	X	X	All Departments Ongoing - The City Staff are continuing to work on existing grants for both SB2 as well as local CDBG funding. We will continue to look for opportunities for grants in order to support new significant projects.
5.1.2	Review the City's Pavement Management Plan and develop long term rehabilitation plans based on expected funding levels.	X	X	X	X	Public Works Department Ongoing - During fiscal year 2019/20 the City completed and presented the five Capital Improvement Program. Due to the uncertainty of funding sources during the next fiscal year we have prioritized projects into A (projects to proceed) and B (projects placed on hold).
5.1.3	Develop building maintenance plans for each City building.		X	X	X	Public Works Department Ongoing - Items scheduled for various components of the plan such as flooring replacement, roof and window replacements and exterior and interior painting.
5.1.4	Evaluate public parks and land and identify opportunities to enhance benefits to the community.	X	X	X	X	Public Works Department Ongoing - The City finalized the Park Master Plan and effectively rolling out possible changes to these central public spaces that leverage available grants and meet the community desires.

Vision 6 - CITY BEAUTIFICATION

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.

6.1 Create an Attractive Environment for Residents and Visitors						
6.1.1	Improve and beautify the downtown plaza to create a people centric space for community events and gatherings.	X	X	X	X	Public Works Department Ongoing - During fiscal year 2018/19 the City completed a major lighting project which included adding additional lights to La Plaza Park to improve safety and usability. For fiscal years 2019-21 we are proposing improved monument signage as well as a separate pedestrian and bike wayfinding program to replace blighted signage and encourage community engagement.

STRATEGIC GOALS/OBJECTIVES



Objective of Vision Defined Action Task Under Vision	Fiscal Year				Responsible Department	Milestones Progress Comments
	2018-19	2019-20	2020-21	2021-22		

Vision 7 - ENVIRONMENTAL CONCERNS

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.

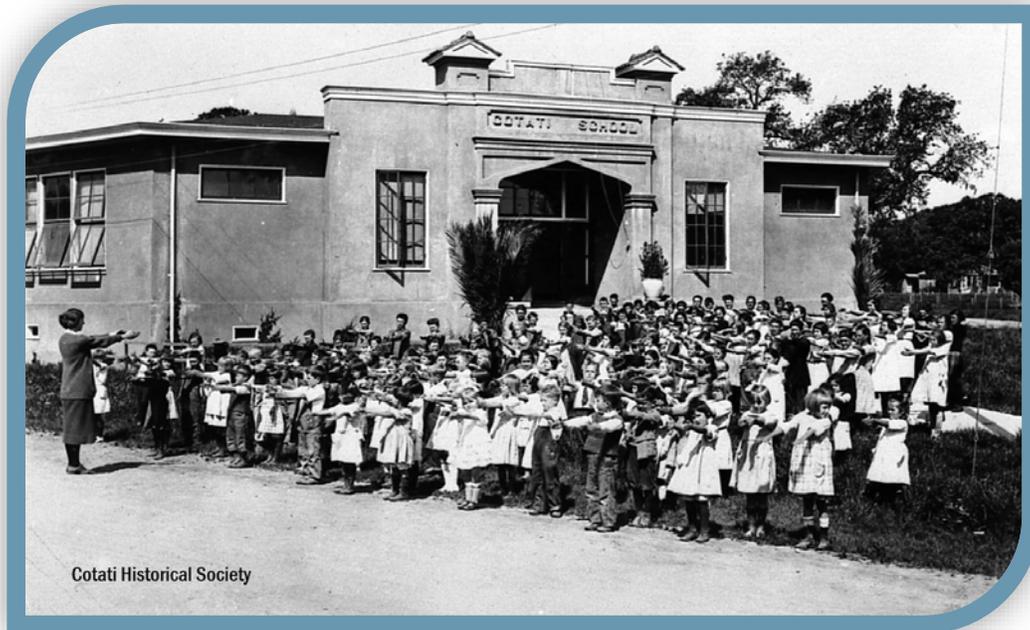
7.1 Create a Safe, Healthy Environment for Residents and Visitors						
7.1.1	Continue to provide safe quality water to the public.	X	X	X	X	Water Ongoing - We actively participate in meetings with the North Bay Regional Water Board, Russian River Watershed Association and Sonoma County Water Agency. This is an item that City staff continue to actively engage on an ongoing basis.
7.1.2	Promote use of leak alerts through the Watersmart systems.	X	X	X	X	Administrative Services and Water Ongoing - Initiated a digital notification program for residents with indicated leaks informing them of the leak as well as instructions on how to sign up for leak alerts. Will continue to identify areas for promotion on an ongoing basis.
7.1.3	Protect the community water system by following required testing and reporting of backflow devices within City limits.	X	X	X	X	Administrative Services and Water Ongoing - This is an annual process as required by the State. And we will continue to facilitate 100% testing every year.
7.1.4	Eliminate and replace damaged or diseased trees that pose a threat to the community or environment.	X	X	X	X	Public Works Ongoing - During the fiscal year 18/19 the City removed dangerous trees from around St. Josephs Way Park and Ride. In fiscal year 2019/20 we removed trees along Old Redwood Highway behind the Veterans building as well as diseased Trees at Sunflower Park. We will continue to identify areas to improve safety going forward.
7.1.5	Revise investment policy to guide financial decisions to include environmental impacts into considerations when investing in the open market.	X				Administrative Services Completed investment policy July 2017. Will review and update as needed consistent with all City policies.

Vision 8 - CITIZEN PARTICIPATION

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.

8.1 Expand and Encourage Community Involvement in the Government Process by Increasing the Public's Understanding of local Government Operations and Increasing						
8.1.1	Continued enhancement of the City website that encourages communication with the City in a user friendly format, and include potential additional online services.	X	X	X	X	All Departments Ongoing - For fiscal year 18/19 the City improved the newsfeed on the website as well as posting through Facebook and Nixle in order to encourage positive citizen participation. For fiscal year 19/20 implementing new online bill payment options for City services including alarm permits, dog licenses, business licenses and will be rolling out building permits in the near future.
8.1.2	Create easy to read documents that educate the public and community on City finances, operations, and projects.	X	X	X	X	All Departments Ongoing - During fiscal year 18/19 the City maintained an award winning budget as well as supported initiatives to push out additional easy to read documents including the drafting the City's first Popular Annual Financial Report (PAFR). For fiscal year 2019/20 City staff produced the City's first Budget in Brief. In Fiscal year 2020/21 staff are proposing rolling out a fully digital budget book for ease of citizen or other user access.
8.1.3	Conduct town hall meetings on matters of interest to the community as needed.	X	X	X		City Council Ongoing - Along with supporting digital webcasts, for fiscal year 18/19 the City added a public cable channel 28 which started televising all Council meetings. During fiscal year 19/20 the City also published meetings on youtube.
8.2 Develop and Implement a Program to evaluate delivery of City Services to Community						
8.2.1	Evaluate internal process and procedures to analyze for areas of efficiencies to deliver the best possible results for community satisfaction.			X	X	All Departments Ongoing
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.			X	X	All Departments Ongoing

COTATI THEN AND NOW



Cotati Historical Society

A vintage photo of the Cotati School, which is where City Hall is now. "Cotati City Hall was built in 1922 to replace the school facility that had sadly burned down the year prior. In the photo, a teacher leads morning exercises with students of the school." From "Cotati (Images of America)"

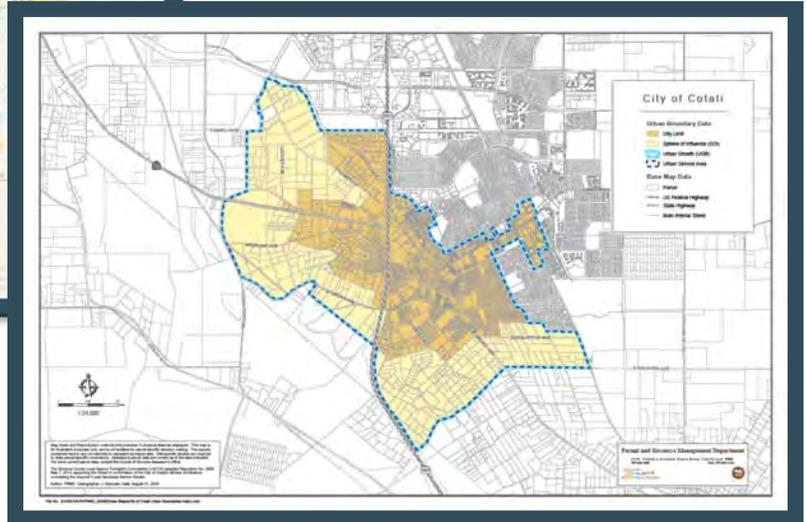
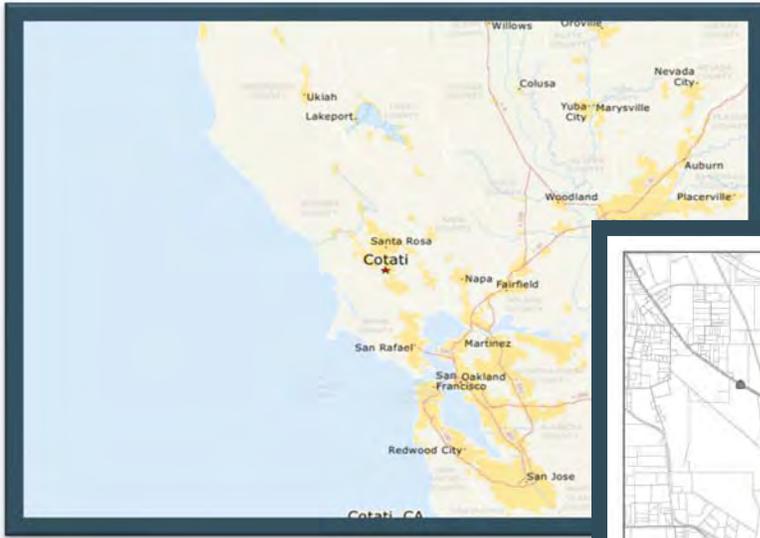


Cotati City Hall is used daily to support the following departments: (1) the department of the City Manager's Office including Recreation, (2) Administrative Services which includes Water and Sewer Services, (3) Community Development which facilitates planning and building permitting, as well as the (4) Public Works Engineering team who manage the maintenance of publicly owned facilities.

Further, the Council Chambers in the middle of City Hall are utilized for bimonthly Meetings for both the City Council and Planning Commission.

COTATI AT A GLANCE

Statistical Demographic & Economic Characteristics



Date of Incorporation - July 16, 1963

Form of Government- General Law - Council-Manager

Miles of Streets:

Lane Miles (2014) 22.52
 Pavement Condition Index 55 "Fair" rating

Fire Protection:

Rancho-Adobe Fire District

Police Protection:

Number of Vehicles 16
 Number of Sworn Personnel 11

Public Education:

Cotati-Rohnert Park Unified School District
 Thomas Page Elementary

Parks:

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

Museums & Landmarks:

Cotati Historical Society
 Cotati Downtown Plaza (Hexagonal Town Plan)

Transportation:

Train Stations (S.M.A.R.T.) 1
 Bus Stops
 Golden Gate Transit 8
 Sonoma County Transit 7
 Bike Lane Miles
 Laguna 1.6 Miles (Class 1) Path
 City Streets 4.5 Miles (Class 2) Shoulder

Community Facilities:

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

Annual Events:

Farmers Market June - August
 Cotati Music Festival Mid - June
 Kids Day Parade and Festival Mid - July
 Accordion Festival Mid - August
 Oktoberfest October
 Holiday Tree Lighting December

COMMUNITY PROFILE

City and County Vital Statistics



GEOGRAPHY



Persons/Square Miles

Cotati: 4,047.3

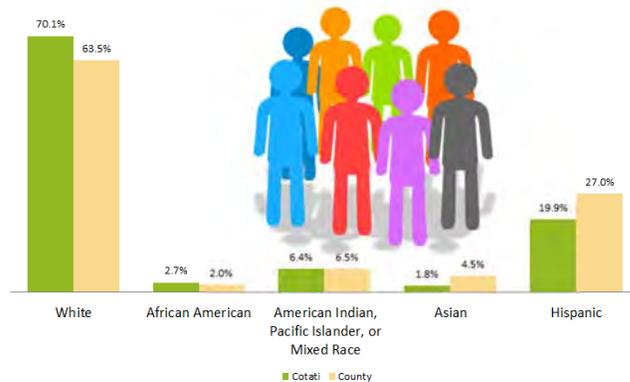
County: 313.7

Land in Square Miles

Cotati: 1.88

County: 1,575.85

DIVERSITY (graphic below needs replacing)



POPULATION

Cotati: 7,609

County: 494,336

MEDIAN FAMILY INCOME

Cotati: \$76,777

County: \$76,753

AGE

Cotati

Median Age: 37.2

Aged 18-64: 66.4%

County

Median Age: 42.4

Aged 18-64: 60.7%



EDUCATION

High School Graduate or Higher

Cotati: 91.5%

County: 88.0%

Bachelor's Degree or Higher

Cotati: 33.2%

County: 34.9%



FOREIGN BORN

Cotati: 14.0%

County: 16.5%



LABOR MARKET

Employment Rate Over Age 15



Cotati: 72.8%

County: 64.8%

JURISDICTIONAL COMPARISON



	Cotati	Sebastopol	Sonoma	Rohnert Park	Healdsburg	Cloverdale	Santa Rosa	Petaluma
Year of Incorporation	1963	1902	1883	1962	1867	1872	1868	1858
Form of Government	Council / Manager							
Physical Area (Land, Miles ²)	1.88	1.85	2.74	7.00	4.46	2.65	41.30	14.40
Population	7,410	7,674	11,024	43,291	11,845	8,656	176,753	60,520
City Staffing								
Total Full-Time Equivalents (FTE)	50	102	59	210	314	44	1,259	366
Population Per FTE	147	75	188	206	38	199	140	165
Total Police Services FTE	21	35	17	84	24	22	261	110
Population Per Police Services FTE	361	221	668	513	494	391	679	550
Demographics								
Number of Housing Units	3,218	3,377	5,219	16,852	5,118	3,288	66,913	22,382
Number of Households	2,824	3,263	5,006	15,969	4,666	3,144	66,629	22,505
Median Age	35.8	47.9	50.5	33.6	44.6	39.0	38.1	41.8
Number of Registered Voters	4,459	5,266	7,109	22,366	6,817	4,708	92,000	35,925
Party Affiliation								
Democratic	2,416	3,376	3,756	11,124	3,666	2,346	49,180	19,290
Republican	702	509	1,300	4,116	1,225	980	15,230	6,032
Other/Decline to state	1,341	1,381	2,053	7,126	1,926	1,382	27,590	10,603
Median Household Income	\$ 76,777	\$ 77,204	\$ 79,576	\$ 66,387	\$ 90,300	\$ 73,491	\$ 71,347	\$ 87,708
Unemployment Rate*	3.9%	6.3%	2.9%	3.6%	3.3%	2.0%	3.7%	3.1%
Budget Comparison								
General Fund Revenue Budget	\$ 7,394,845	\$ 9,294,076	\$ 20,972,721	\$ 44,157,213	\$ 13,434,194	\$ 6,884,917	\$ 181,476,838	\$ 49,467,525
General Fund Expenditure Budget	\$ 6,388,795	\$ 9,566,035	\$ 20,412,201	\$ 43,763,841	\$ 13,871,373	\$ 7,932,627	\$ 189,238,065	\$ 50,316,769
Revenues Per Capita	\$ 998	\$ 1,211	\$ 1,902	\$ 1,020	\$ 1,134	\$ 795	\$ 1,027	\$ 817
Expenditures Per Capita	\$ 862	\$ 1,247	\$ 1,852	\$ 1,011	\$ 1,171	\$ 916	\$ 1,071	\$ 831

NOTE: Data was compiled based on the City Budgets for Fiscal Year 19/20 for each of the noted Cities as well as the following public informational sources: California Department of Finance, California Secretary of State, California Employment Development, American Community Survey.

* Unemployment rates were as last reported by EDD for MArch 2020 in their Monthly Labor Force Data for Cities and Census Designated Places (CDP)

A HISTORY OF COTATI

Dedication - Most of the photos and information provided within this Historical Perspective were made possible by contributions by Lloyd and Prue Draper. Lloyd and Prue worked to create a comprehensive archive to preserve the history of Cotati for future generations. Thank you to the Historical Society for providing this perspective.

19th CENTURY

Long before the Europeans came to California; the fertile valley had been the home of Coastal Miwoks, a clan of Native Americans who lived well on the nuts, grains and tubers, berries, fish and game that abounded in this temperate climate. The Indian name of their village, Kota'ti, produced the legend of Chief Cotati, whose visage is featured in the City's logo.

In 1837, the Mexican government established a system of land grants, including the 17,234-acre Rancho Cotate, which encompassed what is now Cotati, Rohnert Park and Penngrove. At that time, the Sonoma County region marked the northernmost frontier of Mexican territory. The Mexican government was anxious to establish its hold on the area, since it was being eyed for takeover by several nations. In 1846, the Bear Flag Rebellion which led to the takeover of the Sonoma Fort, succeeded in displacing the Mexican domination of the region and the loss of the original papers deeding the Rancho Cotate.

Dr. Thomas Stokes Page



Dr. Thomas Page purchased the Rancho in 1849, receiving a clear title seven years later since the original deed had been lost. Dr. Page and his family continued to occupy the lands from 1849-1929, and left an indelible imprint on the very shape of the town.

Dr. Page and most of the family members actually spent very little time living on the ranch. Two of the seven Page sons developed the land into a cattle and sheep concern, and until the early 1890's it remained largely unchanged.



Page Ranch - Hexagonal Barn

By 1895, the county road was built between Santa Rosa and Petaluma, passing directly through the hexagonally laid-out heart of the new town. In 1909 this road would be incorporated into what was then called California Route One, running from San Francisco to Crescent City. It was this road, along with the train station, which opened up the new town of Cotati as a convenient place to stop for travelers.

The construction of the center of the town in the hexagonal motif allowed the Page family to name each of the six peripheral streets after one of the seven Page sons. Wilfred, who supervised the project, named a train station and another street to the north after himself.

The exact source of the design for the city center remains a mystery, but there are at least two very good possibilities. First is that it was patterned after the hexagonal barn at the Page ranch, which in turn may have been built along lines that were in fashion at the time of its construction. Another possibility is that it was fashioned after the radiating star plan which is prevalent in the layout of many European cities, as well as Washington, D.C. and Detroit, Michigan. Whatever the reason for its design, it was deemed unique enough to gain State Historical Landmark status in 1973.

EARLY 20th CENTURY

By the turn of the century, many parcels of Cotati land had been sold as small farms. The freight transportation offered by the railroad through town, the development of the new county road, and the sudden need for businesses serving a growing agricultural community, all combined to make Cotati something of a boom town.

During the first decade of the century, churches, schools, meeting halls and homes by the score were built. By 1911, the town could boast that a thousand people had celebrated the Fourth of July there. Around the Plaza businesses sprang up, including the Cotati Hotel.



Cotati Hotel

The November 1911 edition of The Northern Crown, a Petaluma journal, extolled the virtues of Cotati and its public-spirited inhabitants. The citizens of Cotati built and maintained their own public parks, built churches, schools and meeting halls. The trees they planted still stand.

During the 20's Cotatians had banded together to fight their own fires or else relied on the Santa Rosa department. The combination of high winds and tinder-dry summertime grasses helped to make parts of Cotati subject to frequent grass-fires. In an area where everyone knew, or knew of everyone else, it was natural to join together in saving one another's property and, in some cases, lives. By 1927 the number of structures and the size of the area needing fire protection necessitated the organization of the Cotati Volunteer Fire Department.



Cotati Volunteer Fire Dept.

During the 30's and 40's, agriculture continued as the most important influence in the Cotati Valley, and the town changed more slowly. In the 40's and 50's, small family farms were having a hard time surviving, and some of Cotati's agricultural lands began to develop as residential and commercial areas. Opening of the 101 freeway in the mid-1950's made it feasible for San Francisco workers to commute to homes in Cotati.

BIRTH OF A CITY

"Incorporation will preserve the unity and pride of Cotati as well as its individuality." That was the heading on handbills urging voters to turn out at the polls on July 2, 1963.



The Cotatian Newspaper – Thursday July 4 1963

The town had developed by fits and starts since the turn of the century, and by the end of the 50's had become a close-knit community that clung fiercely to its claim of being "the Hub of Sonoma County." The Cotati Chamber of Commerce was well known throughout the NorthBay Area for its vigor and enthusiasm. It had led a successful fight to get state approval of a local site for the new state college. The little town was proud to have its own water and sewer system and its top rated fire department. It seemed destined to continue its pattern of gradual growth, well insulated by green pastures, from its metropolitan neighbors.

By the fall of 1961, citizens of semi-rural Cotati and infant Rohnert Park, discontented with the level of services provided by the county, were exploring the possibility of merging their interests and incorporating as one city. A joint citizens' committee was formed, and a municipal expert, William Zion, was hired to conduct a feasibility study. By January 1962, however, a contingent in Rohnert Park had decided that a combined city wasn't to their liking, and filed notice of their intention to incorporate independently.

The election was held on August 21, 1962, and incorporation was approved. Rohnert Park was the name favored by 398 voters, while 128 diehards, still hoping that the neighboring communities might someday merge, voted to name the city "Cotati Park." Cotatians, having studied incorporation, realized that incorporated cities had jurisdiction over development adjacent to their boundaries. It seemed inevitable that the new City of Rohnert Park would seek to extend its boundaries to take in the parts of Cotati that it found most desirable, gradually eradicating the close-knit pride-filled "Hub of Sonoma County."

Facing the fact that one week after Rohnert Park's election the new city would become official, Cotati citizens swung into high gear. A citizens' committee spearheaded by Lloyd Draper, publisher of the Cotatian weekly newspaper, Dr. Bill Kortum, president of the Chamber of Commerce; real estate broker Joe Dorfman and county tax appraiser Sam Houser began gathering signatures on a petition stating Cotati's intention to form its own city.

On August 27, one day before Rohnert Park was to be officially declared a city, the Cotati committee filed its notice of intention to circulate incorporation petitions. Boundaries of the proposed city were roughly the same as the Cotati Public Utility District. Thirty-seven citizens signed the petition which Draper presented to the Board of Supervisors, stating that incorporation "seemed necessary to retain the character of the town, preserve its name and guide its future growth."

The citizens agreed, and on July 2, 1963, 83.9% of the registered voters, a total of 331, went to the polls and approved incorporation by an 84% majority - 284 yes to 49 no.

Candidates for the first City Council were Oliver Chadwick, Al Falletti, Harold Groom, Bernhard Grutgen, Sam Houser, Bud Howard, Tom Murphy, Stanley Olsson, Lyle Short, Russ Williams and Herb Winter. Top vote getter was Houser, who was subsequently chosen as Cotati's first mayor. Also winning seats on the first council were Olsson, Chadwick, Groom and Falletti, the latter two also continuing as directors of the Cotati Public Utility District.

A week after the election, Cotati was certified as Sonoma County's newest city. The City Council began conducting its business in the anteroom of Ed Lewitter's accounting office while hosting public meetings at the fire station.

One of the Council's first actions, on August 1, was to refuse salaries, stating that Cotati had been planned as a low-budget city with volunteer workers, and the councilmen were sticking by their plans. "None of us wanted public office," Mayor Houser told a newspaper reporter. "We just wanted to keep Cotati the way it was."

THE SIXTIES

The year 1968 saw the birth of the counterculture influence on Cotati. The Inn of the Beginning came alive and brought nationally and internationally recognized musicians to Sonoma County. The major forms of music played were rhythm and blues, rock and roll, country and western, and folk.



The Inn of the Beginning

Hotbeds of Dissent

Coffeehouses have played a significant role as gathering places for the "Cotati counterculture" since the 70's. The Last Great Hiding Place was popular in the mid-70's, with couches and armchairs in front and a theater in back. Many significant dramatic events and much political planning took place here.

When the Hiding Place closed, coffeehouse habitués found a new, if somewhat isolated, home at the Cotati Donut Shop in the Rancho Cotate Shopping Center.

Soon after the Cotati Donut Shop closed, Lindy's New and Delicious opened, and the caffeine faithful flocked in, glad to be back in the central part of town and grateful for the couch, the art on the walls - and especially the typewriter.

The Freestore

The Freestore was a large shed from which many Cotati citizens outfitted themselves without charge. Vito Paulekas and others constantly organized the steady flow of cast-off clothes, shoes and accessories that were left there, creating a treasure trove of "finds" for indigent browsers. The "store" burned down and was rebuilt, vandalized and cleaned up again, surviving until 1983 when it was crushed flat by a semi-truck. Its influence was great on that peculiar style of dress known as the "Cotati look."



The Free Store

Cotati Company No. 2

In 1969, Irving and Irene Lipton closed their downtown variety store, and Brad and Liza Loop leased the building, delving into local history for its name: Cotati Company No. 2. They rented space as small as 12 feet square for as little as \$10 a month to youthful entrepreneurs.

People built booths, clothes racks, or whatever they wanted, and went into business selling everything from comic books and rolling papers to candles, jewelry and clothing. The enterprise bustled along with ten or more merchants under one roof for almost two years until a fire closed it down.

The Bandstand and the Rebirth of La Plaza Park

Vito Paulekas and Karl Franzoni were threatened with arrest while building the bandstand in the Plaza - an "illegal structure" not sanctioned by the City - but they prevailed, and the bandstand, born to controversy, began its stormy life.

It immediately became the center for a new energy in town. Large crowds began to gather on weekends, lured by free electrified rock 'n roll. City Council meetings played hosts to two disparate factions: one wanted more music, facilities, sandboxes for the kids, the other demanded user fees, permits, an end to amplified music.

Picnic tables, benches and swings were built and installed by concerned citizens - often for free - and gradually La Plaza Park became the comfortable gathering place it is today.

The George and Arthur Streets Barricade

Residents of George and Arthur Streets by 1978 had had enough of the 3000-plus cars per day which were using their residential neighborhood as a high-speed shortcut. They organized and descended upon the City Council, convincing them to block Arthur Street at East Cotati Avenue, stopping through traffic.

Many people who didn't live in the neighborhood took strong exception to the street closure, and a long, fierce battle began. The barricade became a major political issue, and source of battles before the Council, Planning Commission and in the courts. Finally, in June, 1983, the City Council took the final legal step to declare the barricade permanent.

The George-Arthur Streets neighborhood has changed dramatically since the barricade was installed. Children now abound, their parents willing to settle families in such a traffic-safe environment the streets themselves, with their open ditches, free-form parking and sparse, slow-moving traffic, are reminiscent of a quieter Cotati of years ago.

COTATI TODAY

For the past two decades Sonoma County has been growing at a rapid pace, welcoming vast numbers of new residents to the area. Many of these transplants have moved to the area in an effort to escape the crowded city life of the larger Bay Area cities to the south such as San Francisco and San Jose.

This rapid growth has provided a significant challenge to the City and to the preservation of its unique charm. Managing this growth has become one of the prominent issues facing the City. While many feared that too much growth would spoil the city's small town character, others felt that too little growth would cause more and more city residents to leave Cotati to shop at newly constructed shopping centers in Santa Rosa, Rohnert Park and Petaluma. They feared that this would cause the city's share of the sales tax revenue to wither, leaving the city unable to provide adequate city services.

Throughout the 90's, Cotati has faced this challenge by effectively encouraging growth within strict limitations. In 1990 the citizens of Cotati overwhelmingly voted to curtail the growth of the city by forbidding any annexation of land beyond a fixed urban boundary line. This highly popular self-imposed limit on annexation turned the focus on development inwards. The city has worked aggressively to enhance the downtown area and to encourage business development. In the 80's the city remodeled the two-block downtown stretch of Old Redwood Highway. In 1991 the City Council voted to enact a Downtown Plan which kicked-off a series of enhancements to the city's downtown including new bus shelters, sidewalks and city benches. During this period, La Plaza Park was remodeled extensively with a new bandstand and a new playground structure. The City also has worked towards significant developments outside the downtown including a successful industrial section and on a plan for mixed residential and commercial use developments on E. Cotati Avenue by the railroad tracks.

Cotati today is comprised of approximately 7500 residents, over four times the population at incorporation in 1963.

Sonoma State University, located just outside Cotati's city limits, has played a significant role in the City's history since it moved into its 220 acre East Cotati Avenue campus in 1966. Originally a state college, Sonoma State was granted university status in 1978.

Having a major university nearby is certainly a cultural asset, but there has never been a shortage of culture in Cotati. The City is home to the Cotati Music Festival each June, the annual Kid's Day Parade and the internationally renowned Cotati Accordion Festival in late August.



Cotati City Hall

If you would like to learn more about the City and its historical importance, please visit the Cotati Historical Society online at <http://cotatihistoricalsociety.org/> or at the Historical Society Museum located in City Hall and open on Saturdays from 1 p.m. to 4 p.m. and also on the second Tuesday of each month from 5 p.m. to 7 p.m.

BUDGET PROCESS, STRUCTURE, AND POLICY APPLICATION



i♥cotati

RESOLUTION NO. 2020 - 45
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI ADOPTING
THE FISCAL YEAR 2020/21 BUDGET

WHEREAS, the City Council had previously held duly noticed study sessions on March 26, April 9 and May 14, 2020, and provided the opportunity for and received public comments on the Fiscal Year 2020/21 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; and

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

1. The Proposed Budget for Fiscal Year 2020/21 is hereby approved and adopted effective July 1, 2020.
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.
3. Unexpended appropriations from the Fiscal Year 2019/20 Budget may be carried forward to the next fiscal year, provided the funds have been previously encumbered for a specific purpose, or apply to authorized but uncompleted capital projects.
4. The current year budget (Fiscal Year 2019/20) is hereby amended to equal the estimated actuals for the current year.
5. This Resolution shall take effect immediately upon adoption.

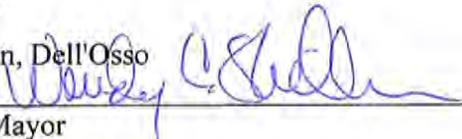
IT IS HEREBY CERTIFIED that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the June 23rd, 2020, by the following vote, to wit:

RESULT: ADOPTED [UNANIMOUS]

MOVER: John A. Dell'Osso, Councilmember

SECONDER: Mark Landman, Councilmember

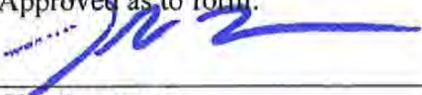
AYES: Skillman, Moore, Harvey, Landman, Dell'Osso

Approved: 
Mayor

Attest: 

Lauren Berges, City Clerk

Approved as to form:


City Attorney

RESOLUTION NO. 2020 - 39
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI
ESTABLISHING THE "GANN" APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2020- 21

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies; and

WHEREAS, the appropriations limit to be applied to the "proceeds of taxes" as defined by Section 7910 of the Government Code for Fiscal Year 2020-2021 has been calculated to be \$16,560,820; and

WHEREAS, the City Council elects to use as the annual adjustment factors in calculating the appropriations limit, the percentage change in California per capita income and the annual population for the County of Sonoma.

NOW, THEREFORE, the City Council of the City of Cotati does hereby resolves that:

1. The appropriations limit for the City of Cotati for Fiscal year 2020-2021 is \$16,560,820.
2. The Resolution shall take effect July 1st.
3. The City Clerk shall certify to the adoption of this resolution.

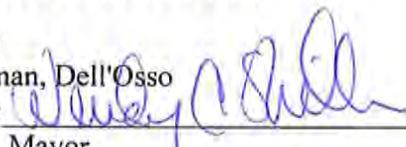
IT IS HEREBY CERTIFIED that the foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Cotati held on the June 23rd, 2020, by the following vote, to wit:

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Susan Harvey, Councilmember

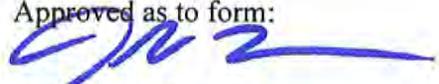
SECONDER: Mark Landman, Councilmember

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

Approved: 
Mayor

Attest: 
Lauren Berges, City Clerk

Approved as to form:


City Attorney

APPROPRIATIONS LIMIT



What is it?

Proposition 4, approved by the voters in November 1979, added California Constitution, Article XIII B. This article 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.

State of California Per Capita Personal Income	
Fiscal Year	Percentage Change over Prior Year (1)
2020/21	3.73%

Fiscal Year 2020/21 Population Change	
Sonoma County	City of Cotati
Percentage Change over Prior Year (1)	Percentage Change over Prior Year (1)
-0.80%	-1.25%

Per Capita Cost of Living Converted to Ratio:	$\frac{3.73+100}{100}$	=	1.0373
City of Cotati Population Converted to Ratio	$\frac{-1.25+100}{100}$	=	0.9875
Calculation Factor for FY 2020/2021	1.0373×0.9875	=	1.0243
Fiscal Year 2019/2020 Appropriations Limit	\$ 16,167,939		
Fiscal Year 2020/2021 Factor	1.0243		
Fiscal Year 2020/2021 Appropriations Limit	\$ 16,560,820		

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

Tax Appropriations Subject to the Tax Appropriations Limit

<u>Tax Appropriations</u>	<u>Total Budget for 2020/21</u>
Property Tax	\$ 1,797,379
Sales Tax	4,334,000
Other Tax	516,300
Total Appropriations Subject to Limit	\$ 6,647,679
Appropriations Subject to Limit	\$ 6,647,679
Fiscal Year 2020/2021 Appropriations Limit	16,560,820
Over/(Under) Appropriations Limit	\$ (9,913,141)
Percentage Over/(Under) Limit	-60%

(1) Department of Finance-Budgeting Resource Price and Population Factors Used For Appropriations Limit at:
<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/documents/PriceandPopulation2020.pdf>

APPROPRIATIONS LIMIT



Establishing Appropriations Limits

The City's limitation is calculated every year and is established by resolution of the City Council as part of the Annual Operating Budget. A City Resolution was approved June 23, 2020 establishing the City of Cotati's appropriations limit.

The City's appropriations subject to the Gann Limit totals \$6,647,679, which is well below the authorized spending limit of \$16,560,820. Additional appropriations to the budget funded by non-tax sources such as beginning fund balances, grants or service charges are unaffected by the appropriations limit. Historically, the City's Annual Appropriations Limit has exceeded annual appropriations and the City projects the trend to continue.

Historical and Estimated Future Limits

Fiscal Year	Personal Income Change	Population Change	Growth Factor	Annual Adjustment	Appropriations Limit
Historical Appropriations Limits					
2019/20	1.0385	0.9960	1.0343	\$ 536,170	\$ 16,167,939
2018/19	1.0367	0.9978	1.0344	\$ 519,850	\$ 15,631,769
2017/18	1.0369	1.0050	1.0421	\$ 610,295	\$ 15,111,919
2016/17	1.0537	1.0053	1.0593	\$ 811,605	\$ 14,501,625
2015/16	1.0382	1.0084	1.0469	\$ 613,560	\$ 13,690,018
2014/15	0.9977	1.0039	1.0016	\$ 20,771	\$ 13,076,459
2013/14	1.0512	1.0057	1.0572	\$ 706,285	\$ 13,055,686
2012/13	1.0377	1.0041	1.0420	\$ 497,250	\$ 12,349,402
2011/12	1.0251	1.0087	1.0340	\$ 389,926	\$ 11,852,151
Future Year Estimates Appropriations Limit ⁽²⁾					
2021/22	1.0406	0.9983	1.0389	\$ 643,748	\$ 17,204,568
2022/23	1.0380	0.9969	1.0348	\$ 598,910	\$ 17,803,478

(2) Estimates calculated based on changes to both personal income and population change following a trending 5 year average.

BUDGET PROCESS AND DOCUMENT

Basis for Budget Development

The budget is the City's financial plan for delivering effective services and efficiently managing the revenues which support those services. It is an essential component of the City's process for financial planning, management and control. The budget is a plan of revenue and expense activities for the fiscal year and is intended to provide a clear, concise, and coordinated financial program to attain the City's goals and objectives. Revenue estimates are derived using historical and economic data on the state and local levels.

The budget is also developed based on the following:

- ❖ The City Council's priorities identified through annual strategic planning and budget workshops
- ❖ Service level prioritization as identified by the City Manager
- ❖ Availability and sustainability of revenues
- ❖ Legal mandates
- ❖ Prioritized capital projects

City Council Top Three Priorities

On an ongoing basis, the City is committed to providing high quality, cost effective services that reflect the City's core values and strategic goals. In addition, each year the City Council establishes top priorities, which are topics or service areas that will receive significant focus during the year. The top priorities guide both budget development and department priority-setting. The following are the City Council's top priorities for 2020/2021:

- ❖ Economic Development (ED)
 - Focus on existing opportunities
 - Evaluate key markets changes and adapt business to new reality
 - Identify and remove barriers for key development sites
- ❖ Infrastructure
 - Continue investment focus on roads, with focused investments in parks, city buildings.
- ❖ Outreach and Communication
 - Personalize and expand public communication, events, and project information

Responsibilities

- ❖ The Director of Administrative Services has the overall administrative responsibility for planning, coordinating, analyzing, preparing and issuing the budget.
- ❖ Each Department Director is responsible for preparing and submitting the budget for the department and its subsidiary divisions in accordance with the budget instructions.
- ❖ The City Manager, in close consultation with the department directors, is responsible for making the final determination of the proposed budget to be submitted for approval to the City Council.
- ❖ The City Council is responsible for setting the City's priorities and approving the annual operating budget.



Budgeting FAQ's

WHAT METHODOLOGY IS USED TO PREPARE THE CITY BUDGET?

The budget is prepared in accordance with Generally Accepted Accounting Principles. The budgets for all funds have been prepared on a modified accrual basis. The modified accrual basis recognizes expenditures at the point in time when the related fund liability is incurred, not necessarily when the liability is actually paid. Revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Each fund is estimated prior to the end of the fiscal year utilizing the same basis of accounting that is used for the same fund within the final audited financial statements once the Fiscal Year is closed.

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 nor 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. 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 June 30th 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?

A capital improvement plan is a plan created by the City to identify needed construction projects and equipment purchases. This plan provides a timetable for construction phases as well as requirements of funding sources. The capital improvement plan includes 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.

Detailed Budget Development Process

Preparing the Budget

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 City of Cotati prepares a "line item budget." The intent of this format is to provide the City Council with summarized yet detailed budget information by department. At the same time, the overall focus of the budget is on policy direction and departmental activities, with emphasis on the level and cost of each City service, what services are being proposed, and the effect of these activities on general public welfare.

From October to December, the City Manager and Director of Administrative Services hold a series of planning meetings to analyze financial performance as of Mid-Year as well as determine preliminary budget guidelines for the upcoming fiscal year. Following these planning meetings the budget calendar is developed. The budget calendar provides a time frame for the planning and preparing of the City budget.

From January through February, the Administrative Services Department drafts the budget guidelines, instructions, supporting materials, forms and worksheets, and distributes them to all departments responsible for their budget preparation during the budget kickoff meeting. These budget guidelines include; new budget policies for the upcoming fiscal year, department worksheets with historical actual and proposed operating revenue and expenses, and departmental variance analysis (actual year to date versus budgeted financial activity) and forecast analyses. Based on policy direction provided by Council through the City Manager, departments prepare their budget requests for the City Manager's review. As needed, the Administrative Services Department provides technical assistance to the department staff involved in preparing budgets for their departments.

When the department budgets are completed, the department director reviews them and forwards them to the Administrative Services Department. The Administrative Services Department compiles the departmental budgets into a draft line item budget rolling up to a single City-wide budget. With the departmental input, the Administrative Services Department performs an initial analysis comparing all revenue and expenditure projections for reasonability and to ensure that they adhere to the budget guidelines and that no category has been overlooked.

The City Manager, Director of Administrative Services, and department directors meet between March and the end of April to review the draft budget, make necessary adjustments, and determine which of the proposed new programs will be presented to the City Council for adoption. These meetings are an opportunity for each department and division to present their proposed budget and their justifications for new programs, and to enhance senior management's knowledge of operational needs. The Administrative Services Department compiles the results of the reviews and prepares final recommendations for the City Manager's approval.

In May through June, the City Manager presents the final recommendations to the City Council as the Proposed Budget. The City Council's review includes citizen's input at public hearings and budget workshops. Upon completion of the review and all budget modifications, the budget is adopted by resolution of the City Council. The Council also adopts the City's appropriations limit in conformance with the California Constitution, Article XIIIb.

Continuous Budget Monitoring

Once in place, the adopted budget becomes the main internal control document used to monitor and manage the City's financial position. Monthly Revenue and Expenditures Reports are provided to department directors indicating revenue and expenditures for the month and year to date. This data is intended to help department directors control expenditures and maximize revenue. Department directors review the reports and investigate significant variances between actual revenues and expenditures and the budget projections. During this review, additional fund requirements may be identified for specific items or projects that were unforeseen at the time of initial budget adoption. Accordingly, recommendations for additional appropriations are considered by the City Manager, submitted for approval to the City Council, and adjusted within the budgetary software by the Administrative Services Department.

Generally, the budget is formally amended at mid-year and at year end. Additional appropriations, which were approved during the year, are added to the Adopted Budget and presented to the City Council as the Amended Budget. After Council's review, the Amended Budget is adopted by resolution.

Budget Process Flow



Budget Calendar

Budget Year 2020/2021			
Oct.-Dec.	Internal	Planning Budget Calendar Meetings with Analysis of Financial Performance	City Manager / Admin. Services Director
January	Internal	Internal - Financial Performance Review	Administrative Services
January	Public	Public Session - Mid-Year Report	City Manager / Admin. Services Director
January	Public	Public Session - Long Range Financial Projections to Council/Public	City Manager / Admin. Services Director
February	Internal	Budget Strategy for Upcoming Fiscal Year	City Manager / Admin. Services Director
March	Internal	Budget Guidelines Provided to Departments	City Manager / Department Heads
March	Internal	Strategic/Long-Term Planning	Department Heads
March	Public	Strategic/Long-Term Planning	City Council
March - April	Internal	Departmental Review of Proposed Budget	Department Heads / City Manager / Admin. Services Director
April	Public	Budget Study Session – General Fund	City Council
May	Public	Budget Study Session - Enterprise	City Council
May	Internal	Budget Revisions for Public/Council Comments	City Manager / Admin. Services Director
June	Public	Budget Adoption	City Council
June – July	Public	Adopted Budget Publication and Distribution	Public and City Website
June – July	Internal	Upload Adopted Budget to Financial System	Administrative Services



FINANCIAL STRUCTURE & POLICIES

Descriptions & Structure of City Funds

The operating budget document includes City-wide information as well as information specific to each fund and each department. The City receives revenue from numerous different sources, many of which have restrictions on how they can be used. Separate funds are established to account for the different types of revenues and the allowable uses of those revenues. The annual budget information is available after the publication of the annual Adopted Budget.

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.

Sales Tax

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 1% of the sales tax 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 9.25%. Therefore, the city receives a total of 2% of the 9.25% in sales tax, with Bradley Burns and Measure G.

Property Tax

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 Revenue

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 are Community Development Block Grants (202), Gas Tax (203), and MTC Streets (204) funds.

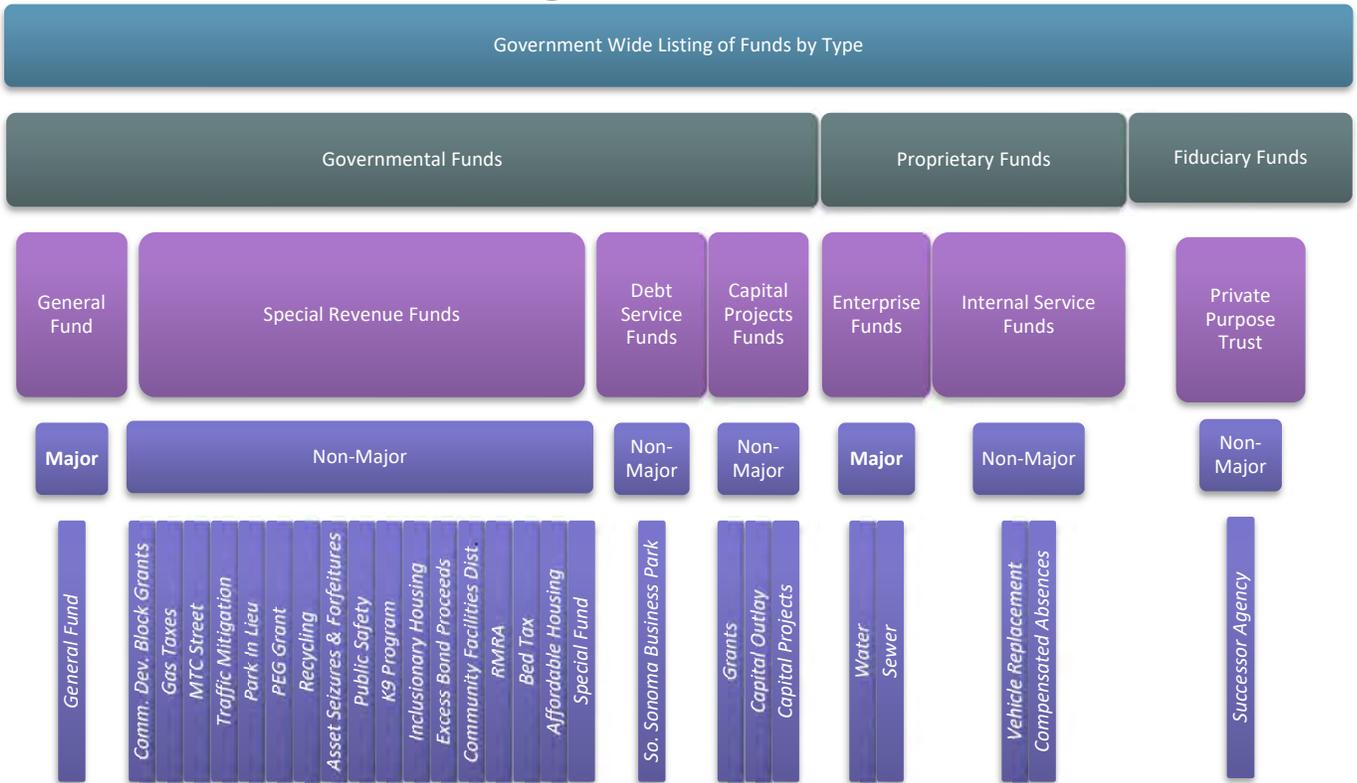
Capital Projects

Capital project funds are financial accounts that are used to track the building, renovating, or purchase of equipment, property, facilities, 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

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

Fund Structure & Accounting Basis



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.

Fiduciary funds track assets held by the City in trust which are presented using the economic resources measurement focus and the accrual basis of accounting. Economic resources measurement focus is a method of financial reporting where statements report all inflows, outflows, and balances affecting or reflecting an entity's net position including all assets that are available to the entity not just cash or soon to be cash assets.

Identification of Major Funds:

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

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.

Guiding Financial Policies

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 are 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.

Reserve Policy

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, thus exceeding the GFOA recommendations. This policy ensures there are funds available for significant, unanticipated events since these reserve funds can only be used with a majority vote of the City Council, and for specific circumstances. (See Appendix A, Page A.15 and City wide Financial Principals and Policies Section VIII.C. Fund Balance Policy Levels Appendix A, page A.11).

Investment Policy

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 (see Appendix A pages A.18-A.22).

Purchasing Policy

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 (see Appendix A, pages A.24-A.48).

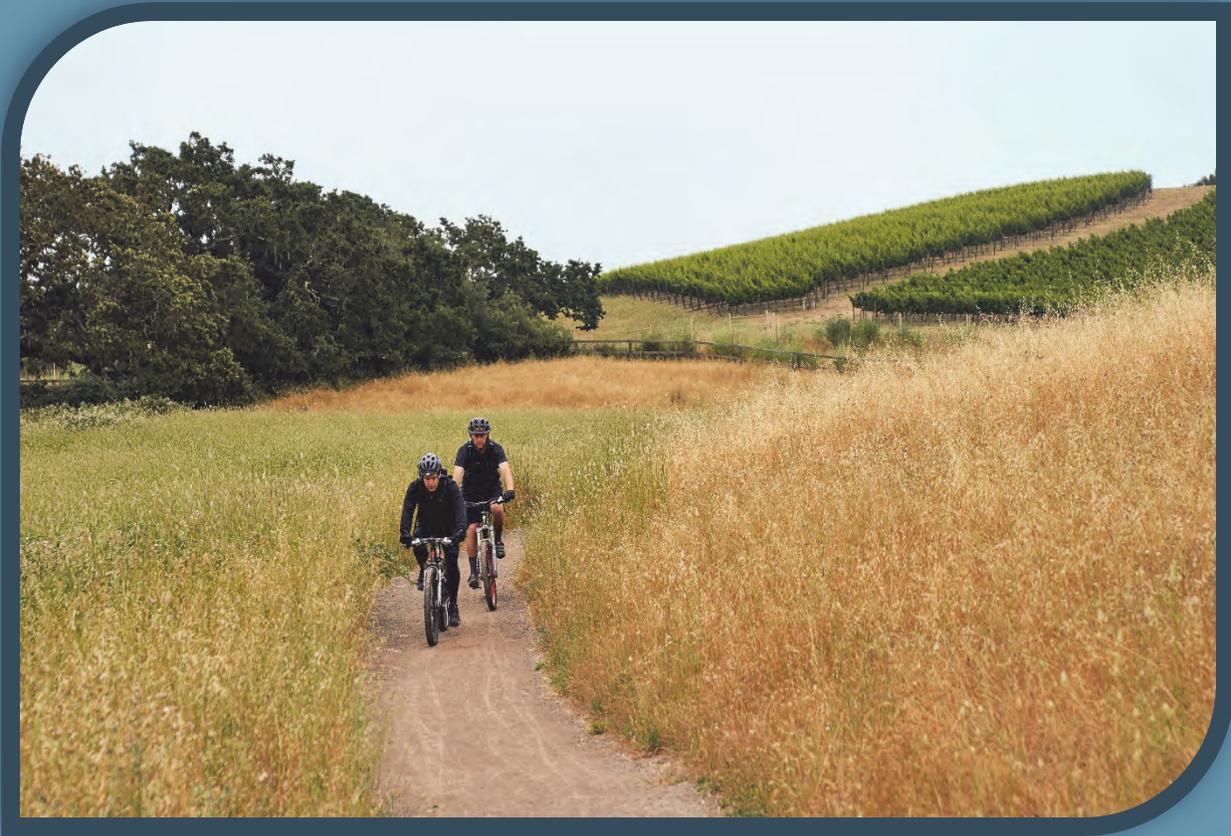
Capital Asset Policy

The 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 (see Appendix A pages A.50-A.61).

Summary

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 financial procedures in place for the City of Cotati as of June 11, 2019.

FINANCIAL SUMMARIES



i♥cotati

CONSOLIDATED BUDGET SUMMARY BY FUND



Fund	No.	Dept.	Projected Beginning Balance 7/01/2020	Fiscal Year 20/21 Changes*						Projected Ending Balance 6/30/2021
				Estimated Revenue	Appropriations		Other Sources/ (Uses)	Operating Transfers		
					Operating Expense	Capital Imp.		In	Out	
General Fund	101	ALL	\$ 5,243,248	\$ 7,790,933	\$ 7,643,875	\$ -	\$ -	\$ 156,000	\$ (792,179)	\$ 4,754,127
Governmental Funds										
Capital Projects Funds										
Grants	201	PW	-	320,000	-	558,820	-	238,820	-	-
General Capital Outlay	604	PW	121,569	153,149	-	-	-	-	-	274,718
Capital Projects Fund	605	PW	-	-	-	646,550	-	646,550	-	-
Special Revenue & Other Funds										
Comm. Dev. Block Grants	202	PW	-	309,910	-	311,719	-	1,809	-	-
Gas Taxes	203	PW	27,692	193,111	4,500	-	-	-	-	216,303
MTC Street	204	PW	4,173	50,000	-	-	-	-	(25,000)	29,173
Traffic Mitigation	205	PW	454,854	247,920	-	-	-	-	-	702,774
Park In-Lieu	206	PW	12,538	130,000	-	-	-	-	(10,000)	132,538
PEG Grant	208	CM	39,906	20,000	41,000	-	-	-	-	18,906
Recycling	209	CM	-	-	-	-	-	-	-	-
Asset Seizures & Forfeitures	210	PD	-	-	-	-	-	-	-	-
Public Safety	211	PD	410	156,000	-	-	-	-	(156,000)	410
K9 Program	212	PD	1,441	5,000	6,200	-	-	-	-	241
So. Sonoma Business Park	215	CM	-	-	-	-	-	-	-	-
In-Lieu-Inclusionary Housing	216	CD	3,164,607	-	-	-	67,499	-	-	3,232,106
Excess Bond Proceeds	219	CM	238,557	-	238,557	-	-	-	-	-
Community Facilities Dist.	220	PW	(3,750)	-	5,000	-	-	-	-	(8,750)
RMRA	221	PW	7,889	136,100	-	-	-	-	-	143,989
Bed Tax	222	CD	11,389	4,000	-	-	-	-	-	15,389
Linkage - Affordable Housing	223	CD	92,382	-	-	-	-	-	-	92,382
SSBP Series 2019	224	CM	379,519	373,000	362,716	-	-	-	-	389,803
Special Fund	250	CD	75,517	88,554	-	-	-	-	(60,000)	104,071
Total Governmental Funds			9,871,941	9,977,677	8,301,848	1,517,089	67,499	1,043,179	(1,043,179)	10,098,180
Proprietary										
Internal Service Funds										
Vehicle Replacement	501	PW	4,046	241,500	185,000	-	-	-	-	60,546
Compensated Absences	502	AS	126,498	211,000	200,150	-	-	-	-	137,348
Subtotal Internal Service Fund			130,544	452,500	385,150	-	-	-	-	197,894
Enterprise Funds										
Water Funds										
Water Operating	401	PW	1,391,818	2,021,080	1,897,382	-	(199,469)	-	(158,500)	1,157,547
Water Capital	402	PW	734,441	1,700	-	158,500	5,000	158,500	-	741,141
Recycled Water Line	403	PW	-	-	-	-	-	-	-	-
Subtotal Water Fund			2,126,259	2,022,780	1,897,382	158,500	(194,469)	158,500	(158,500)	1,898,688
Sewer Funds										
Sewer Operating	404	PW	1,970,050	2,747,000	3,038,703	-	(67,499)	-	-	1,610,848
Sewer Capital	405	PW	613,458	18,100	-	687,500	204,469	-	-	148,527
Subtotal Sewer Fund			2,583,508	2,765,100	3,038,703	687,500	136,970	-	-	1,759,375
Total Enterprise Funds			4,840,311	5,240,380	5,321,235	846,000	(57,499)	158,500	(158,500)	3,855,957
Total City Funds			\$ 14,712,252	15,218,057	13,623,083	2,363,089	10,000	1,201,679	(1,201,679)	\$ 13,954,137
Fiduciary Funds										
Successor Agency	301	CM	25,000	1,123,969	1,164,399	-	15,430	-	-	-
Total City & Fiduciary Funds			\$ 14,737,252	\$ 16,342,026	\$ 14,787,482	\$ 2,363,089	\$ 25,430	\$ 1,201,679	\$ (1,201,679)	\$ 13,954,137

NOTE: See City Managers Message for explanation of changes in fund balances.

Managing Department Key:	
ALL	- All City Departments
CM	- City Managers
AS	- Administrative Services
CD	- Community Development
PW	- Engineering/Public Works
PD	- Police Department

GENERAL FUND

What is the General Fund?

The General Fund is the City's unrestricted source of revenues and expenditures; it is the largest government-type fund with a fiscal year 2020/21 year end reserve estimated at almost \$4.7 million. The General Fund supports all non-enterprise departments and more than 50% of the City's total personnel services costs. Elected and appointed officials, Recreation and Facilities, Planning and Community Development, Public Works (except water and sewer), and the Police Department are all dependent on the General Fund for their operations. General Funds can be used for any municipal purpose, including the general operations of the City and to fund basic City services such as police, park and street maintenance, and recreational services. Examples of revenue sources for General Funds include: property taxes, sales taxes, licenses and permits, rents, services charges, investment earnings, and payments received from other governmental agencies.



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GENERAL FUND CONSOLIDATED FINANCIAL SCHEDULE

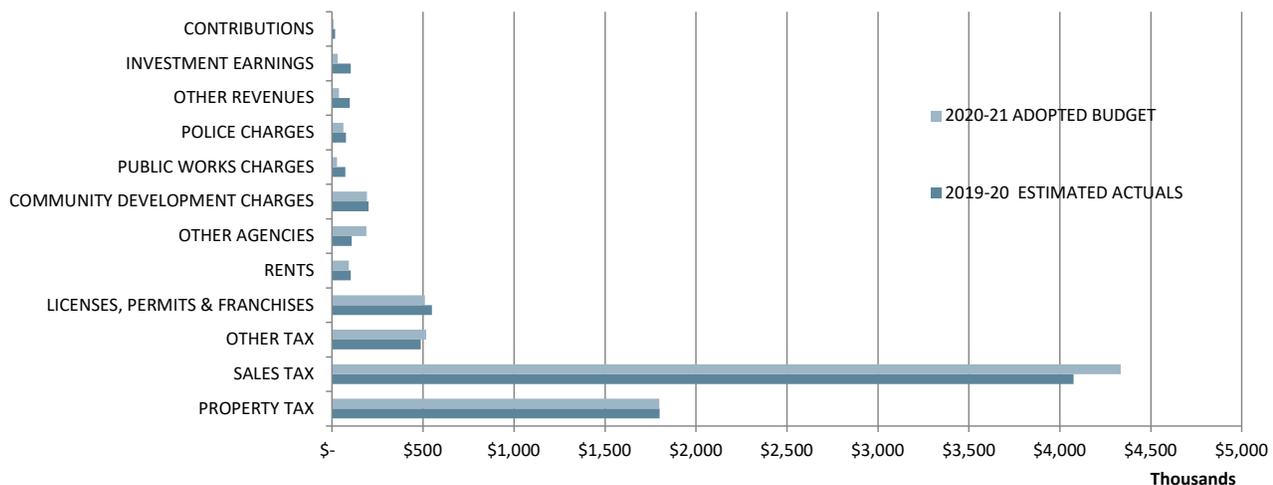
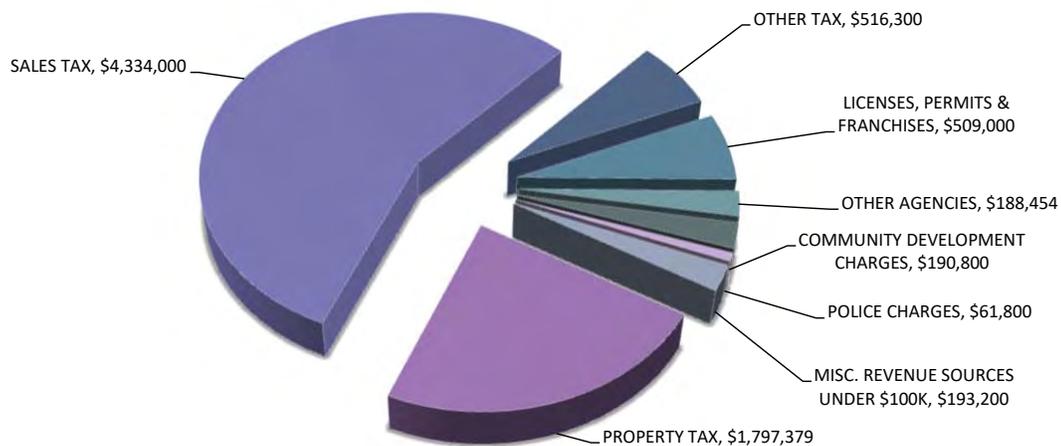


DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
OPERATING REVENUE						
PROPERTY TAX	\$ 1,472,627	\$ 1,544,847	\$ 1,734,281	\$ 1,754,011	\$ 1,800,264	\$ 1,797,379
SALES TAX	4,222,473	4,145,877	5,109,212	4,683,000	4,076,000	4,334,000
OTHER TAXES	44,041	163,569	415,185	404,000	487,645	516,300
LICENSES AND PERMITS	521,507	544,780	515,546	517,800	549,150	509,000
RENTS	57,505	81,713	96,344	75,000	102,772	91,000
OTHER AGENCIES	5,473	12,051	303,488	186,600	106,714	188,454
COMMUNITY DEVELOPMENT CHARGES	320,137	261,756	219,441	226,300	200,820	190,800
PUBLIC WORKS CHARGES	32,714	65,939	57,751	42,225	72,885	27,400
POLICE CHARGES	120,841	95,060	103,394	92,525	75,805	61,800
OTHER REVENUES	126,513	190,259	163,976	54,500	96,943	37,500
INVESTMENT EARNINGS	18,619	54,608	126,272	50,000	101,305	30,000
CONTRIBUTIONS	18,811	27,866	17,813	11,400	16,990	7,300
Total	6,961,261	7,188,324	8,862,703	8,097,361	7,687,293	7,790,933
OPERATING EXPENDITURE						
CITY COUNCIL	80,818	135,347	133,509	141,774	128,648	119,008
CITY MANAGER	410,690	471,375	566,401	577,972	563,416	621,093
ADMINISTRATIVE SERVICES	241,854	283,726	215,379	316,260	250,432	340,459
NON-DEPARTMENTAL	409,480	-	-	-	-	-
COMMUNITY DEVELOPMENT	417,202	439,069	581,762	678,667	677,038	755,582
PUBLIC WORKS	932,687	856,122	1,133,227	1,070,055	1,114,904	1,197,608
POLICE	2,950,972	3,331,715	3,709,925	3,698,397	3,910,355	4,187,072
RECREATION	123,774	189,584	277,333	317,346	328,925	382,053
CODE COMPLIANCE	-	-	-	-	65,000	41,000
Total	5,567,477	5,706,937	6,617,536	6,800,471	7,038,718	7,643,875
OTHER SOURCES/(USES)						
DEBT PAYMENT	(23,962)	-	(256,626)	-	-	-
OTHER USES	(13,002)	(31,852)	-	-	-	-
Total	(36,964)	(31,852)	(256,626)	-	-	-
TRANSFERS IN/(OUT)						
TRANSFERS IN	162,627	160,000	250,000	160,000	349,146	156,000
TRANSFERS OUT	(925,137)	(489,939)	(984,431)	(2,983,835)	(2,672,171)	(792,179)
Total	(762,510)	(329,939)	(734,431)	(2,823,835)	(2,323,025)	(636,179)
NET FUND SURPLUS						
	594,309	1,119,595	1,254,109	(1,526,945)	(1,674,450)	(489,121)
BEG. FUND BALANCE						
	3,949,684	4,543,993	5,663,589	6,339,527	6,917,698	5,243,248
END. FUND BALANCE						
	4,543,993	5,663,589	6,917,698	4,812,582	5,243,248	4,754,127
RESERVE						
REQUIRED RESERVE	1,391,869	1,426,734	1,654,384	1,700,118	1,759,680	1,910,969
GENERAL OPERATING	3,152,124	4,236,855	5,263,314	3,112,464	3,483,569	2,843,158
TOTAL RESERVE (\$)	4,543,993	5,663,589	6,917,698	4,812,582	5,243,248	4,754,127
TOTAL RESERVE (%)	82%	99%	105%	71%	74%	62%

GENERAL FUND REVENUE SUMMARY SCHEDULE



OPERATING REVENUE SOURCE BY TYPE	FY 2019/20 ESTIMATE	FY 2020/21 ADOPTED BUDGET	INCREASE/ (DECREASE)	% CHANGE
PROPERTY TAX	\$ 1,800,264	\$ 1,797,379	\$ (2,885)	0%
SALES TAX	4,076,000	4,334,000	258,000	6%
OTHER TAX	487,645	516,300	28,655	6%
LICENSES, PERMITS & FRANCHISES	549,150	509,000	(40,150)	-8%
RENTS	102,772	91,000	(11,772)	-13%
OTHER AGENCIES	106,714	188,454	81,740	43%
COMMUNITY DEVELOPMENT CHARGES	200,820	190,800	(10,020)	-5%
PUBLIC WORKS CHARGES	72,885	27,400	(45,485)	-166%
POLICE CHARGES	75,805	61,800	(14,005)	-23%
OTHER REVENUES	96,943	37,500	(59,443)	-159%
INVESTMENT EARNINGS	101,305	30,000	(71,305)	-100%
CONTRIBUTIONS	16,990	7,300	(9,690)	-133%
TOTAL GENERAL FUND REVENUE/SOURCES	\$ 7,687,293	\$ 7,790,933	\$ 103,640	1%



GENERAL FUND

DETAIL OF BUDGET REVENUES



ACCOUNT NUMBER AND DESCRIPTION				FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
PROPERTY TAX									
101	00	60100	PROPERTY TAXES	\$ 878,994	\$ 912,590	\$ 1,055,105	\$ 1,042,011	\$ 1,085,209	\$ 1,064,233
101	00	60105	000000 IN-LIEU OF VLF	593,633	632,257	679,176	712,000	715,055	733,146
				1,472,627	1,544,847	1,734,281	1,754,011	1,800,264	1,797,379
SALES TAX									
101	00	60300	000000 SALES TAX	2,101,915	1,996,992	2,551,875	2,313,000	1,976,000	2,125,000
101	00	60306	000000 MEASURE G - TRANS. & USE TAX	2,120,557	2,148,886	2,557,336	2,370,000	2,100,000	2,209,000
				4,222,473	4,145,877	5,109,212	4,683,000	4,076,000	4,334,000
OTHER TAX									
101	00	60400	000000 TRANSIENT OCCUPANCY TAX	2,847	388	-	-	-	-
101	00	60402	000000 TRANSFER TAX	41,194	47,279	48,109	42,000	33,470	30,000
101	00	60500	000000 CANNABIS BUSINESS TAX	-	115,902	352,076	358,500	454,000	486,000
101	00	60501	000000 CANNABIS LICENSE FEE	-	-	-	500	-	300
101	00	60502	000000 CANNABIS- APPLICATION	-	-	15,000	3,000	-	-
101	00	60505	000000 CANNABIS - CASH TAX	-	-	-	-	175	-
				44,041	163,569	415,185	404,000	487,645	516,300
LICENSES, PERMITS & FRANCHISES									
101	00	60600	000000 BUSINESS LICENSE	77,323	77,223	78,797	75,000	76,730	70,000
101	00	60602	000000 BUSINESS LICENSE LATE CHARGES	3,033	2,101	3,167	2,000	2,730	1,000
101	00	60640	000000 ELECTRIC FRANCHISE	61,022	66,492	62,290	71,000	71,000	71,000
101	00	60641	000000 GAS FRANCHISE	16,599	17,852	18,517	19,800	19,800	20,000
101	00	60642	000000 CABLE TV FRANCHISE	96,186	94,680	94,504	93,000	90,890	89,000
101	00	60643	000000 VIDEO SERVICE FRANCHISE	11,691	9,908	6,557	7,000	8,000	8,000
101	00	60644	000000 GARBAGE FRANCHISE	255,652	276,525	251,715	250,000	280,000	250,000
				521,507	544,780	515,546	517,800	549,150	509,000
RENTS									
101	00	60700	000000 GEN'L FACILITIES ROOM RENT	12,640	25,916	44,259	30,000	41,000	30,000
101	00	60702	000000 SPECIAL EVENT FEE	-	-	75	-	-	-
101	00	60704	000000 RENTS - OTHER	24,865	35,798	32,010	25,000	41,772	41,000
101	00	60705	000000 SMART TRAIN RENT	20,000	20,000	20,000	20,000	20,000	20,000
				57,505	81,713	96,344	75,000	102,772	91,000
OTHER AGENCIES									
101	00	60800	000000 DEPT OF TRANS HIGHWAY RENTAL	2,190	1,813	127	-	216	-
101	00	60804	000000 MOTOR VEHICLE IN-LIEU	3,255	3,828	3,704	3,000	6,267	3,000
101	00	60806	000000 STATE MANDATED COSTS SB90	28	4,437	26,048	-	8,422	-
101	00	60807	000000 SSU SAFETY CONTRACT SVCS.	-	1,973	273,609	183,600	91,809	185,454
				5,473	12,051	303,488	186,600	106,714	188,454

GENERAL FUND

DETAIL OF BUDGET REVENUES



ACCOUNT NUMBER AND DESCRIPTION				FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
COMMUNITY DEVELOPMENT CHARGES									
101 17 62001	000000	BLUEPRINT / MAP REPRODUCTION		1	-	-	-	15	-
101 17 62004	000000	BUILDING INSPECTION	155,389	146,130	84,982	150,000	110,000	120,000	
101 17 62005	000000	BUILDING PLAN CHECK	10,582	10,933	7,308	10,000	8,500	5,000	
101 17 62006	000000	BUS LIC-CASP-CERT AC*	594	-	-	-	-	-	
101 17 62007	000000	CBSC BUILDING STDS SB 147	140	26	84	100	100	100	
101 17 62008	000000	CERTIFICATE OF COMPLIANCE	100	-	-	-	-	-	
101 17 62011	000000	CONDITIONAL USE PERMIT REVI	-	-	-	-	750	-	
101 17 62012	000000	ENERGY / TITLE 24 FEE	13,077	11,388	2,781	10,000	3,800	3,300	
101 17 62016	000000	ENVIRONMENTAL IMPACT REPORT REVIEW	210	-	-	-	-	-	
101 17 62020	000000	GROWTH MANAGEMENT REVIEW	350	350	-	-	175	-	
101 17 62022	000000	INCREMENTAL FEE	8,320	8,267	4,470	5,000	5,600	5,000	
101 17 62026	000000	MISCELLANEOUS FEES	1,040	-	-	-	630	-	
101 17 62029	000000	OUTSIDE PLAN REVIEW	2,495	24,700	67,545	25,000	25,000	25,000	
101 17 62032	000000	PRE/FINAL DESIGN REVIEW	1,330	1,032	1,828	1,500	5,100	2,000	
101 17 62035	000000	SIGN PERMIT	140	530	365	200	40	-	
101 17 62037	000000	STRONG MOTION FEE	116	(117)	87	-	50	-	
101 17 62038	000000	TECHNOLOGY FEE	8,013	7,732	4,223	4,000	5,600	5,000	
101 17 62042	000000	TIME EXTENSION REVIEW	2,085	675	2,330	-	-	-	
101 17 62043	000000	TREE REPLACEMENT FEE	545	625	525	500	370	400	
101 17 62049	000000	ZONING RESEARCH LETTER	160	-	-	-	90	-	
101 17 62999	9999RV	REIMB-ADMIN COSTS	115,451	49,485	42,912	20,000	35,000	25,000	
				320,137	261,756	219,441	226,300	200,820	190,800
* Moved to Special Revenue FUND 250									
PUBLIC WORKS CHARGES									
101 18 63001	000000	ENG PLN CHK - BLDG PERMIT	\$ -	\$ -	\$ 949	\$ 400	\$ 1,425	\$ 400	
101 18 63004	000000	FINAL MINOR SUB IMP REVIEW	1,745	-	-	-	-	-	
101 18 63006	000000	GRADING PLAN CHECK	-	220	-	-	1,150	-	
101 18 63007	000000	CERTIFICATE OF CORRECTION	-	-	130	-	-	-	
101 18 62999	9999RV	REIMB - ADMIN COSTS	11,672	41,682	31,162	35,000	18,500	20,000	
101 19 63009	000000	MAJOR ENCROACHMENT PERMIT	-	1,296	3,095	-	-	-	
101 19 63010	000000	MINOR ENC - NON-CONST.	9,227	-	-	-	765	-	
101 19 63011	000000	MINOR ENC - CONST.	8,470	20,790	20,540	5,000	21,700	5,000	
101 19 63012	000000	PROP. OWNR CONTR	-	-	-	-	27,440	-	
101 19 63800	0000AD	REIMB - ADMIN COSTS	1,600	1,600	1,875	1,475	1,405	1,500	
101 22 60910	1REIMB	VETS PARK LANDSCAPE REIMB	-	350	-	350	500	500	
				32,714	65,939	57,751	42,225	72,885	27,400
POLICE CHARGES									
101 23 64012	000000	POST REIMBURSEMENT	988	3,558	1,576	-	-	-	
101 23 64020	000000	ALARM PERMIT	2,630	2,570	2,650	3,000	2,200	3,000	
101 23 64021	000000	CONCEALED WEAPON PERMIT	-	25	-	25	-	-	
101 23 64022	000000	PERMIT OTHER	445	250	1,320	300	550	300	
101 23 64030	000000	ANIMAL CONTROL REGISTRATION	4,970	5,155	4,510	5,000	4,390	5,000	
101 23 64040	000000	IMPOUND/ABATEMENT/RELEASE	6,950	7,450	11,755	8,000	10,215	8,000	
101 23 64050	000000	REPOSSESSION FEE	105	185	160	200	90	-	
101 23 64051	000000	SUBPOENA FEES	825	-	-	-	15	-	
101 23 64062	000000	DOC RETRIEVAL / REPRODUCTION	5,174	4,707	6,452	5,000	6,120	5,000	
101 23 64063	000000	FINGERPRINT REQUEST	-	104	1,664	1,000	900	500	
101 23 64070	000000	PARKING ENFORCEMENT	19,983	26,232	28,335	25,000	16,000	10,000	
101 23 64071	000000	NOISE DISTURBANCE	2,100	1,200	(35)	-	500	-	
101 23 64073	000000	TRAFFIC / CRIMINAL CODE FINES	76,656	43,339	44,442	45,000	26,000	30,000	
101 23 64074	000000	VIN VERIFICATION	15	35	-	-	-	-	
101 23 64080	000000	OTHER FINES & FORFEITURES	-	-	-	-	8,825	-	
101 23 64081	000000	REV. OTHER	-	250	566	-	-	-	
				120,841	95,060	103,394	92,525	75,805	61,800

GENERAL FUND

DETAIL OF BUDGET REVENUES



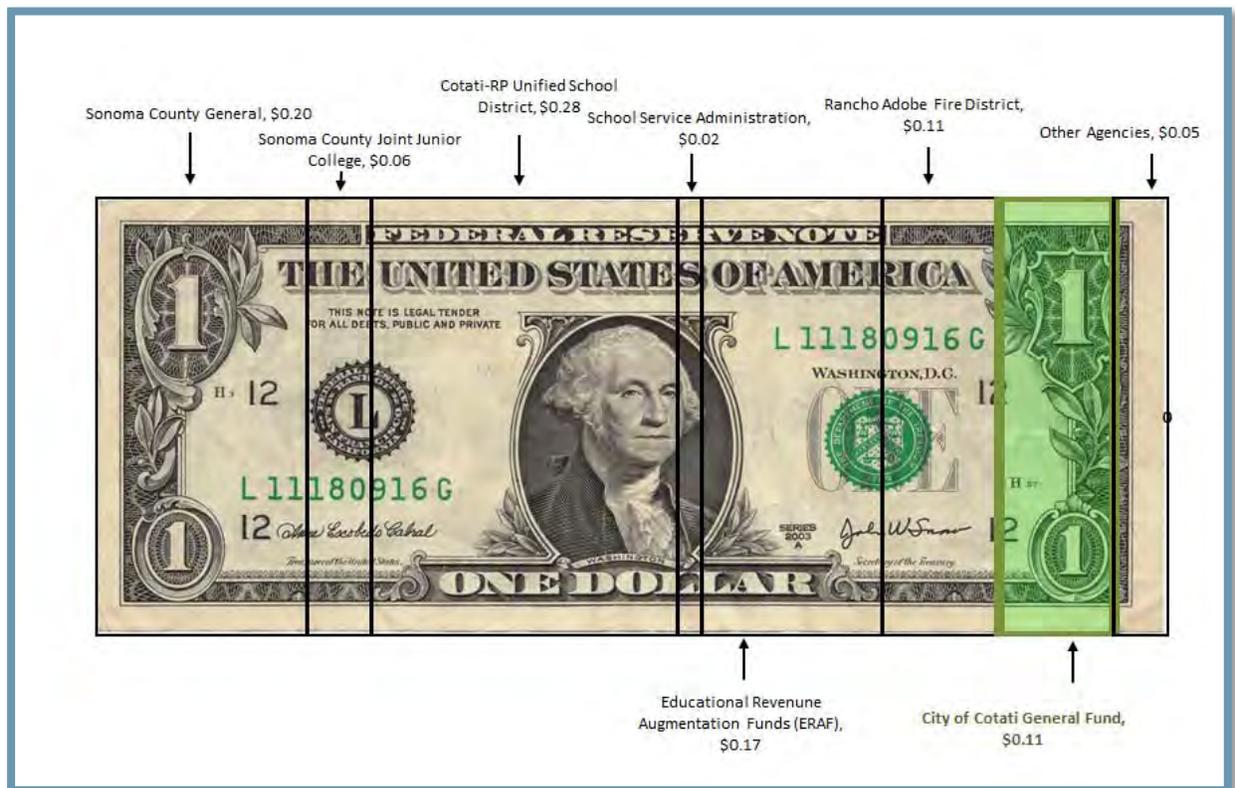
ACCOUNT NUMBER AND DESCRIPTION				FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
OTHER REVENUES									
101 00 60900 000000	MISC REVENUE	(15,933)	(57,398)	2	-	15	-	-	
101 00 60910 000000	REIMB	(427)	1,323	5,741	-	310	-	-	
101 00 60910 0000NS	REIMB - RETURNED CHECK	50	-	50	-	-	-	-	
101 00 60910 00REMF	REIMB - REMIF	(10)	-	42,423	-	-	-	-	
101 00 60920 000000	OTHER REVENUES	54,463	153,753	4,406	-	1,340	-	-	
101 00 60922 000000	BAD DEBT RECOVERY	-	-	-	-	280	-	-	
101 00 60924 000000	DAMAGE TO CITY PROPERTY	1,284	3,380	14,591	-	6,817	-	-	
101 00 60925 000000	DOC RETRIEVAL / REPRODUCTION	213	59	277	-	60	-	-	
101 00 60928 000000	PUBLIC SERVICE FEE	30,000	22,500	-	-	-	-	-	
101 00 60929 000000	SALE OF FIXED ASSETS	18,086	14,374	6,619	12,000	450	-	-	
101 00 60932 000000	GRATON MITIGATION	-	-	11,127	-	11,570	-	-	
101 00 60934 000000	REV. OTHER - REBATE	546	4,308	499	-	-	-	-	
101 00 60936 000000	REV. OTHER - EV CHARGING STATIONS	-	1,261	3,268	2,500	3,540	2,500	2,500	
101 10 60910 1REIMB	EVENT REIMBURSEMENT	3,680	40	-	-	-	-	-	
101 11 62999 9999RV	REIMBURSMTS - ADMIN	-	-	15,692	5,000	4,725	5,000	5,000	
101 12 60910 0000AD	REIMBURSMTS - ADMIN	-	-	-	-	26,282	-	-	
101 17 60910 0000AD	REIMBURSMTS - ADMIN	-	-	-	-	15,059	-	-	
101 17 61302 000000	LCL-COUNTY - GRNHSE RED IMPL	730	-	-	-	-	-	-	
101 23 60910 0000AD	REIMBURSMTS - ADMIN	150	150	332	-	-	-	-	
101 23 60910 00BSCC	REIMB-BSCC GRANT CHARGES	(2,498)	-	-	-	-	-	-	
101 24 60920 000000	OTHER RECREATION REVENUE	-	895	125	-	(75)	-	-	
101 24 68610 000000	CONTRACT CLASS REVENUE	36,180	45,614	58,823	35,000	26,570	30,000	30,000	
				126,513	190,259	163,976	54,500	96,943	37,500
INVESTMENT EARNINGS									
101 00 65010 000000	INVESTMENT EARNINGS	23,113	54,608	126,272	50,000	86,250	30,000	30,000	
101 00 65010 999999	INVESTMENT EARNINGS-FMV	(7,074)	-	-	-	-	-	-	
101 00 65100 000000	OTHER INTEREST	2,580	-	-	-	15,055	-	-	
				18,619	54,608	126,272	50,000	101,305	30,000
CONTRIBUTIONS									
101 00 66010 000000	CONTRIBUTIONS	250	1,891	5,390	1,000	6,805	1,000	1,000	
101 23 66010 000000	CONTRIBUTIONS	-	-	1,400	1,000	3,795	1,000	1,000	
101 24 66010 000000	CONTRIBUTIONS	14,400	18,950	1,603	1,600	1,500	1,000	1,000	
101 24 66090 000000	SCHOLARSHIP FUNDING	433	50	-	300	300	300	300	
101 24 66091 000000	SPECIAL EVENTS REVENUE	3,728	6,975	9,421	7,500	4,590	4,000	4,000	
				18,811	27,866	17,813	11,400	16,990	7,300
TOTAL GENL FUND OPERATING REVENUES				\$ 6,961,261	\$ 7,188,324	\$ 8,862,703	\$ 8,097,361	\$ 7,687,293	\$ 7,790,933

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 increases in assessed value are restricted 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 paid by City property owners is allocated:

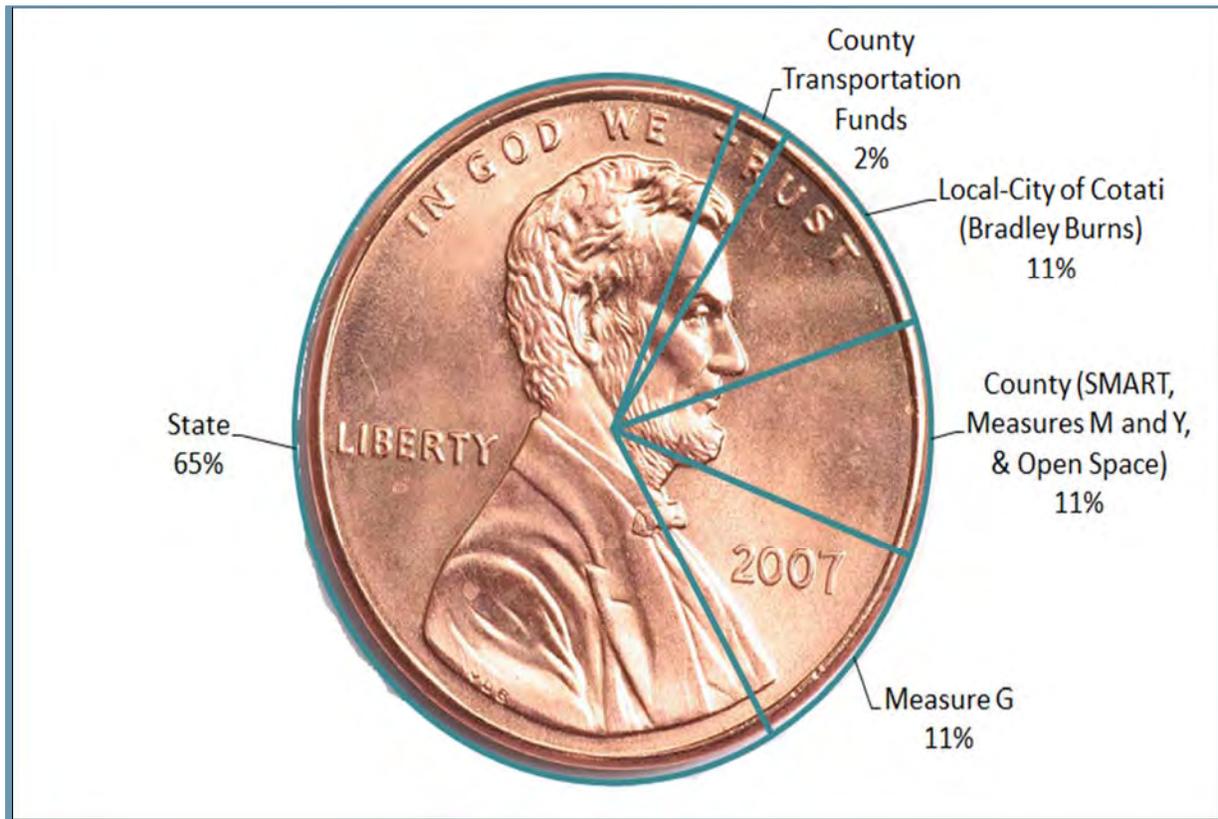


Sales Tax Dollar Distribution

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 9.25%. 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	6.00%
County Transportation Funds	0.25%
Local-City of Cotati (Bradley Burns)	1.00%
Total State-Wide Sales and Use Tax Rate	7.25%
County (SMART, Open Space, Measure M Streets, Measure M Parks, and Measure Y)	1.00%
Measure G	1.00%
Total Sales Tax Rate in Cotati	9.25%



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.

Cannabis Business Tax is a local voter approved business tax for recreational cannabis businesses. These tax rates are based on several factors, including gross receipts, license type and business segment.

Transient occupancy tax (TOT) is a levy placed on tourists to the City, which is intended to compensate local government for the increased public service costs incurred by serving tourists. This tax is common in most of the United States, including California, and is applied to travelers when they rent accommodations (a room, rooms, entire home, or other living space) in a hotel, inn, tourist home or house, motel, or other lodging. At this time, Cotati is the only City in Sonoma County without TOT funding, due to the absence of lodging facilities.

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

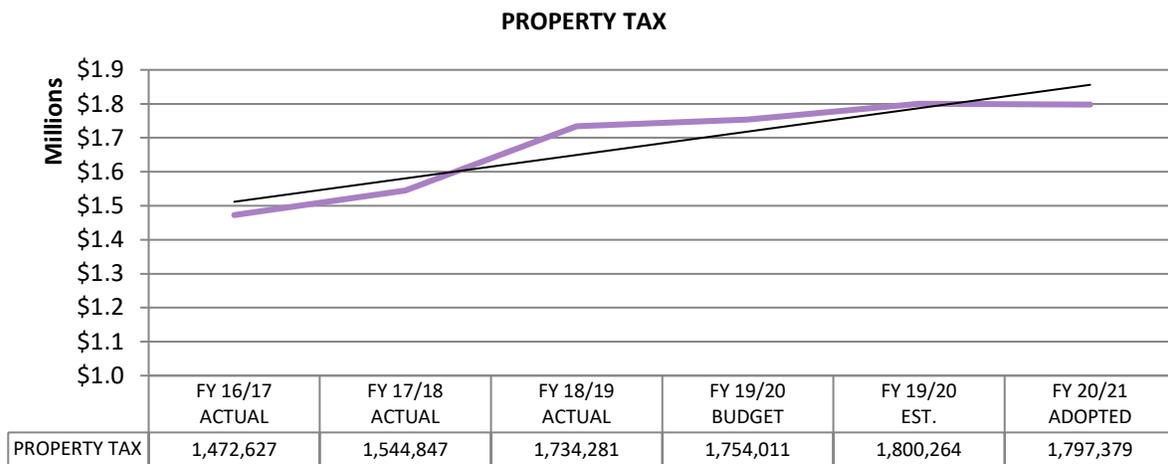
These revenues are amounts received from other local and state agencies.

Revenues - Trends and Outlooks

The major revenue sources to the City General Fund are Property Taxes and Sales Taxes. These revenue sources make up approximately 80% of the total adopted revenues for the budget year 2020-21. These projected revenues are estimated to change based on the following factors.

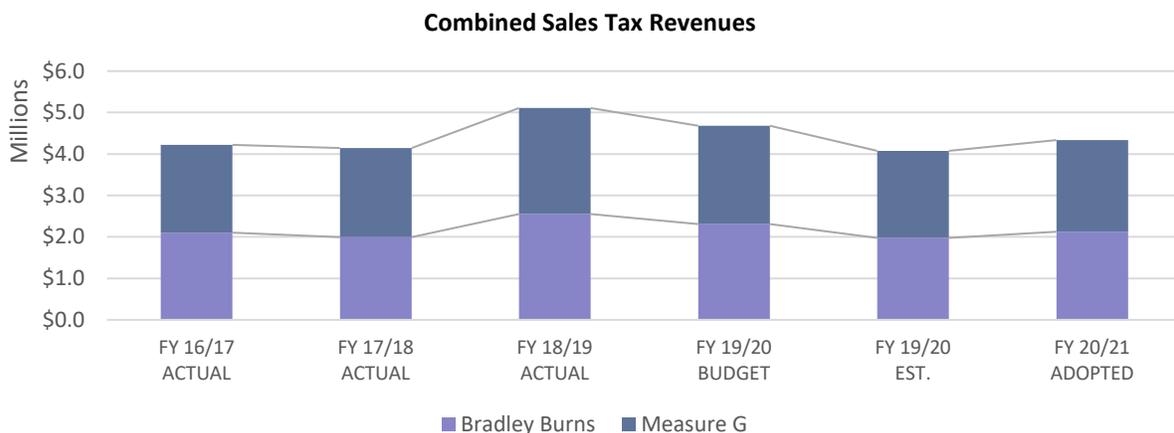
Property Taxes:

- 2% Assessor’s applied CPI.
- Consistent change in the assessed value due to transfer of ownership
- Prop 8 Recapture
- Total change of around 4%



Sales Taxes:

- Significant decline from budget in fiscal year 2019/20 due to PG&E Outage, Covid-19 Emergency, and State Tax Deferral Programs
- Slow recovery over next 5 years for Sales Tax.
- Sunset of Measure G Transaction Tax in 2023
- Major industries are Construction & Fuel Stations
- Continued expected growth in Food and Drug and County Pool



Expectations for Other Non-Major Revenues

Estimated changes in other non-major revenues for the general fund include the following:

Other Taxes

- Continued growth of the Cannabis Business Industry and related taxes.

Licenses, Permits & Franchises

- Consistent with prior year.

Rents

- Continued annual rental income of \$20,000 for the Train Depot.
- Increased facilities room rentals due to increased public awareness and marketing.

Other agencies

- Final implementation of the public safety contract services totaling \$183,000.

Community development charges

- Based on expected developments at Kessing Ranch.

Public works

- Conservatively projecting minimum charges for encroachment fees as demand for permits are highly variable.

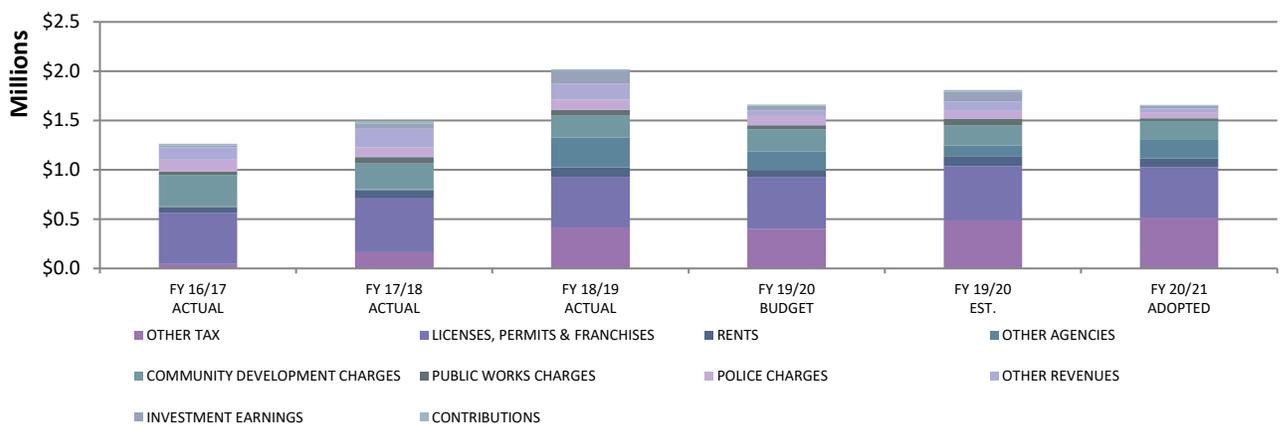
Police charges

- Decrease traffic fines fiscal year 2019/20 due to supporting community health order related to Covid-19 Shelter-In-Place Order rather than punitive enforcement.
- Slowly continue to increase traffic and criminal code fines based on community desire to continue to improve traffic safety.

Other Misc. Revenues

- Significant decrease in receipts for Fiscal Year 2019/20 for recreation classes and programs due to Shelter-In-Place. For Fiscal Year 2020/21 the department will continue to attempt increasing contract class revenue for recreation as more programs roll out.

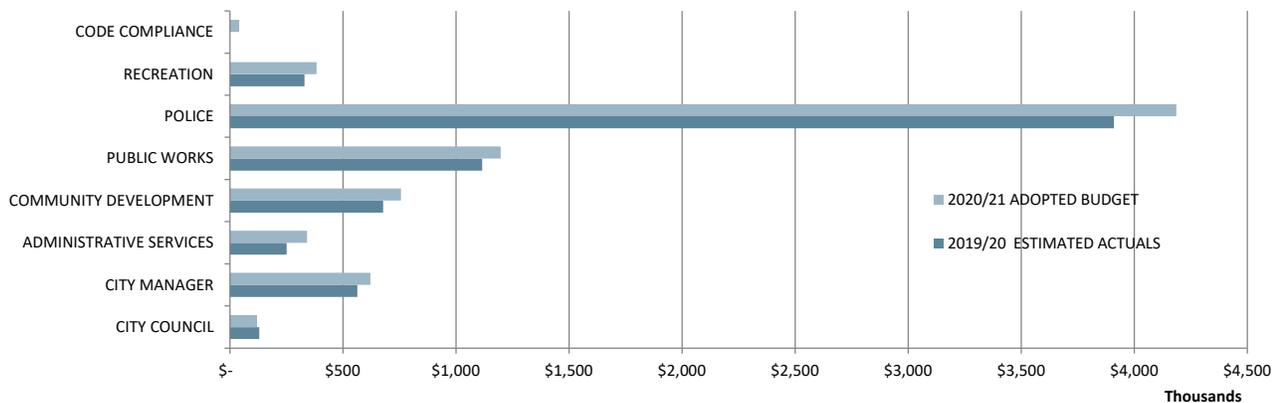
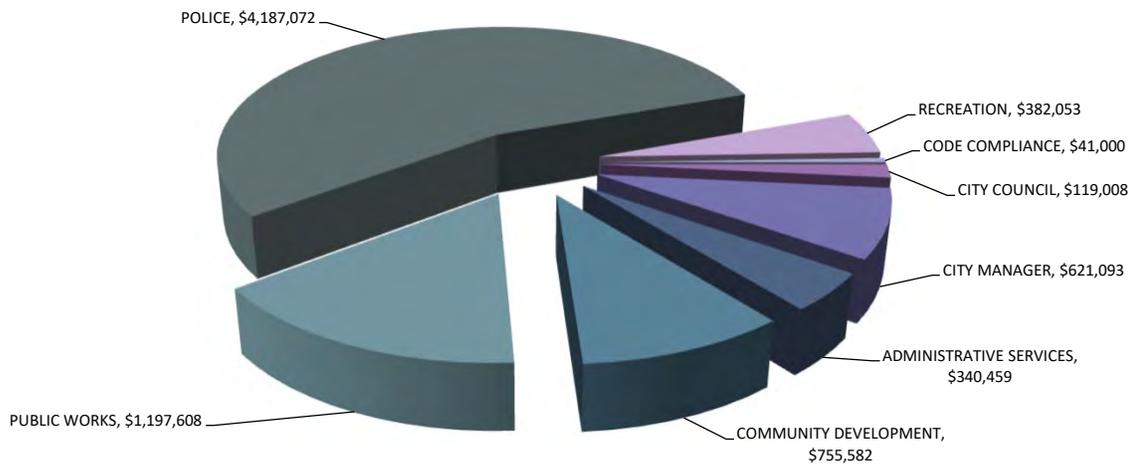
Summary of Other Revenues by Type



GENERAL FUND EXPENDITURE SUMMARY SCHEDULE



EXPENDITURES SUMMARY BY DEPARTMENT	FY 2019/20 ESTIMATE	FY 2020/21 ADOPTED BUDGET	INCREASE/ (DECREASE)	% CHANGE
CITY COUNCIL	\$ 128,648	\$ 119,008	\$ (9,640)	-8%
CITY MANAGER	563,416	621,093	57,677	9%
ADMINISTRATIVE SERVICES	250,432	340,459	90,027	26%
COMMUNITY DEVELOPMENT	677,038	755,582	78,544	10%
PUBLIC WORKS	1,114,904	1,197,608	82,704	7%
POLICE	3,910,355	4,187,072	276,717	7%
RECREATION	328,925	382,053	53,128	14%
CODE COMPLIANCE	65,000	41,000	(24,000)	-59%
TOTAL GENERAL FUND EXPENDITURES	\$ 7,038,718	\$ 7,643,875	\$ 605,157	9%



GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 10 - CITY COUNCIL						
PERSONNEL SERVICES						
Salaries	\$ 12,600	\$ 12,600	\$ 12,889	\$ 9,360	\$ 9,360	\$ 9,360
Benefits	38,928	49,713	58,021	58,454	46,518	31,688
Total	51,528	62,313	70,910	67,814	55,878	41,048
CONTRACT SERVICES - ALLOCATED						
	239	30,434	16,965	29,416	29,270	33,310
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	18	-	-	-	-	-
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	-	-	-	-
Special Project Consultants	-	-	-	-	-	-
General Services	-	794	-	-	-	-
Total Contract Services	257	31,228	16,965	29,416	29,270	33,310
MATERIALS AND SUPPLIES	186	864	828	1,000	500	500
UTILITIES	2,022	5,902	4,352	5,037	3,595	3,810
INFORMATION TECHNOLOGY	212	-	-	-	-	-
REPAIRS AND MAINTENANCE	-	81	-	852	3,000	3,000
OTHER EXPENSES	11,613	19,960	24,754	12,655	11,405	12,340
CAPITAL OUTLAY	-	-	-	-	-	-
CONTRIBUTIONS	15,000	15,000	15,700	25,000	25,000	25,000
FISCAL FEES	-	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 80,818	\$ 135,347	\$ 133,509	\$ 141,774	\$ 128,648	\$ 119,008

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 11 - CITY MANAGER						
PERSONNEL SERVICES						
Salaries	\$ 176,268	\$ 232,430	\$ 234,686	\$ 297,316	\$ 263,064	\$ 313,850
Benefits	68,719	106,358	119,339	158,701	158,068	146,616
Payouts/Compensated Absence	1,130	12,411	79,812	9,506	8,000	10,000
Total	246,117	351,199	433,837	465,523	429,132	470,466
CONTRACT SERVICES - ALLOCATED						
	13	23,077	23,270	64,179	63,861	71,378
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	110	12,750	48,256	-	-	-
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	-	-	-	-
Special Project Consultants	-	-	-	-	-	-
General Services	(769)	8,399	5	-	-	-
Total Contract Services	(646)	44,226	71,531	64,179	63,861	71,378
MATERIALS AND SUPPLIES						
	2,661	3,685	3,574	4,000	19,763	4,000
UTILITIES						
	2,295	5,713	6,384	7,395	7,960	7,700
INFORMATION TECHNOLOGY						
	746	-	-	-	-	-
REPAIRS AND MAINTENANCE						
	798	397	419	1,705	9,080	2,249
OTHER EXPENSES						
	38,887	64,829	48,036	32,520	30,970	62,650
CAPITAL OUTLAY						
	-	-	-	-	-	-
CONTRIBUTIONS						
	-	-	-	-	-	-
FISCAL FEES						
	-	-	-	-	-	-
DEBT SERVICE						
	-	1,326	2,619	2,650	2,650	2,650
ECONOMIC DEVELOPMENT						
	119,832	-	-	-	-	-
DEPARTMENT TOTAL	\$ 410,690	\$ 471,375	\$ 566,401	\$ 577,972	\$ 563,416	\$ 621,093

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 12 - ADMIN SERVICES						
PERSONNEL SERVICES						
Salaries	\$ 138,396	\$ 115,935	\$ 74,265	\$ 123,352	\$ 67,633	\$ 126,135
Benefits	36,345	33,083	17,297	27,127	21,857	45,047
Payouts/Compensated Absence	903	2,161	13,082	5,323	1,650	5,000
Total	175,644	151,179	104,644	155,802	91,140	176,182
CONTRACT SERVICES - ALLOCATED	9	15,070	12,759	37,438	37,253	41,637
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	41,736	15,340	27,932	21,000	21,100	21,900
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	-	-	-	-
Special Project Consultants	-	13,333	2,542	20,000	2,000	20,000
General Services	-	386	205	-	25,000	-
Total Contract Services	41,745	44,128	43,439	78,438	85,353	83,537
MATERIALS AND SUPPLIES	624	3,779	629	1,000	1,000	1,050
UTILITIES	918	3,105	2,526	3,845	3,670	3,930
INFORMATION TECHNOLOGY	1,581	249	-	-	-	-
REPAIRS AND MAINTENANCE	-	39	-	955	5,000	5,250
OTHER EXPENSES	14,689	20,457	22,728	18,270	16,269	19,770
CAPITAL OUTLAY	6,653	32,501	-	10,000	-	-
CONTRIBUTIONS	-	-	-	-	-	-
FISCAL FEES	-	16,130	44,116	46,350	46,400	49,140
DEBT SERVICE	-	12,159	(2,703)	1,600	1,600	1,600
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 241,854	\$ 283,726	\$ 215,379	\$ 316,260	\$ 250,432	\$ 340,459

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENTS 13-16 NON-DEPARTMENTAL						
PERSONNEL SERVICES						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	12,668	-	-	-	-	-
Payouts/Compensated Absence	-	-	-	-	-	-
Total	12,668	-	-	-	-	-
CONTRACT SERVICES - ALLOCATED	-	-	-	-	-	-
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	-	-	-	-	-	-
Legal and General Council	123,103	-	-	-	-	-
Tech and Data Management	-	-	-	-	-	-
Public Information Services	30,890	-	-	-	-	-
General Services	87,032	-	-	-	-	-
Total Contract Services	241,025	-	-	-	-	-
MATERIALS AND SUPPLIES	2,246	-	-	-	-	-
UTILITIES	2,626	-	-	-	-	-
INFORMATION TECHNOLOGY	4,427	-	-	-	-	-
REPAIRS AND MAINTENANCE	27	-	-	-	-	-
OTHER EXPENSES	106,948	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-	-
FISCAL FEES	39,513	-	-	-	-	-
PUBLIC INFORMATION	-	-	-	-	-	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 409,480	\$ -	\$ -	\$ -	\$ -	\$ -

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 17 - COMMUNITY DEVELOPMENT						
PERSONNEL SERVICES						
Salaries	\$ 297,840	\$ 218,564	\$ 218,117	\$ 284,460	\$ 290,083	\$ 314,232
Benefits	90,749	82,968	91,635	98,753	122,629	152,183
Payouts/Compensated Absence	2,090	7,266	24,638	10,267	-	10,500
Total	390,679	308,797	334,390	393,480	412,712	476,915
CONTRACT SERVICES - ALLOCATED	17	31,597	29,614	62,040	61,734	72,567
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	-	22,855	106,633	185,000	100,000	165,000
Legal and General Council	-	-	358	5,000	5,726	-
Tech and Data Management	-	-	-	-	-	-
Special Project Consultants	-	-	-	-	-	-
General Services	2,460	4,819	4,343	-	-	-
Total Contract Services	2,477	59,271	140,948	252,040	167,460	237,567
MATERIALS AND SUPPLIES	1,251	1,825	1,291	2,000	4,132	5,000
UTILITIES	2,174	6,825	6,763	8,466	7,895	8,400
INFORMATION TECHNOLOGY	2,047	1,066	-	-	-	-
REPAIRS AND MAINTENANCE	183	982	-	1,841	7,500	7,500
OTHER EXPENSES	18,293	60,118	98,167	20,640	77,139	20,000
CAPITAL OUTLAY	-	-	-	-	-	-
CONTRIBUTIONS	98	-	-	-	-	-
FISCAL FEES	-	-	-	-	-	-
DEBT SERVICE	-	185	202	200	200	200
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 417,202	\$ 439,069	\$ 581,762	\$ 678,667	\$ 677,038	\$ 755,582

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 18-22 - PUBLIC WORKS						
PERSONNEL SERVICES						
Salaries	\$ 300,707	\$ 247,289	\$ 243,625	\$ 288,813	\$ 258,421	\$ 283,365
Benefits	143,704	119,895	120,085	127,923	129,591	155,605
Payouts/Compensated Absence	29,504	7,322	100,129	12,853	3,650	15,000
Total	473,915	374,506	463,838	429,589	391,662	453,970
CONTRACT SERVICES - ALLOCATED	17	31,220	29,710	76,480	76,218	83,274
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	-	26,269	46,783	29,500	31,654	89,000
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	55,880	-	55	19,100
Special Project Consultants	-	29,053	26,235	20,000	35,598	20,000
General Services Engineering	-	763	8	-	-	-
General Services Streets	-	82,063	77,920	85,000	123,170	83,000
General Services Storm Water	-	8,622	2,247	-	5,403	-
General Services Gvmnt Bldngs	-	14,381	16,867	-	14,146	-
General Services Parks	-	1,899	51,165	64,700	70,000	87,400
General Services	64,452	-	-	-	-	-
Total Contract Services	64,469	194,270	306,814	275,680	356,244	381,774
MATERIALS AND SUPPLIES	23,319	25,008	36,628	20,500	45,359	37,786
UTILITIES	165,261	164,413	159,816	178,158	196,725	210,284
INFORMATION TECHNOLOGY	1,375	-	-	410	-	-
REPAIRS AND MAINTENANCE	155,441	48,708	38,064	104,528	44,243	37,010
OTHER EXPENSES	47,376	48,724	128,037	61,160	80,641	76,754
CAPITAL OUTLAY	-	455	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-	-
INTERGOVERNMENTAL PROJECTS	-	-	-	-	-	-
FISCAL FEES	-	-	-	-	-	-
DEBT SERVICE	1,531	37	29	30	30	30
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 932,687	\$ 856,122	\$ 1,133,227	\$ 1,070,055	\$ 1,114,904	\$ 1,197,608

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 23 - POLICE DEPARTMENT						
PERSONNEL SERVICES						
Salaries	\$ 1,494,130	\$ 1,531,809	\$ 1,729,278	\$ 1,818,775	\$ 1,841,564	\$ 2,069,419
Benefits	921,801	1,045,096	1,049,382	810,943	906,600	952,986
Payouts/Compensated Absence	111,727	68,469	200,150	77,951	50,280	85,000
Total	2,527,658	2,645,375	2,978,809	2,707,669	2,798,444	3,107,405
CONTRACT SERVICES - ALLOCATED	102	178,303	169,914	466,370	464,058	518,677
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	1,375	38,983		32,876	34,200	12,200
Legal and General Council	-	2,236	14,436	-	243	-
Tech and Data Management	-	98,323	111,034	193,500	196,200	154,500
Special Project Consultants	-	-	-	-	50,000	-
General Services	45,584	32,094	53,568	16,490	46,200	53,650
Total Contract Services	47,061	349,939	348,952	709,236	790,901	739,027
MATERIALS AND SUPPLIES	15,729	11,070	17,841	22,075	37,112	37,112
UTILITIES	54,214	51,979	54,562	62,178	67,920	71,815
INFORMATION TECHNOLOGY	97,768	54,992	-	-	-	-
REPAIRS AND MAINTENANCE	62,825	39,817	58,262	65,309	89,241	89,242
OTHER EXPENSES	127,634	172,830	235,126	127,330	107,887	116,631
CAPITAL OUTLAY	-	1,602	-	-	14,250	21,240
CONTRIBUTIONS	-	-	-	-	-	-
FISCAL FEES	18,083	2,712	12,948	-	-	-
DEBT SERVICE	-	1,398	3,424	4,600	4,600	4,600
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 2,950,972	\$ 3,331,715	\$ 3,709,925	\$ 3,698,397	\$ 3,910,355	\$ 4,187,072

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 24 - RECREATION DEPT						
PERSONNEL SERVICES						
Salaries	\$ 60,608	\$ 94,524	\$ 152,735	\$ 163,695	\$ 154,768	\$ 171,951
Benefits	9,182	14,905	23,169	22,035	30,165	67,858
Payouts/Compensated Absence	880	-	2,150	10,100	-	10,000
Total	70,670	109,429	178,054	195,830	184,933	249,809
CONTRACT SERVICES - ALLOCATED						
	11	20,037	27,386	59,901	59,603	66,619
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	-	-	43	-	-	-
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	-	3,680	3,600	4,000
Special Project Consultants	-	210	-	-	-	-
General Services	38,574	5,868	29,716	35,000	36,000	30,000
Total Contract Services	38,585	26,114	57,145	98,581	99,203	100,619
MATERIALS AND SUPPLIES	1,962	3,246	3,572	5,000	5,000	4,500
UTILITIES	593	3,672	4,387	5,224	5,027	5,375
INFORMATION TECHNOLOGY	945	-	-	-	-	-
REPAIRS AND MAINTENANCE	16	58	-	1,811	8,463	2,000
OTHER EXPENSES	11,003	47,004	33,869	10,600	25,999	19,450
CAPITAL OUTLAY	-	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-	-
FISCAL FEES	-	-	-	-	-	-
DEBT SERVICE	-	60	307	300	300	300
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ 123,774	\$ 189,584	\$ 277,333	\$ 317,346	\$ 328,925	\$ 382,053

GENERAL FUND EXPENDITURE BY DEPARTMENT



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
DEPARTMENT 25 - CODE COMPLIANCE						
PERSONNEL SERVICES						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	-	-	-	-	-	-
Payouts/Compensated Absence	-	-	-	-	-	-
Total	-	-	-	-	-	-
CONTRACT SERVICES - ALLOCATED	-	-	-	-	-	-
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	-	-	-	-	60,000	35,000
Legal and General Council	-	-	-	-	-	-
Tech and Data Management	-	-	-	-	-	-
Special Project Consultants	-	-	-	-	-	-
General Services	-	-	-	-	5,000	6,000
Total Contract Services	-	-	-	-	65,000	41,000
MATERIALS AND SUPPLIES	-	-	-	-	-	-
UTILITIES	-	-	-	-	-	-
INFORMATION TECHNOLOGY	-	-	-	-	-	-
REPAIRS AND MAINTENANCE	-	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-
CONTRIBUTIONS	-	-	-	-	-	-
FISCAL FEES	-	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-	-
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
DEPARTMENT TOTAL	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ 41,000

GENERAL FUND TRANSFERS DETAIL



DESCRIPTION		FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
TRANSFERS IN FROM OTHER FUNDS							
Public Safety Fund	211	\$ 155,000	\$ 160,000	\$ 250,000	\$ 160,000	\$ 170,000	\$ 156,000
Other funds		7,627	-	-	-	179,146	-
Subtotal Transfer In		162,627	160,000	250,000	160,000	349,146	156,000
TRANSFERS OUT TO OTHER FUNDS							
Grants Fund	201	\$ (658,365)	\$ (125,023)	\$ (73,770)	\$ (333,000)	\$ (399,849)	\$ (168,820)
Capital Projects Fund	605	(227,338)	(146,278)	(789,632)	(2,578,240)	(2,272,022)	(621,550)
CDBG	202	(39,434)	(68,638)	(20,030)	(72,595)	(300)	(1,809)
Compensated Absences*	502	-	-	(100,999)	-	-	-
Vehicle Maintenance & Replacement**	501	-	(150,000)	-	-	-	-
Subtotal Transfer Out		(925,137)	(489,939)	(984,431)	(2,983,835)	(2,672,171)	(792,179)
Net All Transfers		\$ (762,510)	\$ (329,939)	\$ (734,431)	\$ (2,823,835)	\$ (2,323,025)	\$ (636,179)

* For fiscal year 2019/20 the compensated absences payments are included at the department level expenditures.

** For fiscal year 2018/19 and 2019/20 the payments for the vehicle replacement and maintenance are included at the department level expenditures within the repairs and maintenance line item.

GENERAL FUND DEPARTMENT PURPOSE & OBJECTIVES

Hierarchy of Departmental Reporting:



Allocated Expenditures:

Historically, the Legal Services, Non-Departmental and Public Information expenses were previously reported within separate departments within the general fund. However, as these services are utilized by all departments the budget and actual costs in fiscal year 19/20 and budget for fiscal year 20/21 have been reallocated to all other departments using an FTE Allocation method. Below is a summary of the allocated budget for the fiscal year:

Classification		General Fund	Water Fund	Sewer Fund	Other Funds	Total
PS	PROFESSIONAL SERVICES	\$ 90,415	\$ 14,665	\$ 14,665	\$ 1,454	\$ 121,200
LEG	LEGAL AND GENERAL COUNCIL	97,875	15,875	\$ 15,875	\$ 1,574	131,200
TECH	TECHNOLOGY & DATA MANAGEMENT	225,445	36,567	\$ 36,567	\$ 3,626	302,205
INS	INSURANCE	408,808	66,308	\$ 66,308	\$ 6,576	548,000
PRO	SPECIAL PROJECT CONSULTANTS	-	-	\$ -	\$ -	-
GEN	GENERAL CONTRACT SERVICES	64,917	10,529	\$ 10,529	\$ 1,044	87,020
TOTAL		\$ 887,460	\$ 143,945	\$ 143,945	\$ 14,276	\$ 1,189,625

Descriptions of Contract Service Classifications:

- 1) Professional Services – Includes Audit, Bartel, Admin Fees for Sales and Property Taxes, HDL NHA Advisors
- 2) Legal and General Counsel Contracts – General legal services
- 3) Technology and Data Management Services – Includes all KLH, website hosting, phone, and record mgmt.
- 4) Insurance – Required payments to REMIF for general liability insurance, auto,
- 5) Special Project Consultants – Consultants used for City identified special projects. Typically not applicable for FTE Allocation.
- 6) General Contract Services – tree services, janitorial, landscaping and categorize by the PW Departments

Salaries and Benefits are a key expenditure to maintain operations for the City. As such, an allocation method is used for these expenses to properly apply these expenses to the appropriate funds and departments. Cotati has a budgeted FTE of approximately 47 persons, see the provided comparative staffing summary, and each one of these employees or elected officials are evaluated during the budget preparation period for an applied cost allocation. This cost allocation is based on the total hours each individual serves each fund or department. This FTE allocation is then applied to the salaries and benefits for each individual dispersing the FTE costs to the appropriate funds and departments both for the budget year and the subsequent fiscal year. As an example, the police department Community Services Officer only serves the police department within the general fund and as such the full budgeted cost of that position is included within the police services department within the general fund. Alternatively, a Public Works Maintenance Worker II would be allocated across all Public Works General Fund departments including Parks, City Buildings, Streets, and Storm Water as well as across both the Enterprise Funds for both Water Operations and Sewer Operations.

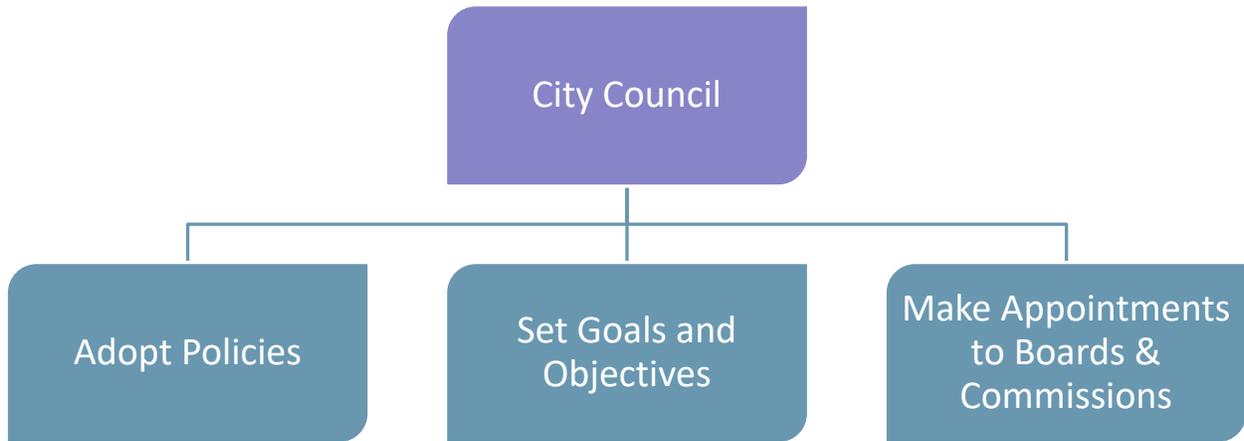
Total FTE by Department vs FTE by Allocation is as follows:

	City Council	City Manager	Admin Services	Community Development	Public Works	Police	Recreation	Water	Sewer	Successor Agency	Total
FTE By Allocation	1.3	2.8	1.7	2.9	3.3	20.6	2.6	5.7	5.4	0.9	47.3
FTE By Department	2.5	4.5	4.5	3.4	9.1	20.6	2.7	-	-	-	47.3

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 operational transfers in the financial statements, intrafund transfers are eliminated.

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.

Strategic Planning Summary Goals and Objectives

- Ensure long-term vitality for the City
- Provide core services consistent with standard community service levels
- Pursue opportunities to increase efficiencies of City operations
- Community Engagement



City Manager's Office (Department 11)



Lauren Berges, Damien O'Bid, Katie Duran and Crystal Melanson

Purpose

The City Manager / City Clerk Office provides for the efficient and effective administration of the affairs of the City of Cotati including the following; support to the City Council including implementation and enforcement of 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.

Fiscal Year 2019/2020 Accomplishments

- SSBP Bond Re-Issuance
- CPMA MOU
- City Hall Staffing Classification Update
- "Roundup" Ban for Municipal Application, City IPM
- Purchasing Policy Update
- Polystyrene/Single Use Take Out Plastics
- Code Compliance Process, Bail & Citation Schedule and Ordinances
- Emergency Operations Plan Update and Ordinance
- Election (March 2020)
- SCEIP Seismic & Wildfire Additions
- Public Safety Consortium JPA Amendment
- REMIF/PARSAC Merger
- New e-Disclosure Platform and Ordinance
- City Fee Annual Update
- Weed Abatement Ordinance Update
- Public Safety Power Shut Down/Kincade Fires Response
- COVID 19 Response

Fiscal Year 2020/2021 Objectives

- Support Housing Legislation Implementation
- Phase 2 Zoning/Economic Development Work
- Cannabis Land Use Ordinance/Tax Resolution Renewal
- Veronda-Falletti Ranch Operations
- On-line Services And Content Development
- City Fee Study Pending, Complete 20/21
- City Hall Refurbishment
- Election (November 2020)

Administrative Services (Department 12)



Angela Schoenthal, Neil Tomlinson, and Angela Courter

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 2019/2020 Accomplishments

- Budget in Brief
- Fixed Asset Module Implementation
- Municipal Online Payments Implementation
- Auditor Request for Proposal
- Implementation of Incode Secure Signature Process
- Revised Utility Shutoff Procedures per SB998
- Implemented Customer Payment Plan Procedures
- Investment Planning/Treasury & Reserves Reporting
- Municipal Online Payments Portal Expanded for Additional City Services
- LLAD Funds Setup
- South Sonoma Business Park Bond Refunding

Fiscal Year 2020/2021 Objectives

- Successor Agency Tax Allocation Bond Refunding
- INCODE 10 Upgrade
- Investment Management RFQ
- Municipal Online Payments Implementation for Building Permits and Business Licenses
- Policy Update 2020
- Pension Planning/Section 115 Trust
- Utility Shutoff Procedures Reporting
- Debt Financing Evaluations

Community Development (Department 17)



Keri Pajon and Jon-Paul Harries

Purpose

The Community Development Department is a combination of both the Planning and Building Divisions. The Planning Division provides staff and technical support toward developing and implementing land-use, planning and zoning policies and programs that guide City growth. The Building Division provides for public health and safety, promoting improvements in the community environment through building inspections and code enforcement.

Fiscal Year 2019/2020 Accomplishments

- New Housing Legislation Implementation, including ADU Legislation
- Initiated Economic Development Program, including Zoning/Ordinance Revisions
- LUC Amendments for Use Permit Thresholds
- 2019 Building Code Update
- Jamie Lane Affordable Housing Entitlements
- Website Improvements to Enhance Public Engagement with Development Projects
- Digitized All Planning and Building Permit Applications
- Zero Waste/Polystyrene Ban
- Initiated Code Enforcement Program

Fiscal Year 2020/2021 Objectives

- Cottage Housing Ordinance
- By Right Housing Efforts, including Objective Design Standards
- Zoning Map Update
- Affordable Housing Management Program Creation and Implementation
- Economic Development Marketing and Implementation
- Digital Permit Processing and Website
- Continue to enhance Public Engagement Processes
- New Legislation Implementation
- Housing Element Update – Initiate Baseline Analysis
- Bike and Pedestrian Master Plan Update
- ABAG/MTC RHNA Methodology Committee Participation
- Falletti Ranch Re-Zoning Ordinance
- SB 743/VMT Significance Threshold Implementation
- Consider Specific Plan Updates, Santero Way and Downtown Specific Plan Consistency Improvements

Public Works (Departments 18-22)



Allan Martinoni, Ralph Beltz, Craig Scott, Grant Comini, Trevor Brown, Susan Wise, Brittany Bober, and Jonathan Caldwell

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 citizen's 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 2019/2020 Accomplishments

- Capital Improvement Program Update
- Park and Ride In-lieu Replacement - Design
- Veronda-Falletti Ranch Building Safety Improvements - Construction
- Manhole and Lateral Repairs
- Water & Sewer Financial Plan Updates
- Wayfinding Project Implementation
- Design 2020 Street Improvement Project
- Old Redwood Hwy Traffic Flow Improvements – Design
- Replaced City Hall EV Charging Stations
- Developed & Implemented Integrated Pest Management Program
- 2019 Pavement Preservation Program – Design & Construction
- City-wide Street Safety Projects
- East Cotati Avenue Paving (OBAG2) – Construction
- Reconfigured E. Cotati Ave./Old Redwood Hwy Intersection
- William/Olof Street Sewer Replacement Project – Design
- Replaced aged and damaged storm drain catch basins
- PSPS Response Preparedness
- Formed the Charles St. Underground Utility District

Fiscal Year 2020/2021 Objectives

- Crossing Upgrade at Laguna and Commerce
- Wayfinding Phase 2
- Civic Center Roof and Refurbishments
- Civic Center Complex Miscellaneous Improvements
- Civic Center Generator Optimization
- Sewer Inflow and Infiltration Reduction
- Portal, Mercantile & Aaron Water Main Replacement
- William/Olof Street Sewer Replacement Project – Construction
- AMI Collector in L Section
- Well 1a and 3 Water Treatment Facilities
- Park N Ride Lots
- Kotate Park Improvements
- W. School Street Pathway Project Phase 2
- City-wide Bike/Pedestrian Safety Improvements
- SCADA Server Update & Relocation

Police (Department 23)



Back Row: Renee Harris, Katie Huldermann, Kirsten Ott, Sgt. Baudelia Gallo Macias, Cristina Montoya, Lt. Doug Endy, Tyler Wardle, Chief Michael Parish, Anthony Garber, Sgt. Paul Goodin, Adrien McGoon, Carrie Peoples, Crpl. Brian Deaton, Kimberly Petersen, and Rebecca Lucas.

Front Row: Mohamad Hamade, Crpl. Brandon Mitchell, Bennet Knight, Ryan Reinke, 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.

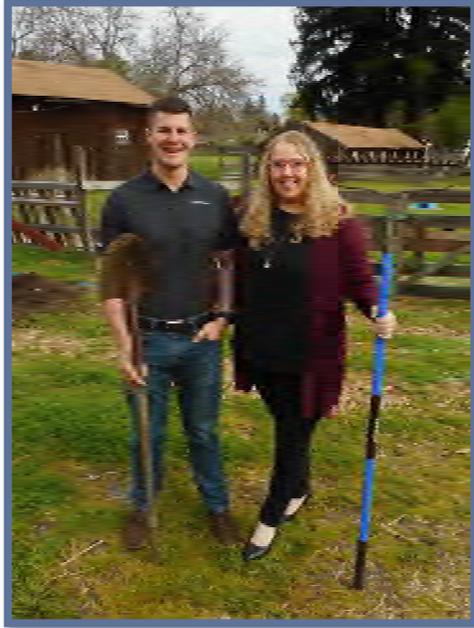
Fiscal Year 2019/2020 Accomplishments

- Secured UASI Grant (Mobile License Plate Readers)
- Emergency Operation Plan Update (City/Regional)
- Cannabis Business Inspections
- Continued Existing Community Outreach: Patrol Beats, National Night Out, Coffee With A Cop, Nixle Community Updates, Thomas Page Elementary School Visits, Parent Project, Police Facebook Page
- Continued Neighborhood Meetings, HOA Meetings And Theft Awareness Cards
- Created Criminal Investigations Mutual Aid – Small Agencies
- Payment Available Online Such as Dog License, Alarm Permits

Fiscal Year 2020/2021 Objectives

- Deployed License Plate Readers (LPR)
- Active shooter exercise at SSU/Thomas Page School
- Surveillance Camera Registration
- Pedestrian Safety Education/Enforcement
- Emergency Operations Training
- Interview Room Video Upgrade
- Police Building Electronic Doorlock Replacement
- BOLA Wrap Less Lethal

Recreation (Department 24)



Christian Delagnes and Ashley Wilson

Purpose

Previously reported under Fund 207, this department is used for funding recreation activities including, but not limited to, year round classes and programs, camps, trips and tours and special events. Recreation staff also manages rentals and services for City facilities, including City parks and City-owned buildings.

Fiscal Year 2019/2020 Accomplishments

- Increased Scholarship Funding from Contributions
- Increased Programing Options
- Parks Capital Plan
- Build Partnership With Rancho Cotati High School Facility & Students
- Created Virtual Recreation Programming Amid COVID-19 Pandemic
- Updated Park and Downtown Trash and Recycle Containers
- Established City Staff “Green Team” with the City Manager’s Office

Fiscal Year 2020/2021 Objectives

- Take Over Operations of Cotati Veterans Building from County of Sonoma General Services Department
- Expand Virtual Recreation Website and Content
- Increase Online Programming Options
- Implement Virtual Special Events
- Implement Recreation Programming at Veronda-Falletti Ranch
- Kotate Park Design and hand to Public Works for construction in 20/21

SPECIAL REVENUE FUNDS

What are Special Revenue Funds?

Special Revenue Funds are a group of accounts established by a government for restricted use to ensure that certain revenue sources are used or earmarked only for their 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.



Departmental Oversight of Special Revenue Funds



Special Revenue Funds Purpose & Objectives (in Fund Number Order)

CDBG - Fund 202

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.

Gas Taxes - Fund 203

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.

MTC Street - Fund 204

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.

Traffic Mitigation - Fund 205

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

Park In-Lieu - Fund 206

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

PEG Grant - Fund 208

Public Education and Government access (PEG) grant funding are special funds received by the City to support public, educational and government transparency by broadcasting public meetings.

Recycling - Fund 209

Funds were historically received from a 1% franchise fee on garbage collection; proceeds are used for solid waste reduction education programs that meet the State standards.

Asset Seizures & Forfeitures - Fund 210

This fund is utilized for the express purpose to receive the proceeds of seizures and forfeitures, and to pay the costs associated with such forfeitures including; the costs of managing and disposing of property, satisfying valid liens, mortgages, and other innocent owner claims, and costs associated with accomplishing the legal forfeiture of the property.

Public Safety - Fund 211

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.

Inclusionary Housing - Fund 216

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

Excess Bond Proceeds Fund - Fund 219

To account for excess funds available from previously issued bonds. Used for strategic one-time investments for economic development.

Community Facilities District Fund - Fund 220

To account for funds received to provide enhanced services to designated CFD's in the City.

RMRA - Fund 221

The Road Maintenance & Rehabilitation Account is a fund used to account for funding received from the state related to Senate Bill 1 – The Road Repair and Accountability Act of 2017. This new fuel tax, which began on November 1, 2017, is to be used to fund local streets and roads maintenance and rehabilitation projects including streets, traffic signals, and drainage improvements.

Bed Tax - Fund 222

Bed tax is a building permit fee which is required to be used for the acquisition, improvement, expansion, and maintenance of public parks, playgrounds, open spaces, recreation facilities and community facilities.

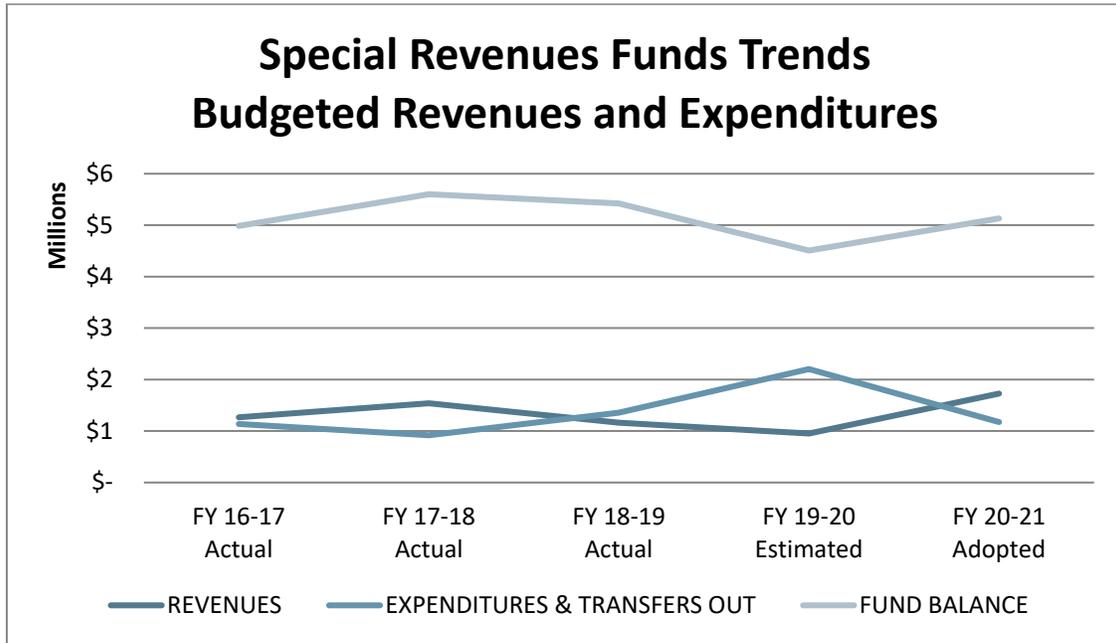
Linkage - Affordable Housing - Fund 223

Non-Residential Affordable housing linkage fee.

Special Fund - Fund 250

This is a special revenue fund that holds restricted funding for less significant funding sources.

Revenue Expectations and Trends



Due to the overall volatility due to Covid-19 there is a significant amount of uncertainty around future change in revenues and expenditures. Those funds that are reliant on sales tax or gas sales are anticipated to decrease in the current period and then slowly increase over the next 5 years, consistent with our general fund sales tax. Other special revenue funds that are dependent on developments are expected to only increase when developments are approved, and construction is imminent. There is currently one project that is in construction and included within the budget for fiscal years 2019/20 and 2020/21. There are several other development projects in planning process but are excluded from our current and future projected budgets.



CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 202 - CDBG						
REVENUES						
CDBG Grant	\$ 17,690	\$ 46,035	\$ 15,595	\$ 167,405	\$ 45,090	\$ 309,910
Interest	-	-	76	-	-	-
Total Revenue	17,690	46,035	15,671	167,405	45,090	309,910
EXPENSES						
Capital Projects						
School Street Pathway	10,484	-	-	-	-	-
School Street Pathway Phase 2	-	14,408	35,625	240,000	45,390	311,719
La Plaza North Sidewalk	11,959	-	-	-	-	-
ADA Sidewalk Improvements	8,388	-	-	-	-	-
Cator Field Access Improvements	27,602	100,266	-	-	-	-
Total Expenses	58,433	114,673	35,625	240,000	45,390	311,719
TRANSFERS						
Transfers In	40,743	68,638	20,030	72,595	224	1,809
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	-	76	-	(76)	-
BEGINNING FUND BALANCE	-	-	-	-	76	-
ENDING BALANCE	\$ -	\$ -	\$ 76	\$ -	\$ -	\$ -

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 203 - GAS TAXES FUND						
REVENUES						
2103 Gas Tax	\$ 19,391	\$ 28,319	\$ 25,777	\$ 66,457	\$ 58,266	\$ 66,909
2105 Gas Tax	40,821	39,463	42,335	42,926	40,428	41,975
2106 Gas Tax	30,997	30,678	32,138	31,945	30,717	31,730
2107 Gas Tax	51,755	51,358	53,241	55,969	50,497	50,497
2107.5 Gas Tax	2,000	2,000	2,000	2,000	2,000	2,000
Loan Repayment	-	8,267	8,701	8,701	8,903	-
Interest	473	1,379	2,303	-	1,500	-
Total Revenue	145,437	161,464	166,495	207,998	192,311	193,111
EXPENSES						
SCTA Contributions	4,429	4,459	-	4,500	4,500	4,500
Other	-	-	-	10,000	-	-
Total Expenses	4,429	4,459	-	14,500	4,500	4,500
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - General Fund 101	-	-	-	-	-	-
Transfers Out - Grants Fund 201	(172,000)	-	-	-	-	-
Transfers Out - Capital Proj. Fund 605	-	(20,828)	(270,192)	(210,000)	(215,000)	-
NET FUND SURPLUS	(30,992)	136,177	(103,697)	(16,502)	(27,189)	188,611
BEGINNING FUND BALANCE	53,393	22,401	158,578	47,188	54,881	27,692
ENDING BALANCE	\$ 22,401	\$ 158,578	\$ 54,881	\$ 30,686	\$ 27,692	\$ 216,303

* Moved to Special Revenue FUND 221 -ROAD MAINTENANCE REHABILITATION ADMINISTRATION

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 204 - MTC STREET FUND (Measure M Streets)						
REVENUES						
Sales Tax - Measure M	\$ 56,095	\$ 58,928	\$ 63,216	\$ 60,000	\$ 49,350	\$ 50,000
Interest	660	1,785	2,473	-	700	-
Total Revenue	56,755	60,713	65,689	60,000	50,050	50,000
EXPENSES						
Program Expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - Capital Proj. Fund 605	-	(10,138)	(180,128)	(100,000)	(104,970)	(25,000)
NET FUND SURPLUS	56,755	50,575	(114,439)	(40,000)	(54,920)	25,000
BEGINNING FUND BALANCE	66,202	122,957	173,532	55,404	59,093	4,173
ENDING BALANCE	\$ 122,957	\$ 173,532	\$ 59,093	\$ 15,404	\$ 4,173	\$ 29,173

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 205 - TRAFFIC MITIGATION FUND						
REVENUES						
Traffic Mitigation	\$ 160,378	\$ 305,812	\$ 142	\$ 247,920	\$ 10,000	\$ 247,920
Interest	952	4,839	11,467	-	7,770	-
Total Revenue	161,330	310,651	11,608	247,920	17,770	247,920
EXPENSES						
Contract Services	3,650	-	-	-	-	-
Other	-	-	-	-	-	-
Total Expenses	3,650	-	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - Grants Fund 201	-	-	-	-	-	-
Transfers Out - Capital Proj. Fund 605	-	-	(12,000)	(185,000)	(75,000)	-
NET FUND SURPLUS	157,680	310,651	(392)	62,920	(57,230)	247,920
BEGINNING FUND BALANCE	44,145	201,825	512,476	509,076	512,084	454,854
ENDING BALANCE	\$ 201,825	\$ 512,476	\$ 512,084	\$ 571,996	\$ 454,854	\$ 702,774

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 206 - PARK IN-LIEU FUND						
REVENUES						
Park In-Lieu	\$ 15,689	\$ 6,734	\$ -	\$ 135,200	\$ 14,371	\$ 130,000
Bed Tax - Parks*	10,700	-	-	-	-	-
Interest	2,586	3,480	5,077	1,000	2,448	-
Other Revenues	160	-	-	-	-	-
Total Revenue	29,135	10,213	5,077	136,200	16,819	130,000
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - Capital Proj. Fund 201	-	-	-	-	-	(10,000)
Transfers Out - Capital Proj. Fund 605	(154,176)	(52,931)	(99,672)	(230,000)	(181,830)	-
NET FUND SURPLUS	(125,041)	(42,717)	(94,595)	(93,800)	(165,011)	120,000
BEGINNING FUND BALANCE	439,902	314,861	272,144	141,770	177,549	12,538
ENDING BALANCE	\$ 314,861	\$ 272,144	\$ 177,549	\$ 47,970	\$ 12,538	\$ 132,538

* Moved to Special Revenue FUND 222-BED TAX.

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 208 - PEG GRANT						
REVENUES						
PEG Franchise Fees	\$ 20,351	\$ 20,889	\$ 20,237	\$ 19,000	\$ 20,010	\$ 20,000
Interest	55	192	186	100	150	-
Total Revenue	20,406	21,081	20,423	19,100	20,160	20,000
EXPENSES						
Licensing-Software	11,956	12,400	-	14,000	15,000	16,000
Small Tools and Equipment	-	1,020	-	6,000	1,000	5,000
Fixed Assets-Equipment	-	-	-	-	8,000	20,000
Total Expenses	11,956	13,421	-	20,000	24,000	41,000
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	8,450	7,660	20,423	(900)	(3,840)	(21,000)
BEGINNING FUND BALANCE	7,213	15,663	23,323	14,003	43,746	39,906
ENDING BALANCE	\$ 15,663	\$ 23,323	\$ 43,746	\$ 13,103	\$ 39,906	\$ 18,906

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 209 - RECYCLING						
REVENUES						
Garbage Franchise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
CCPP Recycling	-	-	-	5,000	-	-
Total Revenue	-	-	-	5,000	-	-
EXPENSES						
Contract Services	-	-	-	5,000	-	-
Total Expenses	-	-	-	5,000	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	(5,310)	-	-	-	-	-
NET FUND SURPLUS	(5,310)	-	-	-	-	-
BEGINNING FUND BALANCE	5,310	-	-	-	-	-
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 210 - ASSET SEIZURE AND FORFEITURE						
REVENUES						
Asset Forfeiture AB114	\$ 4,839	\$ -	\$ 200	\$ -	\$ -	\$ -
Interest	717	457	276	-	-	-
Total Revenue	5,556	457	476	-	-	-
EXPENSES						
Materials and Supplies	710	-	-	-	-	-
Fixed Assets-Equipment	5,428	55,563	-	-	-	-
Interest Expense	661	-	-	-	-	-
Dues and Subscriptions	5,183	-	-	-	-	-
Meeting and Training	-	-	-	-	-	-
Small Tools and Equipment	12,806	-	-	-	-	-
Total Expenses	24,788	55,563	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(4,757)	-
NET FUND SURPLUS	(19,232)	(55,106)	476	-	(4,757)	-
BEGINNING FUND BALANCE	78,619	59,387	4,281	-	4,757	-
ENDING BALANCE	\$ 59,387	\$ 4,281	\$ 4,757	\$ -	\$ -	\$ -

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 211 - PUBLIC SAFETY						
REVENUES						
PSAF Prop 172	\$ 54,058	\$ 56,647	\$ 60,643	\$ 61,000	\$ 52,000	\$ 56,000
State COPS Grant - SLESA	120,208	120,476	104,410	100,000	100,000	100,000
Avoid the 13 Grant	2,106	-	-	-	-	-
BSCC Operations	10,068	14,775	-	5,000	-	-
Interest	563	1,229	2,269	-	410	-
Total Revenue	187,003	193,128	167,323	166,000	152,410	156,000
EXPENSES						
Program Expense	-	12,862	-	5,000	153	-
Total Expenses	-	12,862	-	5,000	153	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - General Fund 101	(155,000)	(160,000)	(250,000)	(160,000)	(170,000)	(156,000)
NET FUND SURPLUS	32,003	20,266	(82,677)	1,000	(17,743)	-
BEGINNING FUND BALANCE	48,561	80,564	100,830	11,053	18,153	410
ENDING BALANCE	\$ 80,564	\$ 100,830	\$ 18,153	\$ 12,053	\$ 410	\$ 410

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 212 - K9 PROGRAM						
REVENUES						
Contributions	\$ 4,395	\$ 3,564	\$ 45	\$ 5,000	\$ 2,000	\$ 5,000
Interest	75	124	150	-	50	-
Total Revenue	4,470	3,688	195	5,000	2,050	5,000
EXPENSES						
Materials and Supplies	800	185	-	-	500	500
Contract Services	531	237	629	1,500	1,000	1,500
R&M - Vehicle	-	-	-	-	-	-
Meeting and Training	3,780	3,960	3,300	4,200	4,200	4,200
Small Tools and Equipment	-	-	-	-	-	-
Total Expenses	5,111	4,382	3,929	5,700	5,700	6,200
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	(641)	(694)	(3,734)	(700)	(3,650)	(1,200)
BEGINNING FUND BALANCE	10,160	9,519	8,825	8,495	5,091	1,441
ENDING BALANCE	\$ 9,519	\$ 8,825	\$ 5,091	\$ 7,795	\$ 1,441	\$ 241

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 215 - SOUTH SONOMA BUSINESS PARK						
REVENUES						
Special Assessments	\$ 461,997	\$ 460,912	\$ 460,290	\$ 460,000	\$ -	\$ -
Penalties/Delinquencies	-	-	-	-	-	-
Interest	3,560	11,502	20,717	2,000	-	-
Other Penalties	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenue	465,557	472,414	481,007	462,000	-	-
EXPENSES						
Services - Legal	-	-	-	-	-	-
Services - Special Legal	-	3,000	-	3,000	-	-
Bank and Merchant Fees	736	2,575	3,674	-	-	-
Administrative Services	3,500	1,563	3,742	3,742	-	-
Contract Services	2,000	3,250	2,000	3,250	-	-
Bond Principal	145,000	155,000	165,000	175,000	-	-
Interest Expense	300,138	290,388	279,988	275,000	-	-
Trust and Agency Fees	3,367	2,750	4,599	4,249	-	-
Total Expenses	454,741	458,525	459,002	464,241	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(357,399)	-
NET FUND SURPLUS	10,816	13,889	22,005	(2,241)	(357,399)	-
BEGINNING FUND BALANCE	310,690	321,506	335,395	343,441	357,399	-
ENDING BALANCE	\$ 321,506	\$ 335,395	\$ 357,399	\$ 341,200	\$ -	\$ -
ENDING FUND BALANCE ALLOCATION						
Cash Held for Future Debt Payment	321,506	335,395	357,399	341,200	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 216 - IN-LIEU - INCLUSIONARY HOUSING						
REVENUES						
Inclusionary Housing Fees	\$ 110,930	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	22,517	37,666	65,869	60,000	35,000	-
Public Benefit Monitoring	-	400	1,200	-	1,200	-
Total Revenue	133,447	38,066	67,069	60,000	36,200	-
EXPENSES						
Legal Fees	4,304	-	69	-	70	-
Housing Subsidy Costs	82,993	-	-	-	-	-
Contract Services	-	-	-	145,000	145,000	-
Capital Projects	-	-	-	-	-	-
Jamie Lane Housing	-	-	45,411	-	276	-
Total Expenses	87,297	-	45,479	145,000	145,346	-
OTHER SOURCES/(USES)						
Loan to Sewer Operating (Fund 404)	-	-	-	-	-	-
Interfund Loan Payments	-	-	-	50,000	67,498	67,499
Total Other Sources/(Uses)	-	-	-	50,000	67,498	67,499
TRANSFERS						
Transfers In	-	-	11,810	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	46,150	38,066	33,399	(35,000)	(41,648)	67,499
BEGINNING FUND BALANCE	3,088,640	3,134,790	3,172,856	2,177,556	3,206,255	3,164,607
ENDING BALANCE	\$ 3,134,790	\$ 3,172,856	\$ 3,206,255	\$ 2,142,556	\$ 3,164,607	\$ 3,232,106

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 219 - EXCESS BOND PROCEEDS						
REVENUES						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-	-
EXPENSES						
Strategic Investment Expense	-	-	-	150,000	227,972	-
Park and Ride Lot Advance	-	11,189	-	296,233	223,466	238,557
Total Expenses	-	11,189	-	446,233	451,438	238,557
TRANSFERS						
Transfers In - Successor Agency 301	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	(11,189)	-	(446,233)	(451,438)	(238,557)
BEGINNING FUND BALANCE	701,184	701,184	689,995	514,995	689,995	238,557
ENDING BALANCE	\$ 701,184	\$ 689,995	\$ 689,995	\$ 68,762	\$ 238,557	\$ -

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 220 - COMMUNITY FACILITIES DISTRICT						
REVENUES						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-	-
EXPENSES						
Community Facilities Maintenance	-	-	-	-	3,750	5,000
Total Expenses	-	-	-	-	3,750	5,000
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	-	-	-	(3,750)	(5,000)
BEGINNING FUND BALANCE	-	-	-	-	-	(3,750)
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ (3,750)	\$ (8,750)

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 221 - ROAD MAINTENANCE REHABILITATION ADMINISTRATION						
REVENUES						
Road Maint./Rehab 2017 Act	\$ -	\$ 42,611	\$ 129,510	\$ 127,700	\$ 131,897	\$ 136,100
Interest	-	1,103	1,763	-	-	-
Total Revenue	-	43,714	131,273	127,700	131,897	136,100
EXPENSES						
Strategic Investment Expense	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(127,700)	(298,995)	-
NET FUND SURPLUS	-	43,714	131,273	-	(167,098)	136,100
BEGINNING FUND BALANCE	-	-	43,714	1,712	174,987	7,889
ENDING BALANCE	\$ -	\$ 43,714	\$ 174,987	\$ 1,712	\$ 7,889	\$ 143,989

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 222 - BED TAX						
REVENUES						
Bed Tax - Parks	\$ -	\$ 9,550	\$ -	\$ 4,000	\$ -	\$ 4,000
Interest	-	130	909	-	800	-
Total Revenue	-	9,680	909	4,000	800	4,000
EXPENSES						
Strategic Investment Expense	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	9,680	909	4,000	800	4,000
BEGINNING FUND BALANCE	-	-	9,680	10,530	10,589	11,389
ENDING BALANCE	\$ -	\$ 9,680	\$ 10,589	\$ 14,530	\$ 11,389	\$ 15,389

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 223 - LINKAGE - AFFORDABLE HOUSING						
REVENUES						
Linkage Fees	\$ -	\$ 94,600	\$ -	\$ -	\$ -	\$ -
Interest	-	65	1,217	-	1,500	-
Total Revenue	-	94,665	1,217	-	1,500	-
EXPENSES						
Affordable Housing Expenses	-	-	-	-	5,000	-
Total Expenses	-	-	-	-	5,000	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	94,665	1,217	-	(3,500)	-
BEGINNING FUND BALANCE	-	-	94,665	95,365	95,882	92,382
ENDING BALANCE	\$ -	\$ 94,665	\$ 95,882	\$ 95,365	\$ 92,382	\$ 92,382

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 224 - SSBP SERIES 2019						
REVENUES						
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ 186,387	\$ 370,000
Penalties/Delinquencies	-	-	-	-	-	-
Interest	-	-	-	-	7,111	3,000
Total Revenue	-	-	-	-	193,498	373,000
EXPENSES						
Services - Legal	-	-	-	-	-	-
Services - Special Legal	-	-	-	-	3,000	5,000
Bank and Merchant Fees	-	-	-	-	-	-
Administrative Services	-	-	-	-	3,750	3,750
Contract Services	-	-	-	-	3,250	3,300
Bond Principal	-	-	-	-	-	231,343
Interest Expense	-	-	-	-	69,299	114,823
Trust and Agency Fees	-	-	-	-	4,500	4,500
Total Expenses	-	-	-	-	83,799	362,716
TRANSFERS						
Transfers In	-	-	-	-	269,820	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	-	-	-	379,519	10,284
BEGINNING FUND BALANCE	-	-	-	-	-	379,519
ENDING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 379,519	\$ 389,803
ENDING FUND BALANCE ALLOCATION						
Cash Held for Future Debt Payment	-	-	-	-	379,519	389,803
	\$ -	\$ -				

CITY OF COTATI

SPECIAL REVENUE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 250 - SPECIAL FUND						
REVENUES						
Sales Tax-Parks-Measure M	\$ -	\$ -	\$ 3,493	\$ -	\$ 87,444	\$ 86,054
Bus Lic CASp-Cert Access	-	2,652	3,250	2,500	2,896	2,500
Interest	-	639	1,093	-	450	-
Total Revenue	-	3,291	7,836	2,500	90,790	88,554
EXPENSES						
CASp Program Expenditures	-	-	-	-	-	-
Other Expenditures	-	-	-	-	11,400	-
Total Expenses	-	-	-	-	11,400	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out - General Fund 101	-	-	-	-	-	-
Transfers Out - Grants Fund 201	-	-	-	-	(15,000)	(60,000)
Transfers Out - Capital Proj. Fund 605	-	-	-	-	-	-
NET FUND SURPLUS	-	3,291	7,836	2,500	64,390	28,554
BEGINNING FUND BALANCE	-	-	3,291	7,291	11,127	75,517
ENDING BALANCE	\$ -	\$ 3,291	\$ 11,127	\$ 9,791	\$ 75,517	\$ 104,071

INTERNAL SERVICE FUNDS

What is an 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 and a newly created Compensated Absences Fund for these purposes.

Internal Service Funds Purpose & Objectives

Vehicle Maintenance and Replacement - Fund 501

This is a City established fund to provide an ongoing funding source for scheduled replacement and ongoing maintenance of the City vehicles and equipment. It is funded from billings to other government wide funds based on their usage of vehicles and a set vehicle replacement schedule.



Compensated Absences - Fund 502

This fund is designed to maintain the government wide compensated absences liability by billing out proportionate usage and balance to the appropriate funds and departments.

CITY OF COTATI

INTERNAL SERVICE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 501 - VEHICLE MAINTENANCE AND REPLACEMENT						
REVENUES						
Vehicle Use Fees From General Fund	\$ -	\$ -	\$ -	\$ 150,000	\$ 164,193	\$ 154,000
Vehicle Use Fees From Water	-	-	-	25,000	19,073	57,500
Vehicle Use Fees From Sewer	-	-	-	25,000	19,073	25,000
Vehicle Use Fees From Other Fund	-	-	-	5,000	5,000	5,000
Interest	263	1,198	2,306	-	1,350	-
Total Revenue	263	1,198	2,306	205,000	208,689	241,500
EXPENSES						
Repairs and Maintenance	-	-	-	47,250	15,000	20,000
Replacement	-	-	-	200,000	231,849	115,000
Police Vehicle	43,409	41,937	41,985	71,000	31,801	50,000
Total Expenses	43,409	41,937	41,985	318,250	278,650	185,000
TRANSFERS						
Transfers In - General Fund 101	-	150,000	-	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	(43,146)	109,261	(39,679)	(113,250)	(69,961)	56,500
BEGINNING FUND BALANCE	47,570	4,424	113,685	121,936	74,006	4,046
ENDING BALANCE	\$ 4,424	\$ 113,685	\$ 74,006	\$ 8,686	\$ 4,046	\$ 60,546

CITY OF COTATI

INTERNAL SERVICE FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 502 - COMPENSATED ABSENCES						
REVENUES						
Comp. Absence Payout From General Fund	\$ -	\$ -	\$ 107,909	\$ 126,000	\$ 46,684	\$ 130,000
Comp. Absence Payout From Water	-	-	26,679	27,500	6,276	30,000
Comp. Absence Payout From Sewer	-	-	26,506	27,000	6,276	30,000
Comp. Absence Payout From Other Fund	-	-	24,368	21,000	3,602	21,000
Interest	-	-	3,700	-	7,000	-
Total Revenue	-	-	189,162	201,500	69,838	211,000
EXPENSES						
Comp. Absence Payout From General Fund	-	-	107,909	125,000	46,685	125,000
Comp. Absence Payout From Water	-	-	19,050	27,250	6,276	27,250
Comp. Absence Payout From Sewer	-	-	19,347	26,900	6,276	26,900
Comp. Absence Payout From Other Fund	-	-	24,356	21,000	3,602	21,000
Other Expenses	-	-	-	-	-	-
Total Expenses	-	-	170,661	200,150	62,839	200,150
TRANSFERS						
Transfers In - General Fund 101	-	-	100,998	-	-	-
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	-	-	119,499	1,350	6,999	10,850
BEGINNING FUND BALANCE	-	-	-	100,000	119,499	126,498
ENDING BALANCE	\$ -	\$ -	\$ 119,499	\$ 101,350	\$ 126,498	\$ 137,348

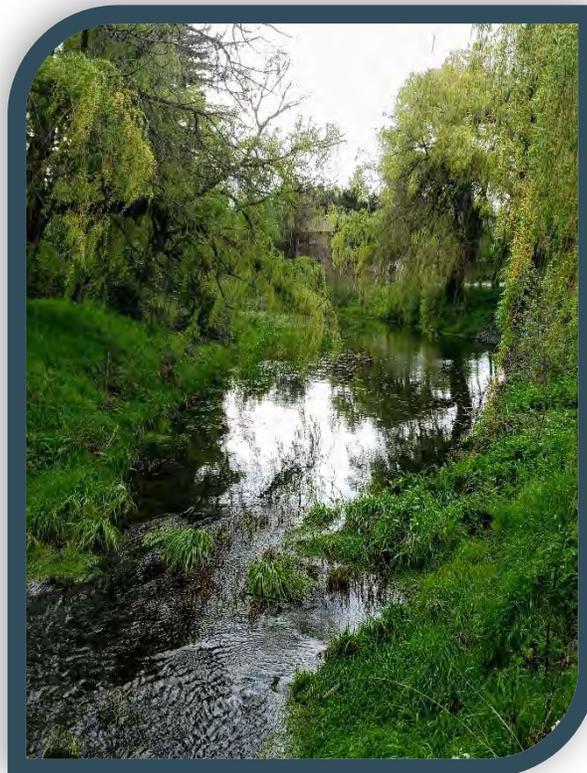
ENTERPRISE FUNDS

What are Enterprise Funds?

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.



Enterprise Funds Purpose & Objectives

Water - Funds 401-403

The goal of the Water Division is to: Continuously provide an adequate supply of water that is safe and healthy for customers. Assure fair collection of water revenue by maintaining all City water meters within tolerances established by the American Water Works Association and by maintaining all consumer meters in proper operating condition.

Sewer - Funds 404-405

The goal of the Sewer Division is to: Protect the health and welfare of the community by insuring the continuous uninterrupted operation of the wastewater collection and transmission system. Provide appropriate maintenance and repair of wastewater collection and transmission systems and appurtenances.

Enterprise Funds Budget Assumptions

Water Fund:

- Water rates are determined by the cost of maintaining, operating, distributing and treating water. Currently the City is completing a new rate study to evaluate the appropriateness of the current billings to customers.
- Proposed Capital Project Improvements totaling \$143,500.
- Increase in Operating Expense due to the indirect cost allocation charge and purchased water.

Sewer Fund:

- Sewer Usage is calculated based on the average water usage for the two lowest billed periods. This method provides that the customer is only charged based on indoor usage, and not for usage associated with summer irrigation.
- Proposed Capital Improvement Projects totaling approximately \$687,500
- Increase in Operating Expense due to the indirect cost allocation charge and increasing cost of wastewater treatment charges.

CITY OF COTATI

WATER COMBINED REPORTING

FUNDS 401-403



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
REVENUES						
Charges for Services	\$ 1,540,192	\$ 1,674,954	\$ 1,733,262	\$ 1,895,500	\$ 1,977,095	\$ 2,022,780
Connection Fees	237,040	218,069	5,671	338,600	201,659	-
Other Revenues	-	183	483	-	-	-
Total Revenues	1,777,231	1,893,206	1,739,416	2,234,100	2,178,754	2,022,780
OPERATING EXPENSES						
Operations Fund 401	1,313,577	1,455,752	1,371,058	1,785,447	1,719,841	1,897,382
Capital Fund 402	3,274	10,310	-	-	-	-
Total Expenses	1,316,851	1,466,063	1,371,058	1,785,447	1,719,841	1,897,382
NET OPERATING SURPLUS	460,380	427,143	368,358	448,653	458,913	125,398
NET OTHER SOURCES /(USES)	(682,155)	(194,526)	(240,087)	(403,950)	(93,150)	(367,969)
NET TRANSFERS	301,019	(80,528)	-	-	-	-
NET SURPLUS/(DEFICIT)	79,244	152,090	128,272	44,703	365,763	(242,571)
BEGINNING FUND BALANCE	1,400,890	1,480,134	1,632,225	1,485,102	1,760,496	2,126,259
ENDING BALANCE	1,480,134	1,632,225	1,760,496	1,529,805	2,126,259	1,883,688

CITY OF COTATI

SEWER COMBINED REPORTING

FUNDS 404-405



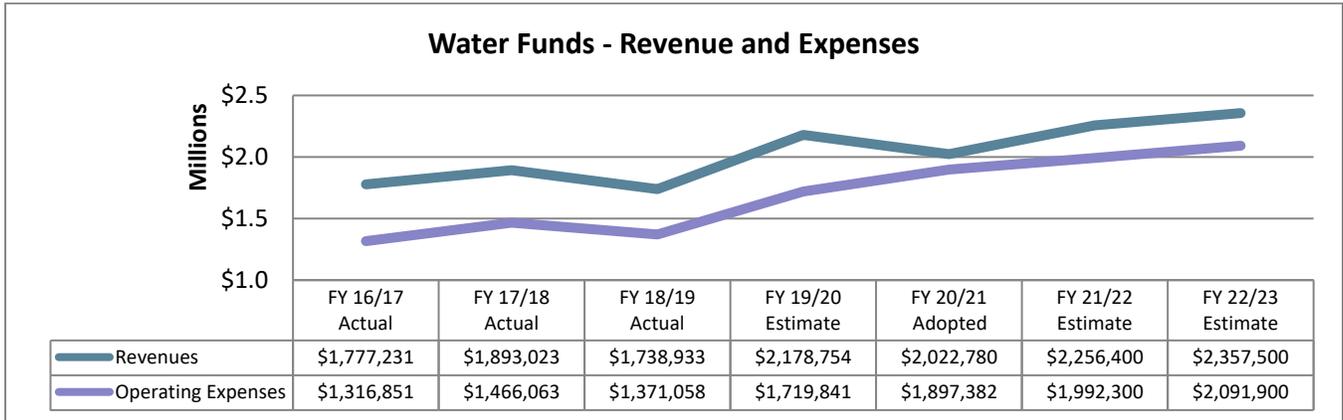
DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
REVENUES						
Charges for Services	\$ 1,934,262	\$ 2,033,095	\$ 2,323,233	\$ 2,452,000	\$ 2,474,383	\$ 2,747,000
Connection Fees	503,940	431,487	51,600	681,100	702,138	18,100
Connection Fee - Subregional	-	-	-	-	-	-
Special Assessment Fee	1,761	654	640	-	-	-
Debt Proceeds	129,573	361,095	104,516	104,650	104,650	204,469
Other Reimbursements	-	-	-	-	-	-
Other Revenues	-	-	-	2,000	10,500	-
Total Revenues	2,569,536	2,826,331	2,479,988	3,239,750	3,291,671	2,969,569
OPERATING EXPENSES						
Operations Fund 404	659,570	881,106	750,897	973,587	967,357	1,032,753
Wastewater Treatment						
Operations	831,022	845,621	939,697	967,800	885,435	1,169,839
Capital-Subregional	854,572	836,035	826,034	907,550	857,099	836,111
Total Expenses	2,345,164	2,562,763	2,516,628	2,848,937	2,709,891	3,038,703
NET OPERATING SURPLUS	224,373	263,569	(36,639)	390,813	581,780	(69,134)
NET OTHER SOURCES /(USES)	(53,820)	(153,012)	(4,427,595)	(195,000)	(116,039)	(754,999)
NET TRANSFERS	(363,981)	(80,528)	-	-	-	-
NET SURPLUS/(DEFICIT)	(193,428)	30,029	(4,464,234)	195,813	465,741	(824,133)
BEGINNING FUND BALANCE	6,745,400	6,551,972	6,582,001	3,390,029	2,117,767	2,583,508
ENDING BALANCE	6,551,972	6,582,001	2,117,767	3,585,842	2,583,508	1,759,375

WATER FUNDS

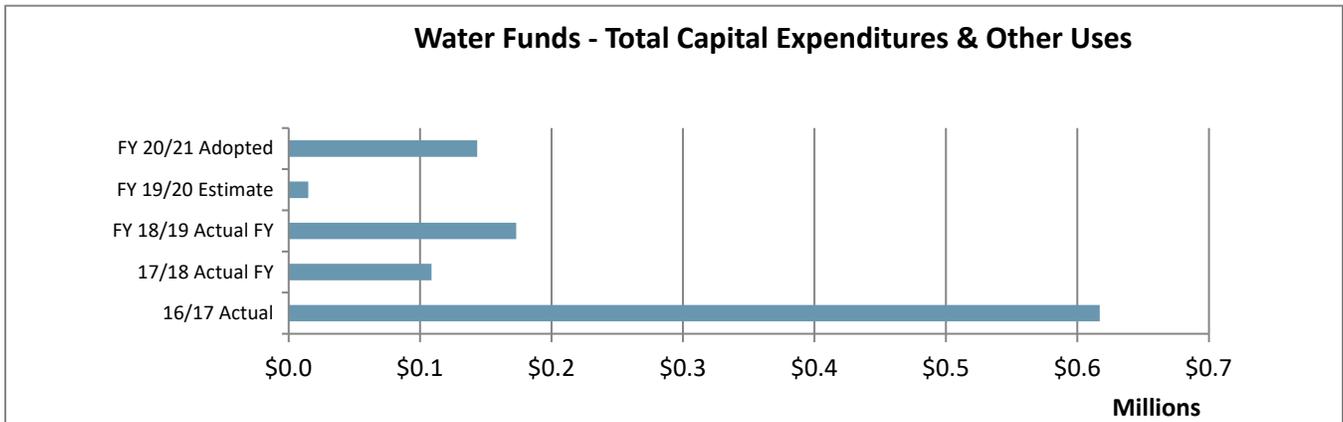
401-403



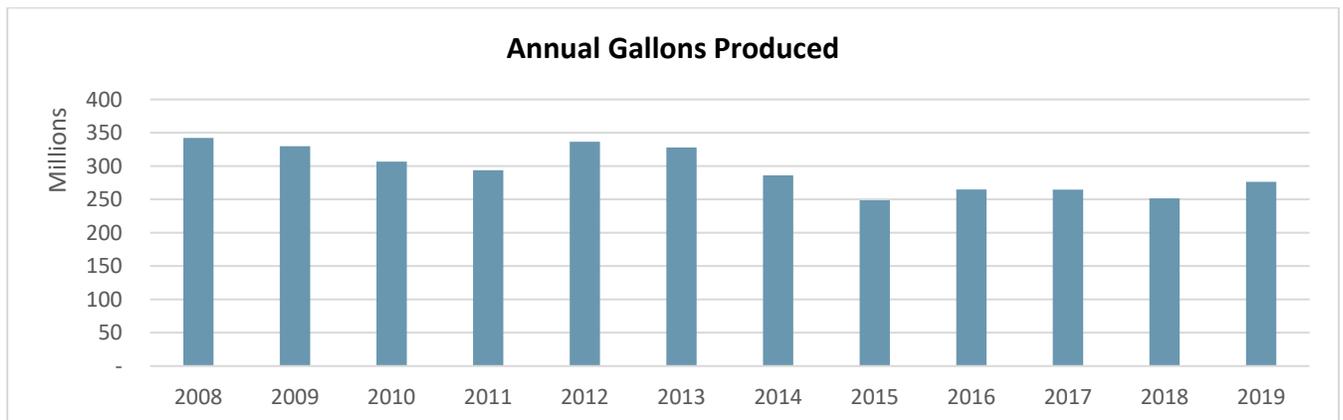
Water Fund Statistics, Expectations, and Trends



Revenues for estimated years 20/21 and 21/22 were calculated assuming (1) Charges for services increase approximate 5% each year, (2) and customer numbers and connection fees change based on expected new home construction. For the budget year 2020/21 an additional lump sum interfund debt payment to the sewer of \$100,000 is has been programmed.



The Water Fund has implemented strategic capital projects over the last three years focusing on system repairs and maintenance including related technology integration. With the adopted five-year capital plan reserves from the water fund are currently being maintained to support the future major project of the Cypress Water Tank replacement. Additional expenditures were incurred during the current fiscal year to maintain operations during the PG&E power shutoffs which required rentals of generators to support the wells.



CITY OF COTATI

ENTERPRISE WATER FUNDS



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
FUND 401 - WATER OPERATING						
OPERATING REVENUES						
Charges for Services						
Sale of Water - Usage	\$ 755,544	\$ 939,120	\$ 921,624	\$ 1,063,000	\$ 1,125,561	\$ 1,180,000
Sale of Water - Fixed	602,806	670,020	754,289	797,000	800,995	800,000
Customer Fees	69,908	47,348	52,390	20,000	39,199	40,080
Other Reimbursements	411	577	475	-	275	-
Special Assessment Backflow	565	1,082	2,082	1,000	2,420	1,000
Charges for Services	1,429,234	1,658,148	1,730,861	1,881,000	1,968,450	2,021,080
Other Revenues	-	183	483	-	-	-
Total Operating Revenues	1,429,234	1,658,332	1,731,344	1,881,000	1,968,450	2,021,080
OPERATING EXPENSES						
Water Operations						
Personnel Services	547,854	615,200	517,657	714,234	659,183	750,343
Services and Supplies	400,254	425,851	398,574	596,213	568,790	629,102
Purchased Water	365,469	414,702	454,827	475,000	491,868	517,937
Total Operating Expenses	1,313,577	1,455,752	1,371,058	1,785,447	1,719,841	1,897,382
NET OPERATING SURPLUS	115,657	202,579	360,286	95,553	248,609	123,698
OTHER SOURCES						
Grants from Other Agencies	30,000	-	-	-	-	-
Loan From Sewer	-	-	-	-	-	-
Interest Earnings	4,540	13,218	23,027	5,000	16,500	5,000
Total Other Sources	34,540	13,218	23,027	5,000	16,500	5,000
OTHER USES						
Capital Improvements	(1,142)	-	-	-	-	-
Debt Service						
Principal	(84,874)	(86,154)	(87,500)	(91,150)	(91,150)	(192,409)
Interest	(19,595)	(18,315)	(17,016)	(13,500)	(13,500)	(12,060)
Total Other Uses	(105,611)	(104,469)	(104,516)	(104,650)	(104,650)	(204,469)
Net Other Sources/(Uses)	(71,071)	(91,252)	(81,489)	(99,650)	(88,150)	(199,469)
NET OTHER ADJUSTMENTS/TRANSFERS						
Water Recycling	709,233	-	-	-	-	-
Sewer Capital Fund	332,500	-	-	-	-	-
Water Capital Fund	(622,800)	(175,246)	-	(104,300)	(15,000)	(143,500)
Net All Transfers	418,933	(175,246)	-	(104,300)	(15,000)	(143,500)
NET SURPLUS/(DEFICIT)	463,519	(63,918)	278,797	(108,397)	145,459	(219,271)
BEGINNING FUND BALANCE	567,961	1,031,480	967,562	975,773	1,246,359	1,391,818
ENDING BALANCE	1,031,480	967,562	1,246,359	867,376	1,391,818	1,172,547
OPERATING RESERVE (33% PER POLICY)	433,480	480,398	452,449	589,198	567,548	626,136
GENERAL RESERVE	598,000	487,164	793,910	278,178	824,270	546,411
TOTAL RESERVE	1,031,480	967,562	1,246,359	867,376	1,391,818	1,172,547

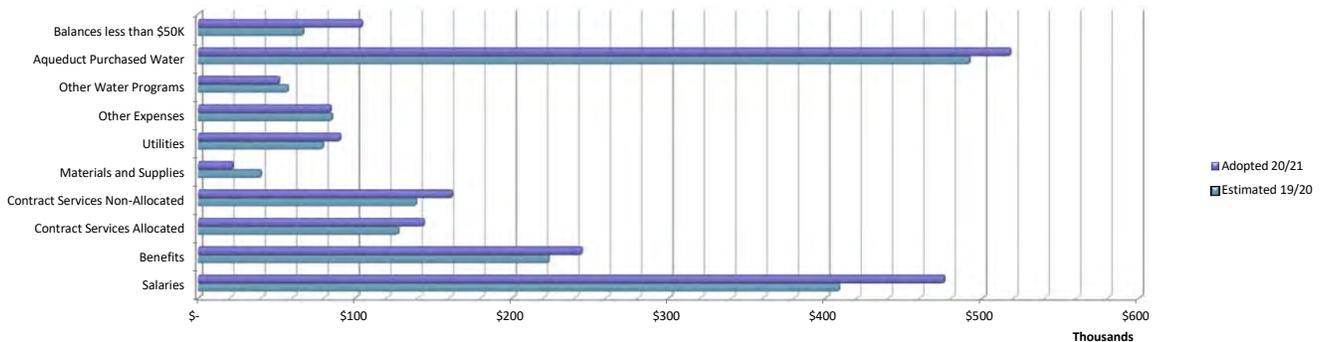
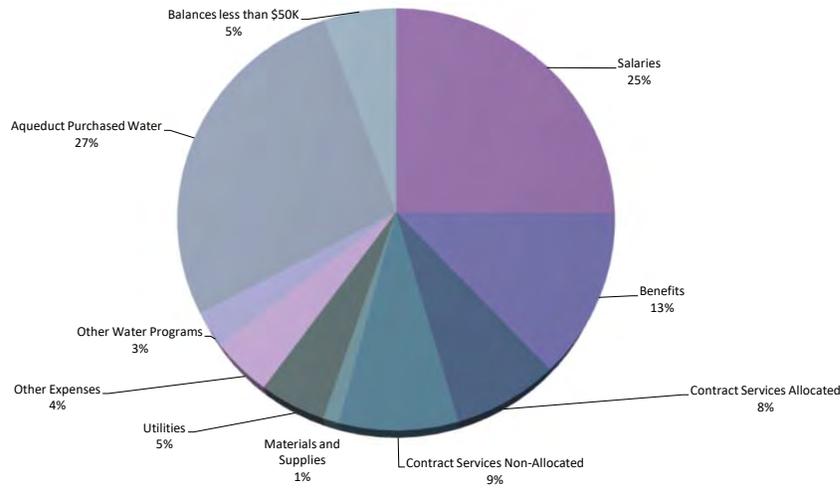
ENTERPRISE FUNDS

OPERATING EXPENSE DETAIL



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATED ACTUALS	FY 20/21 ADOPTED
FUND 401 - WATER OPERATING EXPENSES						
PERSONNEL SERVICES						
Salaries	\$ 336,761	\$ 367,965	\$ 374,986	\$ 462,979	\$ 408,672	\$ 475,821
Benefits	211,093	235,031	108,404	223,755	223,511	244,522
Payouts/Compensated Absences	-	12,204	34,267	27,500	27,000	30,000
TOTAL PERSONNEL SERVICES	547,854	615,200	517,657	714,234	659,183	750,343
SERVICES AND SUPPLIES						
CONTRACT SERVICES - ALLOCATED	25	28,280	48,598	128,359	127,723	143,945
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	5,198	55,000	-	49,497	44,782	62,497
Technology and Data Management	-	17	5,968	54,400	48,356	54,400
Legal & General Council	7,702	-	2,394	-	-	-
Special Project Consultants	22,064	2,574	-	-	-	-
General Services	79,918	21,999	10,817	49,000	45,790	45,000
Total Contract Services	114,907	107,871	67,776	281,256	266,651	305,842
MATERIALS AND SUPPLIES	27,146	33,051	12,717	20,000	40,000	22,000
UTILITIES	55,979	71,118	66,514	79,580	79,580	90,580
INFORMATION TECHNOLOGY	9,301	3,127	59	-	-	-
REPAIRS AND MAINTENANCE	34,070	23,476	61,624	47,000	40,000	74,500
OTHER EXPENSES	97,447	142,979	221,747	94,880	85,384	84,530
FISCAL FEES	-	-	19	-	-	-
DEBT SERVICE	-	-	17,020	-	-	-
OTHER WATER PROGRAMS	426,873	44,229	55,614	73,497	57,175	51,650
TOTAL SERVICES AND SUPPLIES	765,723	425,851	503,090	596,213	568,790	629,102
AQUEDUCT PURCHASED WATER	365,469	414,702	454,827	475,000	491,868	517,937
TOTAL WATER OPERATING EXPENSES	\$ 1,679,046	\$ 1,455,752	\$ 1,475,573	\$ 1,785,447	\$ 1,719,841	\$ 1,897,382

Water Allocation of Expenses



CITY OF COTATI

ENTERPRISE WATER FUNDS



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
FUND 402 - WATER CAPITAL						
OPERATING REVENUES						
Charges for Services						
Collection System	\$ 26,250	\$ -	\$ -	\$ -	\$ -	\$ -
Meter	13,280	16,397	523	14,500	5,000	1,700
Fire Sprinklers	71,428	409	-	-	-	-
Other Revenue	-	-	1,878	-	3,645	-
Charges for Services	110,958	16,806	2,401	14,500	8,645	1,700
Connection Fees	237,040	218,069	5,671	338,600	201,659	-
Total Operating Revenues	347,997	234,874	8,072	353,100	210,304	1,700
OPERATING EXPENSES						
Water Capital						
Engineering Fee	-	-	-	-	-	-
Other Contract Services	-	-	-	-	-	-
Water Capital	-	-	-	-	-	-
Other Expenses	3,274	10,310	-	-	-	-
Total Operating Expenses	3,274	10,310	-	-	-	-
NET OPERATING SURPLUS	344,723	224,564	8,072	353,100	210,304	1,700
OTHER SOURCES						
Interest Earnings	2,168	5,437	14,541	5,000	10,000	5,000
Total Other Sources	2,168	5,437	14,541	5,000	10,000	5,000
OTHER USES						
Equipment	-	-	-	(89,300)	-	(22,500)
Capital Improvements						
Cypress Tank & Main Replacement	-	-	-	(205,000)	-	-
AMI Collector "L" Section	-	-	-	-	-	(30,000)
Scada System	(38,248)	(9,828)	-	(15,000)	(15,000)	(15,000)
SCEIF AMR METER	(29,470)	(21,147)	-	-	-	-
W. Cotati Water Main	(501,339)	-	-	-	-	-
St. Josephs Water Main	-	-	(173,139)	-	-	-
Well 1A	(47,959)	(77,736)	-	-	-	(106,000)
Total Other Uses	(617,016)	(108,711)	(173,139)	(309,300)	(15,000)	(173,500)
Net Other Sources/(Uses)	(614,848)	(103,274)	(158,598)	(304,300)	(5,000)	(168,500)
NET OTHER ADJUSTMENTS/TRANSFERS						
Exp. Reimb. Fund 605	(31,481)	(80,528)	-	-	-	-
Water Operating Fund 401	290,300	175,246	-	104,300	15,000	173,500
Sewer Capital Fund 405	332,500	-	-	-	-	-
Net All Transfers	591,319	94,719	-	104,300	15,000	173,500
NET SURPLUS/(DEFICIT)	321,194	216,008	(150,525)	153,100	220,304	6,700
BEGINNING FUND BALANCE	127,460	448,654	664,662	509,329	514,137	734,441
ENDING BALANCE	448,654	664,662	514,137	662,429	734,441	741,141

WATER FUND 402 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
SCADA SERVER UPATE AND RELOCATION				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ -
Water Capital Fund	-	-	-	22,500
Total Revenue	-	-	-	22,500
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	-	-	22,500
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	22,500

PROJECT DESCRIPTION :

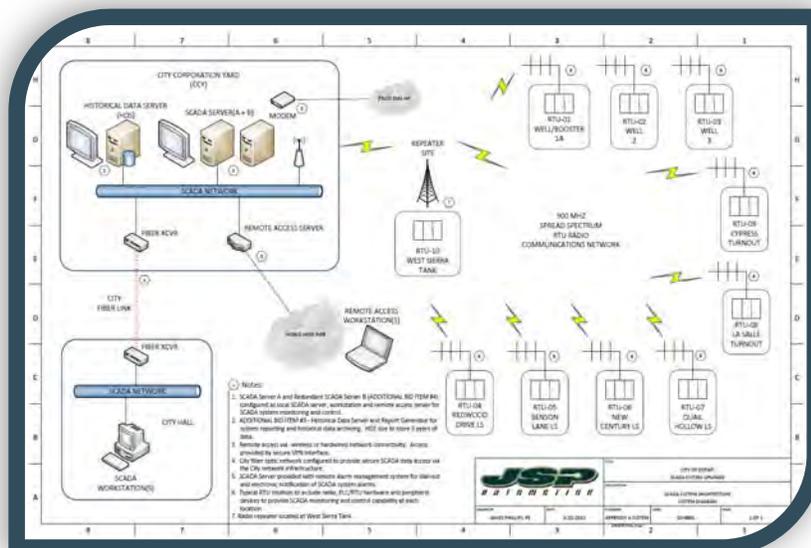
Update the historian database system and backup server and relocate server to City Hall server room.

PROJECT ACCOUNT NUMBER: 402-00-92200-53PWGL

GOAL: Environmental Concerns

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 22,500



WATER FUND 402 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
WELL 1A & 3 TREATMENT FACILITIES REHAB.				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ -
Water Capital Fund	-	-	-	106,000
Total Revenue	-	-	-	106,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ 25,000
Construction Cost	-	-	-	80,000
Project Management	-	-	-	1,000
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	106,000

PROJECT DESCRIPTION :

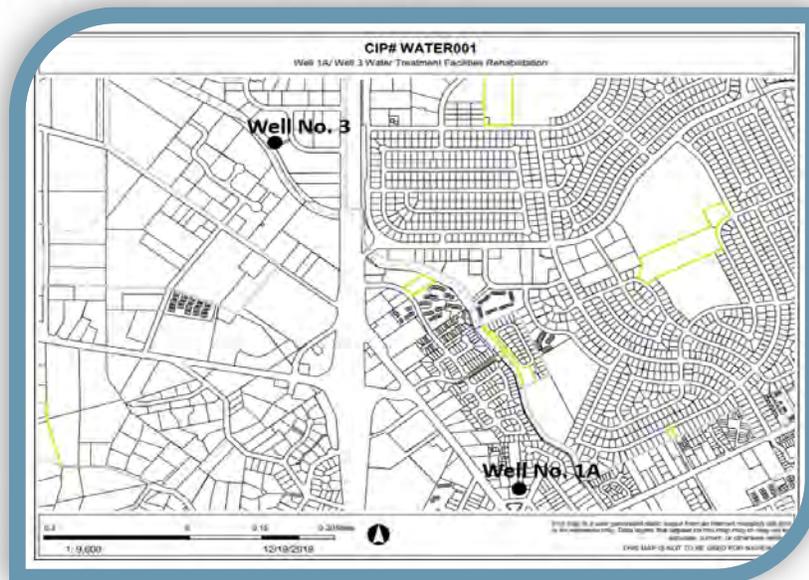
This project replaces the filter media (periodically every 10-15 years) and related valves and appurtenances at City Wells 1A and 3.

PROJECT ACCOUNT NUMBER: 402-00-92200-66PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 80,000



WATER FUND 402 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
AMI COLLECTOR IN "L" SECTION				
FUNDING SOURCE				
General Fund	\$ -	\$ -	\$ -	\$ -
Capital Outlay	-	-	-	-
Water Fund	-	-	-	30,000
Total Revenue	-	-	-	30,000
EXPENSES				
Purchase	\$ -	\$ -	\$ -	\$ 30,000
Design and Engineering	-	-	-	-
Construction Cost	-	-	-	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ 30,000

PROJECT DESCRIPTION :

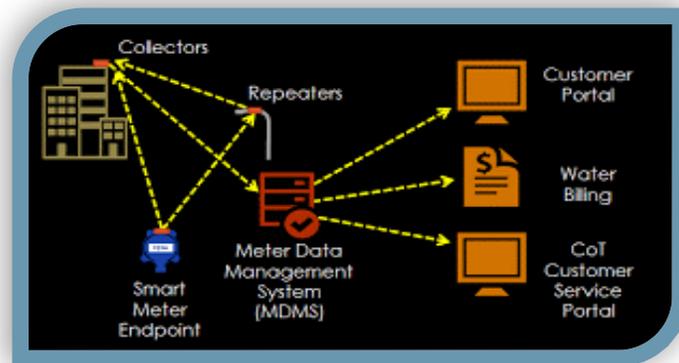
Purchase, install new AMI meter data collector for L section to allow for better direct meter reading to our Itron system. As well as synchronize data integration between AMI and Utility Billing Software.

PROJECT ACCOUNT NUMBER: 401-00-92200-XXPWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 30,000



CITY OF COTATI

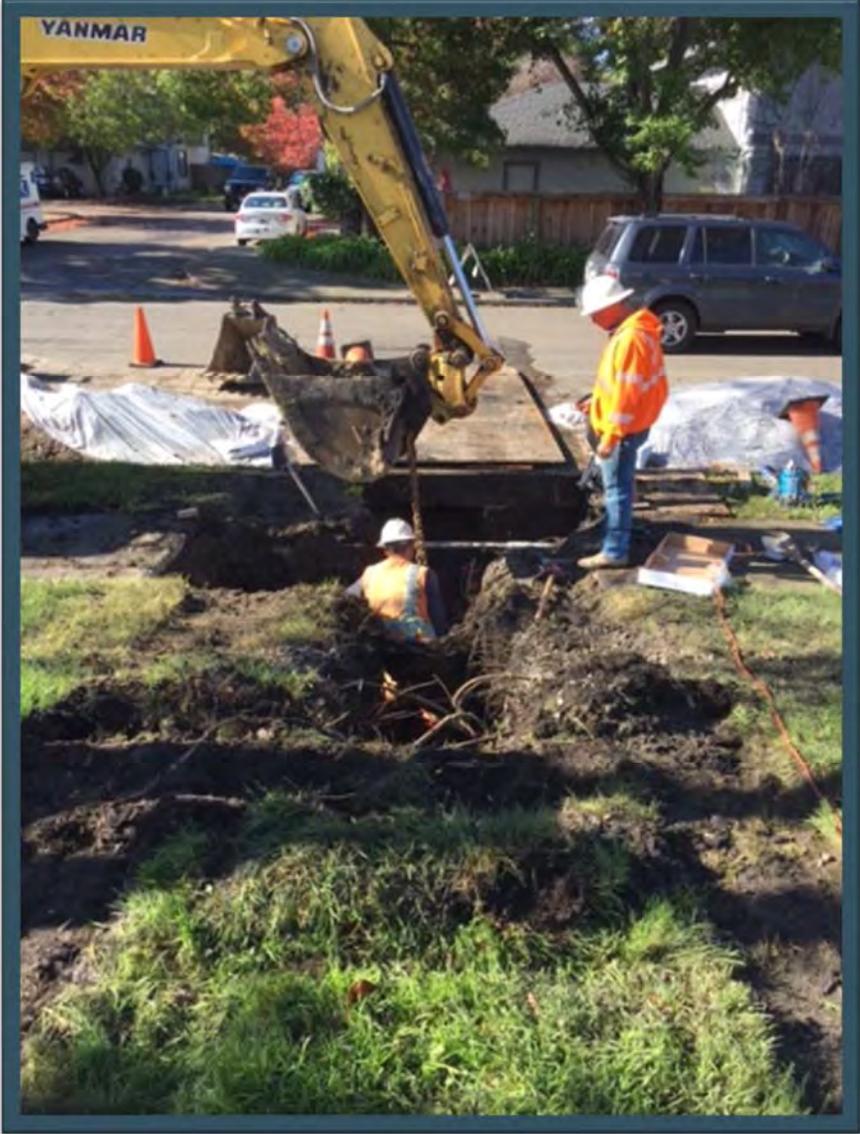
ENTERPRISE WATER FUNDS



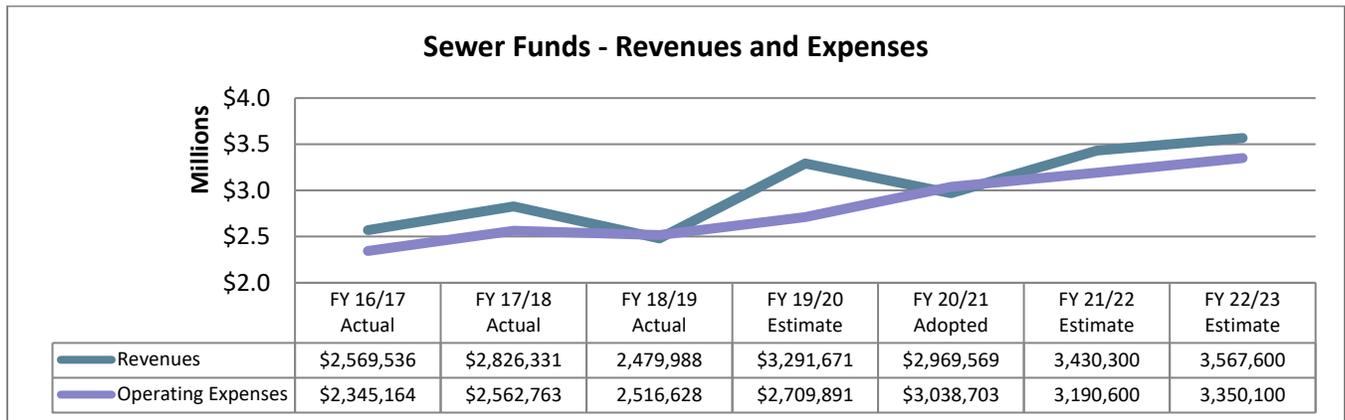
DESCRIPTION	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 19/20	FY 20/21
	ACTUALS	ACTUALS	ACTUALS	ADOPTED	ESTIMATE	ADOPTED
FUND 403 - WATER RECYCLE						
OPERATING REVENUES						
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	3,764	-	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Operating Revenues	3,764	-	-	-	-	-
OPERATING EXPENSES						
Water Recycle						
Special Engineering Services	-	-	-	-	-	-
Water Recycle	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Total Operating Expenses	-	-	-	-	-	-
NET OPERATING SURPLUS	3,764	-	-	-	-	-
OTHER SOURCES						
Interest Earnings	-	-	-	-	-	-
Total Other Sources	-	-	-	-	-	-
OTHER USES						
Equipment	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Special Capital Projects	-	-	-	-	-	-
Total Other Uses	-	-	-	-	-	-
Net Other Sources/(Uses)	-	-	-	-	-	-
NET OTHER ADJUSTMENTS/TRANSFERS						
Water Operating Fund 401	(709,233)	-	-	-	-	-
Net All Transfers	(709,233)	-	-	-	-	-
NET SURPLUS/(DEFICIT)	(705,469)	-	-	-	-	-
BEGINNING FUND BALANCE	705,469	-	-	-	-	-
ENDING BALANCE	-	-	-	-	-	-

SEWER FUNDS

404-405

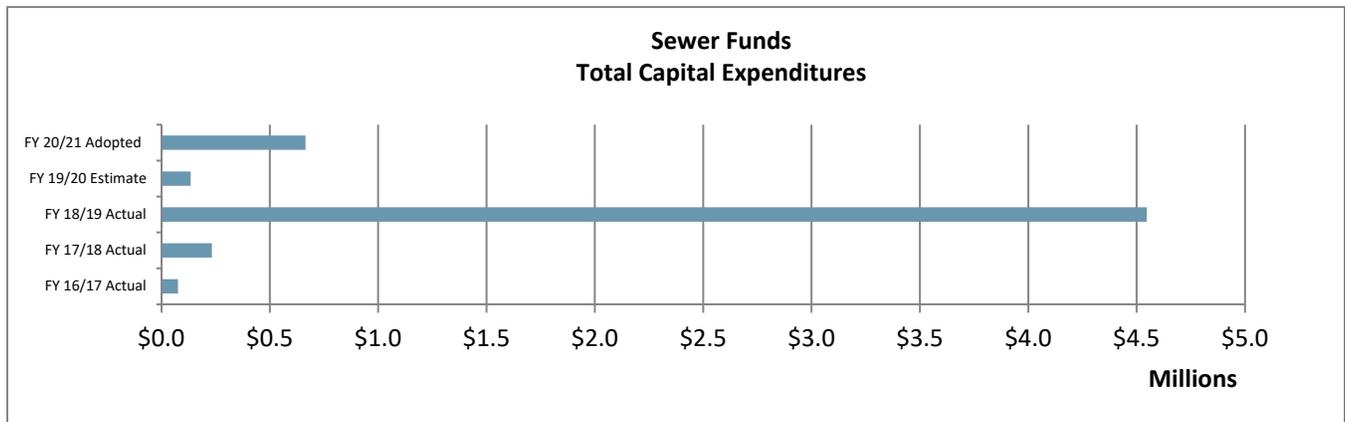


Sewer Fund Statistics, Expectations, and Trends



Revenues for estimated years 20/21 and 21/22 were calculated assuming (1) Charges for Services have a 5% increase each year (calculation of the rate increases offset by reduced usage) and (2) Connection Fees follow the change consistent with the historical average (3) Debt proceeds are consistent with an additional early payment of \$100,000 scheduled from the Water Fund.

The City does not operate our own wastewater treatment but outsources this operation to the City of Santa Rosa as a part of the Subregional Wastewater System. Based on the budget adopted by the City Council and Subregional Technical Advisory Committee, operating expenditures are set to increase by approximately 30% for fiscal year 20/21 and are expected to increase but at a lesser 5% in subsequent years. The Subregional Debt service expenditures continue to decrease as the debt issuances mature.



The Sewer Fund continues strategic capital projects after the major investment in the Laguna Bypass Sewer Replacement Project in fiscal year 2018-19. The City is planning on focusing on system repairs and maintenance including inflow and infiltration reduction projects as well as investments in backup generators for lift-stations to better prepare for possible future emergency power outages.

CITY OF COTATI

ENTERPRISE SEWER FUNDS



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
FUND 404 - SEWER OPERATING						
OPERATING REVENUES						
Charges for Services						
Usage	\$ 963,660	\$ 1,024,921	\$ 1,207,494	\$ 1,275,000	\$ 1,193,312	\$ 1,445,000
Base	970,602	1,008,174	1,115,739	1,177,000	1,192,185	1,302,000
Reimbursements	-	-	-	-	88,886	-
Special Assessment	-	-	-	-	-	-
Total Charges for Services	1,934,262	2,033,095	2,323,233	2,452,000	2,474,383	2,747,000
Special Assessment - Sewer	1,761	654	640	-	-	-
Other Revenues	-	-	-	-	7,000	-
Total Operating Revenues	1,936,023	2,033,749	2,323,873	2,452,000	2,481,383	2,747,000
OPERATING EXPENSES						
Sewer Operations						
Personnel Services	485,374	740,116	526,584	691,561	620,749	718,191
Services and Supplies	162,928	140,990	224,313	282,026	346,608	314,562
Sewer Operations	648,302	881,106	750,897	973,587	967,357	1,032,753
Wastewater Treatment						
Capital - Subreg Debt Service	-	836,035	826,034	907,550	857,099	836,111
Operations	831,022	845,621	939,697	967,800	885,435	1,169,839
Total Operating Expenses	1,479,324	2,562,763	2,516,628	2,848,937	2,709,891	3,038,703
NET OPERATING SURPLUS/(DEFICIT)	456,699	(529,014)	(192,755)	(396,937)	(228,508)	(291,703)
OTHER SOURCES						
Loan from Inclusionary Housing (Fund 216)	-	-	-	-	-	-
Loan from Sewer Capital (Fund 405)	-	-	-	-	-	-
Interest Earnings	22,801	33,798	63,019	-	89,179	-
Total Other Sources	22,801	33,798	63,019	-	89,179	-
OTHER USES						
Equipment	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Loan - Inclusionary Housing (Fund 216)	-	-	-	(50,000)	(58,539)	(39,177)
Loan - Sewer Capital (Fund 405)	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Loan - Inclusionary Housing (Fund 216)	-	-	-	(30,000)	(8,959)	(28,322)
Total Other Uses	-	-	-	(80,000)	(67,498)	(67,499)
Net Other Sources/(Uses)	22,801	33,798	63,019	(80,000)	21,681	(67,499)
NET OTHER ADJUSTMENTS/TRANSFERS						
Sewer Capital Fund 405	(399,500)	-	-	(115,000)	(2,720)	-
Compensated Absences	-	-	-	-	-	-
Net All Transfers	(399,500)	-	-	(115,000)	(2,720)	-
NET SURPLUS/(DEFICIT)	80,000	(495,216)	(129,735)	(591,937)	(209,547)	(359,202)
BEGINNING FUND BALANCE	2,724,548	2,804,548	2,309,332	2,038,142	2,179,597	1,970,050
ENDING BALANCE	2,804,548	2,309,332	2,179,597	1,446,205	1,970,050	1,610,848
OPERATING RESERVE (33% PER POLICY)	488,177	845,712	830,487	940,149	894,264	1,002,772
GENERAL RESERVE	2,316,371	1,463,620	1,349,110	506,056	1,075,786	608,076
TOTAL RESERVE	2,804,548	2,309,332	2,179,597	1,446,205	1,970,050	1,610,848

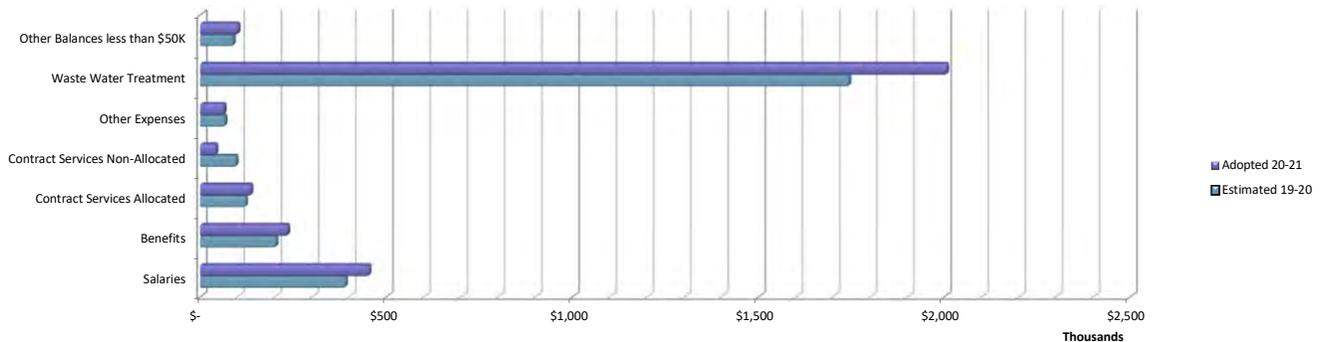
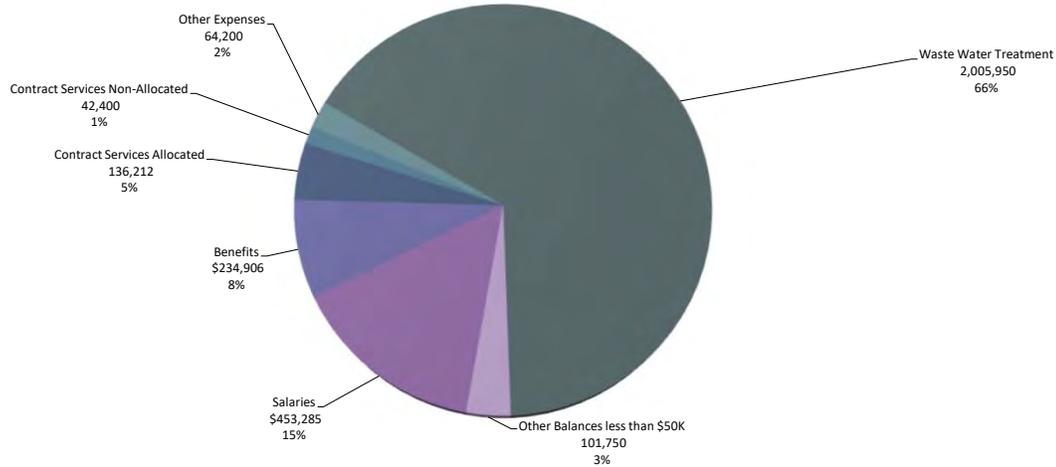
ENTERPRISE FUNDS

OPERATING EXPENSE DETAIL



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATED ACTUALS	FY 20/21 ADOPTED
FUND 404 - SEWER OPERATING EXPENSES						
PERSONNEL SERVICES						
Salaries	\$ 264,321	\$ 345,566	\$ 362,928	\$ 445,146	\$ 390,101	\$ 453,285
Benefits	221,053	382,701	130,026	219,415	203,648	234,906
Payouts/Compensated Absences	-	11,848	33,629	27,000	27,000	30,000
TOTAL PERSONNEL SERVICES	485,374	740,116	526,584	691,561	620,749	718,191
SERVICES AND SUPPLIES						
CONTRACT SERVICES - ALLOCATED	4,546	43,624	48,515	122,476	121,869	136,212
CONTRACT SERVICES - NON-ALLOCATED						
Professional Services	7,001	3,978	8,172	9,250	50,600	17,500
Technology and Data Management	-	-	3,030	11,400	35,148	11,400
Legal & General Council	-	-	5,261	-	-	-
Special Project Consultants	15,125	1,789	-	7,500	-	3,500
General Services	34,161	2,472	1,534	10,000	10,700	10,000
Total Contract Services	60,833	51,864	66,512	160,626	218,317	178,612
MATERIALS AND SUPPLIES	5,520	5,258	6,648	9,200	9,200	7,000
UTILITIES	6,309	11,536	12,084	12,500	12,500	14,750
INFORMATION TECHNOLOGY	7,496	1,724	59	-	-	-
REPAIRS AND MAINTENANCE	10,225	5,887	19,403	37,700	40,000	50,000
OTHER EXPENSES	67,723	64,714	119,595	62,000	66,591	64,200
FISCAL FEES	-	-	5	-	-	-
DEBT SERVICE	1,959	7	4	-	-	-
OTHER SEWER PROGRAMS	2,863	-	-	-	-	-
TOTAL SERVICES AND SUPPLIES	162,928	140,990	224,313	282,026	346,608	314,562
WASTE WATER TREATMENT						
Capital - Subreg Debt Service	-	836,035	826,034	907,550	857,099	836,111
Operations	831,022	845,621	939,697	967,800	885,435	1,169,839
TOTAL SEWER OPERATING EXPENSES	\$ 1,479,324	\$ 2,562,763	\$ 2,516,628	\$ 2,848,937	\$ 2,709,891	\$ 3,038,703

Sewer Allocation of Expenses



CITY OF COTATI

ENTERPRISE SEWER FUNDS



DESCRIPTION	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 ACTUALS	FY 19/20 ADOPTED	FY 19/20 ESTIMATE	FY 20/21 ADOPTED
FUND 405 - SEWER CAPITAL						
OPERATING REVENUES						
Charges for Services						
Collection System	\$ 36,567	\$ 36,567	\$ 36,567	\$ 15,100	\$ 36,567	\$ 15,100
Sewer Connection Fees	466,077	393,732	11,532	665,000	664,221	-
Sewer Application Fees	1,296	1,188	-	1,000	-	-
Other Reimbursements	-	-	3,501	-	1,350	3,000
Total Operating Revenues	503,940	431,487	51,600	681,100	702,138	18,100
OPERATING EXPENSES						
Wastewater Treatment						
Contract Services	11,268	-	-	-	-	-
Capital	854,572	-	-	-	-	-
Total Operating Expenses	865,840	-	-	-	-	-
NET OPERATING SURPLUS	(361,899)	431,487	51,600	681,100	702,138	18,100
OTHER SOURCES						
Loan Payments – from General Fund	23,962	256,626	-	-	-	-
Loan Payments – from Water Op. Fund	105,611	104,469	104,516	104,650	104,650	204,469
Interest Earnings	-	45,928	56,414	2,000	3,500	-
Total Other Sources	129,573	407,023	160,930	106,650	108,150	204,469
OTHER USES						
Equipment	-	-	-	-	-	(22,500)
Capital Improvements	-	-	-	-	-	-
William/Olaf Sewer Replacement	-	-	-	-	(135,000)	(565,000)
SCADA Phase 2	(2,329)	-	(22,105)	(15,000)	-	-
St. Joseph Way Main Replacement	(7,975)	(158,953)	-	-	(10)	-
Manhole Lateral Repair/Improvement	-	-	-	(100,000)	-	(100,000)
P1 Pipeline/Laguna Sewer Bypass	(66,317)	(73,785)	(4,524,924)	-	(2,710)	-
Total Other Uses	(76,621)	(232,738)	(4,547,029)	(115,000)	(137,720)	(687,500)
Net Other Sources/(Uses)	52,952	174,285	(4,386,099)	(8,350)	(29,570)	(483,031)
NET OTHER ADJUSTMENTS/TRANSFERS						
Water Loan	-	-	-	-	-	-
Sewer Operating	399,500	-	-	115,000	2,720	-
Sewer's Cost Portion - AMI	-	-	-	-	-	-
Water Operating Fund 401	(332,500)	-	-	-	-	-
Exp. Reimb. Fund 605	(31,481)	(80,528)	-	-	-	-
Net All Transfers	35,519	(80,528)	-	115,000	2,720	-
NET SURPLUS/(DEFICIT)	(273,428)	525,245	(4,334,499)	787,750	675,288	(464,931)
BEGINNING FUND BALANCE	4,020,852	3,747,424	4,272,669	1,351,887	(61,830)	613,458
ENDING BALANCE	3,747,424	4,272,669	(61,830)	2,139,637	613,458	148,527

SEWER FUND 405 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
SCADA SERVER UPATE AND RELOCATION				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Capital Fund	-	-	-	22,500
Total Revenue	-	-	-	22,500
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	-	-	22,500
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	22,500

PROJECT DESCRIPTION :

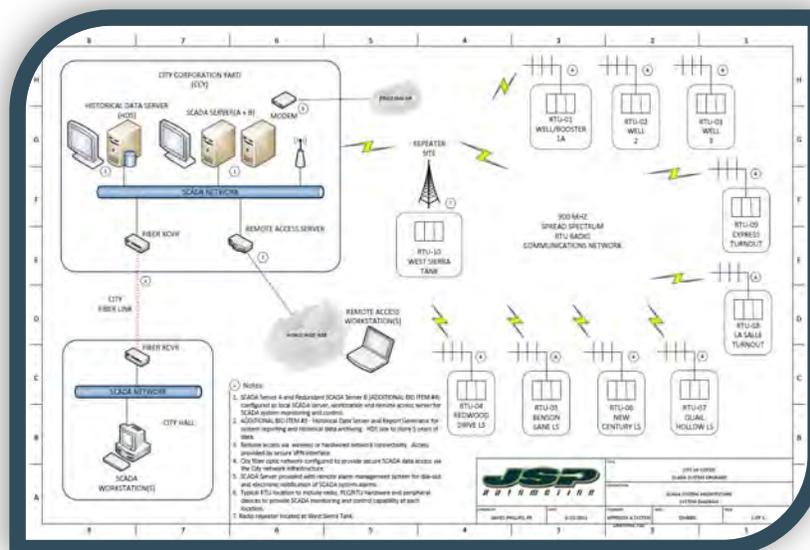
Update the historian database system and backup server and relocate server to City Hall server room.

PROJECT ACCOUNT NUMBER: 405-00-92300-53PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 22,500



SEWER FUND 405 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
WILLIAM/OLAF SEWER REPLACEMENT				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Operating Fund	-	-	-	-
Sewer Capital Fund	-	-	135,000	565,000
Total Revenue	-	-	135,000	565,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ 135,000	\$ -
Construction Cost	-	-	-	565,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	-	135,000	565,000

PROJECT DESCRIPTION :

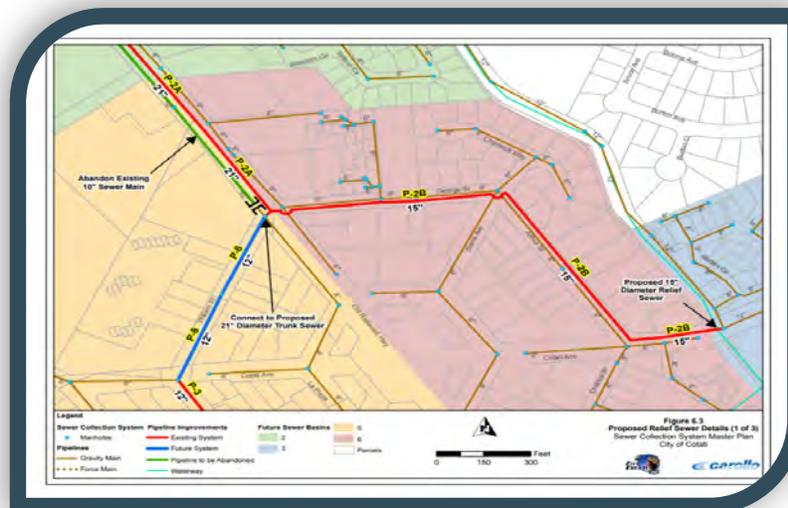
Olof Street and William Street sewer lines were identified for replacement due to the age and size of the existing lines and the capacity needs. The existing mains vary in size from 8-inch to 10-inch and are to be replaced with 12-inch piping. The project replaces approximately 1,400 lineal feet of sewer main including five intermediate manholes and twenty laterals.

PROJECT ACCOUNT NUMBER: 405-00-92300-62PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 10/30/2020

ESTIMATED CONSTRUCTION COST: \$ 565,000



SEWER FUND 405 CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
MANHOLE LATERAL REPAIR & IMPROVEMENTS				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ -
Sewer Capital Fund	-	100,000	-	100,000
Total Revenue	-	100,000	-	100,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	-	100,000	-	100,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	100,000	-	100,000

PROJECT DESCRIPTION :

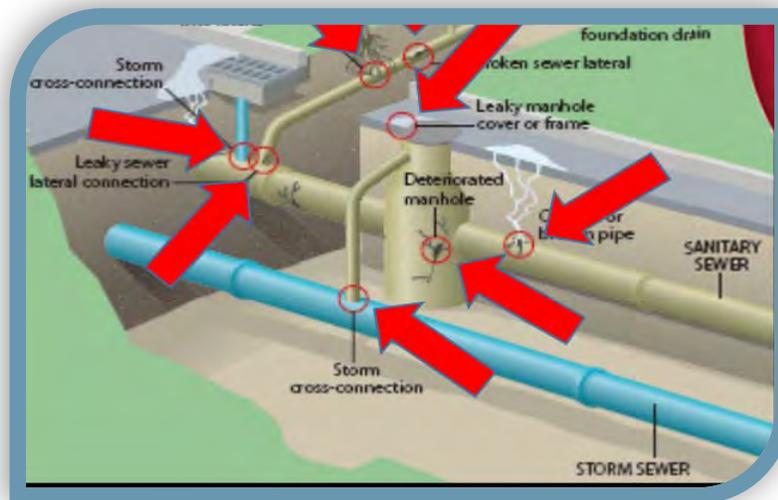
Repair manholes and lateral connections in sewer lines to limit excess storm water flowing into system.

PROJECT ACCOUNT NUMBER: 405-00-92300-XXPWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: Ongoing Project

ESTIMATED CONSTRUCTION COST: \$ 100,000



FIDUCIARY FUNDS

What are Fiduciary Funds?

Fiduciary Funds - Trust funds are used to account for assets held by the City as trustee or agent for other governmental units, private organizations, or individuals. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary financial statements. Currently, the only Fiduciary Fund held in Trust by the City of Cotati is the Successor Agency.

Fiduciary Funds Purpose & Objectives

On December 29, 2011, the California Supreme Court issued its opinion which upheld the validity of AB1x26 which dissolved all of the redevelopment agencies in the State. As a result of the Court's ruling, the dissolution of redevelopment agencies was effective February 1, 2012. Since the dissolution, the Successor Agency to the Redevelopment Agency has been tasked in its capacity to prepare a draft Recognized Obligation Payment Schedule ("ROPS") for each six-month period of each fiscal year; wind up all affairs of the dissolved Redevelopment Agency; and prepare administrative budgets and pay administrative costs.



FIDUCIARY FUND SUCCESSOR AGENCY



DESCRIPTION	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 301 - SUCCESSOR AGENCY						
ADDITIONS						
RPTTF - Tax Allocation Bonds	\$ 812,231	\$ 820,927	\$ 800,444	\$ 838,919	\$ 838,919	\$ 818,677
ROPS RPTTF - Admin	250,000	250,000	250,000	250,000	250,000	250,000
Long Range Property Mgmt Plan Implementation & Development	-	-	-	-	-	-
Pass Through Payment Requirements	49,454	51,824	54,241	56,708	56,708	59,222
Other Fiscal Fees	10,050	8,000	12,547	11,500	11,500	11,500
DOF Adjustments	(106,461)	-	-	(16,712)	(16,712)	(15,430)
Other Income	-	42,265	50,579	-	-	-
TOTAL ROPS ADDITIONS	1,015,274	1,173,016	1,167,810	1,140,415	1,140,415	1,123,969
DEDUCTIONS						
Debt Obligations	812,231	820,927	827,999	838,919	838,919	818,677
ADMINISTRATIVE						
PERSONNEL SERVICES						
Salaries	145,851	139,474	120,689	146,400	149,393	102,227
Benefits	53,357	52,653	96,481	61,800	56,460	43,868
Total personnel services	199,208	192,127	217,170	208,200	205,853	146,095
Other Administrative	50,792	57,873	37,953	41,800	44,147	103,905
TOTAL ADMINISTRATIVE	250,000	250,000	255,123	250,000	250,000	250,000
Long Range Property Management Plan Implementation	-	-	-	30,500	5,500	25,000
Payments on Pass-Through Agreement	49,454	51,824	54,241	56,708	56,708	59,222
FISCAL FEES						
Bond Disclosure/Arbitrage Reports	2,500	2,500	2,500	2,500	2,500	2,500
Bond Trustee Services	7,840	5,500	12,920	9,000	9,000	9,000
Total Deductions	1,122,025	1,130,751	1,152,783	1,187,627	1,162,627	1,164,399
OTHER SOURCES/(USES)						
Reimbursements From/ (Distributions To) Other Funds	106,751	(42,265)	(19,527)	16,712	16,712	15,430
Total Other Sources/(Uses)	106,751	(42,265)	(19,527)	16,712	16,712	15,430
INCREASE/(DECREASE) NET POSITION	-	-	(4,500)	(30,500)	(5,500)	(25,000)
BEGINNING NET POSITION	35,000	35,000	35,000	30,500	30,500	25,000
ENDING NET POSITION	\$ 35,000	\$ 35,000	\$ 30,500	\$ -	\$ 25,000	\$ -

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. Due to the uncertainty around future revenues we have proposed an A/B capital program for fiscal year 2020/21. The initial "A" group of projects are a combination of projects that are critical, have substantial grant funding, or are high benefit for relatively low cost. The "B" group of projects are also important but will be re-assessed once more is known about the actual revenue impacts of the pandemic. If the revenue actuals allow, the City Council will review the projects and potentially allow one or more to move forward this fiscal year.

For the capital projects for 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.

Capital Project Funds Purpose & Objectives

Grants – Fund 201

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

Capital Outlay – Fund 604

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

Capital Projects – Fund 605

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.



CITY OF COTATI

CAPITAL PROJECT FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 16-17 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 201 - GRANTS						
REVENUES						
Grants						
Fed-Downtown Specific Plan	\$ 421,487	\$ -	\$ -	\$ -	\$ -	\$ -
Fed-ORH South Rehab	248,223	973	-	-	-	-
Fed - One Bay Area Grant	-	-	-	675,000	675,000	-
TDA Article 3 (Wayfinding Signage)	-	27,866	23,645	29,800	38,489	-
Regional-SR 116	27,352	-	-	-	-	-
SB-2	-	-	-	-	40,000	120,000
Prop 68 - Park Improvements	-	-	-	200,000	-	200,000
Investment Earnings	-	-	16	-	-	-
Total Revenue	697,062	28,839	23,661	904,800	753,489	320,000
EXPENSES						
Non-Capital Grant Projects						
SB-2 Programs- CA HCD	-	-	-	-	40,000	120,000
Capital Improvement Projects						
Intermodal Transit Facility	-	-	-	-	-	-
ORH South Rehab	641,867	188	-	-	-	-
Downtown Specific Plan	1,418,827	38,642	-	-	-	-
SR 116 Landscaping	37,566	-	-	-	-	-
E Cotati Ave Paving - OBAG	-	63,691	73,770	885,800	991,611	-
Wayfinding Signage Program TDA 3	-	27,866	23,645	132,000	106,727	151,000
Kotate Park - PROP 68	-	-	-	240,000	30,000	217,820
Other Expenses	-	-	-	-	-	-
Total Expenses	2,098,260	130,387	97,415	1,257,800	1,168,338	488,820
TRANSFERS						
Transfers In	990,230	125,023	73,770	353,000	414,833	168,820
Transfers Out	-	-	-	-	-	-
NET FUND SURPLUS	(410,968)	23,475	16	-	(16)	-
BEGINNING FUND BALANCE	387,493	(23,475)	-	-	16	-
ENDING BALANCE	\$ (23,475)	\$ -	\$ 16	\$ -	\$ -	\$ -

CITY OF COTATI

CAPITAL PROJECT FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 16-17 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 604 - GENERAL CAPITAL OUTLAY						
REVENUES						
Road Impact Fee - Garbage	\$ 150,240	\$ 153,875	\$ 158,240	\$ 150,240	\$ 150,240	\$ 153,149
Interest	2,404	4,690	8,341	-	3,250	-
Total Revenue	152,644	158,565	166,581	150,240	153,490	153,149
EXPENSES						
Other Expenses	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers Out						
General Fund 101	-	-	-	-	-	-
Grants Fund 201	(190,000)	-	-	-	-	-
Capital Projects 605	-	(15,897)	(350,000)	(400,000)	(385,470)	-
NET FUND SURPLUS	(37,356)	142,668	(183,419)	(249,760)	(231,980)	153,149
BEGINNING FUND BALANCE	431,656	394,300	536,968	344,208	353,549	121,569
ENDING BALANCE	\$ 394,300	\$ 536,968	\$ 353,549	\$ 94,448	\$ 121,569	\$ 274,718
ENDING FUND BALANCE ALLOCATION						
Gravenstein Highway Improvements	196,788	196,788	196,788	-	-	-
E. Cotati Storm Drain	107,254	107,254	107,254	-	-	-
Street Maintenance	-	-	-	-	-	-
Undesignated	90,258	232,926	49,507	94,448	121,569	274,718
	\$ 394,300	\$ 536,968	\$ 353,549	\$ 94,448	\$ -	\$ -

CITY OF COTATI

CAPITAL PROJECT FUNDS



DESCRIPTION	FY 16-17 ACTUALS	FY 16-17 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FUND 605 - CAPITAL PROJECTS						
REVENUES						
Interest	\$ 65	\$ -	\$ 240	\$ -	\$ -	\$ -
Reimbursements	-	-	-	-	-	-
Total Revenue	65	-	240	-	-	-
CAPITAL IMPROVEMENT PROJECTS						
Equipment	129,306	37,152	-	-	20,000	-
Parks	191,445	83,769	45,969	600,000	-	-
Streets	62,450	76,359	1,438,124	2,780,940	2,648,433	70,550
Landscaping & Lighting	39,727	17,881	361,229	-	106	-
Building	21,877	191,964	38,761	430,000	555,530	576,000
Total Expenses	444,805	407,126	1,884,082	3,810,940	3,224,069	646,550
TRANSFERS						
Transfers In						
General Fund 101	179,476	146,278	777,822	2,578,240	2,272,022	621,550
Gas Tax Fund 203	-	20,828	270,192	210,000	215,000	-
MTC Street Fund 204	-	10,138	180,128	100,000	104,970	25,000
Traffic Mitigation Fund 205	-	-	12,000	185,000	75,000	-
Park In-Lieu Fund 206	245,000	52,931	99,672	210,000	181,830	-
Water Capital Fund 402	10,000	80,528	-	-	-	-
Sewer Capital Fund 405	10,000	80,528	-	-	-	-
Capital Outlay Fund 604	-	15,897	350,000	400,000	249,680	-
Parks Measure M Fund 250	-	-	-	-	-	-
L&L Assessment Dist. Fund 218	-	-	30,000	-	-	-
RMRA - SB 1 Fund 221	-	-	161,895	127,700	127,701	-
Grants Fund 201	-	-	-	-	-	-
NET FUND SURPLUS	(264)	1	(2,134)	-	2,134	-
BEGINNING FUND BALANCE	262	(2)	(1)	-	(2,134)	-
ENDING BALANCE	\$ (2)	\$ (1)	\$ (2,134)	\$ -	\$ -	\$ -

CITY CAPITAL PROJECTS DETAIL



CAPITAL PROJECTS SUMMARY SCHEDULE



DESCRIPTION	ADOPTED BUDGET FOR FY 20-21												
	ADOPTED	GENERAL FUND	PARK IN LIEU	GAS TAX	MTC STREET	TRAFFIC MITIGATION	RMRA - SB1	CAPITAL OUTLAY	PARKS - MEASUR	EXCESS BOND PROCEEDS	WATER	SEWER	GRANTS
PRIORITY OR IN PROCESSES CAPITAL PROJECTS													
FUND 605 CAPITAL PROJECTS													
STREETS													
CITYWIDE TRAFFIC SAFETY IMPROVEMENTS	70,550	45,550	-	-	25,000	-	-	-	-	-	-	-	-
SUBTOTAL	70,550	45,550	-	-	25,000	-	-	-	-	-	-	-	-
BUILDING													
FALLETTI RANCH BUILDING IMPROVEMENTS	148,000	148,000	-	-	-	-	-	-	-	-	-	-	-
CITY HALL COMPLEX REFURBISHMENTS	396,000	396,000	-	-	-	-	-	-	-	-	-	-	-
CIVIC CENTER GENERATOR	32,000	32,000	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	576,000	576,000	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND 605	646,550	621,550	-	-	25,000	-	-	-	-	-	-	-	-
FUND 201 GRANTS													
E. COTATI AVE PAVING - (OBAG)	-	-	-	-	-	-	-	-	-	-	-	-	-
WAYFINDING BIKE & PED. SIGNAGE PROGRAM - (MTC)	151,000	151,000	-	-	-	-	-	-	-	-	-	-	-
KOTATE PARK IMPROVEMENTS	287,820	17,820	10,000	-	-	-	-	60,000	-	-	-	-	200,000
TOTAL FUND 201	438,820	168,820	10,000	-	-	-	-	60,000	-	-	-	-	200,000
	488,820												
	(50,000)												
SPECIAL REVENUES													
FUND 202 CDBG													
SCHOOL STREET PATHWAY - PHASE II	311,719	1,809	-	-	-	-	-	-	-	-	-	-	309,910
TOTAL FUND 202	311,719	1,809	-	-	-	-	-	-	-	-	-	-	309,910
FUND 219 EXCESS BOND PROCEEDS													
PARK-N-RIDE LOT	238,557	-	-	-	-	-	-	-	238,557	-	-	-	-
TOTAL FUND 219	238,557	-	-	-	-	-	-	-	238,557	-	-	-	-
ENTERPRISE FUNDS													
FUND 402 WATER													
PORTAL, MERCANTILE, & AARON MAIN REPLACEMENT	139,200	-	-	-	-	-	-	-	-	139,200	-	-	-
SCADA SERVER UPATE AND RELOCATION	22,500	-	-	-	-	-	-	-	-	22,500	-	-	-
WELL 1A & 3 TREATMENT FACILITIES REHAB.	106,000	-	-	-	-	-	-	-	-	106,000	-	-	-
AMI COLLECTOR IN "L" SECTION	30,000	-	-	-	-	-	-	-	-	30,000	-	-	-
TOTAL FUND 402	297,700	-	-	-	-	-	-	-	-	297,700	-	-	-
FUND 405 SEWER													
SCADA SERVER UPATE AND RELOCATION	22,500	-	-	-	-	-	-	-	-	-	22,500	-	-
WILLIAM/OLAF SEWER REPLACEMENT	565,000	-	-	-	-	-	-	-	-	-	565,000	-	-
MANHOLE LATERAL REPAIR & IMPROVEMENTS	100,000	-	-	-	-	-	-	-	-	-	100,000	-	-
TOTAL FUND 405	687,500	-	-	-	-	-	-	-	-	-	687,500	-	-
TOTAL INVESTMENTS IN CAPITAL PROJECTS	2,620,846	792,179	10,000	-	25,000	-	-	-	60,000	238,557	297,700	687,500	509,910
OTHER PRIORITY BUT POSTPONED FUTURE CAPITAL PROJECTS - PENDING FUTURE BUDGET EVALUATIONS													
PARKS													
HELEN PUTNAM PARK IMPROVEMENTS	150,000	72,000	-	-	-	-	-	-	78,000	-	-	-	-
SUBTOTAL	150,000	72,000	-	-	-	-	-	-	78,000	-	-	-	-
STREETS													
NORTHERN GATEWAY MOSAIC WALL BENCHES	40,000	40,000	-	-	-	-	-	-	-	-	-	-	-
2020 STREET CONSTRUCTION & IMPROVEMENTS	2,200,000	1,662,000	-	149,000	55,000	-	134,000	200,000	-	-	-	-	-
2021 STREET CONSTRUCTION & IMPROVEMENTS	190,300	190,300	-	-	-	-	-	-	-	-	-	-	-
OLD REDWOOD HWY TRAFFIC FLOW IMPROVEMENTS	805,000	115,000	-	40,000	-	650,000	-	-	-	-	-	-	-
SUBTOTAL	3,235,300	2,007,300	-	189,000	55,000	650,000	134,000	200,000	-	-	-	-	-
	\$ 3,298,223	\$ 792,179	\$ 10,000	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ 60,000	\$ 477,114	\$ 297,700	\$ 687,500	\$ 509,910

"A" TYPE

DETAILED CAPITAL PROJECTS

CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
CITYWIDE TRAFFIC SAFETY IMPROVEMENTS				
REVENUES				
General Fund	\$ 31,727	\$ 5,000	\$ 15,000	\$ 45,550
Gas Tax	-	-	5,000	-
MTC Street	-	-	5,000	25,000
Traffic Mitigation	12,000	25,000	-	-
Total Revenue	43,727	30,000	25,000	70,550
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ -
Construction Cost	43,727	25,000	25,000	70,550
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	43,727	25,000	25,000	70,550

PROJECT DESCRIPTION :

Installation of various bicycle, pedestrian, and vehicle safety improvements, to be completed by City Public Works staff or through minor construction contracts.

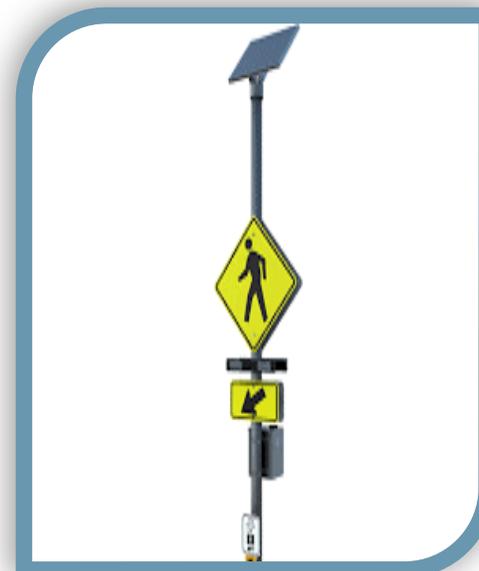
Projects in 2020/21 include the signal upgrade at Old Redwood Highway and Valparaiso, addition of reflective backs for signals throughout City, installation of rectangular rapid flash beacons at Old Redwood Highway downtown, East Cotati/Charles, and design crossing upgrade at Laguna De Santa Rosa and Commerce.

PROJECT ACCOUNT NUMBER: 605-00-91200-60PWGL

GOAL: Community Safety

ESTIMATED COMPLETION DATE: On Going Annual Investment

ESTIMATED CONSTRUCTION COST: \$ 70,550



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
FALLETTI RANCH BUILDING IMPROVEMENTS				
REVENUES				
General Fund	\$ 16,869	\$ 390,000	\$ 337,700	\$ 148,000
Park In-Lieu	21,672	210,000	181,830	-
Total Revenue	38,541	600,000	519,530	148,000
EXPENSES				
Design and Engineering	\$ 38,541	\$ 45,000	\$ 45,000	\$ -
Construction Cost	-	550,000	464,530	128,000
Project Management	-	-	-	20,000
Other Project Costs	-	5,000	10,000	-
Total Expenses	38,541	600,000	519,530	148,000

PROJECT DESCRIPTION :

Project includes remediation and repairs to the farmhouse and rebuilding the water tower including a new ground floor restroom. Other onsite structures will be a future phase of work.

PROJECT ACCOUNT NUMBER: 605-00-91300-20PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: June 30, 2021

ESTIMATED CONSTRUCTION COST: \$ 592,530



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
CITY HALL COMPLEX REFURBISHMENTS				
REVENUES				
General Fund	\$ 10,193	\$ 430,000	\$ 6,000	\$ 396,000
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Revenue	10,193	430,000	6,000	396,000
EXPENSES				
Design and Engineering	\$ -	\$ 50,000	\$ -	\$ 70,000
Construction Cost	-	380,000	-	270,000
Project Management	-	-	6,000	56,000
Other Project Costs	10,193	-	-	-
Total Expenses	10,193	430,000	6,000	396,000

PROJECT DESCRIPTION :

This project involves the rehab of various City Hall Complex Buildings including: replacement of the Community Center roof. The project removes the existing roof and solar, provides structural improvements to the roof, and installs a new roof complete with new gutters and reinstalls the existing solar panels, painting the exterior of the City Hall building, and refurbishing the City Hall Complex buildings and landscaping.

PROJECT ACCOUNT NUMBER: 605-00-91300-28PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 270,000



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
CIVIC CENTER GENERATOR				
REVENUES				
General Fund	\$ -	\$ -	\$ 30,000	\$ 32,000
Water Fund	-	-	-	-
Sewer Fund	-	-	-	-
Total Revenue	-	-	30,000	32,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ 30,000	\$ 1,000
Construction Cost	-	-	-	30,000
Project Management	-	-	-	1,000
Other Project Costs	-	-	-	-
Total Expenses	-	-	30,000	32,000

PROJECT DESCRIPTION :

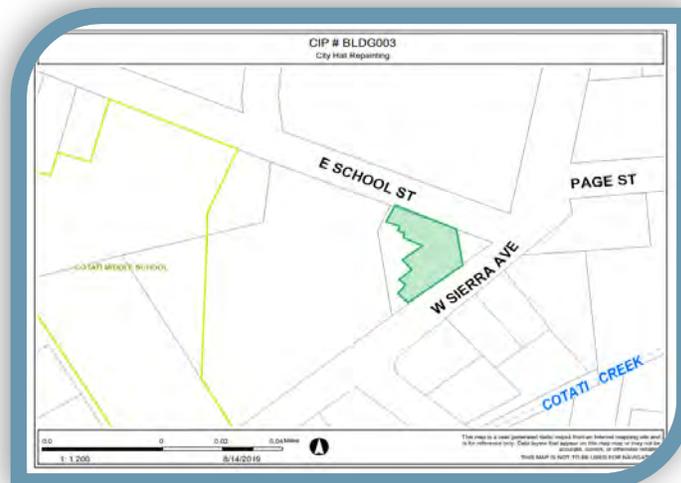
This project includes the electrical evaluation for the generators at Civic Center and Police Department for capacity and possible rewiring of PD unit to serve all civic center and relocating the Civic Center Generator to the Corporation Yard.

PROJECT ACCOUNT NUMBER: 605-00-91200-28PWGL, 605-00-91200-XXPWGL

GOAL: Community Safety

ESTIMATED COMPLETION DATE: 10/30/2020

ESTIMATED CONSTRUCTION COST: \$ 30,000



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
2018-20 STREET CONSTRUCTION & IMPROVEMENTS				
REVENUES				
General Fund	\$ 16,538	\$ 1,662,300	\$ 1,861,082	\$ -
Gas Tax	20,463	210,000	210,000	-
MTC Street	9,861	100,000	99,970	-
RMRA SB1	-	127,700	127,701	-
Capital Outlay	15,621	270,000	249,680	-
Total Revenue	62,483	2,370,000	2,548,433	-
EXPENSES				
Design and Engineering	\$ 73,736	\$ -	\$ 283,415	\$ -
Construction Cost	1,248,503	2,210,000	2,083,918	-
Project Management	101,850	160,000	173,600	-
Other Project Costs	366	-	7,500	-
Total Expenses	1,424,455	2,370,000	2,548,433	-

PROJECT DESCRIPTION :

Annual Street Maintenance with Paving and Striping: Current year program included rehab on Old Redwood Highway between E. Cotati Avenue and William/George Street, spot dig out and repairs on Old Redwood Highway to the north of William/George Street to Highway 116, dig out and slurry seal on E. Cotati Avenue at West Sierra Avenue through to the train tracks near Santero Way, Benson Lane received asphalt overlay, rehab on Loretto Avenue, Linden Avenue, Linden Court, and Lincoln Avenue from Loretto to LaSalle.

PROJECT ACCOUNT NUMBER: 605-00-91300-49PWGL

GOAL: Community Safety, Infrastructure

ESTIMATED COMPLETION DATE: 11/30/2019

ESTIMATED CONSTRUCTION COST: \$ 2,083,918



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
E. COTATI AVE PAVING - (OBAG)				
REVENUES				
General Fund	\$ 137,461	\$ 210,800	\$ 316,611	\$ -
Federal Grants	-	675,000	675,000	-
County Grants	-	-	-	-
Capital Outlay	-	-	-	-
Total Revenue	137,461	885,800	991,611	-
EXPENSES				
Design and Engineering	\$ 134,608	\$ 115,000	\$ 165,736	\$ -
Construction Cost	-	770,800	807,475	-
Project Management	-	-	18,400	-
Other Project Costs	2,854	-	-	-
Total Expenses	137,461	885,800	991,611	-

PROJECT DESCRIPTION :

Repave East Cotati Avenue from the east side of the SMART railroad tracks to the City limits, to landscape the existing median, to update traffic signs, to repair and restore to ADA compliance various cracked and lifted sections of tree root damaged sidewalk, to remove & replace trees causing sidewalk damage and install needed ADA accessibility improvements to driveways and sidewalk access ramps along this segment.

PROJECT ACCOUNT NUMBER: 201-00-91100-51PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: 11/30/2019

ESTIMATED CONSTRUCTION COST: \$ 807,475



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
WAYFINDING BIKE & PED. SIGNAGE PROGRAM - (MTC)				
REVENUES				
General Fund	\$ -	\$ 105,200	\$ 68,238	\$ 151,000
Federal Grants	-	-	-	-
County Grants	51,511	29,800	38,489	-
Total Revenue	51,511	135,000	106,727	151,000
EXPENSES				
Design and Engineering	\$ 51,511	\$ -	\$ 24,050	\$ 20,000
Construction Cost	-	120,000	81,977	130,000
Project Management	-	12,000	-	1,000
Other Project Costs	700.00	-	700	-
Total Expenses	52,211	132,000	106,727	151,000

PROJECT DESCRIPTION :

This project involves the design and implementation of a wayfinding signage program. Identified as a priority project within the City’s planning documents, this initial effort will focus on identifying and enhancing the City’s bicycle and pedestrian routes and amenities. The second phase of this project will focus on installation of business signage and kiosks.

PROJECT ACCOUNT NUMBER: 201-00-91100-52CDGL

GOAL: Infrastructure, Community Safety

ESTIMATED COMPLETION DATE: 6/30/2021

ESTIMATED CONSTRUCTION COST: \$ 130,000



CAPITAL PROJECTS FUND 605

"A" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
SCHOOL STREET PATHWAY				
REVENUES				
General Fund	\$ 34,438	\$ 72,595	\$ 300	\$ 1,809
Federal Grants	-	-	-	-
County Grants	15,595	167,405	45,090	309,910
Total Revenue	50,033	240,000	45,390	311,719
EXPENSES				
Design and Engineering	\$ 50,033	\$ -	\$ 45,090	\$ -
Construction Cost	-	240,000	-	225,290
Project Management	-	-	-	49,363
Other Project Costs	-	-	300	37,066
Total Expenses	50,033	240,000	45,390	311,719

PROJECT DESCRIPTION :

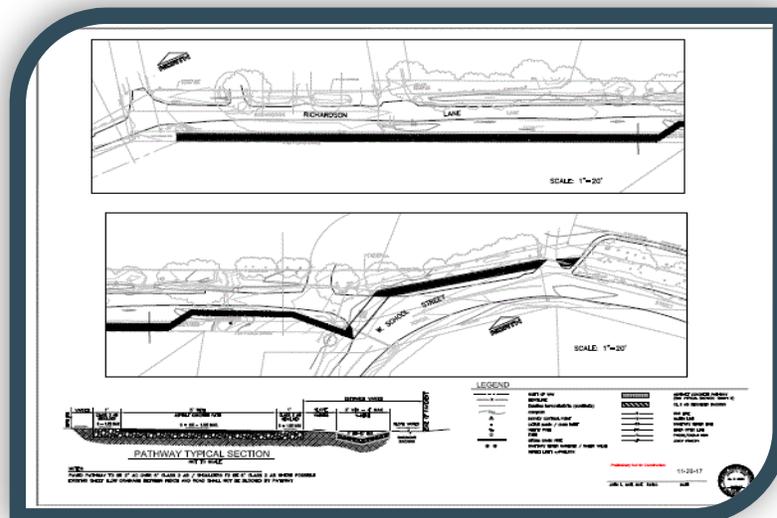
ADA Pathway extension from West School Street to Richardson Lane and terminating near Tompkins Road. Associated improvements include a stop sign, drainage, retaining walls, fencing and guard rails.

PROJECT ACCOUNT NUMBER: 202-00-91100-11PWGL

GOAL: Infrastructure, Community Safety

ESTIMATED COMPLETION DATE: June 30, 2021

ESTIMATED CONSTRUCTION COST: \$ 225,290



"B" TYPE

DETAILED CAPITAL PROJECTS

POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
HELEN PUTNAM PARK IMPROVEMENTS				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ 72,000
Parks Measure M	-	-	-	78,000
Total Revenue	-	-	-	150,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ 32,000
Construction Cost	-	-	-	115,000
Project Management	-	-	-	3,000
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	150,000

PROJECT DESCRIPTION :

This project includes the design of a Dog park pathway, baseball field fencing and amenities.

PROJECT ACCOUNT NUMBER: 605-00-91300-XXPWGL

GOAL: Community Safety, City Beautification

ESTIMATED COMPLETION DATE: June 30, 2022

ESTIMATED CONSTRUCTION COST: \$ 115,000



POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
2020 STREET CONSTRUCTION & IMPROVEMENTS				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ 1,662,000
Gas Tax	-	-	-	149,000
MTC Street	-	-	-	55,000
RMRA SB1	-	-	-	134,000
Capital Outlay	-	130,000	135,790	200,000
Total Revenue	-	130,000	135,790	2,200,000
EXPENSES				
Design and Engineering	\$ -	\$ 130,000	\$ 135,790	\$ -
Construction Cost	-	-	-	2,000,000
Project Management	-	-	-	200,000
Other Project Costs	-	-	-	-
Total Expenses	-	130,000	135,790	2,200,000

PROJECT DESCRIPTION :

Annual street maintenance with paving and striping. Program includes construction of 2020 street construction and Improvements project which involves roadway rehabilitation and street improvements on La Plaza, Henry Street, Charles Street, West Cotati Avenue and West Sierra Avenue.

PROJECT ACCOUNT NUMBER: 605-00-91300-49PWGL

GOAL: Community Safety, Infrastructure

ESTIMATED COMPLETION DATE: June 30, 2021

ESTIMATED CONSTRUCTION COST: \$ 2,000,000



POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
2021 STREET CONSTRUCTION & IMPROVEMENTS				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ 190,300
Gas Tax	-	-	-	-
MTC Street	-	-	-	-
RMRA SB1	-	-	-	-
Capital Outlay	-	-	-	-
Total Revenue	-	-	-	190,300
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ 190,300
Construction Cost	-	-	-	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	190,300

PROJECT DESCRIPTION :

Design for fiscal year 2021 which involves roadway rehabilitation and street improvements on West Cotati Avenue, West School Street, Clifford Street, St. Joseph Way and portions of Helman Lane and Valpariso Avenue. The project also includes preventative maintenance treatment on Old Redwood Highway between Myrtle Avenue and Eucalyptus Avenue, and Eucalyptus Avenue from Old Redwood Highway to City Limits and Lancaster Drive.

PROJECT ACCOUNT NUMBER: 605-00-91300-49PWGL

GOAL: Community Safety, Infrastructure

ESTIMATED COMPLETION DATE: October 30, 2021

ESTIMATED CONSTRUCTION COST: \$ -



POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
OLD REDWOOD HWY TRAFFIC FLOW IMPROVEMENTS				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ 115,000
Gas Tax	-	-	-	40,000
MTC Street	-	-	-	-
Traffic Mitigation	-	160,000	75,000	650,000
Capital Outlay	-	-	-	-
Total Revenue	-	160,000	75,000	805,000
EXPENSES				
Design and Engineering	\$ -	\$ 160,000	\$ 75,000	\$ 85,000
Construction Cost	-	-	-	600,000
Project Management	-	-	-	120,000
Other Project Costs	-	-	-	-
Total Expenses	-	160,000	75,000	805,000

PROJECT DESCRIPTION :

This project implements traffic flow improvements, including installation of new traffic signals at key intersections along Old Redwood Highway between Commerce Blvd. through E. Cotati Ave. Intersections for this project are included in the City's Traffic Impact Fee Study.

PROJECT ACCOUNT NUMBER: 605-00-91200-60PWGL

GOAL: Infrastructure

ESTIMATED COMPLETION DATE: June 30, 2023

ESTIMATED CONSTRUCTION COST: \$ 1,600,000



POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
CITY ENTRY SIGNAGE				
REVENUES				
General Fund	\$ -	\$ 90,940	\$ 6,750	\$ 18,220
Park In-Lieu	-	-	-	-
Capital Outlay	-	-	-	-
Total Revenue	-	90,940	6,750	18,220
EXPENSES				
Design and Engineering	\$ -	\$ 40,940	\$ 6,750	\$ 18,220
Construction Cost	-	50,000	-	-
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	90,940	6,750	18,220

PROJECT DESCRIPTION :

This effort will focus on enhancing the City’s monuments at entrance points as well as update the La Plaza bulletin board.

PROJECT ACCOUNT NUMBER: 605-00-91300-XXXXXX

GOAL: Citizen Participation

ESTIMATED COMPLETION DATE: June 30, 2022

ESTIMATED CONSTRUCTION COST: \$ -



POSTPONED "B" CAPITAL PROJECTS



DESCRIPTION	EXPENSE TO DATE	FY 19-20 ADOPTED	FY 19-20 ESTIMATE	FY 20-21 ADOPTED
NORTHERN GATEWAY MOSAIC WALL BENCHES				
REVENUES				
General Fund	\$ -	\$ -	\$ -	\$ 40,000
Park In-Lieu	-	-	-	-
Capital Outlay	-	-	-	-
Total Revenue	-	-	-	40,000
EXPENSES				
Design and Engineering	\$ -	\$ -	\$ -	\$ 5,000
Construction Cost	-	-	-	35,000
Project Management	-	-	-	-
Other Project Costs	-	-	-	-
Total Expenses	-	-	-	40,000

PROJECT DESCRIPTION :

This effort will focus on enhancing the northern gateway by providing designed mosaic wall benches at the intersection of Highway 116 and Old Redwood Highway.

PROJECT ACCOUNT NUMBER: 605-00-91300-XXXXXX

GOAL: City Beautification

ESTIMATED COMPLETION DATE: June 30, 2021

ESTIMATED CONSTRUCTION COST: \$ 35,000



CITY DEBT SERVICE



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 account 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, 2019, the City's total debt limit capacity was \$5.4 million, of which the City 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.

Due to the decrease in bond interest rates the City assisted in the bond refunding which was completed in July 2019 reducing the interest rate from 6.5% to 2.95% reducing the total debt service paid by property owners within the District by approximately \$1,340,000 over the remaining life of the bonds.

Future Debt Service Schedule

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2020	231,343	114,823	346,166
2021	248,349	107,748	356,097
2022	255,675	100,313	355,988
2023	263,218	92,660	355,878
2024	270,983	84,780	355,763
2025-2029	1,479,647	297,328	1,776,975
2030-2034	1,258,762	141,030	1,399,792
TOTAL	\$4,007,977	\$938,682	\$4,946,659

Other Significant Debt Obligations

Compensated Absences

As of June 30, 2019, approximately \$597,000 was owed to government employees for vacation leave and other compensated absences. This balance is made up of \$347,000 from the governmental funds and \$250,000 from enterprise funds. 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. To best manage and provide transparent budgeting processes for this liability the City created the Compensated Absences Internal Service Fund 502.

For the 2020/2021 fiscal year the City anticipates consistent draw downs and additions as incurred during the prior 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. See page 95 for details on the budget expectations for payouts to be made from the Compensated Absences Fund for Fiscal Year 2020/21.

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 \$10.1 million is reported as of June 30, 2019 of which \$8.3 and \$1.8 million is attributed to General Fund and Enterprise Funds, respectively.

Schedule of Pension Contributions

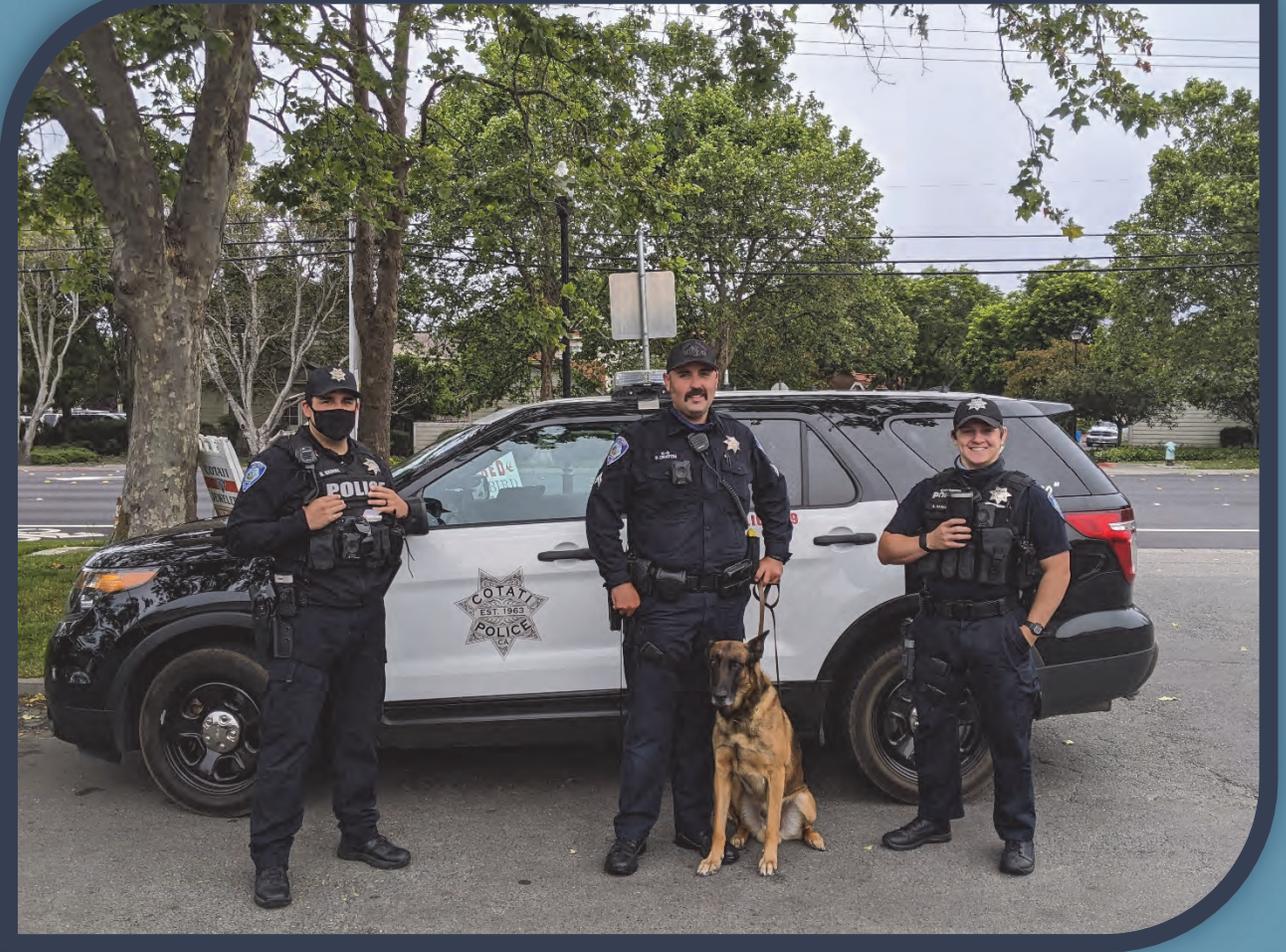
CONTRIBUTIONS FOR THE FISCAL YEAR ENDING	2017	2018	2019	EST. 2020
Contractually required contribution	\$ 1,069,601	\$ 1,153,203	\$ 1,300,619	\$ 1,078,352
Contributions in relation to the contractually required contribution	(1,069,601)	(1,153,203)	(1,300,619)	(1,078,352)
Contribution deficiency (excess)	\$ - .	\$ - .	\$ - .	\$ - .
City's covered employee payroll	\$ 2,921,800	\$ 2,942,337	\$ 3,121,248	\$ 3,121,248
Contributions as a percentage of covered employee payroll	36.61%	39.19%	41.67%	34.55%

Inter-Government Loans

In October 2014, the City initiated an inter-fund loan between 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, 2020 is approximately \$839,000 and bears annual interest at a rate of 1.5%. The City is proposing an advance principal payment of \$100,000 be made in the current fiscal year to replenish funds back to the sewer fund from the water fund. Principal and interest payments budgeted during the 2020/2021 year are approximately \$204,000.

On May 15, 2019, upon completion of P-1 Sewer Pipeline project, as adopted by Council resolution 2019-18, the City initiated an inter-fund loan between In-Lieu Inclusionary Housing (216) to Loan Sewer Operations (404) for a total of \$1,000,000 to be repaid over the period of 20 years and an annual interest rate of 3%. Principal and interest payments budgeted during the 2020/2021 year are \$67,000.

CABINET LEVEL INFORMATION

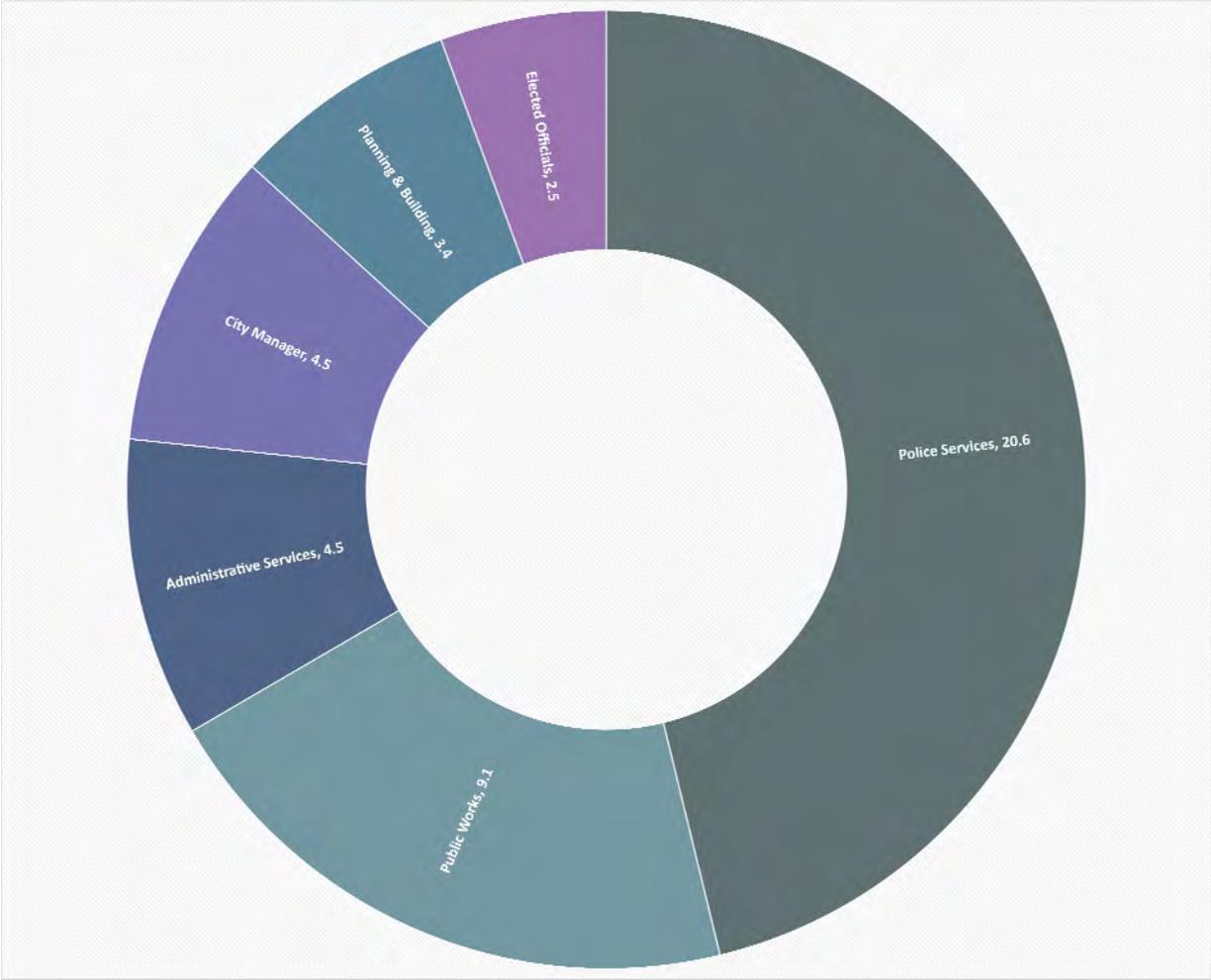


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COMPARATIVE STAFFING SUMMARY



FUNCTION / DEPARTMENTS	FY 16/17 BUDGET	FY 17/18 BUDGET	FY 18/19 BUDGET	FY 19/20 BUDGET	FY 19/20 ESTIMATED ACTUALS	FY 20/21 ADOPTED
Elected Officials	5.0	5.0	5.0	2.5	2.5	2.5
Staff Positions						
City Manager	3.5	3.5	3.5	4.5	4.5	4.5
Administrative Services	4.5	4.5	4.5	4.5	3.0	4.5
Planning & Building	4.0	4.0	3.0	3.4	3.4	3.4
Public Works	9.0	9.0	9.0	9.1	7.7	9.1
Police Services	19.0	20.0	20.8	20.5	19.5	20.6
Recreation	2.5	2.3	3.5	2.7	2.7	2.7
Total Staff	42.5	43.3	44.3	44.7	40.8	44.8
Total City Officials and Staff	47.5	48.3	49.3	47.2	43.3	47.3



STAFFING DETAIL BY DEPARTMENT



FUNCTION / DEPARTMENT	FY 16/17 BUDGET	FY 17/18 BUDGET	FY 18/19 BUDGET	FY 19/20 BUDGET	FY 19/20 ESTIMATED ACTUALS	FY 20/21 ADOPTED
Elected Officials *						
Mayor	1.0	1.0	1.0	0.5	0.5	0.5
Vice Mayor	1.0	1.0	1.0	0.5	0.5	0.5
Council Members	3.0	3.0	3.0	1.5	1.5	1.5
Total	5.0	5.0	5.0	2.5	2.5	2.5
Staff						
City Manager *						
City Manager	1.0	1.0	1.0	1.0	1.0	1.0
City Clerk	0.0	0.0	1.0	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	0.0	0.0	0.0	0.0
Administrative Analyst	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant	0.0	0.0	0.0	1.0	1.0	1.0
Intern	0.5	0.5	0.5	0.5	0.5	0.5
Total	3.5	3.5	3.5	4.5	4.5	4.5
Administrative Services *						
Director of Admin. Services	1.0	1.0	1.0	1.0	1.0	1.0
Accounting Supervisor	1.0	0.0	0.0	0.0	0.0	0.0
Senior Accountant	0.0	1.0	1.0	1.0	0.0	1.0
Accountant	0.0	0.0	0.0	0.0	0.0	1.0
Accounting Clerk-Senior	1.0	1.0	1.0	1.0	1.0	0.0
Accounting Specialist	1.0	1.0	1.0	1.0	1.0	0.0
Account Clerk	0.0	0.0	0.0	0.0	0.0	1.0
Intern	0.5	0.5	0.5	0.5	0.0	0.5
Total	4.5	4.5	4.5	4.5	3.0	4.5
Planning & Building *						
Community Development Director	1.0	1.0	1.0	1.0	1.0	1.0
Senior Planner	0.0	1.0	1.0	1.0	1.0	1.0
Associate Planner	1.0	0.0	0.0	0.0	0.0	0.0
Building Official	1.0	1.0	0.0	0.0	0.0	0.0
Administrative Analyst	0.0	0.0	0.0	0.4	0.4	0.4
Permit Tech	0.0	0.0	0.0	0.0	0.0	1.0
Administrative Assistant	1.0	1.0	1.0	1.0	1.0	0.0
Total	4.0	4.0	3.0	3.4	3.4	3.4
Public Works *						
Director of Public Works	1.0	1.0	1.0	1.0	1.0	1.0
Civil Engineer	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Analyst	1.0	1.0	1.0	0.6	0.6	0.6
Public Works Superintendent	1.0	1.0	1.0	1.0	1.0	1.0
Maintenance Worker II	3.0	2.0	2.0	2.0	3.0	3.0
Maintenance Worker I	2.0	3.0	3.0	3.0	1.0	1.0
Laborer	0.0	0.0	0.0	0.0	0.0	1.0
Intern	0.0	0.0	0.0	0.5	0.1	0.5
Total	9.0	9.0	9.0	9.1	7.7	9.1

STAFFING DETAIL BY DEPARTMENT



FUNCTION / DEPARTMENT	FY 16/17 BUDGET	FY 17/18 BUDGET	FY 18/19 BUDGET	FY 19/20 BUDGET	FY 19/20 ESTIMATED ACTUALS	FY 20/21 ADOPTED
Staff, continued:						
Police Services						
Chief of Police	1.0	1.0	1.0	1.0	1.0	1.0
Lieutenant	1.0	1.0	1.0	1.0	1.0	1.0
Sergeant	2.0	2.0	2.0	2.0	2.0	2.0
Corporal	0.0	1.0	2.0	2.0	2.0	2.0
Officer	7.0	7.0	6.0	6.0	6.0	6.0
Community Services Officer	1.0	1.0	1.0	1.0	1.0	1.0
Police Service Aide	0.5	0.5	0.8	0.5	0.5	0.5
Dispatcher/Clerk	5.0	5.0	5.5	5.5	5.5	5.6
Reserve Officer I	1.5	1.5	1.5	1.5	0.5	1.5
Total	19.0	20.0	20.8	20.5	19.5	20.6
Recreation						
Facilities/Recreation Manager	0.0	0.0	1.0	1.0	1.0	1.0
Recreation Coordinator	1.0	1.0	1.0	1.0	1.0	1.0
Recreation Specialist	0.0	0.0	0.0	0.0	0.0	0.0
<i>Part Time</i>						
Recreation Assistant	0.6	0.5	0.5	0.1	0.1	0.1
Camp Director	0.2	0.3	0.2	0.2	0.1	0.2
Assistant Camp Director	0.2	0.3	0.2	0.0	0.2	0.0
Camp Staff	0.5	0.3	0.6	0.4	0.3	0.5
Total	2.5	2.3	3.5	2.7	2.7	2.7
Total City Staff	42.5	43.3	44.3	44.7	40.8	44.8
Total City Officials and Staff	47.5	48.3	49.3	47.2	43.3	47.3

* Subject to allocation of labor to Enterprise and Fiduciary Funds.

SALARY SCHEDULE

AS OF FIRST FULL PAY PERIOD IN FISCAL YEAR 2020/21



POSITION TITLE	BARGAINING UNIT	PAY RATE	STEP A	STEP B	STEP C	STEP D	STEP E
Accounting Clerk-Senior	CEA	Hourly	29.41	30.88	32.42	34.04	35.74
	CEA	Per Pay Period	2,353	2,470	2,594	2,723	2,860
	CEA	Monthly	5,097	5,352	5,620	5,901	6,196
	CEA	Annually	61,167	64,225	67,437	70,809	74,349
Accounting Specialist	CEA	Hourly	33.27	34.94	36.68	38.52	40.44
	CEA	Per Pay Period	2,662	2,795	2,935	3,081	3,235
	CEA	Monthly	5,767	6,055	6,358	6,676	7,010
	CEA	Annually	69,205	72,665	76,298	80,113	84,119
Senior Accountant	CEA	Hourly	35.42	37.20	39.05	41.01	43.06
	CEA	Per Pay Period	2,834	2,976	3,124	3,281	3,445
	CEA	Monthly	6,140	6,447	6,770	7,108	7,463
	CEA	Annually	73,682	77,366	81,234	85,296	89,561
Administrative Analyst	Non-Rep / CEA	Hourly	34.42	36.14	37.95	39.84	41.84
	Non-Rep / CEA	Per Pay Period	2,754	2,891	3,036	3,188	3,347
	Non-Rep / CEA	Monthly	5,966	6,264	6,578	6,906	7,252
	Non-Rep / CEA	Annually	71,593	75,172	78,931	82,877	87,021
Administrative Assistant	CEA	Hourly	27.55	28.93	30.38	31.89	33.49
	CEA	Per Pay Period	2,204	2,314	2,430	2,552	2,679
	CEA	Monthly	4,776	5,014	5,265	5,528	5,805
	CEA	Annually	57,308	60,174	63,182	66,341	69,658
Senior Planner	CEA	Hourly	42.35	44.47	46.69	49.03	51.48
	CEA	Per Pay Period	3,388	3,558	3,736	3,922	4,118
	CEA	Monthly	7,341	7,708	8,094	8,498	8,923
	CEA	Annually	88,094	92,499	97,124	101,980	107,079
Building Official	Non-Rep	Hourly	52.14	54.75	57.49	60.36	63.38
	Non-Rep	Per Pay Period	4,171	4,380	4,599	4,829	5,070
	Non-Rep	Monthly	9,038	9,490	9,964	10,463	10,986
	Non-Rep	Annually	108,455	113,878	119,571	125,550	131,828
Chief of Police	Non-Rep	Hourly	64.76	64.73	67.96	71.36	74.93
	Non-Rep	Per Pay Period	5,181	5,178	5,437	5,709	5,994
	Non-Rep	Monthly	11,225	11,219	11,780	12,369	12,987
	Non-Rep	Annually	134,700	134,628	141,360	148,428	155,849
City Clerk	Non-Rep	Hourly	45.14	47.40	49.77	52.26	54.87
	Non-Rep	Per Pay Period	3,611	3,792	3,981	4,181	4,390
	Non-Rep	Monthly	7,824	8,216	8,626	9,058	9,511
	Non-Rep	Annually	93,893	98,588	103,517	108,693	114,128
City Manager	CEA	Hourly	-	-	-	-	87.13
	CEA	Per Pay Period	-	-	-	-	6,970
	CEA	Monthly	-	-	-	-	15,103
	CEA	Annually	-	-	-	-	181,230
Civil Engineer	CPOA	Hourly	42.35	44.47	46.69	49.03	51.48
	CPOA	Per Pay Period	3,388	3,558	3,736	3,922	4,118
	CPOA	Monthly	7,341	7,708	8,094	8,498	8,923
	CPOA	Annually	88,094	92,499	97,124	101,980	107,079
Community Services Officer	Non-Rep	Hourly	27.07	28.42	29.84	31.34	32.90
	Non-Rep	Per Pay Period	2,165	2,274	2,387	2,507	2,632
	Non-Rep	Monthly	4,692	4,926	5,173	5,431	5,703
	Non-Rep	Annually	56,302	59,117	62,073	65,177	68,436
Director of Administrative Services	Non-Rep	Hourly	63.67	63.63	66.81	70.15	73.66
	Non-Rep	Per Pay Period	5,094	5,090	5,345	5,612	5,893
	Non-Rep	Monthly	11,037	11,029	11,580	12,159	12,767
	Non-Rep	Annually	132,440	132,345	138,962	145,910	153,206
Director of Community Development	Non-Rep	Hourly	67.43	67.40	70.77	74.31	78.02
	Non-Rep	Per Pay Period	5,395	5,392	5,662	5,945	6,242
	Non-Rep	Monthly	11,689	11,683	12,267	12,880	13,524
	Non-Rep	Annually	140,264	140,190	147,200	154,560	162,288
Director of Public Works/City Engineer	Non-Rep	Hourly	71.93	71.89	75.48	79.26	83.22
	Non-Rep	Per Pay Period	5,755	5,751	6,039	6,341	6,658
	Non-Rep	Monthly	12,469	12,461	13,084	13,738	14,425
	Non-Rep	Annually	149,624	149,528	157,004	164,854	173,097
Engineering Technician	CEA	Hourly	29.37	30.83	32.38	34.00	35.69
	CEA	Per Pay Period	2,349	2,467	2,590	2,720	2,856
	CEA	Monthly	5,090	5,345	5,612	5,892	6,187
	CEA	Annually	61,082	64,136	67,343	70,710	74,245

SALARY SCHEDULE

AS OF FIRST FULL PAY PERIOD IN FISCAL YEAR 2020/21



POSITION TITLE	BARGAINING UNIT	PAY RATE	STEP A	STEP B	STEP C	STEP D	STEP E
Recreation Manager	Non-Rep	Hourly	38.77	40.70	42.74	44.88	47.12
	Non-Rep	Per Pay Period	3,101	3,256	3,419	3,590	3,770
	Non-Rep	Monthly	6,719	7,055	7,408	7,778	8,167
	Non-Rep	Annually	80,632	84,664	88,897	93,342	98,009
Recreation Coordinator	CEA	Hourly	22.15	23.26	24.42	25.64	26.92
	CEA	Per Pay Period	1,772	1,861	1,954	2,051	2,154
	CEA	Monthly	3,839	4,031	4,233	4,445	4,667
	CEA	Annually	46,073	48,376	50,795	53,335	56,001
Intern	Part Time	Hourly	14.00	-	15.00	-	16.00
	Part Time	Per Pay Period	560	-	600	-	640
	Part Time	Monthly	1,213	-	1,300	-	1,387
	Part Time	Annually	14,560	-	15,600	-	16,640
Maintenance Worker I	CEA	Hourly	25.73	27.01	28.36	29.78	31.27
	CEA	Per Pay Period	2,058	2,161	2,269	2,383	2,502
	CEA	Monthly	4,459	4,682	4,917	5,162	5,420
	CEA	Annually	53,513	56,189	58,998	61,948	65,046
Maintenance Worker II	CEA	Hourly	29.41	30.88	32.42	34.04	35.74
	CEA	Per Pay Period	2,353	2,470	2,594	2,723	2,860
	CEA	Monthly	5,097	5,352	5,620	5,901	6,196
	CEA	Annually	61,167	64,225	67,437	70,809	74,349
Maintenance Worker III	CEA	Hourly	30.09	31.60	33.18	34.84	36.58
	CEA	Per Pay Period	2,408	2,528	2,654	2,787	2,926
	CEA	Monthly	5,216	5,477	5,751	6,039	6,340
	CEA	Annually	62,596	65,725	69,012	72,462	76,085
Police Corporal	CPOA	Hourly	36.53	38.36	40.28	42.29	44.41
	CPOA	Per Pay Period	2,923	3,069	3,222	3,383	3,553
	CPOA	Monthly	6,333	6,649	6,982	7,331	7,697
	CPOA	Annually	75,991	79,790	83,780	87,969	92,367
Police Dispatcher/Clerk	CPOA	Hourly	27.62	29.01	30.46	31.98	33.58
	CPOA	Per Pay Period	2,210	2,320	2,436	2,558	2,686
	CPOA	Monthly	4,788	5,028	5,279	5,543	5,820
	CPOA	Annually	57,459	60,332	63,349	66,516	69,842
Police Lieutenant	Non-Rep	Hourly	51.70	51.67	54.26	56.97	59.82
	Non-Rep	Per Pay Period	4,136	4,134	4,341	4,558	4,786
	Non-Rep	Monthly	8,962	8,957	9,405	9,875	10,369
	Non-Rep	Annually	107,538	107,482	112,856	118,499	124,424
Police Officer	CPOA	Hourly	34.78	36.52	38.35	40.27	42.28
	CPOA	Per Pay Period	2,783	2,922	3,068	3,221	3,382
	CPOA	Monthly	6,029	6,331	6,647	6,979	7,328
	CPOA	Annually	72,349	75,966	79,765	83,753	87,940
Police Sergeant	CPMA	Hourly	41.32	43.39	45.56	47.84	50.23
	CPMA	Per Pay Period	3,306	3,471	3,645	3,827	4,018
	CPMA	Monthly	7,163	7,521	7,897	8,292	8,706
	CPMA	Annually	85,953	90,251	94,763	99,501	104,477
Police Service Aide	Non-Rep	Hourly	25.22	26.48	27.80	29.19	30.65
	Non-Rep	Per Pay Period	1,009	1,059	1,112	1,168	1,226
	Non-Rep	Monthly	2,185	2,295	2,409	2,530	2,656
	Non-Rep	Annually	26,224	27,535	28,912	30,357	31,875
Public Works Superintendent	Non-Rep	Hourly	46.72	49.06	51.51	54.08	56.79
	Non-Rep	Per Pay Period	3,738	3,924	4,121	4,327	4,543
	Non-Rep	Monthly	8,098	8,503	8,928	9,375	9,843
	Non-Rep	Annually	97,177	102,035	107,137	112,494	118,119
Reserve Police Officer	Part Time	Hourly	34.78	36.52	38.35	40.27	42.28
	Part Time	Per Pay Period	2,783	2,922	3,068	3,221	3,382
	Part Time	Monthly	6,029	6,331	6,647	6,979	7,328
	Part Time	Annually	72,349	75,966	79,765	83,753	87,940
Recreation Seasonal Staff							
Camp Director	Part Time	Hourly	15.00		16.00		17.00
Assistant Camp Director	Part Time	Hourly	14.00		15.00		16.00
Recreation Leader	Part Time	Hourly	14.00		15.00		16.00

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ACRONYMS TABLE

Below is a list of general acronyms used by the City. Please see the full definition of any term within the subsequent Glossary of Budget Terms.

ABBREVIATED FORM	FULL NAME
ACH	AUTOMATED CLEARING HOUSE
ADA	AMERICANS WITH DISABILITIES ACT
CalPERS	CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
COLA	COST OF LIVING ALLOWANCE
CAFR	COMPREHENSIVE ANNUAL FINANCIAL REPORT
CPI	CONSUMER PRICE INDEX
ERAF	EDUCATIONAL REVENUE AUGMENTATION FUND
FPPC	FAIR POLITICAL PRACTICES COMMISSION
FTE	FULL-TIME EQUIVALENT
FY	FISCAL YEAR
GAAP	GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
GASB	GOVERNMENTAL ACCOUNTING STANDARDS BOARD
GFOA	GOVERNMENT FINANCE OFFICERS ASSOCIATION
ICMA	INTERNATIONAL CITY MANAGEMENT ASSOCIATION
LTP	LAGUNA TREATMENT PLANT
LOCC	LEAGUE OF CALIFORNIA CITIES
MOU	MEMORANDUM OF UNDERSTANDING
MTC	METROPOLITAN TRANSPORTATION COMMISSION
OPEB	OTHER POST-EMPLOYMENT BENEFITS
PCI	PAVEMENT CONDITION INDEX
PERS	PUBLIC EMPLOYEES RETIREMENT SYSTEM
RPTT	REAL PROPERTY TRANSFER TAX
RFP	REQUEST FOR PROPOSAL
SCTA	SONOMA COUNTY TRANSPORTATION AUTHORITY
SMART	SONOMA MARIN AREA RAIL TRANSIT PROJECT
TOT	TRANSIENT OCCUPANCY TAX



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.

ADJUSTED BUDGET: The adopted budget including changes made during the fiscal year.

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.

AMERICANS WITH DISABILITIES ACT (ADA): The Federal act prohibiting discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities.

ANNUAL OPERATING CONTINGENCY: An account, used at the discretion of the City Manager, to fund emergency or extraordinary items.

APPROPRIATION: A legal authorization to incur obligations and to make expenditures for specific purposes within a specific time frame.

ASSESSED VALUATION: A dollar value placed on real estate by counties as a basis for levying property taxes.

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.

AUTOMATED CLEARING HOUSE (ACH): The electronic clearing and settlement system used for financial transactions by US commercial banks and other institutions.

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

BASE BUDGET: Under traditional budgeting, the base budget is that amount carried over from one year to the next. Each year, approved amounts may be added or reduced from the base budget.

BEGINNING BALANCE: Unencumbered resources available in a fund from the prior fiscal year after payment of prior fiscal year expenditures.

BOND: Capital raised by issuing a written promise to pay a specified sum of money, called the face value or principle amount, with interest at predetermined intervals.

BUDGET: A fiscal plan of financial operation listing an estimate of proposed allocations or expenditures and the proposed means of financing them. The budget must be approved by the City Council prior to the beginning of the fiscal year.

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.

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

BUSINESS LICENSE TAX: A tax levied on persons or companies doing business in the City, which must be renewed each year.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS): The retirement system, administered by the State of California, to which all permanent City employees belong.

CAPITAL ASSET: Land, infrastructure, and equipment that are used in operations that have initial useful lives of at least two years. The City has set the capitalization threshold for reporting infrastructure capital assets at \$25,000 and for all other capital assets at \$5,000.

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.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): is a set of U.S. government financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

CONSUMER PRICE INDEX (CPI): A measure estimating the average price of consumer goods and services purchased by households. A consumer price index measures a price change for a constant market basket of goods and services from one period to the next within the same area (city, region, or nation).

COST OF LIVING ALLOWANCE (COLA): An adjustment made to wages to counteract the effects of inflation. Cost-of-living adjustments (COLAs) are generally equal to the percentage increase in the consumer price index for a specific period of time.

DEBT SERVICE: Payment of the principal and interest on an obligation resulting from the issuance of bonds or notes.

DEBT SERVICE FUND: A fund established to finance and account for the payment of interest and principal on all general obligation debt, other than that payable exclusively from special assessments and revenue debt issued for and serviced by a governmental enterprise.

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. It is the basic unit of service responsibility encompassing a broad mandate of related activities. 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.

ENTERPRISE FUND: A type of fund established for the total costs of those governmental facilities and services which are operated in a manner similar to private enterprise. These programs are entirely or predominantly self-supporting through user charges. The City has the water and sewer utilities funds. May also be referred to as Proprietary Funds.

EDUCATIONAL REVENUE AUGMENTATION FUND (ERAF): County fund used to collect the property taxes that are shifted from cities, the county and special districts prior to their reallocation to K-14 school agencies.

FAIR POLITICAL PRACTICES COMMISSION (FPPC): A bipartisan independent commission whose mission is to promote the integrity of representative state and local government in California through fair, impartial interpretation and enforcement of political campaign, lobbying, and conflict of interest laws.

FISCAL YEAR (FY): A twelve 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 used to record all financial transactions related to the specific purpose for which the fund was created.

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. A City's limit in appropriations growth is based on two factors: Changes in population, and either the change in California per capita income or the change in the local assessment roll due to nonresidential new construction

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.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP): Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA): A professional association of state, provincial, and local finance officers in the United States and Canada whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.

GOVERNMENTAL FUND TYPES: Funds used to account for acquisitions and other uses of balances of expendable financial resources and related current liabilities, except for transactions and accounted for in proprietary and fiduciary funds. Under current GAAP, there are four governmental types: general, special revenue, debt service, and capital projects.

GRANT: Contributions or gifts of cash or other assets from another governmental entity or foundation to be used or expended for a specific purpose, activity, or facility.

INFRASTRUCTURE: The physical assets of the City (e.g., street, water, sewer, public buildings and parks).

INTERFUND TRANSFERS: Moneys transferred from one fund to another, such as from a fund receiving revenue to the fund through which the resources are to be expended.

INTERNAL SERVICE FUND: A fund used to account for the financing of goods or services provided by one department to another department of a government.

INTERNAL TRANSFERS/REIMBURSEMENTS: Appropriations and revenues necessary to move from one budget unit to another (within a department) to properly account for revenues and expenditures. Similar to operating transfers within a department.

INTERNATIONAL CITY MANAGEMENT ASSOCIATION (ICMA): A professional and educational organization for chief appointed managers, administrators, and assistants in cities, towns, countries, and regional entities throughout the world.

LAGUNA TREATMENT PLANT (LTP): The wastewater treatment plant operated by the City of Santa Rosa that treats wastewater from homes, businesses, and industry located within the Santa Rosa Subregional Water Reuse System, which serves the cities of Santa Rosa, Rohnert Park, Sebastopol, and Cotati.

LEAGUE OF CALIFORNIA CITIES (LOCC): An association of California city officials who work together to exchange information and combine resources to influence policy decisions that affect cities in California.

LONG TERM DEBT: Debt with a maturity of more than one year after the date of issuance.

MANDATED PROGRAMS: Mandated programs are those programs and services that the City required to provide by specific state and/or federal law.

MANHOLE: used for access to the sewer pipes for inspection and maintenance, and as a means to vent sewer gases. Pipes conveying sewage from an individual building to a common gravity sewer line are called laterals.

MEASURE G: A temporary one cent sales tax measure passed by Cotati voters in 2014 and is set to expire in 2023.

MEMORANDUM OF UNDERSTANDING (MOU): A document describing an agreement between parties, most often used in the City of Cotati to describe the agreement resulting from labor negotiations between the City and its various bargaining units.

METROPOLITAN TRANSPORTATION COMMISSION (MTC): The transportation planning, coordinating, and financing agency for the nine-county San Francisco Bay Area, including Sonoma County.

MODIFIED ACCRUAL BASIS: The accrual basis of accounting adapted to the government fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond proceeds) are recognized when they become susceptible to accrual, which is when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting.

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 FINANCING SOURCES: Long-term debt proceeds, proceeds from the sale of general fixed assets, and incoming operating transfers from another governmental fund.

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.

PAVEMENT CONDITION INDEX (PCI): A numerical index between 0 and 100 that is used to indicate the condition of a roadway.

PROPRIETARY FUNDS: Revenues from City of Cotati activities that operate as public enterprises, in which revenues are derived from fees charged to users, and programs are largely cost-covering. These funds are also referred to as Enterprise Funds.

PROPERTY TAX: is an ad valorem tax on the value of a property, usually levied on real estate. The tax is levied by the governing authority of the jurisdiction in which the property is located. This can be a national government, a federated state, a county or geographical region or a municipality.

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

MEASURE M (PARKS): A one-eighth cent sales tax that will support Sonoma County's regional and city parks that went into effect April 2019 and will provide dedicated funding for parks for 10 years.

MEASURE M (STREETS): A one-quarter cent sales tax to be used to maintain local streets, fix potholes, accelerate the widening of Highway 101 for High Occupancy Vehicle (HOV) lanes, improve local street operations, restore and enhance transit services, support the development of passenger rail service, and build safe bicycle and pedestrian routes.

MODIFIED ACCRUAL BASIS: The accrual basis of accounting adapted to the government fund-type measurement focus. Under it, revenues and other financial resource increments (e.g., bond proceeds) are recognized when they become susceptible to accrual, which is when they become both "measurable" and "available" to finance expenditures of the current period. All governmental funds, expendable trust funds and agency funds, are accounted for using the modified accrual basis of accounting.

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PROPERTY TAX: is an ad valorem tax on the value of a property, usually levied on real estate. The tax is levied by the governing authority of the jurisdiction in which the

property is located. This can be a national government, a federated state, a county or geographical region or a municipality.

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

PROPOSITION 68: the Parks, Environment, and Water Bond, was on the ballot in California on June 5, 2018 and authorized \$4 billion in general obligation bonds for state and local parks, environmental protection and restoration projects, water infrastructure projects, and flood protection projects.

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

REAL PROPERTY TRANSFER TAX (RPTT): Tax revenues generated by the transfer of ownership of real property. Taxes are charged on the sale price of the property and are paid by the seller, buyer, or both.

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.

REQUEST FOR PROPOSAL (RFP): An invitation for suppliers, often through a bidding process, to submit a proposal for a specific commodity or service.

REVENUES: Income received by the City during the fiscal year. Some examples of revenue include taxes, fees, charges for services, permits, franchises, interest, intergovernmental sources and grants.

SALARIES AND BENEFITS: A budget category which generally accounts for full-time and temporary employees, overtime, and all employee benefits such as medical, dental, and retirement.

SALES TAX: a tax levied on the sale of goods and services that is usually calculated as a percentage of the purchase price and collected by the seller. The current sales tax rate within the City is 9.25%.

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.

SONOMA COUNTY TRANSPORTATION AUTHORITY (SCTA): A group that acts as the county-wide planning and programming agency for transportation related issues, including securing funds, project oversight, and long term planning.

SONOMA MARIN AREA RAIL TRANSIT PROJECT (SMART): A project to install a passenger rail in San Francisco's North Bay, which aims to provide rail service along 70 miles of the Northwestern Pacific Railroad alignment, offering an alternative to driving.

SPECIAL REVENUE FUND: A revenue fund used to account for the proceeds of specific revenue sources (other than special assessments, or for major capital projects) that are legally restricted to expenditures for specified purposes.

STAFF REPORT: A written report prepared by the department heads advising the City Council of the staff's conclusions and recommendations based on review of the reporting criteria.

STORM WATER SYSTEM: Infrastructure designed to drain excess rain and ground water from impervious surfaces such as paved streets, car parks, parking lots, footpaths, sidewalks, and roofs.

STRUCTURAL DEFICIT: The permanent financial gap that results when ongoing revenues do not match or keep pace with ongoing expenditures.

TRAFFIC MITIGATION FEE: A fee for developments to pay for the cost of the improvements to the citywide circulation system which are necessary to accommodate the traffic volumes generated by said new development.

TRANSFERS IN AND TRANSFERS OUT: Movement of revenue out of one fund and into another. The recipient fund uses the money to cover the cost of services provided or to cover the cost of a contract between two funds.

TRANSIENT OCCUPANCY TAX (TOT): A tax imposed on travelers who stay in temporary lodging facilities within the City.

UNFUNDED LIABILITY: future debt or performance obligation that one party owes to another at some future date in time.

UNFUNDED PENSION PLAN (CalPERS): benefits owed to current and future retirees exceed the amount of money the plan has, and is projected to have, to meet the future obligations.

WATER TANK: A container for storing water for the use in many applications including but not limited to; drinking water, irrigation agriculture, fire suppression, agricultural farming, both for plants and livestock.

WAYFINDING: refers to information systems that guide people through a physical environment and enhance their understanding and experience of the space.



APPENDIX A

CITY OF COTATI FINANCIAL POLICIES



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 C

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
POLICY FOR
FINANCIAL PRINCIPLES & POLICIES



CITY OF COTATI

Financial Principles and Policies

**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 | VI. Investment Management Policies |
| II. Annual Operating Budget Policy | VII. Debt Management Policies |
| III. Capital Improvement Policy | VIII. Fund Balances Policies |
| IV. Revenues Policies | IX. Financial Reporting |
| V. Expenditures Policies | 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 Resolution 2008-20 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, projects and program budgets, up to \$25,000.
- b) The City Manager may make budget transfers between departments, funds and projects as long as those changes do not increase overall appropriations within any one given fund. Transfers between funds, overall increases in 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

POLICY FOR GENERAL FUND RESERVE



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:

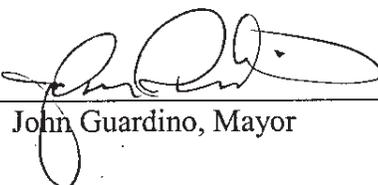
Thirty percent (30%) of the general transactions and use tax.

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.

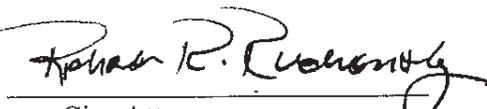
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a regular meeting of the City Council of the City of Cotati held on the 22nd day of July by the following vote, to wit:

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

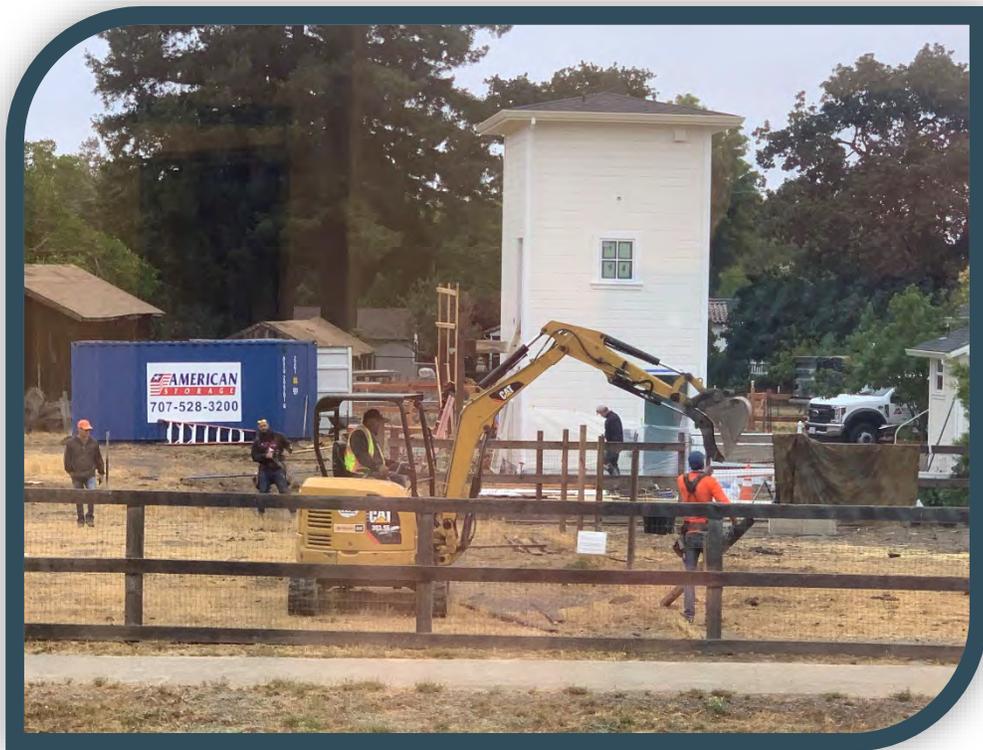
Attest: 
Tamara Taylor, Deputy City Clerk

Approved as to form:


City Attorney

CITY OF COTATI

POLICY FOR INVESTMENTS



City of Cotati

Investment Policy

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 has an equal obligation to be aware of the social and political 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
Bank/Time Deposits	None	5 years	N/A
U.S. Treasuries	None	5 years	N/A
U.S. Agencies	75% (25% for one issuer)	5 years	N/A
Money Market Funds	20% (10% with one mutual fund)	N/A	N/A
Bankers Acceptances	30% (5% with one bank)	180 days	A1/P1
Commercial Paper	25% (5% with one firm)	270 days	A1/P1
Negotiable CDs	30% (5% with one bank)	5 years	A < 1 year
LAIF	Per State Statute	N/A	N/A
CAMP/Caltrust	None	N/A	N/A
CDs Non-Negotiable/ CDARS	30% (5% with one bank)	3 years	N/A
Municipal Obligations	5% with one agency	5 years	A
Medium Term Notes	30%	5 years	A
Supranational	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) U.S. Government Treasury Bills and Notes
- 2) U.S. Government Sponsored Enterprise Debt (GSE's) (known as Agencies)
- 3) 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.
- 4) Bankers Acceptances (BA) – with an A1/P1 rating as provided for by a nationally recognized statistical-rating organization (NRSRO)
- 5) 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.
- 6) State of California Local Agency Investment Fund (LAIF)
- 7) CalTrust / California Asset Management Program (CAMP)
- 8) 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
- 9) 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.
- 10) Medium Term Corporate Notes - Notes issued by corporations organized and operating within the U.S. or by depository institutions licensed by the United States or any state and operating within the U.S. Must be rated “A” or better by a NRSRO.

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.

- 11) 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.

- 12) 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.

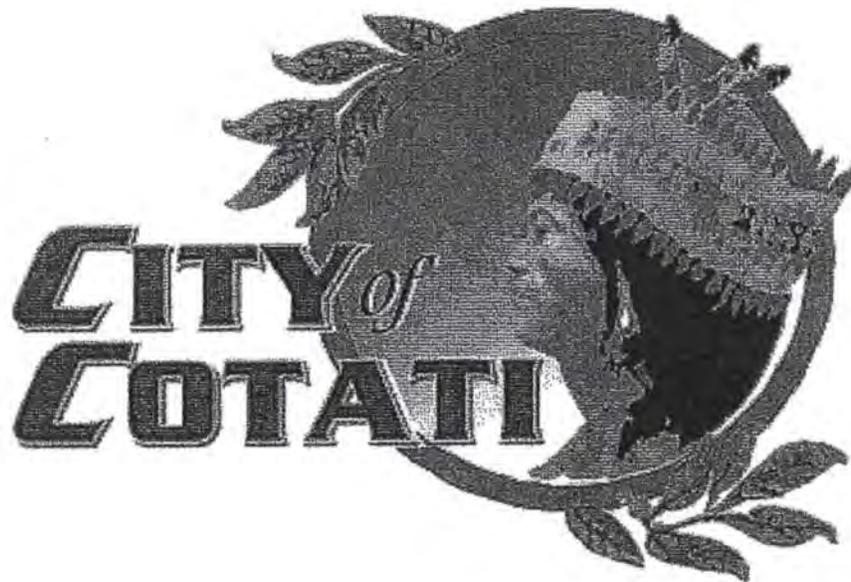
X. POLICY REVIEW

The City's investment policy shall be reviewed at least annually 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.

CITY OF COTATI

POLICY FOR PURCHASING





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.

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: _____

Mayor

Attest: _____

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 23rd, 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 13th, 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 26th, 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"

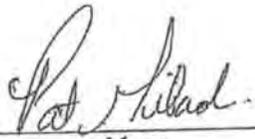
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COTATI DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

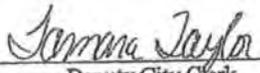
IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a joint meeting of the City Council of the City of Cotati and

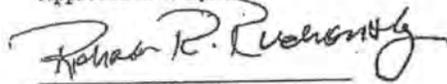
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the Board of Directors of the Cotati Community Redevelopment Agency held on the 24th day of September, 2008, by the following vote, to wit:

GILARDI Yes
GUARDINO Yes
FOX Yes
MINNIS Yes
ORCHARD Yes

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 23rd, 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 13th, 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 26th, 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 Milach*
Mayor

Attest: *Samina Sayin*
Deputy City Clerk



Approved as to form:
Rohan R. Ruchinsky
City Attorney

WAIS Document Retrieval

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

<http://www.leginfo.ca.gov/cgi-bin/waisgate?WAISdocID=1603408890+0+0+0&WAISac...> 04/02/2008

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.

CITY OF COTATI

POLICY FOR CAPITAL ASSETS

**Cotati Water Department
For You 24/7!**

 **24/7 Phone Payments**
Just call 833-282-0825

 **Online Stop Service**
All you need is a stop date and forwarding address at tinyurl.com/Cotati-Water

 **Need a Payment Plan?**
We are here for you.
Apply for a payment plan at tinyurl.com/Cotati-PaymentPlan

 **Online Start Service**
New to Cotati?
Start your service by visiting tinyurl.com/Cotati-WaterStart

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:



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

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

SUPPLEMENTAL STATISTICAL INFORMATION



CITY OF COTATI

PROPERTY TAX STATISTICS



2A Front Elevation
Craftsman



2B Front Elevation
Cottage



2C Front Elevation
Farmhouse

KESSING RANCH

PLAN 2 EXTERIOR ELEVATIONS



A2

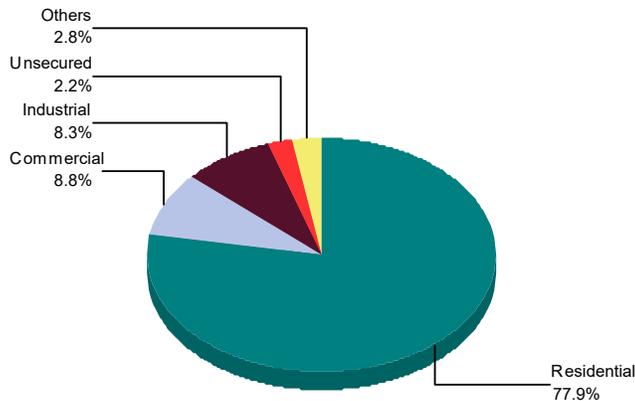
THE CITY OF COTATI

2019/20 USE CATEGORY SUMMARY

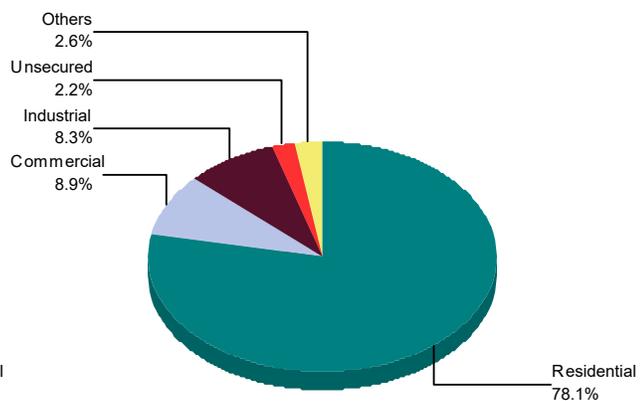
BASIC PROPERTY VALUE TABLE

Category	Parcels	Assessed Value	Net Taxable Value
Residential	2,435	\$946,462,629 (77.9%)	\$935,486,786 (78.1%)
Commercial	81	\$107,298,896 (8.8%)	\$106,286,851 (8.9%)
Industrial	83	\$101,361,990 (8.3%)	\$99,333,894 (8.3%)
Govt. Owned	80	\$0 (0.0%)	\$0 (0.0%)
Institutional	15	\$5,274,542 (0.4%)	\$2,320,009 (0.2%)
Miscellaneous	10	\$745,953 (0.1%)	\$745,453 (0.1%)
Recreational	1	\$3,234,367 (0.3%)	\$3,234,367 (0.3%)
Vacant	77	\$21,507,629 (1.8%)	\$21,367,104 (1.8%)
Cross Reference	[74]	\$2,995,578 (0.2%)	\$2,958,262 (0.2%)
Unsecured	[457]	\$26,817,569 (2.2%)	\$26,672,022 (2.2%)
TOTALS	2,782	\$1,215,699,153	\$1,198,404,748

ASSESSED VALUE

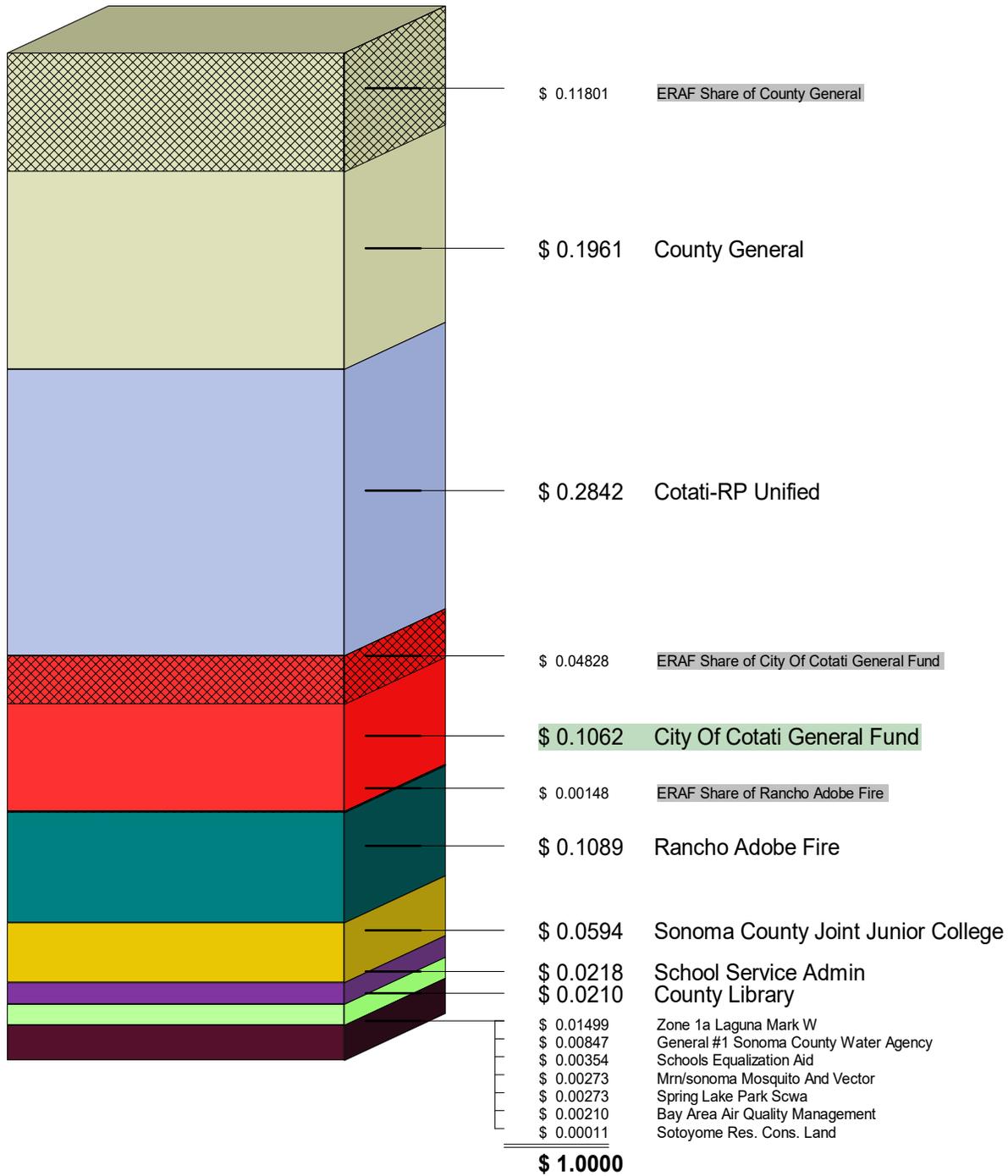


NET TAXABLE VALUE



Data Source: Sonoma County Assessor 2019/20 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

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 2019/20 Annual Tax Increment Tables
 Prepared On 7/29/2020 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

2019/20 ROLL SUMMARY

Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	2,782	0	457
TRAs	14	0	13
Values			
Land	463,132,630	0	361,946
Improvements	721,259,693	0	16
Personal Property	3,796,613	0	17,781,684
Fixtures	692,648	0	8,673,923
Aircraft	0	0	0
Total Value	\$1,188,881,584	\$0	\$26,817,569
Exemptions			
Real Estate	16,922,872	0	307
Personal Property	213,086	0	142,155
Fixtures	12,900	0	3,085
Aircraft	0	0	0
Homeowners*	8,906,800	0	0
Total Exemptions*	\$17,148,858	\$0	\$145,547
Total Net Value	\$1,171,732,726	\$0	\$26,672,022

Combined Values	Total
Total Values	\$1,215,699,153
Total Exemptions	\$17,294,405
Net Total Values	\$1,198,404,748
Net Aircraft Values	\$0

* Note: Homeowner Exemptions are not included in Total Exemptions

Totals do not include Aircraft Values or Exemptions

Data Source: Sonoma County Assessor 2019/20 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

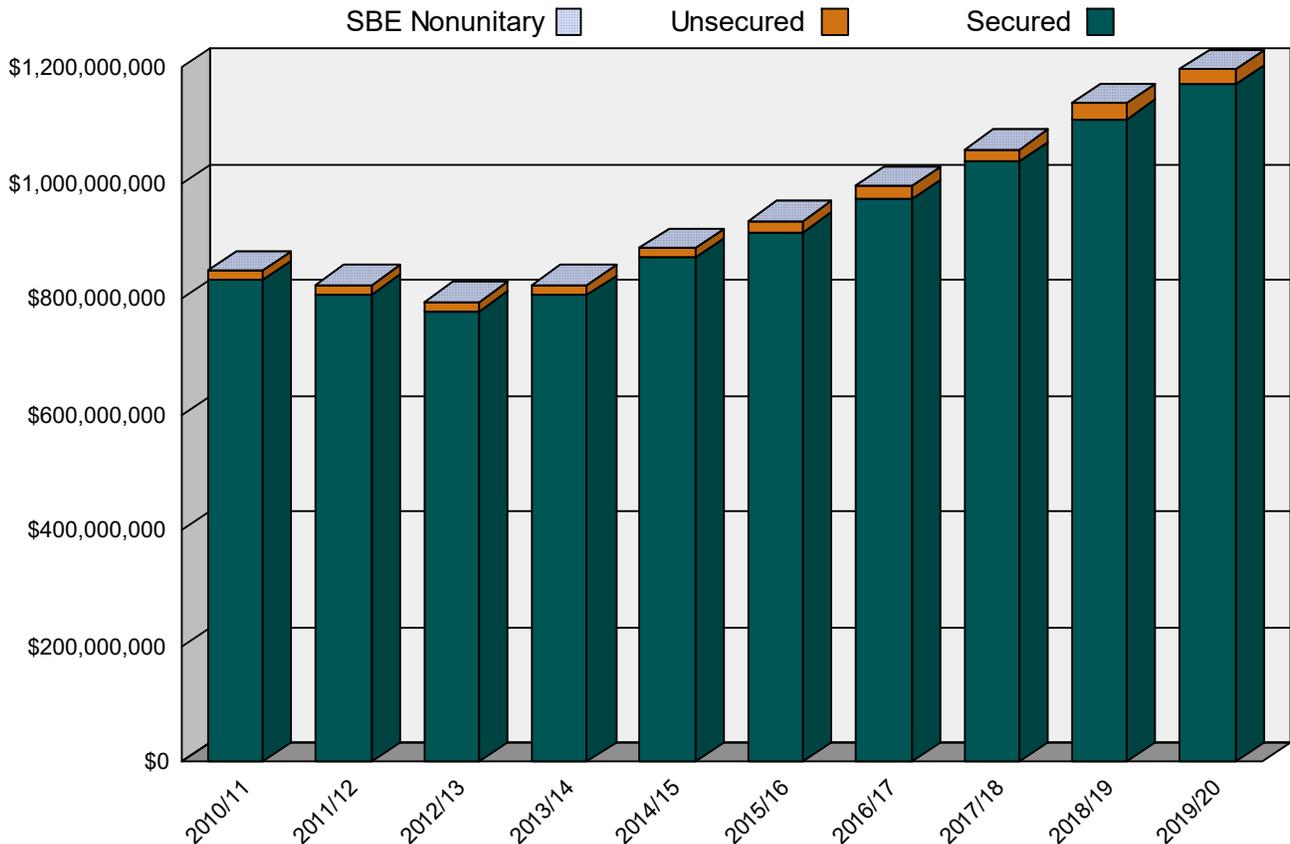
Prepared On 8/5/2020 By MV

THE CITY OF COTATI

NET TAXABLE ASSESSED VALUE HISTORY

2010/11 - 2019/20 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2010/11	\$832,214,435	\$18,050,668	\$0	850,265,103	
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%
2017/18	\$1,038,099,134	\$21,532,517	\$0	1,059,631,651	6.51%
2018/19	\$1,111,279,998	\$26,992,115	\$0	1,138,272,113	7.42%
2019/20	\$1,171,732,726	\$26,672,022	\$0	1,198,404,748	5.28%
Average % Change					4.55%



* Net AV changes less than two percent are in purple font. Negative Net AV percent changes are in red.

Data Source: Sonoma County Assessor 0/ - 2019/20 Combined Tax Rolls

Prepared On 8/5/2020 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

ASSESSED VALUE OF TAXABLE PROPERTY

2010/11 - 2019/20 Taxable Property Values

Category	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Residential	621,648,644	603,464,386	584,373,933	615,360,303	678,311,562	715,961,764	767,060,996	826,433,803	889,070,832	935,486,786
Commercial	101,572,492	99,453,354	89,147,937	88,689,049	87,654,176	90,746,880	94,066,325	95,586,147	103,268,500	106,286,851
Industrial	77,432,405	77,116,354	78,086,904	76,498,597	78,236,635	81,062,360	83,370,408	85,606,861	89,805,232	99,333,894
Govt. Owned		0	0	0	0	0	0	0	0	0
Institutional	1,329,256	1,230,011	1,624,224	1,660,963	1,665,414	1,713,465	1,734,254	1,839,508	2,104,979	2,320,009
Miscellaneous	780,174	786,045	801,764	490,255	539,897	550,450	558,841	570,015	730,838	745,453
Recreational	2,795,116	2,816,162	2,872,484	2,929,933	2,943,234	3,002,039	3,047,819	3,108,774	3,170,949	3,234,367
Vacant	23,963,378	21,320,141	20,285,031	19,793,035	19,926,704	20,298,185	20,714,229	22,084,929	20,156,355	21,367,104
Cross Reference	2,692,970	2,534,230	2,386,253	2,228,089	2,183,346	2,220,244	2,521,139	2,869,097	2,972,313	2,958,262
Unsecured	18,050,668	16,491,973	15,774,279	17,650,144	17,928,404	19,759,670	21,771,776	21,532,517	26,992,115	26,672,022
Exempt	[0]	[0]								
TOTALS	850,265,103	825,212,656	795,352,809	825,300,368	889,389,372	935,315,057	994,845,787	1,059,631,651	1,138,272,113	1,198,404,748
Total Direct Rate	0.51507	0.50517	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073

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.

Data Source: Sonoma County Assessor 2010/11 - 2019/20 Combined Tax Rolls

Prepared On 8/5/2020 By MV

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THE CITY OF COTATI

2019/20 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	
1) LOWES HIW INC	1	\$21,000,000	1.79%	1	\$1,570,370	5.89%	\$22,570,370	1.88%	Commercial Successor Agency
2) SUNHILL ENTERPRISES LP	2	\$8,338,365	0.71%				\$8,338,365	0.70%	Commercial Successor Agency
3) GTY-PACIFIC LEASING LLC	2	\$6,956,218	0.59%				\$6,956,218	0.58%	Commercial Successor Agency
4) SCOTT RAYMOND ET AL	2	\$6,952,700	0.59%				\$6,952,700	0.58%	Residential City of Cotati General Fund
5) ARTHUR L AND DIANE R VOLLERT	1	\$6,896,355	0.59%				\$6,896,355	0.58%	Industrial Successor Agency
6) EMC PROPERTY COMPANY LLC	1	\$5,520,403	0.47%				\$5,520,403	0.46%	Industrial Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	3	\$5,195,046	0.44%				\$5,195,046	0.43%	Residential City of Cotati General Fund
8) COTATI COMMONS MARKETPLACE LLC	4	\$5,077,878	0.43%				\$5,077,878	0.42%	Vacant Successor Agency
9) REDWOOD SELF STORAGE LLC	1	\$5,066,861	0.43%				\$5,066,861	0.42%	Industrial Successor Agency
10) JEFFRY H WEISMAN TRUST ET AL	14	\$4,563,164	0.39%				\$4,563,164	0.38%	Residential Successor Agency
Top Ten Total	31	\$75,566,990	6.44%	1	\$1,570,370	5.89%	\$77,137,360	6.43%	
City Total		\$1,172,578,427			\$26,672,022		\$1,199,250,449*		

**Value includes Outer TRAs*

Top Owners last edited on 8/3/20 by MaheaV using sales through 06/30/20 (Version R.1)

Data Source: Sonoma County Assessor 2019/20 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 8/5/2020 By MV

THE CITY OF COTATI

2010/11 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	
1) LOWES HIW INC	1	\$25,599,682	3.07%				\$25,599,682	3.01%	Commercial Successor Agency
2) RANCHO COTATI LLC	2	\$7,129,979	0.86%				\$7,129,979	0.84%	Commercial Successor Agency
3) CORINNA C NEVE	3	\$6,025,000	0.72%				\$6,025,000	0.71%	Industrial Successor Agency
4) COLVIN GROUP FUND LP	19	\$5,530,425	0.66%				\$5,530,425	0.65%	Industrial Successor Agency
5) NEWMAN DEV GROUP OF COTATI LLC	4	\$5,294,617	0.64%				\$5,294,617	0.62%	Vacant Successor Agency
6) SCOTT P WILSON TRUST ET AL	1	\$4,805,405	0.58%				\$4,805,405	0.56%	Commercial Successor Agency
7) VINEYARD MEADOWS APARTMENTS LP	3	\$4,492,409	0.54%				\$4,492,409	0.53%	Residential City of Cotati General Fund
8) MILAN MILTON HOLDORF TRUST	1	\$4,471,168	0.54%				\$4,471,168	0.53%	Industrial Successor Agency
9) MICHAEL A AND CHARLEEN L KENNEY	1	\$4,113,818	0.49%				\$4,113,818	0.48%	Industrial Successor Agency
10) OLIVERS BUSINESS PROPERTIES LLC	2	\$4,025,646	0.48%				\$4,025,646	0.47%	Vacant City of Cotati General Fund
Top Ten Total	37	\$71,488,149	8.58%	0	\$0	0.00%	\$71,488,149	8.40%	
City Total		\$833,168,157			\$18,050,668		\$851,218,825*		

*Value includes Outer TRAs

Top Owners last edited on 7/25/17 by MaheaV using sales through 06/30/11 (Version R.1)

Data Source: Sonoma County Assessor 2010/11 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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Prepared On 8/5/2020 By MV

THE CITY OF COTATI

DIRECT & OVERLAPPING PROPERTY TAX RATES

(RATE PER \$100 OF TAXABLE VALUE)

Last 10 Fiscal Years										
Agency	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Cotati-Rohnert Park Unified	0.10500	0.10000	0.10000	0.10000	0.16400	0.15100	0.13900	0.16700	0.16500	0.16400
Sonoma County Junior College	0.02500	0.02100	0.02100	0.02100	0.01800	0.01600	0.04000	0.03700	0.03600	0.03700
West Sonoma Russian River Project	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700	0.00700
Total Direct & Overlapping² Tax Rates	1.13700	1.12800	1.12800	1.12800	1.18900	1.17400	1.18600	1.21100	1.20800	1.20800
City's Share of 1% Levy Per Prop 13³	0.10674	0.10704	0.10694	0.10694	0.10694	0.10661	0.10651	0.10637	0.10624	0.10616
Voter Approved City Debt Rate										
Redevelopment Rate⁴	1.00700	1.00700								
Total Direct Rate⁵	0.51507	0.50517	0.50068	0.10153	0.10157	0.10129	0.10117	0.10104	0.10092	0.10073

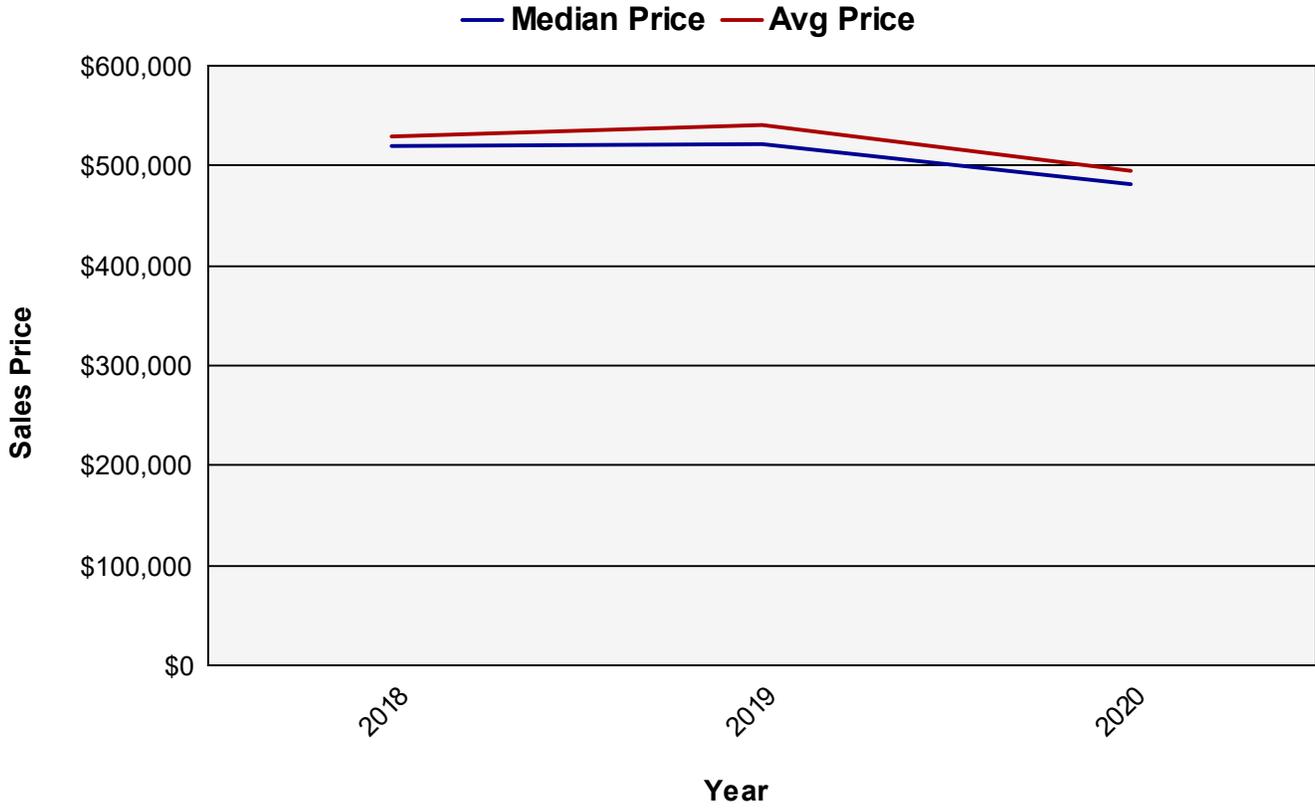
Notes:
¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.
³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's Levy has been subtracted where known.
⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.
⁵Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

THE CITY OF COTATI

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2018 - 6/30/2020)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2018	109	\$528,720	\$520,000	
2019	104	\$541,413	\$521,250	0.24%
2020	34	\$494,574	\$482,500	-7.43%



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

Data Source: Sonoma County Recorder

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Prepared On 8/5/2020 By MV

CITY OF COTATI

SALES TAX STATISTICS



CITY OF COTATI
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2019-20

Business Name	Business Category
76/Circle K	Service Stations
Amerigas Propane	Fuel/Ice Dealers
Calmat Co	Contractors
Chevron	Service Stations
Cotati Chevron	Service Stations
Cotati Gas Mart	Service Stations
Door Tech	Building Materials
Growbiz	Garden/Agricultural Supplies
Instrument Technology	Electrical Equipment
Lowes	Building Materials
Marvins	Casual Dining
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Cannabis Related
Mi Pueblo	Casual Dining
Mi Ranchito Restaurant	Casual Dining
North Bay Motors	Used Automotive Dealers
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering	Leisure/Entertainment
Redwood Reliance Sales	Trailers/Auto Parts
Santa Rosa Hardware	Building Materials
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 = 81.66%

* Firms Listed Alphabetically
 Period: July 2019 Thru March 2020

Printed 07/02/2020

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

CITY OF COTATI
TOP 25 SALES TAX PRODUCERS
FOR FISCAL YEAR 2010-11

Business Name	Business Category
Archs Glass	Paint/Glass/Wallpaper
Chevron	Service Stations
Chouinard & Myhre	Business Services
Circle K 76	Service Stations
Cotati Gas & Food Mart	Service Stations
Cotati Market	Convenience Stores/Liquor
Cotati Yacht Club	Casual Dining
Dunn Edwards Paint	Paint/Glass/Wallpaper
Elite Hydro Garden Supplies	Garden/Agricultural Supplies
Gilmore Chevron	Service Stations
Instrument Technology	Electrical Equipment
Lowes	Building Materials
McLea's Tire Service	Automotive Supply Stores
McPhail Fuel	Fuel/Ice Dealers
Mercy Wellness Center	Cannabis Related
Michaels Harley Davidson	Boats/Motorcycles
North Light Books Cafe	Stationery/Book Stores
Olivers Market	Grocery Stores
Outdoor Pro Shop	Sporting Goods/Bike Stores
Park Avenue Catering	Leisure/Entertainment
Shamrock Materials	Contractors
Sillada Valero	Service Stations
Spa World	Specialty Stores
USA Gas	Service Stations
Walgreens	Drug Stores

Percent of Fiscal Year Total Paid By Top 25 Accounts = 82.17%

* Firms Listed Alphabetically
 Period: July 2010 Thru March 2011

Printed 07/02/2020

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, The HdL Companies

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Eating and Drinking Places	\$ 9,083	\$ 9,179	\$ 11,387	\$ 11,698	\$ 11,591	\$ 12,949	\$ 16,793	\$ 18,643	\$ 19,703	\$ 18,423
Auto Dealers and Supplies	1,600	1,740	2,196	2,431	3,463	3,930	3,182	2,238	5,339	6,196
Service Stations	26,305	32,347	36,079	37,717	36,400	29,611	28,636	32,560	38,577	37,599
Other Retail Stores	77,825	81,967	81,774	87,801	94,225	98,549	105,443	117,243	122,251	126,776
All Other Outlets	33,686	39,555	37,743	46,405	48,359	46,883	47,637	51,124	53,839	56,633
Total	\$ 148,499	\$ 164,789	\$ 169,179	\$ 186,051	\$ 194,037	\$ 191,922	\$ 201,691	\$ 221,807	\$ 239,711	\$ 245,627

Sources: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, 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.

CITY OF COTATI

DEMOGRAPHIC & ECONOMIC STATISTICS

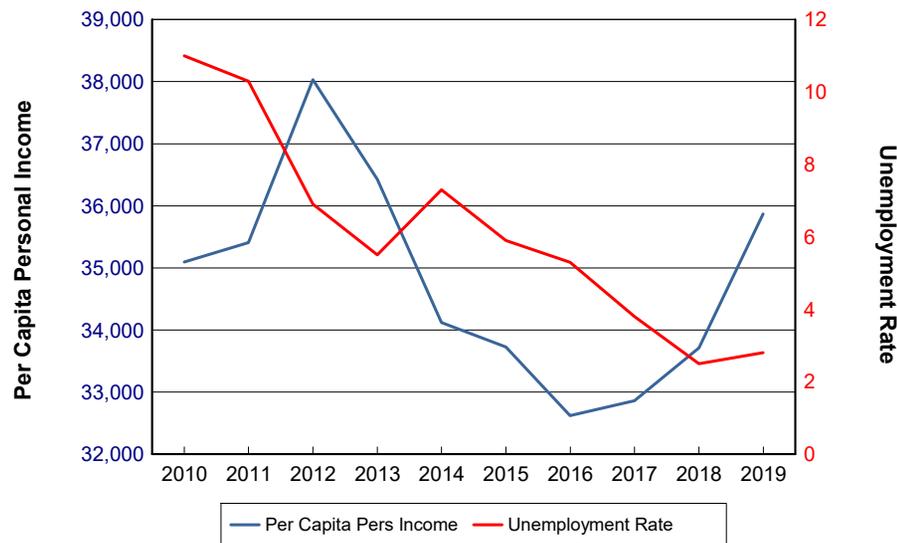


THE CITY OF COTATI

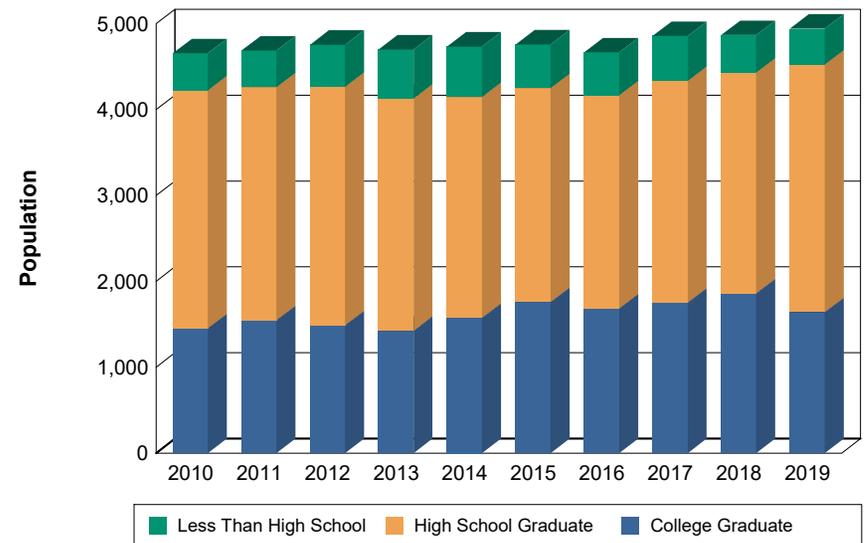
DEMOGRAPHIC AND ECONOMIC STATISTICS

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
2010	7,476	\$262,355	\$35,093	11.0%	34.6	90.7%	31.2%
2011	7,276	\$257,614	\$35,406	10.3%	36.5	90.9%	33.0%
2012	7,310	\$278,021	\$38,033	6.9%	36.2	89.7%	31.3%
2013	7,288	\$265,458	\$36,424	5.5%	35.1	87.8%	30.3%
2014	7,302	\$249,130	\$34,118	7.3%	36.0	87.6%	33.3%
2015	7,153	\$241,231	\$33,724	5.9%	36.1	89.3%	37.0%
2016	7,272	\$237,228	\$32,622	5.3%	34.2	89.3%	36.1%
2017	7,716	\$253,562	\$32,861	3.8%	36.4	89.2%	36.1%
2018	7,919	\$266,954	\$33,710	2.5%	35.8	91.0%	38.2%
2019	7,533	\$270,187	\$35,867	2.8%	37.2	91.5%	33.2%

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